



Brussels, 20.7.2016
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COMMISSION IMPLEMENTING DECISION

of 20.7.2016

**on the Annual Action Programme 2016 in favour of the Republic of Belarus to be
financed from the general budget of the European Union**

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action¹, and in particular Article 2(1) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002², and in particular Article 84(2) thereof,

Whereas:

- (1) The Commission has adopted the Multiannual Indicative Programme for the Republic of Belarus for the period 2014-2017³, points 1.2, 4 and 5 of which provide for the following priorities: Local / Regional economic development, complementary support to civil society and complementary support for capacity development.
- (2) The objectives pursued by the Annual Action Programme 2016 to be financed under the European Neighbourhood Instrument⁴ are to support Belarus in implementing structural and institutional reforms; support Belarus in the development and implementation of the country's irregular migration and asylum policies and strategies; contribute to participatory and sustainable social and economic development in the regions of Belarus through enhancing private local economic initiative and small and medium enterprises; boost democratic development in Belarus by giving young Belarusians access to independent higher education.
- (3) The action entitled "Technical Cooperation Facility (TCF)" will support and smoothen implementation of the structural and institutional reforms in the selected areas (macro-economic reforms, economic planning, corporate governance, unemployment, restructuring of state-owned enterprises, financial sector reform, banking stability, World Trade Organization accession, support to Small and medium-sized enterprises, sustainability of the utilities sector, social protection), enhance the capacity and knowledge base of Belarusian public governmental institutions, state and semi-state

¹ OJ L 77, 15.3.2014, p. 95.

² OJ L 298, 26.10.2012, p. 1.

³ Decision C(2014)5097, 23.07.2014

⁴ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

enterprises through policy advice, as well as to promote good governance, justice, gender equality and rule of law.

- (4) The action entitled “Helping Belarus Address the Phenomenon of Increasing Numbers of Irregular Migrants from Third Countries” will contribute to the strengthening and respect of human rights and fundamental freedom aspects in the area of irregular migration, contribute to the convergence of Belarus' normative framework towards the EU's corresponding framework, contribute to the facilitation of operational cooperation between the EU, EU Agencies, EU Member States and Belarus, help increase security levels in the region and on the external EU border.
- (5) The action entitled “Strengthening Private Initiative Growth in Belarus (SPRING)” will promote small and medium enterprises as core engine of local and regional growth, improve SME competitiveness, performance and productivity through qualified business advice, support economic initiative, competitiveness and innovation for local inclusive development, including through providing better access to finance for SME and social enterprises to support the implementation of the employment-generating local strategies and action plans.
- (6) The action entitled “Support to the European Humanities University (EHU)” will provide education and training for young Belarusians in an environment of academic and political freedom through the EHU, provide education geared specifically to enabling the target group to develop democratic values in Belarus, contribute to changing social norms and combating stereotypes in relation to gender equality in Belarusian society through education, contribute to the education, housing and subsistence of Belarusian students throughout their studies.
- (7) It is necessary to adopt a financing decision the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012⁵.
- (8) It is necessary to adopt a work programme for grants the detailed rules on which are set out in Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annex I (sections 5.3.1, 5.3.2 and 5.3.3).
- (9) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. These entities comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.
- (10) The European Bank for Reconstruction and Development and International Finance Corporation are currently undergoing the assessment under Regulation (EU, Euratom) No 966/2012. Central Project Management Agency will undergo the ex ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No

⁵ Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).

966/2012 related to grant pillar. In anticipation of the results of this review, the authorising officer responsible deems that, based on the entities' positive assessment under Council Regulation (EC, Euratom) No 1605/2002⁶ and on the long-standing and problem-free cooperation with them, budget-implementation tasks can be entrusted to these entities.

- (11) The authorising officer responsible should be able to award grants without a call for proposals provided that the conditions for an exception to a call for proposals in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012 are fulfilled.
- (12) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Delegated Regulation (EU) No 1268/2012.
- (13) Pursuant to Article 94(4) of Delegated Regulation (EU) No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (14) The measures provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee set up by Article 15 of the ENI Regulation,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The Annual Action Programme 2016 in favour of the Republic of Belarus to be financed from the general budget of the European Union, as set out in the Annexes, is approved.

The programme shall include the following actions:

- Annex 1: Technical Cooperation Facility (TCF);
- Annex 2: Helping Belarus Address the Phenomenon of Increasing Numbers of Irregular Migrants from Third Countries;
- Annex 3: Strengthening Private Initiative Growth in Belarus (SPRING);
- Annex 4: Support to the European Humanities University (EHU).

Article 2

Financial contribution

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 29 million and shall be financed from budget lines 22 04 02 01 (EUR 7 million) and 22 04 02 02 (EUR 22 million) of the general budget of the European Union for 2016.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

⁶ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities (OJ L 248, 16.9.2002, p.1).

Article 3

Implementation modalities

Budget-implementation tasks under indirect management may be entrusted to the entities identified in the attached Annexes 2, 3 and 4, subject to the conclusion of the relevant agreements.

The section “Implementation” of the Annexes to this Decision sets out the elements required by Article 94(2) of Delegated Regulation (EU) No 1268/2012.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Delegated Regulation (EU) No 1268/2012.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set by the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 94(4) of Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt such non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 20.7.2016

For the Commission
Johannes HAHN
Member of the Commission



ANNEX I

of the Commission Implementing Decision on the Annual Action Programme 2016 in favour
of the Republic of Belarus

Action Document for Technical Cooperation Facility (TCF)

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals:

5.3.1. Grants: Calls for proposals for Twinning projects (direct management)

and in the following section concerning grants awarded directly without a call for proposals:

5.3.2. Grant: direct award to the OSCE Office for Democratic Institutions and Human Rights (ODIHR) (direct management)

5.3.3 Grant: direct award to the World Bank (direct management)

1. Title/basic act/ CRIS number	Technical Cooperation Facility (TCF) CRIS number: ENI/2016/039-378 financed under European Neighbourhood Instrument	
2. Zone benefiting from the action/location	Belarus The action shall be carried out at the following location: country wide	
3. Programming document	Multiannual Indicative Programme for EU support to Belarus (2014 – 2017)	
4. Sector of concentration/ thematic area	Complementary support for capacity development	DEV. Aid: YES
5. Amounts concerned	Total estimated cost: EUR 6 026 315.79	

	This action is co-financed by grant beneficiary for an indicative amount of EUR 26 315.79 Total amount of EU budget contribution EUR 6 000 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management: <ul style="list-style-type: none"> • grants – calls for proposals (Twinning) • grants – direct award • procurement of services 			
7 a) DAC code(s)	15110 – Public Sector Policy and Administrative Management 15112 – Decentralisation and support to subnational government 24010 – Financial Policy and administrative management 25010 – Business support services and institutions			
b) Main Delivery Channel	<i>World Bank - 44001</i>			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	n/a			

SUMMARY

The Belarusian government has realised its economy is prone to structural weaknesses and has suffered from the impacts of the global crisis, an over-dependence on Russia. It therefore needs to make the economy more resilient to external shocks and restore the potential for high growth. This requires deep and comprehensive market reforms, deregulation, liberalisation and restructuring. This Action provides a facility to support and respond to the needs and demands of the Belarusian government, and will support the country in implementing

structural and institutional reforms and capacity building. The chosen modalities (service contract, (direct) grants) allow to address all requests with specialised expertise and training.

The specific objectives are:

- 1) To support and smoothen the implementation of structural and institutional reforms in selected areas;
- 2) To enhance the capacity and knowledge base of Belarusian public governmental institutions, state and semi-state enterprises in selected priority areas through policy advice;
- 3) To promote good governance, justice, gender equality and rule of law.

1. CONTEXT

1.1. Sector/Country/Regional context/Thematic area

1.1.1. Public Policy Assessment and EU Policy Framework

The economic environment in Belarus in recent years has been characterized by a persistent slowdown in GDP growth, volatility in key economic indicators, and vulnerability to external shocks. After a period of high growth (averaging 8.6 percent per year during 2000-2008), anchored on strong external demand and large energy subsidies from Russia, the impact of the global economic crisis of 2008-2009 resulted in a lower export demand and reduced access to foreign financing, in turn resulting in a persistent current account deficit averaging 9.4 percent of GDP during 2009-2014. Cumulative inflation during this period amounted to 415 percent, partly owing to a 51 percent real depreciation of the Belarusian ruble (BYR) against the US dollar. As a result, the dollarization of household financial assets, namely foreign currency deposits, remained high at over 70 percent at end 2014.

Belarus accumulated substantial external debt mostly through loans from multilateral lenders and through the issuance of Eurobonds to support the balance of payments. Total public and publicly guaranteed debt grew from 13 percent of GDP in 2008 to 46.2 percent by the first half of 2015. Additional issuance of FX-denominated bonds on the domestic market also contributed to the accumulation of the public and publicly guaranteed debt. Belarus is facing substantial refinancing needs as the redemption profile for public debt reveals a sizeable maturity concentration in the medium and long term due to maturing Eurobonds in 2018, repayments to Russia, China and Eurasian Fund for Stabilization and Development (EFSD). Meeting foreign debt repayments of at least USD 3.3 billion in 2016 and USD 2.8 billion in 2017 will be challenging for the Government in the current environment, especially given heightened risk aversion of investors in sovereign debt markets and high cost of capital for Belarus.

These imbalances were addressed through a one-off adjustment of the exchange rate in the context of an IMF SBA (2009-2010) and suppression of domestic demand, but later derailed by resumption of fiscal and monetary expansion. In late 2014, a rapid weakening of the Russian Ruble (RUR) triggered additional demand for foreign exchange putting pressure on the BYR. Short-lived, ineffective capital controls were introduced in December 2014 to contain this demand. Eventually, controls were eliminated and the BYR depreciated by 23 percent relative to the US dollar in January 2015. This trend continued throughout 2015 to yield a 34 percent real depreciation of BYR against the USD during the year.

As expected, GDP growth turned negative from 1.6 percent in 2014 to -3.9 percent in 2015. Economic crisis in Russia and Ukraine has once more exposed underlying vulnerabilities of Belarus' economy and the country is expected to remain in recession in 2016. The recession in Russia, Belarus' main trading partner, reduced demand for manufactured goods, leading to a sharp rise in inventory level and cut in the industrial activity. During the first half of 2015, goods exports to Russia fell by 34.2 percent year-on-year in dollar values, while total exports dropped by 26.2 percent. At the same time, the room for policies to stimulate domestic demand through credit and wage growth—the main tools of stimulus in the past—has shrunk. With economic weakness resulting in lower fiscal revenues, expenditures were curtailed to sustain fiscal discipline. This is a noteworthy departure from policies during previous episodes of instability, particularly during a Presidential election year. As a result, the general government budget remained in surplus of 3.9 percent of GDP in the first half of 2015, even as economy contracted. However, officially reported data on the budget surplus—against a background of a contracting economy—do not reflect certain quasi-fiscal activities, most notably the directed lending under government programs. If these activities are properly accounted for, a small deficit emerges.

The authorities have turned their attention to the structural weaknesses in the economy and the impacts of the global crisis and Belarus' over-dependence on Russia, with the objective of making the economy more resilient to external shocks and restoring the potential for high growth. To support this intention to address accumulated distortions in the economy, the authorities worked with the World Bank to produce in March 2015 a Roadmap for Structural Reforms in Belarus, which subsequently provided a basis for seeking programs with the Eurasian Fund for Stabilization and Development (EFSD) and with the IMF. A USD 2 billion program with the EFSD was signed in March 2016, and the first tranche of USD 500 million was distributed shortly after. Negotiations with the IMF are ongoing. The Government, however, already started taking a number of measures elaborated in the Roadmap, including liberalization of prices of socially important goods and services, reducing volume of new directed lending, developing social safety nets as well as several rounds of increases in the utility tariffs.

1.1.2. Stakeholder analysis

As this programme is directed towards support in structural reforms in Belarus and to support the growth of the Belarusian economy, the Ministry of Economy is by far the most relevant partner. The Ministry of Economy is not only at the core of the economic policy of the country, but also key to structural reforms such as price and tariff liberalisation, privatisation, investment policy, etc. Also the large state and semi-state enterprises are managed by this ministry.

A number of other ministries and other beneficiaries will be targeted as well, depending on the specific intervention. These will include Ministry of Finance; Ministry of Industry; Ministry of Energy; Ministry of Natural Resources and Environmental Protection; Ministry of Housing and Utility Services; State Committee for Standardisation; National Bank; local businesses and their associations; big state and semi-state enterprises, and other relevant and interested organisations and state bodies such as, but not exclusively, state universities, judicial authorities, the Parliament.

1.1.3. Priority areas for support/problem analysis

The government of Belarus is facing the challenge of implementing deep structural reforms. Economic decline, combined with falling competitiveness and export demand, lack of budget resources and growing debts call for structural changes. The necessity of such changes is confirmed by such various external Belarusian donors as the IMF, World Bank (WB), EBRD and the Eurasian Development Bank.

Currently Belarus is negotiating with the IMF a new 3 year loan of USD 3 billion. The principal conditionality for such a loan is the readiness for deep and comprehensive structural reforms. The WB in tight cooperation with the IMF has developed a road map for the reforms. The Belarusian government has expressed its principal readiness to implement them; however, with relevant adaptation of social measures/compensations. The government has also adopted a program of full cost recovery utility tariffs for households until 2018, which are at present heavily subsidised.

This Programme will provide the support to the relevant state bodies and state and semi-state enterprises in implementing structural reforms and developing needed adaptation/mitigation measures. The support will include policy advice, ad-hoc expertise, trainings and possibly exchange visits to these organisations and its staff in order to support reforms and painful changes, to enhance capacity building and to increase the proficiency of the staff and competitiveness of enterprises/industries/chosen sectors.

There is also a large demand for more targeted and ad hoc expertise by a number of ministries and other official/state bodies and authorities. Without engaging into a sector reform programme, the interest to modernise and to learn from the European expertise on a number of selected topics is very large.

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Political willingness to see reforms lacks conviction and therefore translation into effective measures does not happen	M	Involvement of the concerned stakeholders at all stages of the project preparation, as well as during project implementation where project benefits will be largely demonstrated and disseminated to its governmental and non-governmental beneficiaries. Activities under this programme should mainly be the result of a strong interest of the authorities.
Passivity of officials, businesses, limited functional capabilities of	M	Timely planning and consultation at each step of project implementation with the

central and local authorities		programme Steering Committee and relevant stakeholders. Demand driven approach of the programme; information and public awareness campaign will further reduce risk.
Assumptions		
<ul style="list-style-type: none"> ▪ The authorities engage into a meaningful reform process. ▪ Sufficient institutional capacity/maintenance of key leadership and technical staff as well as strong planning, implementation and coordination capacity in beneficiary institutions. 		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

Lessons learned from previous assistance provided in this area include:

- A purely donor driven approach often results in the reluctance of Belarusian authorities to participate in activities. It is therefore essential that technical assistance is provided in close cooperation and coordination with the beneficiary, i.e. Terms of Reference should be prepared in close cooperation with the relevant Belarusian authorities.
- Despite the robust administrative system and management of Belarus, state institutions are not always used to working together. There is often competition for resources and reluctance to take responsibility for unpopular decisions, as well as delays in the decision making process. As a result, technical assistance tends to be more efficient when there is only one beneficiary (the Ministry and its institutions).
- Projects should have a rather simple design and should not have too ambitious goals / slogans as the government may be reluctant to implement them. Training of specialists, the transfer of skills, ad-hoc expertise and policy advice have better chances to be successfully implemented than a new broad and ambitious reform agenda, a new roadmap of reforms, etc.
- Experience with TAIEX has shown that a quick dedicated response to a specific topic on the basis of ad hoc expertise is both welcome and useful.

3.2. Complementarity, synergy and donor coordination

Belarus on a regular basis cooperates with different international organisations: European Commission, United Nations Development Program, World Bank, EBRD, SIDA, USAID, GEF, etc. However, as most donors have their own narrow field of working with Belarus and coordinate closely with each other, the risk for duplication of activities is limited. For example, the EU (EC) together with UNDP in its work with Belarus concentrates mainly on environmental and local/regional development issues. USAID and IFC finance mainly private business and business associations. The EBRD core activities are the banking sector and

infrastructure (solid waste, waste water treatment plants). SIDA is dealing mainly with environmental issues. The World Bank is active in macroeconomics, privatisation, energy sector reforms, updating of energy infrastructures, waste management projects (via loans).

The Delegation will closely coordinate with all relevant donors regarding possible implementation of all programme activities.

3.3. Cross-cutting issues

This programme will support aspects such as good governance, rule of law, human rights, gender related development and people-to people contacts with a number of other cross-cutting issues. The action will contribute to a more efficient micro- and macro management by supporting structural and institutional reforms. This has a direct (less resource use) and indirect (more efficient resource use) impact on climate change, which leads to a reduction of carbon emissions. Energy efficient and environmentally friendly management is an element of good governance which should be improved as a result of this programme.

The programme will also ensure effective public participation of the private sector and civil society in the sector. Social and economic development will be tackled as the programme may support local communities and enterprises in chosen areas, creating new "green" patterns in production, consumption and public procurement, reduce the dependency on export incomes; as well as by providing new skills and local expertise via training.

The reforms in the country will have a massive impact on the population at large, which requires a gender sensitive approach. This will especially be the case for issues related to increased utility tariffs or the employment situation as a result of rationalisations at large state owned enterprises.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results

Overall objective: To support Belarus in implementing structural and institutional reforms.

