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## YEAR 2 WORK PLAN

### EXECUTIVE SUMMARY

With our partners, Booz Allen Hamilton and International Relief and Development, DAI is pleased to present our work plan for Year 2 of the USAID Agribusiness Project. Our work plan is organized according to three components presented in the USAID Agribusiness Project scope of work.

The USAID Agribusiness Project's first year's accomplishments, from September 2007 to October 2008, have provided a foundation for our second year objectives and results detailed in this document.

Six commodity assessments were completed and approved by USAID. Based on our assessments, market failures within each value chain were identified and Commodity Action Plans for each sector were prepared detailing strategies and goals for addressing the failures within each commodity for the five year life of project. Specific objectives for each value chain and their cross cutting support to be accomplished in Year 2 are presented in this plan in **Annex II**.

In 2007-8, the value chains and cross cutting components were fully merged into common goals and objectives serving agribusiness, and the new work plan builds upon the previous year's successes by continuing the process of using **points of leverage, producer organization development, expanding access to markets, youth** and addressing **policy issues** which limit competitiveness and restrict eventual access to Europe.

Following the last elections, excellent relations have been established with the Ministry of Agriculture where market failures identified through our assessments were presented to the Ministry and key areas of common concern were acknowledged as important issues for the USAID Agribusiness Project and the Ministry to work together to solve. Key among these are: market information, farm data, cold chain logistics, and certification for international standards. All will be addressed in year 2.

The Agribusiness Grants Manual was approved by the Regional Contracts Officer and our first grant was funded for livestock training. A number of grants designed to address market failures in our value chains are planned for year 2 and are highlighted in this work plan. We are suggesting a change to the grants manual and the budget affecting grants. **We propose taking \$2.2 million from the grants budget and putting it under "Project Activities" over the life of the Project** to cover cost of the training programs, trade fairs, seminars, studies and workshops aimed at enhancing delivery of public goods. These payments would not require CTO approval. The remaining grants budget in the amount of \$3 million (over the life of the Project) would be exclusively used for the investment incentive grants, capacity building grants for producer organizations and ABDS providers and youth grants. These grants will be cost reimbursable cost-share grants and it will be administrated as we do now. Further details about grants program are provided in the Annex 3. The revised Grants Manual is attached for the Contracting Officer's and CTO's approval. **The revised grants manual is in Annex III.**



## USAID Agribusiness Project

By modifying the grant's manual, we are obliged to **revise the PMP** to reflect the types, numbers and amount of grants listed as indicators in the PMP. Our proposed PMP for USAID approval is in **Annex IV**.

Our Youth component, Entrepreneurship in Agribusiness, was prepared as our after school activity by identifying 20 key agriculture institutions to begin the program throughout Serbia. Close collaboration has also been established with the USAID SCOPES program and other partners including GTZ. The year 2 work plan goals include fully integrating value chain sector leads and cross cutting component specialists as key contributors to the program.

This year's work plan is expansive and comprehensive. The work plan is:

***“Value Chain Focused”*** with all key programs and major objectives, tasks and results linked to the 6 value chains;

***“Activity Specific”*** with all associated activities improving the performance of our partners in each value chain and cross cutting components, clearly contributing to our project's results; and,

***“Results Driven”*** with specific targets that feed our project's indicators. **Annex 1** compares our PMP indicators with our planned results for Year 2. The projected results include both cross cutting components and value chains.

**Annex V**. provides our revised budget projections based on Year 1 spending, revised grant's manual and obligations expected from USAID.

An updated **Organization Chart** is presented in Annex VI.

## **COMPONENT 1: INCREASED EFFICIENCY AND COMPETITIVENESS OF SERBIAN AGRIBUSINESS**

### **1.0: INTRODUCTION AND OVERVIEW OF YEAR 2 COMMODITY ACTION PLANS FOR EACH SUBSECTOR**

#### **Introduction**

Our value chain assessments and field experience has provided the Project with the base to develop commodity action plans in six sub sectors for the life of project and identify replicable pilot activities in each sub-sector designed to achieve each value chains goals and objectives.

Highlights of the year two work plan are presented here for each sub sector and detailed activities are listed sub sector Annex II.

Each of our Sector Leads and Cross Cutting specialists will be involved in the Entrepreneurship in Agribusiness program. They will make presentations to students on their sectors, assist students with their business plans, review business plans in the competition and assist the winner sin implementing their businesses. Sector Leads will be crucial partners between students and agribusiness firms becoming involved in the Entrepreneurship in Agribusiness program.

#### **Dairy**

Dairy is focusing on establishing the links between dairies and producers using resources from both to improve the value chain. Medium and small dairies will be the hub providing linkages between producers and service providers. This model will be replicated throughout Serbia.

Four main areas of focus make up the Year 2 work plan include consolidating linkages between; dairies, ABDS, and producers; structural changes and adoption of new technologies/services; technical knowledge on production, processing operations, quality standards and marketing requirements; developing CEFTA, Russia and USA export opportunities; leveraging Ministry of Agriculture, SIEPA, USDA and other donor funds for trainings, B&B trade events and study tours.

#### **Berries**

The Project's goal by the end of year 2 is to create a replicable, dynamic group of businesses with established production of appropriate varieties of berry fruit for the fresh market, who have sufficient knowledge and market linkages to succeed on our domestic market. At the same time producers of value added products will have introduced new products and/or improved quality, packaging, design and market access of existing products.

In year 2, the main training to produce replicable results in fresh berries will include production under high tunnels and new packaging models. Study tours to the UK and Italy and new technology will also yield our intended results.

As with the other sectors, a full report is included in the sub sector annexes.

**Tree Fruit**

The main focus of the tree fruit sub-sector in the second year of the project will be on the growing export market for fresh apples and stone fruits in Russia and diversifying sales outlets via EU market channels. We will work with selected producer groups and companies to develop a model which can be extended to other fruit producers in Serbia.

A centerpiece of the program will be food safety requirements to access EU markets. Industry stakeholders will be supported to implement required standards, such as product traceability, GlobalGAP and HACCP.

The Project will also work with new ABDS providers and extension workers to improve productivity, quality and sustainability of fruit production systems that meet market demand.

The third objective in the tree fruit sector is consolidated export promotion and sales for more reliable and competitive supplies.

**Herbs/Spices/Mushrooms**

Based on its size, market opportunities, level of development, businesses' needs, and interest to invest, the main activities in the herbs and mushroom sector targeted wild mushroom and tea companies in Year 1. The Agribusinesses Project will continue to give most of its attention to these two groups of companies and producer organizations, considering experience from Y1, lessons learned, market opportunities, business' plans and needs. In Year 2, Agribusiness Project assist at least five leading mushroom companies, three herbs companies and one spice company willing to exploit market opportunities in end user market and add estimated \$2 million in value and sales.

**Vegetables**

Over the life of project, the Agribusiness Project goals in the vegetable subsector are to increase (export) sales, create jobs and enhance ABDS provision. The focus in the Year 2 will be to develop a system which can be adapted and adopted by other producers to boost revenues on storable vegetables (onion carrot, potato, cabbage, parsley), increase yields (new varieties, modern growing techniques), introduce Global Gap certification programs and cut the post harvest handling and storage losses. The focal point of our model is strengthening producer groups and ABDS providers. Study tours, post harvest training, and training for cooperative managers and a study on the feasibility of consolidation centers done in collaboration with the MAFWM will be important activities.

**Livestock**

To reach our long term strategy of "Getting back to where we were in terms of export in 1990", and gradually double exports we will need to increase herd size in Serbia by over 100,000 animals. This will mean increased exports from nearly 10,000 tons to 20,000 tons of beef and a domestic market increase in sales of 10,000 tons.

To achieve the yearly and overall goal of 40,000 tons of increased production we must concentrating on involving slaughter houses as key centers for linking beef producers and ABDS providers, including providing short term financing. Our model concentrates on farms with between 50 and 100 animals capable of operating as a commercial enterprise, formal registration of animals and increased awareness for ABDS and producers of state of the art techniques.

The initial model of training and linkages will be held in five regions in Serbia: Pirot, Niš, Kruševac, Čačak and Užice. The expected results include better cooperation between slaughterhouses and producers, a market oriented approach, an increased number of cattle per farm, and better yields per steer fattened.

We will support ABDS providers in creating a market for their registration services in areas now lightly or not covered by these services.

We also plan to take Serbian producers and ABDS providers on a study tour to farms and livestock associations in two countries: one with transitional and another one with stable economy, to learn from outside experiences in livestock production.

## **1.1: STRENGTHEN PRODUCER ORGANIZATIONS**

The Producer Organization component will assist Sector Leads strengthen producer organizations (POs) within their value chains to ensure they can contribute to a stronger, more viable growth-oriented sector which allows them to compete domestically, regionally and globally. One of the primary purposes of the PO component is to use improved and sustainable ABDS delivery to increase value chains competitiveness. Under the USAID Agribusiness Project, we will help strengthen POs to adapt to market needs and meet buyers' requirements in food quality standards and safety.

During the six sub-sector assessments, USAID Agribusiness Project sub-sector leads and producer organizations team developed an inventory of over 70 POs. As a part of value chains analysis, each sub-sector lead interviewed and assessed selected key POs from the inventory list, (around 30 POs) identifying gaps in each value chain and defining potential interventions under the long-term sub-sector strategies. The results of these POs' assessments were also fed into the commodity action plans where POs are identified as main stakeholders and leverage points. Following the finalization of sub-sector strategies and commodity action plans it is now possible to define a part of interventions required for the POs strengthening, including grant, technical assistance, and training packages.

### **Specific sub –sector activities**

Producer organizations are present in each of the project sub-sectors and are at different stages of development; therefore, the specific types of POs to work with will vary depending on sub-sector strategies. For instance, in the dairy subsector, the focus is on milk quality improvement concentrating on a few medium sized dairies, initially. The Producer Organizations team will work with farmers supplying targeted dairies to be organized in registered producer groups where most needed. The Project will support medium sized dairy stakeholders to create a Dairy Association that will represent their interests towards government institutions and others. The vegetable subsector will be focused on root crops, concentrating on four large cooperatives initially, while tree fruit will focus on apples and stone fruits for fresh targeting groups like Fruitland Association as main point of leverage (eight cooperatives, 600 farmers). Under the berry sub-sector, USAID Agribusiness Project will develop production and marketing capacities for fresh berry fruits supporting establishment of strong commodity-based producer organizations for fresh. All these crops need vastly improved post-harvest handling, storage, packaging and distribution for export markets and emerging supermarkets in country.

### **Cross-cutting activities**

Without exception, the six value chains selected by the Project have the same major deficiencies regarding POs; this has been confirmed through the value chain assessments and sub-sector leads. We will focus on the following key steps that have to be taken to enable POs to compete regionally and globally.

- Improvement of organizational capacities;
- Consolidation of production;
- Standardization of products delivered; and
- Promotion of final outputs.

***Objective 1.1.1: Strengthen organizational capacities of producer groups.*** Farmers in Serbia have not yet developed a positive attitude toward grouping and associating and have to be better organized. Although trust among farmers is a pre-requisite of sustainable producer grouping, farmers do not trust farmer associations and cooperatives yet. Managerial and organizational constraints, membership structure, and limited dedication of people, are considered to be the major reasons for this attitude and lack of sustainability. Improving the organization of producer groups and consolidating production is therefore becoming a critical issue for Serbian farmers along with marketing.

***Task 1.1.1.1: Conduct organizational capacity self-assessment of selected producer organizations.*** In order to measure and improve organizational capacities of selected producer organizations, USAID Agribusiness Project will conduct survey based on the Organizational Capacity Assessment Tool (OCAT). We have selected this participatory self-assessment approach that will train producer organizations to identify organizational strengths and weaknesses to establish capacity building goals and prioritize areas requiring further assistance. This is primarily a learning tool that creates a training opportunity for the organization's members, so that the assessment itself becomes an integral part of the capacity building effort, since it introduces the organization to the various components of management.

The second goal of this tool is to provide to USAID Agribusiness Project the basis upon which a capacity-building program can be developed and specific interventions tailored for an individual producer organization or for a group of producer organizations in a given geographic area or sector, strengthening their capacity over time, and providing the means to measure progress. Final scores of assisted producer organizations on the OCAT will be a baseline for measuring changes in capacity growth over time within organizations. That requires consistency in method and approach, repeating the assessment process (re-OCAT) every 12 months after original baseline OCAT. The results of the producer organization needs assessments derived during the value chain analysis of six sub-sectors will be vetted and confirmed or rejected during the OCAT process.

***Timing: October - December 2008; Agribusiness Project will select on a competitive basis a qualified service provider that will organize and conduct OCA of targeted producer organizations.***

***Projected Outcomes:*** USAID Agribusiness Project estimates that no less than 30 and up to maximum 50 producer organizations will be assessed and trained to conduct self-assessment of their organizational capacities. Trained and assessed producer organizations will enhance, during the OCA process, organizations overall performance and viability by improving administrative and management functions, increasing the effectiveness of quality service provision, and enhancing the organizations structure. Over 100 members/staff of assessed

producer organizations will be trained and minimum 800 farmers supported through OCA process.

The action plan comprises several activities as follows:

**Activity 1: Training of trainers - OCAT facilitators** selected by contracted service provider, to undergo self-assessment of targeted producer organizations. *Timing: first half of October 2008.* The facilitators should have high school level education and have experience working with producer organizations, facilitating focus group meetings, analyzing and presenting data in graphic form, and preparing written reports.

**Activity 2: Completion of external assessment through field visits.** In-depth interviews, and review of secondary information. Facilitators can organize focus groups and Project visits if other steps did not provide adequate information for the assessment. *Timing: October 2008.*

**Activity 3: Ranking process.** Workshop/sessions ran by two facilitators involving a mixed group of members and leaders in a self-evaluation of their organization's capacity. During this 2-3 hour meeting, the members discuss each of the OCA indicators and rank themselves. *Timing: October-November 2008.*

**Activity 4: Preparing initial assessment reports** for each of the assessed organizations. Facilitators will collect the data and will prepare initial written-quantitative reports that will be used in the follow up discussions. *Timing: October-November 2008.*

**Activity 5: Feedback to producer organizations, follow-up consultations.** The discussions will be used as a mechanism to collect more information from the organization that have been self-evaluated and other stakeholders. Facilitators involved in the Project will host these follow-up consultations. Each of these events will be monitored by assigned USAID Agribusiness Project staff that will also monitor all stages of the program implementation. *Timing: November - December '08.*

**Activity 6: Writing final reports,** both quantitative and qualitative for each of the assessed organizations. All reports into a comprehensive diagnostic report, providing sub-sector, regional, and producer organizations type analyses and recommendations for follow-up support. *Timing: November - December 2008.*

**Task 1.1.1.2: Continue needs assessments of newly emerged and nascent producer organizations.**

During second year of USAID Agribusiness Project, Producer Organizations team in coordination with sub-sector leads will continue needs assessments of newly emerged and nascent producer organizations that are part of identified value chains and commodity action plans. We expect to identify strengths and weaknesses of minimum 15 existing and new POs, as well as requirements for new five POs.

**Task 1.1.1.3: Support commodity-based producer organizations.**

Pursuant to the findings of the POs' needs assessments and value chain analysis, the best producer groups for USAID Agribusiness support in the selected sub-sectors are commodity-based ones. Downstream buyers such as exporters, consolidators, processors or supermarkets will also play an important role in identifying "missing" POs. Therefore, we will focus on POs that are willing to put restrictions on membership and concentrate on business-oriented membership rather than on open one. Supported POs should target activities that members have chosen and that they can deliver effectively and efficiently.

We will support new initiatives to organize and successfully manage commodity-based POs as well as to revitalize inactive POs. Pursuant to the berry sub-sector strategy, main efforts

will be supporting establishment of strong producer organizations for fresh and building their capacities to introduce new varieties and technologies.

**Examples:** initiatives by company “Borjana” in Pirot, berry growers gathered around “Stig” Extension centre in Pozarevac, berry growers from Kosjeric, and initiative for establishment of national association of blueberry growers. This activity will also consider assistance to newly founded commodity-based producer organizations that have not developed organizational capacities such as tree fruit cooperatives Fruit-Garden from Sombor, and Dobro Voce from Slankamen or Association of berry growers and processors ATLECoop.

***Task 1.1.1.4: Assist transition of informal groups and non-profit associations to profit-oriented cooperatives.***

Producer organizations in Serbia should constitute a central pillar of any long-term agricultural development strategy. POs must be organized on economic principles as membership organizations created by producers to provide important commercial services to members.

Consistent with our previous assessments of producer groups and the interviews we had, we recommend that the cooperative model be considered as top priority in the strengthening of POs. The cooperative structure is seen by various stakeholders as the best concept for improved POs. Being business entities, cooperatives are considered eligible and in some cases preferred beneficiaries for the support provided by MAWMF and international donor organizations. Therefore, we will assist fully operational and advanced non-profit associations to upgrade to profit-oriented cooperatives or even companies.

***Activities for Tasks 1.1.1.2, and 1.1.1.3:***

Potential interventions within Tasks 1.1.1.1, 1.1.1.2, to 1.1.1.4 are similar across all sub-sectors and will be focused on financial and management trainings and technical assistance delivered to producer groups through ABDS providers. The ABDS needed for management and financial services are initially more generic in nature, with the basic principles being applied across all sectors. But due to specific membership structure of POs and division into for-profit (cooperatives) or non-profit (associations), more specific services will be required. Identification of recognized ABDS providers will be crucial for the success of Objective 1 and these tasks. The Producer Organizations Development team will work closely with the ABDS specialist to identify most qualified service providers and assist them build and deliver specific services to POs.

Improvements would focus on overall management of POs through trainings and technical assistance using ABDS providers and local short term technical assistance and in particular in subjects related to:

- Organizational structure, members’ participation in ownership, membership shares, decision making process and distribution of profit;
- Support to targeted producer organizations, preferably on a national level, in developing long-term strategies;
- Business planning, budgeting for growth and annual reporting;
- VAT and other accounting requirements;
- Management of inventory through appliance of new software solutions;
- Cash flow and investment return analysis;
- Exposure of management staff to EU producer organization structures/roles, possibly through exchange and mentorship programs with European producer organizations;

Potential trainers and service providers are:

1. *The Serbian Association of Agricultural Economists*, a group of experts with a huge knowledge and experience working with cooperatives and participating in government policies regarding producer groups;
2. *Management Center Belgrade*, consulting company that delivers management, finance and marketing trainings to businesses;
3. *Flag Management Services*, consulting company with experience working with community based producer organizations in Vojvodina (support in establishing producer organizations, and management).

We will work with identified and assessed producer organizations from the inventory list (30 POs) and newly nascent producer groups as a result of Agribusiness Project activities (5 POs). Number of assisted producer organizations within tasks 1.1.1.2, and 1.1.1.3 will be minimum of ten and over 120 farmers supported indirectly. Expected number of of new producer organizations created and legally registered, is five.

*Timing: December 2008, and February-March 2009; Type of Assistance: STTA, Trainings and Grants.*

**Activity:** Besides management training program for companies and POs that will be delivered by *Management Center Belgrade* and which we anticipate to be attended by 5-6 POs, the project will provide its support specifically designed for POs' needs. The target group of this tailored training program in POs' overall management will be existing POs, especially those of national character like "Fruits of Serbia" and its sub-associations, and local initiatives for establishment of profit oriented commodity based POs such as those identified in Pirot and Kosjeric. A series of trainings under this program will cover topics such as selection of proposer producer organization form, how to raise members participation, management of membership fees and distribution of profit, commercial loans and collaterals, supplies and sales through a producer organization, development of marketing strategy etc. The activity will be implemented by identified ABDS providers and/or by hiring an STTA.

*Timing: December 2008 – March 2009; Type of Assistance: Trainings and technical assistance; Projected Outcome: 10 producer organizations assisted.*

### ***Objective 1.1.2: Support consistent and standardized production.***

Besides effective management and adequate finance a major problem for Serbian producer organizations and farmers is the inconsistency of production, as farmers find it difficult to produce consistent and standardized output for customers. As an example, sensory quality of Serbian agricultural products is often high, but hygienic quality is poor as GlobalGAP standard is not widely implemented. We suggest developing product specialization through specialized producer organizations to better address such issues.

#### ***Task 1.1.2.1: Implement international product standardization and certification.***

We plan to assist POs through the new overall USAID Agribusiness standards initiative that will start in mid September 2008, in particular to introduce and gain certification in GlobalGAP for exportable fresh fruits and vegetables (Project details are described in the concept paper for Introduction of International Standards and in the Tree Fruit Sector Work Plan). Producer Organizations team will work in close cooperation with subsector leads and Grants and Policies specialists to select and support producer organizations through the certification process. A minimum of 12 producer groups / 150 members will be trained and minimum 6 producer groups / 40 members will receive GlobalGAP or other certification by

the end of the year two. For the standards certification, informal groups gathered around downstream buyers will be considered as producer organizations. Other certification supported will be for ULO/CA cold stores and distribution centers owned by producer organizations that need HACCP/ISO standard. Implementation of standards to herbs and mushroom businesses through their national association (ISO 22000, Organic Wild Collection, FairWild, etc) will be also considered.

During the process of sub-sector assessments we have identified a number of producer organizations that would need GlobalGAP certification.

Berry fruit producer organizations:

- “Ari Nova” Cooperative, Arilje
- “Atle” Association, Belgrade
- “Belanovica” Blueberry growers’ association, Belanovica
- “Mladost” Cooperative, Obrez

Vegetable producer organizations

- “Gospodjinci” Cooperative, Gospodjinci
- “Mladost” Cooperative, Despotovo
- “Association of Begec Vegetable Growers, Begec
- “Zablacanka” Cooperative, Zablance
- “Agrocooperativa” Cooperative, Horgos
- “Natura Coop”, Belgrade

Tree Fruit producer organizations

- “Vocko” Cooperative, Tavankut
- “Prima” Cooperative, Backi Vinogradi
- “Slankamenka” Cooperative, Novi Slankamen
- “Domacin” Cooperative, Topola
- “Cacanska Jabuka” Association, Cacak
- “Green-Group” Cooperative, Sid
- “Dobro Voce” Cooperative, Novi Slankamen

Specific activities will include:

- **Activity 1:** GlobalGAP awareness seminars in Novi Sad, Cacak and Nis. *Timing: Second half of September 2008 – early October 2008;*
- **Activity 2:** Workshops about the GlobalGAP introduction and certification requirements organized in cooperation with the interested producer organizations, which have fulfilled the criteria prescribed by the USAID Agribusiness Project. *Timing: October 2008;*
- **Activity 3:** Financially supporting selected producers to implement requirements and certify to international standards as a test case (certify four producer organizations – at least ten growers of each PO). *Timing: October 2008 – September 2009;*
- **Activity 4:** USAID Agribusiness Project will select qualified service provider for implementation of the awareness seminars and workshops, and preparation of the GlobalGAP info brochures. We will conduct prequalification of the service providers for the GlobalGAP training/consulting and certification. *Timing: October 2008 - September 2009;*
- **Activity 5:** Separate activity of this task will be Dairy farms HACCP certification project which is a subject of new Veterinary law and food safety precondition for

dairy companies export sales. The USAID Agribusiness project will cost share Holstein Farmers Association of Serbia to implement HACCP on 15 individual dairy farms. The Association is umbrella for the implementation; the project will expand outreach to non members, thus, promoting a need for dairy farm certification Serbia wide. The project will train additional 100 farmers on HACCP farm requirements, with the lessons learned from implemented activities. Producer Organizations Development Team will support Dairy Sub-sector Lead to develop and implement dairy farm HACCP certification.

*Timing: October 2008 - July 2009; Type of Assistance: Grants; Projected Outcome: 15 commercial dairy farm agribusinesses HACCP certified, additional 100 farmers trained.*

***Task 1.1.2.2: Improve farm-level and post-harvest productivity and quality.***

Although product certification is important success factor for marketing of farmers' produce, the most critical factor is improved productivity and quality throughout the value chain. The lack of high-quality product at the farm level becomes the weakest link in an otherwise healthy value chain. We will assist sector leads to implement technical assistance and grant packages, identified in their respective work plans, aimed at improving the level of productivity, reducing the cost of production, improving product quality and marketability (For further details see the six value chain work plans for year two).

Specific actions will include:

- Provide technical experts / suppliers to work with local ABDS providers and extension workers to provide services on:
  - Adequate crop protection, nutrient management, tree pruning and fruit size management;
  - Optimum time for harvesting, post harvest practices, optimal storage conditions, average longevity, and post harvest physiology;
  - Introduction/application of new post-harvest technologies to extend fresh produce shelf life (dynamic ULO, SmartFresh, modified atmosphere for berry fruit,etc)
  - Selective breeding and improved feeding regimes to increase milk yields per cow / meet yields per beef cattle;
  - Critical milk volumes and quality control for regional medium size dairies;
- Support through technical advisors, ABDS providers and suppliers:
  - Off-season production of vegetables and berries under greenhouses or other methods of covered cultivation;
  - Introduction of irrigation, anti-hail and anti-frost systems;
  - Nurseries for improved seedlings and planting material for fruits and vegetables;
- Laboratories for analyzing product quality, test standardization and quality control, support to development of recognized accredited laboratories;
- Organize study tours to overseas advanced producer organizations and ABDS providers.

***Activity: Training in improved post harvest and storing techniques and practices for vegetables:*** Trainings will be held by a local specialist in post harvest. This activity is in a preparatory phase and will be conducted out of the production season in period December – February. The products that training program will cover are root crops and other storable vegetables. Four trainings will be held in North Vojvodina, Central Serbia, Pomoravlje and

South of Serbia region with participation of cooperatives Gospodjinci, Zablacanka, Begeg, Kondor, Agrokooperativa and others.

