



**United Nations Development Programme  
Bratislava Regional Centre for Europe & CIS  
Poverty Reduction Practice/ Private Sector Sub-practice**

**- Draft Regional Project Document -**

<b>Project Title</b>	<b><u>Growing Inclusive Markets in Eastern Europe and CIS</u></b>
<b>Expected Regional Programme Outcome:</b>	Significantly increased private sector participation in development projects in the region
<b>Expected Output(s):</b>	<ul style="list-style-type: none"><li>- Country level awareness built for inclusive market business models and approaches.</li><li>- Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</li></ul>
<b>Executing Entity:</b>	UNDP Bratislava Regional Centre
<b>Implementing Agencies:</b>	UNDP Bratislava Regional Centre and UNDP Country Offices in Bosnia and Herzegovina, Kosovo, Kazakhstan, Turkey and Uzbekistan

**Brief description of the project**

The overall purpose of this project is to build more inclusive markets in Eastern Europe and the CIS. It has two complementary objectives:

1. To build country level awareness for inclusive market business models and approaches via the production and dissemination of a regional Growing Inclusive Market (GIM) report.
2. To broker concrete inclusive market investment projects in four COs of the region.

It is based on the fact that businesses that **engage the poor** on the demand side **as clients and customers**, and on the supply side **as producers, employees and business owners** can capture benefits that go beyond the short-term bottom line and actually help tackle sustainable development issues. The first and groundbreaking report from UNDP's Growing Inclusive Market initiative, [\*Creating Value for All: Strategies for Doing Business with the Poor\*](#), launched in July 2008, highlighted portraits of successful simultaneous pursuits of revenues and social impact. It however, only featured 3 case studies from the region, making it difficult to use the report for advocating local action at country level. The project will attempt to build country level awareness of inclusive markets business models and approaches in the region by producing and disseminating a regional GIM report featuring 10 to 12 inclusive market case studies from the region and presenting the key barriers and solutions to achieving more inclusive markets in the region.

The project will also use the regional GIM report as an advocacy tool to broker concrete inclusive market investment projects over 3 years in Bosnia and Herzegovina<sup>1</sup>, Kosovo, Kazakhstan and Uzbekistan, in partnership with TIKA. Turkey, being at the crossroads of Eurasia and having a substantial economic and social influence over the countries in the region, has a key role to play in the economic development of

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<sup>1</sup> The CO having had a chance to already implement Growing Sustainable Business for 3 years in BiH, the project will only include a 1 year transition to ensure sustainability of the initiative.

Eurasia. In particular, there are considerable opportunities for Turkey to have a positive impact on vulnerable populations in Eurasia through Foreign Direct Investment and building the capacity of indigenous entrepreneurs. The Growing Sustainable Business (GSB) approach will be used to broker those inclusive market investments projects. It is anticipated that the resulting new investments will contribute to more inclusive markets in Bosnia and Herzegovina, Kosovo, Uzbekistan and Kazakhstan, where low income and vulnerable people will have access to new employment and revenue generation opportunities and as well as better and cheaper goods and services.

The GIM and GSB initiatives are integral parts of UNDP’s Private Sector Strategy<sup>2</sup>, “Promoting Inclusive Market Development”, and contribute directly to all 5 priorities. In addition, the GSB initiative is fully integrated from the start in UNDP Country Offices’ (COs) private sector related programming, contributing to their Country Program Documents and national priorities.

Operationally, the objectives will be achieved by:

1. Objective 1: using a dedicated staff to coordinate the report production process, hiring case study writers and a lead author, and getting advice from a specially set-up Working Group of the global GIM initiative Advisory Board.
2. Objective 2: hiring and training national Brokers - to supplement current UNDP COs efforts in working with the private sector - who will identify and facilitate new investment opportunities as well as the local implementation of projects. At the country level, National Steering Committees will be created, comprised of relevant government agencies, potential investors, local businesses, NGOs and other development agencies as appropriate. The role of those Committees will be to evaluate the relevance of proposed investment projects to local development needs, to link with appropriate local partners through members’ respective networks, and ensure transparency and public accountability. A key feature of the project will also be a Support Broker in Turkey whose main role would be to match external<sup>3</sup> businesses with “pro-poor” investment opportunities being identified in target countries by national Brokers.

Programme Period: 2009-2012

Key Result Area (Strategic Plan): Promoting inclusive growth, gender equality and achievement of internationally agreed development goals, including the MDGs

Atlas Award ID:

Start date: 1 Sep 2009  
 End Date 31 August 2012  
 PAC Meeting Date: 26 February 2009

Total resources required: 1,428,935 USD  
 Total allocated resources: 1,267,935 USD

- Regular 350,600
- Other:
  - TIKA: 877,935 USD

Unfunded budget: 150,400 USD (39 400 USD GSB, 111 000 USD GIM)

In-kind Contributions: 50,000 USD (50,000 USD GIM)

Agreed by (UNDP):

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<sup>2</sup> UNDP Private Sector Strategy, September 2007  
<sup>3</sup> Defined as not indigenous to the target countries

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# 1. SITUATION ANALYSIS

## MDGs, UNDP and the Private Sector

As part of its global mandate, UNDP is seeking to **engage the private sector** constructively in supporting national and local efforts to address development challenges, particularly in the framework of the Millennium Development Goals (MDGs). It has developed a **Private Sector Strategy**<sup>4</sup>, “**Promoting Inclusive Market Development**” which provides a framework for its private sector interventions at global, regional and national levels within the broader context of the UNDP Draft Strategic Plan for 2008-2011. The strategy gives practical direction and substance to the Strategic Plan’s recognition that private sector development (PSD) and private sector engagement (PSE) are central not only to poverty reduction but also to achieve wider development objectives. UNDP bases its approach to the private sector on the concept of facilitating the development of “Inclusive Markets”. The overall aim is to ensure that markets work for the poor as entrepreneurs, wage employees and consumers.

In 2004, a commission headed by Paul Martin, the former Prime Minister of Canada, and Ernesto Zedillo, Mexico’s former President, at the request of then-UN Secretary-General Kofi Annan, produced the report, [Unleashing Entrepreneurship](#). This Commission, hosted by UNDP, recognized the critical contributions that the private sector – large and small, foreign and domestic – has been making, and could make to poverty reduction and achievement of the MDGs around the world. A core principle of the Commission’s findings is that the development impact of engaging the private sector is maximized where this engagement is grounded in market-based incentives, and where there is overlap between commercial and development interests. That report was a strong argument in favour of **more private sector involvement in alleviating poverty**. It was also the inspiration and the engine for the UNDP Private Sector Strategy and two of UNDP’s flagship private sector related initiatives, **Growing Inclusive Market (GIM) and Growing Sustainable Business (GSB) both contributing directly to all of the Private Sector Strategy priorities**. GIM’s aims are to raise awareness by demonstrating the mutual benefits of doing business with the poor, to inspire the private sector to action and to help businesses, governments and civil society organizations to facilitate more inclusive markets. GSB’s aims are to broker concrete inclusive market business models at CO level and to demonstrate along the way the potential of growing inclusive markets in a given country, spurring additional action by all relevant stakeholders to improve the enabling environment for making markets work better for the poor.

## Growing Inclusive Markets

As [Unleashing Entrepreneurship](#) demonstrated, the working poor, while lacking many basic goods, do not lack ideas, energy or the desire to take care of their basic needs themselves. Businesses that **engage the poor** on the demand side **as clients and customers**, and on the supply side **as producers, employees and business owners** can capture benefits that go beyond the short-term bottom line. The first and ground breaking report from the GIM initiative, [Creating Value for All: Strategies for Doing Business with the Poor](#), launched in July 2008, highlighted portraits of successful simultaneous pursuits of revenues and social impact.

*Creating Value for All* draws from 50 specifically commissioned case studies, from researchers and academics in predominantly developing countries from Peru to Kenya to the Philippines. The report provided successful strategies that entrepreneurs have used to overcome common constraints to doing business in a developing region by local and international small and medium-sized companies, as well as multinational corporations. This bottom-up process, anchored in local knowledge, is producing a growing network of development practitioners, policymakers, business people and civil society actors.

Drawing from these studies, the five main constraints to creating inclusive markets, both for the businesses and for the poor themselves, were identified: limited market information; ineffective regulatory environments;

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<sup>4</sup> UNDP Private Sector Strategy, September 2007

inadequate physical infrastructure; missing knowledge and skills; and restricted access to financial products and services. To overcome these constraints takes creativity and cooperation between many actors. In the report, five of the most consistent and effective strategies were noted: adapt products and processes; invest in training or infrastructure to remove constraints; leverage the strengths of the poor to increase labour and management pools and to expand local knowledge; work with similarly-minded businesses, non-profit organizations or public service providers; and engage in policy dialogues with governments. By using a more inclusive business model, businesses can drive innovation, develop new markets, enlarge the labour pool and strengthen supply chains, while empowering the poor and helping meet basic needs.

In a nutshell, the first GIM report argues that doing well and doing good need not be mutually exclusive. Inclusive business models create more independence and interdependence, by recognizing the poor not only as consumers, but also as drivers of growth. Such models lead to greater wealth and greater progress in human development. In short, when markets include more poor people, we all win.

UNDP is now seeking to **deepen the GIM initiative by replicating it at regional and country levels**. This approach is consciously modeled on UNDP's successes in "localizing" its highly successful human development reports, which have helped to shape national agendas and led to concrete policy changes in countries around the world. This localization involves UNDP Regional Centers and Country Offices, in partnership with private-sector leaders, national policymakers, civil society organizations, and others building on the methodology and results of the global initiative to launch regional and national processes designed to identify and overcome constraints to inclusive market activity.

## **Growing Sustainable Business**

The GSB initiative facilitates business-led enterprise solutions in advancement of the MDGs. GSB brokers **inclusive business models investments** that accelerate and sustain access by the low-income and socially excluded populations, to needed and affordable goods and services, as well as employment and livelihood opportunities (through job creation and small enterprise development, including through **value chain integration**). GSB investment projects align commercial benefits of investors with local development needs and are carried out through multi-stakeholder partnerships.

At UNDP Country Office (CO) level, the initiative is fully integrated from the start in the office's private sector related programming, hence contributing directly to UNDP's Country Program Document and the country's national development priorities.

### ***GSB Programme Components***

Typically, the GSB initiative involves the following components: a full time GSB broker, a research and technical assistance platform, and multi-stakeholder oversight.

***A full time GSB broker:*** A full-time GSB Broker is recruited to support the existing UNDP private sector portfolio team where relevant, and act as a convener and intermediary for business, government, civil society, and development partners. The GSB broker helps identify, develop and support specific pro-poor investment projects, leveraging UNDP's impartiality and convening power. The broker also plays a key role in problem solving and technical assistance for GSB projects.

***Research Platform:*** GSB, in partnership with TIKA, can provide co-funding for socio-economic research and feasibility studies. The findings of such research are publicly available so to further increase knowledge among government, donors and other interested stakeholders, potentially sparking further investments.

***Technical Assistance Platform:*** GSB helps build needed capacity of local stakeholders, in particular local entrepreneurs, local government and local NGOs that might be expected to play a role in the implementation of any given GSB project.

***Multi-stakeholder oversight:*** In every country, a Steering Committee is created. Its role is to oversee and support the efforts of the GSB in a country. It is comprised of GSB stakeholders, including government, private sector companies, civil society, and development partners including the UN.

### ***GSB Portfolio in Eastern Europe***

GSB has established local programs in over 15 countries across Asia, Africa and Eastern & Central Europe. More specifically, in the latter region, GSB programs are currently in place in Bosnia and Herzegovina, Moldova and Turkey. An external evaluation of the GSB Programme was conducted in 2007. It highlighted many lessons learnt, most of which are included in the current project proposal, such as the needs to:

- Make sure we have CO's senior management buy-in from project design – addressed here by obtaining clearance on the project proposal at the design phase
- Decentralize the implementation of the project to COs – addressed in this project document
- Assist national brokers with business outreach outside their country – addressed through the support Broker function defined in this project document

Other lessons were related to the GSB methodology and processes themselves and have been incorporated in the GSB programme Operations Manual, available for use by this project.

On the results point of view, the 2 years of experience to date in the countries mentioned above, show that the GSB is highly successful at maximizing the impact of the private sector on development. To see the final GSB Programme report in RBEC, please click [here](#).

### ***GSB Project Sectors***

The GSB project does not target specific industrial sectors. More in-depth country-specific analyses of investment opportunities are undertaken, once GSB brokers are deployed on the ground. These analyses always build on existing studies and also take into account:

- Sectors that bring benefits beyond the immediate commercial returns – e.g. industry sectors that leverage local labour skills, create significant new employment opportunities and foster innovation and creativity;
- The need to foster relationships with industries/companies from areas with close cultural links to the region;
- Interests expressed by potential investors;
- The potential of the local SME sector;
- The need for coordination with other donor funded investment and SME promotion programs
- The need to promote intra – regional investment.

### **Eastern Europe and the CIS**

The Eastern Europe and Commonwealth of Independent States (CIS) region is no different from the rest of the world in terms of market exclusion of the poor and vulnerable people, as demonstrated in recent reports<sup>5</sup>. *Creating Value for All*, however, only featured 3 case studies from the region (2 from Poland and 1 from Russia). This is perceived by Country Offices<sup>6</sup> – as a key issue to effectively use the report for advocating local action at country level. Recent *Creating Value for All* launches in Armenia, Moldova, Turkey and Ukraine have confirmed this issue, as local stakeholders have pushed back on the case studies showcased by the report as remote from the realities of the region. There is currently a **strong demand from COs of our region** for such a regional knowledge product<sup>7</sup>.

