

LOCAL ECONOMIC DEVELOPMENT PLAN

Municipality: Slavgorod District, Mogilev Oblast

Country: The Republic of Belarus

Slogan: Slavgorod district is the territory of successful entrepreneurial ideas

This Plan was prepared with technical support from the Mayors for Economic Growth initiative of the European Commission. It was reviewed by staff of the World Bank and considered in line with the principles of the Mayors for Economic Growth initiative. Its content is owned by and remains sole responsibility of Slavgorod municipality."

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List of Abbreviations

Abbreviation Complete form

M4EG - The EU Initiative "Mayors for Economic Growth"

LEDP - Local Economic Development Plan

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1 euro = 2.3553 BYN

Preface from the Chairman of the Slavgorod District Executive Committee

Slavgorod district is part Mogilev Oblast. It has its own unique image, a rich long history and picturesque nature.

The city of Slavgorod is one of the oldest cities of Belarus. For its centuries-old history, the city was repeatedly invaded and devastated, but revived and rose from the ashes and ruins many times. To this day, the Slavgorod land is cherishing the memories of the unparalleled military feat manifested in the years of the World War II. In order to perpetuate the memory of more than 10 thousand defenders of the Fatherland who perished for the liberation of the district during the war and for the glory of all the liberators, the ancient city of Propoisk received the proud name of Slavgorod (the City of Glory) in 1945.

Each page of the historical chronicle of the district is full with the good deeds of the Slavgorod people wishing to make their life worthier and the city and settlements more beautiful and comfortable. Due to high professionalism and creative potential of the residents, Slavgorod is a modern city today.

The Slavgorod land is generous and fertile. The district maintains stable positions in the production and sale of the main types of agricultural products, such as grain, milk, meat, vegetables, and fruits. Modern housing and socially important facilities are being built in the district; transport, communications, trade, services and entrepreneurship are developing. There is a significant progress in the social sphere. The cultural, sports and creative life in the district is rich. The district brings up the worthy citizens of the country.

The priority of the district is to assist foreign and local investors in the establishment of new enterprises and industries, the development of small and medium-sized businesses, the involvement in the economic circulation of unused property in public ownership, the implementation of socially significant projects, including based on the principles of public-private partnership. The work in this field is aimed at the creation of a business-friendly environment, promotion of development and assistance to the newly created small and medium-sized enterprises.

To achieve the goals within M4EG, the Local Economic Development Plan (hereinafter – the LEDP) has been elaborated. The LEDP complements the Plan for Social and Economic development of Slavgorod district for 2016-2020 and other planning documents in terms of supporting business initiative and entrepreneurship and promoting the expansion of the private sector and its role in the life of the district.

We believe that for the economic development of Slavgorod district, it is important that all business entities and individuals are involved in the economy of the district and join forces for cooperative actions using the opportunities offered by the participation in the EU initiative "Mayors for Economic Growth".

I hope that the implementation of the LEDP will contribute to the successful implementation of business ideas and will give an additional impetus to the economic development of the district and Belarus.

Konstantin Zhigutsky

Chairman of the Slavgorod District Executive Committee

In order to get a copy of this Plan, please contact:

NAME Sviatlana Yazerskaya

Position: Chairman of the Slavgorod District Council of Deputies

Address: Republic of Belarus, Mogilev Oblast,

Slavgorod, ul. Oktyabrskaya, 3

Phone: +375 224679629, **Fax:** +375 22467332,

Email: <u>slavrikgl@mogilev.by</u>; ezerskaya.svetlana13@gmail.com

Website: http://slavgorod.gov.by

Executive Summary

Slavgorod district joined the EU Initiative "Mayors for Economic Growth" and took voluntary commitments which are presented in the Concept of the Initiative. Slavgorod district shares goals and objectives aimed at the economic growth and job creation. According to the signed Memorandum, the district undertakes to cooperate closely with the business community and civil society for achieving the objectives.

In accordance with the commitments of the signatory, the district developed this Local Economic Development Plan (the LEDP) which is in line with the Belarusian state economic policy and aimed at accelerating sustainable and inclusive local economic growth, job creation, increasing incomes of the population, and improving the social environment.

The LEDP complements the Plan for Social and Economic Development of Slavgorod District for 2016-2020 and other planning documents, and promotes their implementation for supporting entrepreneurship and business initiatives. The Plan was elaborated on the basis of cooperation between the government and the business with the involvement of representatives of civil society in some discussions, whose points of views were taken into account during the planning process. When developing the LEDP, the data from national and local statistics, the results of previous sociological studies and expert opinions were used.

As a result of the analysis, including SWOT analysis, the main competitive advantages of the district were identified, vision and objectives of the district development were developed and the activities aimed at their implementation based on the current priorities of the district's economic development were proposed.

Competitive advantages: unique natural sites, rich history and intangible heritage, labor potential of the population, experience in the development and implementation of innovative practices within various projects.

Vision:

Slavgorod district is the territory of an open, competitive and sustainable economy, innovatively realizing its entrepreneurial capacity on the basis of a public-private partnership and regional cooperation in agriculture, ecological, pilgrimage and food tourism; a good place to work, live and visit.

Strategic goals and activities in support of their implementation:

- 1. Creating conditions for the development of small and medium-sized businesses:
- 1.1. Developing a local program for the entrepreneurship development;
- 1.2. Establishing an educational, information and consulting center for the rural entrepreneurship development;
 - 1.3. Creating and launching the public-private business model of the "Amulet Prisozhiya" Eco-park;
- 1.4. Creating a cluster of Slavgorod cheese-makers (small family farms, entrepreneurs, and a retail network).
 - 2. Developing marketing policy and the system of promotion of local products and services:
 - 2.1. Developing the marketing and branding concept of the district;
 - 2.2. Creating a unified information network through IT technology;
- 2.3. Holding a series of practical trainings for entrepreneurs to study the market channels and use the marketing tools:
 - 2.4. Holding newsworthy events to promote the district as a tourist destination;
- 3. Strengthening local cooperation and networking with adjacent districts to exploit the collective competitive advantages, and to rationalize employment and self-employment:
 - 3.1. Creating a regional (interdistrict) tourism cluster and promotion of its products;
- 3.2. Organizing a regional (interdistrict) business workshop on the basis of the center of rural entrepreneurship:
- 3.3. Developing and launching a SMART-app about local goods, services, projects, and opportunities for the SME development;
 - 3.4. Organizing and holding the regional economic forum.

The main sources of financing the LEDP, the implementation of which is foreseen for 2019-2020, will be funds of the local budget, private business and donor funds, including the EU projects "BRIDGE as the Pilot Eco-Business Model for Local and Regional Economic Growth", "Networking for Job Improvement Opportunities in the Rural Areas of Mogilev Region" and the project supported by the Small Grants Program of the Global Environment Facility "Energy saving renovation of long-unused building in a specially protected area for the Rural Development Center" and financed by the United Nations Office for Project Services (UNOPS).

The total budget of the LEDP is 2,133,449 BYN (905,808 euro); the budget deficit is planned at 275,240 BYN (116,860 euro) and is considered as an incentive for finding additional funds for the implementation of the planned activities.

The implementation of the Plan will be monitored twice a year.

Introduction

The Slavgorod District Executive Committee joined the European Union Initiative "Mayors for Economic Growth" in 2017, as the local administration is interested in developing the private sector, stimulating employment, and improving the competitiveness of the district's economy based on increased investment and broadening the public-private partnership.

The Slavgorod District Executive Committee believes that participation in the Mayors for Economic Growth Initiative allows getting access to new knowledge, best practices and innovative approaches to local governance, and increasing opportunities for obtaining financial support for the implementation of the objectives.

By signing the Membership Form of the Initiative, Slavgorod district undertakes to work closely with the business community and civil society for the sustainable and equitable local economic growth and job creation. According to the signatory's obligations, the district developed this Local Economic Development Plan, which aims to promote the development of small and medium-sized enterprises as the main facilitator of the economic growth and job creation.

Slavgorod district is located 287 km away from the capital of the Republic of Belarus – the city of Minsk, in the south-eastern part of Mogilev Oblast, 68 km away from the Oblast center, in the basin of the Pronya and Sozh Rivers (Annex 1). The district has no railways, and there is no navigation on the Sozh River. The district's external transport links are provided by roads. The district has several deposits of peat and sandy gravel. Slavgorod district covers an area of 131.8 thousand hectares, including farmland accounting for 39% of the total area of the district, of which 22.3% are arable land. The soil fertility of the farmland is quite high in comparison with the other districts of the Oblast. The forest covers 49% of the total area. Pine, spruce and aspen forests prevail. In forests, fields and wetlands with the total area of about 120 thousand hectares, moose, roe deer, wolf, fox and waterfowl hunting is available.

Great damage to the district was caused by the Chernobyl disaster. Slavgorod district is one of the most severely affected districts in Mogilev Oblast suffered from the radioactive contamination caused by the Chernobyl disaster in 1986.

As of January 1, 2018, the population of the district was 12.8 thousand people (47.6% men and 52.4% women). Currently the share of the urban population is 61.2%, rural -38.8%. The average number of people living in settlements is 80. The population of working age amounts to 6.6 thousand people. For a number of reasons, including low incomes of the population, the number of people employed in the economy decreased by almost 60% (from 8.6 to 4.8 thousand people) in 2017 compared to 1989.

