



## **LOCAL ECONOMIC DEVELOPMENT PLAN**

**Municipality: Slonim District, Grodno Oblast**  
**Country: The Republic of Belarus**

**Slogan:** *Slonim district is the best place for business development and investment!*

**May 16, 2019**

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## **List of Abbreviations, Tables & Annexes**

### **List of Abbreviations**

<b>Abbreviation</b>	<b>Complete form</b>
M4EG	- The EU Initiative "Mayors for Economic Growth"
LEDP	- Local Economic Development Plan
LEDO	- Local Economic Development Officer

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**The official rate of the Belarusian ruble against the foreign currencies set by the National Bank of the Republic of Belarus, as of 01.01.2019**

1 EUR = 2.4734 BYN

### **Preface from the Chairman of the Slonim District Executive Committee**

Slonim district is a modern and dynamically developing region. There is a number of successfully operating large industrial enterprises in the district. The private business is highly developed. The goods and services produced in the district are being sold both in the domestic and foreign markets.

Slonim district is an area with a rich historical and cultural heritage. In addition to modern enterprises, there are architectural monuments of different eras in the district. The most famous of them is the Zhyrovichy Monastery which attracts pilgrims from different parts of the world.

Local economic development is essential for creating high-paying and high-productivity new jobs, increasing incomes and improving the quality of life of the citizens. The Administration of Slonim district considers entrepreneurship a significant source of economic growth acceleration. Slonim district is an area of successful business development and investment!

This Plan is developed within the framework of the district's commitments as a signatory of the EU Initiative "Mayors for Economic Growth" and is focused on the mobilization of the business initiative and entrepreneurship support.

We expect that in the process of implementation of the Plan it will be possible to establish effective interaction between the private sector and public administration. Business initiative of the citizens will contribute to achieving high social and economic results. The outcome of the work within the local cooperation and networking will be the growth of welfare and improvement of the quality of life of the citizens of Slonim district.

**Henadzi Khomich**

Chairman of the Slonim District Executive Committee

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## **Executive Summary**

Slonim district voluntarily joined the EU Initiative "Mayors for Economic Growth" by signing the Membership Form on October 26, 2018. In accordance with the voluntary commitments, the district has developed this Local Economic Development Plan (hereinafter referred to as the LEDP).

The LEDP is aimed at creating favorable environment for the entrepreneurship development in the town and rural area, increasing the role of the private sector in local economic development and expanding its participation in public-private dialogue and partnership.

This Plan is objective, since during its development the data of the national and local statistics and expert advice were used. Representatives of local authorities and business took part in the development of the LEDP and their opinions were taken into account during the discussions.

As a result of the analysis, including the SWOT analysis, the main competitive advantages of the district have been identified. The vision, goals and activities in support of their implementation based on the current priorities of the district's economic development have been formulated.

**The main competitive advantages of the district are** developed and diversified industry, sites included in the free economic zone "Grodnoinvest", rich historical and cultural heritage represented by religious pilgrimage sites of national importance and interesting natural sites, and experience in agriculture.

### **Vision:**

Slonim district is a territory with sustainable economy based on entrepreneurship supporting large-scale industrial production, attractive for investors and tourists, and comfortable for living.

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

#### **1. Supporting small and medium-sized enterprises for economic stabilization**

1.1. Creating conditions for outsourcing development by large enterprises in order to eliminate the negative effects of restructuring;

1.2. Conducting trainings to mitigate the negative consequences of restructuring and dissolving large enterprises;

1.3. Promoting investment attractiveness and improving the investment environment of the district;

1.4. Developing and producing the Investment Atlas of Slonim District.

#### **2. Developing and supporting rural entrepreneurship**

2.1. Establishing the School of a Young Farmer on the basis of the Slonim College of Agricultural Production;

2.2. Updating the work of the Business Support Center VATAVI-plus and conducting trainings and seminars on rural entrepreneurship;

2.3. Installing trade stalls for farmers on the Nash Krai marketplace;

2.4. Assisting in creating conditions for outsourcing development by agricultural enterprises.

#### **3. Increasing tourist attractiveness of the district and tourism development**

3.1. Assisting in establishing cooperation between the Zhyrovichy Monastery and travel agencies to increase the number of tourists;

3.2. Reconstructing the building of the Slonim Synagogue;

3.3. Increasing the tourist attraction of the small Oginski Canal (within the town);

3.4. Complete renovation of the hotel "Shchara" in the town of Slonim.

The main part of funding is expected from the upper level budget, attracted donor funds, funds of the local budget and own funds of commercial organizations. The budget deficit is planned at 11 thousand euro.

Monitoring of the implementation of the Plan will be carried out on the basis of the progress in attaining indicators once every six months.

## **Introduction**

Slonim district joined the EU Initiative "Mayors for Economic Growth" by signing the M4EG Membership Form on October 26, 2018. In accordance with the voluntary commitments, the district has developed this Local Economic Development Plan.

Slonim district became the participant of the Initiative because it shares its common goals and objectives: sustainable local economic development, employment growth in the private sector, growth of real income of the population, improvement of the social background in accordance with the state economic policy and the existing development plans of the district.

Slonim district is located in the south-west of the Republic of Belarus, 230 km away from the city of Minsk. The district covers an area of 1.5 thousand km<sup>2</sup> and is located at the crossroads of important highways and railways of national importance (Annex 1).

The population of the district is 64.7 thousand people, including urban population – 49.5 thousand (76.5%), and rural population – 15.2 thousand (23.5%). As of September 2018, the number of employed amounted to 25.5 thousand people (51.5% of the population). 55% of the population is of the working age, 18% – younger than the working age, and 27% – older than the working age. 28% of the population over the working age live in rural areas.

The structure of land resources and the terrain are favorable for the economic development of the district. 51% of the area is occupied by agricultural land, and 35% – by forest.

The real economy in the district is developed and entrepreneurship makes its significant part. Special attention is constantly paid to increasing the competitiveness of products, upgrading production, improving the quality of life and living standards of the population, developing entrepreneurship, and protecting the environment.