The specific objectives are:

- A) To support and smoothen implementation of the structural and institutional reforms in the selected areas;
- B) To enhance the capacity and knowledge base of Belarusian public governmental institutions, state and semi-state enterprises in selected priority areas through policy advice.
- C) To promote good governance, justice, gender equality and rule of law.

The following main results are expected: 1) strengthened institutional and administrative capacities of Belarusian public institutions in selected priority areas to implement structural and institutional reforms and 2) higher attention and better understanding of European standards, practices, approaches and legislative basis in the sphere of justice, rule of law, gender equality and governance.

4.2. Main activities

Component A: Support to structural and institutional reforms

Component A will include various activities which are aimed at supporting structural reforms implementation. This Component will consist of different studies and policy recommendations, trainings and possible exchange visits in the selected ministries/state bodies.

The program of technical assistance will be based on findings of additional World Bank analytical work which the authorities have come to value as impartial and constructive suggestions in the past.

Main activities:

- Assistance to the selected ministries/state bodies in the chosen priorities (indicatively: macro-economic reforms, economic planning, corporate governance, unemployment, restructuring of State Owned Enterprises, financial sector reform, banking stability, WTO accession process, support to SMEs, sustainability of the utilities sector, social protection, the Bologna Process, and any other priorities jointly agreed upon by the Belarusian government, the European Commission, and the World Bank.)
- Trainings and exchange visits for officials and civil servants.

Component B: Policy Advice

Component B is aimed at capacity building for chosen organisations via provision of specialised expertise, transfer of skills and ad-hoc expertise based on the European experience in chosen priorities/areas/participants.

Main activities:

- Provision of specialised ad-hoc expertise and policy advice.
- Support to the Belarusian authorities (Ministry of Justice, Ministry of Foreign Affairs, Ministry of Education, Parliament etc.) in the sphere of good governance, rule of law, human rights, gender equality, justice and in adopting selected parts of EU acquis.

4.3. Intervention logic

The Action is aimed at creating the necessary conditions for effective implementation of the structural and institutional reforms, particularly through targeted policy advice and technical assistance in legal approximation process in the selected priority areas, and provision of capacity development and institutional building to relevant state authorities.

5. IMPLEMENTATION

5.1. Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3. Implementation modalities

5.3.1. Grants: up to 2 calls for proposals for twinning projects (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

The Twinning modality via a call for proposals will be used for one or two actions in line with objectives and results defined in section 4.1.

(b) Eligibility conditions

In line with Article 4(10)(b) of Regulation (EU) No 236/2014, participation in Twinning calls for proposals is limited to public administrations of the EU member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State.

(c) Essential selection and award criteria

The essential selection criterion is the operational capacity of the applicant.

The essential award criteria are the technical expertise of the applicant and the relevance, methodology and sustainability of the proposed action.

(d) Maximum rate of co-financing

The rate of co-financing for Twinning grant contracts is 100%⁷.

(e) Indicative timing to launch the call(s)

First trimester of 2018.

(f) Use of lump sums/flat rates/unit costs

⁷ As provided for in the Twinning Manual

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual, for the reimbursement of the public sector expertise provided by the selected Member States administrations. The use of this system of unit costs and flat rate financing, which exceeds the amount of EUR 60 000 per beneficiary of a Twinning contract, is subject to the adoption of a separate, horizontal Commission decision.

5.3.2 Grant: direct award to ODIHR (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

Direct grant may be awarded to implement actions jointly prioritised by the Belarusian government and the European Commission, promoting good governance, justice, gender equality and rule of law in line with objectives and results defined under Component B in section 4.1.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the OSCE Office for Democratic Institutions and Human Rights (ODIHR).

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because this action has specific characteristics requiring a specific type of beneficiary for its technical competence and specialisation in line with Article 190(1)(f) RAP. ODIHR is one of the few bodies that has entered into a constructive dialogue on the topic of good governance, justice, gender equality and rule of law. It has gained the trust of the authorities, which would be paramount for implementing such a programme and due to its own mandate has the required expertise to carry out the foreseen tasks.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 95%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement:

First trimester of 2017.

5.3.3 Grant: direct award to the World Bank (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

A direct grant may be awarded for the implementation of actions in line with objectives and results defined under Component A in section 4.1.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the World Bank.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because this action has specific characteristics requiring a specific type of beneficiary for its technical competence and specialisation in line with Article 190(1)(f) RAP. The World Bank is a leading international organisation in Belarus with a broad experience and trustable mandate. The World Bank group's Country Strategy for Belarus for 2014 – 2017 commits to helping reforms in key areas needed for the country to regain competitiveness, maintain macroeconomic stability and sustain growth. Such strategic goals, commitments and engagements with country priorities perfectly well match the objectives of this Programme. As practice shows, implementation of Action is smooth and efficient when Belarusian authorities work with donor organisations which have their own office in the country, understand the country specifics, and which they consider as "reliable" both from professional and organisational points of view.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100%.

(e) Indicative trimester to conclude the grant agreement:

First trimester of 2017.

5.3.4. Procurement (direct management)

Subject in generic terms	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Ad hoc technical assistance	Services	6	Starting 1 st trimester 2017

5.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5. Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
Component A – Support to structural and institutional reforms		
5.3.3 Direct grant to the World Bank (direct management)	3 000 000	N.A.
Component B – Policy Advice		
5.3.4 Procurement (direct management)	1 100 000	N.A.
5.3.1 Twinning (direct management)	1 300 000	N.A.
5.3.2 Direct grant to ODIHR (direct management)	500 000	26 315.79

5.8 Evaluation, 5.9 Audit	100 000	N.A.
Totals	6 000 000	26 315.79

5.6. Organisational set-up and responsibilities

A Steering Committee shall be set up to oversee and validate the overall direction and policy of the project (or other responsibilities to be specified). The project Steering Committee shall meet at least twice a year. The project Steering Committee shall be made up of a representative of the Beneficiary country, of the entrusted entity (WB) and of the Delegation of the European Union to Belarus.

5.7. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8. Evaluation

Having regard to the nature of the action, a mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

A mid-term evaluation will be carried out for learning purposes. A final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the TCF is a new instrument for cooperation with Belarus.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner

country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in Q1 2019 and Q1 2021.

5.9. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in Q2 2021.

5.10. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation by each Contractor.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The Delegation will closely monitor that the visibility of EU support to the programme is ensured by the implementing partners and promote visibility of the programme in its own communication and visibility activities.

APPENDIX - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective:	The overall objective of the programme is to support Belarus in implementing structural and institutional reforms through capacity building in prioritised sectors	To be completed at later stage for each individual action financed under this Technical Cooperation Facility.				
Specific objective(s): Outcome(s)	<ol style="list-style-type: none"> 1. To support and smoothen implementation of the structural and institutional reforms in the selected areas. 2. To enhance the capacity and knowledge base of Belarusian public governmental institutions, state and semi-state enterprises in selected priority areas through policy advice; 3. To promote good governance, gender equality and rule of law. 	To be completed at later stage for each individual action financed under this Technical Cooperation Facility.				

Outputs	<ol style="list-style-type: none"> 1. Increased proficiency and competitiveness of the selected companies and state servants 2. Strengthened institutional and administrative capacities of the Belarusian public institutions and semi-governmental institutions and organisations in selected priority areas to implement structural and institutional reforms. 3. Higher attention and better understanding of European standards, practices, approaches and legislative basis in the sphere of justice, rule of law, gender equality and governance. 	<p>To be completed at later stage for each individual action financed under this Technical Cooperation Facility.</p>
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ANNEX II

of the Commission Implementing Decision on the Annual Action Programme 2016 in favour
of the Republic of Belarus

**Action Document for Helping Belarus Address the Phenomenon of Increasing Numbers
of Irregular Migrants**

1. Title/basic act/ CRIS number	Helping Belarus Address the Phenomenon of Increasing Numbers of Irregular Migrants CRIS number: ENI/2016/038-812 financed under the European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Belarus The action shall be carried out at the following locations: Several Belarusian Voblasts (Regions), Latvia/Lithuania/Poland-Belarus border regions			
3. Programming document	Multiannual Indicative Programme for EU Support to Belarus (2014-2017)			
4. Sector of concentration/ thematic area	Complementary Support for Capacity Development	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 7 million Total amount of EU budget contribution: EUR 7 million			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with the International Organization for Migration			
7 a) DAC code(s)	15110 – Public Sector Policy and Administrative Management			
b) Main Delivery Channel	47066 - International Organisation for Migration			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women)	<input type="checkbox"/>	X	<input type="checkbox"/>

	In Development)			
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	n/a			

SUMMARY

The EU and Belarus are currently in the final phase of negotiations on three mobility-related agreements: a visa facilitation agreement, a readmission agreement and a Mobility Partnership. As a measure accompanying the negotiation process, the European Commission has decided to allocate about 10% of the funds of the «Multiannual Indicative Programme for EU Support to Belarus (2014-2017)» to "Complementary Support for Capacity Development" in order to "provide specific assistance for the implementation of priority commitments deriving from future possible EU agreements and the dialogue on mobility".

This Action is meant to help the country (1) comply with its potential commitments under the future EU-Belarus readmission agreement and the Mobility Partnership and (2) address the phenomenon of increased irregular migration flows through Belarus originating from the conflict in Ukraine, the civil war in Syria and the economic crisis in Russia, which force many third-country nationals to look for new (job) opportunities in the EU.

This project is a comprehensive support programme in the area of migration. It will support the development and implementation of a fully-fledged irregular migration management strategy in line with international migrants' rights standards. The programme will encompass activities on **legislative and institutional reform** issues in Component 1 (e.g. policy advice on migration strategy development, division of responsibilities between state agencies, enhanced inter-service cooperation, and the development of a national referral system). It will focus on topics such as the development of analytical and statistical reports on migration flows (including support to Belarus' databases on migration), migration profiling (including sex- and age-disaggregated statistical data) and gender-sensitive training on interviewing techniques for border guard staff when dealing with migrants. Activities will also include training on the management of migrants' accommodation centres in line with best international and EU standards, English language courses for interviewers as well as centres' staff. Moreover, a mechanism of **voluntary return and reintegration** for stranded migrants, including rejected asylum seekers and third-country or Belarusian nationals returned from EU countries, will be set up and supplemented by funds (Component 2). Apart from that, this Action will finance the construction and/or renovation of several **temporary migrants' accommodation centres**, administered by the Ministry of Interior and the State Border Committee, based on best practices of EU Member States and taking into account the needs of persons with special needs and vulnerable persons (Component 3).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Irregular migration flows through Belarus are relatively small when compared with other European Neighbourhood countries. However, figures are increasing, mainly because of the economic crisis in Russia, which forces many third-country nationals to look for new (job) opportunities in the EU, the civil war in Syria and the conflict in Ukraine. In 2014-2015, about 160,000 people from the East of Ukraine arrived in Belarus. Figures for refugees and migrants from other countries, willing to stay in Belarus, are significantly lower but have also increased over the past months.

The majority of irregular migrants, who are almost entirely young men, transit or lived in Russia and come originally from Georgia, Russia (Chechens and Daghestanis), Vietnam, and Syria. Other countries of origin (of lesser importance in terms of quantities) are Afghanistan, Egypt, India, Sri Lanka, Bangladesh, and Pakistan. The most important EU countries of destination named by migrants to the authorities are Germany, Sweden, and the UK.

An assessment of the State Border Committee of Belarus in 2015 disclosed that the authorities are currently confronted with the problem that local and international organised crime (OC) groups (usually of Chechen or other Caucasian origin), specialised in trafficking of migrants, avoid Ukrainian territory because of the risk of being robbed on their transit through Ukraine by criminal gangs, which appear to move more freely nowadays due to the current weakness of Ukraine's law enforcement agencies. Belarus' open border with Russia, which basically all⁸ irregular migrants cross, also contributes to the "attractiveness" of the route to Europe via Belarus.

Mainly the entire border with Lithuania (in particular the territory around official check points) and, in a new development, the most south western part of Belarus – the Tomashovka land strip at the frontier with Ukraine – are currently used by irregular migrants to cross into EU territory. The fact that the Belarusian frontier with Poland is heavily secured by border installations stemming from the Soviet area (Ukraine dismantled this equipment) and that the Belarus-Ukraine border, for the time being, is rather unguarded make the Ukraine-Poland border particularly vulnerable for illegal crossings into EU territory. The Belarus-Latvia frontier is not often used by irregular migrants, mainly for reasons linked to its relative difficult accessibility (terrain). As mentioned earlier, there are no border crossing points at the Belarus-Russia frontier, nor are there permanent patrols along the "green" border. Still, the Belarusian border guards are sometimes deployed there temporarily on an ad-hoc basis. These deployments are usually triggered by preceding intelligence reports.

Belarusian passport holders do not have the reputation of frequently breaking the border regime legislation. Typically, they are refused entry into EU territory for lack of valid travel documents. There are only few cases reported where Belarusians were caught when crossing the green border illegally.

For the time being, there appear to be no incidents with terrorist groups or foreign fighters at the EU-Belarus border or within Belarusian territory.

⁸ An exception are Georgian nationals, who arrive in Belarus often by plane coming directly from Tbilisi.

1.1.1 Public Policy Assessment and EU Policy Framework

Public Policy Assessment

Responsibilities for the handling of irregular migrants in Belarus is split between the Ministry of Interior (MoI) and the State Border Committee (SBC): While migrants detected at the state border when trying to cross illegally into EU (or Ukrainian) territory are kept in facilities of the border guard, the MoI is in charge of all other cases (i.e. detentions of irregular migrants intercepted inside the territory of Belarus). Since detention (irregular migrants)⁹ and hosting (asylum seekers)¹⁰ facilities of the SBC are very limited, the SBC often hands over detained migrants to the MoI. If its facilities are not overcrowded, the SBC takes care of the entire deportation procedure.

Belarus has a rather restrictive approach to the provision of asylum: slightly more than 1000 persons have been granted asylum status since the country achieved independence in 1991.¹¹ Out of a total of about 1200 applicants in 2015 (among them 978 Ukrainians), approximately 20 people were given asylum (about 2 per cent). However, subsidiary protection, which needs to be renewed every year, has been granted more generously in that year (more than 70% of all asylum seekers), in particular to Ukrainian refugees. There are currently three centres for asylum seekers, run by three different institutions: one in Brest managed by the SBC, one in Viciebsk by the MoI and one in Homiel by the administration of the Voblasts.

The government is currently hammering out a comprehensive migration strategy, the first one in the country's history. The MoI, as the lead agency, is in charge of coordinating this process. A first draft is expected to be finalised during the course of 2016.

With the exception of Russia and Georgia, Belarus has visa regimes in place with most of the countries of origin, which irregular migrants stem from (see also section 1.1 above). Therefore, the main reason for the detention (and frequent deportation) of nationals from these countries is the breach of the country's visa regulations.

Belarus has signed readmission agreements with Georgia, Kazakhstan, Russia, Turkey and Ukraine (not ratified yet). Negotiations on similar agreements with Armenia, China, EU, India, Israel, Kyrgyzstan, Sudan and Vietnam are currently on-going or planned to start soon.

In 2008, a Memorandum of Understanding (MoU) on «Issues of Monitoring the State Border of the Republic of Belarus and Giving Access to the Procedure of Asylum in the Republic of Belarus» was signed between the SBC, UNHCR, IOM, the Belarusian Red Cross and the Belarusian Movement of Medical Workers. The MoU defines modalities of cooperation and identifies respective roles of the national actors and international organisations. It also provides for access to detained migrants, monitoring and counselling visits, medical and emergency aid (food, clothing, medicines) as well as assistance in case a migrant wants to return to his/her home country voluntarily. In 2012, a similar MoU was signed with the MoI, thus providing an instrument for access and work with irregular migrants detained in MoI facilities. However, the MoUs' full implementation is rather limited.

The most important laws regulating the stays, rights and obligations of foreign citizens in Belarus are:

⁹ The SBC runs 21 facilities for max. 117 persons.

¹⁰ The MoI is in charge of the whole asylum procedure; however, the SBC provides auxiliary services to the MoI by hosting asylum seekers in one facility in Brest.

¹¹ Mostly Afghans who have left their home country in the 1990s.

- The Law on the Legal Status of Foreign Citizens and Stateless Persons in the Republic of Belarus;
- Regulations on the Procedure of Deportation of Foreign Citizens and Stateless Persons (adopted by the Council of Ministers);
- Law on Granting the Refugee Status, Additional and Temporary Protection to Foreign Citizens and Stateless Persons in the Republic of Belarus (including an instruction to it);
- Administrative Code (AC): The code stipulates that MoI and SBC are the responsible state bodies to carry out the administrative process and pass judgements on penalties with regard to irregular migrants (warnings, fines, deportation or a combination of these penalties). The code also defines the general terms of detention. Moreover, the AC contains sanctions such as deportation for crossing the state border illegally (at unauthorized points, using counterfeit/false documents, etc);
- Criminal Code: The code specifies the criminal responsibility for violating the terms of entry bans and for organising irregular migration (including smuggling of persons). Besides, the code identifies sanctions for employing irregular migrants (including illegal employment);
- Law on the State Border of the Republic of Belarus;
- Law on the Procedures of Departure from the Republic of Belarus and Entry to the Republic of Belarus.

