



Brussels, 15.7.2013  
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**COMMISSION IMPLEMENTING DECISION**

**of 15.7.2013**

**on the Annual Action Programme 2013 in favour of Belarus to be financed from the  
general budget of the European Union**

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### on the Annual Action Programme 2013 in favour of Belarus to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (ENPI)<sup>1</sup>, and in particular Article 12 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 1605/2002<sup>2</sup> (hereinafter referred to as 'the Financial Regulation'), and in particular Article 84 thereof,

Whereas:

- (1) The Commission has adopted the ENPI Strategy Paper 2007-2013 for Belarus and the National Indicative Programme for the period 2012-2013<sup>3</sup>, point 7 of which provides for the following priorities: good governance and people-to-people contacts, and economic modernisation (including support towards a market economy and local and regional development).
- (2) The objectives pursued by the Annual Action Programme are to contribute to the improvement of healthcare and wellbeing of the Belarusian people, and to promote sustainable regional development in Belarus.
- (3) This Decision complies with the conditions laid down in Article 94 of 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<sup>4</sup> (hereinafter referred to as 'the Rules of Application').
- (4) The Commission may entrust budget-implementation tasks under joint management (indirect management with an international organisation) to the entities identified in this Decision, subject to the conclusion of a contribution agreement. The responsible authorising officer has ensured that these entities comply with the conditions of Article 53d of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>5</sup>

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<sup>1</sup> OJEU L 310, 9.11.2006, p. 1

<sup>2</sup> OJ L 298, 26.10.2012, p. 1.

<sup>3</sup> C(2011)7185

<sup>4</sup> OJ L 362, 31.12.2012, p. 1.

<sup>5</sup> OJ L 248, 16.9.2002, p.1. These provisions remain applicable until 31 December 2013 according to Article 212 of the Financial Regulation.

(hereinafter referred to as 'the Financial Regulation 1605/2002') and of Articles 35 and 43 of its Implementing Rules<sup>6</sup>.

- (5) The maximum contribution of the European Union set by this Decision should cover any possible claims for interest due for late payment on the basis of Article 92 of the Financial Regulation and Article 111(4) of the Rules of Application.
- (6) The Commission is required to define the term "non-substantial change" in the sense of Article 94(4) of the Rules of Application to ensure that any such changes can be adopted by the authorising officer by delegation, or under his or her responsibility, by sub-delegation (hereinafter referred to as the 'responsible authorising officer').
- (7) The measures provided for in this Decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

##### **Adoption of the programme**

The Annual Action Programme 2013 in favour of Belarus, constituted by the actions identified in the second paragraph, is approved.

The actions, the description of which is set out in the attached Annexes 1 to 2, respectively, shall be:

- International accreditation of testing laboratories for medical products and support to healthcare in Belarus (BELMED);
- Extension of the programme "Support to regional and local development in Belarus" (RELOAD-2).

#### *Article 2*

##### **Financial contribution**

The maximum contribution of the European Union authorised by this Decision for the implementation of this programme is set at EUR 11.5 million to be financed from budget line 19 08 01 03 of the general budget of the European Union for 2013.

#### *Article 3*

##### **Implementation modalities**

The budget-implementation tasks under joint management shall be entrusted to the entities identified in the attached Annexes, subject to the conclusion of the relevant agreements.

Section 4 of the Annexes referred to in the second paragraph of Article 1 shall set out the elements required by Article 94(2) of the Rules of Application.

The financial contribution referred to in Article 2 shall also cover any possible interests due for late payment.

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<sup>6</sup> Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities. OJ L 357, 31.12.2002, p.1. These provisions remain applicable until 31 December 2013 according to Article 212 of the Financial Regulation.

*Article 4*

**Non-substantial changes**

Increases or cumulated changes to the allocations of specific actions not exceeding 20 % of the contribution referred to in the first paragraph of Article 2 shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the actions.

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

Done at Brussels, 15.7.2013

*For the Commission*  
*Štefan FÜLE*  
*Member of the Commission*

## ANNEXES

Annex 1 - International accreditation of testing laboratories for medical products and support to healthcare in Belarus (BELMED);

Annex 2 - Extension of the programme "Support to regional and local development in Belarus" (RELOAD-2).

## ANNEX I

of the Commission Implementing Decision on the Annual Action Programme 2013 in favour of Belarus

### 1. IDENTIFICATION

Title/Number	<b>International accreditation of testing laboratories for medical products and support to healthcare in Belarus (BELMED)</b> CRIS number: ENPI/2013/024-679		
Total cost	Total estimated cost: EUR 8.300.000 Total amount of EU budget contribution: EUR 8.000.000 This action is co-financed in joint co-financing by: - UNDP (including contributions of WHO, UNFPA, UNICEF) for an amount of EUR 300.000		
Aid method / Method of implementation	Project Approach Direct centralised management – procurement of services, supplies for Components 1 and 3 Joint management with UNDP for Component 2		
DAC-code	12191	Sector	Medical services

### 2. RATIONALE AND CONTEXT

#### 2.1. Summary of the action and its objectives

Healthcare has always been one of the key government priorities in Belarus. The interest of the Belarusian government to initiate co-operation in this sector is seen as an excellent opportunity to directly contribute to the welfare of the Belarusian population by sharing best EU experience. This project could also provide an entry point for further aid programmes in the healthcare sector. The proposed set of interventions was directly initiated by the Ministry of Health, thus it is based on explicit demand of the Beneficiary.

