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*Component I: Support to economic development along trade corridors linking countries of Central Asia, South Caucasus and Western CIS with key markets for their products.*

*Component I* will build on the activities started under Component II of Phase I, i.e., continue in Semey region in Kazakhstan, Batken region in Kyrgyzstan, and Sughd region in Tajikistan and start new activities in the Fergana valley in Uzbekistan, Tavush region in Armenia, and Adjara region in Georgia.

Activities in Kazakhstan, Kyrgyzstan and Tajikistan (i.e., the countries where the Phase I of the project was implemented) will extend the work done under Phase I of the project. They will be closely linked to the work done before, and thus will differ from country to country. The activities by country are described below:

#### Kazakhstan (Semey)

As part of an effort to guarantee increased sustainability of the project and its activities, it was decided to continue with some of the activities that are being implemented in the Phase I of the project. Especially the activities on capacity development which are currently focused on public employees (civil servants) and entrepreneurs would need a longer period to reach sustainable results. In addition, it is intended that all activities align with the current government of Kazakhstan's 'Development Strategy 2020', especially when it comes to 'strengthening capacities of SMEs, promoting the business environment, establishment of the institutional setting to stimulate the private sector and export related promotion measures'. The main activities proposed are described below.

#### Activity 1: Development of trade related capacities, including

1.1: Development of a baseline survey and analytical study on the potential of different sectors of the economy and their respective potential to increase trade and exports. This survey/study will provide the current situation in these sectors and will be used to identify the opportunities and threats as well as a measurement tool to evaluate the impact of the project. The study will feed into the other activities that are explained below.

1.2: Provision of comprehensive trainings to local micro, small and medium sized entrepreneurs to enhance their trading capacities through a multiplier agent (i.e. Trade Promotion Centre) that provides targeted trainings to the beneficiaries with a specific focus on women entrepreneurs. This activity will also pay particular attention to the needs of small farmers and rural entrepreneurs through specialized trainings;

1.3: Provision of comprehensive trainings to local public administration officials (e.g. rural authorities, local authorities involved in trade promotion and economic activities) on the benefits of mainstreaming trade in local development strategies as well as strengthening their capacity to support trade related activities of local entrepreneurs;

#### Activity 2: Small grants component

2.1: The overall objective of the Small Capital Grant Fund is to address the needs of the beneficiaries to strengthen their trade development. As a first step inclusive projects will be selected that show a strong growth potential, particularly focusing on the self-employed population.

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2.2: The grant (up to 5.000 USD) would target project beneficiaries (farmers, farmers associations, micro and small entrepreneurs) who show strong growth potential. The beneficiaries would be enabled to move from (informal) self-employment to establishing their private business. The grants will be linked closely to the capacity development activities – to maximize their development impact. Transparency will be ensured by establishment of a Grant Appraisal Committee comprised of representatives of local government and local community and business representatives.

2.3: Close monitoring is an important and integral part of the implementation of this activity. In addition the selected projects will be subjected to an impact assessment to show the (medium to long term) impact.

### Activity 3: Domestic trade models

3.1: The aim of this activity is to support the development of domestic trade models. At present, there is no regulation in place that regulates the domestic trade relations. The Ministry of Economic Development and Trade is responsible for development of such legislation and will need support to develop this. The project will provide advisory support to the Ministry to develop the legislation needed for implementing the trade models.

3.2: Workshops will be organized to discuss these models and their applicability and working in the country.

Gender will be mainstreamed throughout all activities

### Kyrgyzstan (Batken)

In order to further enhance currently implemented activities and increase sustainability of the activities undertaken Phase II in Kyrgyzstan will undertake the following activities:

#### Activity 1: Capacity building of target beneficiaries on trade mainstreaming

A comprehensive training package will be developed and organised based on assessments undertaken for the identification of the different needs of the business community. Trainings will mainly cover strategic business planning, marketing, branding, diversification of products, institutional development, innovative technologies of production, standards and others. Participants will be representatives of farmers, farmers' associations and service organization, business associations, local self-governments, state departmental agencies, responsible for quality standard control, licensing, certification etc. Due to geographic location and border with Tajikistan, Batken has close trade relations with Tajikistan. Therefore, it is planned to conduct a series of roundtables including with stakeholders from Tajikistan for develop cross/along the border trade and overcoming of barriers.

Trainings will also be provided to target capacities to implement the Trade Development Strategy developed under Phase I. As the usage of needs assessments have shown so successful, they will be used to determine needs and eventual gaps to be filled.

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## Activity 2: Capacity building of the Batken Market Information and Marketing Center

The further development of the Batken information and marketing center (BIMC) envisages the expansion of the market information database on prices, products and equipment, services, producers and consumers of agricultural products, means of production etc. to ensure wide dissemination of this information. The consumers of the information will be rural producers (farmers), private entrepreneurs, wholesale buyers, processing companies, business associations, cooperative, service and consulting organizations. Work on gathering, analysis and dissemination of information done by the center's employees will be partially paid by the project. During the last year of project implementation, the center is expected to be sustainable and profitable.

During the 2<sup>nd</sup> phase of the project the collaboration of the BIMC with information and marketing systems in Bishkek, Osh and Khujand, various national business associations and enterprises will be expanded and enhanced. Specialists of the center will systematically meet with potential consumers of information (farmers, suppliers, processing organizations, buyers etc.), identify needs in information, participate in different forums, exhibitions, seminars, and advertise activity of the center and its information website.

Furthermore, one of the center's services alongside broker services will be the assistance to wholesale vendors and entrepreneurs in processing necessary documents for export.

Strong business connections between Kyrgyz producers and foreign processing companies including those in Tajikistan for supply of quality products (fresh and dried vegetables and fruits) on mutually beneficial terms will be established through BIMC.

## Activity 3: Capacity building of pilot farmers cooperatives on expansion of trade opportunities

The capacities of four farmers' associations/cooperatives will be enhanced. Opportunities for trade development and promotion of products will be made possible. Members of target organizations will receive assistance of local experts in conducting business analysis, market review and research, production of quality products, advancement of products (packaging, labelling, branding etc.), development of business and marketing plans. The beneficiaries will receive assistance of local experts in conduction business analysis, market reviews and research, production of quality products, advancement of products (packaging, labeling, branding etc.) and the development of business and marketing plans.

The members of the associations/cooperatives will participate in a series of trainings and seminars on standardization of products and food safety, quality management, analysis and development of market, competitiveness analysis, price formation, packaging and labelling, branding, supply chain, logistics, insurance, conclusion of contracts etc. Study tours will be organized to learn best practices of the leading processing and trade-purchasing enterprises.

Farmers' initiatives on establishment of processing lines (cleaning, packaging, labelling, drying etc.) and storage of export products will be supported through pilot associations/cooperatives. Technical capacities will be enhanced through small capital grants funds under which they will be able to develop business plans and purchase necessary equipment.

