

**LOCAL ECONOMIC**

**DEVELOPMENT PLAN**

Municipality: **Glubokoye District, Vitebsk Oblast**

Country: **The Republic of Belarus**

Slogan: ***Glubokoye district*** *– proud of the past, creating the future*

July 25, 2018

**Table of contents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Section/Subsection** | | |  | **Page** |
| **List of Abbreviations, Tables & Annexes** | | |  | **3** |
| **Preface from the Chairman of the Glubokoye District Executive Committee** | | |  | **4** |
| **Executive Summary** | | |  | **5** |
| **Introduction** | | |  | **6** |
| **1.** |  | **Process of developing Local Economic Development Plan** |  | **7** |
| **2.** |  | **Local Economic Analysis** |  | **7** |
|  | 2.1. | Analysis of Local Economic Structure |  | **8** |
|  | 2.2. | Local Cooperation and Networking |  | **9** |
|  | 2.3. | Business-friendly, Transparent and Corruption-Free Administration |  | **10** |
|  | 2.4. | Access to Finance |  | **10** |
|  | 2.5. | Land and Infrastructure |  | **11** |
|  | 2.6. | Regulatory and Institutional Framework |  | **11** |
|  | 2.7. | Skills and Human Capital, Inclusiveness |  | **12** |
|  | 2.8. | External Positioning and Marketing |  | **12** |
| **3.** |  | **SWOT analysis** |  | **13** |
| **4.** |  | **Vision and Objectives** |  | **14** |
| **5.** |  | **Action Plan** |  | **14** |
| **6.** |  | **Financing Scheme** |  | **14** |
| **7.** |  | **Monitoring Indicators and Mechanisms** |  | **15** |
|  |  | Table 1. Action Plan |  | **16** |
|  |  | Table 2. Financing Scheme |  | **21** |
|  |  | Table 3. Monitoring plan in the context of the activities |  | **22** |

**List of Abbreviations, Tables & Annexes**

**List of Abbreviations**

|  |  |  |
| --- | --- | --- |
| **Abbreviation** |  | **Complete form** |
| M4EG | – | The EU Initiative "Mayors for Economic Growth" |
| LEDP | – | Local Economic Development Plan |

**List of Tables**

|  |  |  |
| --- | --- | --- |
| Table 1. |  | Action Plan |
| Table 2. |  | Financing Scheme |
| Table 3. |  | Monitoring plan in the context of the activities |
|  |  |  |

**Annexes**

|  |  |
| --- | --- |
| Annex 1. | Map of the district |
| Annex 2. | The Decree on the composition of the team |
| Annex 3. | The Decree on the appointment of a Local Economic Development Officer |
| Annex 4. | Classification of organizations by size |
| Annex 5. | Classification by economic activity |
| Annex 6. | Private sector enterprises |
| Annex 7. | Sectors (subsectors) of growth and their challenges |
| Annex 8. | Evaluation of cooperation at the local level |
| Annex 9. | Access to Finance |
| Annex 10. | The private sector needs in land resources and infrastructure |
| Annex 11. | Regulatory and Institutional Framework |
| Annex 12. | The situation with Skills and Human Capital Ways to achieve a balance between the demand for skills and human capital and the employment opportunities in the municipality – system analysis |
| Annex 13. | Perception of the territory by residents |
| Annexes 14-25. | Description of the activities |

**The official rate of the Belarusian ruble against the foreign currencies set by the National Bank of the Republic of Belarus, as of 01.01.2018**

1 euro = 2.3553 BYN

**Preface from the Chairman of the Glubokoye District Executive Committee**

**Dear residents and guests of the town!**

Glubokoye district is one of the most industrialized districts of Vitebsk Oblast. It is located in the north-western part of Belarus, in the south-west of Vitebsk Oblast. According to the experts of the Belkosmosaerogeodeziya, the geographical center of Europe is located near the lake Sho in Glubokoye district.

There are 27 rivers and streams and 106 lakes in the district. The district has a rich cultural and historical heritage: there are 66 monuments of history and culture, including 17 temples, 4 of which are of the Republican value. 8 manors of famous noble families have been preserved. The residents of the district respect the history of the native land and the people who celebrate their district not only in Belarus but also abroad. As a sign of special respect and gratitude for their services, the square of famous countrymen has been established, the only one of its kind in the Republic of Belarus.

Much is being done by the residents for preserving their intangible cultural heritage. The traditional technology of baking rye bread, the technology of preparation of the traditional dish "Oily ram", the rite of the village of Papshichi of Glubokoye district "Wear a nametka" and the tradition of painting "malyavanki" are included in the list of the intangible heritage of Belarus.

The attractiveness of the district is evidenced by the fact that it is a festival venue for such international events as the Magnifikat, Cherry festival, Dudarski ray and others.

Further support of private initiative and entrepreneurship, expansion of the raw materials base, the further modernization of industrial enterprises, and creation of a comfortable social environment are the priorities for local authorities.

Local economic development is important for creating new jobs, stopping the negative migration processes, increasing the incomes of the population and improving the social environment. It is for these purposes that the Local Economic Development Plan (hereinafter referred to as the LEDP) has been elaborated within the M4EG Initiative.

The Plan was developed in conjunction with the Plan of Social and Economic Development of Glubokoye District for 2019-2021 and other plans of the district, but is focused, to a greater extent, on mobilizing business initiative and supporting entrepreneurship. The Administration of Glubokoye district views the private sector as the main driver for the equitable economic growth and job creation. Therefore, for the economic development of Glubokoye district, it is important that all organizations and individuals are involved in the economy of the district and join their efforts.

We hope that the implementation of this Plan will be a significant contribution to economic development and will launch new initiatives for a better future.

We are open to dialogue and mutually beneficial partnership. Welcome to Glubokoye district!

**Oleg Morkhat,**

Chairman of the Glubokoye District Executive Committee

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

|  |  |
| --- | --- |
| **NAME** | Tatsiana Tarasevich |
| **Position:** | Deputy Chairman of the Glubokoye District Executive Committee |
| **Address:** | Republic of Belarus, Vitebsk Oblast, Glubokoye, ul. Lenina, 42 |
| **Phone:** | +375 2156 2 13 45 |
| **Fax:** | +375 2156 2 24 65 |
| **Email:** | glub\_rik@vitebsk.by |
| **Website:** | http://glubokoe.vitebsk-region.gov.by/ru |

**Executive Summary**

Participation in the Initiative "Mayors for Economic Growth" was approved by the Decision of the Glubokoye District Council of Deputies No. 183 of May 26, 2017, which authorized the Chairman of the Glubokoye District Executive Committee Oleg Morkhat to sign the M4EG Membership Form. The district shares the goals and objectives of the Initiative for accelerating the equitable economic growth and job creation.

This Local Economic Development Plan was elaborated within the voluntary commitments taken within the Initiative. It is aimed at supporting business initiatives and entrepreneurship, as well as expanding constructive public-private dialogue and fostering economic development. The LEDP was elaborated taking into account previously developed plans of Glubokoye district and is in line with the main focus and objectives of the state economic policy.

The integrity of the Plan is confirmed by the use of national and local statistics and involvement of experts in the LEDP development. Representatives of the local authorities, business community and civil society took part in the regular discussions during the LEDP developing, and their opinions were taken into account in the final document.

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 formulated and the activities aimed at their implementation based on the current priorities of economic development of the district were proposed.