It is important to note that the Local Economic Development Plan has been developed for the purpose of participation in the Initiative, but it is not exhaustive and does not replace the existing development plans. The LEDP is most focused on the development of entrepreneurship in both urban and rural areas, the increase of the private sector share in the district's economy, and the participation of the private sector in public-private dialogue and partnership. The implementation of the Plan will be carried out in close cooperation with representatives of the business community.

The main part of funding is expected from the upper level budget, donor funds and own funds of commercial organizations. The budget deficit is planned at 11 thousand euro.

Monitoring of the implementation of the Plan will be carried out on the basis of the progress in attaining indicators once every six months.

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

The LEDP has been developed by the drafting team consisted of representatives of the government, business community and public organizations. It included 2 representatives of the local administration, 2 representatives of business community, and 1 representative of a public organization. The drafting team consisted of 2 women and 3 men. The selection of members of the drafting group was based on professional and business criteria.

Roman Petelsky, Chief Specialist of the Department for Regional Development, Trade and Services of the Directorate of Economics, Trade and Services who was appointed as Local Economic Development Officer within the M4EG, provided methodological support and coordinated work on developing the LEDP (Annex 2).

The LEDP was developed in view of the principles of participativity, inclusiveness, integration, systemacity and flexibility with due regard to the needs and prospects for the region's development.

The Plan was elaborated in the light of the priorities defined in the Program for Social and Economic Development of Slonim District for 2019-2020.

During the development of the Plan, the issues of local cooperation and networking, liberalization of business conditions, access to finance, development of infrastructure to support entrepreneurship, use of the tourist potential of the district, etc. were discussed. The most heated debates were caused by issues related to the development of business initiatives of the citizens in rural areas.

The proposals, challenges, and needs were analyzed, systematized and taken into account while developing the LEDP.

## **2. Local Economic Analysis**

### **2.1. Analysis of Local Economic Structure**

Slonim district has a developed industrial complex, which includes meat processing, furniture, paper producers as well as light industry. The share of Slonim district in the production volume of Grodno Oblast amounts to 4.3%.

As of 01.01.2019, 9 large, 16 medium-sized, 48 small, 321 microenterprises, 1514 individual entrepreneurs, 232 craftsmen, and 20 farmsteads were registered in the district.

Small and medium-sized businesses account for 23.4% of the total number of employed in the economy. The share of private enterprises in exports of goods is 15%, and in exports of services – 99%.

Tax revenue from the private sector amounts to 27.5% of the total.

The main growth driver of the economy is the industrial complex. In 2018, the production increased by 12.1% and the annual turnover amounted to 164 million euro (the increase of 19 million euro).

The basis of industrial production of the district constitute the Slonim Meat Processing Plant OAO, the Slonim Mebel OAO, the Slonim Cardboard and Paper Plant "Albertin" OAO, and the Worsted and Spinning Factory OAO. These enterprises account for the main share in industrial production in the district.

The agro-industrial complex includes 13 agricultural organizations specializing in the production of grain, meat and milk. 22 peasant farms operate in the district.

The Slonim Meat Processing Plant OAO which processes the agricultural products, to a greater extent attracts local suppliers and local resources for the creation of the value chain. The farmers deliver the products to this company. This chain also involves local carriers which deliver goods and local retail chains which sell finished products.

The great potential of the district lies in small and medium-sized businesses. Currently, private industrial enterprises operate in the district. The largest of them are the Novita-Mebel OOO (furniture), the Furniture Factory "Kastanyo" OOO (furniture), the Slonim drevmebel ChPUP (furniture), the Akvapark Industrial OOO (corrugation), the BeIEF-Plast SOOO (PVC products), the Vekodrev ChTUP (fuel wood), and the Bedom IOOO (fuel wood). Products of these enterprises are known not only in the Republic of Belarus, but also abroad.

Investment activity is the important component of the social and economic development of Slonim district.

In 2018, the implementation of the investment project of the Beldan IOOO (the joint Belarusian-Danish enterprise) continued in Slonim district. In January-December 2018, the volume of foreign direct net investment amounted to 203 thousand euro (the BeIEF-Plast SOOO and the FiveMarket OOO – reinvestment). The Stelakargo UP and the BeIEF-Plast SOOO were included in the Import Substitution State Program.

Exports of goods in 2018 amounted to 76 million euro, which made 31.5% of district's revenue. The most important export positions are meat and by-products, furniture, paper and cardboard, and yarn. Imports are based on raw materials for production of industrial products. Products were exported to 33 countries. The Russian Federation is the main foreign trade partner.

The brands of Slonim district known abroad are the products of the Slonim Meat Processing Plant OAO (various types of sausages and meat), the Slonim Mebel OAO (furniture), and the Slonim Cardboard and Paper Plant "Albertin" OAO (paper and cardboard products).

The "hallmark" of the district is the Assumption Zhyrovichy Monastery in the village Zhyrovichy. Pilgrims not only from Belarus, but also from abroad regularly visit the Monastery.

Some industrial enterprises of the construction sector (the Stroitelnoye Upravleniye-187 OAO) are under the threat of restructuring. The labor potential of employees of these enterprises can be preserved through the development of entrepreneurship.

Out of the 13 agricultural organizations, 8 are unprofitable. Development of private business in rural areas could be a solution to this problem.

The natural potential of the district is used insufficiently for tourism development. The ecological and historical potential of the water arteries of Slonim district is not used to the proper extent.