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In addition, the possibility of implementing the concept of cooperative kitchens is currently evaluated.

Both environmental protection and gender will be mainstreamed throughout all activities.

### Tajikistan (Sughd)

Activities under Phase II are a logical continuation of the work undertaken under phase I of the AfT project and will incorporate the best practices and lessons learned under phase I. Phase II will focus on the Trade Promotion Center and the Regional Trade Strategy of the Sughd region. Funds provided to Sughd Microfin are revolving funds and it is expected that they will be re-invested with the same criteria and concept (larger loans). The AfT Coordinator will continue to monitor the progress under phase II in order to evaluate the long-term success of the initiative.

#### Activity 1: Support to establishing export capability and mentoring programme

Under phase I, the TPC was established and a first cycle of trainings provided to TPC staff. After the establishment of the center as legal entity, it is proposed under phase II to strengthen the strategic outlook and sustainability of the TPC. A detailed programme of action and trainings will be developed on the basis of 'how to workshops'. The trainings will be developed with the aim of meeting the needs of entrepreneurs in the region, as well as establishing the TPC as the market leader in providing export related trainings and advisory services. At the end phase I and the beginning of phase II, it is also planned to formalise the legal status of the center. In order to maximize impact, and ensure local ownership, representatives of the different involved stakeholders such as the Chamber of Commerce, AESR, center staff, local governance structures and other involved organizations will form a formal body with advisory and supervisory functions. It will be exclusively dedicated to the Trade Promotion Center. This is to ensure that the Trade Promotion Center remains independent and can service the needs of a wider client range. This will also contribute to the harmonization of export related activities in the region.

#### Activity 2: Enhancing the participation of involved stakeholders in the formulation of the *Trade Development Strategy* and export related policy improvement.

As per local legislation, the proposals for changing any local policies or elaboration of any strategies could be initiated by various associations as well as public, unions, groups of people, CSOs, and etc. UNDP principles are to facilitate and support the processes when all stakeholders could express own visions/opinions and make decisions on participatory approach. Focal points from the government and private sectors will be appointed to lead this process and promote an ownership. A Working group will be established since the elaboration of such an important document requires participation of local experts from other state and non-state structures. Since the Ministry of Economic Development and Trade (MEDT) is the focal point at national level, appropriate methodologies and experts will be used and engaged from this ministry.

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Phase II will also support the creation of synergies between different projects working in the area of trade development. Furthermore, UNDP BRC will endeavour to provide expert advice for the elaboration of the Regional Trade Strategy. Gender will be mainstreamed throughout all activities

Detail workplans for the implementation of Component I in Kazakhstan, Kyrgyzstan and Tajikistan (continuation of Phase I) are presented in Annex 2.

In Armenia and Georgia, the project will focus on the development of trade capacities on the local level and will include the following activities:

Activity 1: Capacity building on trade mainstreaming<sup>28</sup> targeted at local public authorities, and support to set up alliances with business associations for export promotion.

The focus of this activity is on increasing understanding of barriers faced by small and micro businesses and creating a general environment conducive to the development of SMEs. To this end, international practices will be explored; workshops, roundtables and other debate in regions will be organized to promote wide sharing of such practices in selected regions.

Activity 2: Establishing/strengthening market information centers and trade support institutions in identified regions (if possible within existing local government bodies or donor supported business advisory services) to provide customized services,

This will include: (a) advisory services to local producers and farmers' cooperatives to think beyond existing value chains and their current retail channels (i.e. communication and marketing strategies, business plan, sale support, identification of partners); (b) distribution of market information (e.g. information on highly profitable products, etc.) and selected training about the market, information about the most demanded products, required product quality standards, and grade systems, providing communication services marketing strategies, building marketing and export skills, providing, etc. sales support, establishing links with national and international trading partners; (c) provision of trainings for local businesses and cooperatives (i.e., improving negotiation skills, knowledge of international standards, quality standards, etc.); (d) facilitation of people-to-people (or business-to-business) contacts, to strengthen trade and partnerships between local SMEs and bigger national and international companies, through the organization of specific events for products/services for which trade corridors provide opportunity to explore their full trade potential.

Activity 3: Capacity building of local businesses and farmers in trade related issues, including quality assurance, marketing and branding to help them modify their trade and export approach.

A group of small and micro enterprises will be selected for trainings, coaching and further consultations. Effective farming methods in agriculture will be promoted and supported through the deployment of agricultural extension services to small farmers. This will include technical assistance to farmers/business associations and delivery of extension services to farmers through

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<sup>28</sup> Mainstreaming trade policies in national development strategies involves the systematic promotion of mutually reinforcing policy actions across government departments and agencies, creating synergies in support of agreed development goals. Mainstreaming trade in local institutions involves the promotion of mutually reinforcing private sector development and export promotion support measures across different departments.

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standards trainings and individual consultations, the development of demonstration plots and elaborating business plans jointly with farmers, support in marketing.

Training topics will focus on management and economic issues related to trade (special attention will be devoted to gender aspects of management and economy/trade). Special attention will be devoted to training needs of women living in rural areas and socially excluded groups of population including people with disabilities and ethnic minorities).

In Uzbekistan, the project will cooperate with UNDP/EU Enhancing Leaving Standards (ELS) project.<sup>29</sup> The proposed activities include:

Activity 1: Assessment of capacities of manufacturers and exporters to engage in trade, upgrade their production and adopt higher standards and organization of round table discussions with the representatives of regional authorities (Hokimiyats), Ministry of Foreign Economic Relations and Investment and its regional Department(s), Chamber of Commerce and Industry regional branch(s), farmers' association, private sector representatives and other stakeholders to identify products and sectors which have sufficient volumes and also offer highest prices in other markets, and also identify issues and challenges which limit exports of local manufacturers.

Activity 2: Trainings and support in certification, quality control (including raw material and final products check-ups with the aim to promote dissemination of information on manufacturing standards and export requirements among local food producers and will facilitate knowledge sharing and adoption of modern management and technologies.

Activity 3: Establishing food processing facility and providing necessary machinery and quality control equipment (including raw material and final products check-ups).

This facility will promote wide dissemination of information on manufacturing standards and export requirements among local food producers and comprises training of trainers and demonstration methods on export quality specifics and modern technologies.

Activity 4: Codifying experience (writing case studies) of successfully implemented activities to replicate best practices in other regions of the country.

For Armenia, Georgia, and Uzbekistan detailed workplans by country (agreed with national partners) as well as topics and curricula of the trainings will be presented to the Steering Committee for approval in the first quarters of project implementation (i.e., before implementation of the components start).

*Component II: Trade development: Technical assistance for a better use of trade opportunities.*

*Component II* will focus on strengthening trade capacities in three countries: Ukraine, Belarus, Moldova and Turkmenistan. Project activities by county are characterized below;

In Ukraine, the project will focus on the following activities:

Activity 1: Technical support to the government for the elaboration of the “*National Strategy for Export Development*”, focusing on international trade agreements (including free trade agreement (FTA) with the EU), foreign trade logistics, information on foreign markets, gathering and granting

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<sup>29</sup> <http://www.els.uz>

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access to trade information, the role of foreign trade missions, export guarantees, export financing, state support for trade related events (missions, exhibitions, promotion materials) and special economic zones and their export orientation; and the law regarding financial support for exports.