The region, extending from Central Europe to Central Asia, is characterized by big disparities in development levels between and within countries. It is definitely in the politically unstable Western Balkans and CIS that development challenges are most acute in the region. Much progress has been made in the post-conflict Western Balkan countries. Albania, Bosnia I Herzegovina, Serbia, Montenegro and Kosovo are now at the EU's doors and have reached the "potential candidate countries" status. However much remains to be done in terms of social inclusion and cohesion. In addition, although all of those countries are in the process of implementing policies aimed at poverty reduction, MSME development, improving the business environment

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<sup>5</sup> Europe and the CIS MDG Report 2006 – National MDGs: a framework for action; Central Asia Human Development Report 2005 – Bringing Down Barriers: Regional cooperation for human development and human security. I'd also mention Susanne Milcher's *Employing the Roma* (2005) pamphlet. And insert URLs for all three.

<sup>6</sup> Refer to RBEC Private Sector 2008 CoP meeting and 2009 AWP on [ws.undp.sk/psd](http://ws.undp.sk/psd)

<sup>7</sup> Refer to RBEC Private Sector 2008 CoP meeting and 2009 AWP on [ws.undp.sk/psd](http://ws.undp.sk/psd)

and attracting FDI, unemployment levels remain high and stagnant, and particularly affect vulnerable groups such as women, youth, returnees, people with disabilities, and ethnic minorities. On the other end of the region, some of the Central Asian Republics have Human Development Indexes (HDI) at par with Least Developed Countries (LDCs) and are still transitioning into a market economy, with countries like Kazakhstan and Kyrgyzstan leading the pack, and others like Uzbekistan and Turkmenistan lagging behind.

In all of those countries the private sector (local SMEs as well as bigger national and regional companies and MNCs) has a key role to play in including poor and vulnerable people in the market economy, with the view to alleviating poverty, reducing vulnerabilities and ensuring social cohesion, both nationally and regionally.

## **The role of Turkey**

Turkey, being at the crossroads of Europe and Asia in the region and having a substantial economic and social influence over the countries in the region, has a key role to play in the economic development of the region. In particular, there are considerable opportunities for Turkey to have a positive impact on **vulnerable populations in the region** through Foreign Direct Investment and building the capacity of indigenous entrepreneurs.

## **The Financial and Economic crisis backdrop**

The current financial and economic crisis is affecting adversely human development in our region, through transmissions channels including the financial system, trade and remittances. Credits are hard to obtain and rare are the investors willing to take risks in new ventures. Remittances and trade flows are decreasing and unemployment rising. On the other hand the root causes of the crisis have to be addressed in order to ensure long term economic recovery. Two of these root causes are accepted as being the global imbalance in savings (excess of savings in Asia and the Middle East) and spending (excess of spending on credit in the USA and not enough spending because of lack of resources and affordable goods and services in least developed countries), and growing inequalities between countries and within countries.<sup>8</sup> In order to address those causes as well as the consequences of the crisis in our region, it is necessary to ensure that the poor and vulnerable are provided with new opportunities for income generation, as well as with needed and affordable goods and services, and this is exactly what this project has set out to achieve.

It is clear that the needs for goods and services (food, water, energy, housing, financial services, etc) are not going away with the crisis, and that even if consumption is shrinking, the very basic needs still need to be met. Recent reports from the World Economic Forum show that despite the economic downturn, companies can find growth opportunities among billions of people living in poverty by adopting innovative strategies that benefit local communities<sup>9</sup>. This project provides an opportunity for innovative businesses – small and large, indigenous or multinational – to come up with new business models that meet the demand for affordable goods and services, and/or engage the poor as entrepreneurs and employees, creating a healthy ecosystem conducive to opportunities for growth. Those businesses that take risks and use the opportunity provided by the crisis to innovate, will be rewarded extensively by market positioning when the crisis ends.

The project is thus assumed to be a relevant response to the crisis. This assumption was backed by actors from business, government, civil society and development partners, when conducting a GSB

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<sup>8</sup> <http://www.ony.unu.edu/events-forums/events/2009/emerging-thinking-series-expla.html> and Andrey Ivanov's discussion paper on the Global Financial Crisis – February 2009.

<sup>9</sup> <http://www.weforum.org/pdf/BSSFP/NextBillionsUnleashingBusinessPotentialUntappedMarkets.pdf> and <http://www.weforum.org/pdf/BSSFP/NextBillionsBusinessStrategiesEnhanceFoodValueChains.pdf>

feasibility study for Kyrgyzstan in November 2008. This assumption will be tested again in each of the scoping mission that will take place at the onset of the project in all the target countries.

In addition, the project team is seeing signs that despite the crisis, businesses have not completely stopped investing. The team was approached in January by an investor from Iceland looking for investments in the textile industry in the region. In addition it is currently planning a Business Outreach event with the Greek Ministry of Foreign Affairs towards potential Greek investors targeting pro-poor markets in our region.

Nonetheless the project team will keep monitoring the risks of the crisis on the project through the risk log, as already initiated.

## 2. STRATEGY

### 2.1 Primary Goal and Proposed Project Strategy

The overall purpose of this project is to build more inclusive markets in Eastern Europe and the CIS. It will do so by tackling one of the barriers to making markets work for the poor – the lack of awareness of how businesses have been able to develop and successfully implement inclusive business model – and by applying the existing empiric knowledge in 4 countries through brokering concrete inclusive business models and investments. The project has therefore two complementary objectives:

1. To build country level awareness for inclusive market business models and approaches via the production and dissemination of a regional Growing Inclusive Market report.
2. To broker concrete inclusive market investment projects in four COs of the region.

#### Proposed Project Strategy

A regional GIM report will be developed in order to build country level awareness of inclusive market business models and approaches. The same **research methodology** as the one developed and used by the Global GIM will be used. One member of the global GIM team will support us with this. In addition, a **regional GIM Working Group** will be created as a subset of the existing global GIM Initiative Advisory Board, and as such it will be a tremendous opportunity to tap into the wealth of experience of the later in producing the global report. BRC guidelines on case study preparation will also be leveraged in the process of creating the report. As far as sources of case studies are concerned:

- Since GSB has 3 years of experience in the region, we will look particularly at GSB projects for potential case study examples.
- We will also be calling upon examples from Global Compact members activities in the countries of the region, and
- Actively engage COs in identifying country level case studies.

The report **target audience** will be people who make decisions that affect the development of inclusive markets. These include country policymakers, business leaders active or potentially active in the field, as well as the wider community of development practitioners, NGOs, etc., with an interest in inclusive market development in the region. We hope that these target audiences will be able to put the research and tools to use, for the ultimate benefit of the poor and vulnerable excluded from markets in the region.

In order to prove the potential of inclusive markets at country level, the approach advocated by the GIM initiative at country level will be applied through the **brokerage of inclusive business model investments in BIH, Kosovo, Kazakhstan and Uzbekistan, in partnership with TIKA**. The **Growing Sustainable Business (GSB) approach will be used** to broker investment projects. In particular, project will build on the success of its past and current GSB programs in Bosnia i Hercegovina, and expand the concept into Kosovo, Uzbekistan and Kazakhstan. The criteria for selecting the target countries included:



1. Interest and commitment from the UNDP CO, spanning from alignment with country programming and priorities
2. Interest from TIKA, spanning from cultural or economic ties with the target countries
3. Interest from UNDP BRC to consolidate the acquis from the past program in the Balkans and to expand into completely new territory for GSB and core-business partnerships: Central Asia.

Further rationale for expansion into the 3 new countries is as follows:

- Kosovo - its vulnerability as a newly created and landlocked nation and the strong support of the local UNDP office in implementing the GSB in support of local development needs.
- Kazakhstan – the country has one of the most progressive enabling environment for private sector development in the Central Asian region, and as such has great potential for fast project implementation and big impact. The local UNDP CO is supportive of the GSB initiative and has experience of developing business partnerships, for instance, a business incubator was implemented with Chevron.
- Uzbekistan – this is one of the poorest of the Central Asian republics, yet, it has big potential for more inclusive markets in agricultural value chains. There is a good opportunity for the GSB to make a significant contribution to poverty alleviation and inclusive growth in the country. The local UNDP CO is very supportive of the GSB initiative as a value addition in terms of market linkages for its Area-Based Development programming but also in terms of support to the Business Forum in Uzbekistan project of its Economic Governance portfolio.

It is interesting to note that even though Kyrgyzstan is not covered by the project, the UNDP CO there pursues a GSB approach. Links, coordination and cooperation between the projects countries and Kyrgyzstan will thus be fostered.

It is anticipated that resulting new investments will grow local MSMEs by strengthening their capacity to supply larger companies (i.e. supply chains), while growth in the local private sector will create new employment opportunities and provide better and cheaper goods and services to particularly poor populations in Bosnia and Herzegovina, Kosovo, Uzbekistan and Kazakhstan.

A key feature of the partnership with TIKA is a **Support Broker in Turkey**, whose main role would be to match external<sup>10</sup> businesses with “pro-poor” investment opportunities being identified in the above countries by national GSB Brokers. The Support Broker will leverage the Support Brokers infrastructure already existing within UNDP Liaison Offices in Brussels<sup>11</sup> and the Nordic Countries, in order to identify potential investors for the target countries. She/he will work together with the national brokers towards creating value chains in Eurasia. She/he will finally promote exchange of know-how between Turkey-based businesses and businesses (especially SMEs) in the target countries. This represents a critical regional opportunity for Turkey to engage the private sector in an effort to address one of the most pressing development challenges facing the countries in the region: creating jobs and providing goods and services in disadvantaged regions for socio-economically vulnerable populations. Please note that this does not mean that all the target countries’ GSB investment projects will be led by Turkish companies. National GSB Brokers, in collaboration with the Support Broker, will explore other opportunities with local and international non-Turkish companies as well. The Support Broker will leverage the very successful private sector engagement and development program implemented by UNDP Turkey, including the GSB, in particular by tapping into the Global Compact network member companies, as well as the extensive network of companies developed by the GSB Broker in Turkey. It will also leverage any relevant activities carried out by the regional Black Sea Trade project as well as any other relevant projects that may be initiated in the coming months.

The project strategy will be aligned with the following **nine features**:

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<sup>10</sup> Defined as not indigenous to the target countries

<sup>11</sup> The Business Outreach Broker financed by the Government of Belgium to support the Brokers in Ukraine, Armenia, Georgia, Belarus and Moldova in finding Belgium-based business partners for core business partnership projects.

1. **Focus on Core Business Activities:** While many businesses have innovative philanthropic and social-responsibility programmes in the region, the project will focus on showcasing and brokering companies' core business activities, as long-term impact is likely to be greatest in areas where commercial and development interests overlap. These areas will also tend to lend themselves more readily to replication and scaling up, because of the incentive structures.
2. **Link with the [Commission on Legal Empowerment of the Poor](#) :** This project will endeavor to build on the Commission on Legal Empowerment of the Poor report and to identify ways in which the two initiatives can leverage each other.
3. **Focus on Local Knowledge and Expertise, and Capacity Building:** The case studies for the regional GIM report will be identified through wide consultation with the Working Group members of the Project Working Group and more importantly with the Country Offices and their partners in the region. They will be written by local experts involved in Academia or local think tanks in the region. This will allow for local capacity to be built in the area of inclusive markets. The GSB Brokers hired will all be national staff and opportunities to locate him/her in a local host institution will be explored from the start.
4. **Gender Sensitivity:** Selection criteria for case studies as well as GSB projects will include showcasing/ensuring women inclusion in markets as entrepreneurs, employees or consumers.
5. **Environment Sensitivity:** Selection criteria for case studies as well as GSB projects will include showcasing/ensuring approaches that are environmentally sustainable. The project will ensure it works in very closely with the Energy and Environment practice across the region, in particular in the area of green commodities in Central Asia.
6. **Conflict Sensitivity:** Selection criteria for case studies as well as GSB projects will include showcasing/ensuring conflict-sensitive approaches to market inclusion, using the “do no harm” principle.
7. **Multi-Stakeholder/Open Approach:** Building on the *Creating value for all* report, the BRC resolves from the outset to create a multi-stakeholder, open process, involving as wide as possible a range of partners, through its Working Group members. In this same spirit, the regional report will be available on the web, where it can be discussed and supplemented by interested parties. With regards to GSB, country level multi-stakeholder Steering Committees ensure strategic oversight of the initiative as well as endorsement and monitoring of investment projects.
8. **Localization Strategy:** Finally, as highlighted above, the global GIM initiative was designed with a view to replication at the country level. This project will attempt to spur the localization process by promoting the launch of the regional report in selected Country Offices of the region and this way initiating discussions at the local level between private-sector leaders, national policymakers, civil society organizations, and others to identify and overcome constraints to inclusive market activity in a given country. GSB will support the localization process by brokering and ensuring the implementation of concrete inclusive business models at country level in BiH, Kosovo, Kazakhstan and Uzbekistan.
9. **Focus on fostering synergies with pas, existing and future UNDP projects and initiatives:**
  - a. **Global Compact Networks and Focal Points:** The project will ensure that the existing network of Global Compact Focal Points and Networks in the region developed through past and current projects will be tapped into for spurring opportunities for cross-regional partnerships and investment projects. This will be particularly relevant for Global Compact networks in Russia and Turkey who are key investors in the target countries.
  - b. **Black Sea Trade and Investment Project:** The project will leverage any relevant activities carried out by the regional Black Sea Trade
  - c. **Economic Development Along Trade Corridors in Central Asia Project.** The GSB will try to work at concrete pro-poor investment project level with the latter project and support it in terms of business linkages, as well as build upon its trade flow analysis and other expected outputs.