This intervention logic is based on emphasizing the central component of the project – support of quality infrastructure for pharmaceutical products, an area where both the EU and Belarus can take advantage of the successful implementation of past projects, thus ensuring the high probability of smooth implementation. This highly technical component is complemented by softer, directly population oriented and much more visible interventions aimed at supporting pilot projects to tackle major problems in the healthcare sector by promoting preventive activities against non-communicable diseases. A light and flexible technical assistance component will be further put at the disposal of the government to provide advice on a future possible reform agenda aimed at the overall modernisation of the healthcare system in Belarus, in order to ensure its sustainability and best adaptation to the needs of the population.

## **2.2. Context**

### **2.2.1. Country context**

#### **2.2.1.1. Economic and social situation and poverty analysis**

Belarus has a strong emphasis on human capital development, including support to public health. About 6% of the GDP is annually spent on health care financing. Having developed a strong hospital based healthcare system, Belarus nevertheless faces numerous challenges in the sector, which continues to function on a Soviet heritage pattern and has not undergone significant reform since independence of the country in 1990. Major problems are linked to high rates of non-communicable diseases, underdevelopment of primary and preventative care, and lacking quality control of healthcare services and products.

#### **2.2.1.2. National development policy**

Modernisation of the healthcare system is one of the Belarus' development priorities reflected in main strategic documents – National strategy of sustainable socio-economic development until 2020, Programme of social-economic development of Belarus for 2011-2015 and National programme of demographic security for 2011-2015. These documents promote the objectives of improvement of public health as well as the quality increase of medical products and services.

### **2.2.2. Sector context: policies and challenges**

Belarus has its own national system of quality control for medical products, administered by the Ministry of Health and its branches. The coordination of these activities is ensured by the Department of pharmaceutical inspection of the Ministry of Health. The medical quality control system is represented by twelve laboratories, which ensure the full range of quality control activities. Nevertheless, the national system is disconnected from the international medical testing laboratories network and the test results are not recognised outside Belarus. As a result, Belarus finds itself currently excluded from the European information exchange network on quality of medical products thus having limited possibilities to react to possible irregularities on the medical market. In addition, Belarusian medical producers and institutions are forced to undergo costly overlapping inspections in the EU.

The health of the Belarusian population continues to be affected by inappropriate use of alcohol, tobacco, unhealthy diet and physical inactivity; factors which contribute to premature mortality from non-communicable diseases and injuries. According to the national official statistic review (2011) the life expectancy among men in 2010 was 64.6 years and for women it was 76.5 years which are well below the EU averages.

Currently, the public health response is weak and a systematic strengthening of the public health system is required to enable it to control risk factors adequately including substantial capacity building in the areas of health promotion and education.

The proposed actions forming a single integrated project are in line with the priorities of the National Indicative Programme 2012-2013 for Belarus: promoting good governance standards and implementation of policy reforms (sub-priority 1.1) and sustainable modernisation of the country's economy including regulatory convergence and legislative approximation (priority area 2).

Several special national programmes focus on the specific problems listed above, that the project intends to tackle: National programme for prevention and overcoming of drunkenness and alcoholism for 2011-2015, National complex programme for prevention, diagnosis and treatment of oncologic diseases for 2010-2014, State programme "Cardiology" for 2011-2015, State programme for HIV-infection prevention for 2011-2015.

Effective combination of efforts of Belarus and the EU in this new cooperation area would contribute to the qualitative changes in health sector, bringing direct benefit to the people of Belarus.

### 2.3. **Lessons learnt**

The project is meant to be a first step into a new area of co-operation between the EU and Belarus – healthcare. Belarus and the EU have a limited record of cooperation in the health sector but an extensive experience of work in the field of support to quality infrastructure. The experience of the projects Support to Quality Infrastructure in Food Safety (AAP 2009) and Support to Belarus in the field of Norms and Standards (AAP 2010) show that Belarusian counterparts are very willing to co-operate on technical proposals which can open doors to advocate necessary system changes and reforms in the concerned sector. The combination of technical supply with policy advice and capacity building proves to be the most efficient mode of intervention.

The "Evaluation of health sector in the Republic of Belarus" finalised in December 2012 confirmed the relevance of the raised problems and the existing needs of the Belarusian partners, especially relating to prevention of non-communicable diseases and support to quality infrastructure for medicines.

### 2.4. **Complementary actions**

**Multilateral co-operation on health topics** (sector reform, HIV/AIDS and tuberculosis, approximation and implementation of EU practices) has been organised within the thematic platform on Economic integration and convergence with EU policies in the framework of the **Eastern Partnership**. This co-operation is aimed at possible partnership arrangements between partners' authorities and the Commission and EU Member States to strengthen institutional capacity and enhance preparedness to tackle the cross-border spread of diseases.