Activity 2: Technical assistance for export through

- a) training of local and regional administration, business associations and media on the role of the local administration in providing export oriented information and training (trainings can lead to the development of local action plans aimed at raising local export capacity) and;
- b) training of consultancy companies and law firms in widening their capacity in doing business with other countries.

In Belarus, the project will focus on the following activities:

Activity 1: Establishing an electronic trading facility (ETF) for the support promotion of Belarusian light industry products on international markets.

Activity 2: Connecting small and medium-sized enterprises to the ETF, including capacity and technical assessment, evaluation of SME readiness for electronic trade (particularly in the regions and small cities), support to web-site development, training and professional upgrading of staff.

Activity 3: Capacity development of export and marketing departments of selected enterprises active in international markets, including through the implementation of needs assessments for training and consultations; designing training modules based on the findings of the assessment (e.g. business planning for trade activities; export market entry strategies; export market analyses; export products development and marketing channels; marketing in foreign trade; negotiations skills in trading); organisation of small group and workplace training events, and conducting marketing project contests.

In Moldova the project will focus on:

Activity 1: Strengthening the capacity of the targeted SME support institutions to provide business advisory services through the organization of sector-specific training activities;

Activity 2: Developing the capacity of selected SMEs on the relevant *acquis communautaire* and business-oriented topics in selected priority sectors (where such capacity are currently lacking or which have not fully tapped in export market opportunities) in order to increase their knowledge on the opportunities prevailing within existing trade preferences with the EU, expand their level of competitiveness vis-à-vis the European market and make them reliable partners (this will be achieved through targeted trade development support, the establishment of effective networking mechanisms and the development of capacity-building activities).

In Turkmenistan, the project will provide support to the development of an analytical study on institutional trade capacity with the aim to identify gaps and strengthen capacities of existing trade-related institutions to analyse and formulate development-oriented trade policies to capture greater benefits from an open and integrated trade regime and participate in the regional and global trade agreements. The specific objective

of this intervention is to support Turkmen institutions to map their capacity assets and needs in relation to trade policy analysis and formulation as well as to interpret, implement and negotiate trade agreements. This study is expected to initiate a process of wider capacity building effort of trade related institutions.

Detailed list of actions within this project component includes:

1. Inception: (a) Drafting terms of reference and selection of national teams of experts; (b) Setting the framework (establishing national context, informing key stakeholders, i.e., relevant policy makers, UNDP offices, key donors present in particular countries, national think tanks, private sector and academia about planned activities, etc.).
2. Development of the analysis: (a) Desk survey; (b) Background studies and data collection; (c) Consultations with experts policy makers and key stakeholders; (d) Drafting the study.
3. Organization of national consultations, validation and national awareness rising: (a) National meeting (round table) with national and international experts, national policy makers and other stakeholders (presentation and discussion of the draft of the study); (b) Incorporation of the comments received into the draft.
4. Publishing the study: Editing and publishing (in English and national languages).

Component III: *Understanding informalities and overcoming informal trade barriers faced by small enterprises and micro businesses, especially women entrepreneurs.*

Activities within this component will include:

Activity 1: Development of country studies on trade informalities and informal barriers to trade in

- a) Azerbaijan (trade end environment)
- b) Kyrgyzstan (impact of trade liberalization on gender inequality),
- c) Georgia (informal barriers to trade), and
- d) Moldova (informal trade in Transnistria).

Detailed list of steps/actions to be implemented in each country includes:

- (a) Inception: Drafting terms of reference and selection of national teams of experts; setting the framework (establishing national context, informing key stakeholders, i.e., relevant policy makers, UNDP offices, key donors present in particular countries, national think tanks, private sector and academia about planned activities, etc.).
- (b) Development of the analysis: Desk survey; background studies and data collection; (c) consultations with experts, policy makers and key stakeholders; drafting the study.
- (c) Organization of national consultations, validation and national awareness rising: National meeting (round table) with national and international experts, national policy makers and other stakeholders (presentation and discussion of the draft of the study); incorporation of the comments received into the draft.
- (d) Presentation and discussion on Regional Conference in Finland.
- (e) Editing and publishing (in English and national languages).

Activity 2: Regional Conference in Helsinki on policies to address trade informalities and entrepreneurial challenges in micro businesses and small firms, as well as the impact of trade on local development, gender inequality and environment (including meetings with leading enterprises).

Component IV: *Creating opportunities for small enterprises and micro-businesses to benefit from trade.*



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Project activities within Component IV will include:

Activity 1: Support to the fair trade initiative in Uzbekistan, including the selection of and training for farmers and/or farmer associations to grow organic and fairly traded (certified) agricultural products (providing an opportunity to farmers in Uzbekistan to access international fairtrade markets to help increase revenues and living standards).

Activity 2: Organization of a study tour for participants from Central Asia, Caucasus and Western CIS to western China to learn from Chinese business solutions with special reference to tools for improved market access for small and micro businesses.

Activities of the project will be implemented in years 2011-2013. Time schedule of implementation of project activities in different countries is presented in Section 3.5.

### 3.5 Geographical coverage and implementation time schedule

The activities of the project will be implemented in 3 years (36 months). The project will be implemented in 11 countries. Timing of implementation of national components will differ from country to country. In some countries (Kazakhstan, Kyrgyzstan, and Tajikistan) activities conducted in the Phase I of the project implementation will be continued in the subsequent period. In other countries (Georgia, Armenia, Ukraine, Uzbekistan) activities of the present project will be integrated with existing UNDP projects, which will allow almost immediate commencement of activities. In the other countries (Belarus) the project will have to be registered by the government, which may take several months. The UNDP Regional centre will coordinate implementation of national and regional activities during whole 36 months period. The time table of project implementation by country is presented in Table 3.1.

Table 3.1 Timetable of project implementation by country

Country	Project component	Comments	TIME FRAME (quarters of project implementation)												
			1	2	3	4	5	6	7	8	9	10	11	12	
Armenia	I	National component													
Azerbaijan	III	Country study													
Belarus	II	National component													
Georgia	I	National component													
	III	Country study													
Moldova	II	National component													
	III	Country study													
Kazakhstan	I	National component													
Kyrgyzstan	I	National component													
	III	Country study													
Tajikistan	I	National component													
Turkmenistan	II	Country study													
Ukraine	II	National component													
Uzbekistan	I	National component													
	IV	Support to fair trade													
UNDP Bratislava Regional Centre	I,II, III, IV	Coordination of the project implementation													
	III	Regional activity (Preparation to regional conference)													
	IV	Regional activity (a study tour)													

### 3.6 Synergies between project components

The purpose of the project is to foster inclusive economic growth through the promotion of trade and the enhancement of country's competitiveness. This overall objective will be achieved by the implementation of four project components focusing on slightly different but complementary issues, all related to the support of the development of trade related capacities on local (Component I) and national (Component II) levels. Projects components will be implemented in parallel in neighbouring countries (Armenia and Georgia in South Caucasus and Tajikistan, Kyrgyzstan, Kazakhstan and Uzbekistan in Central Asia). Similar activities implemented in the same period will allow exchange of knowledge and experience. Implementation of Component I will also benefit from the experience gained during implementation of Phase I of the project.

