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STRENGTHENING MSME BUSINESS MEMBERSHIP ORGANIZATIONS IN UKRAINE (PHASE II)

PROJECT PROGRESS REPORT

Reporting Period

November 2019 – December 2020

Date

March 2021

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ACRONYMS

BDS – Business Development Services

BMO – Business Membership Organization

CCI – Chamber of Commerce and Industry

CIPE – Centre for International Private Enterprise

EPO – Export Promotion Office

GPO – Group Purchasing Organization

MDT – Ministry of Digital Transformation of Ukraine

MEDTA – Ministry of Economic Development, Trade and Agriculture of Ukraine

MoU – Memorandum of Understanding

MSMEs – Micro-, Small and Medium Enterprises

NGO – Non-Governmental Organization

PPD – Public-Private Dialogue

SCO – Swiss Cooperation Office

SECO – State Secretariat for Economic Affairs

SMEDO – Small and Medium Enterprises Development Office

UNDP – United Nations Development Programme

CONTEXT OF THE PROJECT

The Project is a continuation of the Phase I implemented by UNDP in Ukraine in 2015-2018, incorporating relevant lessons learnt and introducing adjustments that will enhance overall positive influence on MSME sector.

The objective of the Project Phase II is to scale-up the support to MSME sector in Ukraine and improve its competitiveness through more professional, demand-driven and client-oriented BMOs. The objective will be achieved by strengthening organizational development, improving governance and operational management of BMOs, facilitating access to and utilization of the BDS by MSMEs, as well as facilitating professional PPD to improve the regulatory framework and overall business environment for MSMEs.

The Project envisages implementation of three Components:

Component 1: Improved organizational capacity of BMOs

Component 2: Better MSMEs' access to Business Development Services through BMOs

Component 3: Private sector and governmental side engaged in effective public-private dialogue.

The Project intends to achieve the following results:

1. MSME sector representativeness through professional BMOs has increased;
2. MSMEs increasingly benefit from BDS provided by BMOs to enhance their competitiveness;
3. Business environment for MSMEs is improved through an inclusive, representative and effective PPD

The Project aims to expand BMO coverage throughout Ukraine to consolidate the MSME sector, contribute to improvement of Business Development Services for MSMEs, and promote constructive cooperation with governmental structures. The Project will also address two important cross-cutting challenges for economic development in Ukraine: women's economic empowerment and promoting green practices among MSMEs.

MAIN HIGHLIGHTS OF THE REPORTING PERIOD

- ✓ A group of 27 partner BMOs including 7 BMOs from the Project Phase I and 20 newly selected BMOs was formed and their organizational capacity assessment conducted.
- ✓ 27 partner BMOs has improved governance and optimized internal processes through the [Rapid expert assistance programme](#) which was launched to address the most urgent needs and overcome critical organizational development gaps of the partner BMOs, including legal, HR, IT, communications and fundraising audit and assistance.
- ✓ 15 partner BMOs have conducted strategic sessions, supported by the Project in order to have the up-to-date relevant strategic documents to guide the BMOs development in 2021.
- ✓ 12 partner BMOs have organized public events for over 600 participants representing MSMEs, including over 400 women, supported by the Project and aiming at promoting BDS and PPD as well as industry standards development.
- ✓ 5 partner BMOs were involved in establishing two BMO coalitions, supported by the Project: "[Strong Community](#)" and "[Hospitality and Tourism](#)".

PROJECT IMPLEMENTATION



OUTPUT 1: Improved Organizational Capacity of BMOs

1.1. Provide follow-up support to BMOs engaged under the Project Phase I

BMOs engaged under the Project Phase I received full-fledged support within the [capacity building activities](#) for the partner BMOs. They also acted as mentors for newly selected BMOs, sharing their experience in organizational transformations within the [P2P Learning Platform](#) and serving as catalysts for [coalitions building](#) and [industry standards development](#).

APPLICABLE OUTPUT INDICATORS

1.3 Number of hubs/platforms established for BMO cooperation and partnership

PLANS FOR THE FUTURE

The Project will continue to support BMOs engaged under the Project Phase I involving them as tutors in the [BMO Leadership Programme](#) and agents of change in the [Responsive Innovation Accelerator](#) in 2021.

1.2. Deliver in-depth research on BMO sector

The Project has undertaken the initial mapping of the BMO sector in Ukraine aiming to collect inputs to the baseline data of the Project Phase II and provide evidence for the wide range of entrepreneurs interested in joining BMO. BMO mapping outputs include:

- Methodology to analyse the current state of development and activity of MSME BMOs in Ukraine, including a set of open data-based criteria for evaluating BMOs;
- Analytical report covering economic, legal and policy environment for BMO sector and including mapping of at least 100 industry-specific all-Ukrainian BMOs.

