



*TRADITIONAL ECONOMIC ACTIVITIES SUPPORT PROGRAMME COMMITTEE*  
**REGULATIONS**  
**ON THE TRADITIONAL ECONOMIC ACTIVITIES SUPPORT PROGRAMME**  
**FOR 2014**

Adopted at the meeting of the Traditional Economic  
Activities Support Committee on  
09 December 2013

Approved at the Board meeting on  
19 December 2013

The Traditional Economic Activities Support Programme Committee (TEASPC) is a body responsible for implementing and further developing the TEASP. The TEAS Programme has been developed to address the employment problems of indigenous minorities and to support economic development taking into account the traditional life style, traditional economic activities and crafts of SIM. The representatives of indigenous minorities have also emphasised the importance of the traditional use of natural resources, considering traditional economic activities (reindeer herding, traditional fishing, hunting, gathering wild plants, dog breeding, arts and crafts, ethnic and ecological tourism) for preserving their cultural heritage.

### 1. TEASP GOALS

- develop and preserve the traditional forms of economic activity of Sakhalin indigenous minorities;
- create new jobs and economic development opportunities for indigenous minorities on the basis of the experience and skills they already possess;
- support the economic development of indigenous minority communities and other SIM associations by granting them the opportunity to enter into market relations and use microcredits (loans);
- assist successful enterprises of Sakhalin indigenous minorities in providing social benefits and support to their local communities;
- help indigenous minority communities and other SIM associations to be competitive on domestic and foreign markets;
- help and support the Sakhalin indigenous minorities that permanently reside in the original/historic lands of their ancestors to maintain their traditional ways of life.

### 2. PROGRAMME FRAMEWORK

The Traditional Economic Activities Support Programme is made up of three components (subprogrammes or projects).

- **Self-Sufficiency component;**
- **Business Planning component—initiative for supporting SIM communities and other SIM associations;**
- **Microcredit programme aimed at developing traditional economic activities of Sakhalin indigenous minorities.**

### 3. IMPLEMENTATION OF TEASP IN 2014

The budget of the programme is US\$ 156,000/RUR 5,138,640 (at the exchange rate of 19 December 2013 US\$1 = RUR 32.94).

Breakdown of the TEASP budget by programme components:

Component	Percentage of total TEASP budget*	US\$	RUR
Self-Sufficiency	25	39,000	1,284,660
Business Planning	50	78,000	2,569,320
Microcredit Programme	25	39,000	1,284,660

\* If it is found necessary to redistribute funds among the programme components, the TEASP Committee must ask the Executive Committee for approval.

The dollar exchange rate is fixed on the date the budget of the Traditional Economic Activities Support Programme for 2014 was approved.

#### 4. PREREQUISITES FOR FINANCING THE PROJECTS UNDER THE *SELF-SUFFICIENCY COMPONENT* PRESENTED TO THE TRADITIONAL ECONOMIC ACTIVITIES SUPPORT PROGRAMME (TEASP) FOR 2014

Assistance to and support of the Sakhalin indigenous minorities who permanently reside in the original/historical lands where their ancestors lived and worked and lead a traditional life style, to provide them with special autonomous power generation facilities, information and communications resources, vehicles, fishing gear, some types of household appliances which can be useful in their crafts, and to improve their social conditions, etc.

4.1. No financing is allocated for payment of wages.

4.2. The requested project amount includes administrative costs, which should be not more than 5% of the total project cost. The administrative costs include bank interest payments.

4.3. No financing is allocated for procurement of equipment and tools that were obtained from other sources (programmes) over the preceding five years.

4.4. An applicant's contribution to the project:

- must equal at least 5% of the requested amount and not be part of it.
- includes delivery of equipment to the place of operation;
- is the difference in cost of the equipment requested.

4.5. In order to participate in the programme, applicants must fill out the application form (Appendix No. 1).

4.6. Applicants must possess all permits and other documents for using equipment, materials, other fixed and operating assets that they request (copies must be attached to the application).