**Competitive advantages of the district:** the preserved labor potential and business-friendly environment; cross-border geographical location; experience in international cooperation and event tourism.

**Vision:**

**Glubokoye district** is a learning area, successfully implementing its business capacity in economic development and actively involved in international tourism; it is a place for decent work and recreation.

**Strategic objectives and activities in support of their implementation:**

**1. Stimulating the business initiative and capacity building of businesses based on innovative forms of training and support to small and medium-sized enterprises:**

1.1. Establishing the Center for Support and Promotion of Entrepreneurship and Innovation;

1.2. Establishing a business school and organizing its activities;

1.3. Establishing a Startup Support Office and organizing its activities;

1.4. Establishing a Business Promotion Office for marketing support and promotion of products and services of local enterprises in regional, national and foreign markets.

**2. Increasing the investment attractiveness of the district:**

2.1. Establishing investment platforms and disseminating information on investment proposals via the electronic Business Bulletin (in Russian and English);

2.2. Holding an investment forum "Glubokoye-Invest";

2.3. Producing a promotional video about the investment attractiveness of the district;

2.4. Supporting small and medium-sized enterprises for job creation.

**3. Achieving the potential of international cooperation in tourism development**:

3.1. Holding festivals ("Cherry festival", and "Dudarski ray") with the growing foreign participation;

3.2. Creating a tourist cluster for the development of small tourist facilities in ecological, event, rural and recreational tourism;

3.3. Designing and printing the guide map "Glubokoye district for tourists" in English;

3.4. Conducting seminars to share experiences in tourism with municipal officers of the other Eastern Partnership countries, based on the bi-lateral cooperation agreements.

The total budget of the LEDP is 612,000 euro. The main funding sources for the LEDP within 2019-2020 are donor funds, including the **M4EG pioneer project “Creation of Center for Entrepreneurship and Innovations Promotion and Support in Glubokoye District, Vitebsk Region, Belarus”** (461,478 euro, EU contribution – 414,869 euro); the private business and local budget. Planning provides for a budget deficit which is 48,000 euro, and is seen as an incentive to look for additional funds for the implementation of the planned activities.

Monitoring of implementation will be carried out on a half-year period basis.

**Introduction**

Participation in the Initiative "Mayors for economic growth" was approved by the Decision of the Glubokoye District Council of Deputies No. 183 of May 26, 2017, which authorized the Chairman of the Glubokoye District Executive Committee Oleg Morkhat to sign the M4EG Membership Form.

The Initiative "Mayors for Economic Growth" fully meets the goals and objectives of local government of Glubokoye district, promotes active economic growth, job creation, and partnership with the business community, private sector and non-profit organizations. The creation of a sustainable economic development model in accordance with the goals and values of the M4EG Initiative will have a positive impact on the development of both the district and the state as a whole.

Glubokoye district is located in the north-western part of Belarus, in the south-west of Vitebsk Oblast. The center of the district is the town of Glubokoye, which is located 176 km away from the capital of Belarus - the city of Minsk, and 187 km away from the Oblast center – the city of Vitebsk.

Administratively, the district is divided into 13 rural councils and the town of Glubokoye. Glubokoye district covers the area of 176 thousand hectares. Agricultural land forms the basis of the natural potential of the district. Forests cover 25.4% of the district's area. The district has unique natural resources. There are 20 natural reserves and monuments in the district, including the Dolgoe Lake, which is 53.7 meters deep. There are monuments of republican importance under the protection of UNESCO in the district, such as: the Cathedral of the Nativity of the Blessed Virgin Mary (17th century, the town of Glubokoye), Church of the Holy Trinity (1764-1782, the town of Glubokoye), Church of St. Anne (1792, Mosar village), and Church of the Franciscans (1740, Udelo village). The historical and cultural heritage of Glubokoye district has a significant tourist potential, which continues attracting many tourists (more than 3 thousand people annually; the district ranks 4th among the districts of the Oblast in terms of the number of tourists). The residents are aware of the cultural wealth and benefits of the geographical location of the district, actively using these opportunities in agroecotourism.

The district remains one of the most populated districts of Vitebsk Oblast (the third largest in terms of population), and is characterized by a higher quality of life. There are a relatively big number of industrial enterprises that create jobs in the district. The demographic situation, despite the urbanization processes, is comparatively favorable. As of January 1, 2018, the population of the district was 37,000 people (48.2% men and 51.8% women). Currently, the share of the urban population is 56.8%, rural – 43.2%. The number of the employed is about 16.6 thousand*.* In 2017, the migration balance was minus 35. The district is home to 30% of elderly people. The average age of the population of the district at the beginning of 2018 was 43.8 years, including men – 41.1 years and women 46.5 years. The official unemployment rate in Glubokoye district is 0.5%.

As a whole, there is a business-friendly environment in the district favorable for economic activity, business development and investment attracting both in the real sector of the economy and in the service sector, particularly in tourism.

The LEDP was developed in line with the commitments made by local self-government of Glubokoye district when joining the M4EG Initiative, with the general strategic guidelines for the development of the territory represented in the state program of "Small and medium-sized entrepreneurship in the Republic of Belarus for 2016-2020", and the Program of the Social and Economic Development of Glubokoye district for 2019-2021. The Plan also takes into account the main provisions of the Strategy of Sustainable Development of Vitebsk Oblast until 2025, developed within the EU international technical assistance project "Support to Local Development in the Republic of Belarus".

The LEDP of Glubokoye district is not exhaustive and does not replace other existing plans in the economic and social spheres, but is complementary, aimed, to a greater extent, at the development of small and medium-sized businesses and economic growth of the district. The activities envisaged by the LEDP are aimed at stimulating the business initiative and self-employment, developing tourism through small and medium-sized private enterprises for the sustainable economic development of the district, economic growth, creating new jobs, and attracting investments. In accordance with the signed Memorandum and the requirements of the M4EG, the LEDP was developed with the participation of representatives of local business and civil society. During the implementation stage, it provides for an active dialogue with all stakeholders to ensure inclusive local development, to promote employment and to improve the welfare of the population.

The funding for the implementation of the LEDP is achievable and measurable, is clearly defined in view of the time needed for the implementation of the actions, and involves raising funds from internal and external sources. The funds of the district budget and local private businesses operating in the district are considered as internal sources of funding. The international technical assistance funds within the M4EG Initiative and the grants from other international and national programs are considered as external funding sources. The main funding source for the LEDP is the grant for the M4EG pioneer project “Creation of Center for Entrepreneurship and Innovations Promotion and Support in Glubokoye District”.

**1. Process of developing Local Economic Development Plan**

In order to coordinate the interests of the state, private business and civil society in developing the LEDP, a drafting team was created. The team consists of seven members including those representing the District Council of Deputies – 3 members, the District Executive Committee – 1 member, private business – 1 member, the CSO – 1 member, and the Vitebsk State University named after P.M. Masherov – 1 member. The University is the partner organization and provided the scientific and methodological support during the LEDP development. Tatsiana Tarasevich, Deputy Chairman of the Glubokoye District Executive Committee, who was appointed by the Decree of the District Executive Committee as a Local Economic Development Officer within the M4EG Initiative (Annexes 2, 3), and who received the four-stage M4EG training, coordinated work on the LEDP development.

The LEDP development was initiated in November 2017 and started with a joint meeting of the drafting team and the established Council for Entrepreneurship Development, which includes 18 members of the private sector, the District Council of Deputies and the District Executive Committee, and meets once a quarter. Based on the results of the brainstorming session, the drafting team defined the main items of the Plan and a general vision for the development of the district.