**EU thematic instruments** – Investing in People, Non State Actors and Local authorities, and the European Instrument for Democracy and Human Rights target health and social inclusion as important priority.

HIV prevention activities are managed by UNDP and funded by the **Global Fund to Fight AIDS, TB and Malaria** (GFATM). Financial resources currently designated by the GFATM for HIV programmes implemented by UNDP in Belarus amount to over USD 42 million. Global Fund's grants are implemented in close partnership with government and civil society.

A number of **local cross border cooperation** projects has also been realised in the healthcare sector.

### 2.5. **Donor coordination**

Considering that healthcare is a specific and traditionally closed sector, international donor assistance has been until now almost exclusively channelled through

specialised UN agencies: UNDP, WHO, UNAIDS, UNFPA, UNICEF. This pioneer project will draw considerably from the long experience of the UN family in the health sector. Necessary standing coordination mechanisms locally – regular meetings between the Delegation and the UNDP as representative of the UN agencies in Belarus, as well as globally, contribute to establishment of unified approaches and coordinated activities, in line with the principles of the Paris Declaration.

Coordination with the Beneficiary government, especially with the project partner – Ministry of Health – is ensured through the National Coordinating Unit, as well as through dedicated meetings closely monitored on the highest level by Ministry officials. An EU-BY technical dialogue in the health sector could be envisaged. Interaction with Member States is arranged through regular donor coordination sessions called by the EU Delegation.

### **3. DETAILED DESCRIPTION**

#### **3.1. Objectives**

**Overall objective:** To contribute to the improvement of healthcare and wellbeing of the Belarusian people.

**Specific objective 1:** To strengthen quality support infrastructure for pharmaceutical products;

**Specific objective 2:** To contribute to efficient prevention of non-communicable diseases, including through implementation of pilot projects with active involvement of non-state actors on the local level;

**Specific objective 3:** To support the modernisation of the Belarusian healthcare system by providing competent policy advice.

#### **3.2. Expected results and main activities**

##### **Expected results**

##### **Under specific objective 1:**

- Belarusian system of quality control of pharmaceutical products is strengthened and upgraded, certified to international and European standards and integrated into the General European Official Medicines Control Laboratories network;
- A number of testing laboratory specialists have built their professional capacity, and visited the EU on study tours and internships.

##### **Under specific objective 2:**

- Evidence-based policies in the areas of alcohol, tobacco, unhealthy diet and physical inactivity formulated, implemented and evaluated;
- Health promotion approach integrated in primary health care (PHC) by introducing WHO recommended interventions and training of PHC staff on health promotion and prevention of non-communicable diseases;

- Information and education strategies on healthy live-styles promotion and non-communicable diseases prevention introduced with special emphasis on the local level with wide involvement of grass-roots civil society organisations;
- Participatory grant scheme to support local initiatives aimed at healthy life-styles promotion organised and implemented on the national level;
- Quality assured population-based screening for breast and cervical cancers are elaborated and introduced;
- Comprehensive system of child’s injuries prevention developed and integrated into PHC.

**Under specific objective 3:**

- Healthcare sector modernisation agenda is discussed and presented to the government;
- A number of relevant officials took part in capacity-building and EU networking events.

**Indicative activities**

**Component 1 – International accreditation of Belarusian testing laboratories for medical products**

This component will contribute to the introduction of international standard of quality management ISO/IEC 17025 into Belarusian testing laboratories in the health sector. At the same time assistance will be delivered to ensure the integration of the Pharmaceutical Inspection of the Ministry of Health of Belarus into the Pharmaceutical Inspection Co-operation Scheme (PIC/S). The action will be completed by introducing the participating Belarusian testing laboratories into the network of official medicines control laboratories (OMCLs) of the European Directorate for the Quality of Medicines and Healthcare (EDQM).

The following indicative activities are expected to contribute to reaching project's results:

- Comprehensive audit of the existing testing laboratories, identification of capacity building and equipment needs;
- Capacity building programme for testing laboratories specialists (3 from each participating laboratory) including internships in one of the OMCLs Network institutions;
- Supply of necessary testing equipment, training of equipment operators;
- Audit and inspection to receive ISO/IEC 17025 standard qualification;
- Elaboration of action plan to join the PIC/S, including necessary training and

- capacity building for the employees of the Pharmaceutical inspection of the Ministry of Health;
- Preparation and implementation of EDQM audit and inspection to join the OMCLs Network;
- Introduction of the information exchange system on quality of medical products within the OMCLs Network.
- Launching cooperation with the European Medicines Agency and European medicines network.

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**Component 2 – Prevention of non-communicable diseases and promotion of healthy lifestyles:**

This component will deliver technical assistance to the Ministry of Health as well as implement several pilot projects. All indicative activities listed below are targeted to be implemented primarily on the local level with wide involvement of civil society organisations, local initiatives, and local authorities. Planned implementation of this component by UN agencies bring additional added-value taking into account the extensive experience and broad expertise of UNDP, UNICEF, UNFPA and WHO to working namely with the local level stakeholders. The coordination of different UN agencies will be ensured by UNDP office in Minsk, as lead UN agency in Belarus.