#### **Sectors of growth:**

**industry** – support to small businesses in industry contributes to employment, growth in production and exports, tax revenues, and improvement and development of adjacent areas. Well-established cooperation between large enterprises and private businesses will increase the effectiveness of the local economy, contribute to the stabilization of economic growth, while respecting the interests of all involved in cooperation;

**agricultural production** – the expansion of business initiatives and the development of small businesses will contribute to the development of human capital through the improvement of skills in rural areas, as well as

support for those interested in farming. Well-established cooperation between farmers and large agricultural organizations ensures sustainable growth of agricultural production. The creation of value chains will increase tax revenue and increase the protection of the interests of agricultural businesses within the district;

**tourism** – the realization of the potential of pilgrimage tourism will contribute to the growth of the overall tourist attractiveness of the district. The improvement and development of the territories will contribute to the expansion of entrepreneurship in tourist services and the expansion of their range as a condition of tourist attractiveness of the territory. The development of eco-tourism will complement the range of these services on the basis of wider use of the natural potential of the district.

## **2.2. Local Cooperation and Networking**

Constructive cooperation is established between the state and business entities in the district. The Council for Entrepreneurship Development is successfully functioning and includes representatives of the state bodies and business entities. The Chairman of the Council is the Chairman of the Slonim District Executive Committee (Annex 3). The district has the Industry working group which focuses on individual entrepreneurs (Annex 4).

Infrastructure for support to small and medium-sized enterprises in Slonim district is represented by the Business Support Center VATAVI-plus and the incubator of small business DreamProject.

The Business Support Center VATAVI-plus offers information and advisory services, accounting and personnel records, and practical assistance in the development of the necessary documents to businesses and citizens. It also organizes and conducts thematic seminars to explain the features of the legislation, workshops "Fundamentals of entrepreneurship" for unemployed citizens and citizens wishing to start business.

The incubator of small business DreamProject offers information and consulting services, vocational training or retraining programs, sublease at reduced rates of production and storage facilities, and office space. A conference room is available for thematic seminars and training courses.

However, the Business Support Center and the small business incubator are not active enough. Improved work with rural residents will strengthen their business potential and contribute to business development in rural areas.

Officers of the District Executive Committee and district services provide information and consulting services. Direct hotlines are being arranged. Information on available land plots, real estate, and financial support conditions has been collected and is kept up-to-date. The Executive Committee has established a one-stop-shop service which provides the possibility of filing the applications for various administrative procedures in one place (Annex 5). There is a single reference telephone number for information on administrative procedures.

Despite the assistance provided to start-up entrepreneurs, the population still lacks the initiative. Local cooperation and networking can be effective with sufficient involvement of representatives of different sectors of the economy.

The development of outsourcing by large industrial enterprises and agricultural organizations will help to create conditions for interaction with the private sector. Close cooperation between the private sector and large enterprises will create additional value chains and protect the interests of businesses within the district.

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

One of the main tasks of the district Administration is to carry out its activities in accordance with the principles of openness and transparency.

The activities of the Administration are covered by local TV and the newspaper. The officers of the District Executive Committee receive the citizens and representatives of legal entities, including on sites.

The Anti-Corruption Commission functions within the District Executive Committee. Information about the meetings of the Commission is posted on the website of the Executive Committee.

Legal information provided to the private sector is published without specific examples that could explain the legal framework in more details. Moreover, despite various public services, the local population and the private sector are less informed about the availability of these services and are not interested in finding information about the opportunities to use the services provided free of charge.

Close cooperation between the private sector and Administration will help to solve the existing problems to a large extent. The joint activities will help to increase the trust of business and local population in the district Administration and improve the climate in the business partnership.

## **2.4. Access to Finance**

There are 6 commercial banks and 3 insurance companies which provide financial services to businesses in the district.

Commercial banks offer loans to small and medium-sized businesses. The Development Bank of the Republic of Belarus offers loans and financial lease under the special program on support to small and medium-sized businesses.

The Belarusian Fund for Financial Support of Entrepreneurs holds tenders for the implementation of investment projects on a regular basis among small and medium-sized businesses for the provision of government financial support in the form of loans or leases of property.

Businesses can also benefit from funding provided within the Small and Medium Entrepreneurship in Belarus State Program for 2016-2020, and by the Innovation Fund of the Grodno Oblast Executive Committee. The infrastructure entities receive state financial support in the form of subsidies for developing the physical infrastructure, indemnification of expenses on carrying out the measures aimed at support and development of entrepreneurship, and training courses. For example, by the decision of the Grodno Oblast Executive Committee of 05.12.2017 No. 764 "On the state support", grants have been awarded under the terms of equity financing to the Business Support Center VATAVI-plus and the incubator of small business DreamProject. The allocation of subsidies made it possible to create new jobs, increase the range of services provided, and automate accounting.

The preferential right to get support for starting entrepreneurial activity is granted to the unemployed, who due to the situation in the labor market are not able to get a suitable job and want to start the most important for this administrative-territorial unit type of entrepreneurial activity (Annex 6).

The lack of activities to attract foreign capital is a weakness. The solution to this problem lies in simplifying the legal framework and improving the financial literacy of business entities. It is also difficult for startups to get a bank loan because of the tough loan conditions. The development of banking products accessible to a wider range of entrepreneurs can contribute to the active development of the private sector.

## **2.5. Land and Infrastructure**

The district has created a system for managing state property and enterprises, since it is necessary to ensure efficient use of property and properly dispose of the part that is not used or is used inefficiently.

According to the developed unified approach, work is being carried out to involve unused property into economic circulation, which is included in the calendar schedule of unused state property to be brought into economic circulation.

103 entities are registered in the register of municipal property of Slonim district, including 71 institutions, 15 communal unitary enterprises, 10 rural executive committees, and 6 government bodies. 3845 buildings, structures, capital buildings with total area of 9.76 thousand m<sup>2</sup> are listed in the property register.

The share of the area of communal property of Slonim district leased and transferred for free use, is 2.4% of the total area.

In order to stimulate entrepreneurial initiative, the sale to tenants of capital buildings is considered upon their application, in view of the legal regulations for streamlining the property composition. In 2019, the sale of the property to two tenants is planned. The List of unused property intended for sale at auction in 2019 includes 28 real estate items.