At a later stage, general coordination meetings of the drafting team were held 3 times (January, March and June 2017). At the same time, consultations with representatives of the business, NGOs, public authorities, and business community were held. As necessary, the representatives of the drafting team held individual meetings in due course, as well as consultations on the Plan development with the presidium of the Council for Entrepreneurship Development. After approval of the Local Economic Development Plan, a general meeting of the representatives of the Council for Entrepreneurship Development, government, non-profit organizations and civil society was held. 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 during developing the general concept and individual items of the LEDP. The LEDP was developed in view of the principles of unity, integration, consistency, permanence, flexibility, balance of interests, innovation, partnership and co-financing.

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.

When developing the LEDP, the data from the national and local statistics, as well as the Concept of the Area-Based Development of Glubokoye district (elaborated within the EU/UNDP project "Support to Local Development in the Republic of Belarus", 2016) was used. As required, during the LEDP development, the consultations were held with the specialists of the governmental organizations (the Labor Department, Sports, Education and Tourism Department, Statistical Department and others) and non-governmental organizations (the Chamber of Commerce and Industry, the Local Foundation "Center for promoting social and economic development of the Euroregion the Lake Region"), as well as with the specialists of the Vitebsk State University.

**2. Local Economic Analysis**

**2.1 Analysis of Local Economic Structure**

The type of the district economic complex is industrial and agrarian. More than 53% of the district population is employed in the production sphere, including in agriculture – 23% and industry – 22%.

The agricultural sector of the district is specialized in the production of grain, flax, potatoes, rape, vegetables, milk, meat, and eggs. The share of crop production in the volume of the agricultural production of the district is 19% and the share of livestock production – 64%. 17 large-scale agricultural enterprises account for the bulk of the district's agricultural production.

The industrial complex is mainly represented by food processing and flax processing plants and public utilities (a total of 18 enterprises), including Glubokoye Milk Canning Plant OAO, Glubokoye Meat-Processing Plant OAO, Glubokoye Feed Factory OAO, the municipal production unitary enterprise Glubokoye Printing House and others. The enterprises of the district account for more than half of the Oblast production of canned milk, more than 17% of meat and meat by-products, 12% of sausages and cheese, and about 7% of butter.

The enterprises of the district actively develop foreign economic activity. Currently, the products are exported to 19 countries. Among the Oblast's districts, Glubokoye district occupies the 3rd place in terms of exports. In 2017, the volume of exports of goods amounted to 55 million US dollars, with a growth rate of 118%. Milk and dairy products account for the largest share in exports.

Tourism services account for 42.2% in the export of services, transportation services – for 57.4%. Services exports in 2017 amounted to 3.3 million US dollars. The district is ranked 4th in the Oblast in terms of exports of services.

Investment activity in the district is insufficient, the main resource flows are concentrated in food production (milk and meat products) and service sector (tourism activity).

The private sector accounts for about 15% of the employed population of the district, while the share of private sector in the district's budget revenue is about 20%. In Glubokoye district, there are more than 27 private economic entities per 1000 people which employ more than 21% of the total number of employed in the economy; the amount of collected taxes received from these enterprises exceeds 22% of total tax revenues.

884 individual entrepreneurs, 167 microenterprises, 75 small, 14 medium-sized and 11 large enterprises operate in the private sector. The main share of businesses accounts for individual entrepreneurs, craftsmen (77%) and microorganization (15%) (Annexes 4-6).

Out of all types of economic activity, the private sector is involved in 12. The most popular types of economic activities among individual entrepreneurs, microenterprises and small businesses are retail and transportation services, among medium-sized enterprises – agricultural production, and among large enterprises – industrial production. Recently, the most effective industries in the district in terms of annual turnover and profit have become trade and woodworking. The following companies are involved in woodworking: the private commercial and production unitary enterprise Berestadrev, the private commercial and production unitary enterprise DrevTorgServis; Glubokoye woodworking enterprise OOO, Ekodrev technologies ODO, and Somil OOO.

One of the most rapidly developing and efficiently operating enterprises is the private enterprise Berestadrev. According to the results of 2016, the enterprise produced and sold (including export) products in the amount of 431 thousand BYN. The production includes processing of sawn softwood, as well as sale of sawmill production waste, including sawdust. The average number of employees of the enterprise in 2016 was 8 people.

More than 415 outlets are operating in trade sector, of which 248 are shops, more than 200 of which are private trading enterprises. There are 621 m2 of retail space per 1000 residents in the district. There are 68 catering facilities in the district.

Tourism is developing successfully. The point of growth in the tourism sector is the health complex “Plissa”, which is the branch of TrestPromStroy ZAO. The export of tourist services of this enterprise amounted to 1.3 million US dollars last year. Agroecotourism and recreational infrastructure are dynamically developing; landscaping is under way, which involves the residents as well. One of the most popular tourist sites is a unique cultural and dendrological complex in Mosar; the farmsteads of the district are of a great demand as well. This increases the density of the population during the high tourist season and gives further impetus to the district’s development.

Given the great number of tourist sites, mostly private (agroecotourism entities – 40, roadside services – 19, hunting lodges – 5, recreation facilities – 4, resort – 1), tourism (including inbound tourism) should play a significant role in the development of the district. In 2017, the agroecofarmsteads Obereg and Usadba Yakimovich received loans. In 2017, one agroecofarmstead was established in the district.

With the aim of developing tourism in the district, four initiatives in the framework of the EU-UNDP Project “Support to Local Development in the Republic of Belarus” with a total budget of over 100 thousand US dollars were implemented in 2015-2018:

* "The green path to the ancestral heritage" (the Uzrech'ye Rural Executive Committee);
* "Safe region – safe state" (the Local Foundation "Center for promoting social and economic development of the Latvian-Lithuanian-Belarusian territories the Lake Region");
* "Sustainable municipal solid waste management in Podsvilye" (the Podsvilye Rural Executive Committee);
* "Creating virtual journeys through the historical and cultural heritage of the region" (the Glubokoye Historical and Ethnographic Museum).

The hallmark of Glubokoye district is the condensed milk of Glubokoye Milk Canning Plant, as well as cranberries in powdered sugar produced by the enterprise Arzhanitsa. The products of these enterprises are loved and recognized not only in Belarus but also in many countries of the world. Since 2010, the tourist brand "Cherry Capital Glubokoye" has been actively developing.

**Sectors of growth:**

Taking into account the priorities of the M4EG (sustainable local economic development and job creation in the private sector) when preparing the LEDP, special attention was paid to the sectors of growth which involve those types of economic activity that have the greatest potential for the implementation of private initiatives (Annex 7).

In **industry** a key area of sustainable economic development may be the innovations in production in view of the modern environmental standards. This can be achieved through the increase in the investment attractiveness of industrial facilities and the territory as a whole, with the subsequent production modernization focused on the introduction of process and product innovations, the increase in exports and in the district budget tax revenues. In addition, there is a place for the development of various outsourcing services that can be performed by small businesses for larger ones. The threat of restructuring large state-owned enterprises also implies the possibility of the emergence of smaller businesses of the same profile.

