



United Nations Development Programme
Europe and the CIS Bratislava Regional Center

Fostering multi-stakeholder partnerships to achieve MDGs in the Western CIS and Caucasus in the framework of UN Global Compact. Phase 2 – towards sustainability

Project Proposal to
To the Government of Belgium
Updated version, 26 October 2007

SUMMARY

The main objective of the project is to accelerate sustainable economic growth and poverty reduction through promoting responsible entrepreneurship and developing public private partnerships with potential for both, commercial and developmental returns.

Target countries include: Armenia, Belarus, Georgia, Moldova, Ukraine and Russia Federation. In each of these countries, partnership brokers (teams of two or one) is facilitating these partnerships and promoting corporate responsibility in the framework of the UN Global Compact (GC). In addition, a broker will be located in Belgium, targeting Belgian companies to raise awareness about partnership investment opportunities in the Western CIS and about the project services.

The proposal builds on the first phase of pilot project (currently under implementation) with main objectives of advocating for corporate responsibility and developing public private partnerships. The pilot phase initial results demonstrate viability of the approach and developmental value of the project.

The overarching objective of the second phase of the project is to develop an exit strategy, making the structures sustainable and transferring to the national partners.

Intended Outcomes for the project:

- 1) Higher sustainable and competitive economic growth, poverty reduction and regional stability
- 2) Improved economic governance framework
- 3) Enhanced international integration of the countries

Total project budget: 1,240,000 €

Request for funding from the Government of Belgium: 790,000 €

Summary of budget:

	Armenia, Belarus, Georgia, Moldova, Ukraine
TOTAL COST	1,060,000
Belgian government	790,000
UNDP	100,000
Additional resource mobilization – outstanding	170,000

SITUATION ANALYSIS

Increasing economic opportunities, productivity and growth offers one of the best hopes for reducing poverty. However increasing economic growth rates is essential but not enough for poverty reduction. The quality of growth – its sustainability, composition and equity, is equally important. Furthermore, sustainable economic growth and effective economic governance is an essential pre-requisite for achieving political and social stability.

[The National Millennium Development Goals; A framework for Actions –Europe and the CIS regional MDGs report](#) (UNDP RBEC 2006) emphasizes continuation of economic growth and improving economic governance framework being crucial for achieving the MDGs¹ in the region. This, according to the report, requires effective partnerships and intermediaries that are able to address the market failures, governance gaps and institutional constraints.

These partnerships should be broad-based and pool together resources, skills and networks of governments, private sector, civil society organizations, academic institutions, trade unions and media. They include brokerage services, business linkage initiatives, hybrid /innovative commercial and social business models, innovative financing instruments and new types of alliances between companies, governments, civil society organizations, academic institutions – to work jointly towards common solutions.

The multistakeholder approach shows great potential for accelerating the transition and sustainable economic development, as initially demonstrated through implementation of the pilot project *Fostering multi-stakeholder partnerships to achieve MDGs in the Western CIS and Caucasus in the framework of UN Global Compact*, funded by the Government of Belgium and UNDP RBEC. It addresses the private sector as partner in sustainable development in the region, in a very innovative way, namely inviting companies to engage as partners into national sustainable development priorities of the countries. The approach promotes companies involvement based on their core business, which reaches beyond philanthropy and thus, making the approach more sustainable. It builds on the Global Compact principles and MDGs as value guiding framework for companies' investments. The project is implemented in Armenia, Belarus, Georgia, Moldova, Ukraine and Russia Federation. Below please see results to date.

For socio-economic analysis of the countries – please see proposal first phase of the project.

For Foreign Direct Investment (FDI) analysis – please see annex 1.