## 2.2 Project duration

We envision this project to last three years in order to really be able to get return on investments. Indeed, experience with the GSB initiative across the world, over the past five years shows that brokering this type of business partnership and investment project implementation, take time, as awareness of the GIM/GSB concepts and trust first need to be built. The goal is that institutional and financial sustainability of the initiative is achieved within that time frame.

At TIKA's demand, the project will however initially be for one year from the start of the Brokers operations on the ground<sup>12</sup>, with two further options to extend of one year each based on a successful review of the project at the end of each yearly period. The reviews will assess project achievements in relation to the project's Annual Work Plan (AWP) which is defined on a calendar year basis. Reviews will be carried out jointly between TIKA and UNDP and will take place in November 2009 and 2010. TIKA will make the decision to pursue or not no later than November 30<sup>th</sup> 2009 and 2010, in order to allow for proper annual planning at Country Office level and to ensure that financial instalments are released on time.

### **2.3 Project Outputs**

Below are the intended project outputs. Output indicators and targets are also indicated.

1. Country level awareness built for inclusive market business models and approaches.
  - a. A report showcasing successful inclusive market approaches from the region, highlighting how key barriers were overcome, is produced.
  - b. A few country launches of the regional report are organized spurring localization of the GIM initiative at country level.
2. Successfully brokered inclusive market investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan:
  - a. Advocacy activities on the role of private sector in development (at least one activity per year per country).
  - b. New companies subscribing to Global Compact principles (10 per new country, 30 in total).
  - c. Successfully brokered investment projects in progress (5 in each country, 20 in total).
  - d. Trained GSB brokers (four national brokers and one Turkey based Support Broker, 5 in total).
  - e. Functioning national GSB Steering Committees (1 per country, 4 in total).
  - f. Socio-economic feasibility studies that analyse financial viability and development impact of potential investment projects (5 in each new country, 1 in BiH, 16 in total).
  - g. Facilitated linkage between external companies and entrepreneurs/SMEs/producers organizations in target countries (enough to have at least two projects with external companies in each of the new target countries).
  - h. Local 'pacts' between local government, businesses, and NGOs to work with investors (5 in each country, 20 in total).

### **2.4 Addendum**

The Egypt CO has expressed interest in linking its national GSB project with our regional GIM in EE&CIS project. The Egypt GSB project uses the National Implementation Modality (NIM) whereby the Industrial Modernization Center (IMC) is the implementing partner. The project started implementation in February 2010. The project follows a very similar approach and strategy to ours and is thus very compatible to such a linkage. The main purpose would be to share the regional project infrastructure (Regional project coordination, backstopping, knowledge management and exchange and learning, and Turkey-based business outreach) with the Egyptian GSB Broker. The Egypt CO GSB project fully finances its participation and in return does not pay for the regional project services. The idea was approved by TIKA.

The Regional GIM in EE&CIS project thus agrees to provide the following services to the Egypt GSB project:

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<sup>12</sup> It is expected that the brokers can start operating between 3 to 4 months after the start of the project, given the time necessary to carry-out scoping missions, and to recruit and train the brokers.

1. Technical backstopping of the Egypt GSB Broker
2. Business outreach and linkages to Turkey-based companies
3. Involvement on monthly Business Brokers' calls to share information and challenges
4. Engagement in the Project Workspace, thus providing access to:
  - All regional and national project deliverables as well as other relevant reports and documents,
  - Opportunities to discuss issues and solutions, and share best practices and lessons learnt between the brokers
5. Monitoring of progress through reviewing monthly and bi-annual reports produced by the Egypt Broker
6. Reporting of progress to the regional Project Board

In exchange, the Egypt CO agrees to:

1. Cooperate with the Turkey-based Business outreach to identify pro-poor business linkages between the two countries
2. Ensure the participation of the Egypt Broker to monthly Brokers calls
3. Share its experience with the implementation of the GSB approach at CO level with our regional brokers and actively participates on the Workspace
4. Report on a monthly and bi-annual basis on progress using the templates defined by the project
5. Use the TIKA logo on all Project related external documents and events
6. Finance Bratislava Regional Staff for potential missions related to technical backstopping or project review, if needed

The arrangement is valid for the duration of the Project. It does not have any implications on the project budget as the Egypt CO has its own budget for the project. It does not have implications either on the RRF or on the regional Project Atlas set-up, as the Egypt Project has its own signed national Project Document and is fully responsible for managing its resources.

We hope that this collaboration will enhance both projects and will be a nice pilot of a cross-regional collaboration.

### 3. PROJECT RESULTS AND RESOURCES FRAMEWORK

<b>Intended Outcome as stated in the Regional Programme Results and Resource Framework:</b> Significantly increased private sector participation in development projects in the region
<b>Outcome indicators as stated in the Regional Programme Results and Resources Framework, including baseline and targets:</b> <i>Baseline:</i> in many countries the private sector still contributes less than 50 per cent of GDP. <i>Target:</i> Vibrant, competitive private sectors that generate sustained and equitable growth.
<b>Applicable Key Result Area (from 2008-11 Strategic Plan):</b> Promoting inclusive growth, gender equality and achievement of internationally agreed development goals, including the MDGs
<b>Partnership Strategy:</b> This project will be implemented in close and active collaboration with the Country Offices. External to UNDP, the main partner is TIKA. In project countries, the project will be implemented in cooperation with business, civil society and government. Cooperation will be sought from donors and institutions that are already working in the region.
<b>Project title and number:</b> Growing Inclusive Markets in Eastern Europe and the CIS, project number to be identified

Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
<p><b>1. Country level awareness built for inclusive market business models and approaches</b></p> <p><u>Baseline:</u> low awareness of inclusive market business models and approaches</p> <p><u>Indicator:</u></p> <p>a. A report showcasing successful inclusive market approaches from the region, highlighting how key barriers were overcome.</p> <p>b. Country launches of the regional report spurring</p>	<p><u>Target 2010:</u></p> <p>a. A report showcasing successful inclusive market approaches from the region, highlighting how key barriers were overcome, is produced.</p> <p><u>Target 2010</u></p> <p>a. At least 3 country launches of the regional report are organized spurring localization of the GIM initiative at country level.</p>	<p>1 <u>Regional GIM Working Group operationalized</u></p> <p>1.1 Draft ToRs for Regional GIM Working Group and for Case Study Writers and Report Writer</p> <p>1.2 Identify Regional GIM Working Group Members in collaboration with GIM HQ</p> <p>1.3 Organize the first Working Group meeting to discuss ToRs, the proposal, potential case studies and case study writers</p>	<p>BRC Team and Project Assistant</p>	<p>II – IV 2009</p> <p>II – VI 2009</p>	<p>Project Assistant for 10 months: 50 000 USD – in kind</p> <p>Travel to Brussels for key BRC people and coffee break: 4 5000 USD</p>

<sup>13</sup> Please note that in Atlas the second output will be de-multiplied for each country and BRC. In effect we will have 1 project ID mapping to output 1 and 6 project IDs mapping to BiH, Kosovo, Kazakhstan, Uzbekistan, Turkey and BRC. For the purpose of the LPAC the RRF will be left as above, with the understanding that country-based RRF and AWP will be further developed prior to entry into Atlas.

Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
localization of the GIM initiative at country level.		<p>2 <u>Case studies and case study writers identified</u></p> <p>2.1 Mobilize RBEC UNDP Private Sector Focal Points to identify case studies and case study writers</p> <p>2.2 Mobilize Working Group online to touch base on case study and case study writers identification</p> <p>2.3 Mobilize the Working Group online to decide on which case studies to feature in the publication</p> <p>3 <u>Case studies written</u></p> <p>3.1 Manage the selection and contracting process for case study writers (CSW), using the case study writers identified as a pool of candidates</p> <p>3.2 Manage the selection and contracting process for the lead report writer</p> <p>3.3 Facilitate the internalization of the case study writing process by case study and lead report writers through mobilizing a case study working group meeting</p> <p>3.4 Case study writers (CSW) to research and</p>	<p>BRC Team and Project Assistant</p>          <p>BRC Team Project Assistant</p>          <p>CSW, Working Group members</p>	<p>VII – XII 2009</p>          <p>VIII2009 – III 2010</p>	<p>46 000 USD for 12 case studies (3 000 USD per case study) + 10 000 USD for lead report writer (20 working days at 500 USD a day)</p>          <p>10 000 USD (Travel cost to Bratislava for case study writers + lunch and coffee break)</p>

Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
		<p>write each case study identified</p> <p>3.5 CSW to coordinate with BRC project team with any questions</p> <p>3.6 Review and finalize all case studies written in collaboration with the Working Group</p> <p>4 <u>Report written and printed</u></p> <p>4.1 Draft report</p> <p>4.2 Working Group and Peer review group to review and provide feedback</p> <p>4.3 Incorporate feedback and finalize report</p> <p>4.4 Contract a translator</p> <p>4.5 Translate report into Russian</p> <p>4.6 Select a Service Provider (SP) for report design and printing</p> <p>4.7 SP to carry-out design</p> <p>4.8 Draft design reviewed and agreed with Working Group</p> <p>4.9 SP to finalize report and print it</p> <p>5 <u>Report disseminated</u></p> <p>5.1 Identify where to carry out regional launch and which country launches to support</p> <p>5.2 Organize regional report launch</p> <p>5.3 Support country</p>	<p>Lead Author, BRC Team, Project Assistant, Working Group, Peer review group</p> <p>BRC Team and Project Assistant</p> <p>Translator</p> <p>SP Working Group</p> <p>SP</p> <p>BRC Team, Project Assistant, relevant COs</p>	<p>IV – VI 2010</p>	<p>5000 USD (about 150 pages)</p> <p>5000 USD (500 copies printed)</p> <p>40 000 USD (10 000 USD per launch covering travel and all launch logistics (room rental, hospitality advertising, etc)</p>

Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
		launches (3) 5.4 Disseminate the report via the Internet			
<p><b>2. Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b></p> <p><u>Baseline:</u></p> <p>a. Lack of explicitly poor investments in target countries</p> <p>b. Low levels of private sector engagement in poverty reduction and sustainable development in target countries</p> <p><u>Indicators:</u></p> <p>a. Number of investment projects successfully brought to the target countries and in progress</p> <p>b. Trained brokers in place</p> <p>c. Operational national GSB Steering Committees</p> <p>d. Number and quality of socio-economic studies undertaken</p> <p>e. Number of facilitated linkages/projects involving external companies</p>	<p><u>Target 2009</u> Five trained brokers in place (one brokers per country and one Support Broker in Turkey)</p> <p><u>Target 2010</u> Four functioning national GSB Steering Committee (one per country)</p> <p>4 socio-economic feasibility studies that analyse development impact and financial viability potential investment projects (one per country)</p> <p>One advocacy activity on the role of private sector in development per country</p> <p>One positive project review per country</p> <p><u>Target 2011</u> 6 socio-economic feasibility studies that analyse development</p>	<p>1. <u>Project operational in each country</u></p> <p>1.1. Undertake introductory scoping missions to new participating GSB countries</p> <p>1.2. Recruit qualified brokers<sup>14</sup></p> <p>1.3. Broker salaries</p> <p>1.4. Conduct training of brokers<sup>15</sup></p>	<p>RBEC Private Sector Development team supported by PS Division</p> <p>RBEC Private Sector Development team, UNDP COs</p> <p>RBEC Private Sector Development team</p>	<p>IX– X 2009</p> <p>X-XI 2009</p> <p>XII 2009 – VIII 2012</p> <p>XII 2009 plus annually</p>	<p><b>3 scoping missions: flights and DSAs for 1 HQ and 1 RBEC person: Kazakhstan and Uzbekistan (20 000) Kosovo (6 000) Total: 26 000</b></p> <p><b>Advertising: (500 per broker * 4) Total: 2 000</b></p> <p><b>Brokers salary costs (4 000/month): BiH, 12 months (48 000) Kosovo, Kazakhstan, Uzbekistan, 34 months years (408 000) Total: 456 000</b></p> <p><b>Travel (Flights and DSA) to training events (3 000*4 + 3000*1 + 3000*3*3) Total: 42 000</b></p> <p><b>Travel (Flights and DSA) of organizers (3 000*2*3= 18 000) External training resources cost: 10 000 Miscellaneous training expenses: 5000 Total: 33 000</b></p>

<sup>14</sup> Costs around recruitment are mainly advertising in local newspapers.

<sup>15</sup> One initial training events for the new brokers in Kosovo, Kazakhstan and Uzbekistan, as well as for the Support Broker, plus one annual learning and knowledge exchange event organized by the regional center and HQ for all brokers.



Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
f. Multistakeholder alliances around investment projects in place, as needed g. Advocacy activities on the role of private sector in development h. Number of new companies subscribing to Global Compact principles i. Yearly project review j. End of project evaluation	<p>impact and financial viability potential investment projects (two per country)</p> <p>One advocacy activity on the role of private sector in development per country</p> <p>One positive project review per country</p> <p><u>Target 2012</u> 20 investment projects successfully brought to the region and in progress at the end of the 3 years period (5 per country including existing ones in BiH)</p> <p>At least 2 projects involving external companies in each target country at the end of the 3 years period</p> <p>Multistakeholder “project alliances” between local government, businesses, and NGOs in place as needed around</p>	<p>1.5. Prepare detailed country workplans</p> <p>1.6. Map local stakeholders from governments, civil society, private sector and donor community</p> <p>1.7. Official launching of the GSB in countries</p> <p>1.8. Set up national GSB steering committees</p> <p>1.9. Facilitate steering national GSB committee meetings</p> <p><u>2. New investment projects identified, developed and supported</u></p> <p>2.1 Conduct communication, dissemination activities, including translating GSB materials, editing and printing<sup>17</sup></p> <p>2.2. Identify opportunities for GSB partnership with domestic and foreign private sector companies</p>	<p>Brokers, RBEC Private Sector Development team</p> <p>Brokers</p> <p>Brokers</p> <p>Brokers</p> <p>Brokers</p>	<p>XII 2009 and annually</p> <p>XII 2009– II 2010</p> <p>IV-XII 2010</p> <p>IV– VI 2010</p> <p>IV 2010 – VIII 2012</p>	<p><b>Launch event: 10 000 per launch<sup>16</sup></b> <b>(10 000*3 = 30 000)</b> <b>Total: 30 000</b></p> <p><b>Communication material (5 000 per year per new countries):</b> <b>Total: 45 000</b></p> <p><b>Brokers travel<sup>18</sup></b> <b>(5 000/country/year = 5 000x1 + 5000x3x3 = 50 000)</b> <b>Brokers overhead costs<sup>19</sup> (1 500/ country/year = 1500*1 + 1500*3*3 = 15 000)</b></p>

<sup>16</sup> A launch event typically includes rental of a room and catering for 1 day for about 150 guests, advertising for the event, use of consultants as facilitators, printing costs, etc.

<sup>17</sup> Typically in order to identify new projects, brokers go through an initial communication phase, when the GSB is discussed in face to face meetings with a wide range of stakeholders. The development of communication material such as GSB brochures translated in the local language, printed presentations, etc, is thus needed.

<sup>18</sup> Typically Brokers need to travel in country to project sites for project monitoring purposes and to meet potential and existing stakeholders.

Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
	investment projects  One advocacy activity on the role of private sector in development per country  10 new GC signatories in each of the three new countries (Kosovo, Kazakhstan, Uzbekistan) over the three year period  Lessons learned and case studies documented/codified  One external evaluation at the end of the project	2.3. Match-make Turkish companies with investment opportunities identified in target countries  2.5. Commission studies to investigate commercial and developmental viability of projects  2.6. Support investment projects as needed to meet their objectives  2.7. Promote exchange of know-how between Turkish businesses and businesses (especially SMEs) in target countries  <u>3 Advocacy activities on the role of Private Sector in development organized in BiH, Kosovo, Kazakhstan and Uzbekistan</u>  3.1 Organize advocacy activities (workshops,	Support Broker and country Brokers  Country brokers, supported by RBEC Private Sector Development team  Country brokers, supported by RBEC Private Sector Development team Support Broker and country Brokers  Support Broker and Country Brokers	XII 2009 –VIII 2012  XII 2009 – VIII 2012  I 2010 – VIII 2012  I 2010 – VIII 2012  I 2010 – VIII 2012	<b>Support Broker salary costs:</b> (5 000 x 34 months = <b>170 000</b> ) <b>Brokers travel</b> <sup>20</sup> (10 000 per year = 10 000x3) = <b>30 000</b> <b>Brokers overhead costs</b> <sup>21</sup> (1 500 per year = 1500*3) = <b>4 500</b> <b>Total: 204 500</b>  <b>Studies</b> (5 per new GSB countries, and 1 in Bosnia): (10 000 per study * 16 = 160 000) <b>Total: 160 000</b>  <b>0</b> <sup>22</sup>  <b>0</b> <sup>23</sup>  <b>Awareness raising activities</b> <sup>24</sup> (1 in BiH and 3 each in Kosovo, Kazakhstan and Uzbekistan) : 10 000 * 10 = <b>Total 100 000</b>

<sup>19</sup> Telephone costs, stationery, business cards, postage, printing and copying of materials, and hospitality

<sup>20</sup> The Support Broker will need to travel within Turkey and outside to meet potential and existing stakeholders and carry-out its business outreach work.

<sup>21</sup> Telephone costs, stationery, business cards, postage, printing and copying of materials, and hospitality.

<sup>22</sup> Covered by brokers salaries

<sup>23</sup> Covered by Support Broker salary

<sup>24</sup> An awareness raising activity may be a knowledge product (whose cost will include use of consultants, production and printing, and potentially translation costs) and/or an event (whose costs will include rental of a room and catering, advertising for the event, use of consultants to prepare and conduct the event, production and printing) and/or a knowledge product whose cost will include use of consultants, production and printing, and potentially translation costs.

Intended Outputs <sup>13</sup>	Output Targets for Years 2009 - 2012	Indicative Activities	Responsible Parties	Timeframe	Inputs (USD)
		<p>publications, etc) to raise awareness of businesses about the role of private sector in development, including membership to the GC</p> <p><u>4. Project managed effectively</u></p> <p>4.1. Coordinate project on a day to day basis</p> <p>4.2. Provide technical assistance and support to brokers</p> <p>4.3. Promote knowledge sharing and transfer, codify lessons learned and case studies</p> <p><u>5. Project reviewed and evaluated</u></p> <p>5.1. Conduct one project review per country per year</p> <p>5.2. Conduct one external project evaluation at the end of the project</p>	<p>BRC Private Sector Development team</p> <p>BRC and TIKA</p> <p>External consultant</p>	<p>IX 2009 – VIII 2012</p> <p>XI 2010 and annually</p> <p>End of the project</p>	<p><b>Regional Project Coordinator and Regional Policy Specialists staff costs</b></p> <p><b>Project review<sup>25</sup> (2 each in Kosovo, Kazakhstan and Uzbekistan): 6 * 2 500 = 15 000</b></p> <p><b>External Project Evaluation 1 in each country (4 in total: 4*8000) Total 32 000<sup>26</sup></b></p>
<b>TOTAL BUDGET without GMS<sup>27</sup></b>					1 371 500
<b>General Management costs</b>					57 435
<b>TOTAL BUDGET</b>					<b>1 428 935</b>

<sup>25</sup> Typically costs would involve flights and DSA for 1 week.

<sup>26</sup> This cost will be shared between BRC and COs (6 400 USD per entity)

<sup>27</sup> General Management costs calculated as 7% of donor contribution as required by UNDP Executive Board

**Contribution by partner towards activities of TIKA funded components**

	USD	%
TIKA	820 500 + 57 435 = 877 935	69%
UNDP Country offices	350 600	28%
Bratislava Regional Centre <sup>28</sup>	39 400	3%
<b>Total</b>	<b>1 267 935</b>	<b>100%</b>

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<sup>28</sup> The contribution of BRC including the in-kind contribution towards project management, coordination and assurance amounts to 219400 USD, which represents 15% of the project budget. When taking into account BRC's in-kind contribution for the total project budget, TIKA's contribution represents 61% and the contribution of the Country Offices 24% of total budget.

#### 4. ANNUAL WORK PLANS

Please note that only the BRC level AWP are reflected here. AWP of individual COs will be developed by themselves based on the above RRF.

**Year: 2009**

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p><b>1. Country level awareness built for inclusive market business models and approaches</b></p> <p><u>Baseline:</u> low awareness of inclusive market business models and approaches</p> <p><u>Indicator:</u></p> <p>a. A draft report showcasing successful inclusive market approaches from the region, highlighting how key barriers were overcome.</p>	<p>1 Project Working Group operationalized</p> <ul style="list-style-type: none"> <li>▪ Draft ToRs for Project Working Group and for Case Study Writers and Report Writer</li> <li>▪ Identify Working Group Members in collaboration with GIM HQ</li> <li>▪ Organize the first Working Group meeting to discuss ToRs, the proposal, potential case studies and case study writers</li> </ul>	X	X			Project Manager, Project Assistant	TRAC BRC	Travel Hospitality	50 000 USD (in kind, Project Assistant is an Intern from Nadel) 4500 USD 500 USD

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
	<p>2 Case studies and case study writers identified</p> <ul style="list-style-type: none"> <li>▪ Mobilize RBEC UNDP Private Sector Focal Points to identify case studies and case study writers</li> <li>▪ Mobilize Working Group online to touch base on case study and case study writers identification</li> <li>▪ Mobilize the Working Group online to decide on which case studies to feature in the publication</li> </ul>	X	X	X		Project Manager, Project Assistant, RBEC Focal Points, Working Group	TRAC BRC		

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
	3 Case study written <ul style="list-style-type: none"> <li>▪ Manage the selection and contracting process for case study writers (CSW), using the case study writers identified as a pool of candidates</li> <li>▪ Manage the selection and contracting process for the lead report writer</li> <li>▪ Facilitate the internalization of the case study writing process by case study and lead report writers through mobilizing a case study working group meeting</li> <li>▪ Case study writers (CSW) to research and write each case study identified</li> <li>▪ CSW to coordinate with BRC project team with any questions</li> <li>▪ Review and finalize all case studies written in collaboration with Working Group</li> </ul>			X	X	Project Manager, Project Assistant, CSW, Working Group	TRAC BRC	Travel	9 500 USD
							Service Contracts – Individuals	46 000 USD	
							Hospitality	500 USD	

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
	<p>4 Report written and printed</p> <ul style="list-style-type: none"> <li>▪ Draft report</li> <li>▪ Working Group and Peer review group to review and provide feedback</li> <li>▪ Incorporate feedback and finalize report</li> </ul>				X	Lead Author, Working Group, Peer Review Group, Project Manager, Project Assistant, SP	TRAC BRC	Service contracts - company	0 <sup>29</sup>
<p><b>2. Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b></p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> <li>▪ Lack of explicitly pro-poor investments in target countries</li> <li>▪ Low levels of private sector engagement in</li> </ul>	<p>1. <u>Project operational in each country</u></p> <p>1.1. Undertake introductory scoping missions to new participating GSB countries</p> <p>1.2. Recruit qualified brokers<sup>30</sup></p> <p>1.3. Conduct training of brokers<sup>31</sup></p>		X	X		Private Sector Engagement Specialist Project Manager COs	TRAC COs TRAC BRC	Travel Advertising Miscellaneous	35 000 (including 9 000 from BRC) 2 000 2 000 (BRC)

<sup>29</sup> Cost for report writing already accounted for in previous section

<sup>30</sup> Costs around recruitment are mainly advertising in local newspapers.

<sup>31</sup> One initial training events for the new brokers in Kosovo, Kazakhstan and Uzbekistan, as well as for the Support Broker, plus one annual learning and knowledge exchange event organized by the regional center and HQ for all brokers.



EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p>poverty reduction and sustainable development in target countries</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> <li>▪ Number of investment projects successfully brought to the target countries and in progress</li> <li>▪ Trained brokers in place</li> <li>▪ Operational national GSB Steering Committees</li> <li>▪ Number and quality of socio-economic studies undertaken</li> <li>▪ Number of facilitated linkages/projects involving external companies</li> <li>▪ Multistakeholder alliances around investment projects in place, as needed</li> </ul>	<p><u>2. New investment projects identified, developed and supported</u></p> <p>2.1 Conduct communication, dissemination activities, including translating GSB materials, editing and printing<sup>32</sup></p> <p>2.2. Identify opportunities for GSB partnership with domestic and foreign private sector companies</p> <p>2.5. Commission studies to investigate commercial and developmental viability of projects</p> <p>2.6. Support investment projects as needed to meet their objectives</p>		X	X	X	Country Brokers and Outreach Brokers supported by Project Manager, Private Sector Engagement Specialist and COs	TRAC and XB, BRC	Salaries	0 <sup>33</sup>

<sup>32</sup> Typically in order to identify new projects, brokers go through an initial communication phase, when the GSB is discussed in face to face meetings with a wide range of stakeholders. The development of communication material such as GSB brochures translated in the local language, printed presentations, etc, is thus needed.