4.7. The application must include all beneficiaries of the project.

4.8. Applicants and beneficiaries of projects cannot participate in more than one project.

4.9. Applicants and partner organisations must provide the following information:

- registration with tax authorities—INN, entry in the Unified State Register of Taxpayers;
- availability of tax and other obligatory reports for the last reporting period;
- an excerpt from the Unified State Register of Legal Entities for the preceding six months;
- no tax arrears or debts for the last reporting period; and
- a letter of guarantee from the partner organisation (attached to the application form).

4.10. The project is aimed at the following areas:

Project areas	Self-Sufficiency Projects (preserving the traditional way of life)
Goal	To preserve skills in traditional crafts, economic activities and utilization of natural resources and to pass them on to the next generations.
Attribution criteria	The ability to satisfy their own needs with personal income from labour, taking into account traditional activities, preserving the traditional way of life and without deriving commercial profit for the following Sakhalin indigenous minorities: <ul style="list-style-type: none"> <li>• disadvantaged and socially vulnerable people that either permanently (more than six months per year) or seasonally (from four to six months per year) live in rural areas that are the original homelands of the SIM and preserve the traditional way of life, economic activities and crafts;</li> <li>• those that provide for themselves with the social quota allocated for SIM personal consumption.</li> </ul>
Submissions	Project description—application (Attachment No. 1) + set of documents (Items 4.5–4.9)
Budget distribution	<b>RUR 1,284,660 (US\$ 39,000)</b>
Maximum project cost	<b>RUR 150,000</b>
Maximum number of projects	In the framework of the approved budget for the next year

#### 5. *BUSINESS PLANNING COMPONENT*—INITIATIVE FOR SUPPORT OF ENTERPRISES

With this initiative, direct (financial) support is offered for commercial projects pursued by SIM clan and family enterprises, communities and other associations that would create jobs for SIM and involve traditional economic activities, traditional ways of using natural resources, and crafts, and establish sustainable SIM projects. The needs and capabilities of all SIM communities and other SIM associations participating in the Programme will be assessed. The Committee members will organise and hold informational and advisory sessions for TEAS Programme issues and will work in close cooperation with SIM communities and other SIM associations participating in the initiative to help them develop their business skills.

5.1. Work experience and success of an enterprise in the area of ethnic economic activities, crafts, and utilization of natural resources are welcomed.

5.2. Projects that create employment and additional jobs, including permanent ones, will have an advantage.

- 5.3. No financing is allocated for paying wages.
- 5.4. Applicants must contribute at least 20% of the requested amount to the project, if the project cost is less than RUR 500,000 inclusive; if it exceeds RUR 500,000, they must contribute 40%. The contribution may be financial, such as expenses related to the delivery of equipment, equipment, materials (raw), etc., that are required to implement the project. Excluded items are nets, spare parts, transportation expenses for renting vehicles, and POL. The documents confirming the applicant's own contribution (e.g., certificates that equipment is in good condition) and that they belong to the applicant or partner (registration of vehicles, license, etc.) should be attached, when necessary. To designate the applicant's own contribution, the name and intended purpose must be clearly indicated.
- 5.5. To participate in the Programme, applicants must submit a business plan for the tender.
- 5.6. An applicant must possess permits and other documents to use the equipment, materials, other fixed and operating assets that the applicant requests (copies must be attached to the application). The equipment and tools that will be used must be clearly described in the application.
- 5.7. There must be no debt under the projects of the Microcredits Programme aimed at Developing Traditional Economic Activities of the Sakhalin indigenous minorities.
- 5.8. An applicant must present:
- registration with tax authorities—INN, entry in the Unified State Register of Taxpayers;
  - tax and other obligatory reports for the last reporting period; and
  - no tax arrears or debts for the last reporting period.
  - an excerpt from the Unified State Register of Legal Entities for the preceding six months;
  - Charter;
  - documents of association.
- 5.9. The project is aimed at the following areas:

Project areas	Traditional economic activities development projects—business projects
Goal	Deriving profits from SIM traditional activities, establishing sustainable SIM projects
Attribution criteria	The project is aimed at deriving profits and creating jobs for SIM by using traditional economic activities, crafts, and utilization of natural resources.
Submissions	A business plan + a set of documents (Items 5.6–5.8)
Budget distribution	<b>RUR 2,569,320 (US\$ 78,000)</b>
Maximum project cost	<b>RUR 1,000,000</b>
Maximum number of projects	In the framework of the approved budget for the next year

