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KAZAKHSTAN SMALL BUSINESS DEVELOPMENT PROJECT

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KAZAKHSTAN SMALL BUSINESS DEVELOPMENT PROJECT

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1.0 EXECUTIVE SUMMARY

KSBD's technical assistance during the period included:

- **Assistance to the Ministry of Economy and Budget Planning regarding the Entrepreneurship Development Department.** KSBD activities assisting GOK during the period were focused primarily on issues regarding restructuring and enhancing the status of the Entrepreneurship Development Department (EDD) of the Ministry of Industry and Trade (MIT) in anticipation of the GOK restructuring that involved reallocation of EDD to the Ministry of Economy and Budget Planning (MEBP). The key assistance included the following KSBD initiatives:
 - Providing MEBP Minister with best practices regarding organizational structure of state SME support bodies.
 - Drafting of 2 EDD founding documents on:
 - Formation of the new EDD and assignment of its principal functions
 - Formation of an affiliated Committee to protect entrepreneurs' rights.
 - Providing a new SME Entrepreneurship Development concept paper, including best practices from OECD and selected European countries
- **Assistance to EDF/Damu.** KSBD continued working with Damu, particularly in the following three areas:
 - **Loan Guarantee programs.** Damu has been moving forward both in formally adopting the program submitted by the KSBD short-term technical assistant and has been working with USAID/CAR and USAID/Washington to implement the parallel USAID Development Credit Agency (DCA) loan guarantee program.
 - **Procurement program.** KSBD's SME public procurement STTA left her comprehensive outline of the needed reforms that was further discussed by GOK in June and July.
 - **Enterprise Development Center network.** KSBD continues to provide advice and technical assistance to Damu regarding creation of an EDC network.
- **Assistance to Parliament.** KSBD's technical support of the Mazhilis (Parliament) facilitated the passing of amendments to the Private Entrepreneurship Law (PEL) which improved SME definitions in Kazakhstan and established an Annual Report. These were signed by the President.
- **Assistance to Microfinance Work Group.** The GOK Work Group on microfinancing has resumed in July, to discuss and draft further amendments in the legal framework (especially to allow APEX-type micro credit lines) and to coordinate the organization of the 2010 International Micro Finance Conference in Astana.
- **Assistance to SMEs:** KSBD reached 82% of its year 3 SME assistance target by assisting 185 SMEs in June and July. KSBD generated a total of 930 participations this period, which represents an increase of 61% from the prior period, making it the most productive yet in year 3. This period also marks the highest number (550) of unique participants receiving technical assistance.

- **BSP Network Expansion:** KSBD increased its' BSP network to 89 partners and now has at least 1 BSP partner in all 16 oblasts/administrative districts and 2 partners in 15 of 16 oblasts/administrative districts.
- **Training-of-Trainers:** This period, KSBD completed 4 training-of-trainers:
 - Atyrau: Business Essentials
 - Aktau: Business Essentials
 - Pavlodar: Consulting Essentials and Start Your Business
- **BSP Retail Training Provision:** KSBD's BSP network delivered 40 retail training courses in June and July, representing an increase of 81% over the previous reporting period. As a result, KSBD has now achieved 78% of its year 3 retail training target.

2.0 KSBD COMPONENT 1: BUILDING GOVERNMENT OF KAZAKHSTAN (GOK) CAPACITY TO SUPPORT SMEs

2.1 Component 1 Indicators

2.1.1 Improved policy planning

Assistance to the Parliament on the Private Entrepreneurship Law (PEL). KSBD previously reported that during the second hearing of the amendments to PEL, especially those dealing with SME definitions, there was a standoff of two conflicting ideas: adoption of Western SME definitions and use of Russian-type thresholds to distinguish between different categories of SMEs. These opposing views were reflected in two conflicting draft amendments: one introducing the Russian thresholds (supported by some parliamentarians and some business associations), and one based on OECD and EU categories (advocated by KSBD, MIT, Agency for Statistics and Ministry of Finance, and other business associations).

The lower house of the Parliament passed the amendment with the Russian approach. This amendment had serious drawbacks, besides being incompatible with OECD and EU best practices. It would have favored bigger private enterprise and state-owned medium size enterprises. It would also harm policy-making and potentially threaten reforms accomplished with the key support of other USAID projects, such as the ease of SME registration, lowering taxes and simplification of tax (and other) reporting.