The purpose of Component III (*Understanding informalities and overcoming informal trade barriers faced by small enterprises and micro businesses, especially women entrepreneurs*) is to increase knowledge and understanding of national and sub-regional AfT issues important for small entrepreneurs and micro businesses operating in local areas, including shadow economic activities, informal cross border trade, impact of trade on gender inequality and environment. It is expected that analytical studies developed

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within this component will provide background for regional debate, which will contribute to the capacity development of policy makers and project staff, in all the countries of project implementation (i.e., will support implementation of Components I and II, and facilitate exchange of knowledge and experience).

Similarly, Component IV aiming to facilitate transfer of best practices in developing trade and production capacities of small enterprises and micro-businesses will support implementation of project Components I and II, providing trade policy makers in target countries with the possibility to learn from the experience of more advanced countries and regions. It will also facilitate exchange of knowledge and experience between project staff and policy makers in the region.

### 3.7 Partnership Strategy

BRC and the national teams in the countries covered by the project will liaise closely with institutions in the beneficiary countries (national and local administrations) and with international organizations such as UNECE, UNESCAP, ITC, EBRD, the Asian Development Bank (ADB), Islamic Development Bank (IDB), as well as with other key partners such as the European Union, bi-laterals working in the region (e.g. USAID, GTZ) and with regional coordination bodies such as SPECA and CAREC. Further support will be provided by the Geneva Trade and Human Development Unit, especially in relation to UN coordination within the UN CEB Trade and Productive Capacity Cluster. To ensure coordination with the activities of other donors and implementing organizations members of UN CEB Trade and Productive Capacity Cluster will be regularly informed and updated about the activities undertaken within the project.

All national activities will be implemented in close cooperation with UNDP country offices, and UN Country Teams. The implementation of Component I will be specifically designed to complement existing private sector development projects to maximize synergies, sustainability and development results. Cooperation with environmental and energy efficiency projects is also envisaged, especially within the Poverty and Environment initiative launched by UNEP and UNDP in Central Asia and currently implemented in Kyrgyzstan and Tajikistan. Close ties will be established with the UNDP-supported Growing Inclusive Market initiative<sup>30</sup>. Finally, the project will establish links with trade support organizations based in Finland, including Finnvera<sup>31</sup>, Finpro<sup>32</sup>, FairTrade-Finland,<sup>33</sup> and European ProClusters Association EPROCA<sup>34</sup>.

Preliminary discussions with UNDP country offices and other UN agencies (UNDP/UNEP Poverty and Environment Initiative (Kyrgyzstan and Tajikistan); UNDP country programmes in Armenia, Ukraine, Tajikistan and Kyrgyzstan (and possibly in other countries) indicated possibility of cost-sharing and parallel financing. Details of this partnership will be determined in the first quarter of project implementation. Further, synergies will be established with the Border Management Programme in Central Asia (BOMCA<sup>35</sup>), UNDP/EU Blue Ribbon Project in Ukraine, the Black Sea Trade and Investment Programme<sup>36</sup> and World Bank initiative *InfoDev: Creating Sustainable Businesses in the Knowledge Economy*<sup>37</sup>

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<sup>30</sup> <http://www.growinginclusivemarkets.org/>

<sup>31</sup> <http://www.finnvera.fi>

<sup>32</sup> <http://www.finpro.fi>

<sup>33</sup> <http://www.reilukauppa.fi>

<sup>34</sup> <http://eproca.org>

<sup>35</sup> <http://bomca.eu-bomca.kg/en/about>

<sup>36</sup> <http://www.undpforblacksea.org/index.htm>

<sup>37</sup> <http://www.infodev.org/en/Topic.28.html>.

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#### 4. ASSUMPTIONS AND RISKS

There are the following assumptions underlying the present project:

1) Macro-assumptions

- a) The after crisis economic recovery has started in 2010, and moderate economic growth will continue in subsequent years;
- b) World trade and foreign direct investment flows have started to recover in 2010 and will continue to grow in subsequent years;
- c) Poverty, inequality and unemployment in the CIS will remain high due to the economic downturn and global recession;
- d) There is a potential for farmers, cooperatives and SMEs to obtain additional gains from increased trade within and outside respective countries.

2) Policy (national and regional) assumptions

- a) Most of the governments confirm their commitments to trade reforms and increased participatory policy making processes;
- b) Continued commitment to ensure institutional coordination among the different governments;
- c) Official Development Assistance - AfT commitments will not decrease severely in the period of project implementation.

Potential risks and countermeasures, determined based on the experience gained during implementation of Phase I of the project, are characterized in Table 4.1.

Table 4.1 Potential project risks and countermeasures

Description	Type	Impact & Probability 1 (lowest) -5 (highest)	Countermeasures / Management response
Ineffective coordination between different projects and programs implemented by different international agencies	Organizational Strategic	I= 3 P= 2	<ul style="list-style-type: none"> <li>Clarify objectives and responsibilities in advance</li> <li>Ensure good communication and information exchange</li> </ul>
Insufficient political commitment from beneficiary countries (local and national authorities)	Political	I= 4 P= 2  Recommendations identified are not implemented by responsible government institutions	<ul style="list-style-type: none"> <li>Early involvement of key beneficiary countries (forerunners)</li> <li>Consensus building activities; bottom up approach</li> </ul>
Detrimental business climate	Organizational Strategic	I=3 P=3	<ul style="list-style-type: none"> <li>The project seeks to address specific barriers to trade</li> <li>All initiatives will coordinate with other projects that are addressing systematic private sector policies</li> </ul>
Limited commitment of national/sub regional business support institutions to the project	Operational	I= 4 P= 2  Reduced impact due to unexploited economy of scale; inefficient expenditures and reduced results.	<ul style="list-style-type: none"> <li>Early identification of partner institutions</li> <li>Transparent selection system</li> </ul>
Lack of competent national consultants especially on the local level	Operational	I= 4 P= 3  Growth in expenditures due to the need to hire international consultant. Reduced capacity development results and increased risks for sustainability.	<ul style="list-style-type: none"> <li>Use of existing UNDP networks and knowledge</li> <li>Provision of capacity building /trainings</li> </ul>
Problems in UNDP country offices support for project activities / integration with existing area-based projects	Operational	I= 4 P= 1	<ul style="list-style-type: none"> <li>Close links with the country offices, involving country offices from the beginning of the project</li> </ul>
Political instability in the region (and specifically border issues)	Political	I= 4 P= 2	<ul style="list-style-type: none"> <li>The project aims to actively promote regional cooperation between countries using trade as a means</li> </ul>
Islamic rebel groups activities	Security	I= 4 P= 2	<ul style="list-style-type: none"> <li>Liaison with UN security officer and monitoring of news</li> </ul>
Fluctuation in dollar value	Operational	I= 4 P= 4	<ul style="list-style-type: none"> <li>Close monitoring to ensure early actions</li> </ul>