<sup>33</sup> Salaries of Project manager and Policy Specialists already budgeted under BRC budget

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p><u>Target</u> Five trained brokers in place (one brokers per country and one Support Broker in Turkey)</p> <p>Four functioning national GSB Steering Committee (one per country)</p> <p>4 socio-economic feasibility studies that analyse development impact and financial viability potential investment projects (one per country)</p> <p>One positive project review per country</p>	<p><u>4. Project managed effectively</u> 4.1. Coordinate project on a day to day basis</p> <p>4.2. Provide technical assistance and support to brokers</p> <p>4.3. Promote knowledge sharing and transfer, codify lessons learned and case studies</p>		X	X	X	Project Manager, Private Sector Engagement Specialist	TRAC and XB, BRC	Salaries	0 <sup>34</sup>
	<p><u>5. Project reviewed and evaluated</u> 5.1. Conduct one project review per country per year</p>				X	Project Manager, Private Sector Engagement Specialist, supported by Brokers and COs	TRAC CO	Travel	7 500
<b>TOTAL</b>									157 500 <sup>35</sup>

<sup>34</sup> Salaries of Project manager and Policy Specialists already budgeted under BRC budget

<sup>35</sup> Including 50 000 USD in kind and 35 500 from CO TRAC

**Year 2010**

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p><b>1. Country level awareness built for inclusive market business models and approaches</b></p> <p><u>Baseline:</u> low awareness of inclusive market business models and approaches</p> <p><u>Indicator:</u></p> <p><u>Indicator:</u></p> <ul style="list-style-type: none"> <li>▪ A report showcasing successful inclusive market approaches from the region, highlighting how key barriers were overcome.</li> <li>▪ Country launches of the regional report spurring localization of the GIM initiative at country level.</li> </ul>	<p>1 Report written and printed</p> <ul style="list-style-type: none"> <li>▪ Draft report</li> <li>▪ Working Group and Peer review group to review and provide feedback</li> <li>▪ Incorporate feedback and finalize report</li> <li>▪ Translate Report into Russian</li> <li>▪ Select a Service Provider (SP) for report design and printing</li> <li>▪ SP to carry-out design</li> <li>▪ Draft design reviewed and agreed with Working Group</li> <li>▪ SP to finalize report and print it</li> </ul> <p>2 Report launched</p> <ul style="list-style-type: none"> <li>▪ Identify where to carry out regional launch and which country launches to support</li> <li>▪ Organize regional report launch</li> <li>▪ Support country launches (3)</li> </ul>	X	X			Project Manager, Project Assistant, Relevant COs, Project Working Group	TRAC BRC	Travel Room rental Hospitality Advertising	50 000 USD

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p><b>2. Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b></p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> <li>Lack of explicitly pro-poor investments in target countries</li> <li>Low levels of private sector engagement in poverty reduction and sustainable development in target countries</li> </ul> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> <li>Number of investment projects successfully brought to the target countries and in progress</li> </ul>	<p>2. <u>Project operational in each country</u></p> <p>2.1. Conduct training of brokers<sup>36</sup></p>			X		Project Manager, Private Sector Engagement Specialist	TRAC BRC	Travel Miscellaneous	9 000 1 500
	<p>4. <u>Project managed effectively</u></p> <p>4.1. Coordinate project on a day to day basis</p> <p>4.2. Provide technical assistance and support to brokers</p> <p>4.3. Promote knowledge sharing and transfer, codify lessons learned and case studies</p>	X	X	X	X	Project Manager, Private Sector Engagement Specialist	TRAC and XB, BRC	Salaries	0 <sup>37</sup>

<sup>36</sup> One initial training events for the new brokers in Kosovo, Kazakhstan and Uzbekistan, as well as for the Support Broker, plus one annual learning and knowledge exchange event organized by the regional center and HQ for all brokers.

<sup>37</sup> Salaries of Project manager and Policy Specialists already budgeted under BRC budget

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<ul style="list-style-type: none"> <li>▪ Number and quality of socio-economic studies undertaken</li> <li>▪ Number of facilitated linkages/projects involving external companies</li> <li>▪ Multistakeholder alliances around investment projects in place, as needed</li> </ul> <p><u>Target</u> 6 socio-economic feasibility studies that analyse development impact and financial viability potential investment projects (two per country)</p> <p>One positive project review per country</p>	<p>5. <u>Project reviewed and evaluated</u></p> <p>5.1. Conduct one project review per country per year</p>				X	Project Manager, Private Sector Engagement Specialist, supported by Brokers and COs	TRAC CO	Travel	7 500
<b>TOTAL</b>									<b>68 000<sup>38</sup></b>

<sup>38</sup> Including 7 500 USD from COs

## Year 2011

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<b>2. Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b>  <u>Baseline:</u> <ul style="list-style-type: none"> <li>▪ Lack of explicitly pro-poor investments in target countries</li> <li>▪ Low levels of private sector engagement in poverty reduction and sustainable development in target countries</li> </ul>	3. <u>Project operational in each country</u> 3.1. Conduct training of brokers <sup>39</sup>			X		Project Manager, Private Sector Engagement Specialist	TRAC BRC	Travel Miscellaneous	9 000 1 500
	4. <u>Project managed effectively</u> 4.1. Coordinate project on a day to day basis  4.2. Provide technical assistance and support to brokers  4.3. Promote knowledge sharing and transfer, codify lessons learned and case studies	X	X	X	X	Project Manager, Private Sector Engagement Specialist	TRAC and XB, BRC	Salaries	0 <sup>40</sup>

<sup>39</sup> One initial training events for the new brokers in Kosovo, Kazakhstan and Uzbekistan, as well as for the Support Broker, plus one annual learning and knowledge exchange event organized by the regional center and HQ for all brokers.

<sup>40</sup> Salaries of Project manager and Policy Specialists already budgeted under BRC budget

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<u>Indicators:</u> <ul style="list-style-type: none"> <li>▪ Number of investment projects successfully brought to the target countries and in progress</li> <li>▪ Number and quality of socio-economic studies undertaken</li> <li>▪ Number of facilitated linkages/projects involving external companies</li> <li>▪ Multistakeholder alliances around investment projects in place, as needed</li> </ul> <u>Target</u> 6 socio-economic feasibility studies that analyse development impact and financial viability potential investment projects (two per country)	<u>5. Project reviewed and evaluated</u> 5.1. Conduct one external project evaluation				X	Project Manager, Private Sector Engagement Specialist, supported by Brokers and COs	TRAC CO	Service contract - Individual	0
<b>TOTAL</b>									10 500

Year 2012

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p><b>2. Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b></p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> <li>▪ Lack of explicitly pro-poor investments in target countries</li> <li>▪ Low levels of private sector engagement in poverty reduction and sustainable development in target countries</li> </ul>	<p><u>4. Project managed effectively</u></p> <p>4.1. Coordinate project on a day to day basis</p> <p>4.2. Provide technical assistance and support to brokers</p> <p>4.3. Promote knowledge sharing and transfer, codify lessons learned and case studies</p>	X				Project Manager, Private Sector Engagement Specialist	TRAC and XB, BRC	Salaries	0 <sup>41</sup>

<sup>41</sup> Salaries of Project manager and Policy Specialists already budgeted under BRC budget



EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p><u>Indicators:</u></p> <ul style="list-style-type: none"> <li>▪ Number of investment projects successfully brought to the target countries and in progress</li> <li>▪ Number and quality of socio-economic studies undertaken</li> <li>▪ Number of facilitated linkages/projects involving external companies</li> <li>▪ Multistakeholder alliances around investment projects in place, as needed</li> </ul> <p><u>Target</u> 20 investment projects successfully brought to the region and in progress at the end of the 3 years period (5 per country including existing ones in BiH)</p> <p>At least 2 projects involving external companies in each</p>	<p><u>5. Project reviewed and evaluated</u> 5.1. Conduct one external project evaluation</p>	X				Project Manager, Private Sector Engagement Specialist, supported by Brokers and COs	TRAC BRC	Service contract - Individual	6 400

EXPECTED OUTPUTS	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount
<p>target country at the end of the 3 years period</p> <p>Multistakeholder “project alliances” between local government, businesses, and NGOs in place as needed around investment projects</p> <p>10 new GC signatories in each of the three new countries (Kosovo, Kazakhstan, Uzbekistan) over the three year period</p> <p>Lessons learned and case studies documented/codified</p> <p>Satisfactory External Review</p>									
<b>TOTAL</b>									<b>6 400 USD</b>

## 5. MANAGEMENT ARRANGEMENTS

### 5.1. General provisions

The project will be managed and implemented by the Bratislava Regional Center within the delegated Direct Execution (DEX) authority and in line with the UNDP Programme and Operations Policies and Procedures. The project will be activated in Atlas as a single award with one project for the first output and six projects for each country component and the regional component of the second output.

UNDP Bratislava Regional Centre for Europe and CIS: will provide the **overall regional coordination, technical assistance and monitoring and evaluation** of the project. The Private Sector Policy Specialist will provide the overall supervision at regional level and technical assistance to the country level brokers. The Project Manager will be responsible for project management at regional level, consolidating/documenting and sharing of information and lessons learnt, communication and reporting on progress to UNDP and the project partners. The Bratislava Regional Centre will also provide access to relevant Technical Assistance from its internal pool of advisors in the areas of rural development, private sector development, energy and environment, conflict prevention and recovery, as needed. The main responsibilities of BRC will thus include project coordination, providing technical assistance to country brokers, knowledge management, and donor reporting and relationship management. Costs associated with these roles are included in the results and resource framework in section 3.

UNDP Private Sector Division: a unit within UNDP that has developed and successfully tested GSB projects in other countries **will provide overall support to ensure management standards, and to safeguard integrity and effectiveness of the project.** In particular, the PSD team will co-organize scoping missions, train the brokers, provide appropriate monitoring and reporting tools for monthly tracking of progress in each country, provide technical assistance to brokers whenever needed, and tap UNDP global network of business partners.

UNDP Country Office: Operational **management and project supervision at country level** will be conducted at the country level by the UNDP country office and a broker especially hired and trained for the project in each country.

GSB Broker: The Broker in every country will be the **local project manager** and will act as an intermediary for business, government, civil society, potential sources of finance, and development partners. S/he will help identify, develop and support specific sustainable inclusive business models investment projects. The broker will create (or attach, depending on circumstances) the National Steering Committee and Investment Project Alliances to bring together the relevant stakeholders, and provide them with a forum to forge partnerships, raise issues, solve problems and engage the government. The broker plays a key role in problem solving, easing potential conflicts, and is fully integrate in the UNDP Country Office. Once an investment has been decided upon, the broker will monitor and evaluate the investment project.

Support Broker: will be based in Turkey, and will act as the **key liaison** between national GSB Brokers and external businesses. Her/his key responsibilities will be to match the investment demand identified in target countries with external businesses, to develop pro-poor value chains in target countries including but not limited to Turkey based businesses, and to promote exchange of know-how between Turkish businesses and businesses (especially SMEs) in target countries.

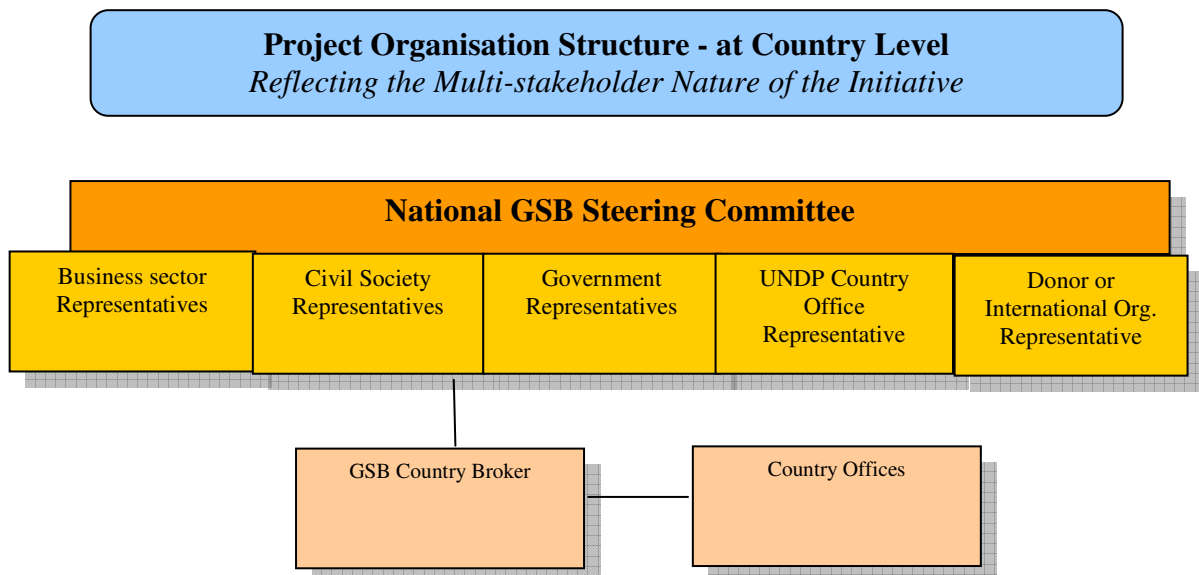
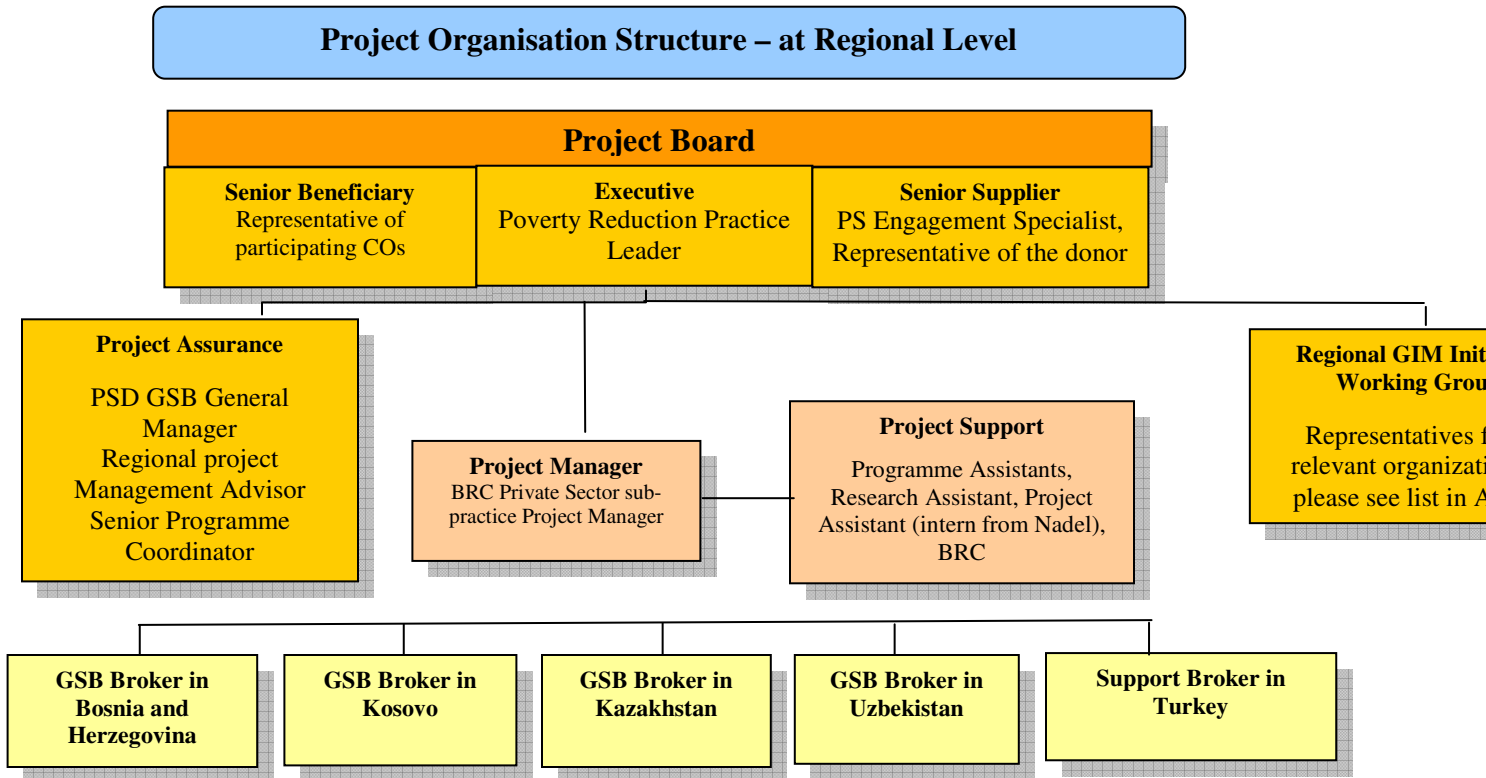
Project Board at regional level: will review project progress at designated points, will decide on or provide guidance on issues raised by the Project Manager.