In June, however, KSBD worked with the advocates of the OECD approach, which was finally adopted by the Senate and signed into law by the President. The fact that KSBD policy notes and recommendations submitted to GOK and private stakeholders since the start of the PEL discussions in mid-2007 were eventually approved provides additional trust and credibility to USAID assistance to economic reforms in Kazakhstan.

KSBD's SME policy recommendation, advocated in a concerted manner since October 2008, to streamline and improve SME policies and programs via drafting, disseminating and discussion of

regular reports on entrepreneurship development was eventually incorporated in PEL's Article 15 as an obligation of the "competent SME policy body" to submit such annual reports to the Government. This amendment provides the legal background for both better coordination and planning for GOK SME policies and realization of the new functions of EDD of MEBP (see below).

Previous KSBD assistance to the Mazhilis hearings on amendments to the private entrepreneurship law (PEL) culminated during both chambers' discussions on the draft in June and materialized in July, when the president signed a decree to implement the amendments. This act marked substantial progress towards better SME policy planning and defense of the entrepreneurs' interest that eventually provided a sound legal background to above mentioned improvements of the EDD ranks and responsibilities within GOK.

2.2 Co-operation with the Enterprises Development Department (EDD)

2.2.1. The transfer of the EDD from MIT to MEBP

This has led to a higher rank and improved coordinating status for the EDD vis-a-vis other government bodies and should eventually better serve the business community and inform the economic policies of the country. During the reporting period, KSBD has had to deal with two challenges: a) to ensure both the continuity of the SME policy improvements of the past two years and the stability of the EDD as the state body assigned to the tasks in this area, and b) to assist the new EDD structure to formulate and defend its mission, administrative organization and standing in the GOK context.

The philosophy of the reform has been borrowed from the best practice of the US Small Business Administration (SBA) and SME agencies of some New European countries. Some of the GOK senior public servants and business association representatives who supported the reform had previously participated in the KSBD study tours. The three main pillars of the new department were formulated as SME Policy Making, SME Related Regulatory Improvements and SME/entrepreneurship Representation (at the level of the executive branch).

On June 4, 2009 KSBD met with Minister Sultanov of MEBP and advised him on international best practices related to government SME/entrepreneurship agencies, their functions and the role they typically play in coordination of SME policies. As a result of the meeting the minister asked KSBD to inform him in writing of different organization options, which would enhance the rank of EDD and would improve its role in SME policy planning.

KSBD sent the first set of recommendations to the Minister in mid-June. The transfer of EDD from MIT to MEBP was decided at the GOK session during the first week of July. This necessitated a second round of consultations in July. KSBD drafted two founding documents: one on the EDD itself and one on EDD's committee to protect entrepreneurs' rights to engage in business. The reform necessitated a new SME/Entrepreneurship Development concept for the GOK and EDD requested a first draft from KSBD, which was submitted on July 30, along with a review of best practice from OECD and new Europe countries.

The new EDD will consist of four divisions (Policy Planning, Regulatory Reform, Business Licensing Reform, and Business Inspection Reform) and will oversee a Committee to Protect Entrepreneurs. Thus, the structure reflects a clear reform agenda and allows for departmental adjustment to current and new policy priorities. The EDD's direct functions are to be policy development and coordination.

The Committee functions are based on text that formulates private property rights, the right to justice, rights to engage in business, secured execution of contracts and so on. These functions could be summarized as feedback on and protection of these rights. In addition, the EDD will assume the functions of the entrepreneurship-related "competent body" of GOK in terms of the PEL and will draft relevant legal frameworks, test draft bill on impact on private entrepreneurship, oversee state controls and report regularly on entrepreneurship development, including through the Annual Report defined in the amended PEL.

2.2.2. Working Group on Microfinancing

The second line of cooperation with EDD was the restored Working Group on Microfinancing. The Working Group has the task of preparing the GOK and private stakeholders for the 2010 International Microfinance Conference in Astana, as well as to review the APEX finance practices in other countries and propose amendments to Kazakhstan legal frameworks.

Regarding the latter task, KSBD already submitted first comments on the documents of the Work Group. The ultimate idea is to use APEX-financing, first, to organize microfinance funds in Kazakhstan, including microfinance programs of EDF/DAMU. Then, presumably, this system could be applied to DAMU itself. There was preliminary discussion of the provisional SOW of an STTA in this area, originally requested for August 2009 but then the idea was postponed for September-October due to the lack of readiness on behalf of the Department. We expect this issue to be raised again after the vacation period.