Results to date²:

- 1) Teams of brokers (two in each country except Ukraine and Russia where only one broker operates) are currently operating in all the countries, receiving institutional and administrative support from respective UNDP Country Offices.
- 2) **Promoting of responsible business practice among local companies**
 - a) **6 local CSR / Global Compact networks established** (one in each country) that bring 200 of the most progressive companies (domestic and foreign, large and small) together with business associations, NGOs, governmental and academic institutions. These are multistakeholder platforms where companies and their partners learn about benefits and challenges in implementing international social/environmental and governance (SE&G) management standards,

¹ pp 84-87 MDG Europe and the CIS regional report

² More information about the project on <http://europeandcis.undp.org/poverty/psd/show/74FAE09E-F203-1EE9-BC27768C9AC2AE9F>

how to implement these standards at low costs, raise public awareness about CSR and sustain social dialogue. Done through learning events, seminars, roundtables and conferences.

- i) benefits for companies: enhanced access and competitiveness on the Western market and attractiveness to investors;
 - ii) benefits to society: poverty reduction, contribution to overall accountability and transparency of markets, promoting new governance models based on active participation of various actors in society.
- 3) **Public policy debates started**: Using the networks as platforms for collective action, companies and their non-business partners engaged in policy dialogues which aim to improve business environment for practicing responsible and competitive entrepreneurship (policies that reward responsible business conduct). Emphasized that topics addressed are important and selected by businesses.
- a) Armenia: i/ government support framework for CSR and ii/ setting up platform for private public dialogue on economic reforms
 - b) Belarus: developing recommendations to the government on advancing CSR
 - c) Moldova: improving the labour code towards more flexibility to increase employment
 - d) Ukraine: improving legislation on public-private partnerships and developing enabling environment for CSR
 - e) Russia: developing recommendations for improved legislation on public –private partnerships
- 4) **Currently 15 partnership projects identified**. These partnerships operate like joint ventures whereby the public (project) provide support (brokerage/funding for feasibility studies) to attract private investment projects that will have high developmental results but may not have immediate business returns. These projects are carefully assessed to ensure that potentially distorting subsidization of private investments do not occur. *Examples:*
- a) VivaCell, leading cell phone operator in Armenia, UNDP and Pyunic Association for the Disabled created Arts and Crafts Center for Disabled and to provide training and jobs. The Center to become sustainable within 12 months of its existence.
 - b) Ashtarak Kat, leading Armenian dairy company, potentially Tetrapak and UNP to establish a milk collection center and link it with dairy producers, and as a result, increase income and improve livelihoods fro 20 – 50 families of local small farmers.
 - c) In Belarus, Savushkin Produkt, potentially Tetrapak and UNDP, jointly with the relevant ministries and regional government to pilot a new type of feeding programme in Belarussian primary schools.
 - d) In Ukraine, SNS Bank, UNDP and regional government of Crimea to provide affordable financing for water infrastructure in rural areas (access to drinking water)
 - e) High efficiency wood stove and pellet production will be introduced in Georgia. This in turn will eliminate particular type of environmental pollution (dumping of saw dust in the rivers); decrease emissions; enable the use of the advanced cost-effective and environment-friendly technology for heating municipal and household premises; add two more items on the national export list; and possibly organize supply chain involving the poor. Feasibility study starts in May 2007. The project implies preliminary agreement with investor. .
 - f) Building local supply chain of agricultural products for Marriott and eventually other major hotel brands growing in Georgia will bring the additional benefit of introducing new for-export crop production. First expert fact-finding visit to start in May 2007.

Main lessons learnt:

- 1) CSR is particularly relevant for countries in transition for the following reasons:
 - g) **Companies participate driven by two main aspects**: i/ vision for long term expansion and gaining access to Western markets where these standards are operating, in this respect the European Integration has been the main driver; and ii/ conviction that their future business

opportunities are more prospective when societies, where they operate, are prosperous and markets transparent.