*Timing: December 2008 – March 2009; Type of Assistance: Trainings and technical assistance; Projected Outcome: 10 producer organizations assisted, production losses cut by 20 %, increased knowledge of 200 producers*

**Activity: Study tour to advanced fruit growing operations in Italy, South Tyrol.** Visit to Cooperative Association of Val Venosta, Workgroup for Integrated Fruit Production in South Tyrol and the Fruttunion association of fruit and vegetable import-export wholesalers. Ten tree fruit ABDS providers and representatives of producer organizations from Serbia will participate. *Timing: March 2009; Duration time: 3-5 days. Type of Assistance: Grant.*

**Task 1.1.2.3: Support consolidation of farmers produce and marketing.** The overall strategy of the Project is to work with the larger associations and cooperatives to ensure that they are fully, business, quality standards, and marketing compliant and can increase their joint sales/export capacity. We will assist sector leads to implement technical assistance and grant packages, identified in their respective work plans, aimed at improving consolidation of producer organizations production and marketing.

The Project will support POs in carrying out feasibility studies, and planning and budgeting for construction of consolidation centers and cold stores for fresh produce. **Example:** producer organizations, fruit and vegetable growers from Cacak supported by local government and Fruit Research Institute from Cacak.

Consolidation efforts such as the initiative of “Fruitland” association of tree fruit cooperatives to consolidate product, offer and improve joint market access through introduction of tailor-made software for supply chain and inventory management of ULO cold stores, will be supported through grants scheme.

**Objective 1.3: Marketing.** Producer organization marketing skills are varying in regard to sub-sector and type of organization depending upon the level of integration of the POs in the value chain. We will try to incorporate marketing components into planned management trainings to achieve full and sustainable impact.

Producer organizations and farmers currently do not have sound price formation mechanisms and direct access to reliable information about business opportunities, such as price and market information and adequate marketing channels. Producer organizations team will support activities of the Agro Info Policy Specialist to develop market information systems that will be used by producer organizations.

Activities pertaining to promotion and sales of final outputs of producer organizations will be conducted in conjunction with USAID Agribusiness Project Marketing/Export team, and will include (*For more details please see the overall Sales & Marketing section*):

- Support larger associations and their members to participate in international trade fairs and study tours;
- For fresh produce associations, promote sales delegation trips to local trade fairs, regional markets, and major international markets in Russia and Europe;

## **PROJECTED OUTPUTS FOR YEAR 2**

- Average score of assisted producer organizations on the Organizational Capacity Assessment Tool determined and set as a baseline for measuring changes in capacity growth;



## USAID Agribusiness Project

- Number of producer organizations/ members trained in GlobalGAP 12/150, and certified in GlobalGAP or other standard 6/40;
- Number of producer organizations assisted as part of the USAID Agribusiness Project - 50 (cumulative);
- Number of new members joining USAID Agribusiness Project-assisted producer organizations - 120 total new members. Projected indicator from the Project's PMP is ambitious; and
- Total dollar value of increased member sales through USAID Agribusiness Project-assisted producer organizations \$1 million

<b>PRODUCER ORGANIZATIONS</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness</b>													
<i>Objective 1.1: Strengthen organizational capacities of producer groups</i>													
<i>Task 1.1.1: Conduct organizational capacity self-assessment of selected producer organizations based on OCAT methodology</i>	<b>GD, PC</b>												
Training of trainers - OCA facilitators	<b>GD, PC</b>												
Completion of external assessment through field visits	<b>GD, PC, sector leads</b>												
Ranking process	<b>GD, PC, sector leads</b>												
Preparing initial assessment reports	<b>GD, PC</b>												
Feedback to producer organizations, follow-up consultations	<b>GD, PC, sector leads</b>												
Writing final reports	<b>GD, PC</b>												
<i>Task 1.1.2: Continue needs assessments of newly emerged and nascent producer organizations</i>	<b>GD, PC, sector leads</b>												
Needs assessments of newly emerged and nascent producer organizations that are part of identified value chains and commodity action plans (continuous activity)	<b>GD, PC, sector leads</b>												
<i>Task 1.1.3: Support commodity-based producer organizations</i>	<b>GD, PC</b>												
Identify specific ABDS providers for producer organizations	<b>GD, PC, NP</b>												

<b>PRODUCER ORGANIZATIONS</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness</b>													
Conduct management and finance trainings and provide technical assistance using ABDS providers	GD, PC												
<b>Objective 1.1: Strengthen organizational capacities of producer groups</b>													
<b>Task 1.1.4: Assist transition of informal groups and non-profit associations to profit-oriented cooperatives</b>	GD, PC												
Identify specific ABDS providers for producer organizations	GD, PC, NP												
Conduct management and finance trainings and provide technical assistance using ABDS providers	GD, PC												
Increase number of new commodity-based producer organizations, for-profit organizations	GD, PC												
<b>Objective 1.2: Support consistent and standardized production</b>													
<b>Task 1.2.1: Implement international product standardization and certification</b>	BO, GR, GD, PC, SDJ, sector leads												
GlobalGAP awareness seminars in Novi Sad, Cacak and Nis	BO, GR, GD, PC, SDJ, sector leads												
Workshops about the GlobalGAP introduction and certification requirements organized in cooperation with the interested producer organizations	BO, GR, GD, PC, SDJ, sector leads												
Financially supporting selected producers to implement requirements and certify international standards as a test case	BO, GR, GD, PC, SDJ, sector leads												

<b>PRODUCER ORGANIZATIONS</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness</b>													
<i>Task 1.2.2: Improve farm-level and post-harvest productivity and quality for producer organizations</i> (continuous activity in support to sub-sector workplans)	<b>GD, PC, sector leads</b>												
Enhance adoption and use of new technologies through producer organizations (in support to sub-sector workplans)	<b>GD, PC, sector leads</b>												
<i>Task 1.2.3: Support consolidation of farmers produce and marketing for producer organizations</i> (continuous activity in support to sub-sector workplans)	<b>GD, PC, sector leads</b>												
<b>Objective 1.3: Marketing (in support to Marketing and Sales Workplan)</b>													
Support larger associations and their members to participate in international trade fairs and study tours	<b>GD, PC, NP, RL</b>												
Promote sales delegation trips to local trade fairs, regional markets, and major international markets in Russia and Europe	<b>GD, PC, NP, RL</b>												

## 1.2: IMPROVE ABDS DELIVERY

To compete in their markets, input suppliers, farmers, and firms all along each value chain (See Table 1 at the end of this section for Value Chain ABDS services expected in Year 2) will need a consistent stream of qualified technical support to help them upgrade their skills.

The USAID Agribusiness Project hired an ABDS expert, **Nenad Popadić**, who will ensure coordination of provision of these skills in technical, management, marketing and financial areas to the targeted subsectors. Given the relatively scarce supply of ABDS in Serbia, technical assistance to firms in key points along each value chain will be initiated by the USAID Agribusiness Project staff in an effort to build a network of sustainable ABDS providers.

The USAID Agribusiness Project will enhance the capacity of local ABDS to serve the needs of the value chains, while ensuring that there is demand for such services, to guarantee sustainability.

### *Task 1.2.1: Develop ABDS network*

- The USAID Agribusiness Project's crosscutting activities to build the supply of market-driven services will include development of generic and value chain specific ABDS providers' network, while actively engaging them for implementing specific assignments (*for detailed activities please refer to the cross-cutting and sub-sector ABDS activities*). We will have identified around 100 public and private ABDS providers by the end of Year 2 that cover a wide range of products and services, such as:
  - fruits and vegetables growing (Agricultural Innovation Center, Arilje)
  - animal breeding and feeding (Taurus, Vrsac)
  - veterinary and other extension services
  - quality management systems implementation and certification (Qualitass, Novi Sad)
  - market information and export promotion (AgroNews, Belgrade)
  - consulting and other advisory services (Agrar Kontakt, Belgrade)
  - application of specialized computer software in agriculture (Dva S, Kragujevac)
  - post-harvest handling, storage and shipping
  - business management trainings (Management Center Belgrade)
- **Memorandum of Understanding** for the USAID Agribusiness Project's ABDS providers' database registration is prepared and will be distributed throughout Serbia for signing starting in September 2008.
- USAID Agribusiness Project will also help establish needed ABDS that do not exist in Serbia. Where no ABDS exist as a match to producer organization needs, the USAID Agribusiness Project will use grant funds for ABDS start-up on a cost-share basis.

***Task 1.2.2: Improve access to financial services by Serbian agribusiness.***

Agribusinesses in Serbia face significant problems in accessing loans for working capital and investment, although the agricultural sector represents a large and attractive market that is critical to the growth of the economy.

- Nenad Popadić, our new ABDS/Finance advisor (with assistance from Mary Miller, DAI's Finance specialist), will:
  - Develop a program for strengthening the network of financial ABDS providers who can develop costing and financial feasibility studies for particular business investments and alternatives.
  - Facilitate dissemination of information about government/bank/donor credit/loan packages for agribusinesses.
  - Assist banks and other financial institutions in developing credit facilities demanded by stronger value chain clients and identify lenders willing to develop their agricultural finance capacity, and work with them to develop credit facilities to respond to particular needs for financing for upgrading and ongoing operations.
  - Improve collateralization of farms through legal registration - work with associations and the Ministry to register farms, making them eligible for governmental financial assistance and commercial loans.
- USAID Agribusiness Project is working with the Republic Agency for Development of SME to publish a guide "Credit lines in agribusiness", to inform and educate agribusiness entrepreneurs. They will fund this one and their "Credit Lines for SME" brochure to be printed in time for the November "Business Base" fair in Belgrade.
  - Date: November - December, 2008
  - Expected deliverables: 1,000 Agribusiness brochures
- Improve knowledge and bankability of agribusinesses. In addition to developing appropriate banking products, we will conduct seminars in conjunction with bank loan officers, to educate them on mitigating risk in lending to agriculture and agribusiness, and will invite bankers to technical information sessions held for value chain clients, both to familiarize them with upgrading techniques and steps and to introduce them to value chain clients in a low-pressure venue. We will focus on a core group of lenders such as Agrobanka, Procredit Bank, Opportunity International, Credit Agricole, Societe Generale and Piraeus Bank, etc.
  - Date: December 2008 – March 2009
  - Expected deliverables: Seminars and workshops, 300 agribusiness entrepreneurs informed

## **ABDS by sub-sectors**

*(Note: The costs given below are only indicative, for better estimation of the budgets broken down by specific activities please refer to the subsector work plans in Annex 2)*

### **Tree Fruit**

#### ***Task 1.2.3: Improved productivity, quality and sustainability of fruit production systems that meet market demand in tree fruit subsector.***

- Activity: Technical assistance and grants to improve ABDS capacity to provide effective and quality services to tree fruit growers and ULO operators.
- Date: November 2008 – April 2009
- Deliverable: Up to 10 ABDS providers will be trained and over 500 fruit growers supported.

##### ***Sub-task 1.2.3.1: Improved harvest and post harvest management through ABDS providers.***

- Activity 1: Upgrade ULO/CA storage technology for fresh apples through training of ABDS providers in fruit physiology issues for the ULO storage in accordance with different apple varieties and other conditions.
- Date: January – February 2009
- Deliverable: Up to 5 ABDS providers will be trained and 100 fruit growers supported.
- Activity 2: Training of ABDS providers for introduction/application of new post-harvest technologies to extend fresh produce shelf life.
- Date: January – February 2009
- Deliverable: Up to 5 ABDS providers will be trained and 100 fruit growers supported.

##### ***Sub-task 1.2.3.2: Improve farm-level productivity and quality through ABDS providers.***

- Activity 1: Training of ABDS providers in improved pest management, nutrient management, tree pruning, fruit size management, and use of plant growth regulators.
- Date: November – December 2008
- Deliverable: Up to 10 ABDS providers will be trained and 200 fruit growers supported.
- Activity 2: Support a Sombor-based tree fruit ABDS provider (in cooperation with other regional providers) to launch a pilot Project in Northern Vojvodina concerning development of Pest-watch advisory web portal.
- Date: November 2008 – March 2009
- Deliverable: Pest-watch advisory web portal –new ABDS service introduced, 500 fruit growers supported.
- Activity 3: Organize study tours to overseas advanced producer organizations, ABDS providers, and/or equipment suppliers (study tours to advanced fruit growing operations in Italy).
- Date: March 2009
- Deliverable: 10 ABDS providers and 15 fruit growers trained.
- Activity 4: Assist regional ABDS providers to improve provision of services in support to improved growing practices and product standardization (Implementing accreditation of Arilje Agro-innovation Center's laboratory through grants scheme).
- Date: October 2008 – September 2009
- Deliverable: Arilje Agro-innovation Center's laboratory accredited enabling future support of 100 fruit growers.

## **Berry Fruit**

### ***Task 1.2.4: Build the supply and develop capacities for business services in berry fruit subsector***

- Training of trainers to develop capacities of ABDS providers in: grading, storing, packing, labeling, logistics management, cold chain management, PDO/PGI protection, and/or Global Gap certification.
- Date: November 2008 – April 2009
- Deliverable: 2 STTA providers hired, 8 ABDS providers trained, 12 POs and food-processing companies assisted/trained; US\$50,000 of new revenues achieved

### ***Task 1.2.5 Develop relationships with international suppliers to support application of their inputs and services/training programs in Serbia in berry fruit subsector***

- Training of ABDS providers in the area of post-harvest technologies to extend products' shelf-life, planting material, anti frost equipment, EU food packaging & labeling requirements, cold chain management, and PDO/PGI.
- Date: November 2008 – April 2009
- Deliverable: 3 ABDS providers assisted, 2 new ABDS started, \$80,000 of new revenues achieved; total transaction(s) value \$100,000 within one year after its inception.

### ***Task 1.2.6: Improve access to domestic and international markets in berry fruit subsector (For more details please see section on Marketing)***

- Activity 1: Support capable ABDS provider(s) to deliver trainings in market research, marketing and contract negotiation for producer organizations and food-processing companies.
- Date: October 2008 – May 2009
- Deliverable: 2 ABDS providers assisted; 10 producer organizations and food-processing companies trained; US\$50,000 of new revenues achieved.
- Activity 2: Support ABDS providers and/or national associations to enhance fresh, organic and/or processed berry fruit domestic sales and exports through co-funding exhibition of berry fruit producers and/or processors at relevant trade fairs such as Fruit Logistica (fresh), BioFach (organic), Fancy Food - New York, IFE - London, Anuga - Cologne, World Food - Moscow and others.
- Date: October 2008 – June 2009
- Deliverable: 15 producer organizations/food-processing companies and/or ABDS providers assisted to participate in 8 trade fairs; estimated \$4,800,000 of new revenues/exports achieved.
- Activity 3: Assist ABDS providers and/or national associations to conduct sales delegation trips to regional and/or major international markets in Russia and Europe, assess market demands and competition, and meet with potential buyers and begin negotiation process.
- Date: October 2008 – June 2009
- Deliverable: 2 sales missions conducted, 8 businesses/ABDS providers assisted, \$100,000 of new revenues achieved within one year after the implementation
- Activity 4: Assist the industry awareness campaign and fund Projects aimed at protecting geographic origin in EU for the products with high marketing potentials, such as Arilje raspberries. The purpose of the Project's funding will be for the client

and their partnering ABDS providers to carry out studies needed to meet EU requirements for obtaining PDO/PGI and/or conduct various marketing activities that will enable the PDO/PGI holders to take advantage of protected geographic origin of their products.

- Date: October 2008 – June 2009
- Deliverable: At least 1 PDO/PGI obtained, 6 businesses-PDO/PGI holders directly assisted, \$50,000 of new/additional revenues achieved.

### **Herbs, mushrooms and forest fruit**

#### ***Task 1.2.7: Build the supply and develop capacities for business services in herbs, mushrooms and forest fruit subsector***

- Activity 1: Improve design, packaging, and labeling in three companies (Bilje Borca, Interfood 60 and Strela Klačić) by training ABDS providers in marketing techniques to improve services delivered to these companies.
- Date: January 2009 – March 2009
- Deliverable: At least three companies will enter new markets achieving \$500,000 of additional sales.
  
- Activity 2: Assist ABDS providers to deliver training in management, sales, marketing, and negotiation skills for export oriented companies.
- Date: November 2008 – March 2009
- Deliverable: At least seven companies will be trained.

### **Livestock**

#### ***Task 1.2.8 Build Capacity to Increase Exports and Domestic Sales of Baby Beef***

- Activity 1: Link producer organizations, individual farmers, ABDS providers (Agrar Kontakt and local providers) and Slaughterhouses through the training sessions in five regions in Serbia (Piroć, Nis, Krusevac, Ćacak and Uzice). The aim of this project is to develop and improve livestock production and related extension services, as well as to improve economical position of farmers; deliver information on modern farm management and ways of cattle breeding, including animal housing, preparing food, milking techniques and equipment, proper way of pasture using, crops growing and protection, etc.
- Date: September 2008 – February 2009
- Deliverable: 150 farmers, 10 producer organizations, 5 ABDS providers and 3 slaughterhouses will be trained.
  
- Activity 2: Support creation of ABDS providers specialized in cattle registration and certification in the region of Ćutin, Sjenica, Prijepolje and Piroć, which is a prerequisite for farmers to become becoming eligible to receive subsidies for their animals by the Ministry of Agriculture.
- Date: December 2008 – March 2009
- Deliverable: 5,000 cattle certified and registered and 5 ABDS providers self-sustainable.
  
- Activity 3: Support ABDS provider IMPAK to organize a study tour for Serbian meat producers and ABDS providers to Croatia and an EU country to visit and compare

farms and livestock associations in these two countries at different levels of economic development and adopt positive experience in the livestock breeding.

- Date: March 2009
- Deliverable: 10 farmers and 10 ABDS providers trained, best practices in livestock breeding, EU standards implementation and good farm management adopted
  
- Activity 4: Support ABDS provider SFS Center to provide the sophisticated trainings in microbiology for other ABDS providers whom the Agribusiness Project will work with.
- Date: February – May 2009
- Deliverable: 10 ABDS providers trained (such as AGRAR KONTAKT, IMPAK, SUOOKS, TAURUS, and MAKSI FARMA).

## **Vegetables**

### ***Task 1.2.9: Build the supply and develop capacities for business services in vegetable subsector***

- Activity 1: Support ABDS providers to conduct four training workshops on implementation of new vegetable varieties with high market demand.
- Date: November 2008 – February 2009
- Deliverable: At least 80 farmers and representatives of POs and processing companies will be trained.
  
- Activity 2: Support a local ABDS provider to conduct two training workshops on implementation of new vegetable varieties that will extend production/growing season (assortments, technology and advantages of such production).
- Date: November 2008 – February 2009
- Deliverable: At least 40 farmers and representatives of POs and processing companies will be trained.
  
- Activity 3: Support a local ABDS consultant, Zoran Ilic, a professor and a specialist in post harvest and storing techniques and practices, to conduct four training workshops in North Vojvodina, Central Serbia, Pomoravlje and Southern Serbia regions.
- Date: December 2008 – February 2009
- Deliverable: At least 120 farmers and representatives of POs and processing companies will be trained.
  
- Activity 4: Support a local ABDS consultant, Zoran Ilic, a professor and a specialist in post harvest and storing techniques and practices, to conduct training workshops for ABDS providers.
- Date: December 2008 – February 2009
- Deliverable: At least 15 ABDS providers will be trained.
  
- Activity 5: Assist a local ABDS provider to conduct training workshops in proper packaging, labeling, promotion and marketing for producers and processors of fresh and organic vegetables.
- Date: December 2008 – February 2009
- Deliverable: At least 25 producers and processors will be trained.

- Activity 6: Facilitate a study tour for the ABDS providers (such as “Agro Protect” and “Agrobiznis Centar”) to transfer knowledge about modern methods of ABDS business management and operations.
- Date: March 2009
- Deliverable: At least 5 ABDS providers will be trained.

## Dairy

### ***Task 1.2.10: Build the supply and develop capacities for business services in dairy subsector***

- Activity 1: Support implementation of the National Dairy Milk Quality and Farm Management Campaign in cooperation with dairy companies and regional ABDS providers (led by Taurus Agro consulting).
- Date: October 2008 – July 2009
- Deliverable: 50 farms and additional 300 farmers for general training sessions, 6 ABDS providers, two Ministry of Agriculture Centers for Rural Development, 3 Farmers cooperatives and 7 Dairies included in the program.
  
- Activity 2: Facilitate dairy awareness study tour to Dairy State of Wisconsin in cooperation with Cooperative Resources International to promote the U.S. know-how in Serbia and adopt new skills for development of commercial farms, farm management programs, new dairy products and PO development.
- Date: March 2009
- Deliverable: 15 dairy stakeholders (dairy companies, ABDS providers, farmers and local/regional institutions representatives) participated in this study tour.
  
- Activity 3: Assist a local ABDS provider in developing a specialized dairy website featuring production, marketing, new technology and policy issues. Website will have monthly e-newsletter and will be developed in coordination with other ABDS providers and dairy companies.
- Date: October 2008 – September 2009
- Deliverable: A specialized dairy website developed, at least 500 users expected.
  
- Activity 4: Facilitate creation of ABDS providers’ network related to Dairy Farm management, Artificial Insemination and Veterinary Services. Taurus Agro consulting will coordinate training of regional ABDS providers to build functional relations that will lead to creation of ABDS network. The Project will support the registration of a network, promotion and making of visual identity (website, promo material).
- Date: December 2008 – February 2009
- Deliverable: Dairy ABDS providers’ network created and functional.
  
- Activity 5: Enable introduction of IT support for dairy company management through activities of a specialized ABDS provider. The Project will assist the ABDS provider to support 5 dairies in implementing dairy management software that will increase efficiency of milk supply logistics and return on investments.
- Date: October 2008 – March 2009
- Deliverable: Dairy management software implemented in five dairies.

ABDS	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness</b>													
<b>Objective 1.2: Improve ABDS Delivery</b>													
<i>Task 1.2.1: Build the supply for business services.</i>													
Continue developing a database of ABDS providers to reach 100	NP												
Help establish needed ABDS that do not exist in Serbia	NP												
<i>Task 1.2.2: Improve access to financial services by Serbian agribusiness.</i>													
Publish a guide “Credit lines in agribusiness”, to inform and educate agribusiness entrepreneurs	NP/BO/GR												
Improve knowledge and bankability of agribusinesses - conduct seminars in conjunction with bank loan officers	NP												
<b>ABDS by SUB-SECTORS</b>													
<b>Tree Fruit</b>													
<i>Task 1.2.3: Improved productivity, quality and sustainability of fruit production systems that meet market demand in tree fruit subsector</i>													
Technical assistance to improve ABDS capacity to provide services to tree fruit growers and ULO operators	PC												
<i>Sub-task 1.2.3.1: Improved harvest and post harvest management through ABDS providers</i>													
ULO/CA storage technology for fresh apples - training of ABDS providers in fruit physiology issues for the ULO storage	PC												
Training of ABDS providers for introduction/application of new post-harvest technologies to extend fresh produce shelf life	PC												
<i>Sub-task 1.2.3.2: Improve farm-level productivity and quality through ABDS providers</i>													
Training of ABDS providers in improved pest, nutrient, fruit size management, and use of plant growth regulators	PC												

ABDS	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Support a tree fruit ABDS provider to launch a pilot Project concerning development of Pest-watch advisory web portal	PC												
Organize study tours to overseas advanced producer organizations, ABDS providers, and/or equipment suppliers in Italy	PC												
Assist regional ABDS providers to improve services in support to improved growing practices	PC												
<b>Berry Fruit</b>													
<b>Task 1.2.4: Build the supply and develop capacities for business services in berry fruit subsector</b>													
Training of trainers to develop capacities of ABDS providers in logistics and cold chain management, PDO/PGI protection, and/or Global Gap certification	SM												
<b>Task 1.2.5 Develop relationships with international suppliers to support application of their inputs and services/training programs in Serbia in berry fruit subsector</b>													
Training of ABDS providers in the area of post-harvest technologies to extend products' shelf-life	SM												
<b>Task 1.2.6: Improve access to domestic and international markets in berry fruit subsector</b>													
Support capable ABDS provider(s) to deliver trainings in market research, marketing and contract negotiation for producer organizations and food-processing companies	SM												
Support ABDS providers and/or national associations to enhance fresh, organic and/or processed berry fruit domestic sales and exports through	SM												
Assist ABDS providers and/or national associations to conduct sales delegation trips to regional and/or major international markets in Russia and Europe	SM												
Assist implementation of the industry awareness campaign and fund Projects aimed at protecting geographic origin in EU	SM												

ABDS	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Herbs, mushrooms and forest fruits</b>													
<b>Task 1.2.7: Build the supply and develop capacities for business services in herbs, mushrooms and forest fruit subsector</b>													
Improve design, packaging, and labeling in three companies by training ABDS providers in marketing techniques	VP												
Assist ABDS providers to deliver training in management, sales, marketing, and negotiation skills for export oriented companies	VP												
<b>Livestock</b>													
<b>Task 1.2.8 Build Capacity to Increase Exports and Domestic Sales of Baby Beef</b>													
Link producer organizations, individual farmers, ABDS providers and Slaughterhouses through the training sessions in five regions in Serbia	DJL												
Support creation of ABDS providers specialized in cattle registration and certification in the region of Tutin, Sjenica, Prijepolje and Pirot	DJL												
Support ABDS provider IMPAK to organize a study tour for Serbian meat producers and ABDS providers to Croatia and an EU country	DJL												
Support ABDS provider SFS Center to provide the sophisticated trainings in microbiology for other ABDS providers	DJL												
<b>Vegetables</b>													
<b>Task 1.2.9: Build the supply and develop capacities for business services in vegetable subsector</b>													
Support ABDS providers to conduct four training workshops on implementation of new vegetable varieties with high market demand	RV												
Support a local ABDS provider to conduct two training workshops on implementation of new vegetable varieties that will extend production/growing season	RV												

ABDS	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Support a local ABDS consultant to conduct four training workshops in North Vojvodina in post harvest and storing techniques and practices	RV												
Support a local ABDS consultant to conduct training workshops for ABDS providers in post harvest and storing techniques and practices	RV												
Assist a local ABDS provider to conduct training workshops in proper packaging, labeling, promotion and marketing for producers and processors of fresh and organic vegetables	RV												
Facilitate a study tour for the ABDS providers to transfer knowledge about modern methods of ABDS business management and operations	RV												
<b>Dairy</b>													
<b>Task 1.2.10: Build the supply and develop capacities for business services in dairy subsector</b>													
Support implementation of the National Dairy Milk Quality and Farm Management Campaign in cooperation with dairy companies and regional ABDS providers (led by Taurus)	GJ												
Facilitate dairy awareness study tour to Dairy State of Wisconsin in cooperation with Cooperative Resources International to promote the U.S. know-how in Serbia	GJ												
Assist a local ABDS provider in developing a specialized dairy website featuring production, marketing, new technology and policy issues	GJ												
Facilitate creation of ABDS providers' network related to Dairy Farm management, Artificial Insemination and Veterinary Services	GJ												
Enable introduction of IT support for dairy management through activities of a specialized ABDS provider	GJ												

### 1.3: SALES & MARKETING

Sales and Marketing has the five year goal to improve access to domestic and international markets for Serbian agribusinesses. The USAID Agribusiness Project must address two factors so that Serbian agribusinesses may improve market access. First, we must continue to help producers gain a deeper understanding of product and delivery requirements and pricing in domestic and international markets, by developing better sales, marketing and negotiation skills, and by obtaining greater exposure to buyers through buyer visits, international fairs and the Internet. Although our general philosophy is not to differentiate strongly between the domestic and international market—there is no safe home market for producers who cannot meet international quality, cost, production capacity and service standards—we plan to continue our work with producer associations specifically on driving demand for Serbian brands in the domestic market such as with Metro, Mercator/Rodic and Delta Maxi.