## 6. MICROCREDIT PROGRAMME AIMED AT DEVELOPING THE TRADITIONAL ECONOMIC ACTIVITIES OF SAKHALIN INDIGENOUS MINORITIES

Support of the economic development of the communities and other associations of Sakhalin indigenous minorities based giving them the opportunity to use market relations and loans. This component is exercised in cooperation with the International Development Fund for Indigenous Peoples of the North, Siberia and the Far East of the Russian Federation (BATANI). See Appendix No. 2 for funding conditions, the application form, and a list of the documents required in the Provisions on the Microcredits Programme aimed at Developing Traditional Economic Activities of the Sakhalin Indigenous Minorities.

### 7. PROGRAMME SCHEDULE:

**20 January 2014**—Announcement of the tenders for the Self-Sufficiency and Business Planning projects.

**27 February 2014 by 17:00**—Deadline for accepting applications for the Self-Sufficiency projects.

**14 March 2014 by 17:00**—Deadline for submitting business plans for Business Planning projects.

**20 March 2014**—Meeting of the Expert Group of TEASP.

**31 March to 01 April 2014**—Meeting of the TEASP Committee, assessment and approval of projects to be funded.

**May 2014**—Funding begins for projects. Projects begin to be implemented.

### 8. RULES FOR DECISION MAKING BY THE TEAS COMMITTEE.

8.1. Substantiation of rules: these rules are based on the Regulation on the Coordinating Bodies within the Management Framework of the Sakhalin Indigenous Minorities Development Plan for 2011–2015 (of 25 February 2011).

8.2. Quorum for meetings: A Committee meeting shall be considered valid if it is attended by at least half of all Committee members. Meeting attendees include Committee members using party-line communications. Committee meetings may take place via electronic and telephone voting.

8.3. Participation in meetings: when requested, specialists, experts and representatives of the community may be invited to meetings to discuss the issues. The invited persons cannot take part in the decision-making process.

8.4. Decision making:

- To guide the decisions of the Committee on both strategic approaches to developing traditional economic activities on Sakhalin and on evaluation of specific grants, subsidies, or credit allocation proposals, a TEASP Experts Group (TEG) will also be established.
- In order to discuss some agenda items at Committee meetings, managers of the structural units of the Development Plan Parties, members of other Development Plan management bodies, and other specialists and experts can be invited to take part in the meetings.
- If the project funding approved is less than the amount requested by the applicant, the Committee must discuss the reduced funding for the project with the applicant and the applicant must agree to the lower funding in writing (including electronic signature and facsimile messages) within five (5) business days.
- Decisions shall be made when the Committee members achieve a consensus. In certain cases, decisions shall be made by a simple majority of votes of Committee members present. Before decisions are made, the issues raised will be discussed openly.
- Applications that are not recommended and that have not been modified as recommended by the Expert Group of the TEASP by 30 March, inclusive, will not be eligible to participate in the tender.

Based on the voting results, an aggregate table of projects accepted for funding will be compiled; the applicants will be sent letters with comments on the projects within ten (10) business days after approval of the decisions by the TEASP Committee.

**Applications and business plans bearing an original signature and corporate seal and meeting the above criteria should be submitted to the members of the TEASP Committee or Development Plan Coordinator (tel.: 8-4242-662009, 8-914-759-92-06; fax 8-4242-662808).**

**All project executors will be required to submit reports (financial statement and analysis report), with a focus on transparency and financial liability of TEASP projects.**

#### 9. MEMBERSHIP OF THE TEAS PROGRAMME COMMITTEE

The Committee consists of seven people that represent Sakhalin indigenous minorities. The Committee has been formed by electing SIM representatives from seven municipalities where SIM traditionally live and carry out economic activities. The scope of authority of the Committee members is documented by the minutes of the meetings held by SIM communities.

