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Annex 1 – PROPOSAL FOR PROJECT EXTENSION

Donor	The Russian Federation	
Project Title	Assisting the Government of the Republic of Belarus in Accession to the World Trade Organization through Strengthening National Institutional Capacity and Expertise (Phase 4)	
Brief Description	The Project is aimed at preparing analytical reviews concerning compliance of the Belarusian legislation with the norms of the WTO basic agreements and prospects of its improvement, training of national experts in the area of Belarus' integration into the world trade system, raising public awareness about benefits and impact of WTO accession.	
Total resources required	Total budget:	\$589.680
Expected start date	January 2015	
Project Duration	30 months (2015-2017)	
Executing Partner	UNDP in Belarus, Ministry of Foreign Affairs (National Implementing Agency)	
Geographical coverage	The Republic of Belarus	
Submitted by	United Nations Development Programme in Belarus	

RATIONALE FOR PROJECT EXTENSION

1. SITUATION ANALYSIS

Country Context

The Republic of Belarus applied for accession to the General Agreement on Tariffs and Trade (GATT) in 1993. Following GATT transformation into WTO, seven meetings of the Working Party on Belarus' accession to WTO were held between 1997- 2005, bilateral negotiations on access to products and services markets were finalized with 10 out of 22 WTO members which expressed interest in conducting negotiations with Belarus.

The Republic of Belarus entered the final stage of the negotiations – formulation of final commitments before WTO. After a three-year interruption, consultations of the Working Party on Belarus' accession to WTO resumed in May 2013 to discuss the updated Factual Summary of Points Raised.

However, Belarus needs to finalize bilateral negotiations on market access with yet another 12 WTO members including the European Union and the United States which are the key actors of the process of negotiations on WTO accession. Considerable amount of work is required with regard to the Working Party Report – the key document of the accession process reflecting the complete package of WTO commitments of the country on system issues.

Russia's accession to WTO and considerable progress made by Kazakhstan on the way to WTO substantiate the need for Belarus to coordinate, to the maximum extent possible, the terms of accession to WTO and to ensure compatibility of the assumed commitments before WTO as regards sustaining opportunities for developing and deepening the Eurasian integration.

Government policy measures

The Government of the Republic of Belarus recognizes that accession to WTO is a difficult and multifaceted process affecting all dimensions of economic relations – from access to products and services markets to regulation of intellectual property rights, finances, system measures and agricultural sector support. However, both the government bodies and business community have insufficient knowledge of issues related to WTO accession and its impact on socioeconomic development of the country.

To accelerate the process, the Council of Ministers of the Republic of Belarus issued the Resolution №782 of 23 August 2012 approving the new Provision on the Inter-ministerial Commission on Belarus' accession to WTO. The new Provision assigns responsibilities under the scheme “set of issues for WTO negotiations - provisions of WTO Agreements – responsible government bodies” involving over 40 ministries, agencies and organizations with designation of the authorized representatives of these organizations (80-100 people) to support WTO accession process. The main purpose of the said Provision is to improve inter-ministerial efforts on Belarus' WTO accession and to mainstream WTO rules into the national legislation. However, most specialists have insufficient competences on WTO related issues.

Currently, training on WTO related issues in Belarus is offered under various education programs mainly in the Belarusian State University of Economics and the Belarusian State University. To maintain appropriate skills of teachers and specialists involved in the relevant programs, it is needed to enhance their engagement in the special international training events and collaboration with the international expert pool.

Analysis of WTO accession practices suggests that the set of tasks to be addressed by the Government of Belarus and the republican government bodies includes a broad range of issues including:

- elaborating and agreeing a detailed negotiating position with WTO;
- arranging and conducting bilateral negotiations with WTO members; agreeing, initialing and preparing the

respective bilateral documents for signing;

- providing the information requested by WTO members on various aspects of foreign trade policy of the Republic of Belarus including in the context of the Customs Union (CU);
- ensuring organizational and documentary support of multilateral negotiations in the format of the Working Party on Belarus' accession to WTO and holding the required consultations with the Chairman of the Working Party and WTO Secretariat;
- monitoring of the current legislation of the Republic of Belarus and analysis of the elaborated normative legal acts including CU acts for compliance with WTO rules;
- holding consultations under the integration associations to which Belarus is a party (Common Economic Space (CES)) to coordinate the negotiations and interaction with WTO;
- informing the government bodies and economic entities on relevant issues of Belarus' WTO accession;
- assisting Belarus' economic sectors and enterprises in using WTO rules for the protection of economic interests in foreign market;
- upgrading qualifications of teaching staff on foreign trade and WTO related issues.