The National GSB Steering Committee will act as a **board of directors** for the GSB, and provide the main forum for identifying investment projects opportunities, discussing relevance to local development, organizing

implementation, measuring and evaluating project progress at country level and communicating results to the local population.

The Regional GIM Initiative Working Group will advise on the regional GIM report production process and on the initiative localization process.

## 5.2. Project organisation structure



## **6. MONITORING & EVALUATION**

### **6.1. Monitoring**

The project team will prepare a detailed Annual Work Plan (AWP) for each project output in Atlas within one month of the start of the project. The project will be monitored by assessing progress against the AWP and the indicators as per Resource and Results Framework.

#### **Within the annual cycle**

- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Further,

- On bi-annual basis, a progress report will be prepared by the Project Manager and submitted to the Project Board and the donor using a standard progress reporting format. Such format will meet UNDP as well as TIKAs reporting and monitoring requirements. The report will cover at minimum the progress made on the implementation of the work plan, the problems encountered and how they were overcome (or suggestions for the same), key results obtained and impact expected, human resource development achievements and, if appropriate, updates to the work plan. These reports will also include expenditure reports, to facilitate ongoing financial management of the project. The reports will be made available to the public by e-mail and website. The bi-annual periodicity is to be confirmed with TIKAs (agreement under discussion).
- On quarterly basis, a country progress report will be prepared and submitted by the GSB Country Brokers to the Project Manager and Country Office management using the standard quarterly reporting format. The quarterly reports will cover the progress made on the implementation of the workplan, the brokerage of GSB projects and the key results achieved, issues encountered and, if appropriate, updates to the work plan.

#### **Annually**

- Annual Progress Report will be prepared by the Project Manager and submitted to the Project Board and the donor. At minimum, the report will cover the project progress in a given year against planned annual targets and outputs.
- Annual Project Review will be conducted by UNDP and TIKAs in November each year. It will focus on the extent to which progress is being made towards planned outputs, and that these remain aligned to appropriate outputs.

### **6.2. Evaluation**

At the end of the project a final report will be prepared summarizing the overall achievements, impact and sustainability, efficiency, effectiveness of interventions and lessons learned.

The final review will be conducted by an independent external team focusing on output 2, in close participation of and reflecting the views of the main stakeholders. It will include a survey of the project beneficiaries to collect data to assess the impact, effectiveness, efficiency and sustainability of the project activities. This evaluation process will be transparent and will be made available to general public.

### 6.3. Quality Management for Project Activity Results

<b>OUTPUT 1: Country level awareness built for inclusive market business models and approaches</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	Project Working Group operationalized	Start Date: 02/02/2009 End Date: 30/04/2009
<b>Purpose</b>	To operationalize the Project Working Group	
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Draft ToRs for Project Working Group and for Case Study Writers and Report Writer</li> <li>▪ Identify Working Group Members in collaboration with GIM HQ</li> <li>▪ Organize the first Working Group meeting to discuss ToRs, the proposal, potential case studies and case study writers</li> </ul>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>
Number of invited Working Group members attending the first meeting	Attendee list	30/04/2009
ToRs for Working Group, Case Study Writers and Lead Report Writer approved	Minutes of meeting	30/04/2009
Next meeting date fixed	Minutes of meeting	30/04/2009

<b>OUTPUT 1: Country level awareness built for inclusive market business models and approaches</b>		
<b>Activity Result 2 (Atlas Activity ID)</b>	Case studies and case study writers identified	Start Date: 01/01/2009 End Date: 30/06/2009
<b>Purpose</b>	To identify potential case studies and case study writers	
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Mobilize Working Group online to touch base on case study and case study writers identification</li> <li>▪ Mobilize RBEC UNDP Private Sector Focal Points to identify case studies and case study writers</li> <li>▪ Organize a Working Group meeting to decide on which case studies to feature in the publication</li> </ul>	
<b>Quality Criteria</b> <i>how/with what indicators the quality of the activity result will be measured?</i>	<b>Quality Method</b> <i>Means of verification. what method will be used to determine if quality criteria has been met?</i>	<b>Date of Assessment</b> <i>When will the assessment of quality be performed?</i>
Number of case studies identified	Case study inventory spreadsheet	30/06/2009
Number of case study writers identified	Case study writer inventory worksheet	30/06/2009
Number of case studies selected	Minutes of second Working Group meeting	30/06/2009

<b>OUTPUT 1: Country level awareness built for inclusive market business models and approaches</b>		
<b>Activity Result 3</b>	Case studies written	Start Date: 01/07/2009

<b>(Atlas Activity ID)</b>		End Date: 30/09/2009
<b>Purpose</b>	To write the case studies selected	
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Manage the selection and contracting process for case study writers (CSW), using the case study writers identified as a pool of candidates</li> <li>▪ Manage the selection and contracting process for the lead report writer</li> <li>▪ Facilitate the internalization of the case study writing process by case study and lead report writers through mobilizing a case study working group meeting</li> <li>▪ Case study writers (CSW) to research and write each case study identified</li> <li>▪ CSW to coordinate with BRC project team with any questions</li> <li>▪ Review and finalize all case studies written in collaboration with Working Group</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
6 case study writers and one Lead Author contracted	Contracts	15/07/2009
12 case studies approved	Feedback emails from Working Group members	30/09/2009

<b>OUTPUT 1: Country level awareness built for inclusive market business models and approaches</b>		
<b>Activity Result 4 (Atlas Activity ID)</b>	Report written and printed	Start Date: 01/07/2009 End Date: 28/02/2010
<b>Purpose</b>	To finalize the report and print it	
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Draft report</li> <li>▪ Working Group and Peer review group to review and provide feedback</li> <li>▪ Incorporate feedback and finalize report</li> <li>▪ Select a translator and translate report into Russian</li> <li>▪ Select a Service Provider (SP) for report design and printing</li> <li>▪ SP to carry-out design</li> <li>▪ Draft design reviewed and agreed with Working Group</li> <li>▪ SP to finalize report and print it</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Report approved by Working Group	Emails/minutes recording approval from Working Group	30/11/2009
1 Russian translator contracted	Contract	01/12/2009
1 report design and printing house contracted	Contract	15/12/2009
Report lay-out approved by Working Group for both English and Russian versions	Emails/minutes recording approval from Working Group	15/02/2010
500 printed copies of report	Receipt of reports	28/02/2010

<b>OUTPUT 1: Country level awareness built for inclusive market business models and approaches</b>		
<b>Activity Result 5 (Atlas Activity ID)</b>	Report launched	Start Date: 01/03/2010 End Date: 31/05/2010
<b>Purpose</b>	To launch the report regionally and to support 3 country launches	
<b>Description</b>	<ul style="list-style-type: none"> <li>▪ Identify where to carry out regional launch and which country launches to support</li> <li>▪ Organize regional report launch</li> <li>▪ Support country launches (3)</li> </ul>	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>

Report key lessons disseminated at regional and CO level	Press releases UNDP Internet and Intranet news postings Board members networks/websites news postings	31/05/2010
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<b>OUTPUT 2: Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b>		
<b>Activity Result 1 (Atlas Activity ID)</b>	<u>Project operational in each country</u>	Start Date: 01/04/2009 End Date: 31/03/2012
<b>Purpose</b>	To operationalise the project, out qualified project staff in place and set up project infrastructure in each country	
<b>Description</b>	Introductory scoping missions, project staff recruitment and training GSB launch in each country Active GSB steering committees in each country	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Assessed feasibility and opportunities of GSB in each project country	Scoping mission reports	31/05/2009
Solid overview of the main sectors, partners and their priorities	Information databases/lists and analytical papers	31/07/2009
Qualified brokers	Recruitment reports, broker RCAs	31/05/2009
Quality training provided	Training reports and feedback forms	30/06/2009
Successful launch of GSB	Launch event reports, media coverage, stakeholder feedback	31/09/2009
Functioning national steering committee	National steering committee TORs, meeting minutes/reports, feedback from committee members	30/10/2009 and then 31/03/2012

<b>OUTPUT 2: Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b>		
<b>Activity Result 2 (Atlas Activity ID)</b>	<u>New investment projects identified, developed and supported</u>	Start Date: 01/06/2009 End Date: 31/03/2012
<b>Purpose</b>	To identify , develop and bring to implementation new investment projects	
<b>Description</b>	Promotion of GSB among stakeholders, potential partners and general public Identification, development of new investment projects Analysis of potential new investment projects (development impact and business viability) Outreach to Turkey-based businesses and joint investment projects	
<b>Quality Criteria</b>	<b>Quality Method</b>	<b>Date of Assessment</b>
Increased awareness about GSB and responsible business practices	Promotional materials, publications, media coverage, stakeholder feedback	31/03/2012
Good quality investment projects with committed partners	Investment project proposals, business plans, MoUs, CSAs, research and feasibility studies, stakeholder feedback	31/03/2012
Improved linkages with Turkey-based businesses	Outreach event reports, investment proposals	31/03/2012



<b>OUTPUT 2: Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b>		
<b>Activity Result 3 (Atlas Activity ID)</b>	<u>Advocacy activities on the role of the Private Sector in development organized in each country</u>	Start Date: 01/06/2009 End Date: 31/03/2012
<b>Purpose</b>	To promote the engagement of private sector in development including through responsible business practices and to decrease the reputational risks related to UNDP's engagement with businesses	
<b>Description</b>	Advocacy activities to raise awareness of businesses about the role of private sector in development	
Quality Criteria	Quality Method	Date of Assessment
Increasing number of signatories to the Global Compact	Global Compact participation database	31/12/2009 31/12/2010 31/03/2012
Advocacy activities organized	Annual Review	31/12/2009 31/12/2010 31/03/2012

<b>OUTPUT 2: Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b>		
<b>Activity Result 4 (Atlas Activity ID)</b>	<u>Project managed effectively</u>	Start Date: 01/04/2009 End Date: 31/03/2012
<b>Purpose</b>	To ensure effective and successful project implementation, to provide project management, coordination and knowledge management services	
<b>Description</b>	Coordinate project on a day to day basis Provide technical assistance and support to brokers Promote knowledge sharing and transfer, codify lessons learned and case studies	
Quality Criteria	Quality Method	Date of Assessment
Successful implementation of annual workplans	Regular progress reports prepared by brokers, annual reports on progress against annual workplan, annual project review reports by UNDP and TIKa	31/12/2009 31/12/2010 31/03/2012
Increased experience exchange and documentation of lessons learned	Knowledge products, project team meeting reports, broker-to-broker support (desk work or missions)	31/12/2009 31/12/2010 31/03/2012

<b>OUTPUT 2: Successfully brokered inclusive business model investment projects in progress in Bosnia and Herzegovina, Kosovo, Kazakhstan and Uzbekistan</b>		
<b>Activity Result 5 (Atlas Activity ID)</b>	<u>Project reviewed and evaluated</u>	Start Date: 01/04/2009 End Date: 31/03/2012
<b>Purpose</b>	To enable learning and improvement, and external verification of project results	
<b>Description</b>	Conduct one project review per country per year Conduct one external project evaluation at the end of the project	
Quality Criteria	Quality Method	Date of Assessment
Positive feedback and approval of the project annual progress and results by Project Board and donor specifically	Project board minutes, written feedback	31/12/2009 31/12/2010 31/03/2012
Project outcomes and impact on beneficiaries analyzed and confirmed	External evaluation report, including beneficiary feedback	31/03/2012

## **7. LEGAL CONTEXT**

This regional project document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Governments participating and the United Nations Development Programme.