In 2017, the migration balance was minus 82 people who left mainly to larger cities. 27% of the population of the district is elderly people. At the beginning of 2018, the average age of the population of the district was 43 years, including men -42 years and women -46 years. The official unemployment rate in Slavgorod district is 0.5%.

Slavgorod district has the crippled economy. It is based mainly on agricultural production, while the industrial sector is in the beginning of its establishment.

However, Slavgorod district has a number of competitive advantages, creating favorable conditions for the economic growth. The further economic development of the district depends on the implementation of these advantages in full.

One of the competitive advantages is the "Amulet Prisozhiya" Eco-park located in the district, 18,000 hectares of which belong to the national reserve "Slavgorod" (at the announcement stage). The territory is sparsely populated, and is characterized by a unique landscape and biodiversity. There is the pearl of the East European Plain – the natural monument Golubaya Krynitsa (Blue spring), which is a unique source with pearl-colored water in the district. To worship the shrine, up to 100,000 people come here every year. Visits of tourists are uncontrollable, presenting a threat to the ecology of the district. In addition, due to the lack of tourism infrastructure, tourists do not stay for long in the district. In 2018, the number of visitors are expected to grow 2-3 times, since the bridge is being built across the Sozh River leading to this site (there was a pontoon crossing before, thus the bus traffic was impossible).

To use the available natural potential, the Slavgorod District Executive Committee and the International Foundation for Rural Development (IFRD), which have a long history of fruitful cooperation, developed the project the "BRIDGE as the Pilot Eco-Business Model for Local and Regional Economic Growth" which became the winner in the tender procedure held within the Initiative "Mayors for Economic Growth" in 2017. The project aims to stimulate rural entrepreneurship for the economic development of Slavgorod district and is associated with the establishment of the Center for rural development and entrepreneurship support (hereinafter referred to as the business center) as an institution representing a pilot business model, using the "Amulet Prisozhiya" Eco-park as an example. This project, as well as other projects such as the project "Networking for Improvement of Job Opportunities in the Rural Areas of Mogilev Oblast" and the project supported by the Small Grants Program of the Global Environment Facility (SGP GEF) "Energy saving renovation of long-unused building in a specially protected area for the Rural Development Center operation" financed by the United Nations Office for Project Services (UNOPS), form the basis of the LEDP developed by the local Administration.

The LEDP was developed with the participation of representatives of local business community in view of the interests of civil society. During the implementation stage, it provides for a further active

dialogue with all stakeholders to ensure sustainable local development, to promote employment and to improve the welfare of the population.

The LEDP does not replace, but complements the Plan for Social and Economic Development of Slavgorod District for 2016-2020, contributes to the implementation of the Forecasts of the social and economic development of the district for 2019-2021, as well as the challenges of inclusive development of the territory designated by the local community in the Passport of the Area-Based Development of Slavgorod district (elaborated within the EU/UNDP project "Support to Local Development in the Republic of Belarus" in 2018).

The financing envisaged by the Plan is clearly defined taking into account the time needed for the implementation of the actions, is achievable and measurable.

1. Process of developing Local Economic Development Plan

To ensure the participation of both the public and private sectors in developing the LEDP, a drafting team was created by the decree of the Slavgorod District Executive Committee. The team consists of 15 members representing the governmental organizations, business community, civil society, etc. Sviatlana Yazerskaya, Local Economic Development Officer within the M4EG, who received four-stage training under the Initiative, provided methodological support and coordinated work on developing the LEDP (Annexes 2, 3).

The planning issues were discussed in close interaction between executive and representative authorities, organizations and branches operating in the district, representatives of business and public associations. The roles and contribution of each stakeholder to the planning, implementation, monitoring and evaluation of the planned activities were also discussed. As the result of the discussions, the main items of the Plan and the general vision of the district development were elaborated.

At a later stage, general coordination meetings of the drafting team were held 4 times (January, February, March and May 2018). As necessary, representatives of the drafting team held meetings and consultations on the Plan developing with representatives of the business community and public organizations, the Public Advisory Council for the Entrepreneurship Development of Slavgorod district, and the Public Council on Agroecotourism.

Non-commercial organizations took an active part in developing the Plan: the local fund of rural development "Vozrozhdenie-Agro", agricultural consumer cooperatives "Gizhinsky agrariy" and "Khvorostyanskiy", and International Foundation for Rural Development (the Belarusian non-profit organization, promoting the active involvement of local communities in solving local economic, social and environmental issues).

Most actively in the course of consultations, the issues of identification of objectives and financing were discussed when determining the list of the LEDP activities. All the meetings were held in a constructive manner. The proposals, problems, interests and vision of the development prospects identified during the meetings and consultations were systematized and analyzed when developing the general concept and individual items of the LEDP.

After approval of the Local Economic Development Plan, a broadened meeting of the Public Advisory Council for the Entrepreneurship Development of Slavgorod district, representatives of the authorities, non-profit organizations and the public was held. The LEDP was developed in view of the principles of unity, integration, consistency, permanence, flexibility, balance of interests, innovation, partnership and co-financing. The relevance and objectivity of the LEDP is confirmed by the use of the data of the national and local statistics and the results of previous sociological studies.

2. Local Economic Analysis

2.1. Analysis of Local Economic Structure

The district's economy is agrarian. More than 31% of the district population is engaged in production, including in agriculture – about 21%.

The main role in the development of the district's economy belongs to the agro-industrial complex. The district specializes in meat and dairy cattle breeding with developed grain farming and cultivation of forage crops. The share of crop production in the volume of the agricultural production of the district is 23% and the share of livestock production -63%.

The agricultural complex of Slavgorod district includes 10 agricultural enterprises, 9 peasant farms and 756 personal small-holdings. 12% of residents have personal small-holdings. The number of farms over the last three years has increased 3 times. Their specialization is sheep and goat breeding, milk production, growing seeds of herbs, mushrooms, and flax.

Currently the district is implementing the investment project "Construction of the pig-breeding complex with capacity of 24,000 heads per year of Mogilev Meat Packing Plant in the area of Peregon village of Slavgorod district" which was initiated by Mogilev Meat Packing Plant OAO. The total amount of planned investments is about 55 million BYN; the implementation is scheduled for 2018-2019; 57 new jobs will be created.

The major processing agricultural plant in the district is the Slavgorod branch of Babushkina Krynka OAO. It is part of the Dairy holding company Babushkina Krynka which is the largest Belarusian manufacturer of dairy products. The branch is fully equipped and modernized. A new cheese production

line, a cheese cutting machine, and a reverse osmosis unit for condensing the whey have been installed. Also there is a new automatic modular boiler-house "Ferroli" saving energy almost twice. The branch produces hard rennet cheeses "Creamy special", "Sour cream special", "Russian young" and others. The company produces about 10 tons of cheese per day.

The greatest number of value chains accounts for agriculture which has a potential for integration development. This, in combination with unoccupied production capacities, also creates new opportunities for small manufactures of agricultural products which can best succeed through joining efforts in representing their interests.

The building complex is represented by contractors: the state unitary communal subsidiary construction enterprise "Slavgorod mobile mechanized column No. 274" and the branch of the communal unitary enterprise on design, repairs and construction of roads "Mogilevobldorstroi" of the road repair and construction administration No. 129.

Trade services for the population of the district are provided through 108 stores (46 district consumers society stores and 62 retail outlets of private trade organizations and individual entrepreneurs), 6 mobile shops, 35 public catering facilities, and the market of the district consumers society.

An impressive impetus to the development of the region will be provided by the large investment project "Organization of the production of confectionery products in the city of Slavgorod", implemented by Krasny Pischevik OAO from Bobruisk. The production and trade unitary enterprise Krasny Pischevik-Slavgorod was registered in the district on November 1, 2017. The unused facilities of the former production workshop Prisozhie were sold at auction to the enterprise for further organization of the production. Preparatory work is currently underway. The project implementation period is 2018-2019. It is expected that at least 150 new jobs will be created. The total investment costs will amount to more than 24.0 million BYN.

The private sector today is represented by 186 business entities, including 44 legal entities and 142 individual entrepreneurs (Annexes 4-6). Tax revenues to the district budget from private sector enterprises are about 13%.

In 2017, 21 new individual entrepreneurs, 2 farmers, and 5 legal entities were registered. The growth of commercial companies amounted to 126%, individual entrepreneurs – 105%. In 2018, another 13 individual entrepreneurs started operation (retail trade, hairdressing services, repair of garments, cargo transport, etc.) and 1 legal entity – the agricultural production unitary enterprise "SlavLenExport" engaged in growing fiber crops for exports. In 2017, 75 jobs were created due to the establishment of new enterprises, including 50 jobs in trade and services, 23 in production, 1 in construction, and 1 in agriculture.

Woodworking is developing in the district by the private sector enterprises in an accelerated mode. Slavgorod Forestry Enterprise OOO has expanded the wood processing facility at its own expense investing 20 thousand BYN. This allowed creating 24 jobs. Kronotex-Bel OOO has also expanded its woodworking facility. These small businesses are the main district's exporters of woodworking products to the EU. These enterprises employ 75 people.