EU Policy Framework

The EU and Belarus are currently in negotiations on three mobility-related agreements: a visa facilitation agreement, a readmission agreement and a Mobility Partnership. The third and, for the time being, last round of negotiations on the EU-Belarus visa facilitation and readmission agreements took place in March 2015 in Minsk. At that occasion the two texts were largely agreed between the two sides. There remains, however, one issue of a technical nature raised by some EU Member States which will need to be resolved by the Belarusian side – namely the security features of the diplomatic passports of Belarus. In the recent past, the European Commission has repeatedly offered to organise a meeting with document security experts to further explain the concerns of EU Member States and to provide expertise on this matter to the Belarusian authorities. This Action will focus its activities on several chapters of the Mobility Partnership.¹²

¹² This Action will address the following topics of the February 2016 draft of the Mobility Partnership:

- Consolidation of migration management capacities: Strengthening capacity to develop analytical and statistical reports on migration flows; improving Belarus' database on migration; the creation of a Migration Profile, as a data compilation, analysis, and policy-making support tool
- Fostering border management capacity and cooperation: Development of activities in the field of research and development related to border management; operational cooperation shall fully respect human dignity, fundamental rights and the rights of refugees and asylum seekers, including the principles of non-discrimination and of non-refoulement; training of trainers for border guards and other entities responsible for border management; Enhancing risk analysis capacity of the Belarus State Border Committee while enabling joint analytical work also with EU Member States
- Supporting capacity for readmission and return
- Encouraging voluntary returns
- Strengthening the asylum framework: Sharing knowledge and best practices on addressing the needs of foreigners applying for international protection, also as regards the organisation structure of reception centres

The European Commission-Belarus policy dialogue described above is supplemented by the bi-annual Eastern Partnership Integrated Border Management Flagship Initiative Panel Meetings and the Eastern Partnership Panels on Migration and Asylum. These meetings take place twice per year since 2009/2010.

1.1.2 Stakeholder analysis

The main stakeholders in dealing with irregular migration and carrying out detention procedures are the MoI and the SBC as defined by national law. Both agencies are entitled to carry out administrative procedures and pass final judgements. The MoI is mostly dealing with irregular migrants intercepted inside the territory of Belarus (inland detection), while the SBC's sphere of competence are persons detained at or near the state border. The Department of Citizenship and Migration of the MoI is the main state body responsible for elaborating and implementing migration priorities and policies with regard to irregular migration and detention of irregular migrants, although also the following bodies of the MoI may be involved in the process as well: the Department for Counteracting Organised Crime investigates and brings to court cases linked with organised smuggling in people; the Department of Drug Control and Combatting Trafficking in Human Beings intervenes in cases where the victims of trafficking are identified; the Department of Punishments' Execution provides control over most of the detention facilities in the country.

Moreover, there are a number of other state bodies that can get involved in the detention of irregular migrants:

- The Prosecutor's Office provides overall supervision of detention conditions compliance with the national law. In cases where law enforcement agencies need more than 72 hours for identity verification, the prosecutor can extend the term to up to 10 days. This state body is also responsible for extradition issues;
- The Investigation Committee takes over cases referred by the SBC and the MoI for criminal investigation and legal processing;
- The Ministry of Foreign Affairs, in particular its Consular Department, provides assistance in identity verification of a third-country national;
- The Ministry of Education and Social Welfare intervenes in cases of detention of unaccompanied minors and families with children;
- The Ministry of Health has control over ensuring access to first medical aid for detained foreigners;
- Local Courts, City Courts and the Supreme Court deal with appeals against administrative and criminal rulings.

1.1.3 Priority areas for support/problem analysis

Belarus lacks a comprehensive irregular migration strategy and capacity to coordinate and implement such a strategy. Thus, adequate policy and regulatory frameworks which would clearly define the role of various state actors involved in the process of dealing with irregular migrants are needed. The coordination of the ministries' work is performed by the Cabinet of Ministers through a number of thematic inter-agency working groups. However, there is no

- Developing the capacity: Support for improvement of reception conditions for refugees and asylum-seekers including through training in providing adequate reception to new arrivals and supporting the efficient functioning of reception centres for refugees especially as regards most vulnerable individuals

special working group on irregular migration. Coordination of work between the MoI and the SBC is regulated by a "Joint Instruction", according to which "working meetings" have to take place once every three months and meetings at heads of departments level once every six months. However, meetings are usually arranged on an ad-hoc basis on ad-hoc questions (no systematic approach). Moreover, there is no legislative base that would clearly describe the referral mechanism of irregular migrants apprehended by the border guards at the state border. Instead, respective agencies involved in referral procedures follow their own internal regulations. As stated earlier, the Administrative Code defines the general terms of detention of irregular migrants: up to 72 hours without, and up to ten days with, the prosecutor's sanction. However, there are no limits in the code as to the time for identity verification and deportation.

Due to the absence of an efficient state-run assisted voluntary return programme, migrants facing deportation or expulsion often do not have access to any assistance – something that also negatively influences the length of stays in "Temporary Detention Jails" (TDJs)¹³ where about 50% of irregular migrants are kept in custody (see below).

Currently, the most critical and urgent problem is the absence of adequate reception (accommodation) facilities for irregular migrants compliant with internationally accepted standards and principles (*inter alia* set by the «Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment», adopted by the UN General Assembly, Resolution 43/173, 9 December 1988):

Before deportation, approximately 50% of irregular migrants are detained in TDJs, which are supervised by the MoI, sometimes for several months together with other persons in pre-trial imprisonment (often "ordinary" criminals). The duration of the period in detention is determined by the speed of the authorities to arrange the deportation of a person. In 2015, about 1600 irregular migrants facing deportation were in custody in 103 MoI-run facilities, an increase of 39% compared with the figure in 2014. Approximately half of the migrants, who were given the order by the authorities to leave Belarus (within max. 30 days), were allowed to be at large since they were convincingly able to prove that they were not a threat to public order and planning to depart (e.g. by producing a return ticket). However, there are cases where also asylum seekers are kept in custody during the asylum procedure: this can occur when an irregular migrant was arrested and did not apply for asylum immediately but in a TDJ when the deportation has already been initiated.

The SBC has a network of four big¹⁴ and 17 small¹⁵ detention centres along the entire state border. Two (Hrodna, Brest) of the four big centres have both open and closed type facilities. Migrants are, as stated earlier, handed over to the MoI when the centres are either overcrowded or when a person has asked for asylum. If a migrant is detained and does not apply for asylum, it can happen that s/he is kept in custody for several months until his/her deportation. The difference is, however, that migrants in SBC-run detention centres are not kept together with ordinary criminals. In 2014 and 2015, the SBC deported 1087 and about 1500 migrants, respectively.

Neither MoI TDJ staff nor border guard officers are trained in migrant-specific issues.

¹³ In Russian: Izolyatory Vremennogo Soderzhaniya (IVS)

¹⁴ Located in Smarhoń, Lida, Hrodna and Brest. Detention capacities: 8-19 persons per centre (63 in total).

¹⁵ Detention capacities: 2-5 persons (54 in total).

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<p>Cases of corruption will undermine the expected results of the action.</p> <p>It will take the beneficiary considerable time to endorse programme activities.</p> <p>Trained personnel may leave project beneficiary institutions.</p> <p>The government will not agree to implement all parts of the reforms proposed in this Action.</p>	<p>L</p> <p>L to M</p> <p>L</p> <p>M</p>	<p>Levels of corruption in Belarus are low compared with neighbouring countries. But nonetheless, anti-corruption activities will be worked into the project's training and policy advice component as a horizontal topic.</p> <p>The registration of the project might indeed take considerable time, since procedures are rather complicated and time-consuming. Experience shows that the timely involvement of the beneficiary in project registration is the best way to address this risk. Moreover, the proposed implementer IOM (see section 5) is very experienced in implementing projects in Belarus and, therefore, in registering projects with the Ministry of Economy.</p> <p>The risk of staff fluctuations in Belarusian governmental structures is low compared with neighbouring countries, in particular in times of rising unemployment. Nonetheless, the best way to address this matter is to involve significant numbers of beneficiary representatives in project activities.</p> <p>Indeed, this is a potential risk, in particular since Belarus perceives the question of irregular migration from a purely security perspective. Therefore, it will be paramount that the European Commission intensifies its policy dialogue with the government on related matters.</p>
Assumptions		
<ol style="list-style-type: none"> 1. There is commitment and interest on the part of the two main beneficiary institutions to coordinate their activities, share information, harmonise procedures/systems/practices amongst each other in accordance with best international and EU standards. 2. The two main beneficiary institutions will make sufficient numbers of appropriate qualified 		

personnel available for project activities.

3. Project participants of the two main beneficiary institutions will keep working in their institutions for sufficient time so that the skills and knowledge obtained can be properly applied and transferred to colleagues.

4. Project activities, complemented by an intensified European Commission-Belarus policy-dialogue, will bring the country's management of irregular migration closer to best international and EU standards.

5. Communication and coordination between beneficiary institutions and IOM will be effective.

It is important to mention that both the MoI and the SBC as well as the Ministry of Foreign Affairs of Belarus have expressed great interest in this EU-funded support programme, which was confirmed in the four meetings the EU Delegation had with beneficiaries before and when drafting this Action Document.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

Lessons learned from previous assistance provided in Belarus include:

Assistance in a sensitive area such as irregular migration needs to be developed through constant and often time-consuming discussions with the beneficiary government. Ideally, the European Commission-Belarus policy dialogue on these matters will be intensified.

Assistance projects have to be tailor-made to the needs of the beneficiary country. This is best ensured by intense cooperation at all project programming and implementation stages. The impact of donor-driven project ideas is usually significantly smaller.

The financing of infrastructure and equipment has to be linked with practical training sessions dedicated to the use and maintenance of the infrastructure and equipment procured.

3.2 Complementarity, synergy and donor coordination

Complementarity and synergy

TAIEX has been the main, almost single, assistance instrument of the European Commission for the MoI in recent years. During the period 2012-2014, the MoI was one of the most active applicants in the country asking for assistance in areas such as trafficking in human-beings, regulating labour migration and, in particular, asylum. However, the number of requests for TAIEX support dropped during 2014-2015 due to a temporary suspension of the programme for Belarusian beneficiaries in the second half of 2014 initiated by the European Commission because of budgetary constraints. Since then, the programme has resumed activities in Belarus. However, the number of requests by Belarusian institutions, including those from the MoI, has not reached the levels of previous years yet.

Eastern Partnership Integrated Border Management Flagship Initiative (EaP IBM FI):

Compared with the period 1995-2010, assistance by the EU to the SBC has been somewhat scarce in recent years so that the EaP IBM FI programme, which funds regional projects involving at least two (or more) partner countries, has become the SBC's main EU funding source. For the time being, there have been two interventions for the SBC, which are/were implemented during the period 2012-2016: Under the programme's 2011 budget, the EU allocated EUR 2.6 million for the strengthening of the Belarus-Ukraine "green" border: The

27-month "SURCAP" (Strengthening Surveillance Capacity) project was split into two components – one on training (EUR 0.7 million) and one on equipment (EUR 1.9 million). Implementation took place during the period 2012-2014. SURCAP was followed up by a 30-month second phase, which started activities in spring 2014 (EU contribution: EUR 5.1 million). Budgets of both projects, which are/were implemented by IOM, were split between the two beneficiary countries in a 1:1 ratio. SURCAP's second phase is closely coordinated with the regional three-year «Eastern Partnership – Integrated Border Management – Capacity Building Project», which started activities in July 2014 (budget: EUR 4.48 million). It is implemented by Frontex in partnership with WCO, IOM, UNHCR and ICMPD. Activities take place in the six EaP countries and are focused on trainings and study visits. It does not provide for any investments in equipment or infrastructure.

The EU funded one project under the *Cross-Border Cooperation Programme «Latvia-Lithuania-Belarus» (2007-2013)* for the benefit of the SBC.¹⁶ The project had a budget of approximately EUR 0.5 million and was implemented in the years 2012-2014. Discussions of the European Commission with Belarus on the new programme cycle (2014-2020) have not finished yet. The Belarusian government has, *inter alia*, put forward the proposal to fund a project named «Development of Telecommunication Infrastructure at the Belarus-Lithuania Border (BOMBEL 4)» worth EUR 3.67 million (expected European Commission contribution: EUR 3.3 million).

DCI Thematic Programme «Migration and Asylum»: After launching a global call for proposals, the European Commission decided to fund the project «Supporting the Republic of Belarus in Addressing Irregular Migration and Promoting Human Rights of Vulnerable Migrants – AMBEL» (budget: EUR 2.146 million; European Commission contribution: EUR 1.717 million), which provides assistance to the SBC through the reconstruction of a training facility, enhancing institutional and technical capacity of the SBC's Psychological Support Service and by developing mechanisms for the provision of legal and social assistance to victims of sexual and gender-based violence among and towards migrants through an NGO network. This project, which is implemented by UNDP, finishes activities in autumn 2016.

Frontex has bilateral working arrangements on the establishment of operational cooperation with the SBC. According to these arrangements, cooperation focuses geographically on external EU borders and thematically on the exchange of information & experience, risk analysis, joint operations, training, joint activities and secondment of border guards to EU Member States units responsible for border control. Frontex does not provide equipment to beneficiary countries.

Donor coordination

The specific political circumstances in Belarus have resulted in a quasi-monopoly position of the European Commission with regard to assistance to the MoI and the SBC. Support activities by other donors in this particular area are very limited and scarce. The only international organisations, which are active in this field and permanently present in Belarus, are IOM, UNHCR and UNDP, which both mostly implement European Commission-funded projects. It should be noted, though, that also Russia provides aid, to the SBC in particular, but its extent is difficult to assess.

3.3 Cross-cutting issues

Gender: Significant parts of the training and infrastructure will be to the benefit of women,

¹⁶ «Strengthening the Capacity of Dog Handling Services of Border Guarding Institutions»

both women migrants and female officers of the MoI and SBC working with migrants in the centres.

Good governance: The project is expected to be based on good governance principles ("ownership" and "fighting corruption" in particular). It will promote dialogue between the two main beneficiary institutions involved at different levels. Moreover, it will help strengthen the partner country's capacities to better deal with the management of challenges linked with international migration in line with European best practices.

The expected **long-term impact** is to contribute to the strengthening of good neighbourly relations between EU countries and Belarus and to support the creation of a sustainable system for irregular migration management.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

Overall Objectives

1. To contribute to the strengthening and respect of human rights and fundamental freedom aspects in the area of irregular migration
2. To contribute to the convergence of Belarus' normative framework towards the EU's corresponding framework
3. To contribute to the facilitation of operational cooperation between the EU, EU Agencies, EU Member States and Belarus
4. To help increase security levels in the region and on the external EU border

Specific Objective

To support Belarus in the development and implementation of the country's irregular migration and asylum policies and strategies in order to bring them closer to best EU and international standards and practices

Results

1. A comprehensive legal and institutional policy framework programme on managing irregular migration has been developed and implemented
2. An Assisted Voluntary Return and Reintegration Programme for irregular migrants is designed and implemented
3. Several Migrants Accommodation Centres are built or refurbished and integrated in the irregular migration management system
4. The legal, institutional and policy framework on irregular migration is gender-streamlined

4.2 Main activities

Component 1: Policy development, strengthening of legal, institutional and operational capacities

- Development of the necessary legal, institutional and policy framework for the smooth and efficient functioning of Migrants' Accommodation Centres (MAC) and their integration into the migration policy framework of Belarus;
- Provision of policy-related and legal advice on the review of relevant legislation and the elaboration of an irregular migration management strategy and its implementation based on best European practices: the focus will be on matters such as enhanced intra-service and inter-

agency coordination and data sharing, development of extended country migration profiles (including sex- and age-disaggregated statistical data), drafting of migration and border risk analysis reports, regulatory frameworks for handling irregular migration and national referral mechanisms;

- Support to training institutions such as the ITC (International Training Centre) of the MoI;
- Training on identification of migrants' identity;
- Development of gender-sensitive standard operating procedures (SOPs) for the management of MACs compliant with best international practice and respect of human rights;
- Gender assessment study on irregular migration at the beginning and at the end of the project;
- Legal advice for detained irregular migrants;
- Development and implementation of tailor-made training programmes (including Training-of-Trainers) for personnel working in MACs. Trainings will include language training, code of conduct, gender awareness, international treaties and operational standards. Besides, UNHCR will be invited to deliver trainings dedicated to asylum procedures;
- Training for services involved in processing readmission applications;
- Coordination with EU-funded TAIEX and MIEUX programmes to avoid overlaps.

Component 2: Establishment of an Assisted Voluntary Return and Reintegration (AVRR) system for irregular migrants

- Support in legislative and policy development, as well as training of Belarusian law enforcement agencies staff to enable them to set up and operate a sustainable voluntary return assistance system based on identified best EU practices; at least 50% of the trainees will be women.
- Delivery of direct assistance to stranded migrants, including rejected asylum seekers and third-country nationals returned from EU countries, such as translations/interpretation, psychological support, medical services (including mobile gynaecological services), and emergency packages (including clothes, sanitary goods, water and food). NGOs such as the Belarus Red Cross, the Belarusian Movement of Medical Workers and women's organisations will also be invited to take part in legal counselling and the provision of direct assistance to migrants.