APPLICABLE OUTPUT INDICATORS

1.2 Change in income growth from membership feed in targeted BMOs, including 2 organizations representing women-led enterprises

PLANS FOR THE FUTURE

BMO initial mapping results will be finalized in Q1 2021 and followed by the comprehensive mapping of the entire BMO sector in Ukraine. Results of the BMO mapping will be presented in the interactive database accessible for MSMEs and informing their decisions in joining a particular BMO.

1.3. Select partner BMOs

Call for applications of BMOs

The Project has developed BMO selection methodology (Annex 4) which was agreed with the representatives of SCO and MEDTA. Based on the selection methodology the Project has developed a [Call for applications for BMOs](#). It was published on the UNDP website on 2 July 2020 with the deadline on 24 July 2020.

Selection of partner BMOs

The total number of applications for the call was 76. 26 of them were not filled out in full and/or rejected for technical reasons. 50 applications were accepted for further evaluation. Nine of them were rejected as not compliant with the selection criteria, including four organizations not being BMOs (one credit union, one NGO, and two employers association). Three organizations had been created within less than six months, one organization being a branch of an applicant organization, one organization with the cancelled official registration. A total of 40 applications were accepted for further evaluation (Annex 5).

The initial evaluation was done in accordance with the selection methodology per identified groups of BMOs including regional CCIs, newly created BMOs, women's BMOs, BMOs representing eastern Ukraine, other universal BMOs, and industry-specific BMOs.

The final selection of partner BMOs was performed by the Selection committee, representing SCO, MEDTA and CIPE Office in Ukraine. It was structured per relevant groups and governed by the majority of the votes based on the results of the initial evaluation and per selection quotas for each of the BMO groups as laid out in the selection methodology. In total 20 partner BMOs and 6 more longlisted BMOs were selected (Annex 6) as presented in the tables below:

Partner BMOs

Nº	Group/Category	Name
1.	National CCI	Ukrainian CCI
2.	Regional CCI	Ivano-Frankivsk CCI
3.	Regional CCI	Kharkiv CCI
4.	Regional CCI	Zaporizhzhia CCI
5.	Regional CCI	Odesa CCI
6.	Regional CCI	Sumy CCI
7.	Newly-created BMO	Poltava Business Association PA
8.	Newly-created BMO	Ukrainian Door Association
9.	Women's BMO	'Women in Business' Ukrainian Platform PA
10.	Women's BMO	Business Women Club MLT
11.	BMO representing Eastern Ukraine	PA 'Vzaimodiya-Plus'
12.	Universal BMO	Private Employers Association
13.	Industry-specific BMO	Organic Ukraine
14.	Industry-specific BMO	Diary Association
15.	Industry-specific BMO	Karpatsky Smak PA
16.	Industry-specific BMO	Residential Property Managers and Operators Association PA
17.	Industry-specific BMO	Ukrainian Visual Industry Association
18.	Industry-specific BMO	Uklegprom, a Ukrainian Association of Textile Industry Enterprises
19.	Industry-specific BMO	Association of Ukraine's Industrial Automation Enterprises
20.	Industry-specific BMO	Western Ukrainian Fashion Industry Cluster PA

Longlisted BMOs

Nº	Group/Category	Name
1.	Regional CCI	Poltava CCI
2.	Regional CCI	Kirovograd CCI
3.	Universal BMO	My-Khersontsi Business Association
4.	Universal BMO	Vinnytsia Business People Club PA
5.	Industry-specific BMO	Association of House manager PA
6.	Industry-specific BMO	Ukrainian Wood Processing Equipment Association

BMOs engaged under the Project Phase I were also included to the Phase II as partner BMOs and [mentors to the newly selected BMOs](#). They are presented in the table below.

BMOs engaged under the Project Phase I

Nº	Group/Category	Name
1.	Regional CCI	Donetsk Chamber of Commerce and Industry
2.	Women's BMO	League of Business and Professional Women
3.	Universal BMO	Business Community Club
4.	Universal BMO	Entrepreneurs' Union "Stina"
5.	Industry-specific BMO	Interregional Union of Poultry Farmers and Fodder Manufacturers of Ukraine
6.	Industry-specific BMO	Ukrainian Association of Furniture Manufacturers
7.	Industry-specific BMO	Union for Promotion of Rural Green Tourism in Ukraine

Organizational capacity assessment of the selected BMOs

The Project has conducted organizational capacity assessment of 27 partner BMOs. The main purpose of the assessment is to enable the Project to identify, design and deliver appropriate technical assistance to 20 new selected BMOs and to measure the progress in organizational development of seven partner BMOs engaged under Phase I.