## ANNEXES

### Annex 1: RISK LOG

Project Title: Growing Inclusive Markets in Eastern Europe and the CIS					Award Number: To be determined			Date: 18/12/2008	
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
1	Detrimental business environment in BiH, Kosovo, Kazakhstan and Uzbekistan	19/11/2008	Regulatory	I = 3 P= 3	Identify investment projects that are least impacted by the business environment or that use innovative business models, solutions (see GIM report) addressing or bypassing business environment weaknesses.	Brokers UNDP COs,		19/11/2008	No change
2	Availability of quality brokers in BiH, Kosovo, Kazakhstan and Uzbekistan	19/11/2008	Operational	I=5 P= 2  A qualified broker is one of success factors of GSB initiative. Failure to recruit such a broker could ultimately lead to project failure in a country.	Special efforts will be made to attract qualified applicants during the broker recruitment process by advertising the position on a wide range of media.  When recruited, brokers will receive initiation training and throughout the project, efforts will be made to ensure that the brokers are well trained.	Project Manager, UNDP COs	Project Manager	19/11/2008	No change
3	Lack of project ownership by the COs in BiH, Kosovo, Kazakhstan and Uzbekistan	19/11/2008	Organizational (Execution capacity)	I =4 P = 2  The project and its impact would considerably suffer if it is not internalized	Efforts are made to consult the COs properly and reach clear agreements on project implementation. This issue will be also addressed during the	BRC Management, Project Board	Project Manager	19/11/2008	No change

Project Title: Growing Inclusive Markets in Eastern Europe and the CIS					Award Number: To be determined			Date: 18/12/2008	
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
				and supported by the UNDP COs.	scoping missions and, if needed, through a kick-off meeting. Regular communication will be kept btw. the regional and country levels.				
4	Reputation risk with regards to inclusive market business models investments supported in project countries	19/11/2008	Other	I = 4 P = 1	<p>The project includes operational procedures for careful selection of company partners and projects to be supported.</p> <p>Efforts will be made to ensure respect of the Global Compact principles by the partner companies and the projects.</p> <p>Local GSB steering committees will also perform a role with regard to selection and endorsement of the GSB projects.</p>	UNDP COs, GSB brokers	Project Manager	19/11/2008	No change
5	Failure of brokered inclusive market business models investments projects in project countries	19/11/2008	Operational	I=5 P=3  There is a risk of failure of the brokered projects due to lack or change in commitment of the project partners, business partners in particular.	Special effort will be made to assess commitment of the project partners, business partners specifically at early stage of project development.	GSB Brokers, Project Manager	Project Manager	19/11/2008	No change

Project Title: Growing Inclusive Markets in Eastern Europe and the CIS					Award Number: To be determined			Date: 18/12/2008	
#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
6	Unrest, crisis or natural disaster in project countries	20/11/2008	Political and (what is the term for natural disaster type risks?)	I=5 P=2  Unrest, crisis or natural disasters may put the whole project in stand-by for an unknown period of time leading to the impossibility of meeting the expected outputs and outcome in the given timeline.	Active monitoring of the situation at ground level should be carried out and the donor should be immediately informed and consulted if an impact on project output delivery is expected.	GSB Brokers Project Manager	Project Manager	20/11/2008	No change
7	Financial crisis and global economic slowdown	20/11/2008	Financial Other	I=4 P=3  Financial crisis and global economic slow-down can impact project negatively by lack of company interest to make new investments and/or invest in riskier projects.	Situation in the project countries will be monitored and the donor should be immediately informed and consulted if an impact on project output delivery is expected. Efforts will be made to identify the ways of decreasing the risks perceived by companies within supported projects with clear poverty reduction and developmental benefits.	GSB Brokers, BRC PS team, Project Board	Project Manager	20/11/2008	No change

<b>Project Title: Growing Inclusive Markets in Eastern Europe and the CIS</b>					<b>Award Number: To be determined</b>			<b>Date: 18/12/2008</b>	
<b>#</b>	<b>Description</b>	<b>Date Identified</b>	<b>Type</b>	<b>Impact &amp; Probability</b>	<b>Countermeasures / Mngt response</b>	<b>Owner</b>	<b>Submitted, updated by</b>	<b>Last Update</b>	<b>Status</b>
8	Lack of BRC Senior Management engagement in the regional GIM component of the project	20/11/2008	Strategic	Lack of senior management engagement in the project would impede attracting senior level Regional GIM Working Group members P = 1 I = 4	Get agreement from BRC senior management (e.g. practice leader) for chairing first meeting	PSE Policy Specialist	PSE Policy Specialist	20/11/08	No change
9	Delays in first Regional GIM Initiative Working Group meeting	20/11/2008	Strategic	Delays in first Working Group meeting would lead to inability to complete the project by the end of the year and to waste available intern time P = 4 I = 5	Get agreement from BRC senior management on first meeting date, as soon as the Project is LPACed and the GIM global Board Meeting has taken place	PSE Policy Specialist	PSE Policy Specialist	20/11/08	No change
10	Inability to raise TRAC fund	20/11/2008	Financial	Inability to raise TRAC funding for the project would lead to inability to achieve some of the output targets P = 2 I = 5	Attempts to mobilize resources from external donors	PSE Policy Specialist	PSE Policy Specialist	20/11/08	No change

<b>Project Title: Growing Inclusive Markets in Eastern Europe and the CIS</b>					<b>Award Number: To be determined</b>			<b>Date: 18/12/2008</b>	
<b>#</b>	<b>Description</b>	<b>Date Identified</b>	<b>Type</b>	<b>Impact &amp; Probability</b>	<b>Countermeasures / Mngt response</b>	<b>Owner</b>	<b>Submitted, updated by</b>	<b>Last Update</b>	<b>Status</b>
11	Inability to identify good case studies from the region for the regional GIM report	20/11/2008	Operational	This would lead to the inability to produce the minimum amount of case studies for a meaningful regional report  P = 1 I = 4	Use a combination of CO Focal Points, Working Group members and online research to identify cases. Start with this process ASAP.	PSE Policy Specialist	PSE Policy Specialist	20/11/08	No change
12	Inability to identify good case study writers from the region for the regional GIM report	20/11/2008	Operational	This would lead to delays as case study writers would have to be sourced outside the region. It would also lead to not achieving our capacity building objective.  P = 1 I = 3	Use a combination of GIM HQ, CO Focal Points, Working Group members to identify case study writers. Start with this process ASAP.	PSE Policy Specialist	PSE Policy Specialist	20/11/08	No change

## **Annex 2: GSB Broker – Terms of Reference (generic)**

### **I. Position information**

Position: Growing Sustainable Business Broker

Duty station: Project Country

Reports to: Relevant manager in UNDP CO (primary supervisor)  
Project Manager in Bratislava Regional Center (secondary supervisor)

Grade: TBD

### **II. Organisational context**

UNDP is at the forefront of working with the PS to contribute to the Millennium Development Goals. The recently adopted UNDP private sector strategy provides a framework for UNDP's PS work to realize the priorities set out in the UNDP Strategic Plan (2008-11). Its overarching goal is to "Promote Inclusive Markets," in which the poor participate constructively as entrepreneurs, employees and consumers.

UNDP has three major global private sector programmes namely the Growing Inclusive Markets (GIM) programme, the Growing Sustainable Business (GSB) programme and the Public-Private Partnerships for Service Delivery (PPPSD) programme. In keeping the "Promoting Inclusive Markets" approach, the Growing Sustainable Business emerges as UNDP's flagship operational initiative for the facilitation and development of 'Inclusive Markets'.

[The Growing Sustainable Business](#) (GSB) initiative facilitates **business-led enterprise solutions** to poverty in advancement of the Millennium Development Goals (MDGs). The GSB promotes and brokers investments that are both commercially attractive and address sustainable development needs, including through creation of new jobs, growth of local small enterprises through value chain development and through provision of affordable services to low income populations. The investment projects are in sectors which are the drivers of economic growth and which have direct impact on sustainable development.

### **III. Summary of key functions of a broker:**

Broker new GSB investments:

- Familiarize him/herself with the overall development and business context in the country of assignment, including the existing cooperation in the field of private sector development, as well as with the findings of the scoping mission carried out by UNDP
- Establish and maintain the GSB programme in the country of assignment, including organisation of relevant meetings and a launch workshop, setting up the GSB Coordinating Group
- Map, identify and prioritizing potential sectors for GSB interventions, companies and other potential partners, engage in direct discussions and negotiations with them
- Engage and sensitize all major stakeholders about GSB and responsible entrepreneurship while establishing and maintaining close relationships with relevant companies, NGOs, business associations, donors, and UN agencies
- Follow up and conduct supplementary research and other actions required to pursue negotiations and bring companies into the GSB process
- Provide continuous support to GSB projects in terms of facilitation and provision of needed knowledge and expertise
- Explore synergies between the GSB initiative and other relevant initiatives in the country of assignment, including work by the Government, private sector initiatives of multi-lateral and bilateral donors

Support UNDP Country Office efforts around the GSB

- Help the UNDP Country Office to define a model to support sustainability of the GSB operation in the country
- Support the UNDP Country Office efforts in mobilizing resources for the GSB programme.



#### Reporting and Communications

- Regularly liaise with the Regional Project Manager in order to share lessons and resolve common challenges
- Report on a regular basis on progress vis-à-vis project strategy and annual workplan
- Preparation and dissemination of various communication initiatives, materials and publications

#### **IV. Recruitment Qualifications**

- Advanced degree (Masters' or MBA) in a relevant discipline - economics, finance, management, international development
- 3-5 years relevant business, government or international development experience; international experience is an asset
- A solid understanding of business solutions to poverty and development, some understanding of contemporary thinking around Corporate Sustainability and its impact on business investment
- A solid understanding of economic development situation and business sector in project country
- Ability to broker and convene productive coalitions between business, government and development partners
- Experience in relationship management and facilitation skills
- Ability to understand and provide critical analysis of business models and plans, as well as their potential development impacts
- Fluency in written and spoken English is required, knowledge of local languages is an important advantage

It will be advantageous for a candidate to have:

- Distinctive experience in working in the private sector on issues of business strategy, operations or new business development
- On-the-ground experience related to issues of economic development and entrepreneurship
- Previous working experience in the country, and knowledge of the local business environment

## Annex 3: Support Broker – Terms of Reference

### I. Position information

Position: Support Broker

Duty station: Istanbul, Turkey

Reports to: Relevant manager in UNDP CO (primary supervisor)

Project Manager in Bratislava Regional Center (secondary supervisor)

Grade: TBD

### II. Organizational Context

UNDP is at the forefront of working with the PS to contribute to the Millennium Development Goals. The recently adopted UNDP private sector strategy provides a framework for UNDP's PS work to realize the priorities set out in the UNDP Strategic Plan (2008-11). Its overarching goal is to "Promote Inclusive Markets," in which the poor participate constructively as entrepreneurs, employees and consumers.

UNDP has three major global private sector programmes namely the Growing Inclusive Markets (GIM) programme, the Growing Sustainable Business (GSB) programme and the Public-Private Partnerships for Service Delivery (PPSPD) programme. In keeping the "Promoting Inclusive Markets" approach, the Growing Sustainable Business emerges as UNDP's flagship operational initiative for the facilitation and development of 'Inclusive Markets'.

[The Growing Sustainable Business](#) (GSB) initiative facilitates **business-led enterprise solutions** to poverty in advancement of the Millennium Development Goals (MDGs). The GSB promotes and brokers investments that are both commercially attractive and address sustainable development needs, including through creation of new jobs, growth of local small enterprises through value chain development and through provision of affordable services to low income populations. The investment projects are in sectors which are the drivers of economic growth and which have direct impact on sustainable development.

With a view to develop and strengthen the GSB project portfolio, a dedicated Support Broker will be hired to facilitate linkages between target countries and external business and non-business actors. UNDP is already using a similar approach to Business Outreach in the Nordic countries, and Belgium.

The Business Outreach Coordinator will be based in and will regularly liaise with the GSB Brokers in the target countries. He/she will have overall responsibility for promoting the GSB initiative and service offer in Turkey, for outreaching to and brokering linkages between external companies and the target countries. The assignment may require limited travel outside of Turkey.

### III. Summary of key functions:

Advocacy and promotion of business solutions to development, responsible entrepreneurship and GSB service offer:

- Support promotion of and raise awareness about the target countries, GSB and its service offer among business and non-business organizations in Turkey
- In close cooperation with the policy advisors and specialists in the Bratislava Regional Centre, advocate for the role of business in society and of business solutions to development and poverty reduction
- Represent the project at relevant events and conferences
- Develop tailored outreach materials and presentations

Outreach to and brokerage of linkages and projects between Turkey-based companies and the target countries:

- Map, analyse and identify potential sectors, companies and other partners for GSB projects in target countries
- Initiate and develop relationships with business and business support organizations for potential projects in target countries

- Link/connect interested companies with country brokers in target countries, provide direct assistance GSB project development
- Based on demand and the needs of the country brokers, identify suitable business partners in Turkey

Mapping of good Turkish business models and practices which could be available for replication in target countries

- Gather of information, map and identify good and responsible business models and practices which can be replicated in target countries
- Gather of information, map and identify institutional models and solutions to support responsible business, such as financial instruments, investment insurance, etc.