The construction of the bridge across the Sozh River is the new milestone in the development of the district. Only in 2017 and six months of 2018, 14 million BYN were invested in the construction of the bridge. This prompted the development of the "BRIDGE" project, which is a prerequisite for accelerating the development of several neighboring districts and interdistrict integration of economic activities.

The part of the district situated on the left bank of the Sozh River ($180 \text{ km}^2 - 13.7\%$ of district's area) where 8 rural settlements of the Kabinogorsk rural council are located, has not been developed for a long time. The development of this territory was hindered by the facts that settlements are located in the zone of radioactive contamination with the right to resettlement and this area is connected with the main part of the district by a pontoon crossing which operates in the summer period. At the same time, due to a certain remoteness of the left bank of the Sozh River from the main transport highways, a unique landscape, flora and fauna are preserved there.

A unique natural site, the hydrological natural monument of the republican importance Golubaya Krynitsa is located there. It is the largest spring in Belarus and in the East European Plain and a place of pilgrimage of the Orthodox Christians from Belarus, Russia and Ukraine. In support of this facility, a number of long-term joint projects with foreign partners are being implemented in the district, such as "Preservation of the unique natural monument of the republican importance Golubaya Krynitsa Spring of the Global Environment Facility Small Grants Program" (duration – 1.5 years, budget – 50 thousand US dollars), "From the origins to development" aimed at the development of tourism in the district supported by the European Commission (duration – 3 years, budget – 410 thousand euro), and local initiatives within the project "Support to Local Development in the Republic of Belarus" funded by the European Union and implemented by the UNDP.

This creates new opportunities for tourism development with the environmental focus. The concept of the "BRIDGE" project is based on the development of the "Amulet Prisozhiya" Eco-park and involves the zoning of this area for environmental entrepreneurship, active tourism and pilgrimage subject to the implementation of the relevant environmental measures. It is planned to create tourism infrastructure and the Center for rural entrepreneurship in nearby rural settlements. Tourism is a promising area for the development of private business. In 2017, the district developed the Strategy and Program for the development of tourism. 47 local initiatives of residents and organizations aimed at the development of

rural and ecological tourism, agroecofarmsteads, handicrafts, and cheese making have been financed. Six new tourist routes have been created, and now they are being integrated into the regional and national tourist networks. The Golubaya Krynitsa complex was visited by 80 thousand people on the Makovey holiday and during Songs festival in 2017 and it can be already considered a tourist brand of the region.

The range of services provided to tourists is expanding. A number of craftsmen offering a variety of products for tourists increased five-fold from 7 in 2012 to 35 in 2017. During this period, the number of agroecotourism facilities increased from 7 to 18. In addition, each farmstead is unique. For example, the farmstead "Exclusive" offers not only family rest, but also produces environmentally friendly products such as cheese. All products are being grown and produced in the own small-holding. The farmstead "Bee Kingdom" is focused on the production and sales of bee products. The farmstead "Zabava" offers active tourism activities: horseback riding, walking ecological trails, etc. The farmstead "World of Flowers" organizes master classes on floral design and also sells souvenirs with the symbols of the local attractions of the city of Slavgorod and the district. The ecological tourism facility "Malen'kiya dzivy" organizes events for children. There is a children's entertainment center within the facility where children are entertained by a play assistant. The quests and educational programs are offered by the facility. In Slavgorod district gastronomic tourism is sufficiently developed. The festival of national crafts "Gaspadarchy syr" is held annually, where up to 50 varieties of soft homemade cheese are presented by local cheese-makers.

Revenues of the district from exports of tourist services increased 10 times in the last five years. At the same time, the development of tourism attracts investors to the region. The private unitary enterprise for the provision of services Novotel is implementing the investment project on construction of the hotel complex "Golubaya Krynitsa" in the district. 4 jobs have been created already. In 2017, foreign direct investment in the amount of 90.4 thousand US dollars was attracted.

There are **3 sectors** *of growth*: woodworking, agriculture, and tourism. The development of entrepreneurship can accelerate and ensure the following processes:

woodworking – creating new and developing existing production facilities based on the local raw materials (wood) that will create new high-performance jobs and produce competitive marketable products. The development of the sector will allow increasing the production output, export turnover, tax revenue, as well as the welfare of the residents of the district;

agriculture – will allow putting into use the unused land plots, raising the level of employment and welfare of the people living in rural settlements of the district;

tourism – ensuring employment of the population, increasing export of services, tax revenue, improvement and development of the adjacent territory, improving the living environment and preserving the historical heritage (Annex 7).

Homemade cheese has become the brand of the district. About 40 households produce cheese for own consumption and for sale. This indicates the high potential of cheese making as one of the types of local employment. The consumer agricultural cooperative "Gizhinsky agrariy" is operating in the district. To date, this association includes 15 cheese-makers. It implements the project "Support for domestic cheese making as an alternative form of employment of local population on and around specially protected territories in Slavgorod district" with the support of the UNDP / GEF Small Grants Program. This year, a cheese shop in the unused store building in the agro-town of Lesnaya will be open with the financial support of the project. A mini-museum of cheese will be created on its basis. Master classes on the manufacture of cheese will be held there as well.

2.2. Local Cooperation and Networking

Local Cooperation and Networking in the district is organized in several forms (Annex 8).

The main form of cooperation of the authorities and business representatives is the Council for Entrepreneurship Development. The main themes for discussion at the meetings are the conditions for development of entrepreneurship, increase of the competitiveness of local businesses, creation of conditions for the permanent public-private dialogue at the local level, and possibility of implementation of business projects. The problems arising in business are also discussed at the meetings in which all the stakeholders are invited to participate.

At the same time, cooperation between private business enterprises is not well established and is, for the most part, of a formal nature. There is no strong and effective networking both between the district enterprises and the Oblast enterprises. There are no business incubators for small businesses, a chamber of commerce and industry, an entrepreneurial support center and other business environment organizations in the district. 90% of enterprises know little about the existence of such associations and do not understand how they can support the development of their business. The main reason for the low activity of establishing cooperation between entrepreneurs and business associations is the remoteness of the latter. They are mainly located near large cities (Mogilev, Bobruisk, Osipovichi) where a great number of business entities are concentrated. There is a lack of close cooperation between the government and private sector. Business representatives do not always actively share their opinion and make suggestions. It is worth noting that a necessary condition for successful cooperation in different fields is, first of all, a mutual interest and the trusting relationships of the parties. The touch point may become, for example, a joint investment project, an international technical assistance project or the creation of an industry cluster involving state enterprises and private businesses. For example, a woodworking cluster can be created in Slavgorod or a

joint project on heat production can be implemented (production of heat by state heat sources from woodworking waste of private enterprises). This requires a private business leader able to engage the stakeholders from different industries and of different forms of ownership.

The examples of unifying projects of international technical assistance are the projects "BRIDGE as the Pilot Eco-Business Model for Local and Regional Economic Growth" and "Networking for Improvement of Job Opportunities in the Rural Areas of Mogilev Oblast" which will be implemented in partnership with the Slavgorod, Krasnopolye, Cherikov, Klichev and Bykhov District Executive Committees and Councils of Deputies. This project, in particular, provides for the establishment of a development department (the local helpers) which can bring new people to the project and strengthen the work of the local development fund "Start-East". It is also planned to address issues of sustainable development of the district through the promotion of new regional projects. The total project budget for 5 districts is 672 thousand euro. The synergy of these two projects will contribute not only to cross-sectoral collaboration of stakeholders at the local level, but also facilitate cooperation and interaction throughout the region.

2.3. Business-friendly, Transparent and Corruption-Free Administration

The priority of local authorities is the open and transparent activities promoting the public-private dialogue and enhancing the existing business partnership.

The basic form of the citizens' and businesses' involvement is informing the citizens on the adoption of managerial decisions by the authorities. The district authorities post information on the website of the Executive Committee and the websites of other government agencies, publish it in the district media, put it on message and information boards.

Administrative procedures are conducted on the basis of the one-stop-shop service which allows submitting the applications by the stakeholders for the implementation of administrative procedures and issuing administrative decisions on them in one place. In addition, the specialists of the one-stop-shop service are advising the applicants on the administrative procedures.

The participation in the form of applications of citizens and legal entities is developed in the district. The residents use this form to bring their ideas, needs and demands to the attention of the authorities. In order to ensure the work with citizens' applications, schedules of the admission of citizens by officials of the local government have been established in the district. The residents have an opportunity to convey their ideas at the field sessions with the participation of representatives of the authorities, at the meetings with deputies, through the institute of headmen, and at the days of awareness. Records of applications are being kept and the necessary measures are being taken to implement them.

In order to combat corruption, the District Executive Committee has established the Slavgorod District Anti-Corruption Commission.

However, the information is often provided to the private sector in the form of publication or citation of specific paragraphs of legal acts, without examples of their application and comments. It is necessary to provide such forms of interaction which support the application of legislation in practice in specific business situations.

Expanding the use of modern information technologies in local governance contributing to transparency and efficiency of information flows in terms of responsiveness seems advisable.

2.4. Access to Finance

There are 2 banks offering investment programs for financing businesses of all levels and providing loans to small and medium-sized businesses in the city and in the district. Businesses can also benefit from public financial support that may be provided at the expense of the Belarusian Fund for Financial Support of Entrepreneurs and the Small and Medium Entrepreneurship in Belarus State Program for 2016-2020.