The district is a region with developed infrastructure, but there is no active demand for the offered real estate items. Some of the objects offered for sale require significant investment. The high cost and the complexity of electrification and reconstruction projects often influence the decision to purchase such facilities (Annex 7).

There are also 3 sites included in the free economic zone "Grodnoinvest" in the district. But, despite the favorable conditions provided by the FEZ, business entities do not register as FEZ residents.

The solution to these problems could be a reduction in the tax burden for the period of implementation of an investment project (in particular, exemption from surcharge on land tax and real estate tax), simplification of business conditions, consulting on the possibilities of the state financial support to enterprises implementing investment projects.

## **2.6. Regulatory and Institutional Framework**

A systematic work on creating conditions for the development of entrepreneurship is being carried out consistently and comprehensively.

In recent years, business entities note the simplification of registration, licensing, minimization of

interference of officials in businesses' operation. Due to the introduction of new administrative procedures, a specific list of documents submitted by business entities has been developed. The deadlines for the adoption of an administrative decision and the obligation to notify the applicant of the results of consideration, have been introduced.

The Slonim District Council of Deputies applies the right to increase (reduce) 2.5 times the tax rates on land and real estate. When communal property is leased out, a flexible mechanism is used to calculate the rent amount by applying a coefficient from 0.5 to 3 depending on demand and commercial profit.

It should be noted that a large number of rules, regulations and legislative barriers, sometimes contradicting each other, reduce the population motivation for entrepreneurship. There are also many preferences and benefits in the tax legislation, of which the entrepreneurs are not aware. The Tax Code of the Republic of Belarus constantly introduces a significant number of changes and additions, which complicates the use of the legal framework for entrepreneurs (Annex 8).

The Administration of the district has a limited set of tools in the area of regulatory and institutional framework and cannot significantly affect these processes. However, negative aspects in the event of significant changes in the legislation can be mitigated by prompt informing the entrepreneurs with explanations of the features of the new legislative acts by the officers of the District Executive Committee.

### **2.7. Skills and Human Capital, Inclusiveness**

The network of educational institutions of the district includes 22 pre-school and 24 general education institutions, 4 institutions of additional education, 2 colleges (medical and agrotechnical), the Polytechnic Vocational Lyceum, the Social and Pedagogical Center for Orphans, and the Development Correction and Rehabilitation Center. The Polytechnic Vocational Lyceum conducts training in the following specialties: chef, hairdresser, sales assistant, and seamstress.

Cooperation with higher and secondary special institutions of 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.

To date, the registered unemployment rate in Slonim district is 0.5%. 16% of the registered unemployed have basic education, 18% have secondary education, 36% – have vocational education, 18% – have specialized secondary education, and 12% – higher education. The share of young people is 10%, and middle-aged and older – 90% of total unemployed. The share of men is 61% of total unemployed.

The Department for Labor, Employment and Social Protection of the Slonim District Executive Committee carries out events for the employment of unemployed citizens on a regular basis, taking into account their qualifications for the stated vacancies ("Job Fair" and "Enterprise Day").

The possibility of rapid professional retraining at the expense of budget funds to fill current vacancies is important for the employment. The district currently lacks the following specialties: car drivers, doctors, nurses, plasterers, sales assistants, electrical/gas welders, veterinary doctors, livestock specialists, seamstresses, and chefs (Annex 9).

For starting business, craft activities, and agroecotourism, state support in the form of subsidies to unemployed citizens wishing to carry out entrepreneurial activities is provided.

Lack of specialists in rural areas is a problem. Agro-industrial enterprises lack material and human resources. The interest of the rural population in self-employment and job creation is low.

The problem can be solved by training in new specialties, as well as providing consulting and financial assistance in starting own business.

### **2.8. External Positioning and Marketing**

Slonim district is perceived by its citizens as an area of sustainable development with comfortable living and working conditions.

The residents mark the following competitive advantages of the district: the dynamic development, the presence of stable large industrial enterprises, the products of which are known far beyond the borders of Belarus, the developed transport infrastructure, and livability of settlements.

The Polonez festival is held in the district on a regular basis. Representatives of other regions and countries participate in it.

Slonim district has signed agreements (memorandums) on cooperation with the regions and cities of the Russian Federation, Ukraine, Poland, Lithuania, Latvia, Moldova, and Bulgaria. The non-profit organizations of the district regularly participate in the Latvia-Lithuania-Belarus and Poland-Belarus-Ukraine material and

technical assistance projects, as well as the UNDP and Red Cross projects. More than 30 international technical assistance projects were implemented between 2012 and 2018. The projects were implemented in the areas of cultural and historical heritage, healthy lifestyle, and social support and protection of people with disabilities.

Enterprises in Slonim district independently sell products in local and foreign markets, expanding the geography of sales annually. Exporting enterprises participate in fairs abroad on a regular basis, where they position not only their products, but also the district's potential.

Slonim district pursues a policy to promote local products, organizing various activities at the local level and participating in activities at the national level, and provides information about the district through the Internet and the media, disseminates printed materials, brochures, and handbooks (Annex 10).

However, these activities are not always systematic due to the lack of a unified marketing policy of the district. The development of a single marketing plan will contribute to the systematization of the branding of the territory and local products.

### **3. SWOT analysis**

#### **Strengths:**

- favorable geographical location, and highways and railways of international importance;
- developed diversified economy with a significant export component represented by large enterprises;
- experience of successful work with investors;
- actively developing private sector of economy;
- experience in both large and small-scale agriculture;
- widely known sites of religious tourism.

#### **Weaknesses:**

- limited labor market in rural areas;
- lack of motivation and knowledge of the rural population in rural entrepreneurship;
- reduction of the rural population;
- insufficient technical equipment of the sites proposed to potential investors;
- lack of order in the promotion of items proposed for investment projects;
- lack of system in the promotion of tourist services;
- limited use of local natural resources in the local economy.

#### **Opportunities:**

- liberalization of the business conditions;
- attraction of foreign investments, availability of sites included in the free economic zone "Grodnoinvest" in Slonim district;
- growing interest in historical and cultural heritage and active development of external and internal tourism;
- stability of demand in food markets.