Second, the Project will continue to focus on the public sector marketing support infrastructure for Serbian agriculture. Past work by USAID projects with the Serbia Investment and Export Promotion Agency (SIEPA) and the MAFWM has shown that Serbian government marketing and promotion programs can provide a catalyst for new exporters and small producers to develop new markets. This support is critical in Serbia because so many producers lack the skills, knowledge, and funds to get started on their own. It has also proven to be sustainable, with producers receiving one to three years of support during which they gain the experience and resources to make it on their own; however, with an increasing cost share process so that they have a greater appreciation of the investment versus financial return.

The USAID Agribusiness Project's market development team, led by Remer Lane and Jovana Ducic-Savic, will expand on their services to the six value chains. In addition, Sales and Marketing will continue to develop relations with Producer Organizations, leading private sector firms and government support agencies to improve the effectiveness of programs specifically focusing on transparent and results-oriented selection of producers for fairs and other marketing programs, monitoring of results, and phased graduation of producers from assistance. They will also help SIEPA and "Fruits of Serbia" Association to develop new sources of export promotion capital through the regional Local Economic Development offices in coordination with NALED and regional Chambers of Commerce to grow the overall size of their programs.

The USAID Agribusiness Project's plan for improving market access includes:

#### ***Task 1.3.1 Trade Fair Support***

Improve the effectiveness, volume, and reach of business and government support for international fairs and other promotions. Our first year program launch has yielded an estimated \$36 million in potential new business for Serbian companies; of which, \$6 million was delivered immediately. The following tasks effectively make up a Scope of Work for each of the planned Fairs and approving the work plan should be sufficient USAID technical approval for all of these fairs.

SIEPA, the Ministry of Agriculture Forestry and Water Management (MAFWM) and the Ministry of Trade & Services have taken over primary support for international fairs. These include the World Foods Moscow and SIAL both of which will take place within the next 60

days. Our proposed program includes at least eight (8) international fairs, six (7) Sales Missions to regional and international fairs and markets; and three (3) domestic fairs in the 2008/2009 work plan cycle to be organized directly and in coordination with SIEPA and MAFWM in a number of ways.

- We will continue to identify and support the development of new trade fair opportunities and assist with systems for direct training of firms to optimize their participation in trade shows. This will start immediately with Remer Lane working on the World Foods Moscow and SIAL shows with Sales and Marketing Trainings, Buyer Linkages, Distribution Strategies and Linkages, Negotiation and Contract facilitation and overall direct sales support.
- Sales and marketing team will do preliminary market research for all fairs the Project is supporting and recommend most potential products for specific markets for each fair (with regard to market size, annual growth, price, competition, etc). Outcome of the market research together with information on specific fairs will be presented to wider audience.
- We will help establish a transparent and vetted mechanism to select talented and proven producers to participate in international trade shows. For this to work, it is important that the industry selects producers that meet specific standards. Neither the Project nor the government should be seen as picking the winners.
- The sales and marketing team, together with sub-sector leads, will conduct an audit of each company interested to participate in sales missions and fairs. Quality product, facility audit, internal market research for each product, previous cooperation with Agribusiness Project and SIEPA will be some of criteria for company selection.

Once companies are selected, sales and marketing team and/or ABDS providers will perform series of trainings as a preparation for the fair:

- Sales & Marketing
- Package & Design
- Negotiation
- Business finance
- Media

The sales and marketing team will work together with SIEPA and/or national associations of producers and design ABDS providers on preparing booth outlines, designs, promo materials, invitations to foreign buyers, press releases to foreign and local media, etc.

- We will improve procedures for monitoring and evaluation and for phased graduation of producers from Enabling Grant-funded programs that will focus all parties on results and sustainability.
- We will provide hands-on support, training, and mentoring to government marketing staff and to selected marketing service providers to ensure that they master events planning, web and print promotion, media buying, and public relations. Serbia Agribusiness Project uses organizational guide developed by USAID Serbia Enterprise Development Project for each trade show that it prepares for and will reinforce this programming with SIEPA to ensure that they adopt and apply it as well.

**Fair Listing**

Name	Location	Dates	Sectors	# No of firms participating	Project estimated cost in \$	Project estimated grant in \$	Estimated return in \$	Comments
SIAL	Paris	October 19-23	Fruit, berries, mushrooms, vegetables	13	4,875	0	6,000,000	exhibiting
Gastronomy Show	Bucharest	October 23-26	Fruit, berries, mushrooms, vegetables, dairy, meat	5	1,653	0	250,000	sales mission - tentative, pending sector coordination
IFE Foodapest	Budapest	November 18-20	Fruit, berries, mushrooms, vegetables, dairy, meat	5	1,836	0	500,000	sales mission - tentative, pending sector coordination
Interfood	Sofia	November 19-22	Fruit, berries, mushrooms, vegetables, dairy, meat	5	2,084	0	300,000	sales mission - tentative, pending sector coordination
Ethnofood	Belgrade	November 26-29	Fruit, berries, mushrooms, vegetables, dairy, meat		0	85,000	1,000,000	support to fair organizers

## USAID Agribusiness Project

Name	Location	Dates	Sectors	# No of firms participating	Project estimated cost in \$	Project estimated grant in \$	Estimated return in \$	Comments
IFE India	New Delhi	December 2-4	Fruit, berries, mushrooms, vegetables, dairy, meat	5	4,380	0	100,000	sales mission - tentative, pending sector coordination
Fruit Logistica	Berlin	February 4-6	Fruit, berries, mushrooms, vegetables	12	12,161	76,200	8,000,000	exhibiting
Biofach	Nurnberg	February 19-22	Fruit, berries, mushrooms, vegetables	10	3,170	0	2,500,000	exhibiting
Gulfood	Dubai	February 23-26	Fruit, berries, mushrooms, vegetables, dairy, meat	10	5,630	0	5,500,000	exhibiting
Hotel and Gastroteh	Zagreb	February tbd	Fruit, berries, mushrooms, vegetables, dairy, meat	10	3,740	0	1,500,000	sales mission - tentative, pending sector coordination
Foodex	Tokio	March 3-6	Fruit, berries, mushrooms, vegetables, dairy, meat	10	0	0	2,500,000	training to companies exhibiting (no trip)

## USAID Agribusiness Project

Name	Location	Dates	Sectors	# No of firms participating	Project estimated cost in \$	Project estimated grant in \$	Estimated return in \$	Comments
Vegetable sales mission	Russia, Ukraine	March tbd	Vegetables	TBD	see veg. sector	see veg. sector	see veg. sector	sales mission - tentative, pending sector coordination
IFE Excel	London	March 15-18	Fruit, berries, mushrooms, vegetables, dairy, meat	12	7,722	0	2,000,000	exhibiting
Agriculture fair	Novi Sad	May 10-17	Fruit, berries, mushrooms, vegetables, dairy, meat	10	1,000	50,000	1,500,000	exhibiting - pending
Fancy Food Show	New York	June 28-30	Fruit, berries, mushrooms, vegetables, dairy	15	5,846	0	4,500,000	exhibiting
Worldfood	Moscow	September 22-26	Fruit, berries, mushrooms, vegetables, dairy, meat	10	9,216	72,586	8,500,000	exhibiting
Agriculture Fair	Nis	September 26-28	Fruit, berries, mushrooms, vegetables, dairy, meat		0	50,000	1,500,000	support to fair organizers

### ***Task 1.3.2.1 Opening Domestic Markets***

Opening up domestic markets for agribusiness and producer organizations will require stronger linkages into supermarket chains. Delta Maxi, Metro, Mercator Rodic and CBA supermarkets are already working with the USAID Agribusiness Team to enhance and increase their access to improved product. This direct link to the largest domestic buyers in the country, representing the most rapidly increasing segment of the Serbian market for foodstuffs, is an excellent building block for increased producer sales. USAID Agribusiness Sales & Marketing in coordination with Producer Organizations and Sector Leads will use Delta Maxi, Metro, Mercator/Rodic and CBA to serve as major points of leverage in the market and interact through them to provide the right assistance to a large numbers of producer organizations and other agribusinesses.

New retailers and Food Service companies (HORECA) will be added to the process: Tus, Idea, Interex, etc.

### ***Task 1.3.2.2 Preparation for Fairs and Sales Missions directly, in coordination with SIEPA and/or with Export oriented Associations***

We will provide hands-on support, training, and mentoring to government marketing staff, export associations and to selected marketing service providers to ensure that they master:

- Events Planning
- Web and Print Promotion
- Media Buying
- Public Relations
- International Market Sales Techniques.

USAID Agribusiness Sales & Marketing uses the USAID Serbia Trade Show Handbook as the guide for each trade show that it prepares for and will continue to support this programming with SIEPA to ensure that they improve their processes.

We will assist SIEPA and all Export Associations with the implementation of a Monitoring and Evaluation process that measures short, medium and long term impact versus investment.

We will provide technical assistance to SIEPA and Export Associations on budget preparation with a cost sharing phase-in process.

### ***Task 1.3.3 Training for Firms: Strengthen business skills in marketing and sales***

One of the on-going weaknesses identified by the Value Chain Analyses for each sector are business skills. The skills gap as recognized also through our direct interactions with businesses and associations must be overcome for sustainable competitiveness to flourish.

The Agribusiness Project will arrange a one year series of business classes for companies in each sector. This first year program will identify 10 companies from each of the six sectors (60 people) and gain management buy-in for participation in the program. To off-set management fear of employee flight following the trainings, we will recommend an employee contract that makes the employee re-pay all fees contributed by the company if they leave within the year after course completion. (this model is currently being used by banks in Serbia today). We want to encourage investment in employee education, but company owners need a guarantee that the employees will not leave.

We will identify three local private business schools or training centers that are able to provide the courses desired:

- Business Plans (marketing, operations, and finance)
- Professional Selling Skills
- Negotiation Training
- Trade Marketing
- Design and Packaging
- Market Analysis
- Public Relations and Integrated Marketing Communications

Each course will be offered on a two day basis and all five courses must be completed between November 2008 and May 2009.

USAID Agribusiness will offer the companies a grant up to 50% reimbursable at the completion of the final course and submission of the graduation certificate.

Anticipated cost for each student to attend all seven courses will be \$3,000

Total Cost: \$180,000 for 60 students

Agribusiness Project contribution is anticipated to be \$90,000

***Task 1.3.4 Communications: Ensure agribusiness information reaches Serbian producers and that information on the sub-sectors reaches buyers.***

In cooperation with private sector service providers, the MAFWM and the Serbian Chamber of Commerce the Project will continue to disseminate market information, access to agribusiness magazines, newsletters, and internet newsletters to producer associations. In addition, working with producer associations and SIEPA, we will expand on the successful [www.serbianfruit.com](http://www.serbianfruit.com) site and jump-start new sub-sector sites with the appropriate associations disseminating important product information and downloadable sector-specific marketing brochures targeted to international and domestic clients. (Please refer to Component 3, Communication Strategy)

New Sector Specific Websites to be developed:

- Dairy – specifically cheese and value added products
- Meats – to be determined.
- Vegetables
- Mushrooms
- Herbs

Sustainability of these websites is paramount to their development. Before any activities are initiated, there must be an identified eventual “owner.” The Agribusiness Project will transfer each website over a period of 3 years always maintaining oversight until the “owner” is completely able to take control and administer.

Anticipated Costs: \$25,000

The Agribusiness Project will continue to develop systems to disseminate agribusiness news and market information - magazines, newsletters to producer associations and individual companies: such as AgroNews and Zelene Stranje

***Task 1.3.5 Market Research & Market Plans: to provide sector and product specific market research for associations and companies wishing to enter new markets.***



## USAID Agribusiness Project

Initially, we will conduct this research on an as needed basis, but for sustainability, we will engage ITC Trade Map trainers to embed their training within local educational institutions. Anticipated Cost: \$15,000

Sales & Marketing will work with producer organization from each of the 6 Agribusiness sectors to develop their particular market plans and strategies.

Following the Dairy sector analysis and request, Sales & Marketing will prepare a “Dairy Farm Investment Strategy” to attract greater investment in the sector and to meet the growing needs of the processors. One STTA for 2 weeks: Cost: \$17,500



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SALES AND MARKETING	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Component 1: Increased Efficiency And Competitiveness of Serbian Agribusiness</b>													
<b>Objective 1.3: Sales &amp; Marketing</b>													
<b>Task 1.3.1./1.3.2: Participation of companies in trade shows in cooperation with national associations</b>	<b>RL</b>												
<i>SIAL, Paris - foreign - October 19 - 23 (exhibiting)</i>	<b>RL</b>												
Fair coordinated with SIEPA	<b>RL</b>												
Meet with companies identified for participation to discuss their presentation and materials	<b>RL &amp; sector leads</b>												
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies	<b>RL&amp;ABDS</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												
Follow-up with companies after returning from fair	<b>RL &amp; sector leads</b>												
<i>Gastronomy Show, Bucharest - regional- October 23 - 26 (sales tour)</i>	<b>RL</b>												
Coordinate with SIEPA	<b>RL</b>												
Market research of Romanian market for sub-sector products	<b>RL</b>												
Inform Targeted Sector companies with information on the fair and market potential	<b>RL</b>												
Arrange for 1st year sales visit with interested companies	<b>RL</b>												
Prepare marketing materials for presentation to interested buyers	<b>RL</b>												
Arrange distributor and buyer meetings	<b>RL</b>												



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<b>SALES AND MARKETING</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
Evaluate fair and market opportunity with participating companies	<b>RL</b>												
Follow-up with sales process and begin organizing for 2nd year (if needed)	<b>RL &amp; sector leads</b>												
<i><b>IFE Foodapest, Budapest - foreign - November 18-20 (sales tour)</b></i>													
Coordinate with SIEPA													
Market research of Romanian market for sub-sector products													
Inform Targeted Sector companies with information on the fair and market potential													
Arrange for 1st year sales visit with interested companies													
Prepare marketing materials for presentation to interested buyers													
Arrange distributor and buyer meetings													
Evaluate fair and market opportunity with participating companies													
Follow-up with sales process and begin organizing for 2nd year (if needed)													
<i><b>Interfood, Sofia - foreign - November 19 -22 (sales tour)</b></i>	<b>RL</b>												
Coordinate with SIEPA	<b>RL</b>												
Market research of Bulgarian market for sub-sector products	<b>RL</b>												
Inform targeted sector companies with information on the fair and market potential	<b>RL</b>												
Arrange for 1st year sales visit with interested companies	<b>RL</b>												
Prepare marketing materials for presentation to interested buyers	<b>RL</b>												
Arrange distributor and buyer meetings	<b>RL</b>												
Evaluate fair and market opportunity with participating companies	<b>RL</b>												

SALES AND MARKETING	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Follow-up with sales process and begin organizing for 2nd year (if needed)	RL & sector leads												
<i>Ethnofood, Belgrade - local - November 26 - 29</i>	RL												
help with grant application	RL, BO												
link the fair with USAID RCI to bring other regional USAID supported companies to exhibit at the fair	RL												
Invite Agrobusiness Project supported companies to exhibit at the fair	RL												
Train fair organisers with marketing activities	RL												
Inviting foreign buyers to the fair	RL												
Link the fair with National association of specialty food fairs	RL												
<i>IFE India - foreign - December 2 - 4 (sales tour)</i>	RL												
Conducting market research of Indian market for sub-sector products and presentation of findings to interested companies	RL												
Organise a sales visit to the fair for sub-sector companies to meet potential buyers	RL												
Examine market opportunity for Serbian products in India	RL												
Inform targeted sector companies with information on the fair	RL												
Follow up with potential sales and begin organising participation for IFE India 2009	RL & sector leads												
<i>Fruit Logistica, Berlin - foreign - February 4 - 6 (exhibiting)</i>	RL												
Coordinate with SIEPA	RL												
Coordinate with "Fruit's for Serbia" Association for expanded booth	RL												
Prepare fair presentation and market data for Fruit's of Serbia	RL												

<b>SALES AND MARKETING</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
Assist Fruit's of Serbia with criteria and process for selecting companies for participation	<b>RL</b>												
Assist Fruit's of Serbia with coordination with SIEPA and space expansion for Serbian Pavilion	<b>RL</b>												
Assist Fruit's of Serbia in identifying designers and process of selection with SIEPA	<b>RL</b>												
Assist Fruit's of Serbia and SIEPA with booth construction coordination	<b>RL</b>												
Assist Fruit's of Serbia in identifying marketing company for preparation of marketing materials.	<b>RL</b>												
Assist Fruit's of Serbia with Grant's application process	<b>RL</b>												
Work with Management Center Belgrade to provide negotiation, sales and marketing trainings to participating companies.	<b>RL&amp;ABDS</b>												
Assist Fruit's of Serbia with building buyer contacts database	<b>RL</b>												
Train Fruit's of Serbia with process of sending buyer invitations	<b>RL</b>												
Assist Fruit's of Serbia with arranging buyer meetings	<b>RL</b>												
Assist companies with at the fair sales techniques and buyer negotiations	<b>RL</b>												
Complete fair evaluation	<b>RL</b>												
Follow-up with participating companies with sales support	<b>RL &amp; sector leads</b>												
<b><i>Biofach, Nurnberg - foreign - February 19 -22 (exhibiting)</i></b>	<b>RL</b>												
Fair coordinated with SIEPA	<b>RL</b>												
Audit companies interested to participate at the fair	<b>RL &amp; sector leads</b>												



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<b>SALES AND MARKETING</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
Conducting market research of potential organic markets for sub-sector products and presenting findings to companies	<b>RL</b>												
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies	<b>RL&amp;ABDS</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												
Follow-up with companies after returning from fair	<b>RL &amp; sector leads</b>												
<i><b>Gulfood, Dubai - foreign - February 23 -26 (exhibiting)</b></i>	<b>RL</b>												
Fair coordinated with SIEPA	<b>RL</b>												
Audit companies interested to participate at the fair	<b>RL &amp; sector leads</b>												
Conducting market research of Middle East markets for sub-sector products and presenting findings to companies	<b>RL</b>												
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies	<b>RL&amp;ABDS</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												
Follow-up with companies after returning from fair	<b>RL &amp; sector leads</b>												
<i><b>Hotel and Gastroteh, Zagreb - foreign - February (sales tour)</b></i>	<b>RL</b>												
Coordinate with SIEPA	<b>RL</b>												

<b>SALES AND MARKETING</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
Market research of CEFTA market for sub-sector products	<b>RL</b>												
Inform targeted sector companies with information on the fair and market potential	<b>RL</b>												
Arrange for 1st year sales visit with interested companies	<b>RL</b>												
Prepare marketing materials for presentation to interested buyers	<b>RL</b>												
Arrange distributor and buyer meetings	<b>RL</b>												
Evaluate fair and market opportunity with participating companies	<b>RL</b>												
Follow-up with sales process and begin organizing for 2nd year (if needed)	<b>RL &amp; sector leads</b>												
<i><b>FoodEx, Japan - foreign - March 3-6 (support)</b></i>													
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies	<b>RL &amp; ABDS</b>												
<i><b>Vegetable sales mission to Russia and Ukraine - March (sales tour)</b></i>													
Organise a sales mission to potential buyers													
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies													
Help companies in negotiations and market research during the mission													
Follow-up with companies after returning from fair													
<i><b>IFE London - foreign - March 15 - 18 (exhibiting)</b></i>	<b>RL</b>												
Fair coordinated with SIEPA	<b>RL</b>												



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<b>SALES AND MARKETING</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
Audit companies interested to participate at the fair	<b>RL &amp; sector leads</b>												
Conducting market research of UK market for sub-sector products and presenting findings to companies	<b>RL</b>												
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies	<b>RL&amp;ABDS</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												
Follow-up with companies after returning from fair	<b>RL &amp; sector leads</b>												
<i>Novi Sad fair - local - May (exhibiting)</i>	<b>RL</b>												
Audit companies interested to participate at the fair	<b>RL &amp; sector leads</b>												
Contract booth space	<b>RL</b>												
Design of booth and promo materials	<b>RL</b>												
Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies	<b>RL</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												
Follow-up with companies after returning from fair	<b>RL &amp; sector leads</b>												



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<b>SALES AND MARKETING</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<i>Fancy Food Show, New York - foreign - June 28 - 30 (exhibiting)</i>	<b>RL</b>												
Fair coordinated with SIEPA	<b>RL</b>												
Audit companies interested to participate at the fair	<b>RL &amp; sector leads</b>												
Conducting market research of US market for sub-sector products and presenting findings to companies	<b>RL</b>												
Sales and marketing, negotiation, business finance, media training by selected ABDS provider to participating companies	<b>RL&amp;ABDS</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												
Follow-up with companies after returning from fair	<b>RL &amp; sector leads</b>												
<i>Worldfood, Moscow -foreign - September 22-26 (exhibiting)</i>	<b>RL</b>												
Fair coordinated with SIEPA	<b>RL</b>												
Audit companies interested to participate at the fair	<b>RL &amp; sector leads</b>												
Conducting market research of Russian market for sub-sector products and presenting findings to companies	<b>RL</b>												
Sales and marketing, negotiation, business finance, media training by selected ABDS provider to participating companies	<b>RL&amp;ABDS</b>												
Send Fair invitations to buyer lists and arrange buyer meetings	<b>RL</b>												
Assist and train Serbian companies at the fair with sales techniques	<b>RL</b>												
Complete Fair Evaluation Data	<b>RL</b>												

SALES AND MARKETING	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Follow-up with companies after returning from fair	RL & sector leads												
<i>Nis Agricultural Fair - Local - September 26 - 28</i>	RL												
link the fair with USAID RCI to bring other regional USAID supported companies to exhibit at the fair	RL												
Invite Agribusiness Project supported companies to exhibit at the fair	RL												
Train fair organizers with marketing activities	RL												
Inviting foreign buyers to the fair	RL												
Follow-up with companies on potential sales	RL & Sector Leads												
<b>Task 1.3.3: Training for firms</b>	RL, NP												
Estimated cost													
<b>Identify potential ABDS providers for management and marketing trainings</b>	RL, NP												
Make a bidding process and select one ABDS provider	RL, NP												
Develop, together with ABDS provider, trainings in: business planning, professional selling skills, negotiation training, trade marketing, market analysis and PR and integrated marketing communications	RL, NP, ABDS												
Invite sub-sector companies to participate at trainings (up to 60 companies)	sector leads												
Organize trainings	ABDS												
<b>Identify potential ABDS providers for packaging and design trainings</b>	RL, NP												
Make a bidding process and select one ABDS provider	RL, NP												
Develop, together with ABDS provider, trainings in package and design	RL, NP, ABDS												



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SALES AND MARKETING	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Invite sub-sector companies to participate at trainings (up to 60 companies)	sector leads												
Organize trainings	ABDS												
<b>Task 1.3.4: Communications</b>													
Gather Project's success stories and disseminate to clients and local and foreign press	RL, sector leads, AM												
Disseminate market information to interested parties	RL, AM												
Develop sector specific web sites for all sub-sectors Project is working with together with interested associations (dairy, vegetables, mushrooms, herbs, meat)	RL, AM												
<b>Task 1.3.5: Market research and market plans</b>													
Organize ITC trade map training for associations, institutes and other educational institutions	RL, ABDS												
Organize internal market research for specific markets and products	RL												
Develop market plans and strategies with sub-sector associations	RL												
Develop Dairy farm investment strategy	RL, GJ												

## 1.4: YOUTH ENTERPRISE PROGRAM

The high-school school system in Serbia is functioning with outdated curricula and methodologies. High-school students, particularly those from vocational schools, are not prepared for the job profiles available in the business world. The USAID Agribusiness Project will improve the situation through three project activities:

- Implementation of our new program “Entrepreneurship in Agribusiness”
- Business plans’ competition and Internship program, and
- Through involvement of the Ministry of Education, Ministry of Agriculture, private sector and other on-going entrepreneurship programs.

### *Task 1.4.1 “Entrepreneurship in Agribusiness”*

The USAID Agribusiness Project launched the program “Entrepreneurship in Agribusiness” (based on 4-H methodology) with support from the Ministry of Education in 19 pilot Agricultural schools throughout Serbia. It will impact and benefit at least 150 students in year 2 of the program. The goal of the program is to improve youth awareness of entrepreneurship and develop life skills necessary to run successful agriculture based businesses.