The exercise has established a baseline and monitoring and evaluation framework for measuring BMO development over time. The outcome of the assessment will be used for the design of the capacity development plan/road map for each of the BMOs assessed, implementation of which will be supported by the Project.

The Project applied the original capacity assessment methodology, used during Phase I in order to ensure comparability of Phase I assessments (baseline and ex-post) and baseline Phase II assessment results where it concerns seven partner BMOs engaged under the Project Phase I.

The baseline assessment was made across the following key areas of BMO organizational capacity elements:

- Mission and strategic planning
- Leadership and management
- Membership
- Ability to adapt
- Representation, advocacy activities and public private dialogue
- Role in the sector
- Service provision
- Financial viability and resource mobilization
- Financial management

The Project has completed the data collection stage of the assessment.

APPLICABLE OUTPUT INDICATORS

1.1 Number of BMOs (and specifically women-led BMOs) with improved governance, management and optimized internal processes that are able to maintain and further improve effective organizational structure and processes

PLANS FOR THE FUTURE

The report presenting the assessment results for 27 partner BMOs will be finalized in Q1 2021. Based on the capacity assessment results organizational development plans will be prepared for each partner BMOs aiming at overcoming capacity gaps identified by the assessment. The Project will further support partner BMOs in their implementation.

1.4. Implement BMO capacity development programme

Rapid expert assistance programme

The Project has conducted a rapid needs assessment of the partner BMOs. Based on the findings from the needs assessment the Project has offered partner BMOs a tailored rapid expert assistance programme to address the most urgent needs and overcome critical organizational development gaps. The programme addresses the following basic needs of BMO's organizational development:

- Legal audit and assistance
- HR audit and assistance
- IT audit and assistance
- Communications audit and assistance
- Fundraising audit and assistance

In 2020 the Project has provided rapid expert assistance in the legal, HR and IT areas as discussed below.

APPLICABLE OUTPUT INDICATORS

1.1 Number of BMOs (and specifically women-led BMOs) with improved governance, management and optimized internal processes that are able to maintain and further improve effective organizational structure and processes

1.2 Change in income growth from membership fees in targeted BMOs, including 2 organizations representing women-led enterprises

PLANS FOR THE FUTURE

The Project will finalize the results of the legal and HR audit as well as IT assistance in Q1 2021. IT audit, communications and fundraising support will be provided to partner BMOs in Q1-2 2021.

Legal audit and advisory support

The main purpose of this intervention was to ensure partner BMOs services delivery to their members strictly adhering to the current legislation taking into account BMOs tax-exempt status, as well as building their organizational culture basing on good governance principles. It included:

- Revision and adjustment of the legal risks assessment toolkit from the Project Phase I;
- Training for partner BMOs on the general legal framework for BMOs activities in Ukraine;
- Individual legal counselling for partner BMOs, including:
 - audit of legal documents;
 - assessment of legal risks in the governance;
 - recommendations on elimination of legal risks;
 - support the necessary amendments to the registration and statutory documents.

PLANS FOR THE FUTURE

The final report summarizing the legal audit results for 27 partner BMOs will be finalized in Q1 2021. They will further be used to inform the individual organizational development plans for partner BMOs based on the capacity assessment results.

HR audit and advisory support

This intervention aims at raising the awareness of the partner BMOs and assisting them in the development of the HR policy and tools for personnel recruitment and management, suitable for non-profit organizations. It included:

- Revision and adjustment of the HR management toolkit from the Project Phase I;
- Training for partner BMOs on the following topics:
 - HR policy for a BMO, including mainstreaming gender equality;
 - Tools for personnel recruitment and management;
 - Personnel motivation and performance evaluation;
- Overview of outlining existing HR practices and HR management of the partner BMOs;

- Preparation of the following generic job descriptions for BMO personnel:
 - Executive Director;
 - Membership Administrator;
 - Accountant;
 - PR Manager;
 - Events Manager;
- Individual HR coaching for partner BMOs, including:
 - Preparation of the tailored job descriptions for at least one vacancy;
 - Vacancies advertisement;
 - Candidates' long-list and short-listing;
 - Individual interviews with the short-listed candidates.

PLANS FOR THE FUTURE

The final report summarizing the HR audit results for 27 partner BMOs to be finalized in Q1 2021. They will further be used to inform the individual organizational development plans for partner BMOs based on the capacity assessment results.

Basic IT support

The intervention aims at building BMOs capacity in using IT solutions and tools, suitable for non-profit organizations. This includes:

- Development of the IT-management assessment toolkit;
- Training for partner BMOs on the following topics:
 - Special software licensing opportunities for non-profit organizations in Ukraine;
 - Administration of Microsoft and Google solutions for non-profit organizations;
 - IT solutions and tools for cloud data storage, remote planning and cooperation;
 - Basics of cybersecurity.
- Individual IT coaching and support for partner BMOs, including advisory support on obtaining the software at a special price for non-profit organizations and its further deployment.