#### **Threats:**

- migration of economically active population to large cities or abroad;
- dependence on imports of raw and consumable materials, equipment and technologies;
- competition in major sales and resource markets;
- changes in monetary policy for the private sector;
- changes in tax legislation for the private business.

**The main competitive advantages of the district** are developed diversified industry, availability of sites included in the free economic zone "Grodnoinvest", rich historical and cultural heritage represented by religious pilgrimage sites of national importance and interesting natural sites, and experience in agricultural activities.

### **4. Vision and Objectives**

**Slonim district** is a territory with sustainable economy based on entrepreneurship supporting large-scale industrial production, attractive for investors and tourists, and comfortable for living.

#### **By mid-2021, the following strategic objectives are planned for Slonim district:**

1. Supporting small and medium-sized enterprises for economic stabilization;
2. Developing and supporting rural entrepreneurship;
3. Increasing tourist attractiveness of the district and tourism development.

## **5. Action Plan**

The district sets long-term strategic objectives, the implementation of which will contribute to the economic development, attraction of new businesses, improvement of the investment environment, and job creation.

### **Activities**

#### **1. Supporting small and medium-sized enterprises for economic stabilization**

1.1. Creating conditions for outsourcing development by large enterprises in order to eliminate the negative effects of restructuring;

1.2. Conducting trainings to mitigate the negative consequences of restructuring and dissolving large enterprises;

1.3. Promoting investment attractiveness and improving the investment environment of the district;

1.4. Developing and producing the Investment Atlas of Slonim District.

#### **2. Developing and supporting rural entrepreneurship**

1.1. Establishing the School of a Young Farmer on the basis of the Slonim College of Agricultural Production;

1.2. Updating the work of the Business Support Center VATAVI-plus and conducting trainings and seminars on rural entrepreneurship;

1.3. Installing trade stalls for farmers on the Nash Krai marketplace;

1.4. Assisting in creating conditions for outsourcing development by agricultural enterprises.

#### **3. Increasing tourist attractiveness of the district and tourism development**

3.1. Assisting in establishing cooperation between the Zhyrovichy Monastery and travel agencies to increase the number of tourists;

3.2. Reconstructing the building of the Slonim Synagogue;

3.3. Increasing the tourist attraction of the small Oginski Canal (within the town);

3.4. Complete renovation of the hotel "Shchara" in the town of Slonim (table 1).

## **6. Financing Scheme**

The main part of funding is expected from the upper level budget, funds of the local budget, donor funds, and own funds of commercial organizations.

The total planned budget of the Plan is 2,410,740 euro. The budget deficit is planned at 11 thousand euro.

For the implementation of some of the proposed projects, it is possible to place applications on specialized websites to search for donors or grant funds, if necessary. The existing wide resource base makes it possible to replace the planned financial resources by other sources, taking into account the possible fields and activities. The planned amounts of funds and financial resources are subject to correction (table 2).

## **7. Monitoring Indicators and Mechanisms**

The district Administration will look for ways to overcome risks and monitor the implementation of the Plan every half-year in accordance with the indicators and periodicity provided in Table 3.

The following possible risks should be taken into account when implementing the LEDP:

– financial risks. Financial risks of funding the activities of this Plan are associated with a possible refusal of funding by higher state governance structures, and decrease in the financial stability of individual business entities (a decrease in the amount of own funds for development or failure of donors to fulfill the commitment). In order to mitigate the risks of non-compliance with the Plan, the additional grant and donor funds from alternative sources will be attracted;

– economic (possible international discriminatory measures, sanctions and restrictions); Increasing the competitiveness of products and diversification of sales will mitigate the consequences and reorient target markets;

– demographic (decline in the economically active population). The revitalization of the Business Support Center will increase the business activity of the population and will help preserve the workforce of the district.

**Table 1. Action Plan**

Building Blocks	Key Objectives	Activities /project ideas	Duration: start/end	Participating Partners	Estimated Cost	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
1. Local Cooperation and Networking. 2. Skills and Human Capital, Inclusiveness. 3. Access to Finance. 4. Land and Infrastructure. 5. Regulatory and Institutional Framework.	1. Supporting small and medium-sized enterprises for economic stabilization	1.1. Creating conditions for outsourcing development by large enterprises in order to eliminate the negative effects of restructuring	July 2019 – July 2021	The District Executive Committee, business entities of the district	2473 BYN (1000 euro)	- 2 meetings between representatives of large enterprises and private businesses have been held; - 5 issues about terms of cooperation have been submitted for discussion; - the list of goods and services required for large industrial enterprises is available on the website of the District Executive Committee and the websites of enterprises; - at least 5 private businesses have been involved in cooperation.	<b>The result:</b> the basis for cooperation and protection of interests of local businesses has been created. <b>Monitoring indicators of the result and their target values:</b> - at least 5 agreements between private businesses and large enterprises have been signed; - 3 new private businesses have been launched; - 9 jobs have been created.  <b>Completed: 31.07.2021</b>
		1.2. Conducting trainings to mitigate the negative consequences of restructuring and dissolving large enterprises	July 2019 – July 2021	The District Executive Committee, Business Support Center, business entities of the district	4947 BYN (2000 euro)	- 6 trainings have been held; - 150 people have participated in the trainings and improved their skills.	<b>The result:</b> the level of competence, skills, business activity and initiative of the employees has been increased. <b>Monitoring indicators of the result and their target values:</b> - 90% of participants have increased their knowledge; - 4 new private businesses have been launched; - 8 jobs have been created.
		1.3. Promoting investment attractiveness and improving the investment environment of the district	July 2019 – July 2021	The District Executive Committee, the Council for Entrepreneurship Development, business entities of Slonim district	14840 BYN (6000 euro)	- 8 investment proposals have been developed; - 8 investment proposals have been submitted to potential investors; - 4 meetings with investors have been held; - representatives of the District Executive Committee have taken part in at least 4 investment forums.	<b>The result:</b> investment attractiveness of the district has been increased. <b>Monitoring indicators of the result and their target values:</b> - the amount of attracted investments in the modernization of enterprises under various programs and projects – at least 3,000,000 euro; - at least 3 investors have been involved in cooperation.