Component 3: Establishment of Migrants Accommodation Centres (MAC) in line with best EU and international standards

- Study visits for senior officials (policy makers) and technical experts to several EU / non-EU countries where MACs already exist;
- Refurbishment, construction and equipping of the selected centres taking into account specific needs of women migrants, minors and other vulnerable groups;
- Facilitation of links between MACs, surrounding communities and local authorities.

4.3 Intervention logic

The proposed intervention encompasses the following three components, which are expected to be implemented in parallel:

1. Policy development, strengthening of institutional and operational capacities

This component is expected to lead to a significant improvement of migration governance in Belarus. Its focus will be on the support to the elaboration of a comprehensive irregular migration management strategy based on a revised legal, institutional and policy framework, in full respect of human rights, which envisages, *inter alia*, enhanced intra-service and inter-agency coordination, risk analysis capacities and data sharing. Moreover, the project will help the government develop extended migration profiles of the country containing most up-to-date statistical data, aggregated in a gender-sensitive manner, and other relevant information on the migration situation and trends. This data is expected to be used by the authorities also to draft migration and border risk analysis reports, based on Frontex risk analysis methodology, for the use by border guards and immigration police. In addition, regulatory frameworks for handling irregular migration will be reviewed, revised as necessary, and consolidated in a unified document. A national referral mechanism on irregular migration will be developed. Support will also be extended to concerned training institutions such as the ITC (International Training Centre of the MoI) to strengthen their research capacities in the field of migration. Participants of the trainings organised in the framework of this component will include policymakers, independent experts, academic circles, gender & gender-based violence experts, and NGO representatives.

2. Assisted Voluntary Return and Reintegration (AVRR) of irregular migrants

Currently, the Government's capacity to provide AVRR to third-country nationals is very limited (almost non-existent). Until recently, IOM used to partially fill this gap. However, due to the lack of resources IOM is able to provide assistance to most vulnerable persons only. Hence, as part of a broader capacity building support programme to Belarusian authorities, a mechanism of voluntary return and reintegration for stranded migrants, including rejected asylum seeker, third-country and Belarusian nationals returned from EU countries, will be set up and supplemented by funds.

3. Establishment of Migrants Accommodation Centres (MAC) in line with best international and EU standards

Under this component, it is proposed to construct several MoI-run MACs with a capacity to accommodate between 30 and 50 irregular migrants per centre at a time. Similar EU-funded programmes are currently being implemented, for instance, in Turkey and the Caucasus. Possible locations are Brest, Homiel', Lida, Minsk, Mahilioŭ and Viciebsk. In addition, facilities operated by the SBC along the border with Poland, Lithuania and Latvia will be upgraded (Brest, Hrodna, Lida or Smarhoń) and, possibly, newly built (Polack).

All centres will have closed and open-type facilities as well as multi-purpose women-only spaces for refugee women, girls, minors and families that provide for access to a range of targeted services including psychological first aid, trauma counselling, and health care. All centres will be made safe, accessible for representatives of organisations such as IOM, UNHCR and the Belarus Red Cross, winterized, will have family and sex-segregated partitions ensuring privacy as well as with wash facilities separating men and women. The exact number of centres and their locations will be determined prior to the signing of the Delegation Agreement.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3 Implementation modalities

5.3.1 Indirect management with an international organisation

This action may be implemented in indirect management with the International Organization for Migration (IOM) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails the Action's three components as described in section 4 above. This implementation is justified for the following reasons:

- There are very few other international organisations which are physically present in Belarus, which is an absolute must for the implementation of this action;
- IOM has almost exclusive expertise in this particular area of assistance;
- IOM can build on its long-term relationship with project beneficiaries, something that is particularly important in Belarus;
- Very good performance of IOM in other projects supervised by the EU Delegation to Belarus (SURCAP, SURCAP 2, PRINEX);
- Due to IOM's extensive experience in implementing projects in Belarus and familiarity with project registration procedures with the Ministry of Economy, which are rather complicated and time-consuming, project activities could start without significant delay.

The entrusted entity would carry out the following budget-implementation tasks: running the public procurement, concluding and managing the resulting contracts, including making of the related payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in indirect management with UNDP. The implementation by this alternative entrusted entity would be justified because:

- There are very few other international organisations which are physically present in Belarus, which is an absolute must for the implementation of this action;
- UNDP can build on its long-term relationship with the Belarusian government, something that is particularly important in Belarus;
- Good performance of UNDP in another similar project supervised by the EU Delegation to Belarus (AMBEL);
- Due to UNDP's extensive experience in implementing projects in Belarus and familiarity with project registration procedures with the Ministry of Economy, which are rather complicated and time-consuming, project activities could start without significant delay.

The alternative entrusted entity would carry out the following budget-implementation tasks: running the public procurement, concluding and managing the resulting contracts, including making of the related payments.

5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provision.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5 Indicative budget

	EU contribution (amount in EUR)	Indicative third party contribution (amount in EUR)
5.3.1 – Indirect management with the International Organisation for Migration (IOM)	6.95 million	N.A.
5.8 – Evaluation, 5.9 – Audit	0.05 million	N.A.
Totals	7 million	N.A.

5.6 Organisational set-up and responsibilities

A Steering Committee will be set up to oversee and validate the overall direction and policy of the project (or other responsibilities to be specified) and will be convened twice a year. The project steering committee shall be made up of representatives of the Beneficiary country, of the entrusted entity (IOM), and of the Delegation of the European Union to the Republic of Belarus.

5.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for

independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the importance of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the works component of the action.

The Commission shall inform the implementing partner at least one month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and *inter alia* provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation report shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in Q2/2018.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded under a framework contract in Q1/2020.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Communication and visibility expenditure will be financed under the budget of the Delegation Agreement.

The Delegation will closely monitor that the visibility of EU support to the programme is ensured by the implementing partners and promote visibility of the programme in its own communication and visibility activities covered by another measure constituting a financing decision.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ¹⁷

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objectives: Impact	<p>To contribute to the strengthening of human rights and fundamental freedoms aspects in the area of irregular migration</p> <p>To contribute to the convergence of Belarus' normative framework towards the EU's corresponding framework</p> <p>To contribute to the facilitation of operational cooperation between the EU, EU Agencies, EU Member States and Belarus</p>	<p>Number of media reports; number of changes in Belarus' normative frameworks towards EU and international standards; number of policy dialogue meetings held; number of cases of irregular migrants detected; number of migrants accommodated; number of third-country migrants readmitted from the EU</p>	<p>Baseline study at the beginning of the project describing situation</p>	<p>End-of-the-project study describing situation</p>	<p>Media reports; European Commission reports; Belarus government reports; baseline studies</p>	<p>n/a</p>

¹⁷ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

	To help increase security levels in the region and on the external EU border					
Specific objective: Outcome(s)	To support Belarus in the development and implementation of the country's irregular migration and asylum policies and strategies in order to bring them closer to best EU and international standards and practices	<p>Number of changes introduced in adopted policy documents and legislative acts commented on by project experts</p> <p>Number of migrants supported under the Assisted Voluntary Return and Reintegration (AVRR) Programme</p> <p>Number of Migrants' Accommodation Centres (MAC) established</p>	<p>0</p> <p>0</p> <p>0</p>	<p>Number to be established by baseline study in 2017; changes to be achieved by end of 2020</p> <p>At least 300 by end of 2020</p> <p>Number of MACs; construction by end of 2020</p>	<p>2 assessments (baseline and end-of-project); 2 ROM missions; 1 mid-term evaluation; interviews with beneficiaries</p>	Beneficiary country has the willingness to reform its migration and asylum policies in line with international standards
Outputs	A comprehensive legal and institutional policy framework programme on managing irregular migration has been	Number of policy advice consultations delivered	0	Number to be established by baseline study in 2017; all consultations to	Two baseline studies, media reports, operative reports of the beneficiaries (if available);	The beneficiary country will make sufficient numbers of appropriate

	<p>developed and implemented</p> <p>An Assisted Voluntary Return and Reintegration (AVRR) Programme for irregular migrants is designed and implemented</p> <p>Several Migrants Accommodation Centres (MAC) are built or refurbished and integrated in the irregular migration management system</p> <p>Legal, institutional and policy framework on irregular migration is gender-streamlined</p>	<p>A legal and institutional policy framework programme developed, gender-streamlined and implemented</p> <p>Number of study visits for senior officials (policy makers) and technical experts</p> <p>Number of trainings organised</p> <p>One set of gender -sensitive standard operating procedures (SOPs)</p> <p>All funds allocated for the AVRR Programme spent</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p>	<p>be finalised by end of 2020</p> <p>One framework programme developed by end of 2020</p> <p>Number to be established in Delegation Agreement with IOM in 2017; all study visits to be finalised by end of 2020</p> <p>Number to be established in Delegation Agreement with IOM in 2017; all trainings to be finalised by end of 2020</p> <p>1 set by end of 2020</p> <p>About 6% of the funds available; spent by end of 2020</p> <p>1 study in 2017</p>	<p>attendance lists of training participants; project progress reports; tender documentation, MAC assessment study; ROM reports; mid-term evaluation</p>	<p>qualified personnel available for project activities</p> <p>Project participants of the beneficiary country will keep working in their institutions for sufficient time so that the skills and knowledge obtained can be properly applied and transferred to colleagues</p>
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		<p>One assessment study on number of MAC, their location, conditions and needs</p> <p>Number of MACs built</p>	<p>0 EUR</p> <p>0</p> <p>0</p>	<p>Number to be established in Delegation Agreement with IOM in 2017; construction finalised by end of 2020</p>		
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ANNEX III

of the Commission Implementing Decision on the Annual Action Programme 2016 in favour
of the Republic of Belarus

Action Document for Strengthening Private Initiative Growth in Belarus (SPRING)

1. Title/basic act/ CRIS number	Strengthening Private Initiative Growth in Belarus (SPRING) CRIS number: ENI/2016/039-328 financed under European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Belarus The action shall be carried out at the following location: whole country			
3. Programming document	Multiannual Indicative Programme for EU support to Belarus (2014-2017)			
4. Sector of concentration/ thematic area	Local / Regional economic development	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 14.3 million Total amount of EU budget contribution: EUR 14 million This action is co-financed in joint co-financing by: UNDP for an amount of EUR 0.3 million			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with the European Bank for Reconstruction and Development Indirect management with the United Nations Development Programme			
7 a) DAC code(s)	32130 – Small and medium-sized enterprises (SME) development 25010 – Business support services and institutions 43040 – Rural development			
b) Main Delivery Channel	46000 – European Bank for Reconstruction and Development 41000 – United Nations Development Programme			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	Flagship 3. SWITCH TO GREEN – Supporting private sector-led inclusive green growth Flagship 7. Trade integration for green and inclusive growth			

SUMMARY

Belarus is gradually exhausting its state-oriented growth model. Development of private sector, private initiative and small and medium enterprises (SME) is seen as key contributor to further growth and increase of the economy's competitiveness and productivity.

While governmental structural reform agenda is still under elaboration with mixed implementation commitment, direct support to private sector initiatives and SME is the most viable option to contribute to inclusive growth and social development of the Republic of Belarus, focusing on the local level with immediate involvement of the population.

SME development and support to private initiatives and social enterprises on the local level should be considered as part of broader efforts to facilitate transition to new jobs during restructuring process, promote private sector development, liberalise the economy and improve competitiveness in the transformation phase.

Component 1 is structured as a contribution to the EBRD Small Business Support programme (SBS), with specific focus on regional and local SME, where SBS is not currently operating. Potential opening of SBS to selected competitive state-owned enterprises to facilitate their restructuring and privatisation is also foreseen subject to revision of the EBRD country strategy to incorporate this approach.

Component 2 seeks to emphasise the output of the SBS programme and continue the efforts of the previous EU Annual Action Programme (AAP) 2011 and 2013 "Support to local and regional development in Belarus" (RELOAD) to promote local job-generating strategies and provide direct access to finance to SME and social enterprises. In particular it seeks to extend and upgrade the most successful RELOAD local level component aimed at enhancing cooperation between local civil society and local authorities in planning and implementing territorial development, stimulating local initiative and supporting SME and entrepreneurship. The proposed action is thus directly based on the outcomes of the previous programme and takes account of the main lessons learnt: targeting support to entrepreneurship, innovation and competitiveness, narrowing geographical coverage to the least developed rayons (districts), strengthening and updating the participative planning processes initiated by the previous programme (Area-Based Development passports). The action aims furthermore to foster

citizen participation in public policies as well as to develop of local accountability mechanisms to secure basic pre-conditions for sustainable local territorial development.

Both components will directly benefit men and women at the citizen level, contribute to growth of the private sector while being less dependent from the politically driven structural reform agenda, that, if implemented, will only catalyse the effect of the programme.

6 CONTEXT

6.1 Sector/Country/Regional context/Thematic area

According to the 2016 Small Business Act for Europe Assessment (SBA Assessment) with the second largest economy amongst the EaP countries, Belarus continues to pursue a state-led development model. State-owned enterprises (SoE) account for over 50% of output and 65% of employment (50.4% are men and 49.6% women from the total economically active population) and are the dominant players in key industries. In contrast with other transition economies, Belarus has not implemented a privatisation programme and structural reform has proceeded at a slow pace. The economic model continues to be based on full employment primarily in the state-controlled sector, which constrains the reallocation of capital and labour to more productive sectors while distorting the price system and misallocating resources (EBRD, 2014). On the other hand, the economy is open to trade (which represents about 140% of GDP), although exports are concentrated, with the Russian Federation accounting for roughly half of them (IMF, 2015). Structural rigidities and the frequent recurrence of expansionary policies to boost internal demand (in particular real wage and credit increases) followed by periods of adjustment are the main causes of slow growth and large external imbalances (EBRD, 2014). The Belarusian economy thus remains highly vulnerable to external shocks, having experienced three major exchange rate crises since 2008 (IMF, 2015).

In this context development of the private sector and increase of the private SME role in the economy is seen as indispensable pre-condition for further growth as well as the evident mitigation possibility of potential imbalances in case the long awaited structural reforms will be launched. Current discussions with the IMF on a new programme suggest that pressed by unfavourable external conditions and slowly degrading internal macroeconomic environment, the national authorities are likely to start implementing at least moderate structural transformations. As a result, many jobs in the state owned sector may not be sustainable and would be vulnerable to restructuring (WB, 2015), to which the impact on men and women respectively would need further analysis.

Development of the private sector and SME present a major challenge especially on the local level. Disparities existing between the capital Minsk and main regional centres call for promoting economic development on the district level, supporting ongoing EU and national efforts to promote regional and local development. To enhance the sustainability of the current area-based development initiatives and strengthen the economic foundation of local development, local entrepreneurship should be given more prominent attention. The experience from the local entrepreneurship, SME and economic development projects show that this is often a missing element of sustainable development in Belarus.

SME and support to economic initiative for local inclusive development thus should be considered as part of broader efforts to facilitate transition to new jobs during restructuring

process, promote private sector development, liberalise the economy and improve economic competitiveness in the transformation phase.

6.1.1 Public Policy Assessment and EU Policy Framework

Since 2010 the government has increasingly acknowledged the importance of developing the private sector, and in particular SME, as an engine of sustainable growth and competitiveness. Some liberalisation measures have been adopted during last years, however progress has been uneven, with only limited changes made to the institutional framework.

The government has taken steps to improve the investment climate. Overall, since 2008 (when Belarus was ranked the 115th in Doing Business) the country has advanced significantly in reforming its basic business regulations, showing most progress in the areas of business and property registration, licensing and inspections, and costs of tax administration (WB, 2015). Belarus currently occupies the 44th position in the Doing Business 2016 ranking, losing 1 position compared to 2015 ranking.

At the end of 2010, the president adopted Directive No. 4 on Development of Entrepreneurship and Stimulation of Business Activity in Belarus. While some measures listed in Directive No. 4 remain unimplemented, 184 legal acts have been adopted covering a wide range of areas: simplification of company registration and tax administration, e-registration of companies, significant reduction in licensing requirements, introduction of SME quotas in public procurement, facilitation of public-private dialogue, etc. Price controls have also been reduced in recent years. A new Directive on Additional Measures for Development of Entrepreneurship and Stimulation of Business Activity in Belarus was published for public consultation in March 2015.

Ongoing efforts are pursued by the government assisted by the World Bank/IFC to develop new SME policy documents (SME strategy, SME support institutions). A key SME policy document – the National SME support programme for 2016-2020, was adopted by the government in March 2016. The programme is highly complementary to the proposed action, as it strengthens the national policy framework, affirming strategic role of the SME in the economic growth, providing additional, though moderate financing support for SME, promoting business enabling environment, regulatory simplification, public private dialogue, strengthening business support infrastructure.

Measures for SME support are also embedded in the draft National Strategy for Sustainable Development of the Republic of Belarus until 2030 (NSSD), the country's main development strategy document. This document includes a chapter on SME and sets a target to increase their contribution to GDP to 47% by 2030 (SBA assessment 2016).

Furthermore ongoing efforts are made as a follow-up to the recommendations of the EU Small Business Act assessment through an ongoing cooperation with the OECD.

In line with the Multiannual Indicative Programme for EU support to Belarus (2014-2017) support to Local / Regional economic development is one of the three cooperation priorities. Delivering assistance in this sector will build on existing programmes (Annual Action Programmes 2011, 2012 and 2013) focusing on supporting regional and local development as well as green economy. Considering the existing disparities between capital and regions, support to local and regional private initiatives, SME and social enterprises should be viewed as a key area of intervention that complements current national efforts. Important

accompanying measures should encompass human capital development and entrepreneurship learning especially on the local level with wide involvement of civil society organisations.