PLANS FOR THE FUTURE

The provision of basic IT support for partner BMOs will be completed in Q1 2021. It will be followed by the IT audit and needs assessment in Q1-2 2021. These assessment results will further be used to inform the individual organizational development plans for partner BMOs.

Organizational capacity development training

Series of the organizational capacity development training were included as an integral part of the [Rapid expert assistance programme](#). Information on all the training delivered to the partner BMOs within the Project Output 1 is presented in the table below. Due to quarantine measures, all the training were delivered online via the Zoom platform. Access to some of the training, e.g. on the legal framework for BMOs, was provided to a wider range of interested BMOs.

Organizational capacity development training

#	Date	Title	Topic	Number of participants (incl. women)	Link to the video
1.	27/10/20	Webinar for general legal framework for BMOs activities.	Legal regulation of business associations in Ukraine.	133 (97)	https://youtu.be/3C8cNG62Yxk
2.	11/11/20	Webinar 1. HR-management.	General recommendations on the formation and development of HR-policy for BMOs.	47 (35)	https://youtu.be/LqITmTmm-KO
3.	25/11/20	Webinar 2. HR-management.	Modern tools for recruitment. How to conduct an interview.	42 (32)	https://youtu.be/9l40NpozIRE
4.	30/11/20	Webinar. Organizational development assessment for 27 BMOs.	Organizational development BMOs assessment methodology	44 (32)	https://youtu.be/Yq85S0lGO_Q
5.	02/12/20	Webinar 3. HR-management.	Staff motivation and evaluation of work results.	43 (30)	https://youtu.be/CuLDenUkNEk
6.	21/12/20	Webinar 1. IT-management for BMOs.	Special software licensing opportunities for non-profit BMOs in Ukraine and Google products for non-profit organizations in Ukraine.	38 (25)	https://youtu.be/s_P4JbNknAc
7.	23/12/20	Webinar 2. IT-management for BMOs.	Cybersecurity basics. Network security tools recommended for non-profit BMOs in Ukraine.	27 (19)	https://youtu.be/4ocEHA8jWEs
8.	28/12/20	Webinar 3. IT-management for BMOs.	Common cloud storage for BMO, remote work with documents.	27 (18)	https://youtu.be/uqL5ONFNp6Q

APPLICABLE OUTPUT INDICATORS

1.1 Number of BMOs (and specifically women-led BMOs) with improved governance, management and optimized internal processes that are able to maintain and further improve effective organizational structure and processes

1.2 Change in income growth from membership feed in targeted BMOs, including 2 organizations representing women-led enterprises

PLANS FOR THE FUTURE

Delivery of the organizational capacity development training in the areas of HR, IT, fundraising and communications will continue in Q1 2021. Further capacity building for the partner BMOs will be provided within the [BMO Leadership Programme](#) in 2021.

Strategic sessions of the partner BMOs

The Project Phase I has supported partner BMOs in the development of the mid-term organizational development strategies resulting from participation in the comprehensive training program. The Project Phase II intends to apply a similar approach to the [BMO Leadership Programme](#) delivery planned for the year 2021. However, considering the socio-economic impact of the COVID-19 pandemic it seemed crucially important for the BMOs to have up-to-date relevant strategic documents to guide their development in 2021. Thus, the Project has involved five professional strategists to facilitate the strategic planning sessions for partner BMOs at the end of 2020 or the beginning of 2021. Doing so the Project has applied a flexible responsive approach allowing BMOs to decide on the optimal duration of the session (up to three days) and its format (in-person or online). Partner BMOs were also provided with an opportunity to apply for logistics support for their strategic sessions from the Project.

Information on the strategic sessions of the partner BMOs supported by the Project at the end of 2020 is presented in the table below. Due to the quarantine restrictions number of in-person participants was limited to 15.

Strategic sessions of the partner BMOs

#	Date	BMO	Location	Number of participants (incl. women)
1.	17/12/20	Union for Promotion of Rural Green Tourism Development in Ukraine	Online	18 (13)
2.	17-18/12/20	Sumy CCI	Online	6 (4)
3.	17-18/12/20	Kharkiv CCI	Kharkiv	15 (4)
4.	18/12/20	Association of Ukraine’s Industrial Automation Enterprises	Kyiv	15 (8)
5.	18/12/20	Poltava Business Association	Poltava	12 (4)
6.	18-19/12/20	Interregional Union of Poultry Breeders and Fodder Producers of Ukraine	Online	9 (5)
7.	21/12/20	Ivano-Frankivsk CCI	Online	10 (5)
8.	21/12/20	Karpatsky Smak	Lviv	14 (4)