- Insist that the Ministry of Education take an active role in program implementation and to eventually make entrepreneurship (at the end of the project) become a regular school subject.
  - We will have a signed Memorandum of Understanding with the Ministry of Education to determine the program’s operations and to build a common understanding on how the program will be conducted. That will allow a smooth transition of project activities to the Ministry when the project ends.
- Meetings of the Ministry State Secretary, Tinde Kovac Cerovic, the Ministry’s high-school coordinator, Bogoljub Lazarevic, and Youth program director will be scheduled for October and November to formalize the partnership and develop a plan to achieve it.
  - The meetings will be accompanied by USAID SCOPES Project team members and Junior Achievement activities will be included in our joint MoU. The MoU will define the system of mutual reporting between the Ministry and the Project on key achievements of the students and schools in the program. An agreement on mutual monitoring of the program will be included in the MoU.
  - The Project and SCOPES will collaborate closely, especially on internship program’s establishment, in both programs’ schools. The MoU will be signed in first two months of the Project’s year 2 (end of November 2008).
  - USAID Agribusiness Project will offer “Entrepreneurship in Agribusiness” curriculum to be used for the Ministry’s entrepreneurship pilot program. The Ministry’s pilot program has been implemented for four years and still has no curriculum. Sharing the “Entrepreneurship in Agribusiness” curriculum will help ensure the program’s adoption and sustainability.

- **Youth program director and the project will be visiting and providing technical support to the schools.**
  - Each school will be visited once every two months by the program director. The Project will provide technical assistance to motivate the students to participate actively in the program and use its potential benefits; to help teachers organize the entrepreneurship class; to supply the schools with the information on on-going agribusiness related Projects. Each the Project's Sector Lead will present their strategies and market demands in 4 pilot schools and discuss the actual situation regarding agribusiness.
  - Provide schools with agro news, Regional development agencies, NALED and other Projects' information resources. We will be sharing agro newsletters with the schools/teachers directly and/or through the Project so that other agribusiness activities will become available to the schools. This linkage to agricultural info centers will promote the program and broaden its support.
  - As of March 2009, the Project will start visiting other agricultural high-schools interested in taking part into the program. Depending on the pilot schools' evaluation indicators and criteria for expansion of the program in other school, a selection will be made. The evaluation form and selection criteria for new schools will be done by Youth program director and Ministry officials.
- **Involve private companies in the program. The “real world” of business will raise students' interest and provide businesses with students who know what will be expected from them. The Project will work with private consultants, agribusiness and government to take ownership of the after school program.**
  - As of December 2008, the Project's Sector leads and Youth program director will be organizing local private companies visit the “Entrepreneurship in Agribusiness” classes. Each school will have one local private company's visit per month.
  - Having a source of qualified labor will encourage private business to maintain the program. All pilot schools have already developed small agribusinesses and thus they already have local partners. School staff and teachers will be engaged to motivate local businessmen become “Entrepreneurship in Agribusiness” consultants. They will start organizing the program presentation and individual meetings with the local businessmen as of November 2008.

The consultancy meetings with agribusiness consultants will require some knowledge of a modern economy so it is realistic to expect all schools be fully engaged in these “consultancies” by February 2009. The consultancies will be organized twice a month.
  - In year 1, the Project recognized the need for private companies' involvement in the “Entrepreneurship in Agribusiness” and started looking for the responsible companies competent for working with the students. The Project's Sector leads and Youth program director will by February 2009 determine at least one national level company per pilot school, willing to be involved in the program. It will enable the students to get in touch with modern companies and discuss specific subjects such as export, import, and international business opportunities.

Presented here is a representative list of private companies that will be involved in the program: 1) Agranela, Valjevo (tree and berry fruit), 2) Agroprotekt, Sombor (herbs, mushroom, spices), 3) Big Bull, Bacinici (livestock), 4) Aroma, Futog (vegetables), 5) Bio Plant, Kucura (vegetables), 6) Dragacevo vet, Lucani (dairy, livestock), 7) Fruitland, Sipraga (tree fruit), 8) PK Zlatibor (dairy, livestock), Sirogojno Co (berry and tree fruit, specialty products).

- **Continue encouraging Ministry of agriculture support for “Entrepreneurship in Agribusiness”.**
  - Tomislav Topalovic from the Ministry’s department for analytics and agricultural policy is already involved in the program (he participated in the training on the program curriculum). The Project and Mr. Topalovic agreed that he will regularly update the pilot schools on the Ministry’s activities where the schools and students may apply. The Ministry has a grant programs for initial start-up assistance and provides financial support for young farmers which may imply some potential cooperation.
- **With the support of Michigan State University, create a national “Entrepreneurship in Agribusiness” coordination plan that can be implanted at agricultural Universities.**
  - In November 2008 Michelle Owens, MSU STTA, will visit the Project and focus on creation of “Entrepreneurship in Agribusiness” for Universities.
  - Owens and the Project Youth program director will meet all Serbian Ag Universities and develop a system of giving graduating students a chance to learn the skills needed to enter the market and raise their capacities. Universities will be presented with ways to apply for MSU programs as well.
- **Provide technical assistance to the association of entrepreneurship teachers.**
  - Teachers from pilot schools will register a “4-H” association which will need support in management and fund-raising guidance. It will also be financially supported according to the Memorandum of Understanding between the Ministry of Education and USAID.
  - The budget for the Youth Program, without Business Plan Competition Grants, may vary between \$25,000 (for printing the books for students in the program, and for the training of potential new schools/teachers) and \$70,000 (if agrant will be given to the “association of the teachers – 4-H”)

#### ***Task 1.4.2 Business Planning Competition***

With the support of the Ministry of Education and the Ministry of Agriculture, the Agribusiness Project will continue its business development planning competition in all 19 pilot Agriculture high schools. Each business plan will state the value of the grant it is requesting, what it will be used for and the timing of the businesses’ full functionality. After adjudication, twelve winners of the Business plan competition will be named and recognized publicly.

- **Continue providing promising young entrepreneurs with assistance to develop business and investment plans and startup and expansion grants.**
  - The Project will guide, assess and evaluate the approved finalist from the first year’s competition

- Year 2 applicants must be “Entrepreneurship in Agribusiness” students, which will guarantee that they have the educational opportunity to strengthen their innovativeness, deepen their understanding of agribusiness, and be professionally qualified for a business start-up.
  - The competition will start in the seventh month of “Entrepreneurship in Agribusiness” program (April).
  - After two and half months of market research, consulting and business plan making, June 15th will be the deadline for business plans’ submission.
  - The first round of selection will be done by the Youth program director followed by Sector leads and our Environmental specialist. The finalists from that selection will be given to the CTO for approval. Winners will be publicly awarded at the end of September, 2009.
  - The USAID Agribusiness Project can offer grants of up to \$15,000 for each business.
  - Competition awardees may be eligible for a combination of grant, training, technical assistance and mentoring. There will be a Project advisor (Sector lead or Youth program director) assigned to mentor the start-up company (to develop a detailed action plan, offer guidance, and vet investment decisions).
- **Present the best young applicants to the Ministry of Agriculture and Chamber of Commerce and provide technical assistance to them together with the USAID Agribusiness Project.**
    - Short presentations with the details about the program and the winners will be organized every October by Youth program director, relevant Sector Leads and Cross-cutting directors.

Both institutions have the capacity and funds for providing support to start-up businesses but often have no ability to direct it to the end user, where the Project will offer its help. The competition will have more than 12 potential businesses that will need support, and during the presentation those that are not supported by the Project will be linked up with the Ministry’s and/or Chamber of Commerce’s funds.

The budget needed for the competition is \$180,000 (grants).

#### ***Task 1.4.3 Internship programs***

An internship which the Project wants to initiate will allow agricultural students to gain professional experience in an occupational area they are considering. Typically the experience has a level of responsibility that allows a student to develop new skills in the field and offers the student training and supervision that facilitates learning. With the support of Michigan State University, the Project will develop Internship Programs for the students at agricultural high schools and agriculture universities. It will necessarily include work with USAID Agribusiness Project’s staff and progressive agribusiness companies and ABDS providers.

- **Develop and introduce the USAID Agribusiness Intern program**
  - In November 2008, the Project will start working closely with schools from Kraljevo and Svilajnac, which have already established internship programs. SCOPES youth team will join the Project with “their” schools that have internships developed. The result will be the establishment of an intern system

based on national experience from the schools, and international experience from other countries through MSU. The internships will be implemented in “Entrepreneurship in Agribusiness” and Junior Achievement schools.

- In March 2009, our Youth program director and principals from experienced schools will gather teachers and staff from other pilot schools for a one day workshop to discuss and plan how to launch internship programs in their schools.
  - During the Business plans’ competition (April – June 2009) the promotion of internship program will be organized in all pilot schools. Local and national companies will be informed and involved through school partners, students’ parents and Agribusiness Project company network. The Project will also provide media coverage for the events.
  - The Youth grantees’ presentation meeting for the Chamber of Commerce and Ministry of Agriculture in October will also cover the Internship topic where the Project will attempt to suggest the benefits that could be provided to companies involved in the Internship program.
- **Develop a Memo of Understanding for the agriculture companies which will allow students to learn from practical work experience in a real business environment**
    - The Memorandum of Understanding will be set between the students and companies where both will be referred to as parties, to acknowledge the willingness to cooperate with one another. The internship will be scheduled to begin and terminate during the summer break, and approximate numbers of hours of work will be defined together with the schools and local companies.

A certificate of achievement as a reference of interns’ professional, work experience in a reputable national agribusiness will be made by the Project. It will certify that during the internship, students gained experience with the skills outlined in the prepared work plan.
  - **USAID Agribusiness Project will provide technical assistance to design structure and report requirements for students participating in the program, by June 2008.**
  - **GTZ and USAID Agribusiness Project will develop special international internship program for Business competition awardees.**
    - GTZ VET Project is already implementing exchange program to Germany for Economic high school students. In year one of the Project, initial meetings were held and the idea of involving agribusiness students emerged. The idea will continue to develop in year two of the program and in meantime the VET Project manager will do the research on the German agribusiness companies with the Internship program.

The Project’s Business plan competition finalists are recognized to be adequate first round of students for international internship program. Depending on GTZ involvement, first study tour may take place in 2008.

Youth	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Component 1: Increased Efficiency And Competitiveness of Serbian Agribusiness</b>													
<b>Objective 1.4: Youth Enterprise Program, Business Plan Competition and Internship Programs</b>													
<b>Task 1.4.1: "Entrepreneurship in Agribusiness"</b>													
Organize meetings of the Ministry State Secretary, the Ministry High-school coordinator, the Agribusiness Project and SCOPE Youth team	<b>IP, GR</b>												
Memorandum of Understanding between USAID and Ministry of Education - signed	<b>IP, GR</b>												
Visits the schools and provide technical assistance to the students/teachers (each pilot school will be visited once in two months)	<b>IP</b>												
Organize presentation of Sector leads' strategies, accompanied by private partner companies	<b>IP, SL</b>												
Provide Ag news and trends to the students/schools through Regional SME agencies, NALED and other Project's resources	<b>IP, SL</b>												
Visit other school willing to join the program and present the program (followed by Sector leads presentations)	<b>IP, SL</b>												
Encourage and help schools to bring private consultants invest their time and give students professional qualifications	<b>IP, SL</b>												
The Project will research on local and national companies for the "Entrepreneurship in Agribusiness" consultancy	<b>IP, SL</b>												
Engage local and national agricultural businessmen become the program consultants	<b>IP</b>												
Obtain Ministry of agriculture support for "Entrepreneurship in Agribusiness"	<b>IP</b>												

## USAID Agribusiness Project

<b>Youth</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
The Ministry representative informs the pilot schools on all activities that schools or students may apply for	<b>IP</b>												
Owens and Youth program director visit all Serbian Ag Universities and create national “Entrepreneurship in Agribusiness” plan for agricultural Universities	<b>IP, MO</b>												
<b>Task 1.4.2: Youth business plan competition</b>													
The competition starts (for “Entrepreneurship in Agribusiness” students only)	<b>IP</b>												
Select and publicly award the Competition winners	<b>IP, JC, SL, CTO</b>												
Present the winners and other good ideas to the Ministry of Agriculture and Chamber of Commerce	<b>IP, GR</b>												
Assign and develop mentoring plan for young entrepreneurs	<b>IP, SL</b>												
<b>Task 1.4.3: Internship programs</b>													
Work closely with the schools from Kraljevo and Svilajnac, and SCOPES schools with internship	<b>IP</b>												
Gather teachers for other pilot schools for the training and launch of the internship	<b>IP</b>												
Animate school partners, students parents and media about the Internship	<b>IP</b>												
Develop MoU, certificates and reporting forms for the Internship	<b>IP</b>												
Cooperate with GTZ on discovering German agribusiness companies for international internship for Business plans' competition winners	<b>IP, GTZ</b>												

## **1.5: OTHER CROSSCUTTING ACTIVITIES**

### **ENVIRONMENTAL COMPLIANCE**

#### ***Task 1.5.1 Ensuring compliance with regulation 16 environmental requirements for the particular activity***

Environmental compliance affects all sub sectors and cross cutting components. The Project has incorporated systems and procedures to ensure that Regulation 216 is implemented.

The aim of applying environmental procedures is to focus upon environmental issues associated with USAID Agribusiness activities and thus increase the opportunities for environmentally acceptable Project actions and to minimize exposure to environmental risks. On the other hand, the process of approximation of environmental legislation in Serbia to EU will result in changes in permitting requirements and more stringent emission, health and safety, and product standards and therefore it is important to ensure that the Agribusiness Project will be able to meet forthcoming requirements:

- Identify excluded Projects
- Identify Projects for which no detailed environmental due diligence is required
- Conduct further environmental due diligence as appropriate
- Summarize the outcome of the Environmental Due Diligence
- Monitoring and reporting
- Submit annual compliance report

#### ***Task 1.5.2 Pollution Prevention Program (PPP)***

During Year 2, the USAID Agribusiness Project will focus on technical assistance to enterprises from all 6 sub sectors to adopt methods of waste minimization, wastewater pre-treatment, and energy savings via low-cost/no-cost opportunities. Overall, implementation of pollution prevention opportunities (PPO) will reduce pollution at the source, create a base for businesses to apply PPO without being forced by regulatory authorities, and facilitate establishment of sustainable PPO service providers.

To ensure the goals of the USAID Agribusiness Project are met, it is important from an economic growth as well as environmental standpoint that processes and documents such as Pollution Prevention Assessment (PPA) are adequately prepared for each processor and/or production facility selected under this project. Therefore, the provision of agribusiness development services (ABDS) shall specifically include technical advice and support for cost-effective, environmentally sound agricultural and agro-industrial processing technologies, with an initial emphasis on Clean Production. Apart from mandatory environmental compliance, development and implementation of effective environmental monitoring programs by enterprises/processors or even producers (especially in vegetable, fruit, and dairy sub –sectors) will have value added for them as well. Better enterprise environmental data collection will help the management to understand the effects of the company's environmental performance on profitability, market value and investment decisions. It will help increase efficiency in energy and resource use and the overall cost-effectiveness of the process. Environmental Specialist will work closely with STTA, Dr. Jim Gallup during two weeks in October and November 2008 on pollution prevention opportunities for USAID Agribusiness Project beneficiaries.

***Sub task 1.5.2.1 Apply PPP to enterprises located in different regions of Serbia***

Environmental risk management is an integral part of the commercial underwriting process. Banks and other credit providers consider environmental risks as credit risks. During the first year of the USAID Agribusiness Project, we have found that private companies are regarded by credit providers as considerable risks due to underdeveloped environmental auditing standards. Therefore, integration of pollution prevention principles into the operations of agribusiness companies will contribute to improving organizational performance in key process areas; to help companies become more attractive to investors and bankers and to attract technical support from national and local quality promotion organizations.

After activities related to initiating a national focal point for the Pollution Prevention Program and training a PPP team, planned for September 2008, are completed, the USAID Agribusiness Project will continue cooperating with the Center for Cleaner Technologies, Belgrade and Serbian Chamber of Commerce in a period starting October 2008 till January 2009 (a detailed time frame is provided in the Gantt chart for Environment) work on:

- Selection of ABDS to participate in PPP;
- Enterprise viability assessment; and
- PPA (Pollution Prevention Assessment) preparation.

**Expected outputs of the activities are:**

- 10 ABDS selected to participate in PPP
- Viability assessment-site survey prepared for 6 agribusiness enterprises
- PPA prepared for 6 enterprises
- 10 ABDS providers receiving assistance

***Sub task 1.5.2.2 Dissemination of experience***

Smaller banks do not have the resources to keep environmental professional, they usually hire-out environmental services. On the other hand, Agribusiness Service Providers have shown an interest in expanding their portfolio of services due to market requirements coming from enforcement of new environmental and product standards. From January 2009 to September 2009, the Environmental Specialist, in cooperation with the ABDS and Marketing Specialists, will work on following activities:

- Conduct national seminar on PPO
- Draft PPO (Pollution Prevention Opportunities) Manual
- Conduct introductory workshop for enterprises
- Hold regional seminars (Vojvodina, Central Serbia, South-East Serbia, Western Serbia)
- ABDS training on sustainable application of PPO
- Implementation of PPO

**Expected results of these activities are:**

- National seminar/training on PPA delivered-Gallup conducted seminar for Mission staff and ABDS
- Revised PPA manual
- Enterprises offered one day introductory seminar
- Regional seminars held to present results of PPP, ABDS identified and trained for sustainable application of PPP

**Deliverables:**

Technical Reports including the conclusions of the workshop, PPO manual  
Interim STTA report, Web-site material

***Task.1.5.3. Integrated Pest Management***

Over a one year period, our efforts will be focused on environmental responsibility. Critical issues are identified through input by commodity action plans. The activity will be initiated by STTA with expertise needed to provide agricultural producers organizations members, ABDS, pest managers with the IPM knowledge from planting, to harvesting, post-harvest handling till food processing and distribution. IPM program will focus on one commodity group: fresh apple. By providing technical assistance to producer associations to facilitate adoption of IPM methods, including marketing, fertility management, and threshold-based pesticide applications, agricultural producers will be encouraged to give attention to stand persistence and the costs and benefits of nutrient and pesticide inputs and reduction of unnecessary applications of pesticides. Field demonstrations will be conducted to validate learned practices including resistant varieties, harvest management, insect management, and preservation of biological control agents. The program preparatory phase in September 2008 will result in setting up IPM team and completed analysis of pesticide use data. Fruit research Institute - Cacak, Environmental Protection Agency of Republic Serbia, Ministry of Agriculture and Administration for Plant Protection will collaborate on promotion of IPM Project. Starting in October 2008, Environmental Specialist will work in cooperation with Producer Organizations Specialist and STTA on following activities:

***Sub task: 1.5.3.1. Identify potential target areas to focus promotion of reduced pesticides use***

- Identify potential target areas to focus promotion of reduced pesticides use
- Select Project site to identify growers willing to participate
- Select growers to host Project demonstration sites
- Identification of agricultural extension officers willing to participate
- Create a site plan and define Project monitoring and treatment thresholds for the selected site
- Create information exchange portal

***Sub task: 1.5.3.2. Develop a specific education plan***

- Develop technical support and promotional materials with target practices
- Conduct field days
- Dissemination of information to partners
- Deliver presentations for trainings and meetings

**Deliverables:** compendium report, lists and matrixes, educational plan, promotional materials, presentations.

The total budget estimated for all environmental programs in Year 2 is \$180,000.

ENVIRONMENT	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>OBJECTIVE 1.5.1: ENVIRONMENTAL COMPLIANCE</b>													
<i>Task 1.5.1. Ensuring compliance with reg. 16 environmental requirements for the particular activity</i>	JC												
Identify excluded projects													
Identify projects for which no detailed environmental due diligence is required													
Conduct further environmental due diligence as appropriate													
Summarize the outcome of the EDD													
Monitoring and reporting													
Submit annual compliance report													
<i>Task 1.5.2. Pollution Prevention Program (PPP)</i>	JC												
Sub-task 1.5.2.1. Apply PPP to enterprises located in different regions of Serbia													
Selection of ABDS to participate in PPP													
Enterprise viability assessment													
PPA preparation													
Promotion of grant package													
Sub-task 1.5.2.2. Dissemination of experience													
National seminar on PPO													
Drafting PPO Manual													
Introductory workshop for enterprises													
Regional seminars													
ABDS trainings on sustainable application of PPO													
Implementation of PPO													

USAID Agribusiness Project

<b>ENVIRONMENT</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Task 1.5.3. Integrated pest management (IPM)</b>	<b>JC</b>												
Sub task 1.5.3.1. Identify potential target areas to focus promotion of reduced pesticides use													
Select project site to identify growers willing to participate													
Select growers to host project demonstration sites													
Identification of agricultural extension officers willing to participate													
Create a site plan and define project monitoring and treatment thresholds for the selected site													
Create information exchange portal													
Sub task 1.5.3.2. Develop a specific education plan													
Develop technical support and promotional materials with target practices													
Conduct field days													
Dissemination of information to partners													
Deliver presentations for trainings and meeting													

## **GENDER / WOMEN IN AGRICULTURE**

### **1.5.2 Women Entrepreneurs in Agribusiness**

In year one of the Project, the Youth and Gender director worked to identify women entrepreneurs in agribusiness. Contacts she had with UNDP, OSCE, Agronet and other similar organization that work with women indicated that there are no organized women's cooperative groups.

The Project will establish a group of women entrepreneurs in agribusiness and ensure their access to agribusiness opportunities

- The Project will continue working with the FAO trainer for social and economic development of country women, Mrs. Jasmina Nikitovic Stojicic. She is the president of Union of Agricultural Journalists (Agropress) and editor of regular agricultural show on national television. Mrs. Nikitovic's experience in working on empowerment of women entrepreneurs and the network of Agropress journalists will help the Project reach women, potential entrepreneurs.
- An announcement will be made by the Project and our consultant that we are starting our "Women Entrepreneurs in Agriculture" program. The announcement will be targeted to Project staff, Ministry of Agriculture and women entrepreneurs from the Project's database. The announce will be made in October 2008 and will be delivered by Mrs. Nikitovic and Youth and Gender director.
- The engagement of Mrs. Nikitovic and her team will be the second phase. By November 2008, they will explore potential trainings for women entrepreneurs, depending on the region and area where they live and work and propose training programs to the Project.
- By end of January 2009, we will identify women entrepreneurs from 7 regions of Serbia (approximately 10 women per region), to participate in training for business communication, marketing, management skills, business plan preparation, and other subjects.
- According to needs identified in each groups, training will be planned and implemented by region. Sector leads will participate in training with female agribusiness representatives. Trainings will be delivered from February through August 2009.
- In September 2009, a fair called "Women Entrepreneurs in Agriculture" to display their products and services will be organized. It will take place in Belgrade and gather not only women members of "Women Entrepreneurs in Agriculture" group but other women and men entrepreneurs, potential business partners, and government officials develop a national strategy for dealing with gender in agriculture issues.
- Monitoring and evaluation of "Women Entrepreneurs in Agriculture" will be done by Youth and Gender director and the Project, and it will give a direction for providing further technical assistance in Year 3.

The approximate budget for the gender component is \$50,000 (grant)

**USAID Agribusiness Project**

<b>WOMEN IN AGRICULTURE/GENDER</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Component 1: Increased Efficiency And Competitiveness of Serbian Agribusiness</b>													
<b>Objective 1.5: Other Cross-cutting activities</b>													
<b>Task 1.5.2: Establish group of women entrepreneurs and ensure their access to agribusiness opportunities</b>													
Announce the process of establishing women's groups in agribusiness	<b>IP</b>												
Explore training needs of women entrepreneurs	<b>IP</b>												
Identify women entrepreneurs and develop the training plan together with them	<b>IP</b>												
Deliver the trainings, accompanied by the Project's sector leads presentations	<b>IP, SL</b>												
Organize the fair of "Women Entrepreneurs in Agriculture" group	<b>IP, SL, Communications, RL</b>												
Develop the evaluation and monitoring tool for the group's follow-up	<b>IP</b>												

## **VOLUNTEER PROGRAM**

USAID Agribusiness Project will continue to build on IRD's success with the Serbian Mentorship Program and mobilize new resources to build sustainable Serbian capacity for market-led agricultural growth.

In year 2, the mentorship program will work as a joint effort of the USAID Agribusiness Project and the SUC to utilize business expertise from the Serbian Diaspora to transfer their experience and expertise to the Serbian business community. The mentorship program will be implemented as follows:

- By December 2008, USAID Agribusiness Project will identify technical areas within the selected sub-sectors e.g. new production and processing technologies for particular commodity, marketing and sales techniques, producer organizations and management capacity building training programs, etc. where an expert from the American-Serbian business and educational community can contribute his/her knowledge and experience.
- Based on the USAID Agribusiness Project's proposed area of assistance i.e. a scope of work, SUC will identify volunteers through its networks within the given timeframe. Identified volunteers will be evaluated based on skills and experience. Based on their preferences, they will provide up to 8 weeks of their time to travel and work on the particular assignments in Serbia. SUC mentors may be provided with a roundtrip coach airfare, and reimbursement for in-country travel, as well as a modest per-diem for their field work in Serbia. Based on the mentorship results achieved during the first phase, USAID Agribusiness Project may repeat the same process in early summer 2009.

In addition to the mentorship program, USAID Agribusiness Project will also offer internships to qualified Diaspora students who want to come to Serbia and learn more about the individual components of the USAID Agribusiness Project, and the value chains. In cooperation with SUC and the Serbian students' associations, USAID Agribusiness Project will advertise this initiative by December 2008; interested students will be evaluated based on their grades and relevance of the internship to the field of their study. It is expected that the internships will take place in summer 2009.

## COMPONENT 2: IMPROVED ENABLING ENVIRONMENT FOR SERBIAN AGRIBUSINESS

### OBJECTIVE 2.1: IMPROVE CROP AND LIVESTOCK PRODUCTION ESTIMATES, MARKET PRICE INFORMATION, AND SUPPORTING STUDIES TO GOS.

For efficient operation in domestic and export markets, agricultural producers need better access to timely and reliable information on domestic and regional prices and production variations, supply and demand in domestic and export markets, specific import requirements, consumer behavior, weather conditions, and the competitive landscape. Currently, agriculture market information systems (MIS) operated in Serbia provide weekly prices for fruits and vegetables, meat, livestock and cereals in the domestic market through several media outlets, such as the television, newspapers and Internet. However, MIS can be significantly improved by expanding the number of commodities covered by the surveys, more accurate and timely data on regional and international markets, raising public awareness on available information and analysis.