In that sense, Belarus is encountered with the task of (1) enhancing analytical work in support of WTO accession; (2) strengthening the negotiating team; (3) training specialists on GATT/WTO multilateral agreements for line ministries and agencies who will participate on a professional level in the implementation of the national goals in the area of foreign trade; (4) expanding a dialogue with business community.

UNDP Role

The Government of the Republic of Belarus designated UNDP as a key partner in providing international technical assistance in the area of integration of the national economy into the world trade system. UNDP in Belarus has successful experience of cooperation with the Ministry of Foreign Affairs (MFA) in supporting Belarus' accession to WTO since 1994.

The current project of UNDP and the Ministry of Foreign Affairs of the Republic of Belarus "Assisting the Government of the Republic of Belarus in Accession to the World Trade Organization through Strengthening National Institutional Capacity and Expertise" (2008-2013) has included a comprehensive analysis of the national legislation for compliance with WTO norms and rules; a review of tactical approaches in the context of integration processes (CU/CES); raising awareness of the government bodies, businesses and general public about WTO accession. (A more detailed information about the project outputs is provided in Annex 1.).

Extension of the project will ensure targeting and efficiency of the international technical assistance through building upon the outputs of the second and third phases of the project and the new arrangements for WTO related work in Belarus at the expert level (the above referred Government Resolution № 732). Phase 4 will be a logical follow-up of the project allowing to engage international expertise of specialized agencies of the United Nations Organization and the World Bank, to use the established network of the national consultants and available analytical instruments and channels of interaction with the regions, business associations and entrepreneurial community. This succession will also allow to ensure sound contact with one of the key project partners – the Ministry of Economic Development of the Russian Federation.

2. GOALS, TASKS AND EXPECTED OUTPUTS OF THE FOURTH PHASE OF THE PROJECT

The main medium-term outcome of Phase 4 will be accession to WTO on favourable terms for the country and the Eurasian integration which in the long run will improve trade and economic cooperation of Belarus with the rest of the world, reinforce export position through liberalizing access of domestic goods to foreign markets, attract foreign

investments and strengthen CES position in the region.

The project's main goal is to assist the Government of Belarus in WTO accession by strengthening national (state) expertise as well as by raising public awareness of the process and impact of WTO accession.

The project's extension will maintain its main tasks:

1. To perform analytical studies leading to action-oriented recommendations on issues related to Belarus' WTO accession;

2. To implement training activities for national organizations, institutions and government agencies on various aspects of WTO accession;

3. To conduct an information and education campaign to improve public awareness regarding WTO rules and country's accession process. The target audiences will include business community, academia and the media.

On the way to achieving the main goal, the project's extension will contribute to enhancing reasonability and soundness of the negotiating position of the country in WTO accession, competence of its presentation, raising knowledge/awareness of the responsible government officials and business community representatives concerning implementation of foreign trade policy in the context of Belarus' WTO accession; training specialists in line ministries and agencies to build up professional skills related to GATT/WTO multilateral agreements in the context of implementation of the national tasks in the area of foreign trade.

Particular emphasis will be placed on ensuring productive activity of the Inter-ministerial Commission on Belarus' accession to WTO and the Inter-ministerial Expert Group on WTO responsible for formulation of the sound position for negotiations and initiating the required legislative changes in such areas as non-tariff and foreign exchange regulation, state-owned property, subsidization, intellectual property etc.