9.	22/12/20	League of Business and Professional Women of Ukraine	Chernihiv + Online	35 (35)
10.	22-23/12/20	Donetsk CCI	Sviatohirsk	15 (12)
11.	23/12/20	Ukrainian Platform "Women in Business"	Vinnytsia	15 (14)
12.	24-26/12/20	Business Community Club	Lviv oblast	15 (7)
13.	28/12/20	Organic Ukraine	Online	5 (4)
14.	28/12/20	Business Women Club MLT	Melitopol	18 (18)
15.	29/12/20	Zaporizhzhia CCI	Zaporizhzhia	7 (3)

APPLICABLE OUTPUT INDICATORS

1.1 Number of BMOs (and specifically women-led BMOs) with improved governance, management, and optimized internal processes that are able to maintain and further improve effective organizational structure and processes

1.2 Change in income growth from membership fees in targeted BMOs, including 2 organizations representing women-led enterprises

1.3 Number of hubs/platforms established for BMO cooperation and partnership

PLANS FOR THE FUTURE

Strategic sessions for the remaining partner BMOs will be conducted in the Q1 2021. Mid-term development strategies will be developed by the partner BMOs within the [BMO Leadership Programme](#) in 2021.



OUTPUT 2: Better MSMEs' access to Business Development Services through BMOs

Activities 2.1. Conduct BDS market assessment and 2.4. Promoting sustainable practices among MSMEs will be implemented in 2021 within the [Evidence-Based BMO Transformer](#) and the [Responsive Innovation Accelerator](#) respectively. Activity 2.3. Facilitate MSMEs' access to BDS through small grants scheme to BMOs is planned for 2022.

2.2. Support development and rollout of general BDS

GPO training

During the implementation of the Phase I the Project has closely cooperated with the Polish Aid project "Kupuimo Razom!", supporting GPOs. Building on this experience the Project Phase II has undertaken a series of steps to raise awareness and build the capacity of partner BMOs in group purchasing. This includes:

- Training for partner BMOs on the international experience of GPOs and practical approaches to establish them in Ukraine based on the experience of "Kupuimo Razom!" project;
- Development of the evidence-based toolkit on the creation of GPOs;
- Drafting MoU between the Polish Family Business Association as the owner of the "[Kupuimo Razom!](#)" web-portal and the partner BMOs on granting them the rights to the web-portal administration.

Information on the GPO training delivered to the partner BMOs in 2020 is presented in the table below. Due to the quarantine restrictions, all the training were delivered online via the Zoom platform.

GPO training

#	Date	Title	Topic	Number of participants (incl. women)	Link to the video
1.	04/12/20	Webinar 1. Group purchasing organizations.	Opportunities for business associations	35 (22)	https://youtu.be/OrqUVzCKCw0
2.	11/12/20	Webinar 2. Group purchasing organizations.	The practice of creating group purchasing organizations	35 (22)	https://youtu.be/p8lKYKge7ml
3.	17/12/20	Webinar 3. Group purchasing organizations.	The most common mistakes in the creation of group purchasing organizations	35 (22)	https://youtu.be/E-Re7YThKJk

APPLICABLE OUTPUT INDICATORS

2.2 Share of members of the partner BMOs that benefit from GPOs established or facilitated by BMOs

PLANS FOR THE FUTURE

The Project will further support the creation of BPOs in 2021 by integrating relevant modules to the [BMO Leadership Programme](#) and developing “[Kupuimo Razom!](#)” web-portal under the auspice of the Project.

BDS promotion

Based on the findings from the rapid needs assessment the Project has introduced a responsive mechanism enabling partner BMOs to apply for the logistics support of the public events contributing to the achievement of the Project objectives in the areas of organizational development, BDS and PPD. Information on the event of the partner BMOs aiming at BDS promotion, supported by the Project is presented in the table below. Due to the quarantine restrictions number of in-person participants was limited to 15.

BDS promotion events

#	Date	BMO	Event	Location	Number of participants (incl. women)	Links
1.	26/11/20	Organic Ukraine	VII International Conference “Organic Processing and Trade 2020”	Online	145 (79)	https://op.organicukraine.org.ua/en