Re the former issue, the Group followed up the Belgrade ST. After the May KSBD supported Study Tour to Belgrade, Serbia, the GOK Work Group on microfinancing has resumed in July, to discuss and draft further amendments in the legal framework, especially to allow APEX-type micro credit lines. (APEX-type programs include raising private sector capital for microcredit programs).

The Work Group is also working on organization of the 2010 International Micro Finance Conference in Astana. We expect that GOK will request KSBD's assistance on both initiatives

2.3 Co-operation with the Entrepreneurship Development Fund/DAMU (EDF/DAMU)

In the previous report we discussed some additional key personnel change in EDF/DamU. In June and July, KSBD led a series of discussions with new Chairman of the Board, Mr. Bolat Mukushev. The overall direction of KSBD/DAMU cooperation will be continued. Priority was given to the Loan Guarantee Program. In July, the former DAMU Corporate Department Head, Lyazzat Ibragimova, returned to the Fund from Samruk/Kazyna as Deputy Chairperson for non-financial programs.

Public procurement program for SMEs

Linda Nemec, the short term advisor to DAMU on public procurement reform has completed her assignment in June. The reform outline she left was discussed Kazyna/Samruk and the GOK. For the time being, there is delay implementing it, which is due to Kazyna/Samruk emergency anti-crisis measure in banking sector and to the fact that the provisional GOK reform driver, the EDD, has been occupied with structural reform of its own. Lyazzat Ibragimova believes Kazyna/Samruk may return later this year to these issues and she plans to discuss again the reform in the fall, with EDD and other stakeholders.

SMEs Loan Guarantee Program

Having met and cleared outstanding issues with the Financial Supervisory Authority (FSA), Damu is proceeding to adopt its loan guarantee program based on the plan provided by KSBD-funded short-term consultant Michael J. Dowd. In addition, the FSA also cleared the way to proceed on the USAID Development Credit Agency (DCA) and Damu's staff is working with USAID/CAR and USAID/Washington DCA to move that program along.

KSBD expects SME Loan Guarantee Program will be up and running from January 1, 2010.

Enterprise Development Centers (EDCs)

As mentioned in the executive summary, the new Damu Deputy Chairperson considers the EDC program of Damu and its information services a priority. She will start executing her duties in mid-August. Thus, in September KSBD will have a detailed plan on this and other initiative of the MOU for the next financial year.

Damu has decided to undertake a nation-wide training and survey program as a prelude to establishing its EDC network. KSBD has provided advice on this program, including incorporating a recent manual on entrepreneurship in Kazakhstan prepared by GTZ, the German Technical Assistance organization.

Other cooperation with Damu.

Meanwhile, the SME Handbook KSBD drafted with Damu, eventually titled in Russian: *Politics and Small Business: How it is Done in Kazakhstan and Other Countries*, was updated and closed from further editing on June 10, and uploaded on the KSBD website on June 12 (http://www.ksbd.kz/page.php?page_id=123&lang=1~). The previous EDF/DAMU Chairman, Gosman Amrin approved the draft. In July, the book was uploaded on the MIT website (http://www.mit.kz/?p=mate&id_mm=11&id_sm=22&id_c=0&id=1807). We think that publication of a print copy will be back again on Damu's agenda in September.

KSBD is also discussing with Damu the development of its website as a primary internet information and support platform for SMEs, trainers and consultants in the country.

2.4 KSBD Website and Information Dissemination

KSBD's knowledge dissemination continued on a regular basis. The website has become very popular (hits increased three times) after uploading the Damu handbook *Politics and Small Business: How it is Done in Kazakhstan and Other Countries*. Most of the materials submitted to the GOK as evidence of best practice in organizing government SME bodies have been disseminated for a wider audience through the website as well. The discussion on the new EDD website has started and we think that in the next reporting period with it will be one of the priority areas of cooperation with GOK.