In **tourism** the promising directions of development should be expanding the range of cultural and leisure services, expanding the offer of accommodation and improving its quality, maintaining and enhancing the environmental quality, developing the sites for cultural and leisure activities and preservation of cultural heritage for increasing attractiveness for both domestic and foreign tourists. For the development of the industry, further stimulation of inbound tourism is required, taking into account the countries and regions with which cooperation is being conducted in the framework of the signed agreements, improving the positioning and promotion of Glubokoye district as a tourist destination of Belarus. Ultimately, the development of this industry should contribute to a substantial increase in exports of services, creating new jobs and opportunities for self-employment.

In **services** the promising directions should be expanding the range and volume of public catering and leisure services provided to tourists and the public. Measures to stimulate development in this area include activities to attract both domestic and foreign private investors, create conditions for teaching the population the basics of business and entrepreneurship, and information and communication activities to unblock the business initiative and promote the entrepreneurial initiatives. The expected effect from the development of this point of growth is the growth of employment and an increase in retail turnover.

**2.2 Local Cooperation and Networking**

An important aspect for building a framework for sustainable development of territories is an effective public-private partnership. Unfortunately, in Glubokoye district, cooperation between the private business and state bodies is not sufficiently developed. The meetings of representatives of state bodies with the business community are more of informational nature and are conducted when a need arises (legislative change, discussion of projects, etc.) (Annex 8).

There is an office of the Belarusian Chamber of Commerce and Industry in Glubokoye district, but this organization still could not establish close cooperation with the private business. The Chamber of Commerce occasionally carries out exhibitions. However, even this activity is currently not sufficiently effective and efficient.

In the town of Glubokoye, an information and tourist center has been established that promotes tourism products and is engaged in promotional activities, but, unfortunately, the range of activities of this organization does not cover all areas. The main drawback in its activities is the lack of integration and interaction. There are no tourist exhibitions, joint programs are not being developed, the promotion of Glubokoye as a tourist destination is unsystematic and does not take into account the specific interests of small businesses. For the development of cooperation in tourism, a tourist cluster should be created, which will involve both the state and private businesses from various industries.

The main form of cooperation aimed at promoting entrepreneurial initiatives in the district is support to newly registering entrepreneurs from the Executive branch. In addition, the authorities provide financial support to startups. In 2017, 5 entrepreneurs received financial aid in the amount of 5000 US dollars.

The main prerequisite for successful cooperation is the trust relationship of the parties. However, despite the fact that the Council for the Support of Entrepreneurship, which holds quarterly meetings, has been established in Glubokoye district, entrepreneurs are not yet ready to actively and publicly discuss their problems.

It is assumed that the Center for Support and Promotion of Entrepreneurship and Innovation in Glubokoye district, which will be created within the EU project "Mayors for Economic Growth", will play an important advisory, informational and educational role. The Center will focus on strengthening cooperation between small and medium-sized businesses and government agencies, providing additional platforms for inclusive dialogue of stakeholders, as well as the development of modern information tools for positioning and promoting both business entities and individual goods and services in domestic and foreign markets.

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

In Glubokoye district, the interaction of authorities with population is systematic and regular. The citizens participate in the adoption of socially significant decisions in Glubokoye district in various ways.

In accordance with the Law of the Republic of Belarus of January 4, 2010 № 108-3 "On local government and self-government in the Republic of Belarus", in Glubokoye district, local self-government structures have been set up, including local Councils of Deputies (the District Council of Deputies consists of 36 deputies, 13 Rural Councils of Deputies – 146 deputies).

The bodies of territorial public self-government have been established in the district and are functioning in accordance with the legislation. The main form of territorial public self-government is meetings of rural residents, where the elders of settlements are elected (there are 134 elders in 394 settlements of the district).

Such meetings successfully combine the format of citizens’ participation in local social and economic development and interaction with authorities. Specialists of various services of the district take part in the work of the gatherings: deputies, representatives of the Executive Committee, economic services, land surveying services, emergency department, center of hygiene and epidemiology and other services as needed, which solve the most important issues of sustaining the population such as water supply, maintenance of roads, improvement of settlements, commercial services, etc.

An important form of interaction between representatives of the authorities and the local population is the regular meetings with the residents of the town or district. Citizens participate in resolving issues of local social and economic development through applications to state bodies, other organizations and officials. The one-stop-shop service for administrative procedures is operating.

According to the results of the Republican contest "The best city (district) and Oblast for business in Belarus – 2017", Glubokoye district was named the best for doing business among the districts of Vitebsk Oblast with the population less than 50 thousand people.

Accessible and timely information can be obtained through the websites of the Glubokoye District Executive Committee and the district newspaper "Vesnik Glybochchyny". Public procurement is conducted through electronic bidding and information is published on the Internet.

The disadvantages of information activities of the public administration include the lack of effective work of corresponding Internet resources. The effectiveness of information work requires the development of an updated Internet portal, which will allow to more clearly and promptly inform the public about the main directions of the Administration's activities, provide feedback, and allow implementing the separate elements of interaction between the Administration and the population on-line.

**2.4 Access to Finance**

There are 3 banks in Glubokoye district. One of them is the Banking Services Center No. 208 of the branch No. 216 of the ASB Belarusbank OAO in the town of Glubokoye. The bank implements the state programs, credits industrial and agricultural enterprises of the district, provides credit support to the financial department of the District Executive Committee, and implements the state program for housing construction loans.

The Settlement and Cash Center No. 39 of the Belagroprombank branch in the town of Glubokoye, being the authorized bank of the Government of the Republic of Belarus for state programs, actively lends to the projects aimed primarily at reforming the countryside and developing the agroindustrial sector of the national economy. Belagroprombank provides concessional loans to individuals for opening agroecofarmsteads. In 2017, the agroecofarmsteads Obereg and Usadba Yakimovich received loans.

The BelVEB bank is one of the system-forming banks of the country and a credit institution of the Republic providing services to the real sector of the economy. It performs currency exchange operations, operations with precious metals, issues bank guarantees, etc.; provides loans for the purchase of goods, service loans, loans for construction and housing acquisition, etc.

Since 2014, the Development Bank of the Republic of Belarus, with the participation of 11 partner banks has been implementing the small and medium-sized entrepreneurship support program, which is aimed at financing investment projects of small and medium-sized businesses engaged in the production or provision of services.

The Belarusian Fund for the Financial Support of Entrepreneurs for the purpose of implementing the State Program "Small and Medium-sized Entrepreneurship in the Republic of Belarus" for 2016-2020 approved by the Decree of the Council of Ministers of the Republic of Belarus on February 23, 2016 No. 149, provides financial support to small business entities (Annex 9). All information on financing opportunities is posted on the website of the District Executive Committee.

The additional funding can also come from the donors of international technical assistance (the main donor is the European Union) and from the funds and specialized agencies within the United Nations programs.

In order to expand the volume of financing of entrepreneurial initiatives, it is necessary to actively attract funds from private domestic and foreign investors. Increasing the investment attractiveness of the territory is possible on the basis of wider information on investment opportunities in Glubokoye district, on ongoing competitive tendering and support programs, as well as on available benefits and preferences. Active promotion of the investment potential of the territory implies the improvement and expansion of existing information channels: upgrading the website of the District Executive Committee, creating additional information Internet resources, regular holding investment forums, and establishing investment platforms for a sustainable dialogue between the local authorities, local business and potential investors.

**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 11 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).

To increase the interest of the business in the implementation of activities in the district, a support of the authorities is needed.

One type of state support to entrepreneurs is the donation or auctioning the land plots, including for 1 base amount (10 Euro), to small and medium-sized businesses. It is also possible to conclude a lease contract for a land plot for the constructing of various facilities.