#### *Task 2.1.1: Strengthen the Serbian System of Market Information in Agriculture (STIPS).*

The USAID Agribusiness Project's Team, led by **Brankica Obućina**, will work closely with the MAFWM to improve and strengthen STIPS. Close collaboration with USDA and other relevant organizations will avoid overlapping activities. The primary goal of the assistance provided by the USAID Agribusiness Project will be the expansion of the number of commodities for which market prices are collected, creation of a more "user friendly system", raising awareness of the system and the analytics behind the information available to ensure better decision making by agricultural producers.

- During September 2008, the USAID Agribusiness Project will implement an enabling grant to address the needs for STIPS improvement as identified above. A grant expanding the number of commodities covered by STIPS and trainings for farmers will be provided to a NGO (e.g. Agromreza) or to other eligible organization. The estimated amount for the enabling grant is 98,000 USD. Activities foreseen in the grant will be implemented throughout the year. The expected number of ABDS providers benefiting from the grant will be 20, while around 800 farmers are expected to take part in trainings on the use of STIPS.

#### *Task 2.1.2: Develop capacities for participation in the Farm Accountancy Data Network (FADN)*

In the course of accession to the EU, Serbia must develop the capacity to introduce FADN as an instrument for evaluating the income of agricultural households and the impact of implemented agricultural policies. The results of the national survey under FADN will be the source of comparable information on economic results and economic situation of a representative sample of commercial agricultural households. The micro-economic data collected in Serbia will be completely harmonized with EU member countries' data since the same bookkeeping principles will be applied. Since there has not been any organized farm

accountancy data collection in Serbia so far, the USAID Agribusiness Project will work closely with the MAFWM and other relevant institutions in Serbia, to assist with organization and/or implementation of a survey of agricultural household-level accounts of revenue, expenditure, inputs and outputs based on the FADN requirements.

The USAID Agribusiness Project will engage an international STTA to assist the MAFWM and other relevant institutions in Serbia in conducting the preparatory work for the implementation of FADN. A 30 work days engagement of an STTA, divided in two stays with 15 work days each is expected to take place in February 2009 and May or June 2009. The STTA will deliver to the USAID Agribusiness Project and the MAFWM report outlining recommendations regarding the introduction and implementation of FADN, and will provide training for the responsible staff. The USAID Agribusiness Project may consider supporting a pilot survey to identify agricultural households that will participate in FADN. The estimated budget for the activities related to the FADN is 50,000 USD.

***Task 2.1.3: Organize targeted agricultural studies/surveys***

The Government of the Republic of Serbia has ensured financial assets and technical assistance for implementation of the national agricultural census to be implemented in 2010 (after more than 10 years). As a complementary activity, the USAID Agribusiness Project will coordinate with the MAFWM and other relevant institutions to carry out discrete studies in selected sectors identified in our proposal and sub-sectors assessments and to ensure better information on specific agricultural issues. Using Enabling Grants, the USAID Agribusiness Project team, led by **Brankica Obucina and relevant sector leads**, will collect information on targeted sub-sectors or specific agricultural issues, and work closely with the MAFWM to determine the best way to compile required information to facilitate strategic planning and decision making. Some of the most important issues identified by the Agribusiness Project and accepted by the Ministry as crucial to the success of our strategies are:

- ***Preparation of the Study on a Cold Chain in Serbia:*** The USAID Agribusiness Project will engage internationally recognized consultants to work with the MAFWM and other relevant expert institutions and industry representatives on the Cold Chain Study. The work will be implemented in 3 phases.

*Phase 1: Cold Chain Survey Development* (evaluation of the current situation of cold and cool chains in Serbia for the sale of fresh produce and fruits, both locally and for export) – October 2008;

*Phase 2: Cold Chain Research* (gathering information on the needs and opportunities for building cooling facilities in Serbia) – October to December 2008; and

*Phase 3: Cold Chain Specialist and Engineer Analysis* (evaluation of the relevant international standards as well as the market requirements for fresh products from the standpoint of post-harvest cooling, handling, transportation and logistics, including needs for developing the cold chain in Serbia) – January 2009.

Estimated costs for preparation of the Cold Chain Study encompass costs of international consulting company WFLO (88,290 USD) and costs of local experts (50,000 USD).

- ***Providing support for establishment of fruits and vegetables consolidation centers*** (*preparation of relevant studies, conducting necessary trainings*) in order to generate relevant data on all aspects of investing into this new type of wholesale center. The USAID Agribusiness Project will engage international and/or local ABDS consultants to conduct the study/or trainings in collaboration with the MAFWM. The study will

provide detail analysis of cost, quality, logistics, benefits, as well as information on maximum returns on the potential investments, organization and management of the centers, and recommendations for future activities. The tentative period for these activities is February – March 2009. Estimated costs are 20,000 USD.

## **OBJECTIVE 2.2: FACILITATE LEGAL, POLICY, AND REGULATORY REFORM**

During the Year 1 of the implementation of the USAID Agribusiness Project, due to the spring Parliamentary elections and delay in the formation of the new Government, work on the legislative and policy reforms in the agricultural sector was severely stalled.

In the course of EU integration process and accession to relevant international organizations (WTO, UPOV, etc.) Serbia will be obliged to conduct extensive legislative and policy reforms in the agricultural sector. In addition, many of the principles and goals of the Agriculture Strategy of Serbia are not fully and consistently implemented, and the regulatory regime remains cumbersome and fragmented. Many of the laws, bylaws, and decrees required for the development of a competitive agricultural sector are either not adopted, not enforced, or require extensive amendment.

The USAID Agribusiness Project team will work with the MAFWM, other relevant governmental institutions, academia, relevant institutes and private business associations (e.g., National Alliance for Local Economic Development), to facilitate the reforms necessary for the EU integrations, WTO accession process, but primarily, for the purpose of developing competitive agricultural sector. In addition, the USAID Agribusiness Project will support creating a more open and focused private-public legislative drafting process that will enable mobilization of the most relevant stakeholders for reforms in question. To do so, we will assess the possibility of forming working groups to assist coordination of legislative drafting relevant to the sector.

### ***Task 2.2.1: Provide support to legislative and policy reform coordination***

In cooperation with the MAFWM, relevant academic, scientific and research institutions and associations, the USAID Agribusiness Project will assist the creation of, and provide support to, efforts of working groups/bodies responsible for coordinating and implementing initiatives related to legislative or policy reforms pertaining harmonization of domestic practices with the EU or international rules, and increasing competitiveness of the agricultural sector in Serbia.

Sub sectors assessments and field work have identified the following specific areas of particular interest:

- food safety, plant health,
- veterinary matters,
- improving capacities of extension and advisory service,
- workshops/studies in order to measure the effects of new legislation,
- evaluation of domestic support measures, and/or other areas that affect the six value-chains in which the USAID Agribusiness Project operates.

These activities will be closely planned together with the MAFWM and will encompass engagement of local or international STTA, support to specific working groups, and/or facilitation of specific workshops/studies on measuring effects of new legislation. This activity will be implemented as of December 2008, when major legislative efforts in agriculture are expected. Estimated budget is approximately 100,000 USD.

The USAID Agribusiness Project will work jointly with the Mushroom Board of the Fruits of Serbia to facilitate dialog with the Ministry of Environment and Spatial Planning and the Institute for Nature Conservation to speed the process of quota allocation for wild mushrooms and the process of issuing export licenses. The activity is planned as of December 2008. Specific recommendations will be prepared by March 2009.

***Task 2.2.2: Support policy implementation***

In the course of policy reforms, drafting or amendment of appropriate legislation is just one activity related to the full implementation of a reform. For example, the currently applied Veterinary Law prescribes that inspection and control on importation will be conducted in accordance with a risk assessment. In practice, each shipment is being tested since there is no proper system or network that would connect relevant border posts with central service that would operate a database with all relevant information for administering exports and imports. In addition, by establishing the information network that would link all relevant inspections within the MAFWM is also essential. The USAID Agribusiness Project will work with the MAFWM to identify and assist in removing obstacles in the policy implementation in the aforementioned area and encourage the European Union to take an active role in removing this constraint through technical assistance or purchasing equipment.

The USAID Agribusiness Project will pay special attention to three high-profile legislative issues:

- **Warehouse Receipts (WHR):** The GOS draft law on WHR rural finance for short-term crop loans has been drafted for two years but due to political reasons has not yet been passed. The MAFWM has engaged the Faculty of Economic and the Institute for Food Technologies to collect the necessary relevant data to optimize decision making in the process of adoption of the Law on Public Warehouses and implementing regulations, as well as in the process of establishing an efficient system of public warehouses. The USAID Agribusiness Project, using **Krassimir Kiriakov** who helped draft the initial law with USAID funding, will work with relevant ministries to pass and implement the WHR law to develop \$20 million in seasonal (month-by-month) loans pledged against grains or other verified agricultural/food assets in storage. Engagement of Krassimir Kiriakov as STTA is expected in December 2008, for 10 work days, and a follow-up engagement in March 2009, also for 10 work days. Estimated budget is approximately 15,000 USD.
- **Legalize Plant Protection Rights.** Serbia is not a member of the International Union for the Protection of New Varieties of Plants (UPOV). This limits Serbia's ability to introduce the latest and most productive plant varieties to grow in the country. A law has been drafted by the MAFWM, and approved by the UPOV Council in April 2008. The USAID Agribusiness Project will work with the MAFWM and other relevant organizations to ensure proper implementation of the law (relevant trainings and workshops on the requirements of the system for protection of new varieties). It is expected that this activity will be implemented as of February 2009. Estimated budget is approximately 20,000 USD.
- **Reform Cooperative Law and Registration in Serbia.** Free market liberalization has received negative input from the Cooperative Unions of Serbia and Vojvodina (which still exist) that rely on the old law on cooperatives to share wealth equally among a minimum of 10 members. The old law (from 1996), still in effect, requires all cooperatives to be members of these Cooperative Unions and pay mandatory dues every year. Although most of these dues are ignored, the existing system makes cooperatives unattractive for many agricultural producers. Moreover, with the new draft law proposed, only three farmers and a minimum of 1,500 Euros need be



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invested to start new agricultural cooperatives or re-register existing cooperatives. More important, the new law allows unequal ownership of assets (e.g., donations to the cooperative in-kind or cash by larger farmers), which would provide a large incentive to grow cooperatives as has occurred in Hungary.

The USAID Agribusiness Project team will work to strengthen national associations or cooperatives that advocate change at the national level with the GOS, and work closely with the Ministry of Economy and Regional Development on adoption of the draft law. A new cooperative law would facilitate loans to cooperatives, since currently all their assets are equally owned (with unequal ownership overcome through a complicated set of bylaws and contractual agreements between members). Reforming ownership of assets of the cooperatives would greatly facilitate farm loans since cooperatives themselves do not have much incentive for seeking loans even though they may own large amounts of assets and have longstanding sets of documentation on their sales and purchases that make them easy candidates for such agricultural loans.

ENABLING ENVIRONMENT	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness</b>													
<b>Objective 1.1: Strengthen Producer Organizations</b>													
Task 1.1.2: Promote and provide support to introduction of international standards.	<b>BO, GR, sector leads</b>												
• GlobalGAP awareness seminars and workshops	<b>BO, GR, sector leads</b>												
• Printing of brochures/instructions for HACCP	<b>BO, GR, SDJ</b>												
• Support for introduction and certification of GlobalGAP, ISO 14001 and ISO 22000	<b>BO, GR, sector leads</b>												
<b>Component 2: Improved Enabling Environment For Serbian Agribusiness</b>													
<b>Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price Information</b>													
Task 2.1.1: Strengthen the Serbian System of Market Information in Agriculture (STIPS)	<b>BO</b>												
Task 2.1.2: Develop capacities for participation in the Farm Accountancy Data Network (FADN)	<b>BO</b>												
Task 2.1.3: Organize targeted agricultural studies/surveys	<b>BO, sector leads</b>												
• Preparation of the Study on a Cool Chain in Serbia	<b>BO, GR</b>												
<i>Phase 1: Cold Chain Survey Development</i>													
<i>Phase 2: Cold Chain Research</i>													
<i>Phase 3: Cold Chain Specialist and Engineer Analysis</i>													
• Providing support for establishment of fruits and vegetables consolidation centers	<b>RV, BO, GR</b>												



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<b>ENABLING ENVIRONMENT</b>	<b>Responsibility</b>	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Objective 2.2: Facilitate Legal, Policy, and Regulatory Reform</b>													
Task 2.2.1: Provide support to legislative and policy reform coordination.	<b>BO</b>												
Task 2.2.2: Support policy implementation	<b>BO</b>												
1. Warehouse Receipts (WHR)	<b>KK, BO</b>												
2. Legalize Plant Protection Rights	<b>BO</b>												
3. Reform Cooperative Law and Registration	<b>BO, GD, PC</b>												

## **COMPONENT 3 – PROGRAM MANAGEMENT**

### **OBJECTIVE 3.1: ESTABLISH AND MANAGE USAID AGRIBUSINESS GRANTS PROGRAM**

The USAID Agribusiness Project plans to obligate the grant funds in the amount of \$1 million to support approximately 55 grant activities in the period October 1, 2008 – September 30, 2009. The grant funds will be used to augment the activities emerging from the value-chain strategies and the commodity action plans. In corresponding to the core objectives of the USAID Agribusiness Project's year 2 work plan the following three major grant components are envisioned:

- 1. Investment Incentive Grants:** designed to increase the efficiency and competitiveness of Serbian agribusiness enterprises along the value chain in the six high-potential selected sub-sectors by leveraging private investment in infrastructure, technology, value-added processing, and marketing by producer organizations, agribusiness firms, and ABDS providers. Investment Incentive Grants would normally complement technical assistance and education, and may include such things as machinery and equipment, construction and/or rehabilitation of packing plants and cold storage units, irrigation systems, green house technology, or other items or services that have the ability to significantly advance a sector, sub-sector, or enterprise cluster from one stage of competitive development to another. Investment Incentive Grants will be available in the three award categories. The original voucher grant award category within the Investment Incentive Grant component shall be excluded, whereas the existing and approved grant procedures allow for sufficient resources to support the ABDS delivery.
- 2. Capacity Building Grants for Producer Organizations and ABDS Providers:** designed to support non-profit and for-profit non-governmental producer organizations and ABDS providers as to improve their management and operational capacity. As for the specific activities, these grants will be used to support creation and capacity building of the targeted food industry associations and producer organizations to provide general benefit services. The grants will target the associations in the Project's selected agriculture sub-sectors where there is strong commitment from the private sector stakeholders. USAID Agribusiness Project will further utilize these grant funds to assist ABDS providers to strengthen their operations and promote the establishment of new ABDS firms to provide in-demand services to firms along the value chain. USAID Agribusiness Project will focus on four primary areas of service delivery: technical services, management services, financial services and marketing.
- 3. Youth Enterprise Grants:** designed to encourage and promote youth entrepreneurship (general age range is from ages 15-24). Youth Enterprise Grants will be awarded on a competitive basis; the idea is to invite youth through a public Request for Application (RFA) to submit original business ideas and creative business solutions. The grants shall not be disbursed until the business is registered, and may not exceed \$15,000 in amount. However, in this category grants may finance up to 100% of the total required investment. Youth Enterprise Grants Program will be managed by Ivana Petrovic, Youth/Gender Director.



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USAID Agribusiness Project shall not award any grant that exceeds 100,000 USD or for a period that extends beyond the estimated completion date of the USAID Agribusiness Project. The terms of all grants shall allow for an orderly close-out prior to the end of USAID Agribusiness Project.

All grantees will be required to provide matching contributions in cash or in-kind from non-USAID sources, which should generally operate between 30 percent and 50 percent of the value of the total activity being supported by the grant.

The grant funds will be available to all local (Serbian) non-governmental organizations, both for-profit and non-for-profit, e.g. producer organizations (farmer cooperatives and associations), business associations, professional organizations, research institutions, educational facility, agribusiness enterprises and individual firms engaged in agricultural input supply, processing, service provision, marketing, storage, branding, transport, etc. whose proposed activities meet the USAID Agribusiness Project's eligibility and evaluation criteria, as well as contribute to project results. Grant recipients must be registered under Serbian law, and their organizational goals and objectives should be consistent with the objectives of USAID Agribusiness Project.

USAID Agribusiness Project will follow the provisions of the Initial Environmental Examination (IEE) ensuring that all requirements of the environmental regulations described in 22 CFR 216 are satisfied prior to a grant award.

All grantees will be subject to regular and periodic monitoring visits and reporting requirements. Grants Program Report will be submitted with the required quarterly and annual program reports summarizing the grant amount disbursed within the reporting period, number of people employed (data segregated by gender), increased sales, number of POs as recipients, as well as other relevant indicators within the Performance Monitoring Plan as collected through the Quarterly Impact Surveys. Grants Manger and MIS Specialist will assure a day-to-day grants program update in the TAMIS.

The approved Grants Manual has been revised as to assure consistency with the strategic objectives of the USAID Agribusiness Project in Year 2, described herein, as well as the lessons learned during the sector assessments and analysis. As advised in the Task Order, USAID Agribusiness Project should update the Grants Manual no less frequently than annually; the updated version is included as an annex to this work plan.

Further details about the Grants Program in year 2 are provided in the Annex 3.



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**USAID Agribusiness Project Grants Program – Gantt Chart**

<b>Component 3.1: Establish and Manage USAID Agribusiness Project Grants Program</b>	<b>Responsibility</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
Implement Investment Incentive Grant program	Gene Neill, Sub-sector Leads, Advisors, Goran Radojevic, Slavenko Djokic												
Implement Capacity Building Grant program	Gene Neill, Goran Radojevic, Slavenko Djokic												

## **OBJECTIVE 3.2 PROJECT COMMUNICATIONS**

### *Task 3.2.1 Communication Strategy*

The table titled “Communication Strategy” given below presents the action plan for each Project component. It was developed by a Project consultant, Joanne Adams. It represents actions to be taken over the life of Project but will be initiated in Year 2.

### *Project Website*

The Project web site has been up running since July 2008 in both Serbian and English. In Year 2, we will make significant improvements to the web site including:

- Weekly highlights of Project activities;
- Monthly success stories posted to the site; and
- Monthly updates on schedules and events from TAMIS;



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### Communication Strategy

Objective	Target Audience	Activity	Responsibility
Component 1: Increased efficiency and competitiveness of Serbian agribusiness			
Objective 1.0 Sub sector selection, analysis, and commodity action plan development	Define target audiences	Develop marketing and communication plan to correspond with each commodity action plan; develop fact sheets on each sub sector	Marketing and communication staff, sector leads and STTA
Objective 1.1 Strengthen producer organizations	Trade media Domestic public and businesses	Assist producer organizations in publicizing and marketing improvements in the development of producer organizations	Marketing and communication staff, ABDS providers
Task 1.1.2 Conduct needs assessment of selected organizations			
3. Marketing	Selected producer organizations	Conduct marketing and communication evaluation of selected producer organizations and identify needs for training and technical assistance in marketing and communication	Marketing and communication staff, STTA
Objective 1.2: Improve agribusiness development services delivery (ABDS delivery)	Trade media Domestic public and businesses	Assist ABDS organizations in publicizing and marketing improvements in the development of ABDS organizations	Marketing and communication staff
Task 1.2.1: Build the supply for business services		Encourage the growth and development of new media as an agribusiness service	Marketing and communication staff

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Objective	Target Audience	Activity	Responsibility
3. Provide sub sector specific technical assistance 4. Train ABDS providers 7. Introduce ABDS cost sharing	ABDS providers	Develop communication and promotional capacity of sector businesses, producer organizations and ABDS providers: develop, scope budget, RFP, and manage sub contractor to provide marketing and communication training and technical assistance to stakeholders  Accredite communication and marketing ABDS to receive ABDS cost sharing  Market cost sharing system	Marketing and communication staff, STTA and ABDS providers
Task 1.2.2: Improve access to and utilization of financial services	Domestic producers, processors, and exporters	Assist in publicizing improvements in access and utilization of financial services	Communication staff, ABDS providers
Task 1.3: Improve access to domestic and international markets	Domestic public and businesses  International trade, financial and general media  International buyers  Domestic producer organizations, producers, processors, exporters and supermarkets	Develop articles and ideas for publication and issue press releases and articles to domestic, general business, trade and international media. Encourage journalist site visits to agribusinesses throughout Serbia.  Provide (and train stakeholders to provide) value chain/agribusiness articles, photographs and ideas regularly to publications such as:  The regional English language quarterly, <a href="http://www.see-market.com/">http://www.see-market.com/</a> The domestic weekly Economist magazine, <a href="http://www.emportal.co.yu/">http://www.emportal.co.yu/</a> The domestic bi-monthly Market magazine, <a href="http://www.market-srbija.com/">http://www.market-srbija.com/</a> Internet newsletters, <a href="http://www.emergingeuropemonitor.com/">http://www.emergingeuropemonitor.com/</a> <a href="http://www.reportbuyer.com/">http://www.reportbuyer.com/</a> <a href="http://www.mojafarma.co.yu/">http://www.mojafarma.co.yu/</a>  Distribute Serbian version of USAID’s Economic Transformation Projects quarterly e-newsletter, Fast Facts to domestic producers, processors, exporters, and other stakeholders	Communication staff, ABDS providers

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Objective	Target Audience	Activity	Responsibility
1. Institutional producer training and education	Domestic producers	(see 1.2.1.3 and 4)	
2. Ensure info flows for producers and buyers in sub sectors	Domestic producers, processors, exporters and supermarkets	Maintain and distribute to stakeholders list of domestic and international websites that provide access to market information systems (MIS)  Assist in the development of a Serbian language private sector newsletter (ABDS) on international market information: develop SOW/RFP to provide cost sharing grant.	Marketing and communication staff, ABDS providers
3. Organize sub sector export associations	Trade media Domestic public and businesses	Publicize and provide communications training to sub sector export associations	Communication staff, STTA, ABDS providers
4. Improve access to domestic markets; raise awareness of quality of Serbian agribusiness products (formerly, Launch a Buy Serbia campaign and mark of quality)	Domestic media, public and businesses	Assist producer organizations and ABDS providers in developing programs to increase public awareness of the quality of domestic products in the six sub sectors; encourage identification of local products at local at point of sale; encourage packaging of local products that identifies origin of product.	Communication staff, ABDS providers
5. Improve government support for promotional efforts	International buyers	Assist SIEPA/Ministry of Agriculture with marketing and communication activities at trade fairs	Marketing and communication staff, Ministry of Agriculture, ABDS providers
6. Enhance agribusiness linkages for market access	Domestic producer organizations, producers, processors, exporters and supermarkets	Assist producer organizations in the development of communication/promotional campaigns in export markets  Assist in communication of programs such as GLOBALGAP food certification program	Marketing and communication staff, ABDS providers
Objective 1.4: Develop a youth enterprise program and business plan competition	Domestic media, public and businesses Educational institutions	Publicize youth enterprise program and business plan competition	Communication staff

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Objective	Target Audience	Activity	Responsibility
Objective 1.5: Initiate crosscutting activities—volunteers, media, gender, and environmental and economic analysis			
Task 1.5.1 Generate positive media coverage	USAID Serbian public	<p>Organize Project and USAID media events</p> <p>Draft press releases on Project activities for USAID or Project to distribute</p> <p>Write success stories and provide photographs for USAID web site and bulletin, and for USAID’s Economic Transformation Projects quarterly e - newsletter, Fast Facts</p> <p>Seek opportunities to communicate with stakeholders through domestic media: arrange interviews, provide information to journalists, issue press releases</p> <p>Provide briefings for journalists on agribusiness, value chain analysis and market linkages</p> <p>Provide monthly updates to USAID on domestic, trade and international media published with Project assistance</p> <p>Develop and maintain Project web site</p>	Communication staff
Task 1.5.2 Establish Women’s agricultural group		Publicize Women’s agricultural group	Communication staff, ABDS providers



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Objective	Target Audience	Activity	Responsibility
Task 1.5.3 Access volunteers to support POs and Agribusiness		Publicize volunteer efforts	Communication staff
COMPONENT 2: Improved enabling environment for Serbian agribusiness			
Objective 2.1. Improve crop and livestock production estimates and market price information systems		Assist producer organizations in publicizing agribusiness reforms	Communication staff
Objective 2.2: Facilitate legal, policy, and regulatory reform		Assist producer organizations in publicizing agribusiness reforms	Communication staff, ABDS providers

## **OBJECTIVE 3.3 ADMINISTRATION**

### ***Task 3.3.1 Personnel***

In year one, as our assessments and work went forward, we identified the need for several changes in personnel. Following changes will be made either at the end of Year 1 or at the beginning of Year 2:

- Deputy Chief of Party to be more technically oriented in value chain operations;
- Addition of our ABDS expert (recruited and waiting for notice to ex-employer to expire);
- Replacement of our Communication Director (person recruited and approved by USAID);
- Recruitment of a Deputy Policy Advisor;
- Replacement of our Producer Organization Specialist;
- Hiring a tree fruit expert to replace a promoted local staff person;
- Recruiting a Producer Organization Deputy;
- Replace our Livestock Sector Lead;
- Accountant for Administration and Finance
- Hiring a new market research advisor; and
- Replacing our Sales and Marketing Deputy due to pregnancy leave.

An updated Organization Chart is presented in Annex VI.

The new Deputy Chief of Party will be a value chain specialist capable of providing the technical direction to move the value chains to the goals identified in the assessments. He will provide new and innovative thinking to drive each sector while providing guidance necessary to fully employ the cross cutting components to the maximum efficiency. He will also be the administrative and management back-up to the Chief of Party and will be required to step in when needed.

Goran Radojevic will be taking a more active program role as coordinator of the cross cutting components. He will work closely with the DCOP to make sure the cross cutting specialists are providing the support needed by each Sector Lead. He will be the principal control point of grants from value chains requiring input from cross cutting components. Goran will provide assistance to marketing, policy, ABDS and Youth as required.

The Project will replace our Producer Organization Specialist based on a lack of progress in the first year in achieving the deliverables required in the first year work plan. Combined with a serious, lasting medical condition, it now appears that the current specialist will not be able to produce the results for year 2 either. We are in the process of identifying candidates for submission to USAID for approval. We expect that the new person will be an advisor to our local producer organization specialist with a new assistant to be hired.