Today, a number of preferences for doing business in the district and its funding are provided by the legislation of the Republic of Belarus, in particular: the Decree of the President of the Republic of Belarus of May 7, 2012 No. 6 "On stimulating entrepreneurial activities in the territory of middle, small towns and rural area"; the Decree of the President of the Republic of Belarus of August 6, 2009 No. 10 "On creation additional conditions for investment activity in the Republic of Belarus" (hereinafter — Decree No. 10); the Decree of the President of the Republic of Belarus of June 8, 2015 No. 235 "On the social and economic development of the south-eastern region of Mogilev Oblast"; the Decree of the President of the Republic of Belarus of September 22, 2017 No. 345 "On creating conditions for the development of trade, public catering, and consumer services", etc.

In the framework of the Decree No. 10, 13 investment proposals have been defined in the district with the purpose of involving the investors in the construction of facilities included in the investment agreements concluded with the Republic of Belarus.

One of the directions of the state support of SMEs, attracting investment and creating new jobs is selling the unused state-owned facilities, including for 1 base amount (10 euro) following the Decree of the President of the Republic of Belarus of July 4, 2012 No. 294. Information on the unused facilities of communal property which can be offered for disposition or leased to small business entities, are posted on the website of the Slavgorod District Executive Committee.

In addition to this, unemployed citizens are granted subsidies for starting their own business. The

current information on funding is available on the official website of the Slavgorod District Executive Committee and in the media. The entities also receive information about funding opportunities when applying for state registration (Annex 9).

However, funding is not always available for every entity. Out of 142 entrepreneurs operating in the district none used credit resources for doing business. Credit conditions are not always favorable for the borrowers (complex requirements, high interest rates, insufficient amounts of loans for business development, refusal to grant loans to newly established enterprises and entrepreneurs, lack of schemes and opportunities for long-term lending to larger-scale investment projects, etc.).

The projects of small and medium-sized enterprises in the district can also be financed through concessional loans provided by the Development Bank of the Republic of Belarus OAO within the Program of Social and Economic Development of the South-Eastern Region of Mogilev Oblast until 2020. This financing is carried out both on the basis of tender procedure and without it. For example, the Slavgorod Unitary Communal Enterprise Zhilkomhoz has developed the project "Organization of production of small-piece paving slabs with a production capacity of 35 m² per hour", but this activity is not implemented due to the refusal of the Development Bank of the Republic of Belarus to provide a concessional loan without presenting a large and complex set of documents.

This set of documents cannot be prepared by the entity itself which results in additional expenditures on involving experts and payments associated with the registration in order to be provided in a timely manner and in full.

There is a problem in terms of availability of loans due to the lack of collateral guarantees, especially in case of startups. There is no guarantee fund at the state level which would ensure the entrepreneurs' access to bank financing.

For certain districts, financial resources coming from donors of international technical assistance and foreign grants are the key sources of funding. The most significant contribution in this regard is made by the institutions and organizations of the European Union.

2.5. Land and Infrastructure

There is a significant amount of unused public facilities, buildings, and land plots in the districts. The information on these properties is widely available. The information on the unused premises is available on the website of the State Property Committee of the Republic of Belarus. Basically, these are the former facilities of the social sphere (kindergartens, schools) located in rural areas. It is necessary to maintain the existing infrastructure when closing these social facilities (Annex 10).

Thanks to the positive trends in the development of entrepreneurship in recent years, the demand for land resources, permanent buildings and infrastructure is increasing.

Land plots that can be provided to investors, are in state ownership.

In accordance with the Decree of the President of the Republic of Belarus of December 27, 2007 No. 667 "On withdrawing and granting of land plots", the land plots are provided without auctioning to investors (the organization implementing an investment project) for the construction of facilities stipulated in investment contracts with Republic of Belarus within the period of validity of such contracts.

In 2017, projects were implemented by small and medium-sized businesses, which were provided with state owned premises with the total area of 1.5 thousand m².

In the city of Slavgorod, there are 3 land plots with the total area of about 5 hectares intended for subsequent provision to investors and (or) organizations, established in the Republic of Belarus by these investors or with their participation, for the construction of various facilities. There are also 11 investment sites in the district which can be included in the list of land plots to be provided to these investors as needed and 18 unused permanent buildings that can be sold for the organization of production at the initial price of one base amount (10 euro).

The auctioning mechanism in regards to state property is being implemented in the district. For example, in order to attract foreign direct investment, create new jobs and reduce the number of unprofitable entities, the unused building of the Unitary Communal Enterprise "Bytuslugi" which was declared bankrupt by the economic court of Mogilev Oblast, was auctioned. The buyer has registered the private unitary enterprise for the provision of services Novotel and is currently implementing the investment project on constructing a small hotel complex. 4 jobs have been already created. In 2017, foreign direct investment in the amount of 90.4 thousand US dollars was attracted; in the 1st quarter of 2018 – 33.4 thousand US dollars. To date, Slavgorod district has sufficient land and infrastructural facilities that can be leased by potential investors for the construction of certain facilities and organization of production.

2.6. Regulatory and Institutional Framework

Within the legal and institutional framework, the roles and responsibilities of all stakeholders ensure the availability of mechanisms for the existence and development. This contributes to inter-regional cooperation, strengthening the existing and establishing new connections, and exchanging experience with the regions of far-abroad countries, the Russian Federation and countries of the Commonwealth of Independent States. Work is ongoing on informing the population and relevant services on regulatory and legal acts affecting the development of the district. The one-stop-shop service is operating. On the basis of

the current legislation, the Economic Department of the District Executive Committee registers business entities (individual entrepreneurs and legal entities) in a fast-track procedure. The Labor Office assists in the organization of entrepreneurial activities and conducts the training "Basics of Business Planning". There is a legal framework to support the development of SMEs in the district (the Decree of the President of the Republic of Belarus of June 8, 2015 No. 235 "On the social and economic development of the south-eastern region of Mogilev Oblast" and the State program "Small and medium entrepreneurship in the Republic of Belarus" for 2016-2020.). There is a gradual transition to the electronic document circulation with all state and private economic entities.

The preferences to stimulate the creation of new production facilities and services are being granted in accordance with the current legislation: The Decree of the President of the Republic of Belarus of June 8, 2015 No. 235 "On the social and economic development of the south-eastern region of Mogilev Oblast", the Decree of the President of the Republic of Belarus of May 7, 2012 No. 6 "On stimulating entrepreneurial activities in the territory of middle, small towns and rural area", the Decree of the President of the Republic of Belarus of May 21, 2009 No. 255 "On some measures of state support to small entrepreneurship", and the Decree of the President of the Republic of Belarus of November 23, 2017 No. 7 "On Entrepreneurship Development".

The LEDP is the result of the integration into a coherent whole of various activities and decisions of the authorities at all levels and business entities. When achieving the goals and objectives set by this Plan, it should be taken into account that the legal and institutional framework of Belarus is constantly being updated and improved. There are certain gaps in the legal and institutional framework and inconsistency of certain legislative acts, which impedes the effective functioning of both business entities and local administrations. The negative impact is exerted by a great number of rules, regulations and legislative barriers, as well as long lists of requirements and documents and their lengthy consideration, especially in construction, licensing, procurement, and certification. Insufficient independence of local executives in decision-making and management of budgetary funds is also a problem. The local administration can provide only for the reduction of taxes and fees which fall within its competence, for example, land and real estate taxes (Annex 11).

2.7. Skills and Human Capital, Inclusiveness

A new challenge is the imbalance of supply and demand in the local labor market. Currently, vocational education does not have a stable link with the labor market, i.e. the connection between the market of educational services and the needs of the labor market is disrupted. The main inconsistency of the education system with the labor market is due to the lack of the forecasting methodology and imperfect social partnership mechanisms.

According to the Administration of the district, there is a need for qualified specialists in agriculture -35% of the total number of vacancies, in construction -20%, in consumer services -20%, in tourism -5%, and in woodworking -3%.

The low level of vocational education and the insufficiently developed retraining system of the unemployed as well as the lack of specialized vocational schools for the training of skilled workers contributed to the imbalance in the labor market. With the overall quantitative predominance of labor supply over demand, the most important sectors of the economy are understaffed. As a result, there is a shortage of professionals with innovative thinking in all sectors of the economy.

To increase the number of citizens involved in the economy, we need new approaches to the development and improvement of the current system of the local labor resources management. The need for new knowledge and skills throughout the period of work is becoming increasingly important. The effectiveness of the mechanisms of the national qualification system has been decreasing in recent years. The deficit of qualified personnel is growing. Moreover, the qualifications acquired by employees earlier, quickly become outdated, which indicates that the system is not efficient enough.

One of the acute problems is labor migration – the outflow of skilled labor force from the district and the Republic as a whole due to low wages and the lack of employment opportunities.

As of April 1, 2018, there were 4801 employed in the district. As of May 1, 2018, there were 23 unemployed and 71 vacancies registered with the Office for Labor, Employment and Social Protection of the District Executive Committee.

The unemployed are assisted in finding jobs and getting education in demanded specialties. In order to reduce the imbalance in the labor market, the Labor Office organizes vocational trainings for the unemployed, but only for certain professions (driver, hairdresser, welder, etc.).