In 2017, 9 projects were implemented relating to the expansion of the veterinary clinic, woodworking production, the organization of maintenance and repair of cars, the production of fuel pellets, metal structures, etc. In total, small and medium-sized businesses leased 1.3 thousand m2 of the state property.

In order to provide additional guarantees to investors/tenants, the law establishes the lease term for a land plot that is in state ownership and is provided for purposes related to the construction and (or) maintenance of capital structures (buildings, facilities) not less than the normative term for their construction and (or) operation. Provision of land for a shorter period may be exercised only with the consent of the persons who are granted this land. The term of land lease shall not exceed ninety-nine years. In addition, the district Administration prepared the list of land plots for implementation of investment projects in Glubokoye district. The information on these plots can be found on the website of the District Executive Committee.

**2.6 Regulatory and Institutional Framework**

The district Administration provides Informational support to business entities. The main form of interaction is holding of seminars. The information about changes in the legislation is being disseminated through the local newspaper, radio, and Internet resources (Annex 11). The Economic department and legal sector carry out explanatory work for private business entities. The one-stop-shop service is operating.

The negative impact is exerted by significant bureaucratization of the interaction between the government and the business due to a great number of rules, regulations and legislative barriers, as well as a long list of required documents and their lengthy consideration, especially in construction, licensing, procurement, and certification. Insufficient independence of local managers in decision-making and management of budgetary funds is also a problem. As measures to stimulate business initiatives, the local administration is considering the possibility of reducing the rates of taxes and fees which it manages, for example, land and real estate taxes, but the potential of this measure to stimulate business activity is insignificant and most likely won't affect the economy.

It is worth noting that at the end of 2017, a number of legislative acts that provide certain preferences to businesses were adopted. Currently, active work is being carried out to inform the population about new business conditions (through the local newspaper, the District Executive Committee website, and meetings with entrepreneurs), but there is no active business development activity so far.

**2.7 Skills and Human Capital, Inclusiveness**

The network of district's educational establishments includes only preschool centers, general educational institutions, the educational establishment Glubokoye Gosproflitsey (training locksmiths, flower growers and sellers), and establishments of additional education and sports schools.

Cooperation with higher and secondary special institutions of the Oblast and the Republic is developed in the district both for obtaining professional education, requalification and raising the level of knowledge. Commercial organizations provide training and retraining of personnel at their own expense. Non-profit government organizations send employees for requalification (advanced training) at the expense of budgetary funds.

In 2017, 1644 people applied to the Labor Office for employment assistance. 1.5 thousand people were employed at the enterprises of the district (90% of those who applied, including 691 unemployed). 65 unemployed persons claim for 75 vacancies registered in the district. The tension in the labor market is 0.9 unemployed per one job. Most vacancies are related to agriculture (Annex 12).

In 2017, the Labor Office assisted in starting businesses by providing 5 grants to the unemployed persons. All the unemployed wishing to obtain a grant for starting business took advantage of this opportunity. In 2017, students and pupils were involved in temporary employment in their free time and during the summer holidays. For the efficient use of labor resources and the intensification of migration processes, there is a mechanism for resettlement of the unemployed in the district. 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.

In order to reduce the imbalance between the demand for skills and human capital and the employment opportunities in the labor market, the Labor Office organizes vocational trainings for the unemployed. All the unemployed wishing to master a profession take vocational trainings.

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. Decrease in the level of employment in agriculture is accompanied by a shortage of skilled workers, staff turnover, and an imbalance between the demand for skills and human capital and the employment opportunities in the municipality.

The current situation on the local labor market and the potential for restructuring large state-owned enterprises requires the expansion of opportunities for additional education in terms of acquiring business knowledge and skills, particularly in rural areas.

**2.8 External Positioning and Marketing**

When developing the LEDP, the residents were interviewed to help defining the directions of positioning Glubokoye district:

– there is a developed industrial and agricultural sector in Glubokoye district that exports manufactured products to Latvia, Lithuania, Kazakhstan, Ukraine, Estonia, Poland, Germany, Italy, Holland, and Sweden;

– Glubokoye district is the winner of the contest "The best city (district) for business in Belarus – 2017";

– Glubokoye district is the winner of the contest "Land use within high culture farming, improvement of engine yards, and livestock farms and complexes";

– five sites of the historical and cultural heritage of Glubokoye district are included in the list of the historical and cultural heritage of the Republic of Belarus;

– holding in Glubokoye the branded events, such as the international festival "Cherry festival", and the festival of dudar regions "Dudarski ray";

– developed network of agro-ecotourism facilities;

- there are 106 lakes in Glubokoye district; the deepest lake in Belarus is the Dolgoe Lake, (53.7 m);

– the health complex “Plissa” was launched in 2017.

However, there are *some weaknesses of the district*, marked by the residents:

– aging of the population in rural areas and the extinction of villages;

– lack of educational resources aimed at the development of professional competencies and motivation of entrepreneurs;

– inadequate informing the local community on current business opportunities and incentives for residents to engage in business (Annex 13).

The Administration makes efforts to create a positive image of Glubokoye district. The Treaties on Amity and Cooperation with 13 regions of Latvia, Lithuania, Georgia, Israel, Armenia, Russia, and Ukraine and 3 cooperative arrangements with Germany, Russia and Poland have been signed. A lot of work is done to improve the urban infrastructure. 4.5 thousand of various events aimed at increasing the visibility of the district and promoting its brands are held annually. 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:**

* cross-border geographical location of the district and the well-developed transport infrastructure;
* diversified economy of the district, represented by large enterprises of processing and food industries and agriculture;
* preserved labor potential and relatively favorable demographic situation;
* unique and diverse natural and historical sites and facilities of tourism; health and recreation infrastructure;
* great experience of international cooperation and good practice of holding events and festivals;
* favorable environment for starting and doing business in the district;
* unused capacities of large enterprises and production sites;
* free land plots for doing business.

**Weaknesses:**

– low entrepreneurial activity of the population and lack of competence for doing business; limited educational resources;

– lack of infrastructure for supporting entrepreneurship;

– lack of interaction between big and small business, inadequate integration chains;

– unused capacity of international economic cooperation, including in tourism;

– inadequate state financing of investment projects of private businesses.

**Opportunities:**

– state policy to support local innovation and entrepreneurship;

– growth of demand for tourist services and interest in the tourist sites and facilities of the district, including on the part of inbound tourism;

– visa-free entry to Belarus and prospects for developing inbound tourism;

– establishing wider international partnerships, including with international technical assistance programs and through networking.

**Threats:**

– competition with other districts for human capital and tourism;

– situation in the markets and the competition of commodity producers;

– changes in the state monetary policy and tax system, and in the regulation of foreign trade activities;

– increased migration to large cities and abroad;

– changes of legislation on business and foreign economic activity;

**Competitive advantages of the district** – the preserved labor potential and business-friendly environment, cross-border geographical location, experience in international cooperation and event tourism.

**4. Vision and Objectives**

**Glubokoye district** is a learning area, successfully implementing its business capacity in economic development and actively involved in international tourism; a place for decent work and recreation.

**Over the next two years, Glubokoye district will be focused on achieving the following objectives:**

1. Stimulating the business initiative and capacity building of businesses based on innovative forms of training and support to small and medium-sized enterprises;
2. Increasing the investment attractiveness of the district;
3. Achieving the potential of international cooperation in tourism development.