The Communication from the European Commission "Social Business Initiative: Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation"¹⁸ focuses social enterprises as drivers of inclusive growth and employment for all as well as a way "to promote a highly competitive social market economy". According to the document, "social enterprises contribute to smart growth by responding with social innovation to needs that have not yet been met; they create sustainable growth by taking into account their environmental impact and by their long-term vision; they are at the heart of inclusive growth due to their emphasis on people and social cohesion." A mapping¹⁹ provides a comprehensive overview of social enterprises in Europe, their eco-systems as well as challenges and barriers to development. The study notes growing convergence towards the definition of social enterprise as "an autonomous organisation that combines a social purpose with entrepreneurial activity". It highlights that support structures are under-developed and fragmented, with the exception of Italy, France, and the UK. However, social enterprise policy is currently under development in Ireland, Spain, Luxembourg, Bulgaria, Cyprus, Croatia, Malta, Romania and all three EU neighbours of Belarus: Latvia, Lithuania and Poland. Until 2015, the SBI focussed only on the EU 28 / single market, on visibility, financing and regulation, following a top-down approach. Since September 2015, the European Commission launched a new bottom-up phase of co-creation with all stakeholders, and introduced a new dimension (WG 4 "External dimension of social enterprises" in the European Commission's expert group on social entrepreneurship - GECES). Since then, GROW is also coordinating the external dimension of the EU policy on Social and Solidarity Economy (SSE), including social enterprises, social impact investing (G8 Task Force), inclusive business (G20 since the Turkish Presidency). DG DEVCO and DG NEAR joined the work of GECES as observers together with the EEAS, the EBRD, the EIB, the EIF, the International Leading Group on SSE (ILGSSE - chaired by France until 2017), the UN Inter-Agency Task Force on Social and Solidarity Economy (UNSSE²⁰) and the OECD. The GECES is preparing a report with recommendations for all stakeholders for 14 October 2016, including concrete actions for the "External dimension of social enterprises". These recommendations will be discussed in Bratislava in a Conference on social economy / social enterprise organised by the Slovak Presidency on 28-29 November 2016. Beginning of 2017 the European Commission will assess how best to respond to these inputs of 2016. In the GECES report, the experts are going to address the internalisation of social enterprises (most of them are SMEs), as well as the introduction of SSE in the area of development (to reach Sustainable Development Goals) and neighbourhood policies.

The Roadmap for EU Engagement with Civil Society in Belarus sets an additional EU policy framework for the foreseen support to social entrepreneurship, promoting social accountability mechanisms and co-production schemes between the CSOs and local authorities.

The proposed intervention is as well in line with the recommendations of the Review of the European Neighbourhood Policy, stating that enhancing economic governance, strengthening

¹⁸ Communication from the European Commission, Social Business Initiative, 25 October 2011, accessed at http://ec.europa.eu/internal_market/social_business/docs/COM2011_682_en.pdf

¹⁹ Social Enterprises: Report Presents First Comparative Overview, 17 November 2014, accessed at <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2149>

²⁰ UNDP is actively participating in the UNSSE.

fiscal stability and supporting structural reforms for improved competitiveness and inclusive growth and social development, are keys to developing country's economic resilience. The modernisation of the economy, fostering innovation, the creation of jobs and boosting skills and promoting economic, social and territorial cohesion are other key aspects. Furthermore, along the lines of the same document, the proposed programme will seek to step up cooperation with the International Financial Institutions (IFIs), notably the European Bank for Reconstruction and Development (EBRD) and the World Bank.

Finally, in line with the strategic document of the SME Flagship up to 2020 "EU support to SMEs in the Eastern Partnership 2014-2020 – The way forward for the SME Flagship Initiative"²¹ the proposed action targets SME in Belarus as a key element of the development of the Eastern Partnership (EaP) countries, contributing to counteract unemployment related to the down-sizing of the public sector, and most importantly creating workforce with a stronger focus on democratic governance.

6.1.2 Stakeholder analysis

The Department of Entrepreneurship within the Ministry of Economy of the Republic of Belarus is in charge of the design, overall co-ordination and implementation of SME support measures under the three-year programme. Numerous government bodies and local authorities, including the Belarusian Fund for Financial Support of Entrepreneurs (BFFSE) also implement government support measures.

Direct stakeholders to the programme are business support organisations, business consultants and associations of consultants, as well as local civil society, locally registered SME, social enterprises and entrepreneurs. While civil society organisations, including business support associations, remain weak and play limited role in the policy development, necessary public-private dialogue activities should be promoted for consolidation of the relevant stakeholders.

For Component 2 ensuring full participation of local (district) authorities in cooperation with local civil society, locally registered SME, non-registered initiatives will be crucial. At the same time, stimulated by the previous AAP 2011, 2012 and 2013 interventions, local authorities are already much more responsive and pro-active to promote the principles of shared participative planning and territorial development approaches.

Territorial approach is expected to mobilise civil participation in cooperation with private sector and local authorities to solve local problems, including better and accessible social services, better resource distribution, improved social equality, enhanced accountability and transparency of local government.

6.1.3 Priority areas for support/problem analysis

According to the 2016 SBA assessment, the SME sector in Belarus remains underdeveloped. Belarusian SME are facing significant obstacles to growth. The number of people employed in the SME sector has slightly decreased – from 1 132 600 in 2010 to 1 109 100 in 2013.

At 22.3% of GDP (2013), SME role in value generation is 2.6 times less than in the EU economies. SME share in total employment is 2.4 times smaller than in the EU. The economic

²¹ <http://ec.europa.eu/DocsRoom/documents/9270/attachments/1/translations/en/renditions/native>

role of small innovative businesses is miniscule with more than 80% of Belarus' SME engaged in trade, personal services, construction, and agriculture. Moreover, the internal dynamics of the SME sector is unpromising: the micro/small companies stay micro and do not grow into a small/medium size (WB, 2015).

Access to finance remains a key impediment to SME growth, particularly local currency financing and longer term financing more generally. These problems are more acute for women who are facing additional challenges due to the fact that women entrepreneurs are concentrated in lower value-added sectors of the economy (typically in services), women-SME tend to be smaller. Consequently, access to finance through formal institutions is a key challenge for women. The government has prioritised the development of the sector in recent years and has launched a number of support schemes. However, these remain heavily exposed to state control and lack transparency, causing SME to continue to rely on bank lending as their main source of funding, while banks generally do not offer specific SME products or lending practices tailored to the needs of small businesses.

Business support infrastructure continues to be limited to a network of support organisations funded by government subsidies. Access to high-level business consultancy remains scarce and costly, while potentially able to significantly increase SME competitiveness in a very cost-effective manner. Finally, despite the introduction of general support measures for the green economy, there is need to promote environmental compliance and green business practices among SME.

Following the recommendations of the 2016 SBA assessment the current programme seeks to address the above problems through the below listed priority areas for support, with the special focus on the local level outside main regional centres:

- fostering economic liberalisation efforts to create conditions for SME growth;
- developing business support infrastructure, expanding the scope of consultancy services for SME (including, potentially, to state-owned enterprises), developing local consultancy market;
- developing and implementing participatory employment generating local strategies and action plans structured around promotion of local entrepreneurship, innovation economy, social enterprises, inclusive job creation, building entrepreneurial competence, promoting women's entrepreneurship;
- facilitating more sustainable access to finance for SME in particular through micro-crediting and credit union schemes.

The currently implemented EBRD SBS programme remains one of the few successful standing SME support measures that calls for continuation of such support and its extension to the largely deprived of such opportunities local level stakeholders. Complementing the direct SME support, considering the development context in Belarus, the key strategy for this proposal is to further focus on participatory local development and entrepreneurship with the objective of enhancing local growth and competitiveness while at the same time addressing social vulnerabilities. The proposed programme will identify specific development priorities, comparative advantages and vulnerabilities of all involved districts (through local planning documents known as the Area-Based Development passports) and, based on that, will work with the local authorities and other local actors to implement local employment-generating strategies and action plans. The primary focus will be on rural micro- and small companies as

well as social enterprises as drivers of inclusive and sustainable growth and jobs, providing direct microfinancing mechanisms.

The most recent regulations on microfinance in Belarus (President’s Edict No.325 of 30 June 2014) provide several organisational options for structuring microfinance activities and focus on providing access to finance to micro- and SME (MSME). However, as some of the existing microfinance organisations admit, they do not yet have capacity to work with MSME and this is where the programme can add value by enhancing their capacities and preparing them for funding MSME through a microfinance facility. This type of support could be targeted, first of all (but not exclusively), at MSME which will benefit from business advisory services under the EBRD Small Business Support programme (Component 1).

While MSME are a well-established form of doing business in Belarus, social enterprises are an emergent and growing field of business in the country. The keen interest of the local stakeholders to promote social enterprises was validated during the civil society consultations held in Minsk in December 2015. Following the definitions of the Commission’s Social Business Initiative and its follow-up study report, social enterprises are viewed as operators "whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by its commercial activities."

However, being a new approach to doing business, social enterprises still require support to development, in particular, in terms of relevant legal and institutional frameworks (so far largely absent in Belarus), access to capital, access to markets, business support and development services, training, research and public awareness and acceptance.

7 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Risk of economic instability and deteriorating business climate	M	Active promotion of SME related reform agenda through policy dialogue, involvement of relevant stakeholders to ensure local ownership, alignment with national strategies and harmonisation with other actors’ efforts.
Lack of management response/commitment of beneficiary enterprises	M	Rigorous enterprise screening and selection processes, close monitoring of consultants' performance by the EBRD. Extensive communication outreach and market development activities.

Lack of local initiatives, entrepreneurs	M	Large-scale promotion and information campaign on local SME development and social entrepreneurship, dedicated activities to develop entrepreneurship skills on the local level.
Implementation delays due to national compulsory registration procedures for recipients of the international technical assistance (grants, microfinancing).	M	All activities under the present programme are currently negotiated to be included in the updated National Programme for International Technical Assistance 2016 - 2020, that would allow receiving simplified registration regime for grantees and avoid excessive delays.
Assumptions		
<ul style="list-style-type: none"> • Government committed to private sector and SME development, at least moderate structural reforms; • Overall relatively stable macroeconomic environment; • Willingness of the Ministry of Economy of Belarus and other stakeholders to cooperate closely with the implementing organisations in the delivery of objectives; • Enterprises are fully committed to take part to project activities, including participation in sharing part of the projects cost. 		

8 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

8.1 Lessons learnt

Based on previous EU supported EBRD SBS programme successful performance, which has been though until now mostly limited to highly selective and centrally located interventions in the capital Minsk and five largest regional centres, the updated SBS approach should focus more on local SME outside main economic centres to truly empower these untapped regions. Furthermore, considering the high potential number of pre-privatisation SoE, targeting of the most dynamic and commercially viable of them through SBS should also be considered. Finally, concentrating more the action's efforts at specific sectors and geographic regions is expected to yield more prominent outcomes.

Considering recommendations of the mid-term evaluation and lessons learnt from the previous programme that this current intervention is directly based on (AAP 2011 and 2013 "Support to regional and local development in Belarus" – RELOAD programme, especially the UNDP component implemented on the local level), in designing future programmes in this sector it is important to ensure stronger focus on entrepreneurship and competitiveness development, supporting sustainable economy and private sector growth, and not only environmental and social sustainability, promoting dynamic economic development and business sector innovation, value chain development. Youth entrepreneurship is as well a particularly important priority that should be targeted in the regions to assist in retaining university graduates and qualified workforce, encourage sustainable and competitive private sector growth.

Additionally, following the trend in the EU, it would be beneficial to strengthen the emphasis on innovation (including social innovation and social enterprises) and smart specialisation approaches in regional development of Belarus, particularly through learning from the experience of the Baltic States.

Specific focus during the implementation of the action should be done on thorough training needs analysis and/or baseline studies at the start of the project activities, in order to establish baseline indicators, monitor and ensure effective use of programme resources, and measure the degree of achievement of the programme outcomes.

8.2 Complementarity, synergy and donor coordination

The proposed action builds on the results and is deeply synergetic with the ongoing EU AAP 2011 and 2013 programme "Support to regional and local development in Belarus" (RELOAD programme), primarily following on the most successful Component 3.

The RELOAD programme is structured in 3 components:

Component 1: the action mostly developed capacities of national and regional stakeholders in regional development management and introduced new innovative approaches (new cycle and methodology of regional development management developed on the national level, further localised in regional sustainable development strategies for each of the 6 regions of Belarus);

Component 2: this part of the action supported the implementation of the regional sustainable development strategies through a number of pilot projects in the area identified as priorities (tourism, green energy, environment and integrated waste management);

Component 3: this most successful component promoted participatory governance and development planning on the rayon level to feed the regional and national level development programmes based on principles of territorial development, piloting drafting of Area-Based Development (ABD) passports for each of the 118 rayons (districts) of Belarus and subsequent implementation of these local strategies through a call for proposals stimulating synergies among local partners.

While performance of the first two components has been mixed due to delays in implementation, uneven commitment of the national authorities to implement proposed new approaches, the greatest achievement of the programme is that it has introduced and promoted new, more effective approaches to regional development, that remains relevant as one of the key strategic priorities for the government in the mid- and long term.

Component 3 performed the best exploiting the huge potential of the local level stakeholders that have been able to pilot new approaches independently of the national reform commitment. It created a solid basis for development of organisational and institutional capacity of local actors in terms of capacity for sustainable partnerships at the local, regional and national level. Extension and modernisation of this component, taken into account the lessons learnt, is the essence of the present intervention.

The following actions, that are highly complementary to the present intervention as well, will be closely monitored and managed by the Delegation of the European Union to Belarus to promote synergies:

- *EaP SME flagship Secretariat*. The SME Flagship includes a number of projects that are implemented at regional level aiming to provide support to SME in the Eastern

Partnership countries to tackle the common challenges hampering their growth: limited access to finance, difficulty to conquer new markets, lack of business skills and a difficult business climate. This includes projects linked to the policy level (SME competitiveness reforms in the EaP countries), the meso level (East Invest) and the micro level (access to finance including the EBRD Small Business Support programme and various SME Finance Facilities). The SME Flagship secretariat is in charge of ensuring coherence and coordination of the various projects, monitoring of results as well as visibility and communication guidelines.

- *Supporting SME Competitiveness Reforms in the EaP Countries- Implementing the Recommendations of the SME Policy Index 2012 (2013-2016, 2.5 M€)*. This includes special support to Belarus on the *Upgrading SME skills through Business Support Services*. This project implemented by the OECD as a follow-up to the 2016 Small Business Act Assessment advises the government of Belarus on the implementation of concrete measures to support policy reform roadmap for SME support and enhance convergence with the SBA.
- *EAST INVEST II*. This regional EaP project promotes trade and investment through SME networking and consolidation of business associations.
- *The EBRD Women in Business (WiB) Programme* promotes and supports women entrepreneurship and more broadly women's participation in business by facilitating access to finance and advice for women-led SME. Component 1 will be closely coordinated with the WiB programme.
- *Small Business Support Programme*. The EU has been supporting the Small Business Support programme of the EBRD in the EaP region since 2010 with EUR26 million altogether. The last contract signed in December 2015 includes a particular focus on the DCFTA countries but also includes Belarus. The EBRD SBS programme in Belarus will continue receiving support from the regional Neighbourhood Investment Facility (NIF) allocation leading to pooling of NIF and national resources in 2017. Necessary coordination will be ensured to avoid overlapping of financing sources during that period as follows: the NIF allocation will be used to finance indicatively 20 SBS projects as well as Minsk-based market development activities, while bilateral funding under the present programme will focus on indicatively 38 SBS projects and market development activities in the regions of Belarus. This distinction should also be clearly visible in the progress reports of the EBRD on the SBS programme.
- *Mayors for economic growth*. This regional programme that is currently being developed foresees capacity building and grants to local authorities/cities based on their formal commitments to pilot the participatory economic development, planning/budgeting, good governance, accountability and transparency reforms, through the preparation and implementation of *local economic development plans*. Component 2 will be closely coordinated with this initiative so as to ensure coherence and synergies between the activities and policy messages and the preparation of local economic development plans.
- *Green Economy in Belarus (AAP 2012)* aims to promote green growth concepts and environmentally sustainable production and consumption patterns through support of local green initiatives, pilot projects and an information campaign at regional and local levels.

- *The Eastern Partnership Territorial Cooperation programme Belarus-Ukraine.* The programme supports small-scale cross border projects between local partners and focus on improving the living conditions of local communities, supporting economic and social development, addressing common challenges in the fields of environment, employment, public health and any other field of common interest having a cross border dimension, including in culture, education and sports.

The EBRD will ensure necessary coordination of the proposed Component 1 with other EBRD-implemented relevant regional initiatives, including those outlined above.

Furthermore, the WB, IFC, IMF are strongly involved in providing technical assistance on structural and market reforms to the government of Belarus. Donor coordination is ensured by permanent working cooperation on the level of country offices as well and through dedicated coordination sessions locally and on the headquarters' level. The WB/IFC is mainly involved in providing assistance in the area of private sector development, privatisation, financial sector reform and public finance. The Delegation will closely coordinate with the WB regarding possible implementation of the WB roadmap for structural reforms, including private sector development measures with a gender-perspective. IMF is oriented on the improvement of the overall macro-economic framework.