- h) **Adopting of CSR standards by companies contributes to improved economic governance** as well as building of social trust among general public towards entrepreneurship and market economy.
- i) Increasing number of **companies are transforming past legacy of corporate welfarism that existed during communist regime and emphasized charity giving with modern practices of CSR where companies engagement is focused on core business** (and thus moving away from philanthropy)
- j) **Global Compact (UN CSR initiative) proves to be an effective approach which accelerates economic transition in the region**, that is harmonization of markets (thru promoting of international business standards) and societies (thru its multistakeholder nature). This has also been reinforced in the recent meeting of the Eastern Europe Global Compact networks. Conclusions from the meeting can be found on http://europeandcis.undp.org/index.cfm?menu=p_cms/show&content_id=46BCF6F3-F203-1EE9-B046F1688E2109B1

Main obstacles to CSR uptake:

- k) CSR uptake in these countries is still very low for the following reasons:
 - i) Traditional challenges of achieving business viability (difficult political and business climate, lack of financing for business expansion)
 - ii) Lack of understanding of CSR among general population and specific pay off benefits for companies
 - iii) Wobbly institutions and weak enforcement of law.

Partnerships for development can be effective approaches for companies to work with local partners to develop new, innovative products and services for lower income consumers. These partnership pool resources of private and public partners, fuse ideas and converge thinking about development needs and craft solutions in collaborative way. As a result – a new, hybrid business models are developed targeting under-served markets. These solutions are commercially viable for companies.

2. Currently multi-sector partnership projects show a very encouraging start, especially with the following:

- a. Enthusiasm of companies as well as non business partners to work jointly on finding sustainable business solutions to developmental challenges, including sharing their resources, networks and leadership support.
- b. Commercial and public institutions partners, agree that to ensure sustainability and scale of these partnerships it is important that these solutions be linked with the **core business** of companies.
- c. **Complementarities between public and private bring productivity gains:** public agencies may build on existing private initiatives and on the other hand public action may be indispensable in making these much needed investments happen.
- d. For companies: i/ working together with the public development agencies is seen as a mark of confidence and increases legitimacy of the companies concerned (and thus them being more bold in taking larger risks and innovative solutions) ; ii/ working with intermediaries like UNDP is useful because of its specific competencies of dealing with governments and certain stakeholders (farmers unions, trade unions etc) whose support is critical for up-scale (in terms of policies as well as supporting programmes).

- e. Good economic outlook for the region and progress in economic transition show prospects for increased investments in the region, which should be harnessed for developmental objectives.
- f. Companies value receiving support in preparation of **feasibility studies**. This instrument is used to assess commercial viability as well as potential developmental impact of each individual investment. It responds to lack of easily accessible business information and outlines a business model for individual investment project thru providing options for how new creative technologies could be employed in particular market, improved understanding of various types of risks involved (business, social and political) and partners potentially interested and having stake and bringing additional resources. The pilot phase of the project invested in 2 feasibility studies for below 10,000 € each. Companies always co-finance at least 50% of total costs.

Main obstacles to scaling up of multi-sector partnership approach:

- g. It is more challenging than previously anticipated to identify investors ready to take up such partnerships:
 - i. domestic investors: because of the market demand and structure (relatively early stages of economic transition) as well as low level of collaboration between public and private sectors
 - ii. foreign investors: because difficult to find information in any of these countries about which foreign investors interested in specific country/sector

STRATEGY

The innovative approach -- promoting corporate responsibility and building linkages between private and public actors to partner in pro-poor projects demonstrates encouraging results and can meaningfully contribute to sustainable development and MDGs.

The approach is in line with the new UNDP corporate strategy for private sector which aims to promote development of inclusive markets – i.e. markets that result in expanded choice and opportunity for the poor and produce outcomes that benefit the poor. For the poor, as entrepreneurs and employees, such outcomes will be measurable in terms of increased returns on goods sold, improved access to labour markets and increased opportunities for ‘decent work’. Specifically, the project responds to the following priorities:

Priority 1: Establishing the policy and institutional structures (focus on policy reforms to create enabling environment for transparent and accountable business development)

Priority 2: Facilitating pro-poor value chain integration (in sectors with highest potential for poverty reduction like agro-business, finance, ICT)

Priority 3: Brokering investments in pro-poor goods and services

Priority 4: Fostering Inclusive Entrepreneurship

Priority 5: Encouraging Corporate Social Responsibility in support of Inclusive Market Development and MDGs.