Under Phase 4 it is expected to consolidate the national consultants /independent experts in the permanent expert team for supporting MFA in WTO accession negotiations (expert pool). On the one hand, this approach will allow to streamline and expand analytical work in the interests and upon instructions of MFA and, on the other hand, to concentrate resources on consultative and information-education work with the said team with the purpose of ongoing improvement of competences of the national experts on foreign trade and WTO related issues. It is also expected to use project resources to enable the relevant sectoral experts and specialists to participate in WTO negotiations and to familiarize with the activity of WTO bodies.

The main beneficiary of technical assistance under the project will be the Ministry of Foreign Affairs of the Republic of Belarus. The project activities will also benefit the government bodies and organizations responsible for promoting Belarus in WTO accession process; particular attention will be given to improving competences of the authorized specialists of these organizations (80-100 people) on foreign trade and WTO regulation. Successful implementation of the project is also expected to benefit regional governments; line universities and research institutes conducting research in the area of foreign trade as well as business associations/unions and entrepreneurs.

Phase 4 will include the following activities under the three major components:

1. Component I "Conducting studies to assess potential impacts from Belarus' WTO accession":

1.1. Analysis of legal acts of the Republic of Belarus and the Customs Union/Common Economic Space adopted after September 2011 for compliance with WTO rules and best international practices of regulation as a follow-up of monitoring of the Belarusian legislation completed in August 2011 including for the update of the legislation database and the action plan on aligning the legislation with WTO requirements.

This will include analysis of the national normative legal acts, the acts of the Customs Union and the Common Economic Space of Belarus, Kazakhstan and Russia on system issues for compliance with WTO norms including in the area of technical barriers to trade, industrial and agricultural subsidies. Each of the three focus areas will include preparation of the analytical notes for regular consulting of MFA and informing the Inter-ministerial Commission on WTO Accession. On some issues it is expected to engage international expertise.

1.2. Development of recommendations on the use of best regulation practices in trade policy:

It is intended to improve the consultative process of MFA, the Inter-ministerial Commission on WTO Accession through engaging international expertise on trade policy regulation.

2. Component II “Strengthening national capacity on various aspects of the country’s preparation for WTO accession”:

2.1. Preparation of analytical materials for supporting the negotiations to be used for justifying the need for maintaining (temporarily or permanently) market access restrictions or measures inconsistent with WTO provisions.

2.2. Provision of technical assistance in preparing the documents related to WTO accession primarily translation of normative legal acts and other documents from/to English/Russian; simultaneous interpretation at bilateral and multilateral negotiations; arranging access to databases of economic and legal information.

2.3. Facilitation of national experts’ participation in WTO events to strengthen expert pillar of the Belarusian delegation. The representatives of the government bodies, academia, education and business community are expected to participate in WTO events (negotiations on Belarus’ WTO accession, formal and informal meetings of WTO bodies, WTO sponsored conferences and symposia).

2.4. Engagement of international and/or national consulting expertise – foreign and/or national consulting or legal companies experienced in provision of consulting services on WTO related issues to support WTO negotiations. For this purpose the project will pilot arrangements for engaging international and/or national consultant entities in negotiations from the Belarusian side. The activity will allow to test coordination of the work of consultant entities and MFA and to identify the prospects and opportunities for accelerating promotion of Belarus both in preparatory work and in the process of negotiations.

2.5. Supplying the Belarusian negotiating team with the required modern office equipment.

2.6. Training workshops on various aspects of WTO accession with the purpose of ongoing improvement of competences of the members of the Inter-ministerial Expert Working Group, members of the permanent team for MFA expert support, national consultants of the project and other stakeholders from academia and business community. The majority of the authorized specialists on WTO related issues from the government bodies are expected to attend specialized training on WTO rules.

2.7. Improvement of qualification of teachers and specialists delivering training on WTO related issues in Belarus. Teachers of the Belarusian universities are expected to attend WTO related education programs, workshops, conferences, trainings and roundtables held mainly in CIS countries and by the respective international organizations.

3. Component III “Raising awareness on various aspects of WTO”

is expected to include the following activities:

3.1. Regional roundtables with business community to discuss the most relevant issues related to the process, status and impact of WTO accession in cooperation with the Belarusian Chamber of Commerce and Industry, leading business unions and professional associations.