There is also a standing bilateral EU-Belarus economic and trade technical dialogue involving all the relevant authorities: Ministry of Economy, Ministry of Finance and the National Bank to discuss economic policy directions with the European Commission representatives and the EU Member-States.

Finally, in line with the governmental resolution No 590 from 2015, a new Donor Coordinating Council is expected to be created in order to coordinate and increase efficiency of development cooperation on the national level.

8.3 Cross-cutting issues

Fundamental human rights and gender equality issues will be mainstreamed across the outputs of the programme. In particular, based on its experience in other countries and analysis of the gender equality situation in Belarus, UNDP's approach will include addressing the following issues: women in leadership positions, and women in the SME sector. In addition, considering the context of the Mahilioŭ region, the gender aspect can as well be focused on the issues of male population: the life expectancy of men in the region is as low as 58 years, the lowest indicator in Belarus.

In line with the EBRD's "Strategy for the Promotion of Gender Equality 2016-2020" the Bank will ensure that women and men have the same opportunities to access the programme's finance and activities, and advisory services are delivered in a non-discriminatory manner by applying a gender perspective.

With regard to human rights, UNDP is following the principles of the Human Rights Based Approach to Development in its development interventions.

As an evident aspect of sustainable local and territorial development, environmental-friendly initiatives will be primarily targeted by the programme. Implementing organisations are expected to conduct Social and Environmental Screening of the operations envisaged in the programme.

Social economy and social entrepreneurship promoting economic inclusion will also be a distinct focus of the programme.

9 DESCRIPTION OF THE ACTION

9.1 Objectives/results

Overall Objective

The overall objective of the programme is to contribute to participatory and sustainable social and economic development in the regions of Belarus, with the focus on the regions with low competitiveness, through enhancing private local economic initiative to develop private sector, increase job creation for men and women and promote country's economic growth.

Specific Objectives

The **specific objectives** of the programme are as follows:

Component 1 – Promotion of small and medium enterprises as core engine of local and regional growth

- Result 1.1 Improved SME competitiveness, performance and productivity through qualified business advice targeting local (rayon) level beneficiaries;
- Result 1.2 Strengthened quality and supply of local business advisory services, reinforced institutional capacities of professional associations and intermediary business support organisations, primarily outside Minsk and regional capitals;
- Result 1.3 Transfer of industry know-how to SME through the dissemination of best practices and success models targeting local (rayon) level beneficiaries.

Component 2 – Support of economic initiative, competitiveness and innovation for local inclusive development

- Result 2.1 Participatory development of employment-generating local strategies and action plans based on the implementation of district Area-Based-Development (ABD) Passports;
- Result 2.2 Capacity building and policy formulation is provided to support the implementation of the local employment-generating strategies and action plans, in particular, through rural MSME and social enterprises;
- Result 2.3 Improved access to finance for MSME and social enterprises to support the implementation of the employment-generating local strategies and action plans.

9.2 Main activities

Component 1 – Promotion of small and medium enterprises as core engine of local and regional growth

Result 1.1 Improved SME competitiveness, performance and productivity through qualified business advice targeting local (rayon) level beneficiaries:

- Introduction of industry-specific management expertise to qualified private SME by providing the advisory services of experienced *senior international consultants* from advanced economies on cost sharing basis (transfer of relevant commercial and

technical know-how, development and implementation of business plans, facilitation of investment financing, fostering companies' environmental management and energy efficiency, capacity-building for senior executives);

- Assistance to qualified private SME to engage with *local consultants* on a cost sharing basis through narrowly-based, specific projects, with a rapid payback including in the areas of strategy, marketing, development planning, reorganisation/ restructuring, information and communications technologies, SME digitalisation, quality management and certification systems;
- Access to international industry expertise to assist selected state-owned enterprises (SME and on exceptional basis non-SME) in strategic planning, enhancing production processes, developing marketing and sales strategies, restructuring and optimising resource efficiency etc;
- Increase in the creditworthiness of the MSMEs by improving their general and financial management practices, upgrading their accounting systems and reporting procedures and referring SME to suitable financiers (including the Microfinance Facility operated under the Component 2);

Result 1.2 Strengthened quality and supply of local business advisory services, reinforced institutional capacities of professional associations of consultants primarily outside Minsk and regional capitals:

- Capacity-building for local consultants to increase the supply business advisory services and improve their quality to improve the infrastructure of local services to deliver support services to SMEs;
- Supporting the establishment of professional associations of consultants, promoting best consultancy practices and introduction of internationally-recognised industry standards;
- Bi-annual consultant review survey to ensure market development activities performance monitoring through relevant indicators, including possible adjustment of market development actions and business development services.

Result 1.3 Transfer of industry know-how to SMEs through the dissemination of best practices and success models targeting local (rayon) level beneficiaries:

- Dissemination of successful case-studies, lessons learnt and sector and management best practices through seminars, workshops, communication events, business matching trips primarily targeting SME outside Minsk and regional capitals;
- Establishment and maintenance of a database and network of the EBRD SBS beneficiaries (both SBS SME-beneficiaries and consultants) and support to associations of consultants with the view to ensure ownership and sustainability of the programme, disseminate information on other business opportunities provided through various SME-targeted programmes in the country.

Component 2 – Support to economic initiative, competitiveness and innovation for local inclusive development

Result 2.1 Employment-generating local strategies and action plans are developed in a participatory way based on the implementation of district Area-Based-Development (ABD) Passports:

- Continued capacity building for local actors on territorial development, participatory planning and budgeting, cross-sector partnerships;
- Develop and update ABD Passports, involving local citizens and relevant experts, including gender and social vulnerability analyses, and prepare respective district profiles;
- Identify obstacles to and suggest solutions for inclusive job creation at the local level, including but not limited to promotion of innovative entrepreneurship, in particular youth entrepreneurship, creation of conducive conditions for micro-, small- and medium-scale enterprises, development of social enterprises, inclusive job creation for vulnerable groups of men and women;
- Engage and support local authorities, local civil society organisations and local private sector in the formulation of local employment-generating strategies and respective action plans based on the ABD Passports and focusing on job creation for men and women at the local level, in particular, through the development of SME and social enterprises, including gender sensitive approach to SME development;
- Information and advocacy campaigns around local employment-generating strategies and action plans.

Result 2.2 Capacity building and policy formulation is provided to support the implementation of the local employment-generating strategies and action plans, in particular, through MSME and social enterprises:

- Map and review up-to-date innovative approaches to support inclusive job creation at the local level, including but not limited to social enterprises, social innovations, specific forms of support for competitiveness and innovation development of SME, financial literacy and entrepreneurship skills, organic farming, corporate environmental and social responsibility, microfinance, credit unions, social contracting, outcome buying and impact investment, to contextualize their prospective use for Belarus;
- Provide support to improvements in the relevant legal, institutional and policy frameworks ensuring non-discrimination;
- Review knowledge and capacity building gaps of key stakeholders and devise respective capacity building plans, conduct capacity building, experience sharing and transfer of expertise for the key stakeholders at the local level;
- Enhance the skills and knowledge of civil society organisations, private sector and local authorities to advocate for the needs of socially vulnerable groups in the process of local development, focusing on women's and youth entrepreneurship;
- Technical assistance to local authorities to develop and streamline the above mentioned priorities as part of the local development policies, and particularly to promote socially oriented private sector development, SME, social entrepreneurship and social enterprises.

Result 2.3 Improved access to finance for MSME and social enterprises to support the implementation of the employment-generating local strategies and action plans:

This part of the action will be implemented through a Social Impact Fund to be comprised of two financing facilities:

- Microfinance Facility: grants/revolving financing, related capacity-building and technical assistance to microfinance providers to provide access to finance for rural MSME, enabling microfinance providers to increase their lending activities and make microfinance more readily available to those who want to develop their microenterprises, improving the access to microfinance;
- Social Impact Investment Facility: grants/revolving financing, related capacity-building and technical assistance to social enterprises, social innovation start-ups and other similar actors that have a demonstrated potential to generate social and financial returns, in order to promote creation and financing of social enterprises, mobilise capital and encourage investment into the sector.

9.3 Intervention logic

The intervention logic is based on the assumption that within more or less intensive structural reform agenda of the government, the development of an agile private sector and SME, especially on the local level, should be viewed as essential mitigation factor of short and medium term reform repercussions, including vulnerable labour market, increase of unemployment, overall reallocation of resources among sectors of economy etc.

The proposed intervention would be most effective when focusing on direct support to local economic initiatives, entrepreneurs, social enterprises and SME. This is even more important taking into account the likely cut of state-financed programmes conditioned by reform agenda, including for regional development and private sector support.

Additional focus on supporting the restructuring of selected SoE while promoting the development of new efficient SME can relaunch productivity led growth.

Expansion and increase of productivity of the already existing well-functioning private SME will be secured by enhanced existing Small Business Support programme, through provision of competent consultancy from international and local market, pre-investment technical assistance services and improved access to finance.

A distinctive priority of the modernised Small Business Support programme will be its orientation on local stakeholders, at the rayon level where the programme currently has a limited impact (outside of the capital Minsk and five regional (voblast) centres, Brest, Homiel, Hrodna, Mahilioŭ, Viciebsk) and, in particular, on the Mahilioŭ region, conditioned by its lowest development levels.

It is expected that starting from the second year of the programme's operation, the EBRD will undertake minimum 50% of SBS projects outside the capital Minsk, of which 70% will represent projects with local rayon-based clients outside the five main regional centres.

Subject to the approval of the EBRD's new country strategy for Belarus, the SBS programme may be extended to selected state-owned SME. The selection criteria for state-owned SME participation include their pre-privatisation status, commercial and financial viability, compliance with the Bank's integrity and environmental requirements.

The EBRD will ensure proper sustainability of the programme, primarily through its contribution to the development of the market of local business advisory services and sustainable infrastructure of SME support, promoting diversification and quality of the local consultancy industry. Specific effort will be made to expand the network of consultants, attract new consultants to work on more comprehensive and complex advisory projects. The

expected positive impact of the programme on the local market will be monitored with relevant indicators included in the logframe (appendix).

Furthermore, sustainability will be ensured by referring the assisted SME to relevant sources of finance, existing and prospective, including local commercial banks and microfinance institutions implementing SME-targeted finance facilities, EBRD and EU-financed, other International Financial Institutions operating in the country.

The Small Business Support programme will strengthen SME competitiveness and will be complemented and fuelled by integrated territorial development intervention led by UNDP stimulating local social and economic initiative, social entrepreneurship, innovative actions with sufficient potential to transform into strong private sector socially responsible companies.

Based on the positive record of the EU introducing and promoting new, more effective approaches to regional development in the Republic of Belarus, supporting the successful local level inclusive economic development is the core of the second component. Bringing further the results of the current RELOAD programme, this action seeks to promote examples of the best EU practices featuring various forms of innovative regional growth initiatives, such as support to social enterprises. Social economy, as acknowledged by the Commission services is recognised and supported by all the EU institutions as well as stakeholders and Member States. The Commission therefore seeks to have a leadership role on the social enterprises development in Belarus, including through piloting innovative interventions (Social Impact Fund), building also a link to innovation and start-ups to fuel local growth.

Component 2 will also directly build on the methodology, results and lessons learned from the current EU AAP 2011 and 2013 "Support to regional and local development" (RELOAD). It will continue to promote the Area-Based Development (ABD) methodology as well as the EU Territorial Approach to Local Development, will capitalise on the partnerships already established around ABD initiatives, ABD passports (rayon development plans) drafted within the current programme, and will reflect the main lessons learned in terms of more focus on local entrepreneurship, more innovative approaches, continued citizen engagement, narrower geographic coverage, and strengthened direct funding facility.

Improving access to finance and operating a direct funding facility is expected to provide the first step in building a sustainable social local economy. The proposed funding strategy is designed to strategically accelerate supply and demand in the social economy, both to not only grow a sustainable social economy but also a sustainable landscape for impact investments funds.

It is expected that the amount of the EU financing for the Social Impact Fund will be indicatively enhanced by the same amount of the parallel national financing to be provided by the Belarusian Development Bank.

A Memorandum of Understanding regarding the modalities of financing and parallel national financing of the programme and exit strategy is expected to be signed by the Delegation of the European Union, the UNDP and the Development Bank prior to the conclusion of the relevant agreement with the UNDP.

In this way the EU will combine its efforts with all the relevant actors to address problems outlined above. Both components will directly benefit men and women at the citizen level, contribute to growth of the private sector while being less dependent from the politically

driven structural reform agenda, that, if implemented, will only catalyse the effect of the programme.

10 IMPLEMENTATION

10.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

10.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

10.3 Implementation modalities

10.3.1 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the **European Bank for Reconstruction and Development** in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails Component 1 - Promotion of small and medium enterprises as core engine of local and regional growth. This implementation is justified because the action is a direct continuation of the current EBRD's implemented programme and corresponds to the core mandate and unique competency of the organisation: promoting private sector development in Belarus across all sectors of the economy, both directly and indirectly. It is as well based on the extensive thematic expertise of the EBRD in business advisory services, as well as on the specific request of the partner government considering the very good performance of the current SBS programme.

The entrusted entity would carry out the following budget-implementation tasks: running the public procurement, grant award procedures, concluding and managing the resulting contracts, including making of the related payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in indirect management with the **International Finance Corporation / World Bank**. The implementation by this alternative entrusted entity would be justified because IFC is the largest global development institution focused exclusively on the private sector development. IFC has direct mandate and extensive thematic expertise to support private sector and SME development through the financial sector and advisory services, customized advice on better production and management practices, to help local companies improve their corporate governance, environmental and social practices. Furthermore, IFC is currently engaged in highly complementary activities within the Belarus Regulatory Simplification and Investment Generation Project. IFC also provides advice and support to the government in implementing policy reforms in the following key areas, related to the current programme: advice on the national SME agency and strategy, business regulatory simplification,

streamlining industry-specific policies and practices to increase competitiveness and attract investments.

The alternative entrusted entity would carry out the following budget-implementation tasks: running the public procurement, grant award procedures, concluding and managing the resulting contracts, including making of the related payments.

The entrusted international organisation EBRD and alternative entrusted international organisation IFC/World Bank is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisations can be entrusted with budget-implementation tasks under indirect management.

10.3.2 Indirect management with an international organisation

A part of this action may be implemented in indirect management with the **United Nations Development Programme** in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails Component 2 - Support to economic initiative, competitiveness and innovation for local inclusive development. This implementation is justified because UNDP has a long positive record of working specifically on the local level, including supporting the country in developing sustainable local economic policies, particularly in the regions recovering from the Chernobyl disaster, by facilitating measures to attract investment, support innovation, develop SME, social enterprises, and promote inclusive gender-balanced employment, particularly focusing on youth. UNDP has also been an early advocate for social enterprises. The involvement of the UNDP is also justified as the action is a direct continuation of the current EU-financed and UNDP's implemented programme Support to local development in Belarus. The recent mid-term evaluation of this current programme confirmed its positive performance, impact and potential sustainability, encouraging possible continuation of similar efforts in Belarus.

The entrusted entity would carry out the following budget-implementation tasks: running the public procurement, grant award procedures, concluding and managing the resulting contracts, including making of the related payments.

If negotiations with the above-mentioned entrusted entity fail, that part of this action may be implemented in indirect management with the **International Finance Corporation / World Bank**. The implementation by this alternative entrusted entity would be justified because of the reasons listed under section 5.3.1 above. Furthermore, IFC's priorities in Belarus focus on helping SME through its real sector investments and financial intermediaries, developing capital markets and access to finance, increasing private sector participation in infrastructure, developing and modernising private companies through direct investments and technical expertise, focusing on manufacturing, agribusiness, and energy efficiency.

The alternative entrusted entity would carry out the following budget-implementation tasks: running the public procurement, grant award procedures: concluding and managing the resulting contracts, including making of the related payments.

The alternative entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012. The

Commission’s authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the alternative international organisation can be entrusted with budget-implementation tasks under indirect management.

10.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

10.5 Indicative budget

	EU contribution (amount in EUR)	Indicative UNDP contribution (amount in EUR)
5.3.1 Indirect management with EBRD (Component 1)	6 million	
5.3.2 Indirect management with UNDP (Component 2)	7.7 million	0.3 million
5.8 Evaluation, 5.9 Audit	0.2 million	N.A.
5.10 Communication and visibility	0.1 million	N.A.
Totals	14 million	0.3 million

10.6 Organisational set-up and responsibilities

Two Steering Committees shall be set up to oversee and validate the overall direction and policy for each of the Components. The Steering Committees shall meet at least twice a year. Each Steering Committee shall be made up of the representatives of the Beneficiary country, of the both entrusted entities and of the Delegation of the European Union to Belarus.

Furthermore, in order to strengthen the internal coordination of both components representing a single programme, the national partner – the Ministry of Economy, is expected to ensure the coordination of both actions by the same personnel. Dedicated coordination and visibility sessions between the two Components shall be organised at least twice a year.

Implementation teams of both Components are expected to occupy neighbouring office premises.

A representative from the Mayors for Economic Growth technical assistance should be invited as observer to the Steering Committee for Component 2. In addition reporting on the SBS programme as whole for the EaP region will also happen within the framework of the SME Flagship.