Assistance to the unemployed in starting businesses by providing financial support in the form of subsidies from the state extra-budgetary fund for the social protection of the Republic of Belarus also contributes to the increase of the employment. For the efficient use of labor resources and the intensification of migration processes in the district, there is a mechanism for resettlement of unemployed citizens to rural areas and providing them with jobs, housing and subsidies. Disabled people are being employed within the program "Adaptation of persons with disabilities to work". Employers organize the adaptation of an unemployed person with disabilities to work by improving his/her professional knowledge and skills which increases his/her competitiveness in the labor market.

The problem of employment and vocational training is manifested in agriculture, where the aging of

labor force and the outflow of the youth from rural areas are observed. The decrease in the level of employment in agriculture is accompanied by the shortage of skilled workers, staff turnover, and an imbalance between the demand for skills and human capital and the employment opportunities in the municipality (Annex 12). The current local labor market situation requires expanding opportunities for additional education in terms of acquiring business knowledge and skills, particularly in rural areas.

2.8. External Positioning and Marketing

Slavgorod district has a number of competitive advantages, creating conditions for the economic growth. The population noted the following strengths of the district: unique natural sites, forest resources, rich history, social potential of the population, and experience in project implementation. The respondents associated the key characteristics that determine the features of the district with its history and availability of cultural and historical sites in the district. The residents and guests of the city note that Slavgorod is a well-known tourist destination not only in Belarus, but also abroad (Annex 13). The main directions of tourism development in Slavgorod district are historical, educational, religious, sports tourism, and agroecotourism.

Some sites of the Slavgorod land are included in the tourist routes of the Republic and the Oblast. However, the available opportunities are underutilized. This is hampered by the insufficient work on the promotion of the created tourist product, and lack of competences of specialists in tourism marketing. It is also necessary to focus efforts on improving tourist infrastructure. There are not enough offers for tourist accommodation in the district, which limits the opportunities for growth of tourist flows and determines a short-term, "transitional", way of visiting the district by an absolute majority of tourists, and significantly reduces the economic benefit of tourism development.

To increase the investment attractiveness of the district, the Slavgorod District Executive Committee has determined the list of sites for further provision to investors and (or) organizations for the construction of facilities within the concluded agreements. The Administration makes efforts to create a positive image of Slavgorod district. The Treaties on Amity and Cooperation with regions of Latvia and Russia, and 3 cooperative arrangements with Germany, Italy and Russia have been signed. To improve the visibility of the district and to promote local brands, various events are held. The District Executive Committee is continuously engaged in promoting the district. However, despite the great work carried out, this seems insufficient.

When holding the festivals, it is necessary to attract more foreign participants, actively use the existing capacity to attract foreign partners, and to develop cooperation in various sectors of the economy. Holding such events significantly improves the business environment of the district, and contributes to the creation of a positive image of the territory as a tourist destination.

3. SWOT analysis

Strengths:

- advantageous geographical location and road and water transport links;
- developed agricultural sector represented by both large and small agricultural producers;
- rich tourism potential (natural the Republican wetland sanctuary "Slavgorod" and the Hydrological nature monument of the Republican importance Golubaya Krynitsa; historical 2 monuments of the 1st category located in agro-town Lesnaya: the Saint Peter and Paul church, 1912 and the memorial of military glory "The Russian eagle", 1908 established in honor of the victory of Peter I over the Swedes during the Northern war of 1700-1721, and the Archaeological monument "Castle Mountain" on the Pronya River; gastronomic recreating the traditions of home cheese making (more than 50 varieties of cheese); artisanal 31 artisans work in the district who are engaged in embroidery, willow weaving, lacemaking, belts weaving, making textile dolls, soap making, woodworking, artistic metal forging, etc.);
 - unused solid buildings for doing business;
 - interest and motivation of the population to entrepreneurial activity;
- 4 centers for non-formal education of the population (energy efficiency, spring water ecology, home cheese making, and craft development);
 - positive image of the district engaged in innovative practices within various projects;
 - three local non-profit organizations promoting entrepreneurship development.

Weaknesses:

- poor infrastructure of tourist and consumer services;
- lack of specific qualified personnel (in agriculture) and its outflow;
- low incomes of the rural population;
- poor financial and entrepreneurial literacy of the population; limited opportunities to obtain new knowledge and skills;
 - lack of access to the existing credit programs for business;
 - lack of a system marketing policy and a basis for its implementation;
 - poor capacity of business support entities (both public and private) and the low level of their

interaction.

Opportunities:

- liberalization of business;
- state support of the territory;
- growth of demand in the tourism market, in particular in ecological, gastronomic and pilgrim tourism;
- active development of the festival movement both at the regional and national levels, and abroad;
 - visa-free entry;
 - interest from both Belarusian and foreign investors;
 - international and foreign grant programs of international technical assistance;
- enhanced contacts and opportunities due to participation in the international networking associations, such as the Mayors for Economic Growth, Covenant of Mayors for Climate & Energy, European Tourism Networks, etc.;
- readiness of the national non-profit organizations to cooperate, test and introduce new practices and innovative forms of education.

Threats:

- negative image of the contaminated territory after the Chernobyl disaster;
- changes in legislation;
- competition with other territories for resources, including labor; increased migration, in particular to Russia;
 - economic and financial crises, and sanctions in the world;
 - climate change (drought); the district is located in the area of risk farming.

The main competitive advantages of the district are unique natural sites, rich history and intangible heritage, labor potential of the population, experience in the development and implementation of innovative practices within various projects.

4. Vision and Objectives

Vision: Slavgorod district is the territory of an open, competitive and sustainable economy, innovatively realizing its entrepreneurial capacity on the basis of a public-private partnership and regional cooperation in agriculture, ecological, pilgrimage and food tourism; a good place to work, live and visit.

By the end of 2020, Slavgorod district is focused on achieving the following **objectives**:

- 1. Creating conditions for the development of small and medium-sized businesses:
- 2. Developing marketing policy and the system of promotion of local products and services;
- 3. Strengthening local cooperation and networking with adjacent districts to exploit the collective competitive advantages, and to rationalize employment and self-employment

Achieving these goals will form the basis for the further implementation of the vision towards the desired future.

5. Action Plan

To achieve the strategic objectives, a list of activities has been developed (table 1):

Strategic objectives and activities in support of their implementation are as follows:

- 1. Creating conditions for the development of small and medium-sized businesses
- 1.1. Developing a local program for the entrepreneurship development;
- 1.2. Establishing an educational, information and consulting center for the rural entrepreneurship development;
- 1.3. Creating and launching the public-private business model of the "Amulet Prisozhiya" Ecopark;
- 1.4. Creating a cluster of Slavgorod cheese-makers (small family farms, entrepreneurs, and a retail network).
 - 2. Developing marketing policy and the system of promotion of local products and services:
 - 2.1. Developing the marketing and branding concept of the district;
 - 2.2. Creating a unified information network through IT technology;
- 2.3. Holding a series of practical trainings for entrepreneurs to study the market channels and use the marketing tools;
 - 2.4. Holding newsworthy events to promote the district as a tourist destination;
- 3. Strengthening local cooperation and networking with adjacent districts to exploit the collective competitive advantages, and to rationalize employment and self-employment:
 - 3.1. Creating a regional (interdistrict) tourism cluster and promotion of its products;
- 3.2. Organizing a regional (interdistrict) business workshop on the basis of the center of rural entrepreneurship;

- 3.3. Developing and launching a SMART-app about local goods, services, projects, and opportunities for the SME development;
 - 3.4. Organizing and holding the regional economic forum.

6. Financing Scheme

The sources of funding the LEDP are as follows: resources of the local budget, business, and projects (table 2).

Preliminary estimate of the LEDP budget is 2,133,449 BYN (905,808 euro). The expected financial contribution to the Plan from the local budget is 209,150 BYN (88,800 euro), from business – 206,089 BYN (87,500 euro), and donor funds – 1,442,970 BYN (612,648 euro). The project funds are expected to cover about 70% of the total budget.

The main sources of donor funding are the following projects:

- "BRIDGE as the Pilot Eco-Business Model for Local and Regional Economic Growth", the budget 655,744.00 euro;
- "Networking for Improvement of Job Opportunities in the Rural Areas of Mogilev Oblast", the budget 672,015.00 euro;
- "Energy saving renovation of long-unused building in a specially protected area for the Rural Development Center operation" financed by the United Nations Office for Project Services (UNOPS) 49,986 USD.

The funding gap is 275,240 BYN (116,860 euro), which is about 10% of the budget. It is planned to cover this gap by local sources and by attracting additional donor funds, as well as by using the crowdfunding platforms (the issue is still being studied), and credit and loan resources of banks and organizations.

When calculating the budget of the LEDP, the contribution of the local business in terms of mentoring to support local start-ups, wasn't taken into account.

7. Monitoring Indicators and Mechanisms

The implementation of the LEDP of Slavgorod district will be monitored, according to table 3, by three stakeholders: the Slavgorod District Executive Committee, the Public Advisory Council for the Entrepreneurship Development of Slavgorod district, and the public (through the publication of reports in the local newspaper and on the website of the District Executive Committee) (Annex 14).