The second phase of the project will invest in consolidating the approach – ramping up initial results, improving governance models of the Global Compact networks and partnership projects and transfer responsibilities to national partners.

The project is closely linked with two sister projects:

- In the area of corporate social responsibility – Promoting CSR in the EU New Member States funded by the European Commission and UNDP. Collaboration will be pursued in sharing lessons learned from promoting and implementing CSR and encouraging collaboration with Global Compact in Europe (including Eastern and Western Europe) – www.acceleratingcsr.eu
- In the area of promoting pro-poor partnerships, the project will share lessons learned and collaborate on business outreach with Growing Sustainable Business in the Western Balkans supported by the Austrian Development Agency and UNDP. <http://www.undp.org/partners/business/gsb/>

The project will receive technical and coordination support from UNDP Division of Business Support in HQ/NY. Services received will include lessons learned, ideas and contacts with similar projects implemented by UNDP in other regional around the world.

The project will benefit from UNDP Bratislava Centre serving as regional hub for Eastern European Global Compact networks (knowledge, information and coordination) as well as other UNDP led programmes supporting improvement in market and political institutions in the region.

Finally, one UN approach to outreach to the private sector will be applied. This is done by Global Compact as the UN framework for engaging with the private sector as well as by cording private sector activities at the country level by combining appropriate competencies and mandates.

VALUE ADDED OF THE SECOND PART OF THE PROJECT:

The overarching objective of the second phase of the project is to focus on building up of **sustainable structures** which were initiated in the pilot phase. In practice it means that by the end of the second phase of the project:

- UN Global Compact networks, one per country, will be financially and organizationally sustainable and business-led beyond UNDP support. UNDP as facilitator will withdraw from the first plan and transfer secretariat activities into local business associations. These will remain light administrative structures and strategy will focus on aligning with similar local initiatives of business associations and/or NGOs.
- Business case for CSR and partnership projects will be developed through expanding the number and focusing on sectors with highest development as well as commercial potential
- Partnership approach to development, based on core business engagement of companies will be institutionalized (in national structures as well as government policies)
- Institutional collaboration between the countries and the donor country strengthened through better targeting of Belgian investors as potential partners in the projects.

Target countries: Armenia, Belarus, Georgia, Moldova, Ukraine

Timeframe: 18 months starting November 2007

Expected development impact (measured in long term):

1) Higher sustainable and competitive economic growth, poverty reduction and regional stability

- Promoting responsible entrepreneurship and corporate social responsibility (CSR) through strengthening the local Global Compact (GC) networks.
 - Activities involved: advocacy and capacity building including learning / training seminars, sharing of good international practice, study tours
- Providing targeted assistance in developing public private partnership projects with double bottom line: financial and developmental. It is envisaged that the project will support small/medium size investments, both domestic and international.
 - The project will focus on sectors with highest potential for poverty reduction: water, waste management, energy efficiency, manufacturing (promoting green industrial solutions), agriculture (especially food processing), financial services (micro- loans, micro-insurance,