Indicative activities under this component include:

- Development of a national policy of health promotion and disease prevention for non-communicable diseases addressing effectively major risk factors (tobacco, alcohol, unhealthy diet, and physical inactivity) – WHO, UNDP, UNICEF; including a national information campaign on local (rayon) level supported by local health-care and social inclusion NGOs;
- Training of PHC staff on health promotion and disease prevention of non-communicable diseases - WHO, UNDP, UNICEF;
- Organisation of call for proposals for civil society organisations, local initiatives and local authorities aimed at promotion of healthy lifestyles – UNDP;
- Introduction of quality assured mass-screening and improvement of management of cervical and breast cancers, setting of quality assurance mechanisms, and capacity building of local health care specialists – WHO, UNDP, UNFPA;
- Improvement of quality of maternal and child health care and prevention of child morbidity – UNFPA, WHO, UNICEF;
- Development of a comprehensive system of child’s injuries prevention– UNICEF, WHO, UNDP.

**Component 3 – Support of the modernisation of the healthcare system:**

In the framework of this component relevant national stakeholders will receive technical assistance to identify the most important issues to be addressed in the modernisation of the healthcare system, including the financial sustainability of healthcare and introduction of best world practices (prioritisation of primary care, introduction of innovative financing mechanisms – health insurance).

The following activities could be envisaged:

- Supporting national and local health policy development in line with

- International Agency for Research on Cancer (IARC)/WHO standards (including sector policy assessment);
- Building capacity of relevant policy-makers;
  - Drafting of a reform action plan.

### **3.3. Risks and assumptions**

#### ***Risks***

Considering the high interest of the Ministry of Health to implement the project and active involvement in the identification and initial formulation process, sound ownership is expected to be ensured. In this context the main risk refers to repercussions of possible collisions between the EU and Belarus on the political level. This risk will be mitigated by putting strong emphasis on the technical aspect of the project and its overall benefit for the population of Belarus.

The social consequences of modernisation of the healthcare system may affect the motivation of the Government to carry out the necessary changes. Mitigation measures should include a high-level of consultancy to the Government.

- Assumptions

- Financial and economic stability;
- Government of Belarus' commitment to reform.

### **3.4. Cross-cutting issues**

Healthcare sector being at the intersection of numerous problems, the action will target the following cross-cutting issues: gender equality, good governance (in its reform agenda and decentralisation of the healthcare system), human rights, the rights of the child and vulnerable groups of population, and HIV/AIDs.

### **3.5. Stakeholders**

The Ministry of Health is the key institution in the organization of the Belarusian health system. Different departments within the Ministry of Health undertake planning in all aspects of human and physical resources, decide on the financing of services and administer the system.

The Regional Health Care Departments are significant agents in the organization of health care as they officially own all the state hospitals, as well as all polyclinics, outpatient clinics and feldsher - midwife points (FAPs) within their region. The Regional Health Care Departments are established and controlled by the Regional Executive Committee with the formal approval of the Ministry of Health. Although they are subordinated to the republican-level Ministry of Health, they do have limited autonomy in the organization of services and, to a certain extent, their funding from the regional budgets. At district level, the Administration of the District Central Hospital works with the District Executive Committees (local government).

National and regional NGOs involved in social sphere and healthy lifestyles promotion are also important stakeholders.

Target groups include the relevant ministerial officials, employees of the national testing laboratories network, population at large.

Pharmaceutical producers will be also directly targeted by the project.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. 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 the Financial Regulation.

##### 4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is **60 months**, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

##### 4.3. Implementation components and modules

###### 4.3.1. Procurement (direct centralised management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
International accreditation of Belarusian testing laboratories for medical products (Component 1) and Support of the modernisation of the healthcare system (Component 3).	Services	1	III, 2014
Supply of necessary testing equipment, training of equipment operators (Component 1).	Supply	1	I, 2015
Evaluation and audit.	Services	2	III, 2016 I, 2018

###### 4.3.2. Joint management with an international organisation

A part of this action with the objective of contributing to efficient prevention of non-communicable diseases with active involvement of non-state actors on the local level will be implemented in **joint management with UNDP**.

This implementation is justified because the proposed action being the first EU national entry project in the health sector in Belarus, it appears reasonable to rely on the existing expertise of an experienced partner. Considering the specific mandate of UN agencies in the health field, extensive partnerships with healthcare civil society organisations and experience in activities at the local level in Belarus, component 2 will be implemented by UNDP.

Under the UN policy "Deliver as one" (DAO) UNDP will coordinate the contributions from other UN agencies according to the specific mandates of these agencies. UNDP will coordinate and manage the involvement of specialised UN agencies such as WHO, UNFPA, UNICEF, allowing for an integrated approach

encompassing multiple intervention aspects into one single action. Moreover, UNDP proves to have an extensive network of non-state partners on the regional and local level, allowing for active and decisive implication of NGOs, local communities and local authorities.