The successful implementation of the Plan is determined by the following prerequisites:

- confidence-building between SMEs and local authorities, coherent economic development and transparency of the ongoing activities, including support;
- increasing the role of the local Council of entrepreneurs as a key institution in improving the business environment in the district;
 - implementing projects supported by the European Union and UNDP/GEF (contracts signed);
- availability of credit and loan resources for business, as well as subsidies for the unemployed to start own business.

When planning, the **following risks** of implementing the LEDP have been taken into account:

- expanding economic sanctions and confrontation in the world;
- change of the national legislation towards stricter conditions for agrotourism and craftsmanship, small business, Internet sales, etc.;
 - natural cataclysms (fires, drought) and man-made disasters.

The international technical assistance projects' risks, as well as the risk management measures are defined in the official documents.

The Slavgorod District Executive Committee and the District Council of Deputies will consistently monitor the risks and develop specific measures to minimize them, both within the project implementation and within the LEDP.

In general, the measures will be of an information and communication nature (meetings, seminars, and round tables with the participation of a wide range of stakeholders to attract additional potential investors). Some fund-raising activities are also envisaged (search for sponsors – individuals, banks and organizations).

Table 1. Action Plan

Table 1. Action	l I Iaii				T 4' 4 -		
Building Blocks	Key Objectives	Actions / project ideas	Duration (start / end)	Participating Partners	Estimated Cost (BYN, euro)	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
1. Local Cooperation and Networking 2. External Positioning and Marketing 3. Skills and Human Capital, Inclusiveness.	1. Creating conditions for the development of small and medium-sized businesses	1.1. Developing a local program for the entrepreneurship development	01.01.2019 – 31.12.2020	Department of Economic and Land Use of the District Executive Committee, Office of labor and employment of the District Executive Committee, Council for Entrepreneurship Development, Local fund of rural development "Vozrozhdenie-Agro", Agricultural consumer cooperatives "Gizhinsky agrariy"	28264 BYN (12 000 EUR)	- at least 50 involved representatives of small and medium-sized businesses; - media publications – 5; - the Program for the business diversification of Slavgorod district for 2019-2020 has been developed and approved at the session of the District Council of Deputies; - action plans for the Program for 2019 and 2020 have been developed; - 3 meetings of the working group have been held during the development of the document; - 2 experts have been involved; - at least 30% of SMEs have been actively involved in the program implementation; - a survey has been conducted, in which 20% of representatives of small and medium-sized businesses took part.	The result: The institutional basis for the entrepreneurship development has been created. Monitoring indicators of the result and their target values: - the approved Program for the business diversification of Slavgorod district for 2019-2020 has been implemented; - at least 30% of small and medium-sized businesses note an improvement in the business environment in the district in 2020; - the increase in the contribution of small and medium-sized businesses to the district's economy – by 7% by 01.01.2020.
		1.2. Establishing an educational, information and consulting center for the rural entrepreneurship development	01.01.2019 – 31.12.2020	Department of Economic and Land Use of the District Executive Committee, Company "Slavgorodskaya Golubaya Krynitsa" GPU, IFRD	560642 BYN (238 034 EUR)	- tenders have been conducted; - designing estimates have been developed; - a contractor has been selected to reconstruct the buildings of the Center for Rural Development and Entrepreneurship Support; - reconstruction works have been started; - the staff has been selected; - three buildings have been renovated and equipped for the Center for Rural Development and Entrepreneurship Support; - the Center for Rural Development and Entrepreneurship Support has been established; - three schools are affiliated with the center: the school of rural entrepreneurship, environmental and rural tourism, and social entrepreneurship; - at least 10 trainings are held annually.	The result: Conditions for increasing the competencies of the population in business have been created Monitoring indicators of the result and their target values: - at least 200 people have been trained in the Center; - at least 10 business plans have been developed; - at least 10 new production facilities, services and goods have been launched.
		1.3. Creating and launching the public-private business model	01.01.2019 – 31.12.2020	Department of Economic and Land Use of the District Executive Committee,	1015214 BYN (431034 EUR)	a public-private consortium for the development of the park has been established; the Consortium has developed the	The result: Conditions for active interaction between the state and the private sector in ecotourism have been created.

Building Blocks	Key Objectives	Actions / project ideas	Duration (start / end)	Participating Partners	Estimated Cost (BYN, euro)	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
		of the "Amulet Prisozhiya" Eco- park		Company "Slavgorodskaya Golubaya Krynitsa" GPU IFRD, Agricultural consumer cooperatives "Gizhinsky agrariy", Local fund of rural development "Vozrozhdenie-Agro", The Council for Entrepreneurship Development		park development strategy; - the park's infrastructure has been created (at least 20 facilities): 5 routes, 2 campsites, 5 parking lots, 3 facilities of sanitary infrastructure, and 5 hardscape elements; - the public-private partnership has concluded the agreement for the development of the park; - at least 10 participants have joint the agreement.	Monitoring indicators of the result and their target values: - at least 15 business entities started operating in the park, expanding the range of their services and products up to 15 items; - 10 new tourist products have been developed; - the increase in the number of organized groups of tourists (through the center of tourism) at least 30% of the total.
		1.4. Creating a cluster of Slavgorod cheese-makers (small family farms, entrepreneurs, and a retail network)	01.01.2019 – 31.12.2020	Department of Economic and Land Use of the District Executive Committee, IFRD, Agricultural consumer cooperatives "Gizhinsky agrariy", Local fund of rural development "Vozrozhdenie-Agro"	25518 BYN (15 080 EUR)	- the cluster has been created; - at least 20 cluster partners; - cheese production volumes – at least 2 tons annually; - at least 40 varieties of cheese; - tourist groups and individual tourists embark on the gastronomic tour.	The result: Conditions for the integration of private cheese producers have been created. Monitoring indicators of the result and their target values: - the gastronomic tour (cheese) has been developed in the district; - at least 1 single brand – the "Slavgorod cheese"; - the growth of self-employment and employment – up to 25 people and the growth on incomes of the involved population – up to 15%.
1. Regulatory and Institutional Framework 2. External Positioning and Marketing 3. Local Cooperation and Networking 4. Business-friendly, Transparent and Corruption-Free Administration	2. Developing marketing policy and the system of promotion of local products and services:	2.1 Developing the marketing and branding concept of the district	01.01.2019 – 31.12.2020	Department of Economic and Land Use of the District Executive Committee, IFRD, Agricultural consumer cooperatives "Gizhinsky agrariy", Local fund of rural development "Vozrozhdenie-Agro", The Council for Entrepreneurship Development	23553 BYN (10 000 EUR)	- at least 5 materials on the discussion of the concept have been published in the media; - at least 50 entrepreneurs have been involved in the development of the document; - 2 experts have been involved in the work; - the marketing concept of the district has been developed and approved by the Board of the District Council of Deputies; - banners, displays and billboards have been designed, and up to 20 items have been installed; - a contest for the best People's brand of the district has been held; - at least 11 articles on the contest have been published in the media; - the catalog of local People's brands has been produced.	The result: Conditions have been created for the promotion of the district, local products, services and tourist sites and facilities. Monitoring indicators of the result and their target values: - the volume of sales, services and goods of small and medium-sized businesses of all types has increased by 5% by 2020; - the growth of imports of services and goods – up to 5% by 2020; - at least 3 local People's brands; - 15% of entrepreneurs, non-profit organizations, owners of agroecofarmsteads, personal small-holdings, farmers, and craftsmen use local brands.
		2.2. Creating a unified information network through IT technology	01.01.2019 – 31.06.2020	Department of Economic and Land Use of the District Executive Committee, IFRD,	74192 BYN (31500 EUR)	- the coordinating body and its functions have been defined; - the developer of the website has been selected; the development of the website of the "Amulet"	The result: Conditions have been created for informational support of entrepreneurs and promotion of the district, local products, services, tourist facilities through