Our tree fruit specialist has been filing in as Producer Organization Specialist while maintaining his role as a Sector Lead. As he continues working with Producer Organizations, his job as Sector Lead for Tree Fruits needs to be filled.



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As previously approved by our CTO, the engineering position in the proposal will be changed to a new market research advisor. The recruitment process is on-going with a strong candidate already identified.

The Project is also replacing the Livestock Sector lead after a period of caution and being put on performance monitoring it has become evident that the Project needs someone who is more analytical and needs less direct supervision of day to day activities in the role of Sector Lead.

Our sales and marketing deputy will go on pregnancy and maternity leave in October 2008 and her replacement has been identified and approved by USAID.

We are also hiring a junior accountant to assist our Finance Officer who has taken on additional responsibility under the new organizational chart and is now Director of Administration and Finance.

Our original DCOP was in charge of Policy. Given his departure and the change in that role to more technical supervision of value chain leads, we will recruit a deputy policy advisor to assist our Specialist.

### ***Task 3.3.2 Off Site Work Planning Session for 2009-2010***

As Year 2 ends in the fall of 2009, the Project will plan to have a one week off site work plan session where all participants will be in one place, removed from distractions of work and demands of their daily routines. In place of three weeks of constant calling, travelling and interruptions which highlighted the Year 2 work plan session we will be able to complete the bulk of the plan in for Year 3 more efficiently and with greater coordination. The suggested location will be Montenegro and all staff will be expected to attend.



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# **Year 2 Work Plan Annex 1 Work Plan Results versus PMP Chart**

## USAID Agribusiness Project Results and Indicators 2008-2009

Program/Task/ Activity	Activity Description	Start	End	Lead Staff	PMP Year 2 Indicators/ Code	2008-2009 Expected Results	
<b>COMPONENT 1: INCREASED EFFICIENCY AND COMPETITIVENESS OF SERBIAN AGRIBUSINESS</b>							
<b>1.0: Introduction and Overview of Commodity Action Plans for Each Subsector</b>							
<b>1.1: Strengthen Producer Organizations</b>							
<i>Objective 1.: Strengthen organizational capacities of producer groups.</i>							
<b>Task 1.1: Conduct organizational capacity self-assessment of selected producer organizations</b>	Conduct survey of targeted producer organizations based on the OCAT to train POs to identify organizational strengths and weaknesses, to establish capacity building goals and prioritize areas requiring further assistance	Oct.2008	Nov. 2008	PC	C1.1=30 C1.4 = TBD	30 POs assisted using OCAT as a baseline. 100 members/staff trained to conduct self-assessment, 800 farmers supported through OCAT process.	
<i>Activity 1</i>	Training of trainers - OCAT facilitators	Sep 15. 2008	Sep 30. 2008				
<i>Activity 2</i>	Completion of external assessment through field visits (in-depth interviews, and review of secondary information by facilitators)	Oct. 2008	Oct. 2008				

<i>Activity 3</i>	Ranking process (workshop/sessions involving a mixed group of members and leaders in a self-evaluation)	Oct. 2008	Nov. 2008				
<i>Activity 4</i>	Preparing initial assessment reports	Oct. 2008	Nov. 2008				
<i>Activity 5</i>	Feedback to POs, follow-up consultations	Nov. 2008	Nov. 2008				
<i>Activity 6</i>	Writing final reports, both quantitative and qualitative for each of the assessed organizations	Nov. 2008	Nov. 2008				
<b><i>Task 1.2: Support commodity-based producer organizations</i></b>	Support new initiatives to organize and successfully manage commodity-based producer organizations as well as to revitalize inactive producer organizations	Dec. 2008	Mar. 2009	PC, sector leads	C1.1=15 C1.5 = 10	10 registered and recognized ABDS providers for producer organizations to access. Minimum 15 producer organizations receive management, finance and marketing trainings.	
<b><i>Task 1.3: Assist transition of informal groups and non-profit associations to profit-oriented cooperatives</i></b>	Encourage cooperative model as the top priority in the strengthening of producer organizations	Dec. 2008	Mar. 2009	PC, sector leads		5 new producer organizations created and legally registered.	

<i>Activities for Task 1.2 and Task 1.3</i>	Organizational structure, members' participation in ownership, membership shares, decision making process and distribution of profit; Develop long-term strategies; Business planning, budgeting for growth and annual reporting; VAT and other accounting requirements; Management of inventory through appliance of new software; Cash flow and investment return analysis; Exposure of management staff to EU producer organization structures/roles, possibly through exchange and mentorship programs with European producer organizations;	C1.1. = 5		Improved overall management of producer organizations through trainings and technical assistance			
<b>Objective 2: Support consistent and standardized production.</b>							
<b>Task 2.1: Implement international product standardization and certification</b>	Support producer organizations to introduce and gain certification in GlobalGAP and other relevant international standards and quality management systems	Oct. 2008	Sep. 2009			250 agribusinesses and farmers attend awareness seminars and workshops, 12 POs receiving training (150 members), 6 POs (40 members) receive Global GAP or other certification.	
<i>Activity 1</i>	Global GAP awareness seminars in Novi Sad, Cacak and Nis	Oct. 2008	Oct. 2008	PC, BO, GR, SDJ, Sector leads	C1.1 = 12 C1.14= 6		
<i>Activity 2</i>	Workshops with POs about the Global GAP introduction and certification requirements	Oct. 2008	Nov. 2008	PC, BO, GR, SDJ, Sector leads			

<i>Activity 3</i>	Financially support selected producers to certify for compliance with GlobalGAP, ISO 14001 and ISO 22000	Oct. 2008	Sep. 2009	PC, BO, GR, SDJ, Sector leads			
<b><i>Task 2.2: Improve farm-level and post-harvest productivity and quality.</i></b>	Provide technical assistance and grant packages to improve the level of productivity, reduce the cost of production, improve product quality and marketability			Sector leads, PC			New investments in 4 different technological packages, including IT support, new varieties planting, greenhouses and affiliated technologies for vegetables, and packaging for fresh produce.
<b><i>Task 2.3: Support consolidation of farmers produce and marketing</i></b>	Support POs in carrying out feasibility studies, and planning and budgeting for construction of consolidation centers and cold stores for fresh produce	Feb. 2009		Sector leads, PC, GR, BO			
<b>1.2: Improve ABDS Delivery</b>							
<b><i>Task 1.2.1: Develop ABDS network</i></b>	Develop generic and value chain specific ABDS providers' network			NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD		
<b><i>Task 1.2.2: Improve access to financial services by Serbian agribusiness.</i></b>	Provide technical assistance to resolve significant problems in accessing loans for working capital and investment			NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD		
<i>Activity 1</i>	Develop a program for strengthening the network of financial ABDS providers who can develop costing and financial feasibility studies for particular business investments and alternatives.			NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD		

<i>Activity 2</i>	Facilitate dissemination of information about government/bank/donor credit/loan packages for agribusinesses.			NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD		
<i>Activity 3</i>	Assist banks and other financial institutions in developing credit facilities demanded by stronger value chain clients- identify lenders willing to develop their agricultural finance capacity, and work with them to develop credit facilities to respond to particular needs for financing for upgrading and ongoing operations.			NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD		
<i>Activity 4</i>	Improve collateralization of farms through legal registration - work with associations and the Ministry to register farms, making them eligible for governmental financial assistance and commercial loans.			NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD		
<i>Activity 5</i>	Work with the Republic Agency for Development of SME to publish a guide “Credit lines in agribusiness”, to inform and educate agribusiness entrepreneurs.	Nov. 2008	Dec. 2008	NP, GR, PC, BO	C1.5 = TBD C1.6 = TBD C1.7 = TBD	Up to 1,000 agribusiness brochures printed and distributed	
<i>Activity 6</i>	Improve knowledge and bankability of agribusinesses through series of seminars in cooperation with bank loan officers.	Dec. 2008	Mar. 2009	NP	C1.5 = TBD C1.6 = TBD C1.7 = TBD	Seminars and workshops, 300 agribusiness entrepreneurs informed	
<b>1.3: Sales &amp; Marketing</b>							
<i>Task 1.3.1 Trade fair support</i>	Improve the effectiveness, volume, and reach of business and government support for international fairs and other promotions						

**LIST OF FAIRS:**

	SIAL Fair	Oct 19, 2008	October 23, 2008	RL, JDS, RV, SM, PC, VP	OP2, OP4, C1.3 = \$1,200,000	Estimated Actual Contracts Delivered: \$1,200,000
	Fruit Logistica Fair	Feb 4, 2009	Feb 6, 2009	RL, JDS, RV, SM, PC, VP	OP2, OP4, C1.3 = \$1,600,000	Estimated Actual Contracts Delivered: \$1,600,000
	Biofach Organic Fair	Feb 19, 2009	Feb 22, 2009	RL, JDS, RV, SM, PC, VP	OP2, OP4, C1.3 = \$500,000	Estimated Actual Contracts Delivered: \$500,000
	Gulfood Fair	Feb 23, 2009	Feb 26, 2009	RL, JDS, RV, SM, PC, VP, GJ, TBD	OP2, OP4, C1.3 = \$1,100,000	Estimated Actual Contracts Delivered: \$1,100,000
	FoodEx	Mar 3, 2009	Mar 6, 2009	RL, JDS, RV, SM, PC, VP, GJ, TBD	OP2, OP4, C1.3 = \$500,000	Estimated Actual Contracts Delivered: \$500,000
	IFE Excel	Mar 15, 2009	Mar 18, 2009	RL, JDS, RV, SM, PC, VP, GJ, TBD	OP2, OP4, C1.3 = \$400,000	Estimated Actual Contracts Delivered: \$400,000
	Fancy Food Fair	June 28, 2009	June 30, 2009	RL, JDS, RV, SM, PC, VP, GJ	OP2, OP4, C1.3 = \$900,000	Estimated Actual Return Delivered: \$900,000
	World Food			RL, JDS, RV, SM, PC, TBD, GJ	OP2, OP4, C1.3 = \$1,700,000	Estimated Actual Return Delivered: \$1,700,000

<b>Task 1.3.2 Domestic and Regional Fairs &amp; Sales Missions</b>	Improve the effectiveness, volume, and reach of business and government support for international fairs and other promotions						
	Gastronomy Show	Oct 23, 2008	October 26, 2008	RL, JDS, RV, SM, PC, VP, GJ, TBD	OP2, OP4, C1.3 = \$50,000	Estimated Actual Return Delivered: \$50,000	
	IFE Foodapest	Nov 18, 2008	Nov 20, 2008	L, JDS, RV, SM, PC, VP, GJ	OP2, OP4, C1.3 = \$100,000	Estimated Actual Return: \$100,000	
	Interfood	Nov 19, 2008	Nov 22, 2008	RL, JDS, RV, SM, PC, VP, GJ, TBD	OP2, OP4, C1.3 = \$60,000	Estimated Actual Return Delivered: \$60,000	
Ethno Food - Belgrade	Work with Ministry of Ag to present small agribusinesses' products; USAID to expand the fair to include regional companies in coordination with RCI.	Nov 26, 2008	Nov 29, 2008	RL, JDS, RV, SM, PC, VP, GJ, TBD,	POI.2, POI.4, C1.3 = \$1,000,000	Estimated Return: \$1,000,000	
IFE India	In coordination with the Embassy of India, prepare a sales mission with SIEPA and the Ministry of Trade.	Dec 2, 2008	Dec 4, 2008	RL, JDS, RV, SM, PC,	POI.2, POI.4, C1.3 = \$ 100,000	Estimated Return: \$ 100,000	
	Hotel and Gastroteh			RL, JDS, RV, SM, PC, VP, GJ, TBD,	POI.2, POI.4, C1.3 = \$1,500,000	Estimated Return: \$1,500,000	

Vegetable Sector Sales Mission	Prepare a sales mission to Ukraine and Russia to meet with distributors, wholesalers, retailers and to visit the terminal markets.	March 2009	March 2009	RL, JDS, RV			
	Nis Agricultural Fair	Sep 22, 2008	Sept 26, 2008	RL, JDS, RV, SM, PC, VP, GJ, TBD,	POI.2, POI.4, C1.3 = \$1,500,000	Estimated Return: \$1,500,000	
<b><i>Activities for the Task 1.3.1 and Task 1.3.2</i></b>							
<i>Activity 1</i>	Fair coordination with SIEPA			RL			
<i>Activity 2</i>	Meetings with companies identified for participation to discuss their presentation and materials			RL & sector leads			
<i>Activity 3</i>	Sales and marketing, negotiation, business finance, media, package and design training by selected ABDS provider to participating companies			RL&NP & ABDS	C1.1 = 25 POs C1.5 = 2	From 75 to 100 people trained.	
<i>Activity 4</i>	Send Fair invitations to buyer lists and arrange buyer meetings			RL			
<i>Activity 5</i>	Assist and train Serbian companies at the fair with sales techniques			RL			
<i>Activity 6</i>	Complete Fair Evaluation Data			RL			

<i>Activity 7</i>	Follow-up with companies after returning from fair			RL & sector leads			
<b><i>Task 1.3.3: Domestic Market Support:</i></b>	Enhance agribusiness linkages for market access by using Delta Maxi, Metro, Mercator/Rodic and CBA retail stores.			RL, JDS, PC, sector leads	POI.2, POI.4, C1.3 = TBD		
<b><i>Task 1.3.4: Preparation for Fairs and Sales Missions directly, in coordination with SIEPA and/or with Export oriented Associations</i></b>	Train government marketing staff, export associations and selected marketing service providers in Events Planning, Web and Print Promotion, Media Buying, Public Relations and International Market Sales Techniques.	Oct 2008	Sep 2009	RL, JDS	C1.1 = 6		
<b><i>Task 1.3.5 Training for Firms</i></b>	Organize business classes for companies in each sector. In Y2 10 companies from each sector (60 people) will participate.	Nov 2008	May 2009	RL, JDS, S. leads	C1.1= 60 companies		
<i>Activity 1</i>	Course in Business Planning (marketing, operations, and finance)	Nov 2008	May 2009	RL, JDS, S. leads			
<i>Activity 2</i>	Course in Professional Selling Skills	Nov 2008	May 2009	RL, JDS, S. leads			
<i>Activity 3</i>	Course in Negotiation Training	Nov 2008	May 2009	RL, JDS, S. leads			
<i>Activity 4</i>	Course in Trade Marketing	Nov 2008	May 2009	RL, JDS, S. leads			

<i>Activity 5</i>	Course in Design and Packaging	Nov 2008	May 2009	RL, JDS, S. leads			
<i>Activity 6</i>	Course in Market Analysis	Nov 2008	May 2009	RL, JDS, S. leads			
<i>Activity 7</i>	Course in PR and Integrated Marketing Communications	Nov 2008	May 2009	RL, JDS, S. leads			
<b>Task 1.3.6. Communications</b>	TA to ensure agribusiness information reaches Serbian producers and that information on the sub-sectors reaches buyers				National activity		
<i>Activity 1</i>	Development of sector specific websites – Dairy, Meats, Vegetables, Mushrooms and Herbs.	Nov 2008	June 2009	RL, JDS, Sector leads	C1.1= 6 POs C1.5 =1		
<i>Activity 2</i>	Development of systems for dissemination of agribusiness news and market information - magazines, newsletters to POs and individual companies.	Oct 2008	Sep 2009	RL, JDS, NP, AM	National activity		
<b>Task 1.3.7. Market Research &amp; Market Plans</b>	Development of market strategies for selected markets and products						
<i>Activity 1</i>	Conduct market research for associations and companies wishing to enter new markets	Oct 2008	Sep 2009	RL, JDS, Sector leads	C1.1 = 75-100 companies		

<i>Activity 2</i>	TA to POs to develop particular market plans and strategies for each of the 6 Agribusiness sectors	Oct 2008	Sep 2009	RL, JDS, Sector leads	C1.1= 6		
<i>Activity 3</i>	Preparation of the “Dairy Farm Investment Strategy” to attract greater investments in the sector and to meet the growing needs of the processors	Apr 2009	Apr 2009	RL, JDS, GJ			
<b>1.4: Youth Enterprise Program and Business Plan Competition</b>							
<b><i>Task 1.4.1</i></b> <b><i>“Entrepreneurship in Agribusiness”</i></b>	Launch of the program “Entrepreneurship in Agribusiness” with the support from the Ministry of Education in 19 pilot Agricultural schools	Oct 2008	June 2009	IP	C1.15 = 12 C1.17 = 12	19 pilot agricultural schools throughout Serbia engaged in the Program. At least 150 students benefiting from the Program	
<i>Activity 1</i>	Build a MoU with the Ministry of Education to regulate the program’s operations and to build a common understanding on how the program will be conducted	Oct 2008	Nov 2008	IP		Signed MoU, with clearly defined system of mutual reporting between the Ministry and the project on key achievements of the students and schools in the program	
<i>Activity 2</i>	Provide technical support to schools in the Program to motivate students to participate in the program; help teachers organize the entrepreneurship class; inform schools on on-going agribusiness related projects	Sep 2008	June 2009	IP, sector leads			

<i>Activity 3</i>	Bring in private consultants to give students professional qualifications to help them start and operate their own independent companies, and to raise the interest of students for business world	Feb 2009	June 2009	IP, sector leads		At least one local or national level company per pilot school, willing to do the consultancy work
<i>Activity 4</i>	Continue encouraging Ministry of Agriculture to provide support for “Entrepreneurship in Agribusiness”	Oct 2008	June 2009	IP		
<i>Activity 5</i>	Create national “Entrepreneurship in Agribusiness” coordination plan in cooperation with the MSU	Nov 2008	June 2009	IP, MO		
<i>Activity 6</i>	Provide TA to association of entrepreneurship teachers (“4-H” association of teachers from the program’s pilot schools)	Oct 2008	Sep 2009	IP		
<b><i>Task 1.3.2 Business Planning Competition</i></b>	Organize business development planning competition in all 19 pilot Agriculture high schools of “Entrepreneurship in Agribusiness”	Apr 2009	Sep 2009	IP	C1.15 = 12 C1.17 = 12	
<i>Activity 1</i>	Provide assistance to promising young entrepreneurs to develop business and investment plans and startup and expansion grants	Apr 2009	June 2009	IP		Grants of up to \$15,000 for each of 12 business winners
<i>Activity 2</i>	Present best young applicants to the Ministry of Agriculture and Chamber of Commerce and establish system of jointly providing TA to them	Oct 2008	Oct 2008	IP		

<b><i>Task 1.3.3 Internship programs</i></b>	Develop Internship Programs for students in agricultural high schools and agriculture universities				C1.16 =15		
<i>Activity 1</i>	Develop and introduce Internship program in cooperation with schools from Kraljevo and Svilajnac	Nov 2008	June 2009	IP			
<i>Activity 2</i>	Develop an MoU for the agriculture companies which will allow students to learn from practical work experience in a real business environment	June 2009	June 2009	IP			
<i>Activity 3</i>	Provide technical assistance to design structure and report requirements for students participating in the program	Apr 2009	June 2009	IP			
<i>Activity 4</i>	Develop special international internship program for Business competition awardees in cooperation with GTZ	Oct 2008	June 2009	IP			
<b>1.5: Other Cross - Cutting Activities</b>							
<b>Environmental Compliance</b>							
<b><i>Task 1.5.1 Compliance with Reg. 16 environmental requirements</i></b>	Ensure environmental compliance of Project's actions and minimize exposure to environmental risks	Oct 2008	Sep 2009	JC			

<b>Task 1.5.2 Pollution Prevention Program (PPP)</b>	TA to enterprises from sub sectors to adopt methods of waste minimization, wastewater pre-treatment, and energy savings via low-cost/no-cost opportunities	Oct 2008	Sep 2009	JC, sector leads, RL, JDS, NP, STTA	C1.5 = 10 C1.8 = rank 4		
<i>Activity 1</i>	Apply PPP to enterprises located in different regions of Serbia	Oct 2008	Jan 2009	JC, sector leads, RL, JDS, NP, STTA	10 ABDS selected to participate in PPP; Viability assessment-site survey prepared for 6 agribusiness enterprises; PPA prepared for 6 enterprises; 10 ABDS providers receiving assistance		
<i>Activity 2 - Dissemination of experience</i>	Conduct national seminar on PPO; Draft PPO Manual; Hold regional seminars; ABDS training on sustainable application of PPO; Implementation of PPO	Jan 2009	Sep 2009	JC, ABDS	National seminar/training on PPA delivered-Gallup conducted seminar for Mission staff and ABDS; Revised PPA manual; Enterprises offered one day introductory seminar; Regional seminars held to present results of PPP, ABDS identified and trained for sustainable application of PPP		
<b>Task.1.5.3. Integrated Pest Management</b>	Technical assistance to producer associations to facilitate adoption of IPM methods, including marketing, fertility management, and threshold-based pesticide applications.	Oct 2008	Sep 2009	JC, PC, STTA	C1.5 = 1	Compendium report, lists and matrixes, educational plan, promotional materials, presentations prepared	
<i>Activity 1</i>	Identify potential target areas for reduced pesticides use; Select Project site to identify growers willing to participate; and host Project demonstration sites; Identify agricultural extension officers; Create site plan and define Project monitoring and treatment thresholds for the selected site; Create information exchange portal			JC, PC, STTA	<i>Oct 2008</i>	<i>Mar 2009</i>	

<i>Activity 2</i>	Develop a specific education plan to: Develop technical support and promotional materials with target practices; Conduct field days; Disseminate information to partners Deliver presentations for trainings and meetings	JC, PC, STTA	<i>Nov 2008</i>	<i>Sep 2009</i>	
<b>Gender / Women In Agriculture</b>					
<b><i>Task 1: Women Entrepreneurs in Agribusiness</i></b>	Provide TA to support establishment of the organization of women entrepreneurs in agribusiness and ensure their access to agribusiness opportunities	IP	<i>Oct 2008</i>	<i>Sep 2009</i>	
<i>Activity 1</i>	Continue working with the FAO trainer for social and economic development of country women	IP	<i>Oct 2008</i>	<i>Sep 2009</i>	
<i>Activity 2</i>	Announce initiation of the “Women Entrepreneurs in Agriculture” program	IP	<i>Oct 2008</i>	<i>Oct 2008</i>	
<i>Activity 3</i>	Explore potential trainings for women entrepreneurs, depending on the region and area where they live and work and propose training programs	IP	<i>Oct 2008</i>	<i>Nov 2008</i>	
<i>Activity 4</i>	Identify women entrepreneurs from 7 regions of Serbia (10 women per region), to participate in training for business communication, marketing, management skills and business plan preparation	IP	<i>Nov 2008</i>	<i>Jan 2009</i>	
<i>Activity 5</i>	Plan and implement trainings	IP, Sector leads	<i>Feb 2009</i>	<i>Aug 2009</i>	
<i>Activity 6</i>	Organize the “Women Entrepreneurs in Agriculture” fair to display their products and services	IP, Sector leads, AM	<i>Sep 2009</i>	<i>Sep 2009</i>	

<b>Volunteer Program</b>					
<i>Activity 1</i>	Mobilize resources to build sustainable Serbian capacity for market-led agricultural growth (maximum use of Serbian expertise, whether in the form of the Serbian diaspora through the Serbian Unity Congress, or in-country academic and agribusiness leaders)	S. Leads, Cross-C., SDJ	<i>Oct 2008</i>	<i>Sep 2009</i>	
<i>Activity 2</i>	Identify “volunteer opportunity points” to ensure all donated assistance fits in to and supplements program objectives	S. Leads, Cross-C., SDJ	<i>Oct 2008</i>	<i>Sep 2009</i>	
<i>Activity 3</i>	Offer internships to qualified students who want to learn more about individual agricultural components or value chains by using relations with the Serbian Unity Congress and Ohio based volunteers	S. Leads, Cross-C., SDJ	<i>Oct 2008</i>	<i>Sep 2009</i>	

**COMPONENT 2: IMPROVED ENABLING ENVIRONMENT FOR SERBIAN AGRIBUSINESS**

**Objective 2.1: Improve Crop and Livestock Production Estimates, Market Price Information and Supporting Studies to GoS**

<b><i>Task 2.1.1: Strengthen the Serbian System of Market Information in Agriculture (STIPS)</i></b>	Expand the number of commodities for which the market prices are collected, create a more “user friendly system” and raise awareness of the system and analytics behind the available information in order to ensure better decision making by agricultural producers	Oct 2008	Sep 2009	BO	20 ABDS providers supported by the activity, approx 50 producer organizations, 800 farmers educated in the use of market information system	C1.5 = 20 C2.1 = rank 5 C2.3 = 50 producer organizations (800 farmers)	Pursuant to the enabling grant, web portal for new commodities developed, seminars for farmers organized and implemented
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<p><b>Task 2.1.2: Develop capacities for participation in the Farm Accountancy Data Network (FADN)</b></p>	<p>Develop capacities to introduce FADN as an instrument for evaluating the income of agricultural households and the impact of implemented agricultural policy</p>	<p>Feb 2009</p>	<p>June 2009</p>	<p>BO, STTA</p>	<p>MAFWM assisted in complying with requirements for the EU membership, generating missing data regarding agricultural households</p>	<p>C2.2 =1 C2.6 =1 C2.4 =1</p>	<p>Report outlining recommendations regarding introduction and implementation of FADN prepared, and responsible staff educated</p>
<p><b>Task 2.1.3: Organize targeted agricultural studies/surveys</b></p>	<p>Organize targeted surveys and studies to collect relevant information on sub-sectors or specific agricultural issues, and present the information to facilitate strategic planning and decision making</p>	<p>Oct 2008</p>	<p>Mar 2009</p>	<p>GR, BO, Sector leads</p>			
<p><i>Activity 1</i></p>	<p>Prepare the Study on a Cool/Cold Chain in Serbia:  <u>Phase 1: Cold Chain Survey Development</u> - evaluation of the current situation of cold and cool chains in Serbia for the sale of fresh produce and fruits, both locally and for export)  <u>Phase 2: Cold Chain Research</u> (gathering information on the needs and opportunities for building cooling facilities in Serbia)  <u>Phase 3: Cold Chain Specialist and Engineer Analysis</u></p>	<p>Oct 2008</p>	<p>Jan 2009</p>	<p>GR, BO, Sector leads</p>	<p>C2.2 =1 C2.4 = 1</p>	<p>Cool/Cold Chain Study prepared with relevant recommendations outlined</p>	