Building Blocks	Key Objectives	Activities /project ideas	Duration: start/end	Participating Partners	Estimated Cost	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
		1.4. Developing and producing the Investment Atlas of Slonim District	July 2019 – July 2021	The District Executive Committee, free economic zone "Grodnoinvest", Business Support Center	2473 BYN (1000 euro)	- the Investment Atlas has been developed; - 250 copies of the Atlas have been produced and distributed; - the electronic version of the Atlas is available on at least 5 websites.	<b>The result:</b> awareness of potential investors about investment opportunities of the district has been raised. <b>Monitoring indicators of the result and their target values:</b> - at least 6 requests of the potential investors; - at least 3 agreements of intent to invest in the district's economy have been signed.
1. Local Cooperation and Networking. 2. Skills and Human Capital, Inclusiveness. 3. Access to Finance. 4. Regulatory and Institutional Framework 5. Land and Infrastructure	2. Developing and supporting rural entrepreneurship	2.1. Establishing the School of a Young Farmer on the basis of the Slonim College of Agricultural Production	July 2019 – July 2021	The District Executive Committee, Department of education of the District Executive Committee, Slonim College of Agricultural Production, rural executive committees, Business Support Center VATAVI-plus	7420 BYN (3000 euro)	- a program of seminars on farming has been developed; - information about the school is available in the media and on the website of the District Executive Committee; - at least 10 training seminars have been held; - at least 100 people have been trained at the school.	<b>The result:</b> the level of competence, skills and business activity of the population has been increased. <b>Monitoring indicators of the result and their target values:</b> - 90% of participants have increased their knowledge; - 3 farms have been registered and started operating; - 9 jobs have been created.
		2.2. Updating the work of the Business Support Center VATAVI-plus and conducting trainings and seminars on rural entrepreneurship	July 2019 – July 2021	The District Executive Committee, Department of education of the District Executive Committee, rural executive committees, Business Support Center VATAVI-plus	4947 BYN (2000 euro)	- a program of seminars on rural entrepreneurship has been developed; - information about the seminars is available in the media, on the website of the District Executive Committee and in the rural councils of the district; - at least 4 training seminars have been held; - at least 60 people have been trained at the school.	<b>The result:</b> the capacity of local business support entities has been strengthened and the level of competence, skills and business activity of the rural population has been increased. <b>Monitoring indicators of the result and their target values:</b> - 90% of participants have increased their knowledge; - 3 businesses have been registered and launched in rural area; - 6 jobs have been created.
		2.3 Installing trade stalls for farmers on the Nash Krai	July 2019 – July 2021	The District Executive Committee, Nash Krai marketplace	2473 BYN (1000 euro)	- the necessary documentation for the allocation of commercial space has been developed; - 2 trade stalls have been equipped;	<b>The result:</b> conditions for the sale of products produced by farmers have been created and a local market for agricultural products is being formed

Building Blocks	Key Objectives	Activities /project ideas	Duration: start/end	Participating Partners	Estimated Cost	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
		marketplace				- at least 6 farmers have offered their products in the marketplace.	<b>Monitoring indicators of the result and their target values:</b> - revenue of personal small-holdings has increased by 10%; - trade turnover of microenterprises has increased by 3%.
		2.4 Assisting in creating conditions for outsourcing development by agricultural enterprises	July 2019 – July 2021	The District Executive Committee, rural executive committees, agricultural enterprises of the district	1237 BYN (500 euro)	- 2 meetings between representatives of agricultural organizations and private businesses have been held; - 5 issues about terms of cooperation have been submitted for discussion; - the list of products and services required for agricultural enterprises is available in the media and on the website of the District Executive Committee.	<b>The result:</b> conditions for cooperation between agricultural organizations and private businesses have been created. <b>Monitoring indicators of the result and their target values:</b> - 6 cooperation agreements have been concluded; - agricultural enterprises (which signed agreements with private businesses) have purchased from private businesses at least 10% of the goods they need; - revenue of private businesses has increased by 10%.
1. External Positioning and Marketing. 2. Local Cooperation and Networking. 3. Land and Infrastructure. 4. Access to Finance.	3. Increasing tourist attractiveness of the district and tourism development	3.1. Assisting in establishing cooperation between the Zhyrovichy Monastery and travel agencies to increase the number of tourists	July 2019 – July 2021	The District Executive Committee, Zhyrovichy Monastery, travel agencies	2473 BYN (1000 euro)	- cooperation with 3 travel agencies has been established; - 150 promotional brochures have been developed and produced; - 150 promotional brochures have been distributed through travel agencies.	<b>The result:</b> the tourist attractiveness of the district has been increased. <b>Monitoring indicators of the result and their target values:</b> - the number of visitors of the Monastery has increased by 450; - revenue from the provision of tourist services has increased by 5%.
		3.2. Reconstructing the building of the Slonim Synagogue	July 2019 – July 2021	The District Executive Committee, international charity organization "TheTogetherPlan", international public organization "Dialogue"	618,350 BYN (250,000 euro)	- a meeting with the investor has been held; - designing estimates have been developed; - a tender has been held and a contractor has been selected to perform reconstructing works; - reconstruction of the building of the Synagogue has started.	<b>The result:</b> tourist attractiveness of the district has been increased. <b>Monitoring indicators of the result and their target values:</b> - 1 investor has been attracted; - the amount of 250,000 euro of investment has been attracted; - 12.5% of the planned investment amount has been disbursed.