**5. Action plan**

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

**1. Stimulating the business initiative and capacity building of businesses based on innovative forms of training and support to small and medium-sized enterprises**

1.1. Establishing the Center for Support and Promotion of Entrepreneurship and Innovation;

1.2. Establishing a business school and organizing its activities;

1.3. Establishing a Startup Support Office and organizing its activities;

1.4. Establishing a Business Promotion Office for marketing support and promotion of products and services of local enterprises in regional, national and foreign markets.

**2. Increasing the investment attractiveness of the district**

2.1 Establishing investment platforms and disseminating information on investment proposals via the electronic Business Bulletin (in Russian and English);

2.2. Holding an investment forum " Glubokoye-Invest";

2.3. Producing a promotional video about the investment attractiveness of the district;

2.4. Achieving the potential of international cooperation in tourism development

**3. Achieving the potential of international cooperation in tourism development**

* 1. Holding festivals ("Cherry festival", and "Dudarski ray") with the growing foreign participation;
  2. Creating a tourist cluster for the development of small tourist facilities in ecological, event, rural and recreational tourism;
  3. Designing and printing the guide map "Glubokoye district for tourists" in English;
  4. Conducting seminars to share experiences in tourism with municipal officers of the other Eastern Partnership countries, based on the bi-lateral cooperation agreements (Annexes 14-25).

**6. Financing Scheme**

The main sources of funding the LEDP are: funds of the district budget and private business, grants, sponsorship assistance and other funds (table 2). The funding for all activities is insufficient; the funding gap is 48,000 euro.

The additional funding sources can be sponsorship of large and medium-sized businesses operating in the district and M4EG grants. Voluntary donations of the population can also be a funding source. The main funding source for the LEDP is the M4EG grant within the pioneer project “Creation of Center for Entrepreneurship and Innovations Promotion and Support in Glubokoye District” (461,478 euro, EU contribution – 414,869 euro) with co-financing of the District Executive Committee and the partners: the District Council of Deputies, the Local Foundation "Center for promoting social and economic development of the Latvian-Lithuanian-Belarusian territories the Lake Region", and the Vitebsk State University named after P.M. Masherov. The overall objective of this EU project is facilitating the social and economic development of Glubokoye district via creation of hard and soft infrastructure for improving business environment, supporting the development of human capital, and promoting innovative SMEs.

**7. Monitoring Indicators and Mechanisms**

Monitoring of the implementation of the Plan will be carried out in accordance with the indicators and frequency stipulated in table 3.

When planning, the certain risks of implementing the LEDP have been taken into account, such as:

– economic risks (general economic deterioration in the country, introduction of economic sanctions, and refusal of investors to continue cooperation). We will seek donor and grant funding.

– demographic risks (increase in the share of the population over working age, outflow of the youth from rural areas). We will involve labor force from other regions using additional incentives, as well as take advantage of the opportunities for targeted retraining.

The Glubokoye Executive Committee and the District Council of Deputies will implement consistent monitoring of risks and develop specific measures to minimize them when implementing 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). There are also some fund-raising activities planned (search for potential sponsors such as individuals, as well as public and private enterprises).