<i>Activity 2</i>	Provide support for establishment of fruits and vegetables consolidation centers through preparation of relevant studies (i.e. feasibility studies) or organize of necessary trainings	Feb 2009	Mar 2009	GR, RV, PC, BO,	C2.4 = 1	At least one producer organization assisted in conducting preparatory work for establishment and operation of consolidation center Strategy papers/studies with recommendations prepared	
<b>Objective 2.2: Facilitate Legal, Policy, And Regulatory Reform</b>							
<b><i>Task 2.2.1: Provide support to legislative and policy reform coordination</i></b>	Assist the creation of, and provide support to, efforts of working groups/bodies responsible for coordinating and implementing initiatives related to legislative or policy reforms pertaining harmonization of domestic practices with the EU or international rules.	Dec 2008	Sep 2009	BO	C2.4 =1 (at least)	Strategy papers outlining recommendations related to legislative or policy reforms prepared	
<i>Activity 1</i>	Work with Mushroom Board of the Fruits of Serbia to facilitate dialog with the Ministry of Environment and Institute for Nature Conservation to speed up the process of quota allocation for wild mushrooms and the process of issuing export licenses.	Dec 2008	Mar 2009	VP, BO	C2.4 =1	Strategy paper outlining recommendations for improvement prepared, one private-public dialog workshop facilitated	
<b><i>Task 2.2.2: Support to policy implementation</i></b>	Joint activities with the MAFWM to identify and remove obstacles in the policy implementation	Dec 2008	Sep 2009	BO	C2.4 =1 C2.6 = 1		

<i>Activity 1- Warehouse Receipts (WHR)</i>	Assist MAFWM with final drafting of the law, implementing regulations, and establishment of the efficient system of public warehouses	Dec 2008	Mar 2009	KK, BO		Law on Public Warehouses for Agricultural Products adopted
<i>Activity 2 – Plant Protection Rights</i>	Legalize Plant Protection Rights (UPOV membership)- provide assistance to MAFWM to ensure proper functioning of the system for protection of new varieties	Feb 2009	Apr 2009	BO		Law on Protection of Plant Breeder’s Rights adopted and implemented, UPOV membership achieved
<i>Activity 3 - Law on Cooperatives</i>	Law on Cooperatives (assist the MERD and MAFWM in preparation of the law and relevant by-laws, and implement activities aimed at strengthening existing and newly founded cooperatives)	Dec 2008	Sep 2009	PC, BO	Strengthened national associations or cooperatives to advocate changes with the GOS	Draft Law on Cooperatives and implementing regulations finalized

## VALUE CHAINS

<b>TREE FRUIT</b>						
<i>Improve market required product certification</i>	Support implementation of international product certification in export tree fruits	Oct. 2008	Sep. 2009	PC, BO, GR, SDJ	7 POs trained, 2 POs receiving Global GAP and 2 ULO operators receiving HACCP/ISO certification C1.1; C1.14	Increased number of signed pre-contract agreements with buyers, new markets opened up. Estimated \$200,000 of sales in year 2 thanks to product certification.
<i>Activity 1</i>	Global GAP awareness seminars in Novi Sad, Cacak and Nis	Oct. 2008	Oct. 2008	PC, BO, GR, SDJ		
<i>Activity 2</i>	Workshops about the Global GAP introduction and certification requirements	Oct. 2008	Dec. 2009	PC, BO, GR, SDJ		

<i>Activity 3</i>	Financially support selected producers to implement requirements and certify	Jan. 2009	Sep. 2009	PC, BO, GR, SDJ		
<b><i>Improve productivity, quality and sustainability of fruit production systems</i></b>	Implement TA and grant packages to improve ABDS' capacities for effective and quality services to growers and ULO/CA operators.	TBD	TBD	PC	Up to 15 ABDS providers and extension workers trained and over 800 fruit growers indirectly supported.	
<b><i>Improve harvest and post harvest management</i></b>	Identify foreign experts in tree fruit post harvest physiology and storage to work with selected local service providers and technologists from ULO/CA cold stores to improve provision of their services.	TBD	TBD	PC	10 ABDS providers and extension workers trained and over 500 fruit growers supported.	ABDS providers enabled to provide effective and quality services to ULO/CA operators. Estimated \$5,000 increased incomes of trained ABDS providers. First crop results will be measurable after 2009 harvest.
<i>Activity 1 - Training and technical assistance</i>	Training and technical assistance in advanced harvest and post harvest management practices for the most effective storage of fresh apples and plums in ULO/CA chambers	Jan. 2009	March 2009	PC		
<i>Activity 2 - Training and technical assistance</i>	Training and technical assistance in introduction/application of new post-harvest technologies to extend fresh apples shelf life	Feb. 2009	March 2009	PC		
<b><i>Improve farm-level productivity and quality of apple and stone fruit fresh produce</i></b>	Identify foreign experts in tree fruit growing practices to train selected local service providers to improve provision of their services.			PC	Up to 15 ABDS providers and extension workers trained and over 800 fruit growers indirectly supported.	ABDS providers enabled to provide effective and quality services to tree fruit producers. Estimated \$20,000 increased incomes of trained ABDS providers. First crop results will be measurable after 2009 harvest.

<i>Activity 1 - Training and technical assistance</i>	Training and technical assistance in advanced apple and stone fruit growing techniques (pest management, nutrient management, tree pruning, fruit size management, and use of plant growth regulators)	Nov. 2008	Dec. 2008	PC			
<i>Activity 2 – Web portal</i>	Support pilot project in Northern Vojvodina, development of Pest-watch advisory web portal	Nov. 2008	Mar. 2009	PC	Web portal developed. 3 ABDS developed new service for growers. 10 POs and 200 growers trained.	ABDS providers enabled to provide new on-line advisory services to growers. Producers improved growing performances. First crop results will be measurable after 2009 harvest.	
<i>Activity 3 – Study tour</i>	Study tour to advanced fruit growing operations in Italy, South Tyrol	Mar. 2009	Mar. 2009	PC	10 tree fruit ABDS providers and representatives of POs trained in new technologies and over 300 fruit growers supported.	Enhanced capacity of ABDS provides to deliver effective and quality services. Increased organizational capacities of 5 tree fruit producer organizations.	
<i>Activity 4 - Accreditation</i>	Implement accreditation of Arilje Agro-innovation Center's testing laboratory through grants scheme			PC	Laboratory accredited to provide services to over 1,000 farmers.	Enhanced access to certified water and soil testing for farmers, as a precondition for Global GAP certification. Enhanced farmers access to the GoS subsidies for the arable land improvement.	
<b><i>Consolidated export promotion and sales for more reliable and competitive supplies</i></b>	Support initiatives for export promotion, marketing and sales to ensure competitive supplies	Oct. 2008	Sep. 2009	PC, RL, JD			

<i>Consolidation of export promotion activities</i>	Provide support in preparation for the local and international trade fairs. Vet and select producers that meet market specific standard and participation criteria to exhibit at international trade shows.	Oct. 2008	Sep. 2009	PC, RL, JD		<i>Note: See the list of 2009 trade fairs in Sales and Marketing section.</i>
<i>Consolidation of sales</i>	Improve consolidated product offer and joint market access of “Fruitland” association through IT support to ULO cold stores	Oct. 2008	Sep. 2009	PC	4 tree fruit cooperatives implemented software for management of ULO cold stores	Improve cold storage inventory, supply management and product traceability. Reduced operating costs - increase of incomes by \$100,000. 400 farmers and 4 producer organizations assisted
<i>Improving buyer linkages</i>	Improve linkages between producers and local and foreign wholesale and retail buyers by organizing inward buying missions, supporting supply chain development to buyer requirements, and providing buyer-seller services to stakeholders.			PC, RL, JD	Oct. 2008	Sep. 2009
<b>BERRY FRUIT</b>						
<b>FRESH BERRY VALUE CHAIN</b>						
<i>Production of berry fruit under high tunnels and packaging of fresh berries/cold chain management</i>	A series of training programs to enable producers to improve their knowledge and skills related to implementation of new technologies	Nov. 2008	Mar. 2009	SM, *TD, PC	POI.4 =\$50,000; C.1.1=15; C.1.5=5; C.1.13=15	4-6 trainings conducted, 4 ABDS and 15 producer organizations and food-processing companies trained; US\$50,000 of new revenues achieved

<i>Trade mission to the United Kingdom</i>	Support a trade mission to the United Kingdom for seven berry-fruit producers and nurseries within the association of fruit and vegetable producers "Fruits of Serbia".	Sep. 2008	Dec. 2008	SM, *TD	POI.4=\$100,000 C.1.1=5; C.1.3=\$100,000; C.1.5=3; C.1.13=5 firms / 130 farmers	1 trade mission conducted; 3 ABDS and 5 producers assisted; 2 purchase contracts signed for establishment of 10 ha of raspberry orchards, 130 farmers-raspberry growers with improved access to new technologies and selling opportunities, \$100,000 of new sales achieved
<i>Know-how exchange tour to production areas in Italy, Spain or Chile</i>	Fund a study tour to production areas in Italy, Spain or Chile, to see implementation of the latest technologies (production under high tunnels and greenhouses, and varieties with extended harvest).	Mar. 2009	Jun 2009	SM, *TD, RL, JD	POI.4 = \$30,000; C.1.1=6; C.1.5=3; C.1.13=9	1 know-how exchange tour conducted; 3 ABDS and 6 producers assisted; US\$30,000 of new revenues achieved
<i>Grants to apply new technologies and share information</i>	Assist eligible grantees to implement new technologies that will result in improved quality, yields and/or marketability of their products.	Jan. 2009	Jul. 2009	SM, *TD, SD	POI.4 = \$100,000; C.1.1=2; C.1.2=10; C.1.3=\$100,000; C.1.13=30 farmers / 2 firms; C.1.11=2; C.1.12=\$45,000	2 POs/companies assisted; 2 new technologies applied; US\$100,000 of member sales achieved; expected number of benefiting farmers: 30; 10 new members joined
<b>PLANTING MATERIAL – NURSERY DEVELOPMENT</b>						
<i>Training program/ seminar - how to improve quality of planting material and deal with intellectual property rights</i>	Hire local STTA and organize a training/seminar that will enable nurseries and fruit growers to learn how to improve quality of planting material and deal with intellectual property rights.	Oct. 2008	Mar. 2009	TBD, PC, SM	POI.4 = \$50,000; C.1.1=15; C.1.3=\$50,000; C.1.5=5	At least 5 nurseries and 15 producers trained; \$50,000 of new revenues achieved

<b>SPEED-UP BLUEBERRY PRODUCTION</b>						
<i>Training and advisory program for Serbia blueberry growers</i>	Provide grant funds for the training programs and advisory services pertaining to the blueberry production and marketing, which will be implemented in 8 municipalities of South-West of Serbia.	Oct. 2008	Aug. 2009	TBD, PC, SM	POI.3=50; POI.4 = \$100,000; C.1.1=8; C.1.3=\$100,000; C.1.5=2; C.1.11=1; C.1.12=\$10,000	8 POs and 2 ABDS providers assisted, increase of the blueberry yields by 50% and sales by \$100,000 in the first year, additional 50 jobs in agricultural production and processing created
<b>ASSOCIATION DEVELOPMENT</b>						
<i>Training program in producer organizations' overall management</i>	A program to cover selection of proposed PO legal form, raising members' participation, management of membership fees and distribution of profit, commercial loans and collateral, supplies and sales through a PO, and development of a marketing strategy.	Nov. 2008	Sep. 2009	TBD, PC, SM	POI.4 = \$50,000; C.1.1=5; C.1.2=40; C.1.3=\$50,000	5 POs assisted, of which 3 new POs; 40 new members joining existing POs; US\$50,000 of member sales achieved
<b>ABDS / BUSINESS SERVICES DEVELOPMENT</b>						
<i>Training programs in logistics and cool chain management</i>	Training of trainers to help participating ABDS develop their technical capacities in the areas of: grading, storing, packing, labeling, logistics management, cold chain management, PDO/PGI protection, and certification.	Dec. 2008	Sep. 2009	SM, RL, JD	POI.4 = \$100,000; C.1.1=12; C.1.5=8;	2 STTA providers hired, 8 ABDS assisted and 12 producer organizations and food-processing companies trained; US\$100,000 of new revenues achieved

<p><i>Support establishment of partnership that will result by improved application of inputs of service provision in Serbia.</i></p>	<p>International suppliers (producers of post-harvest and/or technologies to extend products' shelf-life, planting material, anti frost equipment, consultants on EU food packaging &amp; labeling requirements, cold chain management, PDO/PGI) will provide technical training to their partners in Serbia.</p>	<p>Oct. 2008</p>	<p>Sep. 2009</p>	<p>SM, RL, JD</p>	<p>POI.4 = \$100,000; C.1.5=3; C.1.6=2; C.1.7=\$30,000</p>	<p>3 ABDS assisted, 2 new ABDS started, \$100,000 of new revenues achieved</p>
<p><b>DEVELOP MARKETING CAPACITIES AND EXPORT MARKET LINKAGES</b></p>						
<p><i>Co-fund exhibition of producers at the fairs Fruit Logistica (fresh), BioFach (organic), Fancy Food - New York, IFE - London, Sial - Paris, World Food - Moscow</i></p>	<p>Support ABDS providers and/or national associations to enhance fresh, organic and/ processed berry fruit domestic sales and exports by co-funding exhibition of berry fruit producers and/or processors at relevant trade fairs.</p>	<p>Oct. 2008</p>	<p>Sep. 2009</p>	<p>RL, JD, SM</p>	<p>POI.4 = \$4,800,000; C.1.1=15</p>	<p>15 producer organizations / food-processing companies and/or ABDS assisted to participate in 9 trade fairs; \$4,800,000 of new revenues/exports achieved</p>
<p><i>Cost-share to conduct sales delegation trips to regional and/or major international markets in Russia and Europe</i></p>	<p>Conduct sales trips to regional and/or major international markets in Russia and Europe, assess market demands and competition, prepare for own participation and, meet with potential buyers and begin negotiation process.</p>	<p>Oct. 2008</p>	<p>Jul. 2009</p>	<p>RL, JD, SM, SD</p>	<p>POI.3=2; POI.4 = \$200,000; C.1.1=2; C.1.5=1; C.1.14=2</p>	<p>2 sales missions conducted, 8 businesses/ABDS providers assisted, \$100,000 of new revenues achieved within one year after the implementation</p>

<i><b>Awareness campaign and grants aimed at protecting geographic origin –PDO/PGI</b></i>	Facilitate the industry awareness campaign on protection of geographic origin to improve marketing of products and fund projects aimed at achieving PDO/PGI for the products with high marketing potentials.	Dec. 2008	Sep. 2009	RL, JD, SM	POI.4 = \$50,000; C.1.1=6	2 presentations conducted, at least 1 PDO/PGI obtained, 6 businesses-PDO/PGI holders directly assisted, \$50,000 of new/additional revenues achieved
<i><b>Transition of the Serbian Fruit web-site to a national association “Fruits of Serbia”.</b></i>	Fund ABDS provider(s) to provide association with trainings and TA needed to take over the site and carry on with its maintenance, development and promotional activities.	Jan. 2009	Jun. 2009	RL, JD, SM	C.1.1=30	1 producer organization and 30 companies assisted
<b>DEVELOP CAPACITY TO MEET INTERNATIONAL STANDARDS AND TRACEABILITY REQUIREMENTS</b>						
<i><b>Global Gap standard</b></i>	Assist 3 selected producers of berry fruits for fresh market to implement GAP, traceability and environmental requirements, and certify to Global Gap standard for exportable fresh berries.	Oct. 2008	Sep. 2009	BO, SM	POI.3=2; POI.4 = \$150,000; C.1.1=3; C.1.5=2; C.1.14=3	3 producers certified, 2 ABDS providers assisted, \$150,000 of new revenues achieved and 2 new employments created within one year
<i><b>HACCP, Organic, BRC and/or other certification</b></i>	Assist a sub-sector and/or target market specific certification that would result in improved access to new markets for Serbian higher value added products.	Oct. 2008	Sep. 2009	BO, SM	POI.3=2; POI.4 = \$200,000; C.1.1=2; C.1.5=1; C.1.14=2	2 processors certified; 1 ABDS provider assisted, \$200,000 of new revenues achieved and 2 new employments created within one year

<b>ASSIST DIVERSIFICATION OF PRODUCTION</b>						
<i>Grants to assist higher value-added products development</i>	Assist higher value-added products to upgrade existing processing technologies, develop new higher value-added fruit products, improve packaging and designs of existing products.	Oct. 2008	Sep. 2009	SM, SD, RL, JD	POI.3=6; POI.4 = \$200,000; C.1.1=2; C.1.11=2; C.1.12=60,000	2 producers/processors assisted, 3 new product introduced/existing products improved, \$200,000 of new revenues and 6 full-time jobs achieved within one year
<i>STTA to assess production conditions and conduct feasibility study on cranberry production in Serbia.</i>	Hire an US-based STTA provider to assess production conditions and conduct feasibility study on cranberry production in Serbia.	Dec. 2008	Sep. 2009	SM, SD, RL, JD	C.1.1=3; C.1.5=2;	1 new product introduced, 3 POs trained and 2 ABDS providers trained in new production
<b>ENCOURAGE YOUTH AND WOMEN INVOLVEMENT IN AGRIBUSINESS</b>						
<i>Visit schools to encourage youth applications and involve youth entrepreneurs in subsector specific activities</i>	Visit schools, present VCA findings and market opportunities, encourage youth applications and evaluate, involve youth entrepreneurs in subsector specific activities.	Oct. 2008	Sep. 2009	IP, SM, SD	POI.3=3; POI.4 = \$20,000; C.1.15=3; C.1.16=5; C.1.17=3	3 youth /women projects assisted, 3 youth/women employments created; 50 young farmers assisted through technical assistance; US\$20,000 of new revenues achieved
<b>HERBS</b>						
<b>Build export market linkages to retail buyers</b>						
<i>Support participation of Serbian companies at trade fairs</i>	Co-fund exhibition of producers at Fruit Logistica, BioFach, Gulfood, Fancy Food Show, WorldFood show, Sial, IFE London and Novi Sad Fair	Oct. 2008	Jun. 2009	VP, RL, PC	POI.3=15; PO4 = \$1,000,000; C.1.1=1; C.1.3=\$50,000; C.1.11=1	\$1 million of additional export, \$200,000 of additional domestic sale and 15 full time employments

<b><i>Support links to inward trade missions from buyers</i></b>	Organize retail buyers field assessments of selected companies	Apr. 2008	Sep. 2009	VP, RL	POI.4 =\$100,000	2-4 new companies sign contract with supermarkets, \$100,000 of new revenues achieved
<b><i>Support sales delegation trips to EU and North America markets and specialized fairs</i></b>	Help the companies to conduct sales delegation trips to international markets in EU and North America	Apr. 2008	Sep. 2009	VP, RL	POI.4 =\$100,000; C.1.12=\$15,000	2 sales missions conducted, \$100,000 of new revenues achieved
<b>Increasing value added products</b>						
<b><i>Improve design, packaging, labeling to companies ready to compete on end market</i></b>	Fund marketing and promotion services delivered to Bilje Borca, Interfood 60 and Strela Klaic companies.	Oct. 2008	Jan. 2009	VP, RL	POI.4 =\$500,000; C.1.5=2; C.1.11=2; C.1.12=\$30,000	At least three companies will enter on new markets that either pay a higher premium, or that allow for the addition of value-added products achieving of \$500,000 of additional sales
<b><i>Organize training and education in management, sales and marketing</i></b>	Co-finance trainings, delivered by ABDS providers, on management, sales, marketing, and negotiation skills to export oriented companies	Mar. 2009	Jul. 2009	VP, RL	C.1.1=1; C1.3.=\$50,000; C.1.12=\$10,000; C2.3=3	At least one PO, and five companies will receive such trainings
<b><i>Improve access to GOS funds by Serbian agribusiness by disseminating information</i></b>	Assist Serbian agribusiness firms and producer organizations in accessing GOS subsidized funding.	Jan. 2009	Mar. 2009	VP	C.1.9=3; C1.10.=\$10,000	At least 15 companies will receive such information and at least three will access to the funds in total value of at least \$10,000
<b><i>Improve companies' promotional material and web sites for exhibition on international and domestic fairs</i></b>	Engage local STTA provider to prepare design for companies' promotional activities through developing brochures, leaflets and multi language web sites.	Feb. 2009	Jun. 2009	VP, RL	POI.4 =\$100,000	\$100,000 of new revenues achieved

<i>Support companies penetrating on new market with new technologies/equipment</i>	Upgrade existing value-adding processing technologies and develop new higher value-added products of companies to improve productivity and product quality	Mar. 2009	Aug. 2009	VP	POI.3=5; PO4=\$100,000; C.1.12=\$5,000	\$100,000 of new revenues by the end of Y2 and 5 new employments
<i>Support study tours on MAP growing techniques to regional countries</i>	Conduct a study tour on growing techniques and access to new suppliers	Apr. 2009	Jul. 2009	VP	POI.4=\$100,000; C1.1=1; C.1.12=\$10,000	One study tour conducted, \$100,000 of new revenues
<b>Association development</b>						
<i>Organize awareness campaign on standards specialized for wild collection companies and members of associations</i>	Support printing and distribution of brochures on the standards followed by one day seminar conducted by IMO representatives	Nov. 2008	Jan. 2009	VP, BO, PC	C1.1=1; C1.5=1; C.1.12=\$15,000; C1.14=2	Distributed brochures to at least 10 companies, six companies attended on the one day seminar and one company starts certification process
<i>Improve management capacities and develop action plan</i>	Assist Mushroom Association within Fruits of Serbia to develop one year action plan	Dec. 2008	Mar. 2009	VP	C1.1=1	Make one Association sustainable
<i>Develop Serbian wild mushroom web site for Mushroom Association</i>	Support development of Serbian wild mushroom web site as a part of Serbian Mushroom promotional campaign	Jan. 2009	May 2009	VP, RL	C1.1=1; C1.2=5; C.1.12=\$15,000	Site developed, 3-5 new companies posted on SerbianFruit.com, \$100,000 of new revenues achieved
<b>Cross cutting</b>						
<i>Provide support to legislative and policy reform on export procedures for wild collected products</i>	Assist in creation of the policy reform recommendations and support the Mushroom Association to improve export procedures for wild collected products	Jan. 2009	Apr. 2009	VP, BO	C1.1=1; C2.4=1	One policy reform recommendation document prepared

<i>Provide grant support to young entrepreneurs within the sub-sector</i>	Evaluate, assess and award 2 best business plans and assist in registration process	Dec. 2008	Mar. 2009	VP, IP	C1.11=2; C.1.12; C1.14=2; C1.15=2 C1.16=2; C1.17=2	2 best business plans awarded.
<b>DAIRY</b>						
<b>Strengthen Producer Organizations</b>						
<i>Develop Nationwide Dairy Milk Quality and Farm Management Campaign</i>	Identify 50 leading farmers for intensive farm management program plus 300 farmers for training sessions.	Oct. 2008	Jul. 2009	GJ, PC	POI .4, C.1.13	50 commercial dairy farm agribusinesses improved, 300 dairy farmers trained, 6 ABDS providers trained, new sales \$ 200,000
<i>Dairy farms HACCP certification project</i>	Assist Holstein Farmers Association to implement HACCP on 15 individual dairy farms, train 100 farmers	Oct. 2008	Jul. 2009	GJ	C.1.14	15 commercial dairy farm agribusinesses HACCP certified, additional 100 farmers trained
<i>Develop Serbian-American Dairy B&amp;B linkages</i>	Dairy companies Sabac, Lazar, Mladost, Kuc and Mihajlovic will expand B&B linkages and transfer of know-how by linking with the US dairy expertise and technology	Mar. 2009	Mar. 2009	GJ	C.1.1 & C.1.13	14 dairy, ABDS, farmers and regional government representatives adopted new skills for development of commercial farms, farm management programs, new dairy products and PO development
<b>Improve ABDS Delivery</b>						
<i>Creation of National ABDS Providers Network</i>	Support registration, website development and launching a specialized monthly e-newsletter featuring production, marketing, technology and policy issues	Dec. 2008	Mar. 2009	GJ	C.1.1, C.1.5, C.1.7	1 National ABDS Providers Network developed, 200 subscribers for dairy e-magazine
<i>Improving Zlatibor Specialty Products Visual Identity</i>	Develop visual identity, labeling and packaging for dairy specialty products	Dec. 2008	Jun. 2009	GJ, RL	C.1.1, POI .4	3 specialty products changed

<i>Support Development of Commercial Dairy Farms Agribusinesses</i>	US dairy STTA to develop technical and investment plans for dairy farms of 30, 50 and 100 cows each.	Dec. 2008	May. 2009	GJ	C.1.1, POI.4	5 investment plans developed, 100 farmers, 5 dairies and 5 ABDS providers trained.
<b>Encourage youth involvement in agribusiness</b>						
<i>Support Development of Dairy Practice Farm Programs</i>	Develop training programs by US and local dairy experts and implement 3 regionally based, 2-day farm management and production courses for youth	May 2009	Sep. 2009	GJ, IP	C.1.16	100 students and farmers trained
<b>Increase Value Chain and/or Cluster Competitiveness</b>						
<i>Support implementation of IT dairy management</i>	Implement dairy management software to increase efficiency of milk supply and operations	Dec. 2008	Jun. 2009	GJ	C.1.1, C.1.8	5 dairies implemented dairy management software
<i>Develop Russian export market opportunities</i>	Link dairies interested in the Russian market	Feb. 2009	Feb. 2009	GJ, RL	C.1.1, POI.4	\$300,000 of increased export sales
<i>Develop US export market for Serbian dairies</i>	Expand activities to promote export of two Serbian dairies to US	Jan. 2009	Aug. 2009	GJ, RL	C.1.1, POI .4	\$300,000 of increased export sales
<b>VEGETABLE</b>						
<b>STRENGTHEN PRODUCER ORGANIZATIONS</b>						
<b>Increase efficiency of POs and services provided to their members</b>						
<i>Organize in-country visits for the producer organizations' managers</i>	Facilitate study visits of PO managers from the central and south of Serbia to Vojvodina POs to exchange information and experience.	Feb. 2009	Mar. 2009	RV	C.1.1, C.1.2	Managers of five undeveloped producers' organization will increase number of services provided for their members