**Co-financing** from UN agencies was confirmed on the level of **EUR 300.000**.

Joint management with this international organisation in accordance with Article 53d of Financial Regulation 1605/2002 is possible because the organisation is bound by a long-term framework agreement (FAFA). The project is furthermore elaborated jointly between the organisation and the Commission, and is a multi-donor action pooling funds of several donors which are not earmarked for specific expenditure.

The international organisation will award and implement all contracts implementing the action in accordance with the procedures and standard documents laid down and published by UNDP.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

#### **4.4. Scope of geographical eligibility for procurement in direct centralised and decentralised management**

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21 (7) of the basic act on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### **4.5. Indicative budget**

<b>Module</b>	<b>Amount in EUR thousands</b>	<b>Third party contribution (indicative, where known)</b>
4.3.1. – Procurement (direct centralised)	4.500	N.A.
4.3.2. – Joint management with UNDP	3.300	300
4.7. – Evaluation and audit	200	N.A.
4.8. – Communication and visibility	-	N.A.
Contingencies	N.A.	N.A.
<b>Totals</b>	<b>8.000</b>	<b>300</b>

#### **4.6. Performance monitoring**

*Components 1 and 3:* The Delegation of the European Union to Belarus will carry out routine monitoring of the activities carried out by the Contractors. Objectively

verifiable indicators (OVI), both qualitative and quantitative, will have to be part of the methodologies included in the technical proposals. Given the demand-driven character of the programme, the final OVIs must be designed properly and should be further revised at the start of the third year.

*Component 2:* The monitoring of the day to day implementation will be carried out by UNDP under its standard procedures, based on benchmarks to be agreed with the project beneficiaries and with the Delegation of the European Union to Belarus. It will include periodic assessment of progress and delivery of specified project results towards achievement of project objectives. Key indicators for performance monitoring will include such items as number of local initiatives implemented, community organisations formed, information events organised. Along with standard UNDP procedures, the Delegation of the European Union to Belarus will ensure proper implementation monitoring by conducting regular reviews of project progress and analysis of project performance.

#### **4.7. Evaluation and audit**

The project will be evaluated/audited according to standard Commission procedures. Mid-term and/or final evaluation of the results achieved are envisaged. An appropriate allocation for each component is set aside for this purpose.

Results-oriented monitoring will complement regular evaluations when needed.

Evaluation/verification of the joint management components will be according to the Financial and Administrative Framework Agreement between the European Commission and the United Nations (FAFA).

#### **4.8. Communication and visibility**

Communication and visibility activities should follow the Communication and Visibility Manual for European Union External Actions. They should also be fully in line with the developments in the overall EU-Belarus relations. The project will aim, whenever possible and in line with EU's policy, for widespread dissemination of its achievements and results. On starting activities, communication and visibility plans will be prepared and submitted to the EU Delegation for approval as per the Communication and Visibility Manual for European Union External Actions.

Communication and visibility activities of the joint management components will be according to the Financial and Administrative Framework Agreement between the European Commission and the United Nations (FAFA).

## ANNEX II

of the Commission Implementing Decision on the Annual Action Programme 2013 in favour of Belarus

### 1. IDENTIFICATION

Title/Number	<b>Extension of the programme "Support to regional and local development in Belarus" (RELOAD-2)</b> CRIS number: ENPI/2013/024-680		
Total cost	Total estimated cost: EUR 3.600.000 Total amount of EU budget contribution: EUR 3.500.000 This action is co-financed in joint co-financing by UNDP for an amount of EUR 100.000 (to be confirmed).		
Aid method / Method of implementation	Project Approach Direct centralised management – procurement of services, supplies for Component 1 Joint management with UNDP for Component 2		
DAC-code	15112	Sector	Decentralisation and support to subnational government

### 2. RATIONALE AND CONTEXT

#### 2.1. Summary of the action and its objectives

RELOAD-2 is called to extend the RELOAD programme with its regional and local components to include the two uncovered regions: Grodno oblast and Minsk oblast<sup>7</sup>. The implementation of RELOAD-2 will allow affirming the role of regional and local communities in Belarus and stimulate regional growth. RELOAD-2 will support national regional development efforts with examples, pilot projects and local-level initiatives. The programme is expected to promote dynamic regional development as one of the driving forces of the Belarusian economy and an additional source of country's competitive advantage.

#### 2.2. Context

##### 2.2.1. Country context

###### 2.2.1.1. Economic and social situation and poverty analysis

- Many of the Belarus' districts have signs of recessive development. In general, compared to the capital Minsk and the six regional centres as opposed to the oblasts, territorial development in Belarus is much misbalanced. While Belarus has developed elaborated programming documents and development strategies, it still lacks a comprehensive strategic document on regional development policies.

<sup>7</sup> Minsk oblast (region), representing 20% of the country's area and 15% of the population, is not to be confused with the capital city of Minsk.