- financing for sustainability projects in infrastructure sectors like water, waste management, etc), education and public health
- ii) Activities: brokerage and facilitation, co-funding of feasibility studies (pls see detailed description of feasibility studies on p4).
- c) Developing business case for CSR and responsible investing.
 - i) Currently, national priorities focus on promoting fast economic growth with little respect for social and economic consequences. Often based on assumption that CSR implies additional costs potentially harmful for growth and business development. Thus important to formulate a strong case with credible evidence that proves that implementing higher social, environmental and governance standards can save money and open new business opportunities (thru higher productivity, new markets, new partners/investors, international recognition).
 - ii) Activities will include research, identification of PPPs and advocacy.
- d) Business outreach to Belgian-based companies.
 - i) This is based on the assumption that Belgian private sector interest in the CIS region as destination for investment is growing³ and targeted outreach events in Belgium would better inform companies about the project services. However this approach does not give exclusivity rights to Belgian companies for using the services (i.e. brokers can work with other international as well as domestic investors). This solution is based on UNDP practice in [Norway](#), [Denmark](#), [Island](#), [Austria](#) (financed by ADA and WB, for German speaking countries) and Switzerland (outreach to French speaking countries).
 - ii) Responsibilities of the broker in Belgium:
 - (1) raising awareness about the project, available services, identifying companies and assisting them in connecting with brokers in destination countries
 - (2) leveraging support from existing Belgian financial tools like SBI-BMI, banks
 - (3) mapping good Belgian models which could be available for replication / partnerships (for example models of the institutional regional economic collaboration, political ratings of investments like ONDD Ducroire)
 - (4) informing companies about the UN Global Compact
- e) Contribute to development of the national agendas for corporate social responsibility
- f) When relevant, work with investors (foreign and domestic) to encourage them to develop local sourcing (potentially this could contribute to strengthening of local SMEs)

2) Improved economic governance framework

- a) Promoting multistakeholder (involving private sector, civil society organization, academic institutions, trade unions) dialogue and engagement in sustainable development of the countries
- b) Monitoring the impact of national laws and regulations on the adoption of CSR standards; evaluating scope for CSR incentives and regulations including thru laws and standards, presenting recommendations to government on the way of public policy dialogue
- c) Building social capital and trust among different actors in society thru promoting public private partnerships and collaborative approach to solving most daunting developmental problems in the countries

3) Enhanced international integration of the countries

- a) Building partnership with the EU through aligning the project with selected priorities of European Neighborhood Policy (relevant to private sector development and good governance), as shown in new member states, candidate countries and potential candidates, has been one of the most weighting factors for broad based national actors to join forces and collaborate towards economic growth and social cohesion. Activities will aim to align EU priorities within the framework of the

³ For supporting data, see investment trends in annex 1

European Neighborhood policy and leverage EU political and economic weight towards main goals of the project. This approach will be also effective in contributing to the objective of contributing to regional stability and peace.

- b) Developing regional (covering more than one country involved) partnership projects
- c) Companies and relevant non-business actors are expected to participate in international events organized by the Global Compact as well as the project where they find opportunities for networking and identifying new partners
- d) CSR training/learning events by emphasizing linkages with good international experience—conducting research, analysis how to tailor to local needs (CSR business practice and standards, government policies and incentives for CSR uptake), exchange.

MANAGEMENT ARRANGEMENTS

The project will be executed by the UNDP Bratislava Regional Centre within the delegated Direct Execution (DEX) authority, in line with the UNDP Programming for Results Management User Guide. Most of the activities will be implemented by respective UNDP Country Offices (COs) and a broker in Belgium .

[UNDP Regional Centre for Europe and the CIS in Bratislava](#), Slovakia which is a regional expertise hub, supporting UNDP Country Offices by providing policy advice, managing regional projects and supporting knowledge development and sharing. 30 regional development experts in the area of poverty reduction and economic development, democratic governance and environment and energy are providing technical support to COs from the Bratislava Regional Centre and managing a regional annual budget of 23, 5 million USD in development projects.