N o.	District	Full name	Contact details:
1	Okha	Valentina Vaganovna Voischeva	8 962 1126109 voisheva-vagan@mail.ru
2	Nogliki	Kim Borisovich Limanzo—Chairman	8 962 1249652 limanzo-kb@mail.ru
3	Tymovskoye	Irina Alexeevna Kondratieva—Secretary	8 914 7689227 irina.kon.ira@bk.ru
4	Alexandrovsk-Sakhalinsky	Dmitry Grigoryevich Kafkan	8 962 4195011 8-42434-98168
5	Smirnykh	Svetlana Vladimirovna Onenko	8 914 6463604 klub.09@mail.ru
6	Poronaysk	Elena Vladimirovna Kimura	8 924 1826788 kimura.alena@mail.ru
7	Yuzhno-Sakhalinsk	Stanislav Pavlovich Tsikrik	8 962 1179242 tsikrik2000@mail.ru



## APPLICATION FORM

for the Traditional Economic Activities Support Programme under the Sakhalin Indigenous Minorities Development Plan for 2014 (*Self-Sufficiency component*)

PROJECT NAME							
PROJECT GOALS							
<b>1. DETAILS OF APPLICANT/EXECUTOR (NATURAL PERSON/FAMILY)</b>							
Full name							
Traditional craft, type of activity conducted							
INN							
Place where traditional activities are done							
Postal address							
E-mail address							
Telephone							
<b>2. PARTNER ORGANISATION (NON-PROFIT ORGANISATION)</b>							
Full name of organisation							
Organisational-legal form							
INN							
Legal address							
Postal address							
Telephones, e-mail							
Date and number of the Certificate of an Entry in the Unified State Register of Legal Entities							
Date and number of the Certificate of Registration of Russian organisations with tax authority for the location of the organisation							
Main types of activities according to the Charter							
Activities conducted							
Organisation Head (specify name, contact details: telephones, e-mail)							
Bank details	Beneficiary's bank, bank branch						
	City						
	INN						
	KPP						
	BIC						
	Account of organisation						
	Income code or budgetary classification code						
Purpose of payment							
<b>3. INFORMATION ON THE PROJECT</b>							
<b>Amount requested</b>							
REQUIRED EQUIPMENT	Name	Price	Quantity	Requested sum	Own contribution	Suppliers	State why it is necessary


**Use of the required funds in the project**

**BRIEF DESCRIPTION OF THE PROJECT:** specify in which settlement, district, locality or tribal land the project will be implemented. Where will the requested items be used and stored? What will the equipment be used for, for what purpose? Period of use of the requested property, including operation period, etc.

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**PROJECT BENEFICIARIES (Full names):** Applications must include the names of all beneficiaries of the project. Applicants and beneficiaries of projects cannot participate in more than one project (the list of beneficiaries can be attached to the application)

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**EXPECTED PROJECT OUTCOMES:**

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**Project implementation schedule**

Activity	Due date	Responsible party

Applicant/executor (family head)

\_\_\_\_\_ (Full name)

Head of the applicant's/executor's organisation/partner organisation

\_\_\_\_\_ (Full name)

Seal



To the Tender Board  
for Applications Processing under the  
the Traditional Economic Activities Support Programme  
of the Development Plan

## LETTER OF GUARANTEE

The non-commercial partner organisation \_\_\_\_\_  
(full name with specification of organisational-legal form)

\_\_\_\_\_

supports the project \_\_\_\_\_

\_\_\_\_\_

(project name)

submitted by the applicant (responsible party) \_\_\_\_\_

\_\_\_\_\_

(full name)

The non-commercial organisation guarantees the targeted use of funds received from Sakhalin Energy for implementation of this project.

The non-commercial organisation shall present financial and analysis reports on a timely basis in compliance with Sakhalin Energy conditions for the use of funds.

\_\_\_\_\_  
Head (full name)

\_\_\_\_\_  
Signature

Seal



## Provisions on the Microcredit Programme Aimed at Developing Traditional Economic Activities of the Sakhalin Indigenous Minorities

These Provisions are based on the loan policy of the Batani Fund and the Provisions on the Traditional Economic Activities Support Program for 2014 of the Sakhalin Indigenous Minorities Development Plan. These Provisions are aimed at increasing the sustainability of social and economic development of communities and other organisations of Sakhalin indigenous minorities, including diversifying the opportunities of businesses of indigenous minorities involved in traditional economic activities to access sources of funding.