2.3. Holding a series of practical trainings for entrepreneurs to study the market channels and use the marketing tools 2.4. Holding newsworthy events to promote the district as a tourist destination 2.4. Holding newsworthy events to promote the district as a tourist destination Agricultural consun cooperatives "Gizhi agrariy", Local fund of tural development (Company "Slavgorodskaya Golubaya Krynitsa" GPU Department of Economic and Land of the District Exect Company "Slavgorodenie-Agr The Council for Entrepreneurship Development, Company "Slavgorodskaya Golubaya Krynitsa" GPU 2.4. Holding newsworthy events to promote the district as a tourist destination Agricultural consun cooperatives "Gizhi agrariy", Local fund of rural development "Vozrozhdenie-Agr The Council for Entrepreneurship Development, Company "Slavgorodskaya Golubaya Krynitsa" GPU 2.4. Holding newsworthy events to promote the district as a tourist destination Cooperatives "Gizhi agrariy", Local fund of rural development "Vozrozhdenie-Agr The Council for Entrepreneurship Development, Company "Slavgorodskaya Golubaya Krynitsa" GPU 2.4. Holding newsworthy events to promote the district as a tourist destination Cooperatives "Gizhi agrariy", Local fund of rural development "Vozrozhdenie-Agr The Council for Entrepreneurship Development, Company "Slavgorodskaya Golubaya Krynitsa" GPU 2.4. Holding newsworthy events to promote the district as a tourist destination "Cooperatives" "Gizhi sky agrariy", Local fund of rural development "Vozrozhdenie-Agr The Council for Economic and Land of the District Exect Committee IFRD; Agricultural consumer cooperatives "Gizhi sky agrariy", Local fund of rural development "Vozrozhdenie-Agr The Council for Economic and Land of the District Exect Committee IFRD; Agricultural consumer cooperatives "Gizhi sky agrariy", Local fund of rural development "Vozrozhdenie-Agr The Council for Economic and Land of the District Exect Committee IFRD; Local fund of rural development "Vozrozhdenie-Agr The Council for Economic and	"Gizhinsky
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Building Blocks	Key Objectives	Actions / project ideas	Duration (start / end)	Participating Partners	Estimated Cost (BYN, euro)	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
Institutional Framework 2. External Positioning and Marketing 3. Local Cooperation and Networking 4. Business- friendly, Transparent and Corruption-Free Administration	Strengthening local cooperation and networking with adjacent districts to exploit the collective competitive advantages, to enhance the economic development and to rationalize employment and self-employment.	regional (interdistrict) tourism cluster and promotion of its products	31.12.2020	Economic and Land Use, Departments of Education, Sports and Tourism of the Executive Committees (Slavgorod, Krasnopolye, Cherikov, Krichev, Bykhov, Klichev, Chausy, and Mogilev) three NGOs (Slavgorod, Krasnopolye, Bykhov)	BYŃ (23 000 EUR)	entities have been identified for the cluster creation; - the number of participants – at least 40 entities;	integration of tourism entities of the district have been created. Monitoring indicators of the result and their target values: - the growth of employment in tourism in all participating districts is at least 15% the number of joint food products - at least 15 the growth of exports of tourist services becomes the trend by the end of 2020, the 30% growth – by 2025.
		3.2. Organizing a regional (interdistrict) business workshop on the basis of the center of rural entrepreneurship;	01.01.2020 – 01.12.2020	Departments of Economic and Land Use, Departments of Education, Sports and Tourism of the Executive Committees (Slavgorod, Krasnopolye, Cherikov, Kostyukovichi, Chausy, Khotimsk and Klimovichi), Councils for Entrepreneurship Development. IFRD, Company "Slavgorodskaya Golubaya Krynitsa" GPU	127186 BYN (54 000 EUR)	- the premises have been equipped; - a schedule for the trainings has been developed; - the information has been published in the media; - at least 2 experts have been invited; - the number of trainings – 10, each hosting 100 participants at least.	The result: Conditions for increasing the educational level of entrepreneurs in innovative business have been created. Monitoring indicators of the result and their target values: - the growth of self-employment and employment – up to 25 persons; - the number of new services and goods – at least 20.
		3.3. Developing and launching a SMART-app about local goods, services, tourist sites and facilities, projects, and opportunities for the SME development	01.01.2020 – 31.06.2020	Councils for Entrepreneurship Development, Departments of Economic and Land Use, Departments of Education, Sports and Tourism of the Executive Committees (Slavgorod, Krasnopolye, Cherikov, Kostyukovichi, Chausy, Khotimsk and Klimovichi), IFRD.	25910 BYN (11 000 EUR)	- the developer of the application has been selected and the work has been done to collect information on goods, services, tourist sites, tourist facilities, projects, and opportunities for small and medium-sized businesses in the region; - the information about goods, services, tourist sites, tourist facilities, projects, and opportunities for small and medium-sized businesses in the region has been collected; - the application has been developed; - the information about the application is available on the websites of the District Executive Committees; - 100 people have used the application.	The result: The IT-tool to promote the goods and services of tourist sites and facilities, projects, and opportunities for SMEs has been created. Monitoring indicators of the result and their target values: - development of new industries, services and goods; - the contribution of SMEs to the economy of the district has increased by 7%.
		3.4. Organizing	01.05.20 -	Departments of	<mark>65620</mark>	a program of the forum has been	The result: The platform for

Building Blocks	Key Objectives	Actions / project ideas	Duration (start / end)	Participating Partners	Estimated Cost (BYN, euro)	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
		and holding the regional economic forum	01.10.2020	Economic and Land Use, (Slavgorod, Krasnopolye, Cherikov, Kostyukovichi, Chausy, Khotimsk and Klimovichi), Councils for Entrepreneurship Development; IFRD, Company "Slavgorodskaya Golubaya Krynitsa" GPU	BYN (<mark>27 860</mark> EUR)	developed; - the dates have been defined; - a working group for organization of the forum has been created; - the information on the upcoming regional event has been published in the media; - the participants and guests of the forum have been invited; - the premises, handouts, presentations, and investment proposals have been prepared; - the forum has been held; - at least 80 business entities have participated; - the share of external business entities – at least 30%.	establishing contacts, exchanging experiences in local economic development, and attracting investors has been created Monitoring indicators of the result and their target values: - at least 5 letters of intent for business development have been signed; - the number of new production facilities, services and goods has increased by 3%; - 50% of the forum participants have given a positive feedback.

Table 2. Financing Scheme

			Source of funding, euro							
Actions	Estimated Cost, euro	National programs	Local budget	Upper level budgets	Business	Donors	Other	Funding gaps	Remarks	
1. Creating conditions for the development of small and medium-sized businesses										
1.1. Developing a local program for the entrepreneurship development	12,000		1500		3000	7500		-		
1.2. Establishing an educational, information and consulting center for the rural entrepreneurship development	238,034		30,000		30,000	178,034		-		
1.3. Creating and launching the public-private business model of the "Amulet Prisozhiya" Eco-park	431,034		23,000		30,000	378,034		-		
1.4. Creating a cluster of Slavgorod cheese-makers (small family farms, entrepreneurs, and a retail network)	15,080				1000	14,080				
2. Developing marketing policy and the system of promotion of local products and services										
2.1. Developing the marketing and branding concept of the district	10,000		1000			5000		4000		
2.2. Creating a unified information network through IT technology	31,500		-		3000	5000		23,500		
2.3. Holding a series of practical trainings for entrepreneurs to study the market channels and use the marketing tools	11,500		-		1500			10,000		
2.4. Holding newsworthy events to promote the district as a tourist destination	40,800		10,800		5000	5000		20,000		
3. Strengthening local cooperation and networking with adjace	ent districts to emp	exploit the collect loyment and self	tive competit -employment	ive advantage	s, to enhance	the econon	nic developn	nent and to ra	ntionalize	
3.1. Creating a regional (interdistrict) tourism cluster and promotion of its products	23,000		8000		5000	5000		5000		
3.2. Organizing a regional (interdistrict) business workshop on the basis of the center of rural entrepreneurship;	54,000		7000		3000			44,000		
3.3. Developing and launching a SMART-app about local goods, services, tourist sites and facilities, projects, and opportunities for the SME development	11,000				1000	10,000		-		
3.4. Organizing and holding the regional economic forum	27,860		7500		5000	5000		10,360		
TOTAL	905,808	-	88,800	-	87,500	612,648	-	116,860	-	

Table 3. Monitoring indicators

Action / project ideas	Duration (start / end)	Expected results Months 1-6	Expected results Months 6-12	Expected results Months 12-18	Expected results Months 18-24
1.1. Developing a local program for the entrepreneurship development	01.01.2019 – 31.05.2019	- the Program for the business diversification of Slavgorod district for 2019-2020 has been developed and approved at the session of the District Council of Deputies; - at least 5 materials on the discussion of the Program have been published in the media; - 3 meetings of the working group have been held during the development of the document; - at least 50 entrepreneurs have been involved; - 2 experts have been involved in the work;	- the action plan on the Program for the business diversification of Slavgorod district for 2019-2020 has been developed for 2019.	- the action plan on the Program for the business diversification of Slavgorod district for 2019-2020 has been developed for 2020 a survey has been conducted, in which 20% of representatives of small and medium-sized businesses took part; - 15% of small and medium-sized businesses have noted improvements of business environment in the district; - 30% of small and medium-sized businesses have been involved in the Program.	- the approved Program for the business diversification of Slavgorod district for 2019-2020 has been implemented; - 30% of small and medium-sized businesses have noted improvements of business environment in the district in 2020; - the contribution of small and medium-sized businesses in the economy of the district has been increased by 7% compared to 01.01.2020. Completed: 31.12.2020
1.2. Establishing an educational, information and consulting center for the rural entrepreneurship development	01.01.2019 – 31.12.2020	- tenders have been conducted; - designing estimates have been developed; - a contractor has been selected to reconstruct the buildings of the Center for Rural Development and Entrepreneurship Support; - reconstruction works have been started;	- three buildings have been renovated and equipped for the Center for Rural Development and Entrepreneurship Support; - the Center for Rural Development and Entrepreneurship Support has been established; - the staff has been selected;	- three schools are affiliated with the center: the school of rural entrepreneurship, environmental and rural tourism, and social entrepreneurship; - 15 trainings have been held; - at least 150 people have been trained at the Center for Rural Development and Entrepreneurship Support; - 5 business plans have been developed; - at least 5 new production facilities, services and goods have been launched.	- three schools are affiliated with the center: the school of rural entrepreneurship, environmental and rural tourism, and social entrepreneurship; - 20 trainings have been held; - at least 200 people have been trained at the Center; - 10 business plans have been developed; - at least 10 new production facilities, services and goods have been launched. Completed: 31.12.2020
1.3. Creating and launching the public-private business model of the "Amulet Prisozhiya" Ecopark	01.01.2019 – 31.12.2019	 a public-private consortium for the development of the park has been established; the consortium has developed a strategy for the development of the Park; the works on creation of the Park's infrastructure have been carried out: 1 walking route, 1 cycle route, and 2 parking lots. 	- the strategy of the park has been developed and is being implemented; - the public-private partnership has concluded the agreement for the development of the Park; - at least 10 participants have joint the agreement the tourism infrastructure of the Park has been created: 3 routes, 2 campsites, and 5 parking lots; - at least 5 entrepreneurs started operating in the park expanding the range of their services and products up to 5 items;	- 5 new tourist products have been developed; - the infrastructure of the park has been created: 5 routes, 2 campsites, 5 parking lots; 3 facilities of sanitary infrastructure, and 5 hardscape elements; - the public-private partnership has concluded the agreement for the development of the park; - at least 10 participants have joint the agreement at least 10 business entities started operating in the park expanding the range of their services and products up to 10 items.	- at least 15 business entities started operating in the park, expanding the range of their services and products up to 15 items; - the park's infrastructure has been created (at least 20 facilities); - 10 new tourist products have been developed; - the range of services and products has been expanded up to 15 items; - the increase in the number of organized groups of tourists (through the center of tourism) at least 30% of the total. Completed: 31.12.2020
1.4. Creating a cluster of Slavgorod cheese-makers	01.01.2019 – 31.12.2020	- the cluster has been created; - at least 10 cluster partners; - at least 20 varieties of cheese;	- at least 40 varieties of cheese; - at least 1 single brand – the "Slavgorod cheese";	- the gastronomic tour (cheese) has been developed in the district. - at least 20 cluster partners;	- tourist groups and individual tourists embark on the gastronomic tour.