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## 5. COMPATIBILITY AND SUSTAINABILITY

### 5.1 Compatibility with the strategic goals for Finnish development cooperation

The project is fully consistent with the following two central topics of contemporary Finnish development cooperation policy:<sup>38</sup>

- a) *Aid for Trade* (see "*Finland's Aid for Trade Action Plan (2008–2011)*"),  
and
- b) *Wider Europe Initiative* (see "*A new opening in Finland's development policy: Wider Europe Initiative*" and "*Framework Programme for Finland's Development Policy Implementation Plan for 2009-2013*").

The activities proposed in *Component I (Support to economic development along trade corridors linking countries of Central Asia, South Caucasus and Western CIS with key markets for their products)* focus on the following priorities (themes, sectors, and categories) indicated in Finland's AFT Action Plan: a) Private sector development, b) Strengthening productive capacity of SME; c) Trade development; d) Information society and innovations; e) Environment and climate change; f) Energy and agricultural sector. Some of the development priorities presented above are also relevant for the Wider Europe Initiative. These include such themes as:

- a) Trade and development (furthering of regional cooperation and integration, promotion of trade policy and cooperation solutions based on non-discrimination, Aid for Trade);
- b) Information society development;
- c) Energy and environment (conservation and efficient use of energy, energy safety, promoting the sustainable use of renewable energy sources and other renewable natural resources, sustainable use of mineral resources and environment protection, etc.); and
- d) Social sustainability (promotion of inclusive economic and social development, good governance, etc.).

*Component II (Trade development: Technical assistance for better use of trade opportunities)* aims at facilitation of international trade on national and local level by supporting strategic documents to develop trade, optimising the institutional framework, and providing technical assistance to exporters. It focuses on strengthening trade capacities in Ukraine, Belarus, Moldova and Turkmenistan and it is fully in line both with Finland's AFT Action Plan (thematic focus: Trade and development) and Wider Europe Initiative (geographical coverage).

*Component III (Understanding informalities and overcoming informal trade barriers faced by small enterprises and micro businesses, especially women entrepreneurs)* aims at articulating national and sub-regional AFT challenges with special reference to issues faced by small entrepreneurs and micro businesses operating in local areas, shadow economic activities and informal cross border trade, impact of trade on gender issues and environment; transfer of best practices in developing trade capacities of small enterprises and micro businesses, knowledge sharing, discussion of national and regional policies and diffusion of good practices in several thematic areas with special reference to the impact of trade (including informal trade) on local development, micro businesses, and internal trade barriers. It covers the following

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<sup>38</sup> These topics are central for the EU development policy as well.

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priorities (themes, sectors, and categories) indicated in Finland's Aft Action Plan: a) Private sector development, b) Strengthening productive capacity of SME; and c) Trade development. Analytical work planned to be undertaken in the framework of this component will include development of country studies on trade informalities, informal barriers to trade and the impact of trade on gender inequality and environment in selected countries covered by Wider Europe Initiative, i.e., in Azerbaijan, Kyrgyzstan, Georgia and Moldova (Transnistria).

*Component IV (Creating opportunities for small enterprises and micro-businesses to benefit from trade)* will help the poor to gain from international trade and improve knowledge regarding applications of new technologies in small and micro-businesses, and tools for better market access. It will focus on the following priorities (themes, sectors, and categories) indicated in Finland's Aft Action Plan: a) Private sector development, b) Strengthening productive capacity of SME; c) Trade development; d) Information society and innovations; e) Environment and climate change; f) Energy and agricultural sector.

The project also supports two out of three cross-cutting themes in the present Finnish development policy, i.e., theme 1: *promoting the rights and status of women and girls, and promoting gender and social equality*; and theme 2: *promotion of rights of groups that are easily excluded, particularly children, people with disabilities, indigenous people and ethnic minorities*.

The whole project will be implemented in all eleven countries included in the Wider Europe Initiative of the Government of Finland.

## 5.2 Policy environment

The implementation of the project will be coordinated with the existing policy environment, including, not only trade policy, but also sectoral (e.g., environmental, agriculture, industrial, transport) and social policies.

Regarding country trade policy framework the project will take into account existing trade policies. The following issues will be taken into account: the trade regime in terms of tariffs (tariff dispersion, tariff pikes and effective rate of protection); non-tariff barriers (i.e. quotas, export and import licenses, export taxes and export bans, red-tape, etc.); other active government interventions in the area of trade, including state trading enterprises, countervailing measures, anti-dumping duties, and safeguards; pro-active trade policies, including export processing zones, trade promotion institutions and consultative arrangements with the private sector and civil society organizations; role of tariffs and other duties in respect to government revenues; etc. Special attention will be paid to the in-country capacity to deal with trade issues. In particular, it will focus on: implementation and compliance with multilateral, regional and bilateral trade agreements and preferential schemes; and market access constraints in export markets, such as standards, technical barriers to trade, tariff peaks and tariff escalation.

## 5.3 Economic and financial feasibility

In order to ensure efficient use of resources the project will be implemented in close cooperation with UNDP country offices in all eleven countries of Central Asia, South Caucasus and Western CIS, and will benefit from existing UNDP infrastructure and the UNDP network of trade and private sector development practitioners. The project will also benefit from the knowledge and experience accumulated at UNDP Europe and the CIS Bratislava Regional Centre (UNDP/BRC), as well as from the established network of national experts and practitioners at the area of trade, economic development and poverty reduction.

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The activities of the project *Component I* will be coordinated with UNDP area based development projects that are currently being implemented in countries of the region (see Chapter 3). Utilization of the infrastructure of existing projects and building on accumulated knowledge in the areas of the project implementation will ensure cost efficient and timely delivery of complex activities. Implementation of *Components I-II and IV* will be coordinated with other activities undertaken by UNDP country offices. To minimize costs the project will also benefit from the involvement of sectoral experts based at UNDP/BRC, including regional advisors on rural development, social policy, environment and biotechnology, capacity development, good governance, microfinance, and private sector development (advisory services of BRC advisors and specialists are provided to UNDP projects free of charge). Implementation of the project activities will be coordinated between countries and potential synergies will be explored. The activities undertaken will be specifically designed to assure the highest degree of sustainability of the interventions.

The project will be managed at UNDP/BRC according to UNDP project management rules. This will ensure transparency of financial management and high quality financial reporting.