#### 2.2.1.2. National development policy

- Regional and Local Development is one of the key priorities of the socio-economic development policy of Belarus. National programming documents such as "Programme of Social-Economic Development for 2011-2015", "National Strategy for Sustainable Development of Belarus until 2020" clearly indicate sustainable regional development as one of the central country development axes.

#### 2.2.2. *Sector context: policies and challenges*

- Drafting of a unified National Regional Development Concept is expected to be one of the major outcomes of the national component of AAP 2011 programme "Support to regional and local development in Belarus" (ENPI/2011/22824, hereafter referred as RELOAD). The RELOAD programme is also designed to develop competences of Belarusian regional and local counterparts in regional development management in four participating regions (Brest, Gomel, Mogilev and Vitebsk), as well as to enable citizens at local level to take an active part in decision making concerning the socio-economic and cultural development of their communities.
- The initial choice of the first four pilot regions was based on a combination of social and economic indicators aiming to assist the least developed regions. Active support and interest from the Belarusian counterparts, as well as the specificity of the centralised management system of the country calls for adopting a holistic approach to the whole territory, all six regions.
- The importance of supporting regional and local level in Belarus is intensifying in the challenging economic environment of the country. Indeed, the economic crisis of 2010-2011 strongly affected the plans of the Government which was forced to decrease the financing of many of the regional and national programmes. Therefore, development of local sources of growth on the grass-root level would contribute to the country's sustainability.
- In this way, this action is a logical and awaited continuation of the RELOAD programme, and has the same purpose and objectives which have been outlined above. This will reinforce the transformation of regional development in line with the provisions of the EU cohesion policy as well as with the aims of the Eastern partnership, by: improving the attractiveness of regions and cities, encouraging innovation, entrepreneurship, knowledge economy, creating more and better jobs, investing in human capital. Capacity building of the regional and local actors, including communities and NGOs is seen as a prerequisite for the above mentioned policies. The involvement of the private sector in the regional policy can be ensured in accordance with the government Law on public-private partnership. A systemic approach (including economic, social dimensions) needs to be adopted, as well as coordination mechanisms between major stakeholders at national and regional levels.

#### 2.3. **Lessons learnt**

- Due to lengthy national endorsement processes, lessons learnt from the RELOAD programme are limited, as the programme has been launched only recently. Nevertheless, it is obvious from past experience that in the absence of local self-governance skills and practices it is important to secure the political commitment

on the national level. While central and regional partners are very enthusiastic on supporting the programme's objectives, they clearly lack capacity to design and implement regional development actions. Thus, the continuation of capacity building of all counterparts has to be a precondition for successful project implementation.

- The project draws from past experience of an EU-funded project "Area Based Approach to Local Development" (ABD) implemented in Gomel Region in the context of post-Chernobyl recovery of the area which involved local authorities and civil society organisations in developing sustainable development strategies. The project has proved that the community building approach is an effective tool of local development in specific country context.

#### 2.4. Complementary actions

- **ENPI Cross-Border Cooperation programmes** Latvia-Lithuania-Belarus and Poland-Belarus-Ukraine. Both Minsk and Grodno regions are active participants of the programmes. Necessary coordination of activities will be ensured by national registration procedures as well as through the National Coordination Unit. The present programme will largely benefit from valuable experience gained by regional and local stakeholders through the participation in CBC projects such as project management skills and efficient local partnerships.
- **EU thematic instruments** – Investing in People, Non State Actors and Local authorities and the European Instrument for Democracy and Human Rights.
- **AAP 2012 "Green Economy in Belarus"** (GREEB) is aimed among other at promoting green economy decision making and production/consumption patterns through support and implementation of small green initiatives, pilot projects and visibility/public awareness projects, including on the regional and local level. Addressing these issues entails both improving legislation and building the capacity of regional and central environmental bodies with the transfer of proper techniques, knowledge and skills. Regional and local components of the programme will be implemented by UNDP and coordinated with relevant activities of RELOAD-2.
- **AAP 2012 Greening Economies in the Eastern Neighbourhood (EaP-GREEN) programme** aims to mainstream sustainable consumption and production into national development plans, legislation and regulatory framework as well as environmentally sustainable economic development by shifting to green economy through the adaptation and adoption of sustainable consumption and production practices.
- **AAP 2013 EaP Territorial Cooperation Support (TCP) Programme** will be indirectly supporting local and regional development. The projects aim to replicate the model of cross-border cooperation programmes without the involvement of EU Member States. Project priorities should include the promotion of economic and social development in regions on both sides of common borders, promotion of local cross border "people-to-people" actions. Main complementarities between TCP and RELOAD will be in capacity building activities on the local level. Coordination with RELOAD-2 programme will be ensured by the Delegation of the European Union to Belarus as well as through programme steering bodies.

- European Parliament pilot project "**Enhancing regional and local cooperation through the promotion of EU regional policy at a global scale**" aims at building up knowledge and experience of regional policy in the framework of the strategic partnership between the Commission and third countries, as well as initiating new regional partnerships. The actions supported will include the organisation of events, information activities, study visits, networking and studies. Necessary measures will be taken to avoid duplication of activities within the two programmes.