Action / project ideas	Duration (start / end)	Expected results Months 1-6	Expected results Months 6-12	Expected results Months 12-18	Expected results Months 18-24
(small family farms, entrepreneurs, and a retail network)				- the growth of self-employment and employment – up to 25 people and the growth of the involved population – up to 15%.	- the growth of employment in cheese making – up to 25 persons; the growth of incomes of the involved population – up to 15%; - up to 2 tons of cheese have been produced annually. Completed: 31.12.2020
2.1. Developing the marketing and branding concept of the district	01.01.2019 – 31.06.2020	- the marketing concept of the district has been developed and approved by the Board of the District Council of Deputies; - at least 5 materials on the discussion of the concept have been published in the media; - at least 50 entrepreneurs have been involved in the development of the document; - 2 experts have been involved in the work;	- banners, displays and billboards have been designed; - at least 5 informative signs have been installed; - a contest for the best People's brand of the district has been held; - at least 6 articles on the contest have been published in the media; - 2 local People's brands have been created.	- at least 5 banners, displays and billboards have been installed; - the brand of the district and its identity have been developed; - 3 local People's brands have been created. Completed: 31.06.2020	- the volume of sales, services and goods of small and medium-sized businesses of all types has increased by 5% by 2020; - the growth of imports of services and goods – up to 5% by the end of 2020; - at least 15 banners, displays and billboards have been installed; - the catalog of local People's brands has been produced; - 3 local People's brands have been created 15% of entrepreneurs, non-profit organizations, owners of agroecofarmsteads, personal small-holdings, farmers, and craftsmen use local brands.
2.2. Creating a unified information network through IT technology	01.01.2019 – 31.06.2020	- the algorithm for the interaction of state organizations, entrepreneurs, non-profit organizations, owners of agroecofarmsteads, personal small-holdings, farmers, craftsmen and the media has been developed; - the coordinating body and its functions have been defined; - the developer of the website has been selected; the development of the website of the "Amulet Prisozhiya" Eco-park has started; - the website of the "Amulet Prisozhiya" Eco-park has been developed (at least 100 visits monthly); - the regional website has been developed (at least 300 visits monthly).	- the promotion of the website of the "Amulet Prisozhiya" Eco-park has been carried out on the Internet; - at least 30 visits to the website of the "Amulet Prisozhiya" Eco-park monthly; - the promotion of the website has been carried out on the Internet; - 50% of state organizations, entrepreneurs, non-profit organizations, owners of agroecofarmsteads, personal small-holdings, farmers, craftsmen and the media have visited the websites.	- the promotion of the website of the "Amulet Prisozhiya" Eco-park has been carried out on the Internet; - at least 100 visits monthly; - the promotion of the website has been carried out on the Internet; - at least 200 visits monthly. Completed: 31.06.2020	- two websites are operating; - at least 100 visits to the website of the "Amulet Prisozhiya" Eco-park monthly; - at least 300 people visited the regional website monthly; - the websites are visited by 50% of entrepreneurs of the district.
2.2. Holding a series of practical trainings for entrepreneurs to study the market channels and use the marketing tools	01.01.2019 – 31.06.2020	- a schedule for the trainings has been developed; - the information has been published in the media; - at least 2 experts have been invited; - at least 80 stakeholders have been invited.	- 5 trainings have been held; - the number of participants – 75; - the questionnaire has been distributed to the participants; - the competencies of participants in the trainings on marketing have been increased by 40%.	- 10 trainings have been held; - the number of participants – 150; - up to 50% of SMEs have marketing plans; at least 10% of them are being successfully implemented; - the competencies of participants in the trainings on marketing have been increased by 70%.	- the volume of sales, services and goods of small and medium-sized businesses has increased by 5% by 2020; - 30% of SMEs have successfully implemented their marketing plans.

Action / project ideas	Duration (start / end)	Expected results Months 1-6	Expected results Months 6-12	Expected results Months 12-18	Expected results Months 18-24
	,			Completed: 31.06.2020	
2.4. Holding newsworthy events to promote the district as a tourist destination	01.01.2019 – 31.12.2020	- 2 newsworthy events have been organized at the interregional level (festivals Makovey and "Gaspadarchy syr" cheese festivals) and 2 local festivals; - at least 30,000 people have visited festivals.	- 2 newsworthy events have been organized at the interregional level (festivals "Lesnaya – a place of military glory" and music festival named after Osip Kozlovsky) and 2 local festivals; - at least 30,000 people have visited festivals.	- 2 newsworthy events have been organized at the interregional level (festivals Makovey and "Gaspadarchy syr" cheese festival) and 2 local festivals; - 4 local festivals have become traditional; - at least 60,000 people have visited festivals.	- newsworthy events have become cultural brands of the district; - 75% of the owners of agroecofarmsteads, personal small-holdings, farmers, craftsmen have taken part at the newsworthy events; - the turnover and/or revenue has increased by 15%; - the number of tourists in the district has doubled. Completed: 31.12.2020
3.1. Creating a regional (interdistrict) tourism cluster and promotion of its products	01.07.2019 – 01.09.2020	- the potential districts and tourism entities have been identified for the cluster creation.	- at least 20 entities participated; - the number of joint food products – at least 8.	- at least 40 entities participated; - the number of joint food products - at least 15. Completed: 31.09.2020	- at least 40 entities participated; - the number of joint food products - at least 15; - the growth of tourism services exports by the end of 2020 has increased by 20% compared to 2018; - the growth of employed in tourism - by 15%.
3.2. Organizing a regional (interdistrict) business workshop on the basis of the center of rural entrepreneurship	01.05.2019 – 01.12.2020	- a schedule for the trainings has been developed; - the information has been published in the media; - at least 2 experts have been invited;	- the premises have been equipped; - 5 trainings have been held; - at least 40 entities participated;	- 10 trainings have been held; - at least 100 entities participated; - at least 20 new services and goods have been created.	- the growth of self-employment and employment – up to 25 persons; - at least 20 new services and goods have been created. Completed: 01.12.2020
3.3. Developing and launching a SMART-app about local goods, services, tourist sites and facilities, projects, and opportunities for the SME development	01.01.2020 – 31.09.2020	- the developer of the application has been selected and the work has been done to collect information on goods, services, tourist sites and facilities, projects, and opportunities for small and medium-sized businesses in the region.	- the information about goods, services, tourist sites, tourist facilities, projects, and opportunities for small and medium-sized businesses in the region has been collected; - the application has been developed; - the information about the application is available on the websites of the District Executive Committees; - 100 people have used the application.	- the information about the application is available on the websites of the District Executive Committees; - at least 150 people have used the application.	- the information about the application is available on the websites of the District Executive Committees; - at least 200 people have used the application new production facilities, goods and services are developed; - the contribution of SMEs to the economy of the district has increased by 7%. Completed: 31.09.2020
3.4. Organizing and holding the regional economic forum	01.07.2019 – 31.12.2020	- a program of the forum has been developed; - the dates have been defined; - a working group for organization of the forum has been created; - the information on the upcoming regional event has been published in the media.	- the participants and guests of the forum have been invited; - the premises, handouts, presentations, and investment proposals have been prepared.	- the forum has been held; - at least 80 business entities have participated; - at least 30% of external business entities participated.	- at least 5 letters of intent for business development have been signed; - the number of new production facilities, services and goods has increased by 3%; - 50% of the forum participants have given a positive feedback. Completed: 31.12.2020