10.7 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. Basic information on the impact of component 1 should also be reported to the SME Flagship Secretariat so as to be included in the monitoring mechanism set up by the Secretariat to measure the total impact of all EU support to SMEs.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

10.8 Evaluation

Having regard to the nature of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. A gender analysis shall be included in the evaluation.

It will be carried out for problem solving and learning purposes, in particular with respect to the possible continuation of the actions.

The Commission shall inform the implementing partner at least 15 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in Q2 2018.

10.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, two contracts for audit services shall be concluded under a framework contract in Q2 2021.

10.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which are gender-sensitive and which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

The implementing organisations will ensure that their own Communication and Visibility Plans of their Actions directly support the above overall programme's plan and the Communication strategy of the Delegation of the European Union to Belarus, ensuring necessary prior coordination of all key communication messages. In particular, emphasis shall be put on coherent communication regarding the objectives of the action (not mere activities) in support of the thematic concentration of the EU activities in Belarus (including strategic support to local and regional economic development), focusing on specific target groups and audiences, avoiding general diluted communication approach.

Necessary coordination shall also be ensured with the relevant thematic communications activities and tools available under the SME Flagship Secretariat and the EU OPEN Neighbourhood Communicating for a stronger partnership: connecting with citizens across the Eastern Neighbourhood (CSP East Project).

Furthermore, the action shall use common branding regarding all EU support to SME in the Eastern Partnership, in particular, the name EU for Business (EU4Business) shall be used for all relevant SME activities under both components both in English and in Belarusian and/or Russian.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Considering that the EU is providing virtually the entire financing for the programme, the Delegation of the European Union to Belarus will closely monitor that the corresponding prominent visibility of the EU support is ensured by the implementing partners.

Indicatively, one contract for communication and visibility services shall be concluded under a framework contract in Q1 2017.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Contribute to participatory and sustainable socioeconomic development in the regions of Belarus through enhancing private local economic initiative	Regional GDP,	30%	2020	Official statistics (Belstat), EBRD, IFIs statistics	Structural reforms initiated and consistently implemented
		Share of private sector in GDP,		40%		
		Share of SME in GDP,	23%	35%		
		Share of SMEs in employment,	28% (2014)	TBD		
		SME loans as % of total loans,				
			29% (2015)	TBD		
		Exports of goods and services as percentage of GDP	TBD	TBD		
		Share of women controlled SME,				
Number of firms with access to credit with EU support	TBD	TBD				
		TBD	TBD			

Specific objective(s): Outcome(s)	1. Promote small and medium enterprises as core engine of local and regional growth	Number of SME assisted annually through advisory services projects with local consultants and with international industry advisers)	55/4 (2015)	60/8 (2019), 210/32 (2017-2020)	EBRD Standard Reporting available through the MIS	Government committed to and actively promoting SMEs and facilitating conditions of their growth
	% of projects outside capital Minsk (m/w)		36% (2015)	50% (2019)		Gradual removal of administrative and legal restrictions on SME development
	of which % projects outside regional centres			70% (2019)		Government commitment to a level playing field to promote SME entry and development and to smooth exit
	Number of local consultants trained to deliver business support on the local market.		55% (2015)			
	% of projects rated successful or highly successful (m/w)		22 (2015)	30 (2019), 100 (2017-2020) 70%		Development of a financial sector to lower costs and increase SME access to financial intermediation
	Number of round tables, seminars or workshops for Belarus entrepreneurs and consultants to disseminate sector and management best practices;		70%	5 (2019), 20 (2017-2020)		Overall stable macroeconomic environment
	Number of consultants pre-qualified annually		2 (2015)	20		
	Of which are regional		22 (2015)	30 (2019), 100 (2017-2020)		
			50%			
			18%			

Output	2. Support economic initiative, competitiveness and innovation for local inclusive development	<p>Number of men/women benefiting from local employment-generating strategies and action plans, disaggregated by age, sex and disability</p> <p>Extent of capacity by national and local actors for relevant policy formulation and implementation of local employment-generating strategies and action plans</p> <p>Extent to which legal, institutional and policy frameworks are adapted to the application of new approaches to support the implementation of local strategies and action plans, including social enterprises, social innovations, microfinance, social contracting, impact investment and outcome buying</p> <p>Number of new local development initiatives in line with local employment-generating strategies and action plans</p> <p>Number of social enterprises, MSMEs, NGOs and other local entities which benefited from direct funding mechanisms</p>	N/A (2016)	At least 1 million people (2019)	Regular national and local government reports Media reports Legal reviews, including through online legal databases Expert assessments Regular project reports	Government continues its policy of expanding the role of MSMEs, Government committed to and actively promoting MSMEs and facilitating conditions of their growth Gradual removal of administrative and legal restrictions on MSME development; Development of a financial sector to lower costs and increase MSME access to financial intermediation; Overall stable macroeconomic environment
			Insufficient (2016)	Partially improved (2019)		
			Inadequate (2016)	Partially improved (2019)		
			0 (2016)	At least 150 (2019)		
			0 (2016)	At least 200 (2019)		
	Result 1.1 Improved SME competitiveness,	% of assisted enterprises			Project reports through	Local authorities

	performance and productivity through qualified business advice from local and international consultants;	which report an increase in turnover one-year after the project.	85% (2015)	85% (2020)	regular reporting Questionnaires and interviews, conducted on an event-by-event basis Client surveys Media reports	maintain interest in territorial development approaches
	Result 1.2 Strengthened quality and supply of local business advisory services, reinforced institutional capacities of professional associations;	% of assisted enterprises report an increase in number of employees after the project;	74% (2015)	75% (2020)		
	Result 1.3 Transfer of industry know-how to SMEs through the dissemination of best practices and success models	Increased supply of business advisory services: % of projects implemented with new consultants without previous engagement in SBS activities.	35% (2015)	20% (2020)		
		% of consultants trained who report significant improvement in their performance (increased staff, increased turnover, usage of new instruments)	0 (currently not measured)	50% (2020)		
		Increased demand for local advisory projects as seen by % of assisted enterprises declare to have engaged a consultant again within one year after project completion	40% (2015)	50% (2020)		

	Result 2.1 Participatory development of employment-generating local strategies and action plans based on the implementation of Area-Based-Development (ABD) Passports;	Number of ABD Passports, including gender and vulnerability profiles	0 (2016)	At least 21 (2019)	Project reports through regular reporting Questionnaires and interviews, conducted on an event-by-event basis Client surveys Media reports	Local authorities maintain interest in territorial development approaches
		Number of local employment-generating strategies and action plans	0 (2016)	At least 21 (2019)		
		Availability of comprehensive proposals for improving legal, institutional and policy frameworks	No (2016)	Yes (2019)		
	Result 2.2 Capacity building and policy formulation to support the implementation of the employment-generating local strategies and action plans;	Number of men/women benefiting from introduced capacity building measures, disaggregated by age, sex and disability	0 (2016)	1,000 people (2019)		
		Number of men/women benefitting from targeted trainings, disaggregated by age, sex and disability	0 (2016)	500 (2019)		
		Number of grants, microfinance loans and other forms of access to finance		200 (2019)		
	Result 2.3 Direct funding facility to support the implementation of the employment-generating local strategies and action plans.	Number of awareness raising and advocacy campaigns covering key objectives	0 (2016)			
			0 (2016)	4 (2019)		



ANNEX IV

of the Commission Implementing Decision on the Annual Action Programme 2016 in favour
of the Republic of Belarus

Action Document for Support to the European Humanities University

1. Title/basic act/ CRIS number	Support to the European Humanities University CRIS number: ENI/2016/039-379 financed under European Neighbourhood Instrument			
2. Zone benefiting from the action/location	Republic of Belarus The action shall be carried out at the following location: Vilnius, Lithuania			
3. Programming document	Multiannual Indicative Programme for EU support to Belarus (2014- 2017)			
4. Sector of concentration/ thematic area	Social Inclusion	DEV. Aid: YES		
5. Amounts concerned	Total estimated cost: EUR 2 million Total amount of EU budget contribution EUR 2 million			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Indirect management with the Swedish International Development Cooperation Agency (SIDA)			
7 a) DAC code(s)	11420 – Higher Education – 100%			
b) Main Delivery Channel	Public sector institutions - 10000			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>

	Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships				

SUMMARY

This action is a continuation of the financial contribution of the EU to the European Humanities University (EHU), a Belarusian university in exile in Vilnius, for the academic years 2017-2018 and 2018-2019. The EU has been the biggest donor to the EHU since 2005 when the university moved into exile to Lithuania, thus expressing its commitment to long-term support for democracy and human rights in Belarus. The EHU is a political priority to the EU, as expressed by the Commission top hierarchy and Member States in many contexts. This is also demonstrated in the great interest that top officials from EU institutions and politicians in EU Member States have shown in the university. The EU commitment to supporting the EHU has been confirmed on various occasions, for instance at the international donors conference "Solidarity with Belarus" (Warsaw 2011), organised in the aftermath of the Belarusian presidential 2010 elections. The EU sees EHU as a tool to create a stock of Belarusians who have received Western education and can considerably contribute to the country's development. The overall objective of this action is to boost democratic development in Belarus by giving young Belarusians access to independent higher education. This will be done through enabling the EHU to provide high quality Western education and subsistence to Belarusian students deprived of a chance to acquire relevant higher education and through providing support to the EHU in pursuing the long-term sustainability of the university. The EU contribution of EUR 2 million for two academic years will give predictability of the EU commitment to supporting the EHU and a longer-term perspective on financial planning, which is essential for such a complex organisation as a university.

11 CONTEXT

11.1 Sector/Country/Regional context/Thematic area

Belarus faced one of the greatest challenges with the economic shocks in 2011. Although the government temporarily stabilized the economy in 2012, it demonstrated its reluctance to undertake serious structural reforms, and the problems that precipitated the 2011 crisis remain in place. The economy of Belarus remains to be characterised by the dominance of state-owned enterprises. The economy continues to depend on energy- and resource-intensive exports.

Real GDP grew by about 1,5% in 2014, while inflation was about 18%. In 2015, GDP growth slowed down sharply because of high uncertainty, reduction in real incomes, administrative measures, and declining trade with Russia. The IMF forecast for 2016 is for a recession. The Belarusian economy remains highly vulnerable to external shocks, having experienced three major exchange rate crises since 2008 (IMF, 2015).

Compared to the other Commonwealth of Independent States (CIS), Belarus has a relatively high level of socioeconomic development. In UNDP's Human Development Index, Belarus was on the 50th place among the 188 countries ranked and classified as a country with a high human development. The 2011 economic crisis did cause some increase in poverty and narrowed inequality as the relatively rich were also hit hard by the crisis. According to a World Bank report, in 2013 the absolute poverty rate in Belarus improved to 5.5% compared to 7.3% in 2011. The level of exclusion of some social groups from the society is comparatively low. However, Belarus's highly developed welfare regime, one of the priorities of the country's social market economy model, is very cost-intensive.

According to official figures, the unemployment rate in Belarus in 2015 was about 1% of the economically active population. In reality the number is much higher because the official statistics only counts the number of people who are officially registered at employment bureaus.

In the difficult economic and social situation the Belarusian population is facing, more and more young people are recognising the need for obtaining quality education in order to be able to get a job and thereby sustain their livelihoods. The European Humanities University, a Belarusian university in exile in Lithuania, offers an education that is not influenced by the Belarusian state ideology. The EHU acts as a symbol of a Belarusian academic culture, and plays an important role as an actor not only in the academic field but also through its contribution to the development of the Belarusian society by promoting academic freedom and an effective forum for discussing developments in contemporary Belarus. A majority of students return to Belarus after their studies, thus contributing to the country's development, even though they have opportunities to get jobs in the state administration only if they also have a Belarusian degree or other degree recognised by the Belarusian Ministry of Education. EHU degrees are not recognised by the Belarusian authorities, but graduates without a recognised degree from the EHU can find jobs e.g. in the private sector, media or civil society organisations. According to the EHU survey, over 90% of graduates are employed, out of them about 50% find jobs in private companies which is considered a good indicator of the relevance of the EHU education to the expectations of Belarusian employers.

The EHU offers programmes in the areas which are underdeveloped in Belarusian higher education, and research conducted is in line with Belarusian development priorities. In this way the university programmes are focused towards the needs of Belarusian society. In addition, The EHU staff and students have been involved in various activities to support social and cultural developments in Belarus.

11.1.1 Public Policy Assessment and EU Policy Framework

The development priorities of the government of Belarus are outlined in a number of documents, including the Concept of the National Strategy of Sustainable Social and Economic Development for 2011-2025 and the National Strategy for Sustainable Socio-Economic Development of Belarus until 2020.

The main goals and objectives of the government are:

- Human capacity development based on improved education, health care, housing construction and other services sectors.
- Innovative development of the national economy.
- Building export potential through increased competitiveness, technological retooling, application of science, intensive resource saving, environmentally friendly productions.
- Boosting agro-industrial complex and social recovery of rural areas.

The strategic documents remain descriptive and vague in their recommendations and essentially promote the current policy of the government.

Education is one of the sectors in which sporadic reforms have been implemented in Belarus since its independence. New higher education standards, piloted since 1 September 2008, are based on a competence approach and contain the ECTS²²-compatible system of educational credits as a necessary tool to support student mobility.

Out of the 55 officially recognised higher education institutions, 45 are public and 9 private, and the vast majority of students attend public universities.

Belarus applied for a membership in the Bologna Process, but received rejection in 2012 due to [doubts about its commitment to academic freedom](#), institutional autonomy and student democracy. Belarus applied for the Bologna Process again in 2015 and was granted the EHEA membership on 14 May 2015.

Education is one of the most important areas in laying the foundations for democracy, and the European Union fully acknowledges the key role of Belarusian young people in the democratisation process in Belarus. Since 2005, the European Union has given sustained support to Belarusian civil society in general and to the higher education sector in particular. The European Humanities University in exile plays an essential role in this regard, in particular given the political context prevailing since the presidential elections held in December 2010. It is currently the only independent Belarusian university that allows Belarusian students to study such disciplines as World politics and economics, communication and media, international and European law (including human rights law), public policy with a focus on the needs of modern society and future European integration, historical and cultural studies (including gender studies), democracy and civil society, social

²² European Credits Transfer System.

and political philosophy, modern art, etc., without political interference. The political value of the EHU is therefore evident so long as the current situation in Belarus prevails.

The education of youth in an academically free environment is one of the EU's core values and at the heart of major financial support. The Multiannual Indicative Programme (MIP) for EU support to Belarus (2014-2017) foresees complimentary support to civil society in order to promote good democratic practices. In line with MIP, the EU support to the EHU will give young Belarusians access to independent higher education which provides graduates with skills and knowledge deemed necessary to exert an influence on the democratic development of Belarusian society.

11.1.2 Stakeholder analysis

The EHU currently serves approximately 1100 students (85% of whom are Belarusian), with about one-third of them studying face-to-face in Vilnius ("high residence students") and two-thirds enrolled in blending-learning, which entails both face-to-face and online instructions, or distance-learning programmes ("low-residence students"). The EHU offers four undergraduate programmes (Bachelor degree):

- 1) World politics and economics
- 2) Media and communication
- 3) Visual design and media
- 4) Cultural heritage

Six graduate programmes (Master degree) are offered currently by the EHU:

- 1) International law and European Union law
- 2) Business administration
- 3) Existential psychology
- 4) Historic and cultural heritage
- 5) Public policy
- 6) Cultural studies

In 2011, the EHU launched a PhD programme in Philosophy in partnership with the Vytautas Magnus University (Kaunas, Lithuania).

In recent years the EHU frequently changed the portfolio of programmes in response to needs and what prospective students were looking for.

Student-centered learning is a strong feature of the EHU's approach to education, in particular in low-residence programmes. Students can follow individual study programmes, there are regular on-line meetings with teachers, and individual support is also available. The certification procedure with standardised requirements for distance learning courses is in place. The second accreditation review of the university carried out by the team of international experts in 2014 gave positive opinion about lifelong learning offered by the EHU.

The university is relying heavily on international donors for funding. Over 67 % of the EHU's total income comes from donors. The EU has been the biggest donor to the EHU since 2005 when the university moved into exile to Lithuania, thus expressing its commitment to long-term support for democracy and human rights in Belarus. In coordination with other donors, the European Union provided support to the EHU through a dedicated multi-donor trust fund, which was set up and is managed by the Nordic Council of Ministers (NCM). In addition to the EU and 12 EU Member States, also the NCM, the United States, Norway and the MacArthur Foundation (a private US foundation) have given donations through the trust fund. The EHU also receives funds outside of the trust fund from donors and tuition fees. Since 2015, the Commission can no longer channel funds through the trust fund managed by the NCM for technical reasons. Therefore, the management of the EU contribution to the EHU under AAP 2014 was entrusted to SIDA. The donors have started discussions on the future of the trust fund as the NCM plans to withdraw from the management of the EHU trust fund after the current mandate expires by the end of 2016. There is a need to find a new mechanism of channelling support to the EHU, which would be attractive for all donors. SIDA is already managing the EU support to the EHU allocated under 2014 budget. Therefore, SIDA could become the main channel also for other donors. As an alternative option the Lithuanian government proposed to create a mechanism for channelling funds of the EU and other donors via the Lithuanian Central Project Management Agency (CPMA), should SIDA not be interested to continue and if this option would be the preferred by all donors.