## **2.5. Donor coordination**

The Delegation of the European Union to Belarus hosts regular donor coordination sessions involving largest local players including UNDP and Member States in line with the principles of the Paris Declaration.

Dedicated numerous working coordination meetings with UNDP and the Beneficiary, represented by the Ministry of Economy, ensure day-to-day coherence of activities.

Necessary government coordination is ensured through routine meetings with the National Coordinating Unit.

## **3. DETAILED DESCRIPTION**

### **3.1. Objectives**

**Overall Objective:** To promote sustainable regional development in Belarus and particularly in the regions of Grodno and Minsk.

**Specific objectives:**

- 1) To develop competences and capacities of Belarusian regional and local counterparts in regional and local development management, including through realisation of pilot projects.
- 2) To enable citizens at local level to take an active part in decision making concerning the socio-economic and cultural development of their communities, including a micro-grant programme to support local initiatives.

### **3.2. Expected results and main activities**

- Support to regional development is a new cooperation area. It meets apparent demand expressed by Belarus authorities. While the national framework of regional development will be ensured by the RELOAD programme, the present project aims at continuing its regional and local components by targeted interventions in Minsk and Grodno regions. RELOAD-2 will support national regional development efforts with examples, pilot projects and local-level initiatives.

**Expected results:**

Component 1 - Regional level:

- Enhanced capacity of regional authorities and regional civil society organisations to formulate and update the development strategies.

- A number of pilot projects to support regional development strategies are implemented in Grodno and Minsk regions.

Component 2 - Local level:

- Modernised Area Based Development Programme launched and implemented with support of UNDP in continuation of the Component 3 of RELOAD.
- Enhanced capacity of local level stakeholders to plan and implement development strategies.

Indicative activities for Component 1

1. Elaboration of the comprehensive plans for regional development, including financing planning for Minsk and Grodno regions;
2. Wide public discussion on the identification of pilot projects involving national and regional authorities, civil society and other regional stakeholders;
3. Support of the pilot projects design and formulation, implementation of pilot projects in each of two regions to support regional development priorities.

Grodno and Minsk regions being the most developed territories due to their geographic position and historical socio-economic architecture, it was agreed with the Belarusian authorities that regional pilot projects activities should target but not be limited to the following key sectors:

- environment;
- support to private business development on the regional level;
- improvement of communal and housing sector.

Identification of pilot projects should result from wide public discussion involving national and regional authorities, civil-society stakeholders, in coordination with the Contracting Authority. Examples of pilot projects are but should not be limited to the following activities:

- feasibility studies for energy-efficiency / environmental friendly communal systems, supply of such systems;
- design and supply of innovative waste treatment facilities;
- promotion of green economy activities;
- promotion of national cultural identity and tourism development.

Indicative activities for Component 2

Central role in the implementation of this component will be played by local level civil society organisations in close partnership with local authorities.

1. Establishment of partnerships among local/regional stakeholders;

2. Social mobilisation for creation of support structures (community organisations);
3. Training/study visits and other support for institutional capacity building;
4. Participatory planning and mainstreaming of community plans;
5. Micro-project proposal preparation, appraisal, approval and funding of community projects (call for proposals under grant programme);
6. Awareness raising and creation of info-centres to support project activities.

### **3.3. Risks and assumptions**

#### **Risks:**

- 1) Central authorities have no willingness / possibility to adopt the regional development reform. Risk mitigation: high-level advocacy and consultancy on the positive economic and social potential impact of the regional development policy.
- 2) Regional and local authorities may be reluctant to introduce participatory approaches without a clear signal from the centre. Risk mitigation: clear interconnections between the project components will ensure its positive outcome. Regional and local activities will build on national regulatory component of RELOAD programme. Intensive awareness raising measures including TAIEX seminars should also contribute to the risk mitigation.

#### **Assumptions:**

- 1) The Government of Belarus stays committed to the issues of regional and local development and its officials take part in the project activities.
- 2) Local authorities and communities establish fruitful dialogue and show interest in grant programmes.
- 3) Residents of the target regions are interested in the active involvement in development and implementation of community based projects.

### **3.4. Cross-cutting issues**

As local initiatives of the communities often deal with environmental problems of a specific area, the action will have a positive environmental impact. Recent experiences on community based projects show that energy efficiency matters are likely to be taken into consideration when drafting bottom-up proposals coming from the communities. Gender equality, good governance, human rights will be directly targeted cross-cutting issues for this project.

### **3.5. Stakeholders**

Key stakeholders will remain the same as for the RELOAD programme – regional and local self-governance bodies, civil society organisations, central authorities in charge of regional development.

The proposed project will impact first and foremost on local communities, NGOs and institutions (local/regional councils, district/regional state administration) involved in local development.

It is expected that the following target groups will directly benefit from the project implementation:

- Regional level: regional NGOs, economic departments of the regional executive committees, regional councils of deputies, regional development agencies.
- Local level: representatives of local communities, SMEs, local councils, NGOs.