2.	03/12/20	Interregional Union of Poultry Breeders and Fodder Producers of Ukraine	Session for Development of Regional Clusters for Poultry Farmers	Kharkiv + Online	13 (7) + 29 (13) online	https://www.facebook.com/ptahokormUnion/posts/3484539128298536
3.	07/12/20	Ukrainian Door Association	Presentation of the Academy for Door Business Management	Dnipro	8 (2) + 908 online through FB	https://fb.watch/3PhTyWEf0Y
4.	17/12/20	Sumy CCI	Presentation of the Agricultural Advisory Service	Online	28 (17) + 720 online through YouTube, FB Facebook reach: 22,587	https://www.facebook.com/events/223350825824281 https://youtu.be/K4O4by8u7d4
5.	17/12/20	Residential Property Managers and Operators Association	Presentation of the Training and Consulting Center "Effective management and energy efficiency in an apartment building"	Online	49 (26) Facebook reach: 543	https://www.facebook.com/events/146064133612585
6.	18/12/20	Odessa CCI	Online Conference "Transparent about ProZorro: new services for business"	Online	32 (18) Facebook reach: 1,012	https://www.facebook.com/events/445391856811948

APPLICABLE OUTPUT INDICATORS

2.1 Number of BMOs that implement at least 2 new BDS on cost-recovery basis

PLANS FOR THE FUTURE

The Project will further support BDS development in 2021 by integrating relevant modules to the [BMO Leadership Programme](#), piloting new BDS rollout within the [Responsive Innovation Accelerator](#) and promoting them through the [BMO Fair Roadshow](#) and [BMO Confidence Building Campaign](#).



OUTPUT 3: Private sector and governmental side engaged in effective public-private dialogue

3.1. Improve general advocacy strategy of BMOs

The Project has ensured coherence of its activities with the priorities of the Government of Ukraine in the area of the business support infrastructure development by conducting regular consultations with key government stakeholders. Such consultations included meetings of the UNDP Resident Representative with the Deputy Minister of Economic Development, Trade and Agriculture on 30 October 2020 and with the Deputy Minister of Digital Transformation on 10 November 2020. The Project has also maintained regular communication with the Department for Regulatory Policy and Entrepreneurship of MEDTA and with the SMEDO.

APPLICABLE OUTPUT INDICATORS

- 3.1 Number of laws and sub-laws, consulted with BMOs, that have been submitted to respective authorities for adoption
- 3.2 Number of BMOs with improved capacities in partnership building, that create networks and coalitions with other relevant organizations

PLANS FOR THE FUTURE

The Project will continue to coordinate its activities with MEDTA, MDT, SMEDO, etc. It will also support the improvement of the general advocacy strategy of the partner BMOs by conducting communications audit within the [Rapid expert assistance programme](#) and integrating relevant modules to the [BMO Leadership Programme](#) in 2021.

3.2. Support partnerships for advocacy and dialogue

Upon the completion of the partner BMOs selection process, the Project has conducted an introductory workshop for the leader of 27 partner BMOs on 19 August 2020. The purpose of the meeting was to present the Project to the partner BMOs, get them to know each other and share the experience of participation in the Project Phase I. Due to the quarantine restrictions, the meeting took place online.

To facilitate communication with the partner BMOs the Project has created a mailing list and a group in “Viber” messenger including the Coordinators appointed by each partner BMO and the project team. The Project has also inspired cooperation within the BMO sector by supporting the creation of two BMO coalitions: “[Strong Community](#)” and “[Hospitality and Tourism](#)”.

To support the exchange of knowledge and experience between partner BMOs and disseminate the best practices from the Project Phase I, the Project has launched a P2P Learning Platform – a regular moderated discussion of the particular BMO development issue (e.g. membership retention and extension) for the smaller groups of partner BMOs. Information on the P2P Learning Platform meetings in 2020 is presented in the table below. Due to the quarantine restrictions, the meetings took place online via the Zoom platform.

P2P Learning Platform meetings

#	Date	Title	Topic	Number of participants (incl. women)	Link to the video
1.	15/09/20	P2P Learning Platform meeting for the CCI	Membership retention and extension for the CCI	17 (9)	https://youtu.be/XpsuOmRP4Bl
2.	08/10/20	P2P Learning Platform meeting for the universal BMOs	Membership retention and extension for the universal BMOs	35 (23)	https://youtu.be/NAViJztqZW0
3.	24/09/20	P2P Learning Platform meeting for the sector-specific BMOs	Membership retention and extension for the sector-specific BMOs	48 (34)	https://youtu.be/hsjThgnFYEc

APPLICABLE OUTPUT INDICATORS

3.2 Number of BMOs with improved capacities in partnership building, that create networks and coalitions with other relevant organizations

3.4 Number of target BMOs and other external BMOs that establish effective partnerships to advocate for independent professional certification

PLANS FOR THE FUTURE

The Project will continue to conduct P2P Learning Platform meetings in 2021. Meetings in Q1 will be focused on business development services rollout.

3.3. Strengthen BMO capacity to develop industry standards

Information on the event of the partner BMOs aiming at industry standards development, supported by the Project within the [responsive mechanism](#) is presented in the table below. Due to the quarantine restrictions number of in-person participants was limited to 15.