**Table 1. Action Plan**

| ***Building Blocks*** | ***Key***  ***Objectives*** | ***Actions / project ideas*** | ***Duration (start / end)*** | ***Participating Partners*** | ***Estimated Cost***  ***National currency (equivalent in euro)*** | ***Monitoring indicators/ Indicators of an output and their target values*** | ***The results, indicators and their target values*** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1. External positioning and marketing  2. Land and Infrastructure  3. Business-friendly, Transparent and Corruption-Free Administration  4. Local Cooperation and Networking | Objective 1.1.  Stimulating the business initiative and capacity building of businesses based on innovative forms of training and support to small and medium-sized enterprises | 1.1. Establishing the Center for Support and Promotion of Entrepreneurship and Innovation | 01.01.2019 – 31.12.2020 | The Administration, District Council of Deputies, Local Foundation "Center for promoting social and economic development of the Euroregion the Lake Region", Vitebsk State University | 235,530 BYN (100,000 euro) | - at least 5 meetings to study the opinions of business representatives and citizens on doing own business;  - at least 30 people participated;  - material, technical and information bases for the establishment of the Center have been developed;  - the Center has been established;  - at least 2 citizens applied for advice monthly. | **The result:** An institutional framework for the development of entrepreneurship has been established.  **Monitoring indicators of the result and their target values:**  - the growth rate of the number of small and medium-sized businesses – at least 101%;  - at least 5 newly registered entrepreneurs;  - at least 50 positive feedbacks. |
| 1.2. Establishing a business school and organizing its activities | 01.01.2019 – 31.12.2020 | The Administration, District Council of Deputies, Local Foundation "Center for promoting social and economic development of the Euroregion the Lake Region", Vitebsk State University | 332,709 BYN (141,000 euro) | - the business school has been established;  - at least 200 students of the business school;  - at least 2 trainings (seminars) on financial literacy for students;  - at least 100 people have been trained through the remote educational system. | **The result:** The level of competence and business activity of the population has been raised. Students gained practical experience in entrepreneurship and management.  **Monitoring indicators of the result and their target values:**  - at least 8 positive feedbacks;  - at least 4 business lines have been covered. |
| 1.3. Establishing a Startup Support Office and organizing its activities; | 01.01.2019 – 31.12.2020 | The Administration, District Council of Deputies, Local Foundation "Center for promoting social and economic development of the Euroregion the Lake Region", Vitebsk State University | 235,530 BYN (100,000 euro) | - the Startup Support Office has been established;  - at least 5 startup projects have been implemented;  - at least 50 people have developed their basic entrepreneurial skills and have improved their legal and economic knowledge;  - at least 2 entrepreneurs applied for advice monthly. | **The result:** Conditions to support entrepreneurs and to start one's own business have been created.  **Monitoring indicators of the result and their target values:**  - at least 100 thousand euro of investments have been attracted;  - the growth rate of the number of startups is 110% at least. |
| 1.4. Establishing a Business Promotion Office for marketing support and promotion of products and services of local enterprises in regional, national and foreign markets. | 01.01.2018 – 31.12.2020 | The Administration, District Council of Deputies, Local Foundation "Center for promoting social and economic development of the Euroregion the Lake Region", Vitebsk State University | 282,636 BYN (120,000 euro) | - the Business Promotion Office has been established;  - an Internet platform for business contacts for promoting goods and services to various markets has been created;  - at least 100 businesses have participated in the platform;  - at least 6 services have been provided. | **The result:** Conditions for the promotion of products and services of local enterprises in the regional, republican and foreign markets have been created.  **Monitoring indicators of the result and their target values:**  - the annual increase in retail turnover is 3%. |
| 1. External Positioning and Marketing.  2. Business-friendly, Transparent and Corruption-Free Administration.  3. Local Cooperation and Networking.  4. Skills and Human Capital, Inclusiveness. | 2. Increasing the investment attractiveness of the district | 2.1. Establishing investment platforms and disseminating information on investment proposals via the electronic Business Bulletin (in Russian and English) | 01.03.2019-01.08.2019 | The Administration, business, the Council for Entrepreneurship Development | 7065 BYN  (3000 euro) | - the electronic business bulletin of investment proposals of the district has been produced;  - at least 20 proposals have been included in the catalog;  - at least 2 additional investment platforms have been established;  - at least 10 views of the electronic bulletin per month. | **The result:** Conditions for increasing investment attractiveness and informing about investment proposals have been created. **Monitoring indicators of the result and their target values:**  - 3 new investors at least. |
| 2.2. Holding an investment forum "Glubokoye-Invest" | 01.01.2020 – 01.08.2020 | The Administration, Local Foundation "Center for promoting social and economic development of the Euroregion the Lake Region" | 18,842 BYN (8000 euro) | - at least 20 potential investors have become aware of investment opportunities in the district;  - at least 100 business representatives and experts have participated in the forum. | **The result:** The investment attractiveness of the district has been increased. Interregional and international links that help promoting the production of local enterprises and attracting foreign investment have been established.  **Monitoring indicators of the result and their target values:**  - at least 15 applications of those interested in investing |
| 2.3. Producing a promotional video about the investment attractiveness of the district | 01.08.2019 – 01.11.2019 | The Administration, business, the Council for Entrepreneurship Development | 23,553 BYN (10,000 euro) | - the video has been produced;  - 2 promotional materials have been posted on the websites;  - at least 15 views annually. | **The result:** The awareness on the investment opportunities and district's capacity has been raised.  **Monitoring indicators of the result and their target values:**  - at least 5 investors applied for advice monthly. |
| 2.4. Achieving the potential of international cooperation in tourism development | 01.01.2019-31.12.2020 | The Administration, business, the Council for Entrepreneurship Development | 23,553 BYN (10,000 euro) | - at least 10 meetings with potential investors;  - 5 new enterprises have been established. | **The result:** The investments have been attracted into the economy of the district.  **Monitoring indicators of the result and their target values:**  - at least 2 attracted foreign investors;  - at least 3 new enterprises have been established;  - at least 60 jobs have been created. |
| 1. External Positioning and Marketing.  2. Land and Infrastructure.  3. Business-friendly, Transparent and Corruption-Free Administration.  4. Local Cooperation and Networking. | 3. Achieving the potential of international cooperation in tourism development | 3.1. Holding festivals ("Cherry festival", and "Dudarski ray") with the growing foreign participation | Annually, at least once a year | The Administration, business | 188,424 BYN (80,000 euro) | - at least 2 festivals have been held;  - each hosting 200 participants at least;  - at least 5 foreign delegations. | **The result:** The conditions for promoting a positive tourist image of the district have been created.  The promotion of the district as an international center of the festival movement has been provided, its visibility and attractiveness for foreign investors and tourists have been increased.  **Monitoring indicators of the result and their target values**:  - the share of foreign tourists in the total number of tourists has increased up to 15%;  - export of tourism services has grown by 2.5% at least;  - at least 4 positive feedbacks. |
| 3.2. Creating a tourist cluster for the development of small tourist facilities in ecological, event, rural and recreational tourism | 01.01.2020-31.12.2020 | The Administration, business, the Center for Support and Promotion of Entrepreneurship and Innovation | 35,230 BYN (15,000 euro) | - at least 2 agroecofarmsteads registered annually.  - at least 5 agroecofarmsteads have been included in the cluster;  - an information portal that provides up-to-date information on all types of tourist services, on the entities that provide them, as well as on the ability for online ordering and paying for related services in Glubokoye district has been created. | **The result:** Conditions for the integration and interaction of private actors in ecological, event, rural and recreational tourism have been created.  **Monitoring indicators of the result and their target values:**  - the increase in the number of tourists – by 20%.  - the increase in the turnover – 101%. |
| 3.3. Designing and printing the guide map "Glubokoye district for tourists" in English | 01.01.2019-01.07.2019 | The Administration, business, Information and Tourist Center | 23,553 BYN (10,000 euro) | - a register of facilities has been compiled and an assessment of their condition has been made;  - the guide map has been designed and printed;  - at least 1000 copies of the guide map have been printed;  - at least 900 copies have been distributed;  - at least 15 tourist sites and facilities have been included in the guide map. | **The result:** The awareness on the tourist site and facilities and the district's tourist attractiveness has been raised.  **Monitoring indicators of the result and their target values:**  - the increase in the number of tourists – at least 101%;  - export of tourist services has grown by 1.0% at least; |
| 3.4. Conducting seminars to share experiences in tourism with municipal officers of the other Eastern Partnership countries, based on the bi-lateral cooperation agreements. | 01.01.2019 – 01.08.2019,  01.01.2020 – 01.08.2020 | The Administration, business, Information and Tourist Center | 35,230 BYN (15,000 euro) | - at least 3 seminars have been held;  - each hosting 20 participants at least. | **The result:** conditions for close cooperation and the basis for establishing business contacts, as well as for finding joint business partners have been created. **Monitoring indicators of the result and their target values:**  - at least 2 concluded agreements on cooperation in tourism. |

**Table 2. Financing Scheme**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Actions** | **Estimated Cost** | **Source of funding, euro** | | | | | **Funding gaps** | **Remarks** |
| **Local budget** | **Upper level budgets** | **Business** | **Donors** | **Other (specify)** |
| 1.1. Establishing the Center for Support and Promotion of Entrepreneurship and Innovation | 100,000 | 5000 |  |  | 90,000 | 5000 |  |  |
| 1.2. Establishing a business school and organizing its activities | 141,000 | 7000 |  |  | 127,000 | 7000 |  |  |
| 1.3. Establishing a Startup Support Office and organizing its activities | 100,000 | 5000 |  |  | 90,000 | 5000 |  |  |
| 1.4. Establishing a Business Promotion Office for marketing support and promotion of products and services of local enterprises in regional, national and foreign markets | 120,000 | 6000 |  |  | 108,000 | 6000 |  |  |
| 2.1. Establishing investment platforms and disseminating information on investment proposals via the electronic Business Bulletin (in Russian and English) | 3000 | 1000 |  | 2000 |  |  |  |  |
| 2.2. Holding an investment forum "Glubokoye-Invest" | 8000 | 2000 |  | 2000 |  |  | 4000 |  |
| 2.3. Producing a promotional video about the investment attractiveness of the district | 10,000 | 1000 |  | 4000 |  |  | 5000 |  |
| 2.4. Achieving the potential of international cooperation in tourism development | 10,000 | 2000 |  | 8000 |  |  |  |  |
| 3.1. Holding festivals ("Cherry festival", and "Dudarski ray") with the growing foreign participation | 80,000 | 20,000 | 5000 | 20,000 |  |  | 35,000 |  |
| 3.2. Creating a tourist cluster for the development of small tourist facilities in ecological, event, rural and recreational tourism | 15,000 | 1000 |  | 14,000 |  |  |  |  |
| 3.3. Designing and printing the guide map "Glubokoye district for tourists" in English | 10,000 | 3000 |  | 7000 |  |  |  |  |
| 3.4. Conducting seminars to share experiences in tourism with municipal officers of the other Eastern Partnership countries, based on the bi-lateral cooperation agreements | 15,000 | 6000 |  | 5000 |  |  | 4000 |  |
| **Total** | **612,000** | **59,000** | **5000** | **62,000** | **415,000** | **23,000** | **48,000** |  |