### 1. Participation conditions

- 1.1. Entities and organisations of the indigenous peoples of the Sakhalin Oblast: communities, limited liability companies, joint stock companies, farmers, non-profit organisations, and individual entrepreneurs can participate in the programme.
- 1.2. To participate in the Programme, a participant must submit an application for a loan from the Batani Fund (Appendix 3.), as well as provide the necessary set of documents, including:
  - 1.2.1. Charter of the organisation (a copy);
  - 1.2.2. Articles of Association (a copy, if available);
  - 1.2.3. Certificate of State Registration of the legal Entity in the Unified State Register of Legal Entities (a copy);
  - 1.2.4. An excerpt from the Unified State Register of Legal Entities, obtained no less than fifteen (15) days before it is sent to the Fund (a copy);
  - 1.2.5. Certificate of Registration of a Legal Entity with a Tax Authority at the location of the legal entity (a copy);
  - 1.2.6. Copies of the document or documents confirming the head of the legal entity was elected (appointed) and is entitled to act without a power of attorney in the name of the legal entity;
  - 1.2.7. A recommendation from the regional or municipal authorities or public organisations of Sakhalin indigenous minorities (desirable).
  - 1.2.8. A written consent to transfer data on loan repayment to credit history bureaus.
- 1.3. An applicant is not allowed to take part in the tender if:
  - 1.3.1. he/she/it does not comply with Item 1.1 of these Provisions;
  - 1.3.2. the set of documents that was submitted is incomplete according to Item 1.2 of these Provisions;
  - 1.3.3. the application to be granted a loan from the Batani Fund has not been completely filled in;
  - 1.3.4. bankruptcy, liquidation or suspension of the business have been initiated or executed;
  - 1.3.5. a procedure to reorganise takes place during the tender.

### 2. Conditions of granting a loan

- 2.1. For borrowers who have not previously participated in the Programme, the loan amount ranges from 10,000 to 250,000 roubles. For borrowers who have previously participated in the Programme and repaid the loan on time, the loan amount can be increased up to 500,000 roubles.
- 2.2. The loan term is 6-12 months;
- 2.3. The annual interest rate is 3%.
- 2.4. The application will be examined not more than 10 days after the complete set of documents is submitted. If necessary, additional consultations will be conducted via telephone, facsimile or electronic communications.
- 2.5. Collateral types:
  - 2.5.1. any movable property, personally owned or owned by third persons (business equipment, personal motor vehicle, household property and stock of merchandise). The collateral amount must exceed the loan amount by 20% (if a motor vehicle is used as collateral, the agreement must be signed by the official owner of the motor vehicle indicated in the motor vehicle certificate). This means that motor vehicles held and used on the basis of a general power of attorney signed by a notary public cannot be considered.
  - 2.5.2. Sureties of third parties may serve as collateral (third parties may pledge the property they own under the loan agreement. In that case, they sign a pledge agreement).
  - 2.5.3. The equipment/motor vehicle purchased under the loan.
- 2.6. If the Experts Board agrees to grant the loan, a loan agreement must be concluded with the person conducting business or an organisation of the Sakhalin indigenous minorities.

### 3. The procedure for making a decision to grant a loan



- 3.1. The decision on granting a loan is made by the Board of the Credit Support Programme for traditional economic activities (TEAS), which includes:
  - one representative from the Regional Council of Authorised Representatives of Sakhalin Indigenous Minorities.
  - one representative from Sakhalin Energy;
  - one representative from the Sakhalin Oblast Government;
  - one representative from the Batani Fund;
  - three representatives from the TEASP Committee (the Committee Chairman, who is the chairman of the Credit Council).
- 3.2. The decision to grant a loan is made by a majority of votes.
- 3.3. In making a decision, the history of the borrower's economic activity and his/her/its performance indicators shall be taken into account.
- 3.4. The Experts Board may make decisions by telephone, facsimile or electronic communications with the respective record made in the minutes of the meeting.
- 3.5. A decision by the Experts Board must be recorded in the minutes of the meeting and shall serve as a basis for granting a loan for the Batani Fund.