## **VI. Recruitment Qualifications**

- Advanced degree (Masters' or MBA) in a relevant discipline - economics, finance, management, international development
- 3-5 years relevant business, government or international development experience; international experience is an asset
- A solid understanding of business solutions to poverty and development, some understanding of contemporary thinking around Corporate Sustainability and its impact on business investment
- A solid understanding of the business sector and business support organizations in Turkey
- Ability to broker and convene productive coalitions between business, government and development partners
- Experience in relationship management and facilitation
- Experience in providing critical analysis of business models and plans, as well as their potential development impacts
- Fluency in written and spoken English and Turkish required

It will be advantageous for a candidate to have:

- Distinctive experience in working in the private sector on issues of business strategy, operations or new business development
- Existing contacts/networks within the business sector and the “pro-poor investment” community in Turkey
- Previous working experience in target countries

## **Annex 4 – Project Activities - GSB**

The main activities of the GSB part of the project will be as follows:

### **For countries with no current GSB presence (Kosovo, Kazakhstan and Uzbekistan)**

Introductory scoping missions to participating GSB countries: The main purpose of these missions will be to promote the vision and understanding of the initiative with high level stakeholders from the government, the private sector, NGO, academia and donor communities. Consultations held during the missions will engage stakeholders, build a wide constituency of support and obtain views on the sustainability of introducing the GSB. The missions will be undertaken by senior representatives of UNDP's Private Sector Division (Partnerships Bureau, UNDP HQ) which is responsible for the Global GSB programme, and UNDP's Regional Centre for Europe and CIS (RBEC). TIKA representatives would be most welcome to participate in the missions if desired.

Recruitment and training of full-time GSB brokers: In each participating country, a full-time GSB Broker will be recruited and trained in GSB methodology to attract and facilitate new investments, and act as the GSB project manager in each country. TIKA will be consulted throughout the GSB Brokers' recruitment process: from ToRs' sign-off to Brokers selection.

Identification, development and support for new investment projects: The GSB broker will identify, develop and support specific sustainable business investment projects. These projects will be further developed and brought to fruition through the National Steering Committee and Investment Working Groups (please see below for more on those groups).

Conducting feasibility and socio-economic studies: This activity will provide co-funding to potential investors for feasibility and socio-economic studies of the commercial viability and developmental impact of new investment projects. Development impact analysis will include looking at gender and environment issues as relevant. Such studies will be co-funded by the participating company. All information will be placed on public record to further increase the knowledge among the government, donors and other interested stakeholders, potentially sparking further investments in this area.

Creation of National Steering Committee: the committee, chaired by the UN Resident Representative initially, will bring together local stakeholders: local entrepreneurs, governments, NGO and donor supported projects and provide the main forum for identifying business investment opportunities, organizing implementation, measuring and evaluating progress and communicating results to the local population. The Committee is an open and inclusive body and thus ensures that investments are transparent and relevant to local development needs and priorities. It will be supported by the GSB broker. Wherever possible, GSB will join-in a similar existing body at country level, to avoid duplication.

Creation of Investment Working Groups: Once an investment opportunity is identified, an Investment Working Group will be created when appropriate (not obligatory). These are small operational groups of stakeholders that focus on the implementation of specific projects, identifying and inviting additional stakeholders as needed for successful project execution. By collaborating on concrete tasks, the group builds common ownership of a project and trust between respective organizations, a pre-requisite for successful and sustainable partnership. The groups will be supported by GSB brokers.

Provision of technical assistance to local partners: Training and consulting will be provided to help prepare local stakeholders, in particular local entrepreneurs, local government and local NGOs that might be expected to play a role in the implementation of any given GSB investment. The exact nature of the technical assistance will depend on the investment project and the needs of the participating companies and organizations.

Monitoring and Evaluation of Investment projects: The broker will monitor and evaluate the investment for progress, challenges, transparency, and potential replication and expansion.

Ensuring institutional and financial sustainability of the GSB initiative: The broker, in partnership with the National Steering Committee will explore and implement options to reach institutional and financial sustainability beyond the duration of project funding.

### **For the country with current GSB presence (Bosnia I Herzegovina)**

In the specific case of BiH where the GSB has already been running for 2 years, and where a broker is already in place, the emphasis will be placed on:

1. Supporting existing investment projects
2. Identification, development and support for new investment projects
3. Conducting feasibility and socio-economic studies
4. Provision of technical assistance to local partners
5. Monitoring and Evaluation of Investment projects
6. Ensuring institutional and financial sustainability of the GSB initiative

### **Support Broker in Turkey**

Recruitment and training of a Support Broker in Turkey: A full-time Support Broker will be recruited and trained in GSB methodology and business outreach to reach out to Turkish businesses that may be interested in investing into target countries. TIKA will be consulted throughout the Support Broker recruitment process: from ToRs' sign-off to Broker selection.

Business Outreach: The Support Broker will work with national GSB Brokers to understand existing opportunities for investment in those countries. She/he will then research Turkish-based businesses for potential match-making with these identified opportunities. She/he will leverage the Business Outreach Brokers infrastructure already existing within UNDP Liaison Offices in Brussels and the Nordic Countries, in order to identify Northern Europe based businesses. She/he will work together with the national GSB Brokers towards creating value chains in Eurasia. This will entail a case by case/individual approach to network and build relationship with external businesses that may play a role in this value chain. She/he will finally promote exchange of know-how between Turkish businesses and businesses (especially SMEs) in target countries.

## Annex 5 – Target groups and partner organizations

The main **partners** for the project will be:

### GIM:

The main partners in the report development process will be:

1. The Country Offices of the region that will be consulted in order to inventory potential case studies at country level for inclusion into the report.
2. The project Working Group which is a subset of the Global GIM Initiative Project Working Group with the addition of regional experts. It will include representatives from a diverse group of institutions with interest and expertise in the larger area of the private sector's role in development in Eastern Europe and the CIS. The suggested Working Group member list can be found in Annex 6. The Working Group is expected to meet for the first time in Q2 2009 to advise on the regional GIM initiative and identify case studies as well as case study authors.

### GSB:

Micro, small and medium sized businesses -	As sub-contractors to new investors (i.e. supply chains)
Local and foreign investors -	Seeking new investments and markets
Local and national governments, including national investment promotion agencies -	Wanting to foster sustainable local economic development and job creation
Non-governmental organizations, civil society organizations -	To facilitate dialogue between the private and public sectors
Donors, targeting organizations and institutions that are already working in the region	Interested in economic development in the region.

The **target beneficiaries** for the project will be:

### GIM:

The regional report target audience will be those who make decisions that affect the development of inclusive markets. These include country policymakers, business leaders active or potentially active in the field, as well as the wider community of development practitioners, NGOs, etc., with an interest in inclusive market development in the region. We hope that these target audiences will be able to put the research and tools to use, for the ultimate benefit of the poor and vulnerable excluded from markets in the region.

### GSB:

The unemployed -	New job opportunities due to investments and growth of MSME sector.
The low income/socially excluded -	Access to more, new or less expensive products and services. Access to new income generation opportunities.
Micro, small and medium sized businesses -	Investors represent new clients for existing MSMEs and foster the creation of new MSMEs. Acquire new and improved industry specific and management know-how and standards.
Local and national governments -	Enhance their practical knowledge on improving the business environment.
Investors (international and domestic) -	Access to previously impenetrable business opportunities. Access to new markets. Help lower the risk of new investments Test and develop new commercially viable, while developmentally sound business models.

In addition to the specific business and local development benefits associated with individual investment projects, the GSB will complement and leverage existing initiatives of national governments and international donors that are working to improve the investment climate in the region by reinforcing lessons learnt on barriers to investment.

## **Partnership with TIKA**

The GSB project component is in line with TIKA's roles and responsibilities.

TIKA has been providing economic, commercial, technical, social, cultural and educational cooperation to developing countries via projects aimed at assisting the development in Eurasia for more than a decade. TIKA provides development assistance by defining cooperation and assistance areas through taking into consideration the development objectives and the needs of developing nations and developing the required projects or securing the development of these projects by private sector organizations.

Likewise, the GSB program addresses poverty by improving economic, commercial, technical and social conditions of vulnerable people. The GSB increases the awareness of the other segments of population and mobilizes resources for the vulnerable people. It convenes business, government, civil society, potential sources of finance, and development partners. Moreover, the GSB projects are designed according to the needs and the potentials of vulnerable groups. Thus a successful GSB project increases the economic potential of vulnerable groups and reduces their poverty. In addition, the GSB projects increase the level of social responsibility in the private sector and contributes to a self sustained and continuously developing community. In this respect, the GSB component of the project is perfectly in accordance with TIKA's roles and responsibilities.

It is also very complementary to TIKA's large scale project "Developing Entrepreneurship and SMEs in the Eurasia Region". SMEs are critical for the transition of the in scope countries' economies and for reducing poverty by creating new jobs and providing diverse and cost effective products and services locally. The "GSB in Eurasia" project places local SMEs and entrepreneurs, in target countries, in the centre stage and aims at linking them to existing value chains and markets, making the latter more inclusive. In addition, the project includes elements of regional knowledge exchange and peer learning, which is in line with the goals of the "Developing Entrepreneurship and SMEs in the Eurasia Region" project. UNDP believes these elements play a key role in increasing regional cooperation and transferring business experience. In this respect, Turkish SME experience is important for the SMEs of the target countries. On 24-25 January 2007, the GSB in Turkey and Foreign Economic Relations Board of Turkey (DEIK) organised a match making event with 50 Turkish companies. Two business associations also cooperated on the event – KAGIDER – Turkish Businesswomen Association and GYIAD – Young Executives and Businessmen. UNDP is interested in organizing at least one more such event as part of the GSB component of the project to try and attract investment to targeted countries in the region and promote exchange of know how with businesses from those countries.

UNDP's main objective is to assist partner countries to promote sustainable human development in order to meet the eight Millennium Development Goals. The first of the eight goals is reduction of poverty, while the eighth is the development of international partnerships to achieving development goals. This is further complimented by the UN created and supported Global Compact, an initiative that advocates for an enhanced role for businesses in the development process.

The GSB Initiative uses a methodology that has been developed by UNDP, and successfully implemented in other world regions. This project is also in line with the strategy of UNDP's Regional Bureau for Europe and CIS which identifies the engagement of the private sector community in pro-poor investment projects<sup>42</sup> as a key priority for 2008-11.

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<sup>42</sup> UNDP Europe and CIS Strategy 2008-2011 and priorities for 2008.

UNDP's core strengths in promoting pro-poor business partnerships in Eurasia are set out in the table below:

<b>UNDP value added</b>	<b>Details</b>
Neutral brokering role	UNDP has experience in bringing together different stakeholders, such as local and/or national governments, civil society organizations, other multilateral donors and development agencies, as well as the private sector, in efforts where joint collaboration is required to ensure impact
Credibility	UNDP enjoys close relations with national and local governments and civil society. In all targeted countries, government partners expressed an interest in working with UNDP on private sector development and public private partnerships
Knowledge/ experience	UNDP's extensive on-the-ground presence in the region (in 25 countries in Europe and CIS) has enabled it to build strong local relations, and a deep knowledge of each country. Also, UNDP has been specifically targeting poor regions outside of capital and large cities. Most of the UNDP offices in Europe and CIS have been established right after collapse of communism in the beginning of 1990's thus over the course of a decade have accumulated vast experiences in sustainable economic and social development in the region. In addition, UNDP Country Offices in the region have experience in working in partnerships with businesses
Co-funding	The UNDP has committed to contribute financially towards promoting GSB in the region of total 570 000 USD.



## **Annex 6 – List of potential regional GIM initiative Working Group**

1. Ben Slay, Head Economist, UNDP Bratislava Regional Center
2. Eric Cornuel, Director, European Foundation for Management Development
3. Ricarda McFalls, Director, Development Focus Area, Sustainable Livelihoods Project, WBCSD
4. Adrian Hodges, Managing Director, IBLF
5. Alain Lempereur, Director, Institute for Research and Education on Negotiation in Europe, ESSEC
6. Nancy Wildfeir-Field, Global Development Alliance Advisor, Europe and Eurasia Region, USAID
7. Michael Warner, Director, Programme on Business and Development Performance, ODI
8. Farid Baddache, Europe Director, Business for Social Responsibility
9. Celine Hyon-Naudin, Quality Support, Business Trade and Regional Integration, AIDCO, EuropeAid
10. Joerg Hartmann, Executive Director, GTZ Public Private Partnerships
11. Will Day, Senior Associate, University of Cambridge Programme for Industry
12. Simon Pickard, Acting Executive Director, European Academy of Business in Society
13. Jan Notre-Dame, Senior Advisor on Strategy in stakeholder relations, CSR Europe
14. Mallen Baker, Development Director, Business in the Community
15. Dr Gunter Schall, Head of Unit, Private Sector and Development, Austrian Development Agency
16. Camilla Rie Hoe, Adviser, Section for Economic and Commercial Affairs, Norwegian MFA
17. Thomas Djurhuus, Deputy Head, The Dep. for European Neighbourhood & Rusland, Danish MFA
18. Christina Gradl, Global GIM Report lead author
19. Representative from SNV
20. Representative from Central European University Biz School
21. Representative from Belgian Ministry of Foreign Affairs