3.2. Publications on WTO related issues: publication of materials prepared by the project.

4. **Project management.** The project staff will include 2 people (Project Manager and Administrative Assistant).

3. BUDGET

The detailed disaggregation of the project budget is provided in Table in Annex 2.

Project duration - 30 months starting from receipt of the Donor's funding on UNDP account.

4. DISSEMINATION OF INFORMATION ABOUT THE PROJECT, PUBLIC RELATIONS AND COMMUNICATION

At the strategic level the key role in disseminating the information about the project implementation progress will be played by the Project Coordination Council (PCC) represented by UNDP, Donor and the National Implementing Agency (Ministry of Foreign Affairs of the Republic of Belarus), the key project counterparts and beneficiaries. PCC will be an important hub for discussing the outputs of the fourth phase of the project, promoting information about the main achievements and lessons learned. The representatives of the Donor will regularly receive the reports on Phase 4 implementation progress in the format agreed at the stage of development of the project documents.

Communications Associate of UNDP Office in Belarus and Project Manager will be responsible for public relations. The following channels and instruments will be used to inform the key project stakeholders: press conferences with dissemination of press releases, information meetings and thematic workshops in all regions (Oblasts) of the country, MFA and UNDP websites, UN/UNDP pages in social networks, UNDP annual booklet summarizing project results, leaflet on the tasks and expected outputs of Phase 4. All presentations, publications and information materials will contain the logo and reference to the Donor.

5. PROJECT MONITORING AND EVALUATION

UNDP together with the Donor and the key project counterparts will develop the monitoring and evaluation system for regular collection and analysis of the information on all project indicators and for evaluation of the outputs.

Monitoring and evaluation are based on periodic analysis of achievement of concrete outputs in line with the project goals. The monitoring and evaluation system ensures regular control of project performance indicators, implementation of activities and budget execution thus allowing the staff to receive the required information and to adjust the project activity in a timely manner to achieve the stated goals and tasks. The current monitoring and evaluation instruments include: 1) periodic visits to the project sites and events; 2) study of the data from questionnaires completed by respondents based on the results of activities; 3) internal current reporting; 4) review of periodic financial reports.

The monitoring and evaluation system also ensures proper justification and communication to the counterparts and stakeholders the information about the project implementation progress and respective changes. Participation in the

Coordination Council will allow the stakeholders to promptly identify and respond to the emerging implementation constraints and to ensure efficient execution of the project activities.

The project reports will reflect qualitative and quantitative evaluation of the project implementation progress and will contain the information about risks, constraints and lessons learned. In addition, an external evaluation/audit will be held and the respective allocations are earmarked in the project budget.

The project is also subject to monitoring and evaluation by the authorized government bodies in accordance with the procedure set out in the Provision on evaluation of the implementation progress of international technical assistance projects and their efficiency (approved by the Resolution of the Council of Ministers of the Republic of Belarus № 1513 of 26 November 2004).

6. KEY PROJECT COUNTERPARTS

The forth phase of the project will maintain the national implementation format. The Ministry of Foreign Affairs of the Republic of Belarus will be the National Implementing Agency. The project coordination will be the responsibility of the National Coordinator appointed by the Ministry. Daily implementation of Phase 4 will be the responsibility of the project management unit consisting of the Project Manager and Administrative/Finance Assistant.

The project activities will be implemented in cooperation with the following national counterparts:

- ministries, state committees and organizations represented in the Inter-ministerial Commission on Belarus' accession to WTO;
- research institutes ensuring analytical support to Belarus' WTO accession;
- Belarusian Chamber of Commerce and Industry and other business associations;
- leading economic universities and institutes offering qualification improvement courses for senior staff;
- local governments.

This Proposal for extension of the Project "Assisting the Government of the Republic of Belarus in Accession to the World Trade Organization through Strengthening National Institutional Capacity and Expertise" (2008-2013) to Phase 4 has been developed based on the request of the Ministry of Foreign Affairs expressing interest in extension of the international technical assistance with an account for the comments made by the Donor (the Letter of the Director of the Department of International Organizations of the Ministry of Economic Development of the Russian Federation dated November 22, 2013).