#### **4. Loan repayment**

- 4.1. The loan shall be repaid on a monthly basis in equal instalments of the loan balance to pay off the main debt and the interest on the balance (should it be necessary, a deferral of the main debt repayment may be granted during which time only the interest payments are made).
- 4.2. If it is impossible for the borrower to repay the loan in time due to force majeure, he shall send a request to postpone loan repayment to the TEASP Committee specifying the reasons. The TEASP Committee shall consider the request and make a decision on extending the loan repayment term. In this case, the maximum possible extension for loan repayment is not more than 6 months.
- 4.3. If the borrower fails to comply with the loan repayment conditions, he loses the opportunity to receive any assistance from the Development Plan in the future, and information about defaulting on the loan will be made available to credit history bureaus.
- 4.4. In case of non-performance or improper performance of the obligations to repay the loan, the borrower will be held responsible in accordance with current legislation of the Russian Federation.

#### **5. Final provisions**

- 5.1. The members of the Experts Board work for free and shall not receive any remuneration for their work.
- 5.2. If any members of the Experts Board have a personal interest in any application under consideration by the Board, they should abstain from discussing this application and from voting.

## **APPLICATION**

**to the BATANI International Fund for Indigenous Peoples of the North, Siberia and the Far East of the Russian Federation**

**To be issued a loan**

**Under the Microcredits Programme aimed at Developing Traditional Economic Activities of the Sakhalin Ethnic Minorities**

### **Personal information**

#### **I. Personal information**

1. Full name
2. Date of birth: date, month, year
3. ID (passport) number, the issuing organisation, the date of issue;
4. Home address (place of registration)
5. Actual address (if different from place of registration)
6. Contact telephones (indicate all)
7. Education, specialisation
8. Marital status
9. Full name of spouse, workplace, position, telephone
10. Contact person (either you or a personal contact with a permanently valid telephone with whom it is possible to talk and who will act on your behalf);
11. Do you have any business or personal debts? What is the amount of this debt?

### **Information about the organisation**

#### **II. General information about the organisation**

1. Full name of the community (its administrative and legal form)
2. The date and place of registration
3. Postal and legal addresses
4. Telephone/fax of the organisation
5. Position and full name of the head of the organisation, contact telephones and e-mail, if available
6. Full name of the accountant of the organisation, contact telephones and e-mail, if available

#### **III. Information about organisation's activities**

1. A brief description of the organisation
2. Place of doing business
3. Main types of activities according to the Charter
4. Activities conducted
5. The number of employees
6. The period the business has actually existed (may be different from the registration date);
7. Your regular customers (if available), your regular suppliers (if available);
8. Have you ever borrowed funds before? When did you borrow funds, the name of the bank/credit organisation, the loan amount, the debt repayment information;
9. Do you have any pending debt liabilities under loans? The name of the bank/credit organisation, the loan amount, the debt balance, the repayment deadline

#### **IV. Organisation's banking details**

1. Full name of organisation
2. Legal and postal address
3. INN, KPP
4. Bank name
5. Bank's location
6. Bank's correspondent account
7. Bank's current account
8. BIK

## INFORMATION ON THE PROJECT

### I. General information

1. Project Name
2. Project goals and tasks
3. The main target group the project is aimed at
4. Project Summary
5. Expected project results and prospects for further development
6. Requested loan amount

### II. Project calendar schedule

- III. **Project budget** (considering expenses, revenues and the loan repayment amount). Present the budget on a separate sheet in the following table:

No.	Account	Amount
1.	Revenue	
	Expenses (by accounts)	
	Profit	

### IV. What collateral do you propose?

#### A list of documents attached

*(All copies of the documents must be verified by the signature and the seal of the head of the organisation)*

1. Charter of the organisation (a copy);
2. Articles of Association (a copy, if available);
3. A copy of the Certificate of State Registration of the Legal Entity in the Unified State Register of Legal Entities;
4. A copy of the Certificate of Registration of a Legal Entity with a Tax Authority at the location of the legal entity;
5. Copies of the document or documents confirming the head of the legal entity was elected (appointed) and is entitled to act without a power of attorney in the name of the legal entity;
6. A copy of the excerpt from the Unified State Register of Legal Entities, obtained at least fifteen (15) days before it was sent to the Fund.
7. Statement of consent to transfer data on loan repayment to credit history bureaus.

**By signing below, I swear that the above information is complete and correct and that I have been warned about criminal responsibility under Articles 176 and 177 of the Criminal Code of RF.**

Signature

Date

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