**Table 3. Monitoring plan in the context of the activities**

| **Actions / 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. Establishing the Center for Support and Promotion of Entrepreneurship and Innovation | 01.01.2019 – 01.01.2020 | - the opinion of the citizens and representatives of the business community regarding the most relevant current issues of doing own business has been studied;  - 5 meetings have been held;  - at least 30 people participated. | - material, technical and information bases for the establishment of the Center of support of Entrepreneurship and Innovation have been developed. | - the Center for Support and Promotion of Entrepreneurship and Innovation has been established;  - the Center has started operation;  - at least 2 citizens applied for advice monthly;  - the growth rate of the number of SMEs is 101% at least.  **Completed: 01.01.2020.** | - the Center continues operating;  - 5 entrepreneurs have been registered;  - at least 50 positive feedbacks. |
| 1.2. Establishing a business school and organizing its activities | 01.01.2019 – 31.12.2020 | - the opinion of residents on the needs for starting and doing their own business has been studied;  - at least 50 participants have taken part in the survey;  - a training plan has been developed. | - the business school has been established;  - the topics of the trainings in the context of industries have been identified;  - the experts in various business fields have been invited;  - at least 2 trainings (seminars) on financial literacy for students have been held. | - at least 200 people have been trained, including 100 people through a remote educational platform;  - at least 8 positive feedbacks. | - the business school provides training to various segments of the population;  - at least 4 business fields are covered.  **Completed: 31.12.2020** |
| 1.3. Establishing a Startup Support Office and organizing its activities | 01.01.2019 – 31.12.2020 | - legal, information, media and consulting ways of support of the entrepreneurship initiative of the small and medium-sized businesses have been studied. | - the Startup Support Office has been established;  - at least 50 people have developed their basic entrepreneurial skills and have improved their legal and economic knowledge;  - at least 2 entrepreneurs applied for advice monthly. | - at least 3 entrepreneurs applied for advice monthly.  - 2 startup projects have been implemented;  - the growth rate of the number of startups is 110% at least. | - 5 startup projects have been implemented;  - at least 10 thousand euro have been attracted as investment.  **Completed 31.12.2020** |
| 1.4. Establishing a Business Promotion Office for marketing support and promotion of products and services of local enterprises in regional, national and foreign markets | 01.01.2019 – 31.12.2020 | - the list of services and products of local enterprises has been studied;  - consumables for the office and necessary equipment have been purchased. | - the Business Promotion Office has been established. | - an Internet platform for business contacts for promoting goods and services to various markets has been created;  - at least 50 businesses have participated in the platform;  - at least 6 services have been provided. | - at least 100 businesses have participated in the platform;  - the turnover has grown by 3% in the district.  **Completed 31.12.2020** |
| 2.1. Establishing investment platforms and disseminating information on investment proposals via the electronic Business Bulletin (in Russian and English) | 01.01.2019 – 01.03.2020 | - the information on the proposed investment platforms has been collected;  - the information on investment-attractive assets and offers (at least 20 assets) has been collected; | - the information has been systematized and discussed at the meeting attended by 6 officers of the Administration, 2 business representatives, and the media;  - the Business Bulletin has been produced and posted on the website of the district Administration;  - 1 investment platform has been created. | - 2 investment platforms have been created;  - the information on investment proposals in the electronic business bulletin has been updated;  - at least 10 persons viewed the Bulletin monthly.  **Completed 01.03.2020** | - the Business Bulletin is used by potential investors and those who are interested in creating their own business;  - at least 3 foreign investors have been attracted. |
| 2.2. Holding an investment forum "Glubokoye-Invest" | 31.12.2019 – 01.08.2020 |  | - the information for the forum was prepared;  - the list of participants has been made;  - at least 150 stakeholders have been invited. | - the forum has been held;  - at least 5 foreign delegations have attended the forum;  - at least 20 potential investors have become aware of investment opportunities in the district;  - at least 150 stakeholders have participated in the forum;  - 20 meetings have been organized within the contact exchange. | - 1 agreement of intent has been signed.  **Completed 01.08.2020** |
| 2.3. Producing a promotional video about the investment attractiveness of the district | 01.01.2019 – 11.12.2019 | - the information on investment assets and opportunities of the district has been collected. | - the video has been produced;  - the video has been posted on 2 websites and aroused interest;  - at least 5 views monthly.  **Completed: 11.12.2019** | - the investors have become aware of the information;  - at least 15 views monthly. | - at least 5 potential investors have asked for advice. |
| 2.4. Achieving the potential of international cooperation in tourism development | 01.01.2019 – 31.12.2020 | - a meeting on new ideas for investment proposals to support private business initiatives has been held. | - 5 meetings with potential investors have been held; | - at least 2 foreign investors have been involved. | - 5 new enterprises have been established.  - at least 60 jobs have been created;  **Completed 31.12.2020** |
| 3.1. Holding festivals ("Cherry festival", and "Dudarski ray") with the growing foreign participation | 01.01.2019 – 31.12.2020  (annually, at least once a year) | - new ideas for the festival have been developed;  - new foreign delegations have been invited to participate in the festivals. | - 1 international festival has been held;  - at least 180 people, including at least 3 foreign delegations have participated in the festival. | - 2 international festivals have been held;  - the inflow of foreign tourists has increased up to 10%;  - at least 200 people participated;  - 5 foreign delegations participated;  - at least 4 positive feedbacks. | - 3 international festivals have been held;  - the inflow of foreign tourists has increased up to 15%  - export of tourism services has grown by 2.5%.  **Completed 31.12.2020** |
| 3.2. Creating a tourist cluster for the development of small tourist facilities in ecological, event, rural and recreational tourism | 01.01.2020 – 31.12.2020 | - a working group of stakeholders and Administration has been established;  - an action plan for the creation of a cluster of agroecofarmsteads and their obligations has been developed. | - documents on the legal status of at least 2 agroecofarmsteads have been issued;  - an advertising campaign has been carried out. | - a tourist route, which includes at least 4 agroecofarmsteads has been developed;  - an information portal that provides up-to-date information on all types of tourist services and tourist sites and facilities in the district has been created. | - the tourist cluster has been created;  - 5 agroecofarmsteads have been included in the tourism cluster;  - the inflow of foreign tourists has increased by 20%;  - the turnover has grown by 3% in the district.  **Completed 31.12.2020** |
| 3.3. Designing and printing the guide map "Glubokoye district for tourists" in English | 01.01.2019 – 01.07.2019 | - a register of tourist sites and facilities has been compiled. | - the guide map has been designed;  - at least 15 tourist sites and facilities have been included in the guide map;  - at least 1000 copies of the guide map have been printed.  **Completed 01.07.2019** | - at least 900 copies of the guide map have been distributed;  - the growth rate of exports of tourist services – 101%. | - the tourist flow to the district has increased by 10%, including foreign nationals, which contributed to the increase in export of services by 2.5%. |
| 3.4. Conducting seminars to share experiences in tourism with municipal officers of the other Eastern Partnership countries, based on the bi-lateral cooperation agreements | 01.01.2019 – 01.08.2020 | - a working group has been created;  - the information on tourist sites, facilities and representatives of municipalities of other Eastern Partnership countries has been collected. | - 1 proposal on cooperation has been sent to the representatives of municipalities of other Eastern Partnership countries;  - the most interesting and relevant proposals for the exchange of experience have been selected;  - at least 2 seminars have been held;  - at least 15 participants took part in each seminar. | - 2 proposals on cooperation have been sent to the representatives of municipalities of other Eastern Partnership countries;  - 3 seminars have been held;  - at least 20 participants took part in each seminar. | - 5 seminars on the exchange of experience in tourism have been held;  - at least 20 participants took part in each seminar.  - 2 cooperation agreements in tourism have been signed.  **Completed 01.08.2020** |
| **% of total budget** |  | **15** | **30** | **80** | **100** |