Specifically, COs will be responsible for:

- § National level project implementation and support services for the national components
- § Maintaining working contacts with the national partners
- § Application of the commonly agreed standards and procedures.
- § Reporting to BRC, Poverty Practice Manager on quarterly basis according to agreed template. Reflecting the national specifics in all components of the project when appropriate and vice versa – reflecting the project objectives in the national projects/ activities

Brokerage services in Belgium will include:

- § Regional business outreach
- § Maintaining contacts with relevant national partners (the MFA, regions, business associations)
- § When relevant, mapping / identifying good Belgian models of PPPs, CSR and economic governance solutions -- based on specific demand from countries
- § Develop relations with relevant EU units to engage as partners and when possible leverage resources

The regional project coordinator (based in the regional office, Bratislava) will be responsible for overall project management and backstopping.

The role of the regional project coordinator will be to:

- § The overall project implementation and oversight.
- § Maintaining the project's conceptual clarity and standards
- § Knowledge management at regional level: coordination exchange of information, knowledge and good practice, codification of knowledge and support for cooperation between the countries.
- § Consultancy and expert support necessary at various phases of the project implementation
- § Communication and marketing of the project to business community at regional level,
- § Strategic communication and dialogue with the donor and the Belgian counterparts , including an annual meeting with the Belgian stakeholders

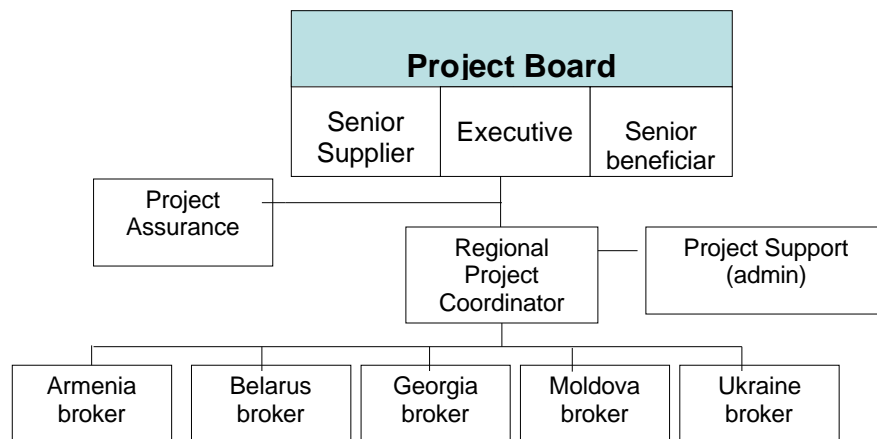
§ Regular and systematic monitoring and final evaluation (external).

A **Project Board** will be established to take responsibility for making strategic direction of the report decisions and executive management decisions for a project when guidance is required by the Project manager, including approval of project revisions. The Project Board will be comprised of the Representative of UNDP NY RBEC Office, Bratislava Poverty practice Leader, representative of the donor government, representatives of COs participating in the project. The Group's key roles will be as follows:

- (a) *Executive role* will be performed by the BRC Poverty Practice Leader.
- (b) *Senior Supplier role* will be held by the Representative of the representative of the Belgian counterpart ;
- (c) *Senior Beneficiary role* will be held by the Country Offices (select two, rotation).

In addition and independently from the Project Board's roles on more role will be important for the smooth project implementation:

- (a) The *Project Assurance role* will support the Project Board by carrying out objective and independent project oversight and monitoring functions. During the Running a Project process, this role will ensure that the appropriate project management milestones are managed and completed.



In addition to the above in accordance with UNDP rules and regulations the following provisions shall apply to the donor contribution:

In accordance with the decisions and directives of UNDP's Executive Board, the contribution shall be charged 7% for the provision of general management support (GMS) as well as direct costs incurred for implementation support services (ISS).

Since the donor contribution will be made in € the value of the payment in USD shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly.

The schedule of donor payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities.

It is agreed that ownership of equipment, supplies and other property financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

The donor contribution shall be managed by the UNDP in accordance with its financial regulations and other applicable rules and procedures and practices pertaining to Other Resources (non-core). The Contribution shall be subject exclusively to the internal and external auditing procedures provided therein. Should an audit report of the External Auditors of UNDP contain observations relevant to the contribution, a copy of such report and of UNDP's published comments shall be made available to the Government of Belgium.