#### 5.4 Institutional capacity

The project (*Components II and III*) will review the country's trade institutions. The relationship between institutions will be analyzed as well as the coordination mechanisms in relation to the formulation of trade policy and the management of national trade related programmes. Capacity gaps and eventual needs for technical assistance will be identified. A description of trade functions and responsibilities of the most important institutions will be provided. The institutional mapping will provide a detailed assessment for the specialized agencies, which often have a key role in promoting and facilitating trade and investments. These include: Customs Agency, Export Credit Agency, Investment Promotion Agencies, Special Economic Zones, etc. Other specialized agencies that have important roles in trade will be considered as well (if relevant for the country), including: the National Statistics Office (collection of trade statistics), Central Bank (exchange rate regulations), national and development banks and funds (management of trade promotion programmes, dedicated credit lines). Special attention will be given to a) the institutional capacity assessment to map the capacity assets and needs with regard to analyzing and formulating trade policies, and b) capacity development plan to identify areas and modalities of capacity building, and institutional reforms required along with providing a cost assessment.

Implementation of the project will be linked to trade, business and investment related institutional capacities existing at the local level in the countries of the region. Key institutions will include: decentralized offices of line ministries (Ministry of Trade, Ministry of Industry, Ministry of Economy/Finance, Ministry of Agriculture), and specialized agencies (Customs Agency, Export Credit Agencies, Investment Promotion Agencies); relevant departments in oblast and district authorities; business (local business association, small and medium enterprises, business associations, associations of artisans and traders, regional offices of chambers of commerce, export associations, representative entrepreneurs); and Civil society (non-governmental organizations (NGOs), including environmental NGOs, associations of NGOs, women and sub-population groups' associations, local media).

#### 5.5 Socio-cultural aspects

Social and cultural changes after the collapse of the Soviet Union were inevitable for the countries of the former Soviet including the countries of Central Asia, South Caucasus and Western CIS. As budgetary resources to finance social protection systems were reduced, the range and quality of social services and



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healthcare decreased. Since social protection refers to the public actions taken in response to levels of vulnerability, risk and deprivation, which are deemed socially unacceptable within a given policy or society, these system changes, exemplify changes in social norms in a country. Many countries in this region are in the process of reforming their social protection systems, and with the challenge to 'do more with less', there is a tendency to move from categorical to targeted social protection benefits. All this impacts a country's labour market, productivity and overall economic development.

Structural socio-political changes, the formation of new societal groups and new socio-political institutions are important issues in all the countries of Central Asia, South Caucasus and Western CIS. Social consequences of market reforms (social inequality, poverty and corruption) are key determinants of socio-cultural aspects in all the countries of the region. The countries of the Caucasus (Armenia, Azerbaijan, Georgia) are involved in 'frozen' armed conflicts, which affect in-country ethnic relations as well as countries relations (including trade relations) with neighboring countries.

In Central Asia, people have historically maintained close cultural, social, and trade relations. There are some commonalities amongst these countries that have to do with political and governance issues. In general, there is a tendency to have monopolization of power in the hands of particular groups, the persisting presence and importance of clan rule, nepotism and traditionalistic forms of governance, deficiencies in personnel policies, and the inability of and lack of opportunity for new socio-political groups in power. There are also common human development issues. For example, the ability to supply schools with textbooks in native languages is limited due to a lack of resources. Despite policies favoring educational rights of ethnic minorities, many ethnic minorities have no opportunity to educate their children in their native language. During the transition period, women, especially in rural areas have lost many of the economic and social gains they had made in previous decades.

In the Caucasus and Western CIS similar issues as Central Asia persist. Many of these countries have so called insider systems, meaning that power is concentrated to a small group (elite). There is an interconnection between political and economical elites based on informal and interpersonal arrangements. From a point of view of economic efficiency, there are significant disadvantages to this, as monopolies or oligopolies are created, which are not necessarily internationally competitive.

#### 5.6 Participation and ownership

In order to ensure effective implementation of the project, extensive consultations with all relevant stakeholders will be conducted, with particular attention to the government counterparts. To promote the adoption of pro-poor trade reforms by governments the project will be implemented in a participatory manner. The participatory approach and public consultations have had an increasingly beneficial impact on policymaking. Participation brings political, legal and social benefits and can mitigate risks of resistance. It is also important for sustainability of the results.

#### 5.7 Sustainability of the interventions

Taking into account experience from the other development projects, which shows that sustainability of the intervention depends on its length, i.e., that longer project involvement leads to more sustainable results, the present project builds on the results achieved in the past and continues some of activities initiated under Phase I in Kazakhstan, Kyrgyzstan and Tajikistan. In other countries activities of the project are linked to previous UNDP interventions in selected local areas and, where possible, to existing national

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programs and strategies. The project also tries to show success stories that can help mobilize resources to continue activities initiated within the project. Finally, in order to build capacities needed for continuation of the interventions most of the activities envisaged within the project will be implemented by local experts with the minimum involvement of international consultants.

## 5.8 Gender and trade

Differences in orientations of women and men, starting conditions, and access to education, employment and resources, mean that they unequally take advantage of the opportunities that trade offers and are affected differently by trade liberalization. Women, in general, are often poorer, have less access to education, receive lower wages, have less access to resources and are more constrained in their employment choices than men. Trade can positively influence the distribution of income between men and women, by creating new employment and business opportunities. However, as women's vulnerability to adverse shocks is exacerbated by existing inequalities, any negative impact of trade liberalization and attendant adjustment costs is likely to be felt more by women than men. In addition, international trade and investment often have a significant impact on labour markets and working conditions, affecting women in particular because of their generally lower skills and weak bargaining power. Furthermore, while advances in trade promotion in many developing countries, especially in the export processing sectors, have led to increased entrepreneurial and employment opportunities for women, research also shows that women also disproportionately bear the cost of this development through exposure to "health hazards, unequal access to financial resources and business advice, and wage discrimination"<sup>39</sup>

Trade can, and in a number of cases has, contributed to the redistribution of income in favour of women. This is generally due to the numerous employment and business opportunities created by trade in the manufacturing and services sectors. As a result, not only is the status of women in society and within their households enhanced by their capacity to earn income, countries as a whole also benefit from women's work as it significantly contributes to export competitiveness and industrial diversification. However, there are cases where women, in particular poor women, have been made worse off. For instance, in the agricultural sector, groups of women often suffer from increased marginalization as a consequence of the growing competition brought about by trade liberalization, combined with their difficulties of access to land and other resources.

