

Project Brief



International
Labour
Organization

Planned activities



ILO activities

ILO project aims to increase access to business advisory services through:

- Identification of organizations interested in growing into business development services (BDS)
- Training of trainers (TOT) of potential BDS practitioners based on ILO's SIYB methodology
- Trainings of potential and existing entrepreneurs at the BDS centers
- Work with entrepreneurs (especially from vulnerable groups of women, youth, and others) on business start-up, functioning, improvement, and expansion
- Regular rapid market appraisal of BDS market in North Ossetia and selected regions
- Update and wide distribution of Directories of assistance and advice as reference information for potential entrepreneurs.



supporting transparent district planning and budgeting; mainstreaming of social cohesion and peace-building as a cross-sectoral theme in NGO activities; promoting favorable growth environment for small entrepreneurs through establishment of business incubators.



United Nations High Commissioner for Refugees (UNHCR) will consolidate a database on the displaced persons and applicants, provide materials and employment

support to vulnerable families. It will also support communities of displaced persons to deliver initiatives for Quick Impact Projects and work with them to design the most suitable projects.



Food and Agriculture Organization of the United Nations (FAO) activities include trainings and study tours in agri-business, trade and marketing;

collection and dissemination of market information; job fairs to promote farming as a means of self-employment.

Contact

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Sustainable Integration and Recovery in North Ossetia-Alania (ILO component)

Project duration: 1 November 2008 – 31 October 2011

Partner organizations: UNDP, UNHCR, FAO

Donors: Government of Japan/United Nations Trust Fund for Human Security (UNTFHS)

Background



The labour tension in 2007 was estimated at nine job seekers per one vacancy available. According to the NOA Committee on Employment, as of 1 January 2008 registered unemployment was 6.2% and general unemployment was 9.7% which is above average rate in the Russian Federation. Youth constitute 37.5% of all unemployed.

Difficult socio-economic situation in the republic puts forward the need to promote small entrepreneurship because this sector is available for large population groups and can provide employment and income. Moreover, it is a sector that potentially can form a basis for middle class society.

North Ossetia–Alania is one of the North Caucasus republics of the Russian Federation. NOA is a historically industrialized republic, however today many large enterprises are in a pre-bankruptcy situation, and the incomes of population are among the lowest in Russia. Moreover, during the last decades North Ossetia–Alania had to absorb displaced persons from the neighboring regions, and now it observes an increase of one-sixth of its population.

According to the regional statistics, out of 23,287 small enterprises registered in North Ossetia–Alania in 2006, 41.5% were not actually functioning. Why does this happen? The answer is simple: many new entrepreneurs lack knowledge of business inception process, marketing and cost analysis. As a result, registered small enterprises are often stopped without even starting their activities.

Activities of partner organizations:



United Nations Development Programme (UNDP)

activities will be aimed at strengthening capacities of local authorities and NGOs to design and implement strategies for socio-economic recovery;



Photo: ILO

The project

The project aims to promote integration and recovery in North Ossetia and enhance the capacity of key government authorities in promoting socio-economic recovery, job creation, entrepreneurship development, as well as in developing sustainable livelihoods and providing permanent shelter for the displaced.

The project was initiated under the current 'One UN' agenda called upon to combine efforts of various UN agencies, in this case in responding to the needs and requests of North Ossetia–Alania. Parallel funding arrangements with each UN agency means that each organization is aimed at common results but manages its own funds. The UN Country Team believes that successful activities to address human security in North Ossetia could be applied elsewhere in the North Caucasus as the situation permits, helping to stabilize the region.

Rationale for ILO involvement

The project objective is stated in line with the ILO's Global Employment

Agenda that represents an employment arm of the Decent Work Agenda of the ILO which, inter alia, calls for promoting decent employment through entrepreneurship.

The project is implemented in the region with difficult economic conditions and high unemployment rate where small entrepreneurship requires special attention in order to stimulate incomes of the population and economic growth. Contribution of ILO in bringing entrepreneurial tools is, therefore, critical in promoting a good potential for business development services (BDS) market in the republic and stimulating self-employment as available employment prospect for the unemployed. Introduction of new interactive training for adult learners on how to start business will directly respond to practical needs of potential and existing entrepreneurs. The ILO will tackle the problem of BDS market development through its Start and Improve Your Business (SIYB) programme.

A good momentum was created for the promotion of the SIYB programme in North Ossetia–Alania by the ILO/UNDP



Photo: ILO

SIYB programme

The **Start and Improve Your Business (SIYB)**

is an ILO training programme aimed at developing and strengthening basic management skills of aspiring or existing small business entrepreneurs



The SIYB package includes four training courses:

Generate Your Business Idea (GYB) helps potential entrepreneurs to develop interesting and applicable idea.

Start Your Business (SYB) is a step-by-step guide on effective business organization.

Improve Your Business (IYB) helps entrepreneurs to create a basic enterprise management system.

Expand Your Business (EYB) provides advice on how to further develop and expand a business.

project implemented in North Ossetia in 2007. SIYB programme, as compared to other business training packages with their mostly academic character, was appreciated for its practical, simple, flexible, and down-to-earth approach, and triggered interest towards its application by many potential BDS providers. Local SIYB trainers prepared by the previous project display commitment and strong enthusiasm to start working with entrepreneurs and building client cases.

The SIYB programme is fully in line with the main provisions of the national strategy to support small entrepreneurship set up in the Federal Law 'On State Support of Small

Entrepreneurship in the Russian Federation' that was last updated in February 2006. In North Ossetia, a regional law on entrepreneurship development was adopted in March 2007. According to the regional law, 1% of the republic's budget resources should be allocated for SME support activities.

Beneficiaries

Direct beneficiaries in North Ossetia–Alania are displaced persons and vulnerable population, who meet the following criteria:

- Low-income households
- Willingness to start their own business and to develop respective skills.

Indirect beneficiaries include residents of North Ossetia–Alania who may benefit from strengthened local economies, improved local services, etc., as well as Government officials and decision-makers, local administrations, entrepreneurs and SMEs, employers, workers' organizations, NGOs and civil society.



Photo: ILO