The donor Contribution would be transferred to UNDP Euro Contributions Account No.: 6008-62722022, Bank of America London, 5 Canada Square, E14 5AQ London, Swift: BOFAGB22, IBAN: GB59BOFA16505062722022. Donor is kindly requested to notify UNDP Bratislava Regional Center (janka.geckova@undp.org) on the payments transfer.

UNDP shall provide the Government of Belgium with the following reports:

- Progress (narrative on activities and results) reports after every 6 months of project implementation including on funds utilization.
- In addition, after 12 months the donor will receive financial statement certified by the comptroller of UNDP.

Second installment would be expected after the 2nd report to the donor.

If any changes occur which impair significantly the approved programme, UNDP and the donor will consult on measures to resolve the problem or to change the course of the activity. In any case, UNDP shall inform Belgium of any significant deviation from agreed plans or budgets.

MONITORING AND EVALUATION

Within the annual cycle

- Quarterly progress reports shall be submitted by the regional project coordinator to the Project Board through Project Assurance, using a template developed for this purpose and derived from a standard format available in Atlas. The template includes reporting on achievements, planned activities, risks log, incurred and planned expenditure.
- Donor specific progress and final report as outlined in the Agreement (annually and final report)
- Regular conference calls with participating COs will be conducted by the project manager and / or project assurance
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

LEGAL CONTEXT

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

PROJECT RESULTS AND RESOURCES FRAMEWORK

Intended Outcomes for the project:				
<ol style="list-style-type: none"> 1. Higher sustainable economic growth, poverty reduction and regional stability 2. Improved economic governance framework 3. Enhanced international integration of the countries 				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs (€)
<p>Output 1: Global Compact CSR networks consolidated and sustainable beyond active UN coordination support.</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - Low awareness level on CSR among companies and general public - 150 companies from the region engaged in the GC networks as direct result of the first phase of the project - 6 GC networks established, one in each country <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Number of new companies signing the Global Compact - Number of collective actions undertaken by the country networks - Companies submit Communication on Progress on time - Number of media articles about the GC events (local and regional press) - Number of companies participating in global GC/project events 	<p><u>Targets for Years 1 and 2:</u></p> <ul style="list-style-type: none"> - 400 new companies join the Global Compact - At least one regional (CIS level) CSR conference engaging all the relevant countries <p><u>Targets for Year 1</u></p> <ul style="list-style-type: none"> - At least 4 learning / training events including at least one study tour per country - At least 2 meetings of the national GC Steering Committee meetings - At least 4 initiatives of intra-network collaboration <p><u>Targets for Year 2</u></p> <ul style="list-style-type: none"> - At least 2 learning/ training events - At least one GC Steering Committee meetings 	<ul style="list-style-type: none"> - CSR learning/training seminars, roundtables - CSR awareness raising conferences - Research / expertise on mapping international good practice for replication - Publications, newsletters, websites - Coordination and brokerage services (one broker per country + brokerage services for outreach to Belgian companies) - Meetings of the GC networks Steering Committees - Regional knowledge management and coordination (COs providing mutual support, training for project staff, regional monitoring, exchange and quality assurance, documenting good cases) 	<p>COs, BRC</p>	<p>Salaries of brokers 4,000€ x 18 months x 6 countries = 432,000</p> <p>Learning, training seminars 90,000 – FUNDED FROM UNDP SOURCES</p> <p>Leaflets, publications, websites, newsletters, research 58,000 UNFUNDED</p> <p>Regional knowledge management 18,000</p> <p>Regional conference 60,000- partially (10,000) FUNDED FROM UNDP</p>