Increasingly the importance of human development in national development strategies is accepted in lieu of purely economic growth scenarios. Measures of development gradually utilise a human development lens. From a purely market criteria, countries have been moving towards a social impact approach. Within this context it is important to move from the 'social improvement sphere' towards an approach that also includes social content – such as social relations (class, gender, race) to ensure that change does not only happen at the purely material base of well being, but also includes social content so to ensure a more equal society.<sup>40</sup>

Phase I of the Aid for Trade project has incorporated gender and the position of women from the outset. In Kazakhstan, for example, the Phase I of this project has focused on supporting women entrepreneurs and improving their knowledge on how to develop their business. This activity supported both start-up women-led businesses as well as more experienced women entrepreneurs. The trainings have enabled these

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<sup>39</sup> UNDP Gender Equality Strategy 2008 – 2011, chapter 6.1 p. 22.

<sup>40</sup> Commonwealth Secretariat (2007), Gender and Trade – Action Guide, UK.

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entrepreneurs to better benefit from the opportunities trade offers. This capacity development initiative was strengthened by providing access to financial resources, in particular to women entrepreneurs. The two-tier approach of providing knowledge and the necessary financial recourses has proven very successful.

Phase II aims to mainstream gender in all activities and components. In particular, in *Component I (Support to economic development along trade corridors linking countries of Central Asia, South Caucasus and Western CIS with key markets for their products)* specific activities are envisaged that take into account the particular position of women in the region to promote gender equality. Furthermore, *Component III (Understanding informalities and overcoming informal trade barriers faced by small enterprises and micro businesses, especially women entrepreneurs)* will particularly focus on women that work in informal trade, or shuttle trade, and find themselves in vulnerable position, often faced restrictive official policies and arbitrary rules.

## 5.9 Environment

Trade and development policy traditionally revolves around economic and social issues, but development interventions are increasingly driven by environmental concerns. In the CIS, the abundance of natural resources (i.e. connected risks of overexploitation) and the heavy industrial heritage from the Soviet times make environmental issues a particular concern.

How trade impacts the environment remains challenging to determine. Most likely, the expansion of trade has a positive impact on social and economic wellbeing, but may bring negative consequences for the environment. A trade off exists, especially when taking into account the long term effects. For example, the intensification of agriculture and the shift towards monoculture may bring immediate advantages to exporting farmers, but it often also brings negative impacts on biodiversity and the environment in the medium and long term that can then result in degradation of agricultural land. Possible trade policy impacts on the environment may include:

- a) Harmful effects of export incentives (e.g. agriculture subsidies) on land degradation and rural livelihood; magnified pressure on land, water resources and ecosystems in export processing zones;
- b) Adoption of green technologies due to increased trade in environmental goods and services; improved access to modern technologies; new market opportunities to certified products and increased efficiency in the use of scarce resources due to free competition.

An increasingly popular approach to economic development is the *green economy*. The *green economy*, in contrast to the existing economic model, takes into account adverse effects on the environment. Derived from this is the concept of *green jobs*, defined as work in agricultural, manufacturing, research and development (R&D), administrative, and service activities that contribute substantially to preserving or restoring environmental quality. Specifically, but not exclusively, this includes jobs that help to protect ecosystems and biodiversity; reduce energy, materials, and water consumption through high efficiency strategies; de-carbonize the economy; and minimize or altogether avoid generation of all forms of waste and pollution.<sup>41</sup>

Phase I of the project has started with an environment baseline assessment in the three countries of implementation of the local economic development and trade activities. The baseline assessment provided

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<sup>41</sup> UNEP (2008): *Green Jobs: Towards decent work in a sustainable, low-carbon world* ([http://www.unep.org/labour\\_environment/PDFs/Greenjobs/UNEP-Green-Jobs-Report.pdf](http://www.unep.org/labour_environment/PDFs/Greenjobs/UNEP-Green-Jobs-Report.pdf))

ample inputs to the different countries on green and sustainable activities. In Tajikistan, for example, the project supported the demonstration of the uses of the production of bio-cotton. On a demonstration plot bio-cotton was grown to show the benefits to other (conventional) cotton growing farmers in the region. In Kyrgyzstan the project chose to support initiatives promoting environmentally friendly technologies and green commodity production.

Phase II of the project will incorporate environmental issues in the activities, depending on relevance and county context.

#### 5.10 Appropriate technology

The technology used in the various interventions and activities of this project should be appropriate for the local context. The project will, in case it will introduce technologies or work with existing ones, look on the fact that this technology fits the local context. From a sustainable development point of view, it is crucial that outcomes are sustainable and that new technologies are not too simple nor too complex (and hence expensive), to remain accessible and usable for the final beneficiaries. A good example from Phase I of the project is the introduction of price information provision to SMEs through SMS in Tajikistan. Through this channel, farmers and small businesses can access price information for agricultural products, a technological innovation that is appropriate (everyone owns a mobile phone), whereas for example e-mail or more advanced social networking technologies would not have been effective.

#### 5.11 Successful activities under phase I

Although all activities have been successful under phase I, those under the header of market access have been particularly successful. In both Kyrgyzstan and Tajikistan the project supported entrepreneurs to gain access to new markets – for example in Kyrgyzstan, phase I supported cooperatives to establish trade links in Novosibirsk and a first batch of 150 tonnes of onions has already been sent. However, it needs to be highlighted that the success of this activity is also strongly linked, for example, to other capacity development activities such as the development of basic business skills and capacities related to trade promotion, certifications and standards amongst others. Only if such a holistic set of skills is developed can entrepreneurs more successfully tap in the opportunities of trade. The following overarching activities have been considered most successful under phase I:

- a. Activities related to market access. These relate to trainings, export promotion centers and the grant facilities.
- b. Activities related to support to trade activities. These include trainings for Hukumat and private sector entities related to trade, as well as support to integrate trade in rural development plans.

Some example of the first concrete results of phase I, are described below:

1. Kyrgyzstan – 120 tons of onions exported to Novosibirsk and a trade alliance established with a wholesale company in Novosibirsk;
2. Kyrgyzstan – the Batken Information and Market Center. Although the center has only been established recently, over 1500 farmers are regular customers. The project aims to further increase collaboration with Khujand (Tajikistan) so to further intra-regional trade.

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Intra-regional trade was one area that was strongly highlighted in both the Kyrgyz and Tajik Needs Assessment and the AfT Regional Review;

3. Tajikistan and Kazakhstan – the microfinance activities have been successful and demonstrate that limited access to financial resources is a main hindrance to business development in the region, and
4. Both in Tajikistan and in Kyrgyzstan, the environmental activities have been very successful, in that the farmers have voluntarily offered to continue using environmental agricultural methods.

## 6. MANAGEMENT ARRANGEMENTS

The proposed implementation strategy is based on the experience gained during long-term successful cooperation between UNDP and bilateral donors in the delivery of regional projects,<sup>42</sup> where UNDP provides overall support for the delivery of technical assistance and acts as implementing agency.

The project will be implemented by the UNDP Europe and the CIS Bratislava Regional Centre (UNDP/BRC) within the delegated Direct Execution (DEX) authority, in line with UNDP Programme & Operations Policies and Procedures (POPP)<sup>43</sup>. UNDP/BRC will act as the project implementing partner (agency).