#### 4. IMPLEMENTATION ISSUES

##### 4.1. 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 the Financial Regulation.

##### 4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is **60 months**, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

##### 4.3. Implementation components and modules

###### 4.3.1. Procurement (direct centralised management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Capacity-building of regional stakeholders, elaboration of regional development plans, support of the pilot projects design and formulation.	Services	1	III, 2014
Implementation of pilot projects in each of two regions to support regional development priorities.	Services, Supplies	2	III, 2015
Evaluation and audit.	Services	2	III, 2016 I, 2018

###### 4.3.2. Joint management with an international organisation

A part of this action with the objective of enabling citizens at local level to take an active part in decision making concerning the socio-economic and cultural development of their communities will be implemented in joint management with UNDP.

This implementation is justified because the involvement of UNDP is expected to bring additional value to the project. Indeed, as UNDP manages the 1<sup>st</sup> stage of the RELOAD programme, logical continuation of the programme requires the same

actors to be responsible for the project to ensure better continuity and sustainability of the results.

Established close connections of UNDP with the local level civil society organisations and local communities who are the main stakeholders of the project as well allow for active and decisive implication of NGOs, local communities and local authorities.

The current project largely draws on past experience of the EU-UNDP project ‘Area Based Approach to Local Development’ implemented at Gomel Region in the context of post-Chernobyl recovery of the area, which involved local authorities and civil society organisations in developing sustainable development strategies.

In addition, good apolitical contacts of UNDP to central and local authorities should provide for smoother coordination, approval and registration.

UNDP intends to co-finance the action on the level of EUR 100.000.

Joint management with this international organisation in accordance with Article 53d of Financial Regulation 1605/2002 is possible because the organisation is bound by a long-term framework agreement (FAFA). The project is furthermore elaborated jointly between the organisation and the Commission and is a multi-donor action pooling funds of several donors which are not earmarked for specific expenditure.

The international organisation will award and implement all contracts implementing the action in accordance with the procedures and standard documents laid down and published by UNDP.

The change of method of implementation constitutes a substantial change except where the Commission "re-centralises" or reduces the level of budget-implementation tasks previously entrusted to the international organisation.

#### **4.4. Scope of geographical eligibility for procurement in direct centralised and decentralised management**

Subject to the following, the geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies and materials purchased as established in the basic act shall apply.

The responsible authorising officer may extend the geographical eligibility in accordance with Article 21 (7) of the basic act on the basis of the unavailability of products and services in the markets of the countries concerned, for reasons of extreme urgency, or if the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

#### **4.5. Indicative budget**

<b>Module</b>	<b>Amount in EUR thousands</b>	<b>Third party contribution (indicative, where known)</b>
4.3.1. – Procurement (direct centralised)	2.400	N.A.
4.3.2. – Joint management with UNDP	1.000	100

<b>Module</b>	<b>Amount in EUR thousands</b>	<b>Third party contribution (indicative, where known)</b>
4.7. – Evaluation and audit	100	N.A.
4.8. – Communication and visibility	-	N.A.
Contingencies	N.A.	N.A.
<b>Totals</b>	<b>3.500</b>	<b>100</b>

#### **4.6. Performance monitoring**

*Component 1:* The Delegation of the European Union to Belarus will carry out routine monitoring of the activities carried out by the Contractors. Objectively verifiable indicators (OVI), both qualitative and quantitative, will have to be part of the methodologies included in the technical proposals. The final OVIs must be further regularly revised in close coordination with the Beneficiary's needs and ambition.

*Component 2:* The monitoring of the day to day implementation will be carried out by UNDP under its standard procedures, based on benchmarks to be agreed with the project beneficiaries and with the Delegation of the European Union to Belarus. It will include periodic assessment of progress and delivery of specified project results towards achievement of project objectives. Key indicators for performance monitoring will include such items as number of partnerships signed, community organisations formed, projects implemented. Along with standard UNDP procedures, the Delegation of the European Union to Belarus will ensure proper implementation monitoring by conducting regular reviews of project progress and analysis of project performance.

#### **4.7. Evaluation and audit**

The project will be evaluated / audited according to standard Commission procedures. Mid-term and/or final evaluations of the results achieved are envisaged. An appropriate allocation for each component is set aside for this purpose.

Results-oriented monitoring will complement regular evaluations when needed.

Evaluation/verification of the joint management component will be according to the Financial and Administrative Framework Agreement between the European Commission and the United Nations (FAFA).

#### **4.8. Communication and visibility**

Communication and visibility activities should follow the Communication Visibility Manual for European Union External Actions. They should also be fully in line with the developments in the overall EU-Belarus relations. The project will aim, whenever possible and in line with EU's policy, for widespread dissemination of its achievements and results. On starting activities communication and visibility plans

will be prepared and submitted to the EU Delegation for approval as per the Communication and Visibility Manual for European Union External Actions.

Communication and visibility activities of the joint management component will be according to the Financial and Administrative Framework Agreement between the European Commission and the United Nations (FAFA).