<ul style="list-style-type: none"> - Intra-regional collaboration of networks (collective events by networks) 	<ul style="list-style-type: none"> - Networks collective action plans and governance structures (including financing) in place in all countries involved 			<p>SOURCES</p>
<p>Output 2: Enhanced participation of companies in policy dialogues and formulation on promotion of responsible inclusive entrepreneurship</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - private sector sporadically and ad-hoc consulted in economic policy reforms/ formulation regarding business climate - policy dialogues with networks participation initiated in all countries - no policy / programmes incentives for CSR at national levels - no CSR agendas at national levels <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Range of actors participating in the policy formulation and debate - GC networked invited to participate in developing / strengthening/ implementing national CSR agendas - Number of GC companies participating in training sessions on improving their business standards (social, env, governance) - Progress towards formulating and adopting national CSR agenda - Progress on potential passing of relevant laws 	<p><u>Targets for Year 1 and 2</u> (aggregate all countries)</p> <ul style="list-style-type: none"> - At least two recommendation per country to governments regarding improving of policies/legislation on CSR/ responsible entrepreneurship - At least one policy dialogue on a selected specific theme related to promoting of responsible entrepreneurship per country 	<p><u>Indicative activities :</u></p> <ul style="list-style-type: none"> - Mapping, international research / assessment of issues concerning CSR at national level. Such research will lead to formulation of policy proposals - Discussion and preparation of policy paper (external expertise) - Public discussion and government consultation (public consultation meetings / discussions) - Consultation and aligning with the EU and other donors implementing projects with related objectives - Regional knowledge management (as for output 1) 	<p>COs, BRC.</p>	<p>Technical expertise 80,000</p> <p>Public policy debates (related meetings, seminars, printing) 42,000 – UNFUNDED</p> <p>Regional knowledge management 20,000 – UNFUNDED</p>

<ul style="list-style-type: none"> - Identification of good models/practice in other countries for inspiration/replication 				
<p>Output 3: Public private partnerships brokered</p> <p><u>Baseline:</u></p> <ul style="list-style-type: none"> - Low lever of cooperation between sectors and PPP in infancy stage - Currently at least 2 PPPs under exploration in each country, a mixture of CSR and commercial partnerships <p><u>Indicators:</u></p> <ul style="list-style-type: none"> - Number and range of different stakeholders engaged in each partnership - PPPs brokered that contribute to poverty reduction and have commercial potential - Leveraged funding for implementation of the PPPs from other donor / commercial initiatives - PPPs attracting foreign and national investors 	<p><u>Combined targets for Year 1 and 2:</u></p> <ul style="list-style-type: none"> - 4 PPPs brokered per country - MOU with partners signed regarding implementation of PPPs <p><u>Year 1:</u></p> <ul style="list-style-type: none"> - At least 4 outreach events attempting to identify international investors <p><u>Year 2:</u></p> <ul style="list-style-type: none"> - At least 4 regional PPPs (covering more than one country) 	<ul style="list-style-type: none"> - Brokerage outreach, (identification/mapping of potential PPPs) - Consultations with relevant stakeholders if the potential PPP suitable for public support - Feasibility studies supported (co-financed) - Active outreach to Belgian investors (road-shows, marketing among companies, brokerage services in Belgium) - Regional knowledge management: brokers providing mutual support to each other for better assistance of PPPs at country level and emergence of regional PPPs 	<p>COs, BRC, Belgian counterparts</p>	<p>Feasibility studies 4 studies per country 200,000</p> <p>Targeted outreach to potential investors 42,000</p> <p>Regional knowledge management 18,000</p>
TOTAL				1,060,000
Expected Belgian Government contribution				790,000
UNDP				100,000
Additional resource mobilization – outstanding				170,000

Annual Work Plan Budget Sheet --Year 2007 (to be filled by Country Offices once project proposal accepted by donor).

EXPECTED OUTPUTS and indicators including targets for the year	PLANNED ACTIVITIES	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount (€)
TOTAL									