Industry standards development events

#	Date	BMO	Event	Location	Number of participants (incl. women)	Links
1.	03/12/20	Union for Promotion of Rural Green Tourism Development in Ukraine	Expert Round Table "Self-Regulatory Principles in Green Tourism through the Internal Standards Development"	Online	57 (30) Facebook reach: 20,600	https://www.facebook.com/events/221813522685104/
2.	18/12/20	Ukrainian Visual Industry Association	Workshop "Industry Standards"	Kyiv + Online (closed group)	13 (5) Facebook reach: 2,615	https://www.facebook.com/events/246521850231572/

APPLICABLE OUTPUT INDICATORS

3.5 Number of BMOs that lead the process of developing industry-based services and goods quality standards

PLANS FOR THE FUTURE

The Project will further support industry standards development in 2021 by integrating relevant modules to the [BMO Leadership Programme](#), piloting new industry standards within the [Responsive Innovation Accelerator](#) and promoting them through the [BMO Fair Roadshow](#) and [BMO Confidence Building Campaign](#).

3.4. Promoting PPD at the local and national level

Information on the event of the partner BMOs aiming at promoting PPD, supported by the Project within the [responsive mechanism](#) is presented in the table below. Due to the quarantine restrictions number of in-person participants was limited to 15.

PPD promotion events

#	Date	BMO	Event	Location	Number of participants (incl. women)	Links
1.	03/12/20	League of Business and Professional Women of Ukraine	VII Forum of the League of Business and Professional Women of Ukraine	Chernihiv + Online	12 (12) + 192 (191) online + 219 online through YouTube Facebook reach: 29,816	https://www.facebook.com/events/377161046693555 https://youtu.be/pFZdoetDgA
2.	11-12/12/20	Western Ukrainian Fashion Industry Cluster	Round Table for Fashion Industry Clusters "New Business Conditions as an Incentive for Innovation"	Lviv + Online	17 (11) + 49 (27) online (Zoom) + 3,433 online through YouTube, FB	https://www.facebook.com/tvovemisto/videos/243864990406531/ https://youtu.be/sbmtXt4D9kQ https://fb.watch/3LreHLYNGW/ https://youtu.be/Rr5a6gU0-js https://fb.watch/3Lrd8hDuGV/
3.	17/12/20	Zaporizhzhia CCI	Women Partnership Forum	Zaporizhzhia	17 (17) Facebook reach: 16,836	https://www.facebook.com/events/455389175855600/
4.	17/12/20	STINA Business League	Conference "Hospitality and Tourism in Ukraine"	Kyiv + Online	18 (8) + 150 (100) online (Zoom) Facebook reach: 4,600	https://www.facebook.com/events/201840121600273/ https://www.facebook.com/spstina/videos/426240871848644/

In order to enhance the involvement of the women’s BMOs in the PPD the Project has conducted the analysis on men and women in leadership positions in Ukraine based on open data (Annex 7). It will help to obtain the sex-disaggregated open data on women and men in leadership positions in business and perform a comprehensive analysis of this data considering the results of the first study conducted during the Project Phase I in 2017 and reflecting the dynamics over the past period.

APPLICABLE OUTPUT INDICATORS

3.1 Number of laws and sub-laws, consulted with BMOs, that have been submitted to respective authorities for adoption

3.2 Number of BMOs with improved capacities in partnership building, that create networks and coalitions with other relevant organizations

PLANS FOR THE FUTURE

The Project will further support PPD in 2021 by integrating relevant modules to the [BMO Leadership Programme](#) and piloting new PPD initiatives within the [Responsive Innovation Accelerator](#). The results of the gender analysis of leadership positions in Ukraine will be presented in Q1 2021 and used by women's BMOs to advocate for the introduction of gender-disaggregated data in the [United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine](#).



Project Management

Team Recruitment

The recruitment of the Project team as per the Project organigramme was completed in November 2020, thus marking the beginning of the full-fledged Project implementation. Timelines for the Project team recruitment are provided in the table below.

Project team recruitment

Month of recruitment	Position
February 2020	Finance and Procurement Associate
April 2020	Coordinator on BMO Organizational Development
July 2020	Project Manager
October 2020	Coordinator on Advocacy and PPD
November 2020	Coordinator on BDS for MSMEs

Project Board

The first Project Board meeting took place on 15 October. Due to the quarantine restrictions, it was conducted online via the Zoom platform. The Board has reviewed and approved the functions and the composition of the Board and the annual work plan of the Project for 2021 (Annex 8).