The implementation follows the principles of the Paris Declaration on Aid Effectiveness<sup>44</sup>. The described modality is designed to guarantee:

- (a) Country (and local) ownership,
- (b) Participation of stakeholders,
- (c) Capacity building in beneficiary institutions.

In terms of roles and responsibilities, the project will be directed by a *Steering Committee*, chaired by the UNDP RBEC Deputy Regional Director and Regional Centre Director of UNDP/BRC (who will be the Project Executive), comprising one or more representatives from the Government of Finland, and a representative of beneficiary countries<sup>45</sup>. The Steering Committee may decide to expand its membership as appropriate. The Steering Committee will:

- be responsible for making strategic decisions by consensus, including the approval of project revisions (i.e. changes in the project document);
- approve Annual Work Plans, Annual Reviews and Quarterly reports;
- meet at least twice a year to review management risks and most relevant issues; meetings can be held virtually (i.e. teleconference, videoconference, and email); the Project Manager will act as Steering Committee secretary;
- be consulted by the Project Manager for decisions when management tolerances (in terms of time and budget as per work plan) have been exceeded (the Steering Committee defines tolerances).

The project will be managed by a *Project Manager*, who is responsible for the project management functions, including project monitoring and day-to-day decision-making. The Project Manager responds

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<sup>42</sup> E.g., Growing Sustainable Business for Poverty Reduction in Albania, Bosnia and Herzegovina, Macedonia and Moldova; Reducing Vulnerability of Roma in the Western Balkans, or Border Management in Central Asia.

<sup>43</sup> <http://content.undp.org/go/userguide/results/>

<sup>44</sup> [http://www.oecd.org/document/18/0,2340,en\\_2649\\_3236398\\_35401554\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html).

<sup>45</sup> The specific set-up for the selection/nomination will be decided in the first meeting of the Steering Committee.

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primarily to the Steering Committee and secondly to the *Team Leader*. The Team Leader will lead the implementation and she/he acts as chief technical advisor. The Team Leader responds to the Steering Committee and to the BRC Poverty Practice Leader. The terms of reference for Project Manager and Team Leader are presented in Annex 3. The Project Manager will be supported by an assistant in the UNDP/BRC Poverty Reduction Team (*Project Support*) and by the UNDP/BRC Management Support Unit, to provide administration and management support as required. At the national level support will be provided by the project component manager appointed in respective UNDP country offices or by regional implementation units.

The *Project Assurance* role will be guaranteed by the UNDP/BRC Poverty Practice Leader. Policy Advisors under the Poverty Reduction, Capacity Development and Environment practices will provide advisory services, when required.

Management Structure under each component will be implemented by a *National Implementation Team* composed by competent local staff, including a National Coordinator, junior expert(s) and project support. The National Coordinator will respond to the Project Manager and to the assigned officer from the UNDP country office.

Specific activities under this project may be conducted in coordination and collaboration with internal and external partners, or outsourced to independent experts, interns, Non Governmental Organizations (NGOs) or other partner organizations following UNDP's contracting rules and regulations. Organization structure of the project is presented in the Figure below.

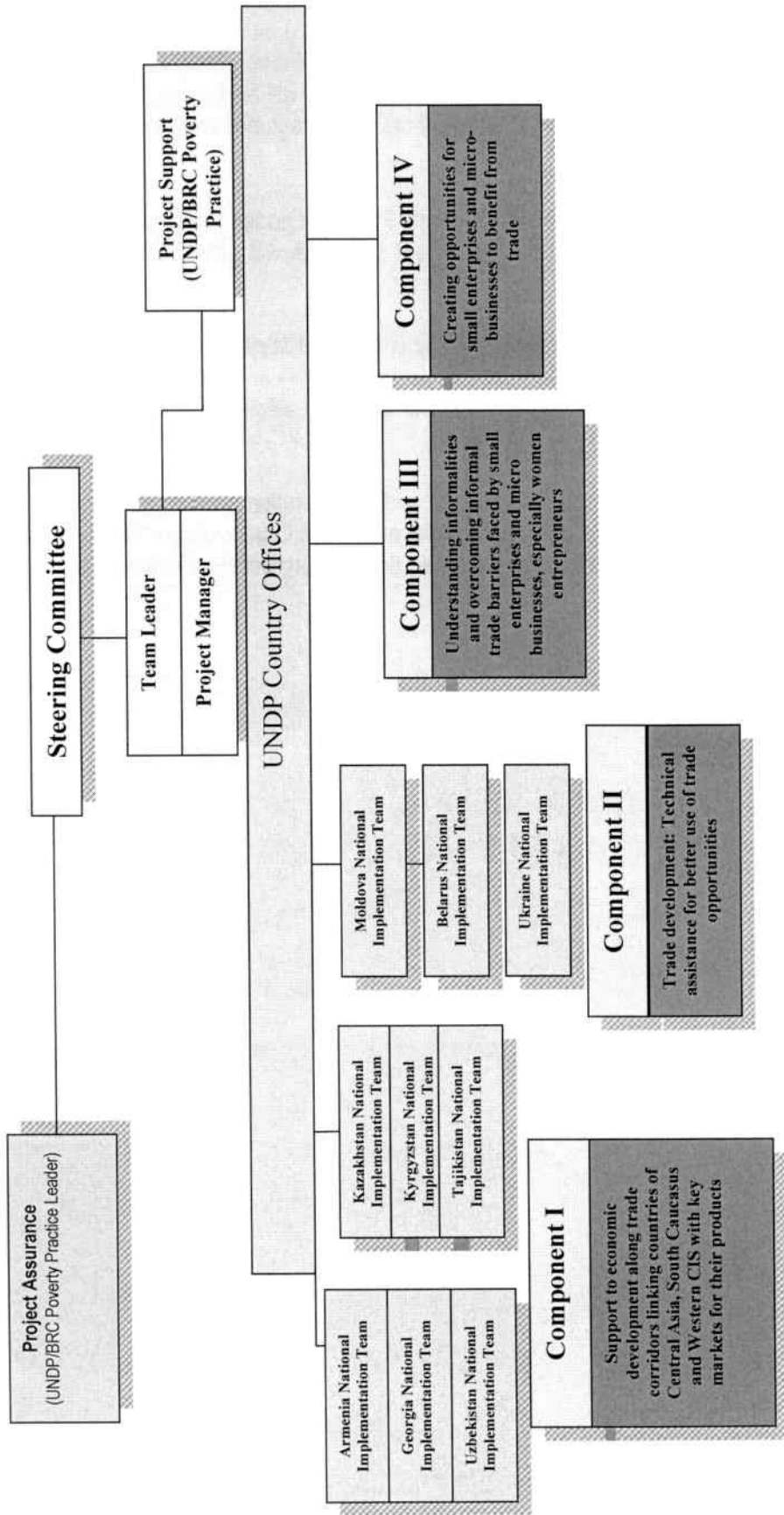


Figure 6.1 Management structure of the project