3.0 KSBD COMPONENT 2: BUILDING BSP CAPACITY TO SUPPORT SMEs

3.1 June-July Indicators

3.1.1 Number of organizations assisted through KSBD BSP Program

INDICATOR	June-July		YEAR 3 TOTAL		YEAR 3 TARGET	% OF TARGET	YEAR 2 TOTAL	YEAR 1 TOTAL	PROJECT TOTAL
	Total	New	Total	New					
Total number of organizations	245	200	1041	696	N/A	N/A	1000	366	2407
SMEs	185	159	800	556	975	82%	818	300	1918
NGOs	20	8	97	52	N/A	N/A	68	10	175
GOK Entities	18	18	58	46	N/A	N/A	43	25	126
HEIs	7	5	22	11	N/A	N/A	25	10	57
Vocational/ Technical	3	1	20	6	N/A	N/A	20	6	46
Financial Institutions	6	6	29	16	N/A	N/A	20	7	56
Large Companies (international)	1	0	3	1	N/A	N/A	0	1	4
Large Companies (domestic)	2	2	9	7	N/A	N/A	5	6	20
Development Organizations	0	0	0	0	N/A	N/A	1	1	4

KSBD has now reached 82% of its year 3 SME assistance target by assisting 185 SMEs in June and July. This is an 18% increase over the prior reporting period and is the fourth reporting period in which KSBD has seen consecutive increases in the number of SMEs assisted. Through this addition, KSBD has now provided technical assistance to over 1,900 SMEs since project inception. KSBD fully anticipates meeting and most likely exceeding our target of 975 SMEs assisted this project year.

3.1.2 Total training participations and participants

INDICATOR	JUNE-JULY	YEAR 3 TOTAL	YEAR 3 TARGET	% OF TARGET	YEAR 2 TOTAL	YEAR 1 TOTAL	PROJECT TOTAL
Total participations	930	3290	4000	82%	2828	1783	7901

Total unique participants	550	2188	N/A	N/A	1591	961	4740
Female unique participants	414	1568	N/A	N/A	1105	725	3398
Male unique participants	136	620	N/A	N/A	486	236	1342

KSBD generated a total of 930 participations this period, making it the most productive yet in year 3. This represents an increase of 61% from the prior period and has resulted in KSBD meeting 82% of its year 3 target. This period also marks the highest number of unique participants receiving technical assistance (550) which is an increase of 43% over that achieved during April and May. With sustained demand, KSBD is well poised to exceed its target of achieving 4,000 participations this project year.

3.2 Business Service Provider (BSP) Capacity Building Program

3.2.1 BSP partner breakdown (by highest partner status achieved)

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total	89	89	N/A	N/A	56	15	89
Status 1 (Attended TOT)	73	73	N/A	N/A	35	10	73
Status 2 (SME Toolkit Self-Application)	2	2	N/A	N/A	1	0	2
Status 3 (Retail Training)	10	10	N/A	N/A	14	5	15
Status 4 (Retail SME Toolkit)	4	4	N/A	N/A	6	0	4

This period, KSBD increased its' BSP network to 89 partners working in all oblasts of Kazakhstan. Specifically, KSBD added the following BSPs through completion of 4 training-of-trainer sessions:

- Moody International (Atyrauskaya)
- Entrepreneurs' Rights Protection and Support (Atyrauskaya)
- LLP KDS (Atyrauskaya)
- Association of Youth (Atyrauskaya)
- Boarding School #1 (Atyrauskaya)
- IE Bendeliani (Atyrauskaya)
- EcoObraz (Atyrauskaya)
- Training Consulting Center (Mangistauskaya)
- Aktau Consulting (Mangistauskaya)
- Step-Up Training Center (Mangistauskaya)
- Institute of Professional Skills Improvement and Business Development (Mangistauskaya)
- Caspian State University of Technology and Engineering (Mangistauskaya)
- Business Center of Karakysansk Region (Mangistauskaya)
- Business Incubator of Tupkaragan Region (Mangistauskaya)
- Eurasian Innovative University (Pavlodarskaya)
- Center of Partnership (Pavlodarskaya)
- GAB (Pavlodarskaya)
- LLC Project Com (Pavlodarskaya)

- Bolashak NGO (Pavlodarskaya)
- IE Ustimenko (Pavlodarskaya)

3.2.2 BSP Partner Breakdown (by Oblast/Administrative District)

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Oblasts with 1 BSP	16	16	16	100%	14	3	16
Oblasts with at least 2 BSPs	15	15	16	94%	12	2	15
Average BSPs per 16 oblasts	5.5	5.5	N/A	N/A	3.5	N/A	5.5

KSBD now has at least 1 BSP partner in all 16 oblasts/administrative districts and 2 partners in 15 of 16 oblasts. KSBD needs to focus on increasing its BSP network in Akmolinskaya oblast (counted separately from Astana City) to reach its project target of at least 2 BSP partners in each oblast. On average, KSBD now has 5.5 BSP partners in each oblast.