Monitoring and Evaluation

The main focus of the monitoring and evaluation activities of the Project in the reporting period was to establish the baseline for tracking further progress toward the results framework indicators. To collect the baseline data the Project will rely on the results of the BMO [organizational capacity assessment](#) supplemented by the BMO members survey results to be conducted in Q1-2 2021.

Visibility

The Project has ensured the visibility of the donor, the implementing agency and the implementing partner as follows:

- The Project has prepared the visibility guidelines (Annex 9) for the partner BMOs and consultants;
- Individual letterheads were designed for each partner BMO with the logos of SECO, Government of Ukraine, UNDP and the respective BMO to be used for all the materials supported by the Project.
- Project banners were printed for each partner BMOs with the name of the Project and the logos of SECO, Government of Ukraine, UNDP and the respective BMO to be used at all the events supported by the Project.
- All the printed and video materials produced by the Project include the Project disclaimer and the logos of SECO, Government of Ukraine and UNDP.

Lessons Learned

Few key takeaways from the Project launch and inception phase are following:

- Organizational capacity assessment results have indicated a substantial difference in the 27 partner BMOs' organizational capacity levels. Thus, group-oriented capacity-building activities (training, manuals, etc.) should be supplemented with more tailored interventions (consultations, mentoring and coaching support, etc.) taking into account individual levels of the organizational capacity.
- BMOs engaged under the Project Phase I have demonstrated significant organizational capacity improvements according to the Phase I final assessment but were challenged in sustaining them over time, as captured by the initial assessment of the Project Phase II. The issue of organizational transformation sustainability could be addressed by introducing BMO organizational capacity standards and advocating for their institutionalizations in the course of the Project.
- Low level of membership in most MSME BMOs of Ukraine could be attributed to the background of their founders, often coming from a small or medium business themselves and thus not be used to manage organizations of a larger scale. Improving the business administration competencies of the BMO leaders and changing their mindset would be necessary to address this challenge.
- Regional CCIs often struggle with their image as quasi-state organizations among the business community members. Although the striking difference between the results of their organizational capacity self-assessment and assessment by the external evaluator undertaken by the Project supports this impression. Additional efforts may be required to improve the corporate culture of the regional CCIs towards a more business-oriented approach.

- The need for the establishment of the coordination centres to consolidate the efforts of the BMO sector was expressed by the public and private sector stakeholders. For the system of CCIs this role could be performed by the National CCI, while for other BMOs, the profile of the BMO platforms (e.g. National SME Platform) would require revision.
- The level and the quality of MSMEs representation by the BMOs has often been challenged by the public sector stakeholders as well as by the business community itself. Thus, elaboration and further promotion of clear and transparent representation criteria for BMOs could help to bridge the existing BMO legitimacy gap.
- There is an ongoing competition over the political mandate for MSME development between MEDTA/SMEDO and MDT/EPO. Better coordination between the public authorities would require additional attention and efforts from the Project and UNDP.

Budget and Delivery

The approved annual budget was USD 368,110 with the budget utilization rate 76% for 2020. The actual expenditure and full asset cost amount to 11% of the approved project budget. For more details, please see Annex 1: Financial report.

MAIN HIGHLIGHTS OF THE NEXT REPORTING PERIOD

- ✓ **BMO Leadership Programme** – training programme delivered by one of the leading Ukrainian business schools covering both conceptual approaches to and practical skills in organizational development, BDS and PPD;
- ✓ **Responsive Innovation Accelerator** – on-demand mechanism for piloting innovative solutions in organizational development, BDS and PPD by partner BMOs, including:
 - Membership development "Outreach Booster"
 - Women entrepreneurs engagement "WE Inspire"
 - Collaboration development "Community Power"
 - BDS improvement "BDS Booster"
 - BDS promotion "Market It"
 - BDS innovation "Group Purchasing"
 - Advocacy and partnership development "Drivers of Change"
 - PPD development "Strong Voice"
- ✓ **Evidence-Based BMO Transformer** – tailored R&D and IT support of BMO sector transformation including BMO sector mapping and interactive database development, BMO and BDS market analysis and reengineering, piloting CRM solutions.
- ✓ **BMO Fair Roadshow** – series events jointly organized by several partner BMOs in different regions of Ukraine.
- ✓ **BMO Confidence Building Campaign** – communication campaign to promote benefits from BMO membership for MSMEs from BDS delivery and PPD.

LIST OF ANNEXES

- Annex 1. Financial report
- Annex 2. Status of activities against Log Frame
- Annex 3. Risk Log
- Annex 4. BMO selection methodology
- Annex 5. BMO evaluation results
- Annex 6. Minutes of the BMO selection committee meeting
- Annex 7. Survey on Women and Men in Leadership Positions in Ukraine
- Annex 8. Project Annual Workplan for 2021
- Annex 9. Project Visibility Guidelines