The EHU's operations are overseen by the Governing Board consisting of committed higher education experts. It was set up at the initiative of the Nordic Council of Ministers and the McArthur Foundation in 2007 with the aim to provide strategic guidance and fiduciary oversight for the EHU. The Board supports the EHU's management and administration and works towards maximizing fundraising efforts. The Annual Donors' Assembly is convened once per year in Vilnius, which is complemented by bi-annual higher education meetings.

Recently, the EHU has been in the process of quite fundamental reform to decentralise the management and to ensure greater involvement of its departments, to make the decision-making more efficient and improve communication. The university made efforts to ensure greater involvement of students in the university management. Members of the Student Representation or Students' Union, a self-governance body, are involved in various working groups and committees. Students' representatives are members of the newly elected university Senate, and two students are present at the Governing Board meetings.

The EHU is considering various scenarios to improve its sustainability. The EHU and its Governing Board considers broadening the pool of donors and increasing the university income from tuition fees by opening up to non-Belarusian students. However, the EHU is cautious in diversification of its programmes and targeting non-Belarusian students as it might lose the Belarusian focus and it might invalidate the reason why donors are providing support to the university. The partnership agreement with the Vytautas Magnus University (Kaunas, Lithuania) should also contribute to the EHU sustainability. Joint programmes are being developed with USA and German partners.

11.1.3 Priority areas for support/problem analysis

A continuous strengthening of the EHU and its capacities are prerequisite for the university to be able to offer high quality academic education for Belarusian students. Since the EHU went into exile in 2005, the international community has provided massive political and financial support. In recent years, the EHU has faced challenges and questions about the future of the university. Among issues that the EHU has to resolve is the sustainability of the university, which is threatened by a dwindling number of students. Evaluations carried out by international experts suggest that could be several reasons behind the fall in student enrolment numbers. Some studies suggest that the ongoing economic crisis in Belarus, including devaluation of the currency, might have an impact on students' ability to pay for fees and living expenses. The academic skills and preparedness of students to cope with the demands of the EHU programmes could be also a reason for a high number of the drop-out of enrolled students.

The EHU is currently in the process of restructuring and defining new strategic goals to address challenges that the university is facing. In 2015 the Governing Board together with the newly elected Rector initiated a process of preparation of a strategic plan, which is expected to be finalised before the third quarter of 2016. The new strategic plan is expected to bring the EHU's mission and identity into focus thus enabling the university to move forward.

The EU seeks to provide support to the strategic and sustainable development of the EHU through:

- 1) provision of access to higher education to young Belarusians in an environment of academic and political freedom;
- 2) provision of education geared specifically to enabling the target group to develop democratic values in Belarus;
- 3) contribution to the education, housing and subsistence of Belarusian students throughout their studies (maximum 4 years);
- 4) provision of support to the EHU in pursuing the long-term sustainability in close coordination with the other donors.

12 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
<p>1) Reduced commitment of all donors (EU Member States, international organisations, other countries) to provide financial support to the EHU.</p> <p>2) The university fails to attract Belarusian students.</p> <p>3) The degrees awarded by the EHU are unlikely to be recognised in Belarus in the current political situation. Therefore, students might face difficulties finding a job related to their qualifications upon their return to Belarus.</p> <p>4) The project-funded students not coming back to their home country (Belarus) after they finish their studies.</p>	<p>M</p> <p>M</p> <p>M</p> <p>L</p>	<p>1) A clear strategic plan developed by the EHU which would make donors confident that the reform plan of the university is on track, it is aligned with the sound and transparent budget and that the university remains relevant for potential students.</p> <p>2) A clear strategic plan developed and implemented by the EHU which would ensure that the university remains relevant for potential students.</p> <p>3) This risk applies to state-run institutions. Other institutions might be keen on employing EHU graduates with up-to-date knowledge and skills. In addition, the distance learning section of the EHU allows for several EHU students to study in parallel at Belarusian state universities. Other students take a second degree with the EHU, following a degree with a state university and vice versa. The degrees from state universities can serve as the official degrees when these students apply for work in Belarusian state-run entities.</p> <p>4) Students study in a country neighbouring Belarus, with teaching specific to the Belarusian context and in an expatriate, but Belarusian, environment (staff, academics, etc.). The majority of resident EHU graduates return to Belarus.</p> <p>5) The Systems Audit carried out with support of SIDA at the beginning of 2016 will give an overview of the EHU administrative capacities and will help the</p>

<p>5) Administrative capacities of the university are insufficient to implement the strategic plan</p> <p>6) The creation of a new mechanism of channelling contribution of donors fails after the mandate of the trust fund expires in the end of 2016, and as a consequence contribution of donors substantially reduces.</p>	<p>M</p> <p>L</p>	<p>university to address weaknesses.</p> <p>6) A clear strategic plan developed by the EHU which would make donors confident that the reform plan of the university is on track, it is aligned with the sound and transparent budget and that the university remains relevant for potential students.</p>
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Assumptions

- Strong political support to the EHU by donor countries remains in place.
- Good co-operation within the donors' community.
- Commitment of the EHU Governing Board to provide strategic guidance for the university.
- Sound and transparent accounts of the EHU.
- Possibilities for teaching staff to improve professional skills.
- The issue of recognition of the EHU diplomas in Belarus is mainly linked to political considerations and the fact that Belarus has been lagging behind in terms of adapting to the Bologna process standards. It is expected that this gap will be bridged as Belarus moves towards more democratic openness and towards European standards in the long-term.

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

In 2013, the Institutional Evaluation Programme (IEP) carried out an evaluation of the EHU, with the aim of supporting the university in the development of its strategic management and internal quality culture. The IEP report emphasised the need for the EHU to elaborate an appropriate strategic plan with prioritisations, realistic timeframes and procedures for reviewing its implementation.

The EU Delegation carried out an overall evaluation of the EHU and EU funding in 2012 with a view to establish an exit strategy. Although the evaluation report fails to acknowledge that almost no European university is fully independent from external financing, it does however raise a number of very valid points with regards to the financial sustainability of the EHU.

The EHU received accreditation as a Lithuanian university in 2009. The second accreditation review of the EHU was organised by the Lithuanian Center for Quality Assessment in Higher Education and carried out by a team of international experts in 2014. The accreditation review revealed weaknesses in strategic management of the university and made several recommendations, including the need to develop a long-term strategic plan. In 2015 the EHU initiated the preparation of a strategic plan to set the goals of the university, define indicators for monitoring and to align the budget with strategic goals.

3.2 Complementarity, synergy and donor coordination

EU Programmes

- EU language courses for young Belarusians (EUR 2 million from the Special Measures budget): The specific objectives of this 2-year project are the enhancement of cross-cultural competences of young Belarusians through learning of EU languages in EU Member States, raising the awareness on the EU and European societies and values among representatives of Belarusian society and the establishment of professional and personal contacts of young Belarusians with counterparts in the EU. Implementation period: 2013-2014.
- Open Europe Scholarship Scheme – OESS (EUR 4 million) for young Belarusians to study BA and MA in European universities (implemented by the Nordic Council of Ministers in 2011-2016). Under the OESS II (EUR 8 million) some 200 students are expected to study in the EU during the period 2014-2018.
- Mobility Scheme for Targeted People-to-People Contacts – MOST (EUR 5 million): This action is a mobility scheme designed to facilitate direct people-to-people contacts between representatives of three broad sectors such as culture, education & youth and science & technology in Belarus and their counterparts in Member States of the European Union. First activities started in 2015.
- Erasmus+ is the EU programme 2014-2020 for Education, Training, Youth, and Sport. It replaces Erasmus Mundus, Tempus and Youth in Action. Some Erasmus Mundus and Tempus multiannual projects selected during the last calls are ongoing in Belarus. Belarus is eligible to take part as a Partner country in higher education and youth actions of the programme. Following the Erasmus+ 2015 call, 327 students and staff from Belarus will

receive funding for international credit mobility in higher education. 766 young people and youth workers from Belarus received funding for mobility.

- Erasmus+ also provides funding for Capacity Building programmes in Belarus, which support the modernisation of higher education in the country (previous Tempus Programme). In 2015, four projects have been selected involving 11 Higher Education Institutions from Belarus as well as the Ministry of Education.
- Erasmus+ provides funding for Erasmus Mundus Joint Degrees of outstanding academic quality, including a scholarships scheme. Five Belarusian students received a full scholarship to participate in Erasmus Mundus Joint Degrees in 2014/15.
- Jean Monnet Activities are also funded by Erasmus+. These projects focus on European integration studies and fund teaching and research, policy debates with the academic world and give support to activities of institutions or associations. Belarus obtained funding for four Jean Monnet projects in 2014.

Other donors

- The Visegrad Group Scholarship Programme funded by the International Visegrad Fund, enabling studies in the Czech Republic, Hungary, Poland and Slovakia;
- Scholarships and financial support offered by individual EU Member States (mainly Sweden, Germany, United Kingdom, Poland, France and the Netherlands).

The European Commission and the European External Action Service organise regular implementers and donors meetings. EU Member States, international financial institutions (IFIs) and other donors such as the United States, Canada and Norway take part.

3.3. Cross-cutting issues

Fundamental human rights and gender equality issues will be mainstreamed mainly through two centers which are established within the EHU.

The Center for Constitutionalism and Human Rights was established at the EHU in 2012. The center conducts research and methodological, practical and academic activities in constitutionalism and human rights. As part of the EHU academic programmes, the center participates in educating students about practical aspects of the international protection of human rights and securing the constitutional law. Also, the center assists lawyers of NGOs on human rights issues.

The Center of Gender Studies promotes gender-balanced curricula, encourages gender research, and supports and facilitates discussions on gender issues at the EHU.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results

The overall objective of EU support to the EHU is to boost democratic development in Belarus by giving young Belarusians access to independent higher education.

The specific objectives of the project are as follows:

- To provide education and training for young Belarusians in an environment of academic and political freedom through the EHU;

- To provide education geared specifically to enabling the target group to develop democratic values in Belarus;
- To contribute to changing social norms and combating stereotypes in relation to gender equality in Belarusian society through education;
- To contribute to the education, housing and subsistence of Belarusian students throughout their studies (maximum 4 years);
- To provide support to the EHU in pursuing the long-term sustainability in close coordination with the other donors.

The project is expected to have the following results:

- The EHU is able to provide education in various academic disciplines at Bachelor, Master and PhD level for Belarusian students deprived of a chance to acquire relevant higher education;
- Gender-balanced curricula, gender research and discussions on gender issues implemented through the Center of Gender Studies at the EHU;
- The long-term sustainability of EHU is improved and new financial initiatives from the international donor community encouraged.

4.2. Main activities

The main activities of the project include running a range of BA and MA degree programmes (spring and autumn semesters in each calendar year) focused on the skills and knowledge necessary for developing democratic institutions, civil society and human rights in Belarus. BA programmes include the following disciplines: world politics and economics, media and communication, visual design and media, cultural heritage. MA programmes include the following disciplines: international law and European Union law, business administration, existential psychology, historic and cultural heritage, public policy, cultural studies. PhD programme includes philosophy. Activities necessary for the functioning of the university and for support of the Belarusian students will be also part of the action.

4.3. Intervention logic

The Action is aimed at supporting and developing the capacity of the EHU to implement its activities and creating the necessary conditions for giving young Belarusians access to independent higher education. It will be achieved through contributing to the university's running costs of BA, MA degree and PhD programmes and through contribution to housing and subsistence of Belarusian students.

Foreseeing EU's continued support until 2019 will improve the predictability of the university's funding, thus easing the mid-term planning of the university. It may also encourage other donors to make longer term funding commitments, considering that the Commission is EHU's biggest donor and its long-term commitment may serve as a positive sign to other donors.

The EU support to the EHU will also allow the university to finalise the development of its strategic plan in order to bring the EHU mission and identity into focus, and to align the

budget with strategic goals of the university. In this way the EHU will be able to move towards a more stable, longer-term plan of development.

5. IMPLEMENTATION

5.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 40 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.3. Implementation modalities

5.3.1. Indirect management with a Member State agency

This action may be implemented in indirect management with the Swedish International Development Cooperation Agency (SIDA) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails management of EU contribution to the European Humanities University.

This implementation is justified because SIDA has a proven long-term commitment to supporting the EHU by being the biggest EU Member State donor to the university, and is very active in donor co-ordination on the EHU. As one of the most active donors, SIDA has also been very closely following up developments of the EHU in the past two years that led to a management reform of the university.

The entrusted entity would carry out the following budget-implementation tasks: manage the EU contribution to the European Humanities University by signing with the EHU an agreement that will specify the range of activities to be funded by the EU contribution; execute the related payments.

If negotiations with the above-mentioned entrusted entity fail, this action may be implemented in indirect management with the Lithuanian Central Project Management Agency. The implementation by this alternative entrusted entity would be justified because the Central Project Management Agency (CPMA) has experience in implementation of EU financing instruments (PHARE, Schengen Facility, Structural Funds) in the role of the Contracting Authority since 2004, when the European Commission granted to the CPMA the Extended Decentralised Implementation System (EDIS) accreditation.

The implementation of this action in indirect management with a Lithuanian agency can be further justified by the fact that the EHU is registered as a fully-fledged higher education

institution in Lithuania and receives a strong political support from the government of Lithuania. Lithuania is also one of the biggest EU Member State donors to the university, and is very active in donor co-ordination on the EHU.

The alternative entrusted entity would carry out exactly the same budget-implementation tasks as mentioned for SIDA above.

The alternative entrusted entity CPMA will undergo the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 related to the grant pillar. The Commission’s authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the CPMA can be entrusted with budget-implementation tasks under indirect management.

5.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.5. Indicative budget

The total amount of EU budget contribution is for an amount of EUR 2 million from the general budget of the European Union for 2016.

	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
5.3.1 – Indirect management with SIDA	2 million	N.A.
Totals	2 million	N.A.

5.6. Organisational set-up and responsibilities

The action will be implemented in indirect management with SIDA. The coordination meetings between SIDA, the EU and the EHU will be carried out on a regular basis. Coordination meetings with other donors will take place at least once per year.

5.7. Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8. Evaluation

Having regard to the nature of the action, no evaluation will be carried out for this action or its components.

Nevertheless, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports shall be shared with other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation, if any, shall be covered by another measure constituting a financing decision.

5.9. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation. The Communication and Visibility Plan will be an integral part of the Delegation Agreement, therefore the budget for visibility measures will be also integral part of the Agreement.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	Boost democratic development in Belarus by giving young Belarusians access to independent higher education.	Number EHU graduates participating in the civic life of Belarus through their work in NGOs, business, media, other universities, state institutions.	62% of EHU graduates live and work in Belarus.	At least 62% graduates live and work in Belarus.	Monitoring using a range of assessment tools and feedback from students, teachers/professors, the EHU Governing Board, media, NGOs, etc.	Strong political support to the EHU by donor countries remains in place.
		Number of students enrolled to EHU educational programmes per academic year.	About 1100 students	About 1100 students	Alumni survey EHU reports	Good co-operation within the donors' community.

Specific objective(s): Outcome(s)	<p>To provide education and training for young Belarusians in an environment of academic and political freedom through the EHU.</p>	<p>Number of students enrolled at the EHU educational programmes.</p>	<p>About 1100 students</p>	<p>At least 1100 students</p>	<p>EHU reports</p>	<p>Sound and transparent management of donors' funds and transparent flow of information on each donor's contribution.</p> <p>Good co-operation within the donors' community.</p>
	<p>To provide education geared specifically to enabling the target group to develop democratic values in Belarus.</p>	<p>Number of academic programmes provided by the EHU geared towards the development of Belarusian society.</p>	<p>11 academic programmes</p>	<p>At least 11 academic programmes</p>	<p>EHU alumni survey</p> <p>Adopted academic programmes</p>	
	<p>To contribute to changing social norms and combating stereotypes in relation to gender equality in Belarusian society through education.</p>				<p>EHU strategic plan</p>	
	<p>To contribute to the education, housing and subsistence of Belarusian students throughout their studies (max. 4 years).</p>				<p>Financial and other reports of the EHU</p>	
	<p>Provide support to the EHU in pursuing the long-term sustainability in close co-operation with other donors.</p>					

Outputs	<p>The EHU is able to provide education in various academic disciplines at Bachelor, Master and PhD level for Belarusian students deprived of a chance to acquire relevant higher education.</p>	<p>Number of students enrolled to EHU educational programmes.</p>	<p>About 1100 students</p>	<p>At least 1100 students</p>	<p>Financial and other reports of EHU</p>	<p>Commitment of the EHU Governing Board to provide strategic guidance for the university.</p>
	<p>Gender-balanced curricula, gender research and discussions on gender issues implemented through the Center of Gender Studies at the EHU.</p>	<p>Number of academic programmes provided by the EHU.</p>	<p>11 academic programmes</p>	<p>At least 11 academic programmes</p>	<p>EHU strategic plan</p>	<p>Sound and transparent accounts of the EHU.</p>
	<p>The long-term sustainability of EHU is improved and new financial initiatives from the international donor community encouraged.</p>	<p>EHU's budget is in balance.</p>	<p>All prioritised activities of EHU's strategy can be implemented with adequate funding</p>	<p>All prioritised activities of EHU's strategy can be implemented with adequate funding</p>	<p>Adopted academic programmes</p> <p>Financial and other reports of the EHU</p>	<p>Continued donor support.</p>