3.2.3 BSP TOT Business and Consultant Training and Attestation Program (Status I)

- KSBD TOTs for BSPs

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
BE TOTs	2	5	7	71%	3	1	9
CE TOTs	1	2	7	29%	5	0	7
CCS TOTs	0	0	N/A	N/A	3	0	3
SYB TOTs	1	4	3	133%	1	0	5

This period, KSBD completed 4 training-of-trainer sessions:

- Business Essentials: Atyrau
- Business Essentials: Aktau
- Consulting Essentials: Pavlodar
- Start Your Business: Pavlodar

KSBD has now exceeded (133%) its' year 3 Start Your Business (SYB) training-of-trainer target through completion of its' fourth such course in Pavlodar. KSBD is also positioned to meet its year 3 Business Essentials target by completing its ninth and tenth TOTs this period in Atyrau and Aktau. With regard to Consulting Essentials (CE), KSBD has decided to focus more heavily on delivery of this course during year 4 for three reasons. First, in the wake of the financial crisis, there has been marked interest by both GOK and corporate sponsors in using SYB to help build the skills of vulnerable target audiences (e.g., unemployed, rural youth, women). Second, both BE and SYB are applicable for retail, which provides an additional revenue stream for BSPs throughout Kazakhstan. Lastly, KSBD's BSP network will be better prepared to learn and utilize the knowledge and practices covered in CE after having amassed more experience working directly with SMEs during retail training sessions.

- **KSBD attestations of individual consultants and trainers**

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total # of BE attested	21	44	112	39%	49	16	109
Total # of CE attested	15	26	117	22%	86	0	112
Total # of BE+CE attested	0	6	90	7%	55	0	61
Total # of SYB attested	6	35	42	83%	14	0	49

KSBD attested 21 consultants in Business Essentials, 15 consultants in Consulting Essentials and 6 consultants in Start Your Business this period; bring the year 3 total to 44, 26 and 35 attestations respectively. KSBD has now nearly met its year 3 SYB attestation target (83%) and will be considering fully attesting, through mini-trainings, previous BE participants who currently are lacking attestation in 1 or 2 modules. KSBD will also finish one BE TOT in August and will begin two additional TOTs in September, which will contribute to the total number of attestations attained.

3.2.4 BSP partners providing retail training to SME clients and participants (Status 2)

- All retail courses provided by BSP partners

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total courses given	40	156	200	78%	165	101	422
Average value of each retail course (including EM grantees)	\$1,925.45	\$1,441.88	N/A	N/A	\$1,720.01	\$1,720.01	\$1,627.30
# of KSBD co-financed retail courses	40	113	N/A	N/A	34	0	147
# of fully commercial courses	0	2	N/A	N/A	0	0	1
Total value KSBD co-financed retail courses	\$77,018	\$178,641.50	N/A	N/A	\$72,240.32	\$0	\$250,881.82
KSBD contribution	\$40,738	\$91,173	N/A	N/A	\$31,622.00	\$0	\$122,795.22
BSP contribution	\$24,990	\$43,492.50	N/A	N/A	\$26,905.08	\$0	\$70,397.58
Sponsor contribution	\$4,470	\$10,792	N/A	N/A	N/A	N/A	\$10,792
Participant fees	\$6,820	\$33,184	N/A	N/A	\$13,713.02	\$0	\$46,897

KSBD's BSP network delivered 40 retail training courses in June and July, representing an increase of 81% over the previous reporting period. As a result, KSBD has now achieved 78% of its' year 3 retail training target and anticipates exceeding its target of 200 retail trainings delivered by the end of year 3. In total, these 40 retail training courses generated an estimated value of \$77,018:

- Institute of Partnership and Business (Karaganda): Start Your Business (8), Marketing and Sales (1), Tax and Law (1), Human Resource Management (1), Strategic and Business Planning (1)
- Turan Profi (Astana): Strategic and Business Planning (2), Finance for Non-Financiers (2), Marketing and Sales (1), Quality Management (2), Human Resource Management (2), Tax and Law (2)
- Association of Barmen and Victuallers (Karaganda): Finance for Non-Financiers (1), Tax and Law (1)
- IE Petrova (Shymkent): Human Resource Management (1), Tax and Law (1), Marketing and Sales (1)
- Public Fund Kazygurt (Almatinskaya): Strategic and Business Planning (2), Finance for Non-Financiers (2), Marketing and Sales (1), Quality Management (1), Human Resource Management (1), Tax and Law (1)
- Preko Consulting (Kzyl-Orda): Start Your Business (2)
- SODBI Business Incubator (Shymkent): Tax and Law (1), Start Your Business (1)

3.2.5 BSP self-application of SME Improvement Toolkit to improve performance (Status 3)

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total from SME Toolkit	1	7	15	47%	12	0	19
# of SAPs developed	1	2	N/A	N/A	5	0	7
# of KMRs reported	0	5	N/A	N/A	7	0	12

This period, KSBD completed a Strategic Action Plan (SAP) with Decenta in Pavlodar. During the intake session, KSBD identified several key areas for improvement, namely to:

- Develop a performance management system and clear policies/procedures to streamline operations (e.g., client recruitment/monitoring, administrative/staff coordination, deliverables quality control and information sharing) and improve its financial position
- Introduce an innovative marketing strategy to increase SME perception of value of consulting and Decenta's brand recognition
- Develop and communicate the tenets of an organization structure which focuses on matching expertise to requisite project activities and ensures balanced task delegation
- Design and utilize an accurate financial management program to help guide corporate strategic decision making

KSBD also decided to launch a pilot Marketing Planning Workbook batch intake session in Almatinskaya oblast in late August/early September. To do so, KSBD, in conjunction with at least 1 BSP partner, will lead a 1-day session with approximately 10 SMEs in and around Chilik and provide detailed instruction on how to effectively complete and use this workbook. By doing so, KSBD may identify a more robust method for helping its partner BSPs provide direct management consulting assistance to a broader base of SMEs in an affordable manner.

3.2.6 BSPs retailing SME Improvement Toolkit (Status 4)

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total from SME Toolkit	0	16	21	76%	7	0	23
# of SAPs developed	0	6	N/A	N/A	7	0	13
# of KMRs reported	0	5	N/A	N/A	N/A	0	5
# of QM workbook developed	0	5	N/A	N/A	0	0	5

KSBD's BSP network did not retail any tools from the SME Improvement Toolkit on a retail basis. As noted above, KSBD will pilot a batch intake session in anticipation of boosting demand by SMEs for direct consulting assistance from BSPs.

3.3 Public-Private Partnership (PPP)/Sponsor Program

3.3.1 Total Sponsor (PPPs) by Status

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total	55	55	N/A	N/A	28	1	55
Status 1 (initial meeting)	24	24	N/A	N/A	12	0	24
Status 2 (signed MOC/proposal submitted)	20	20	N/A	N/A	7	0	20
Status 3 (Direct/In-kind contribution)	11	11	N/A	N/A	9	1	11

KSBD now has 55 organizations designated as sponsor organizations (status 1-3). During this period, KSBD expanded its impact through the following activities:

- On June 4th, KSBD met with the Entrepreneurship Department of Aktobe. Through this meeting, it was agreed that they would provide in-kind contributions (e.g., conference room) in support of the Business Essentials TOT. In addition, they expressed interest in providing support to conduct a Start Your Business TOT in Start Your Business in Aktobe.
- On June 19th, KSBD met with the Deputy Director of the Entrepreneurship Department of Taraz City to outline our project and discuss potential collaboration.
- On June 19th, KSBD met with the Eurasia Foundation regarding potential collaboration as part of the 2010 ExxonMobil grant to support women in Atyrau. However, further action regarding this proposed arrangement was stopped based on feedback attained from ExxonMobil.
- On July 2nd, KSBD signed memorandums of cooperation with the Entrepreneurship Departments of both Pavlodar City and Pavlodar Oblast outlining our respective roles and responsibilities.
- On July 3rd, KSBD arranged the first meeting between the top management of DAMU and the EBRD-Business Advisory Services (BAS) project. EBRD-BAS agreed to work with DAMU and

KSBD to share results of its nationwide consulting services survey. In addition, EBRD-BAS expressed interest in participating in the development of DAMU’s Enterprise Development Centers (EDCs) and agreed to recommend consultants to DAMU to assist micro-credit institutions.