Building Blocks	Key Objectives	Activities /project ideas	Duration: start/end	Participating Partners	Estimated Cost	Monitoring indicators / Indicators of an output and their target values	The results, indicators and their target values
		3.3. Increasing the tourist attraction of the small Oginski Canal (within the town).	July 2019 – July 2021	The District Executive Committee, state unitary enterprise of housing and communal services of Slonim, "SlonimKanal Oginskogo" OO	3,500,000 BYN 1,415,000 euro	- the tender documentation has been developed; - a tender has been held and a contractor has been selected to perform works; - the slopes of the small Oginski Canal within the town have been strengthened; - the pedestrian bridge over the canal has been reconstructed.	<b>The result:</b> The tourist attractiveness of the district has been increased. <b>Monitoring indicators of the result and their target values:</b> - export of tourist services has grown by 15%; - the number of tourists has increased by 15%.
		3.4. Complete renovation of the hotel "Shchara" in the town of Slonim.	July 2019 – July 2021	The District Executive Committee, state unitary enterprise of housing and communal services of Slonim	1,800,000 BYN (727,740 euro)	- the tender documentation has been developed; - a tender has been held and a contractor has been selected to perform works; - complete renovation has been carried out.	<b>The result:</b> tourist infrastructure of the town has been improved. <b>Monitoring indicators of the result and their target values:</b> - the 15% increase in the number of tourists; - revenue from the provision of new services has increased by 15%

**Table 2. Financing Scheme**

Activities	Estimated Cost	Source of funding, euro						Funding gaps	Remarks
		National programs	Local budget	Upper level budgets	Business	Donors	Other (specify)		
1.1. Creating conditions for outsourcing development by large enterprises in order to eliminate the negative effects of restructuring.	1000				1000				
1.2. Conducting trainings to mitigate the negative consequences of restructuring and dissolving large enterprises.	2000							2000	
1.3. Promoting investment attractiveness and improving the investment environment of the district.	6000		1000		5000				
1.4. Developing and producing the Investment Atlas of Slonim District.	1500							1500	
2.1. Establishing the School of a Young Farmer on the basis of the Slonim College of Agricultural Production.	3000							3000	
2.2. Updating the work of the Business Support Center VATAVI-plus and conducting trainings and seminars on rural entrepreneurship.	2000							2000	
2.3. Installing trade stalls for farmers on the Nash Krai marketplace.	1000							1000	
2.4. Assisting in creating conditions for outsourcing development by agricultural enterprises.	500							500	
3.1. Assisting in establishing cooperation between the Zhyrovichy Monastery and travel agencies to increase the number of tourists.	1000							1000	
3.2. Reconstructing the building of the Slonim Synagogue.	250,000		3000				247,000		
3.3. Increasing the tourist attraction of the small Oginski Canal (within the town).	1,415,000			1,415,000					
3.4. Complete renovation of the hotel "Shchara" in the town of Slonim.	727,740			727,740					
<b>Total:</b>	<b>2,410,740</b>		<b>4,000</b>	<b>2,142,740</b>	<b>6000</b>	<b>247,000</b>		<b>11,000</b>	

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

Activities	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. Creating conditions for outsourcing development by large enterprises in order to eliminate the negative effects of restructuring	July 2019 – July 2021	2 meetings between representatives of large enterprises and private businesses have been held; The list of goods and services required for large industrial enterprises has been defined and posted on the website of the District Executive Committee and the websites of enterprises.	1 agreement between a private business and large enterprise have been signed; 1 new private enterprise has been established; 3 jobs have been created.	3 agreements between private businesses and large enterprises have been signed; 2 new private businesses have been established; 6 jobs have been created.	5 agreements between private businesses and large enterprises have been signed; 3 new private businesses have been established; 9 jobs have been created. <b>Completed: 31.07.2021</b>
1.2. Conducting trainings to mitigate the negative consequences of restructuring and dissolving large enterprises	July 2019 – July 2021	1 training has been conducted; 25 persons have participated in the training; 90% of participants have increased their knowledge; 1 private enterprise has been launched; 2 jobs have been created.	3 trainings have been conducted; 75 people have participated in the training; 90% of participants have increased their knowledge; 2 new private businesses have been launched; 4 jobs have been created.	4 trainings have been conducted; 100 people have participated in the training; 90% of participants have increased their knowledge; 3 new private businesses have been launched; 6 jobs have been created.	4 trainings have been conducted; 150 people have participated in the training; 90% of participants have increased their knowledge; 4 new private businesses have been launched; 8 jobs have been created. <b>Completed: 31.07.2021</b>
1.3. Promoting investment attractiveness and improving the investment environment of the district	July 2019 – July 2021	2 investment proposals have been developed and disseminated; 1 meeting with potential investors has been held; 1 investment forum has been attended.	4 investment proposals have been developed and disseminated; 2 meetings with potential investors have been held; 2 investment forums have been attended; At least 1 investor has been involved in cooperation; At least 1 million euro of investment has been attracted.	6 investment proposals have been developed and disseminated; 3 meetings with potential investors have been held; 3 investment forums have been attended; At least 2 investors have been involved in cooperation; At least 2 million euro of investment have been attracted.	8 investment proposals have been developed and disseminated; 4 meetings with potential investors have been held; 4 investment forums have been attended; At least 3 investors have been involved in cooperation; At least 3 million euro of investment have been attracted. <b>Completed: 31.07.2021</b>
1.4. Developing and producing the Investment Atlas of Slonim District	July 2019 – July 2021	The Investment Atlas of Slonim District has been developed. 250 copies of the Investment Atlas of Slonim District have been produced; The electronic version of the Atlas is available on 5 websites.	90 copies of the Atlas have been distributed; 2 requests of potential investors have been registered; At least 1 agreement of intent to invest in the district's economy has been signed.	180 copies of the Atlas have been distributed; 4 requests of potential investors have been registered; At least 2 agreements of intent to invest in the district's economy have been signed.	250 copies of the Atlas have been distributed; 6 requests of potential investors have been registered; At least 3 agreements of intent to invest in the district's economy have been signed. <b>Completed: 31.07.2021</b>

Activities	Duration (start / end)	Expected results Months 1-6	Expected results Months 6-12	Expected results Months 12-18	Expected results Months 18-24
2.1. Establishing the School of a Young Farmer on the basis of the Slonim College of Agricultural Production	July 2019 – July 2021	A program of seminars on farming has been developed; Information about the school is available in the media and on the website of the District Executive Committee; 2 training seminars have been held; 20 persons have been trained at the school.	5 training seminars have been held; 50 persons have been trained at the school; 90% of participants have increased their knowledge; 1 farm has been registered and started operating; 3 jobs have been created.	7 training seminars have been held; 70 persons have been trained at the school; 90% of participants have increased their knowledge; 2 farms have been registered and started operating; 6 jobs have been created.	10 training seminars have been held; 100 people have been trained at the school; 90% of participants have increased their knowledge; 3 farms have been registered and started operating; 9 jobs have been created. <b>Completed: 31.07.2021</b>
2.2. Updating the work of the Business Support Center VATAVI-plus and conducting trainings and seminars on rural entrepreneurship	July 2019 – July 2021	A program of seminars on rural entrepreneurship has been developed; Information about the school is available in the media and on the website of the District Executive Committee; 1 training seminar has been held; 15 persons have been trained at the school.	2 training seminars have been held; 30 persons have been trained at the school; 90% of participants have increased their knowledge; 1 business has been registered and started operation in rural area; 2 jobs have been created.	3 training seminars have been held; 45 persons have been trained at the school; 90% of participants have increased their knowledge; 2 businesses have been registered and started operation in rural area; 4 jobs have been created.	4 training seminars have been held; 60 persons have been trained at the school; 90% of participants have increased their knowledge; 3 businesses have been registered and started operation in rural area; 6 jobs have been created. <b>Completed: 31.07.2021</b>
2.3. Installing trade stalls for farmers on the Nash Krai marketplace	July 2019 – July 2021	The necessary documentation for the allocation of commercial space has been developed. Rules and terms of trade for farmers have been established.	2 trade stalls have been equipped; 2 farmers have offered their products in the marketplace; Revenue of personal small-holdings has increased by 3%; Trade turnover of microenterprises has increased by 1%.	4 farmers have offered their products in the marketplace; Revenue of personal small-holdings has increased by 6%; Trade turnover of microenterprises has increased by 2%.	6 farmers have offered their products in the marketplace; Revenue of personal small-holdings has increased by 10%; Trade turnover of microenterprises has increased by 3%. <b>Completed: 31.07.2021</b>
2.4. Assisting in creating conditions for outsourcing development by agricultural enterprises	July 2019 – July 2021	2 meetings between representatives of agricultural organizations and private businesses have been held; The list of goods and services required for agricultural enterprises has been defined and posted on the website of the District Executive Committee and the websites of enterprises.	2 agreements between private business and agricultural enterprises have been signed; Agricultural enterprises have purchased from private businesses 3% of the goods they need; Revenue of private businesses has increased by 3%.	4 agreements between private business and agricultural enterprises have been signed; Agricultural enterprises have purchased from private businesses 6% of the goods they need; Revenue of private businesses has increased by 6%.	6 agreements between private business and agricultural enterprises have been signed; Agricultural enterprises have purchased from private businesses 10% of the goods they need; Revenue of private businesses has increased by 10%. <b>Completed: 31.07.2021</b>

Activities	Duration (start / end)	Expected results Months 1-6	Expected results Months 6-12	Expected results Months 12-18	Expected results Months 18-24
3.1. Assisting in establishing cooperation between the Zhyrovichy Monastery and travel agencies to increase the number of tourists	July 2019 –July 2021	Cooperation with 3 travel agencies has been established; 150 promotional brochures have been developed and produced; 150 promotional brochures have been distributed through travel agencies.	The number of visitors of the Monastery has increased by 150; Revenue from the provision of tourist services has increased by 1.5%.	The number of visitors of the Monastery has increased by 300; Revenue from the provision of tourist services has increased by 3%.	The number of visitors of the Monastery has increased by 450; Revenue from the provision of tourist services has increased by 5%. <b>Completed: 31.07.2021</b>
3.2. Reconstructing the building of the Slonim Synagogue	July 2019 –July 2021	A meeting with the investor has been held; Designing estimates has been agreed and its development has started.	Development of designing estimates has started.	Designing estimates have been developed; A tender has been held and a contractor has been selected to perform reconstructing works; 100,000 euro of investment have been attracted; 5% of the total planned investment amount has been disbursed.	Reconstruction of the building of the Synagogue has been started. 250,000 euro of investment have been attracted; 12.5% of the total planned investment amount has been disbursed. <b>Completed: 31.07.2021</b>
3.3. Increasing the tourist attraction of the small Oginski Canal (within the town).	July 2019 –July 2021	The tender documentation has been developed; The works to strengthen and level the slopes of the small Oginski Canal (within the town) have been carried out; The pedestrian bridge over the canal has been reconstructed.	The number of tourists has increased by 5%; Revenue from the provision of tourist services has increased by 5%.	The number of tourists has increased by 10%; Revenue from the provision of tourist services has increased by 10%.	The number of tourists has increased by 15%; Revenue from the provision of tourist services has increased by 15%. <b>Completed: 31.07.2021</b>
3.4. Complete renovation of the hotel "Shchara" in the town of Slonim.	July 2019 –July 2021	The tender documentation has been developed; A tender has been held and a contractor has been selected to perform works; Complete renovation of the hotel has been carried out.	The number of tourists has increased by 5%; Revenue from the provision of tourist services has increased by 5%.	The number of tourists has increased by 10%; Revenue from the provision of tourist services has increased by 10%.	The number of tourists has increased by 15%; Revenue from the provision of tourist services has increased by 15%. <b>Completed: 31.07.2021</b>
<b>per cent of the total budget by objective.</b>		<b>89</b>	<b>90</b>	<b>99</b>	<b>100</b>