- On July 8th, KSBD met with the Regional Finance Center of Almaty to discuss their adoption of SYB as a vehicle to train potential entrepreneurs.
- On July 10th, KSBD met with the National Association of Accountants to garner endorsement of the “Finance for Non-Financiers” and “Tax and Law” BE modules. This arrangement would involve using their logo and incorporating select information from their organization as part of each revised module.
- On July 20th, KSBD met with GTZ to discuss cooperation, specifically in terms of planned activities with DAMU and the Entrepreneurship Development Department, BSP entrepreneurship training and vocational education.
- On July 21, KSBD met with representatives from www.headhunter.com to garner support for endorsement of the “Human Resource Management” BE module.
- KSBD signed memorandums of cooperation with the Entrepreneurship and Industry Department of Kzyl-Ordinskaya oblast on July 21st and the SME Department of Abay City on July 22nd outlining our respective roles and responsibilities.

4.0 MEDIA COVERAGE OF KSBD ACTIVITIES

INDICATOR	JUNE-JULY	YEAR TOTAL 3	YEAR 3 TARGET	% OF TARGET	YEAR TOTAL 2	YEAR TOTAL 1	PROJECT TOTAL
Total # of media occurrences	12	36	60	60%	51	N/A	87
TV	1	2	N/A	N/A	7	N/A	9
Magazines	0	3	N/A	N/A	13	N/A	16
Newspapers (print)	7	21	N/A	N/A	29	N/A	50
Newspapers (electronic)	4	10	N/A	N/A	2	N/A	12

This period, KSBD published 12 media products (through central and regional media):

- Special Seminars-Zhanakoran Tynysu regional newspaper, Kzyl-Ordinskaya oblast
- Business Essentials-Mangistauskaya oblast newspaper, Mangistauskaya oblast
- Education for Entrepreneurs-Turkestan national newspaper
- Business with New Skills-Znamia Truda regional newspaper, Zhamblyskaya oblast
- Start Your Business-Respublica national newspaper
- Business Essentials for Lyceum Pupils-Tumba newspaper, Mangistauskaya oblast
- For Future Entrepreneurs-Komu Chto regional newspaper, Kzyl-Ordinskaya oblast
- Professional Schools for Future Entrepreneurs-Gazeta Kz (electronic national newspaper)
- KSBD Seminars on SMEs-Aktobe Akimat (electronic news section)
- Akim Meeting with KSBD Training Participants-Aktobe Akimat (electronic news section)
- Know About Business & Become Competitive-Mangistauskaya Akimat (electronic news section)
- KAB Seminar News-Atyrau TV

5.0 KSBD UPCOMING ACTIVITIES

5.1 Component 1

In the next two months and the beginning of FY4, we expect the following efforts to resume or to receive additional momentum:

- Assistance to EDD of MEBP to proceed with regard to:
 - a) Organization of its activities and cooperation with other GOK bodies;
 - b) Launching the actual work on Entrepreneurship Reports;
 - c) Reviewing APEX-finance schemes applicability to Kazakhstan and hosting a respective STTA;
 - d) Development of the Entrepreneurship Development Concept;
 - e) Launching its new website;
 - f) Requests of assistance to utilize the Road to Europe Program, visiting successful government Entrepreneurship Development Agencies;
 - g) Ad hoc SME policy consultation.

- Assistance to EDF/DAMU is likely to be directed to:
 - a) Updating the MOU between KSBD and DAMU;
 - b) EDC Program;
 - c) Implementation of Loan Guarantee Program;
 - d) APEX systems in SME and micro finance;
 - e) Information services, survey and SME development reporting;
 - f) Publications and other activities.

5.2 Component 2

- Complete Business Essentials training-of-trainers in Aktobe
- Launch Business Essentials training-of-trainers in Ust-Kamenagorsk
- Launch Business Essentials training-of-trainers in Pavlodar
- Complete Start Your Business training-of-trainers in Aktobe
- Complete Start Your Business training-of-trainers in Astana
- Complete Start Your Business training-of-trainers in Petropavlovsk
- Continue KSBD-sponsored retail training in the following oblasts:
 - Almatinskaya
 - Astana City
 - East Kazakhstan
 - Karagandinskaya
 - Kzyl-Ordinskaya
 - North Kazakhstan
 - Pavlodarskaya
 - South Kazakhstan