<i>Arrange training workshops for managers of more developed POs</i>	Engage ABDS provider to deliver specialized training to POs in marketing, promotion, finance and other services for the members	Feb. 2009	Apr. 2009	RV	C.1.1	10 managers of POs involved in vegetable production will improve their knowledge and increase capacity.
<i>Visit the Spanish Association of Vegetable Producers</i>	Facilitate a study tour to Spain of growers involved in production, distribution and marketing	Dec. 2008	Dec. 2008	RV	C.1.1, C.1.2	Increased knowledge about production technology for 20 representatives with increased number of services by three-five
<i>Assist in further development of Distribution Centers</i>	Conduct a study on costs, quality, logistics, benefits and maximum returns on the potential investments, organization and management of the centers	Oct. 2008	Feb. 2009	RV		One feasibility study created
<i>Implementation of new vegetable varieties</i>	Facilitate training to promote high market demand varieties using specialized ABDS providers	Jan. 2009	Mar. 2009	RV	C.1.1, C.1.7	20 producers will start production of new varieties. Five - seven new vegetable types will be produced in Serbia. Additional sales income of \$50,000
<i>Implementation of new varieties that will extend growing season</i>	Training workshops on assortments, growing technology and advantages of extended season production	Jan. 2009	Mar. 2009	RV	C.1.1, C.2.3	Additional sales for the producers (\$30-50,000), import of early vegetables decreased by 5%. Start up productions of five early vegetable types
<b>Improve post-harvest and storing techniques and practices</b>						
<i>Training workshops on post-harvest techniques</i>	Training held in North Vojvodina, Central Serbia, Pomoravlje region and South of Serbia	Dec. 2008	Feb. 2009	RV	C.1.1	Production losses reduced by 20%, 200 farmers trained

<i>Training sessions on post-harvest techniques and management for local ABDS providers</i>	Facilitate training participation of 15 ABDS providers to improve their knowledge and become able to assist other producers in Serbia	Dec. 2008	Feb. 2009	RV	C.1.6	15 ABDS providers will assist in improvement of post-harvest techniques to 400 producers. Decreased post harvest losses by 20 %
<i>Improve products by proper packaging, labeling, promotion and marketing</i>	Conduct workshops on the trends and requirements in fresh, organic/fresh, and processed vegetables	Mar. 2009	May 2009	RV, RL	C.2.3, C.1.3	Improvement of fresh vegetable packaging which will contribute to additional sales value of \$100,000
<i>Business to business meeting with Russian and Ukraine buyers</i>		Mar. 2009	Apr. 2009	RV, RL	C.1.3	Direct sales in value of \$500,000, preparatory agreements for the sales of production in 2009
<b>IMPROVE ABDS DELIVERY</b>						
<i>Knowledge transfer/study tour for the ABDS providers</i>	Facilitate study tour for the selected ABDS providers to provide them with models of operations, financing and scope of services to assist them increase efficiency and improve quality.	TBD	TBD	RV, NP	C.1.5, C.1.7	Capacity of local ABDS provides improved, organizational structure and business opportunities improved, additional services sales value \$30,000
<b>ENCOURAGE YOUTH INVOLVEMENT IN AGRIBUSINESS</b>						
Activity 1 - Best Business Idea Youth program	Supervise winners of grants through the Best Business Idea Youth program, assist them and link with ABDS providers as needed .	TBD	TBD	RV, IP	C.1.12	
Activity 2 - training sessions	Facilitate participation of young entrepreneurs at the training sessions arranged for vegetable producers on different subjects	TBD	TBD	RV, IP	C.1.16	

**INCREASE VALUE-CHAIN AND/OR CLUSTER COMPETITIVENESS**

<p><i>Assist the producers willing to implement new technologies at any level of production</i></p>	<p>Support a vegetable producer in closed environment to build a green house made of a new durable material, with a heating unit to use bio fuel, to be used as a demonstration center.</p>	<p>TBD</p>	<p>TBD</p>	<p>RV</p>	<p>POI.3, POI.4</p>	<p>Employment of 15-20 women who will work in this greenhouse</p>
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**Acronyms:**

- POI –Overarching Project Level Indicators
- C1 – Component I Indicators
- C2 – Component 2 Indicators
- STTA – Short-term technical assistance
- SL – Sector leads
- CC – Cross-cutting staff
- TBD – To be determined

- GN           Gene Neill
- GR           Goran Radojevic
- RL           Remer Lane
- SDJ          Slavenko Djokic
- IP           Ivana Petrovic
- PC           Pedja Cerovic
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- JC           Jelena Colic
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- AM           Ana Martinovic
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- VP           Vladimir Petrovic
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## Year 2 Work Plan, Annex II.1

### LIVESTOCK

October 1, 2008 - September 30, 2009

#### **Overview**

Since the sector is already export oriented, the USAID Agribusiness Project work with the livestock sub-sector in Y1 was focused on finding the best entry points to increase competitiveness of Serbian businesses in foreign markets, market linking and consequently increasing the value of the domestic and exported products. The long term strategy is: “Getting back to where we were in terms of export in 1990”, and gradually increasing the volume to double the levels of export. To increase volume of exports from nearly 10,000 tons to 20,000 tons of beef, Serbia needs to breed additional 50,000 steers. For a domestic market increase in sales of 10,000 tons, another 50,000 steers are needed in the fattening operation. The USAID Agribusiness Project task is to support the strategy of increasing the sales in both the domestic and export markets by supporting Serbian producer organizations to breed additional 100,000 steers annually until 2012.

#### **OBJECTIVE 1: STRENGTHEN PRODUCER ORGANIZATIONS**

- ***Task 1.1 Linking producer organizations, individual farmers, ABDS providers and slaughterhouses***

Training sessions will be held in five regions in Serbia: Pirot, Nis, Krusevac, Cacak and Uzice. The activity will be facilitated by the national ABDS provider “Agrar Kontakt” and local ABDS providers, including a “training of trainers”. The agenda includes lectures, which will be followed with the workshops, and practical demonstrations that will cover topics such as artificial insemination, treatment of hoofs, and grading of body shape in livestock (bulls and heifers). The expected results include better cooperation between slaughterhouses and the producers, an improved market oriented approach, an increased number of cattle per farm, and better yields per steer fattened.

*Project timeframe: September 2008 - February 2009*

*Expected results: 150 farmers, 10 producer organizations, 5 ABDS providers and 3 slaughterhouses trained; 2,000 farmers breeding additional 100,000 steers annually*

- ***Task 1.2 Formalization of livestock farmers to register animals***  
This activity will make the farmers eligible to become recipients of subsidies by Ministry of Agriculture to increase the production. The Project will support ABDS providers to solve the market failure of a lack of service providers in the regions of Tutin, Sjenica, Prijepolje and Pirot. The activity will be implemented in collaboration with ABDS provider “ZZ Agro Ibar” in Sjenica and other interested local ABDS providers. Our support will enable ABDS providers to certify and register 5,000 cattle annually which would then generate sufficient income for the livestock to continue registrations on their own.  
*Project timeframe: November 2008 - September 2009*  
*Expected results: 5 ABDS providers assisted; 5,000 cattle registered annually*
- ***Task 1.3 Study tour to regional or other EU countries***  
This activity will contribute towards the Project strategy of increasing production of baby beef. Our assessment identified the need to provide appropriate examples of good practices which can be accomplished by visits to farms and livestock associations in two countries: one with a transitional economy and another with stable conditions, and adopt positive experiences in the livestock breeding. An ABDS provider such as IMPAK would organize the tour. The results expected from this study tour are: adoption of better practices in the livestock breeding, introduction to the EU standards in the farm management, methods to lower production costs, and more competitive products.  
*Project timeframe: March 2009*  
*Expected results: 10 farmers and 10 ABDS providers trained*

## **OBJECTIVE 2: IMPROVE ABDS DELIVERY**

Demanding markets will force stakeholders along the sub-sector to seek ABDS services that are more competitive. The need for ABDS services will vary from one to another livestock producer, and from a meat processing plant to a livestock association. The Project will support sector specific services, livestock certification, education in the field of livestock and veterinary services, to improve ABDS human resources and thus contribute to sustainable and strategic rural development.

- ***Task 2.1 Training programs to improve links among livestock stakeholders***  
Following the “training of trainers” program above, regional ABDS providers in agricultural extension service stations Pirot, Nis, Krusevac, Cacak and Uzice will deliver practical advice and assistance in the field. The idea is to improve links among producer organizations, individual farmers, ABDS providers and slaughterhouses, by using the agricultural extension service stations as a hub for coordination with these stakeholders.  
*Project timeframe: November 2008 - August 2009*  
*Expected results: 100 farmers, 20 ABDS providers, 5 slaughterhouses trained*

## **OBJECTIVE 3: YOUTH ENTERPRISE PROGRAM AND BUSINESS PLAN COMPETITION**

The Youth Enterprise Program intends to attract and retain Serbian youth in agriculture and agribusiness. The USAID Agribusiness Project will organize one-day lectures in the

agriculture schools explaining to young students the potential benefits of working in the Serbian agribusiness.

- ***Task 3.1 Assistance to young farmers/entrepreneurs through youth business plan competition program***

The Project will support the best and most viable business plans in the livestock sector. In Year 2, two business plans in the livestock sector will be implemented through grants. Both business plan projects will focus on the purchase of steers for fattening, because these farmers have good preconditions for that operation.

*Project timeframe: November 2008– January 2009*

*Expected results: Two farmers assisted, increase in steers by 50%*

#### **OBJECTIVE 4: INCREASE VALUE-CHAIN AND/OR CLUSTER COMPETITIVENESS**

The activities below are intended to increase the overall competitiveness of the value chain. The main focus will be on increasing competitiveness of Serbian livestock producers and POs in the domestic market, through introducing new technologies and technical assistance packages, consequently increasing sales margins. Livestock producers and processors will be the focus points of intervention, especially those looking for solutions to improve their business, diversify and add value to their products.

Export promotion, market surveys, consulting and other advisory services are also commonly needed by stakeholders along the livestock subsector.

In the Year Two, the Project will provide assistance to at least 150 farmers, 10 producer organizations, 5 ABDS providers and 3 slaughterhouses and add at least extra \$2 million of sales.

- ***Task 4.1 Participation of meat processing companies in trade shows***

The main criteria for selection of participating companies will be their size and willingness to expand their operations. The Project will support the medium sized companies willing to expand their operations such as: “Klanica A.D. Divci”, “Djurdjevic Meat Industry”, “Klanica Nedeljkovic” and “Kotlenik Promet”. These companies will participate in the Moscow Fair and the Novi Sad Fair, in cooperation with the Project and SIEPA.

*Project timeframe: February– May 2009*

*Expected results: Four slaughterhouses assisted, increase in domestic and export sales by \$800,000*

- ***Task 4.2 Increasing value added products***

The purpose of this activity will be to enhance the revenue of agricultural producers and increase the value of agricultural commodities (meat) by processing value added foods. Training programs will be organized by the ABDS providers in three regions of Serbia on topics such as: providing opportunities for producers to add value to their product by becoming members and investing in a closed food processing cooperative, and production of the highest quality food products utilizing raw agricultural commodities and state of the art technology.

*Project timeframe: February– May 2009*

*Expected results: Four slaughterhouses assisted, increase in domestic and export sales by \$800,000*





USAID Agribusiness Project

## Year 2 Work Plan, Annex II.2

### BERRY FRUIT

October 1, 2008 - September 30, 2009

#### OVERVIEW

To increase the overall competitiveness and initiate rapid and broad-based growth of the cultivated berry fruit sub-sector, in year 1 the USAID Agribusiness Project established cooperation with and provided assistance to a wide group of producer organizations and other types of businesses dealing with berry fruits. During that period the Project introduced new varieties and technologies to over 40 producers and/or processors, helped them to establish links and develop relationships with international suppliers, as well as initiated training programs that will help participating businesses to improve their competitiveness and access new markets. In all these activities the project worked through leverage points identified at its initial phase, such as National Association Fruits of Serbia, Serbia Cold Stores Association, Atlecoop Association, ABDS providers Zeleni hit, Arilje Agricultural Innovation Center, and the Cacak Fruit Research Institute. To help the sub-sector to adapt to market needs, to meet EU requirements in food quality standards and safety, and to be competitive in domestic, regional, and international markets the project will continue its support through various sub-sector specific and cross-cutting interventions.

**The Project's goal by the end of year 2 in berry fruit is to create a dynamic group of businesses with established production of appropriate varieties of berry fruit for the fresh market, with sufficient knowledge and market linkages to succeed in the domestic market. At the same time producers of value added products will introduce new products and/or improved quality, packaging, design and market access of existing products.**

#### OBJECTIVE 1: STRENGTHEN THE FRESH BERRY VALUE CHAIN

- *Activity 1.1 Training programs on production of berry fruit under high tunnels and packaging of fresh berries.* To improve the overall performance of producer organizations and enable them and member-farmers to benefit from economies of scale, the project will work with competent ABDS providers or, where they do not exist, hire STTA to provide a series of trainings to enable

producers to improve their knowledge and skills related to implementation of new technologies. As marketing of fresh berries is quite new type of berry business in Serbia, producers need lots of information related to production technologies and post-harvest management. In year 2 the main topics covered will be production of berry fruit under high tunnels and packaging of fresh berries, which will require an STTA consultant. Trainings will be conducted during winter 2008-2009 at several locations in raspberry growing areas.

*Project timeframe: Nov 2008 – Mar 2009; Expected results: 4-6 trainings conducted, 4 ABDS and 15 producer organizations and food-processing companies trained; US\$50,000 of new revenues achieved*

- **Activity 1.2 Trade mission to the United Kingdom.** Through a cost-share the Project will support a trade mission to the United Kingdom for seven berry-fruit producers and nurseries within the association of fruit and vegetable producers "Fruits of Serbia". This activity is a follow-up of series of activities conducted by the project in year 1 aimed at improving producers' knowledge and links with international partners. The participants will visit potential suppliers and buyers in UK, discuss quality requirements and start negotiations, and may even close business deals. In addition, they will expand their knowledge about distribution channels and buyers in the United Kingdom and about fresh berry-fruit market requirements, new technologies, and varieties. Afterwards, the participants will share their knowledge with other sector stakeholders through the seminars and a special TV show that will be prepared by the Project. In addition to the producers and nurseries, TV B92 and a representative of the Ministry of Agriculture will participate in the trade mission, although their costs will be fully covered by the Ministry.

*Project timeframe: Sep – Dec 2008*

*Expected results: 1 trade mission conducted; 3 ABDS and 5 producers assisted; 2 purchase contracts signed for establishment of 10 ha of raspberry orchards, 130 farmers-raspberry growers with improved access to new technologies and selling opportunities, \$100,000 of new sales achieved*

- **Activity 1.3 Know-how exchange tour to production areas in Italy, Spain or Chile.** The project will also fund a know-how exchange tour to production areas in Italy, Spain or Chile, where recent technologies (such as production under high tunnels and greenhouses, and varieties with extended harvest) have been successfully implemented. The tour will be organized in cooperation with World Learning and will include approximately 10 representatives of both producers and ABDS providers. The main goal for the participants will be to see and learn how these technologies are implemented in practice, as well as to observe the overall organization of businesses and marketing strategy.

*Project timeframe: Mar – Jun 2009*

*Expected results: 1 know-how exchange tour conducted; 3 ABDS and 6 producers assisted; US\$30,000 of new revenues achieved*

- **Activity 1.4 Grants to apply new technologies and share information.** To support further progress towards establishing fresh sales and as a follow-up of training programs conducted in first 15 months of the Project, the Project will consider approving approximately 2 grants to producer organizations and/or companies. Through its grants component the Project will assist eligible grantees

to implement new technologies that will result by improved quality, yields and/or marketability of their products. The grants will be used to assist selected businesses to apply new technologies and share information through establishment of demonstration farms for new varieties and production techniques, and/or for establishment of packing/cooling/shipping units for improved post harvest management.

*Project timeframe: Jan – Jul 2009*

*Expected results: 2 producer organizations/companies assisted; 2 new technologies applied; US\$100,000 of member sales achieved; expected number of benefiting farmers: 30; 10 new members joined*

## **OBJECTIVE 2: ASSIST IN DEVELOPMENT OF PLANT MATERIAL NURSERIES**

Currently Serbia alone cannot produce new varieties and sufficient quantities of seedlings for its own use. Local production of high quality planting materials plays a crucial role in ensuring the viability and sustainability of the sector, as well as in achieving price competitiveness of Serbian fresh berry fruit production. Moreover, there are market opportunities for Serbia to establish itself as the premier exporter of berry fruit seedlings to Eastern Europe. The project will work with 3 to 5 selected nurseries and assist them in improving their skills and production capacities to achieve the highest quality production, as well as in establishing market linkages with international breeders and buyers of planting materials.

- ***Activity 2.1 Training workshop on improving quality of planting material and dealing with intellectual property rights.*** As mentioned before, the Project will continue its assistance to selected nurseries with proven growth potential in establishing cooperation with foreign partners. In addition, the Project will hire local STTA and organize a training program and/or seminar that will enable both nurseries and fruit growers in Serbia to learn how to improve quality of planting material and deal with intellectual property rights/royalties and provide the knowledge base needed to start production of improved seedlings and planting material for berry fruits. The STTA will prepare a guidebook that will be distributed to interested producers and nurseries. The activity will be implemented in cooperation with Fruits of Serbia and its sub-association of nurseries.

*Project timeframe: Oct 2008 – Mar 2009*

*Expected results: at least 5 nurseries and 15 producers trained; \$50,000 of new revenues achieved*

## **OBJECTIVE 3: SPEED UP BLUEBERRY PRODUCTION**

So far USAID in Serbia has had significant success in enabling producers to learn about and apply growing technology, and to establish profitable production of high bush blueberries. The market responded very well so that current domestic needs and recently created demands from abroad already exceed production that is achievable in near future. To help Serbia's new blueberry producers to improve production and capitalize on market opportunities, through technical assistance the Project will support development of capacities and provision of extension services in this area.

- **Activity 3.1 Training and advisory program for Serbia blueberry growers.** The activity will be implemented by Agricultural Innovation Center, an ABDS provider from Arilje that operates as a solely agricultural service provider that possesses theoretical knowledge and practical experience in this production that is new to Serbian fruit growers. The Project will provide grant funds for the training programs and advisory services pertaining to the blueberry production and marketing, which will be implemented in eight municipalities of South-West of Serbia. The activity will comprise building production capacity and will improve market access of over 110 farmer-blueberry growers, 8 producer organizations and 2 ABDS providers.

*Project timeframe: Sep 2008 – Aug 2009*

*Expected results: 8 producer organizations and 2 ABDS providers assisted, increase of the blueberry yields by 50% and sales by \$100,000 in the first year, additional 50 jobs in agricultural production and processing created*

#### **OBJECTIVE 4: STRENGTHEN PRODUCER ORGANIZATIONS**

One of the strategic focuses of the Project is to support selected producers and ABDS providers in improving capacities and achieving higher incomes and profitability through establishment of sales of fresh berries. Since a new organizational approach is needed and technology this kind of business is quite new for Serbia, and a lack of sustainable business entities in this area has been noted accordingly. However, after series of successful presentations conducted by the Project to raise awareness of industry leaders about global changes in the industry and the fresh market opportunities, the interest in entering this kind of production has grown both among fruit growers and small companies. Additionally, where initiatives to create a sector or activity specific sub-association (such as fresh fruit exporters) are identified, stakeholders will be further assisted in realizing their organizational plans and new associations will formally established within following years. The Project will therefore work on strengthening existing producer organizations, , and support establishment of new ones within the berry fruit sub-sector.

- **Activity 4.1 Training program in producer organizations' overall management.** Besides management training program for companies and organizations that will be delivered by MCB and which we anticipate to be attended by 5-6 producer organizations, the project will provide its support specifically designed for producer organizations needs. The target group of this tailored **training program in overall management of producer organizations** will be existing POs, especially those of national character like Fruits of Serbia and its sub-association of cold-stores, and local initiatives for establishment of berry growers organizations such as those identified in Pirot and Kosjeric. A series of trainings under this program will cover topics such as selection of proposed PO legal form, how to raise members participation, management of membership fees and distribution of profit, commercial loans and collateral, supplies and sales through a PO, and development of a marketing strategy. The activity will be implemented by an ABDS provider and/or by hiring an STTA. *(For more details please see the overall Producer organizations section).*

*Project timeframe: Nov 2008 – Sep 2009;*

*Expected results: 5 POs assisted, of which 3 new POs; 40 new members joining existing POs; US\$50,000 of member sales achieved*

## **OBJECTIVE 5: IMPROVE ABDS DELIVERY**

To compete in their markets, input suppliers, farmers, and firms all along each value chain need a consistent stream of qualified technical support to help them upgrade their skills. After identification of existing ABDS providers conducted during the USAID Agribusiness Project's initial phase, the Project will assist them to strengthen operations and will promote the establishment of new ABDS firms to provide in-demand services to firms along the value chain. The Project will focus on four primary areas of service delivery: technical, managerial, financial, and marketing services.

During the producer organization needs assessments in first few months of year 2 the Project will finalize identification of needs for specific ABDS products and services. Then the project staff will prioritize the areas where services and training are required, such as international standards and cold chain management for fresh berries, and in subsequent months will focus on addressing these needs.

- ***Activity 5.1 Training programs in logistics and cool chain management*** The Project will develop and implement subsector specific technical assistance – training programs (training of trainers) that will help participating ABDS develop their technical capacities. Based on the priorities established in Task 1.2.1, the Project will organize series of trainings that will cover various topics such as: grading, storing, packing, labeling, logistics management, cold chain management, PDO/PGI protection, and certification (e.g., Global GAP). To maximize the impact of these activities, the project will work at same time both with ABDS providers and industry leaders. In year 2 the Project will focus on 2 most relevant topics (most likely cold chain and logistics management), that may require 2 STTAs (1 international and 1 local). While conducting studies and preparing materials for recommendations and/or trainings, the STTAs will work with a group of ABDS providers so as to transfer the methodology and information to them. After studies on assigned subjects, the STTAs will present their findings and recommendations to a number of interested businesses and ABDS providers.

*Project timeframe: Jan – Sep 2009*

*Expected results: 2 STTAs hired, 8 ABDS assisted and 12 producer organizations and food-processing companies trained; US\$100,000 of new revenues achieved*

- ***Activity 5.2 Support establishment of partnership that will result in improved application of inputs of service provision in Serbia.*** Through international fairs and Serbian Fruit web site the berry fruit sub-sector lead and marketing team will continue identifying international service providers and suppliers of inputs relevant for the berries sub-sector. Then the sub-sector lead will work with these international firms to determine their local support needs, and will broker relationships with local firms to establish the partnerships that will result by improved application of inputs of service provision in Serbia. The international suppliers will then provide the technical training to their partners in Serbia. Some of potential international suppliers are producers of post-harvest and/or technologies to extend products' shelf-life, planting material, anti frost equipment, consultants on EU food packaging & labeling requirements, cold chain management, PDO/PGI, or Chilean consultants on fresh berries. Besides

linking the partners and overall coordination of activities, the project will organize and cover costs related to presentations, workshops and transportation of participants where necessary. By the end of Year 2, we expect to have launched at least 1 partnership/contract signed between Serbian and international suppliers/service providers within the berries subsector, with total transaction(s) value \$100,000 within one year after its inception.

*Project timeframe: Oct 2008 – Sep 2009*

*Expected results: 3 ABDS assisted, 2 new ABDS started, \$100,000 of new revenues achieved.*

## **OBJECTIVE 6: DEVELOP MARKETING CAPACITIES AND EXPORT MARKET LINKAGES**

*(For more details please see the overall Marketing cross-cutting component)*

- **Activity 6.1 Co-funding exhibition of berry fruit producers and/or processors at relevant trade fairs.** In cooperation with SIEPA and Ministry of Agriculture the project will support ABDS providers and/or national associations to enhance fresh, organic and/ processed berry fruit domestic sales and exports through co-funding exhibition of berry fruit producers and/or processors at relevant trade fairs such as Fruitlogistica (fresh), BioFach (organic), Fancy Food - New York, IFE - London, Sial - Paris, World Food - Moscow and other relevant fairs.

*Project timeframe: Oct 2008 – Sep 2009*

*Expected results: 15 producer organizations / food-processing companies and/or ABDS assisted to participate in 9 trade fairs; \$4,800,000 of new revenues/exports achieved*

- **Activity 6.2 Conduct sales delegation trips to regional and/or major international markets.** Through cost-share the Project will help agribusiness delegations consisting of ABDS providers and/or national associations to conduct sales delegation trips to regional and/or major international markets in Russia and Europe, assess market demands and competition, prepare for own participation and, where possible, meet with potential buyers and begin negotiation process. These missions will be conducted within international fairs such as IFE Moscow or bigger sales missions that will be organized in cooperation with business associations and/or Serbian Chamber of Commerce. It is estimated that in year 2 within the berry fruit sub-sector the project will assist 2 sales missions consisting of 3 to 5 businesses each.

*Project timeframe: Oct 2008 – Jul 2009*

*Expected results: 2 sales missions conducted, 8 businesses/ABDS providers assisted, \$100,000 of new revenues achieved within one year after the implementation*

- **Activity 6.3 Awareness campaign and grants aimed at protecting geographic origin –PDO/PGI.** To enable product diversification and to improve market access of Serbian berry fruit products, the Project will assist the industry awareness campaign on protection of geographic origin as a tool for improved marketing of products and, where feasible, fund projects aimed at achieving PDO/PGI for the products with high marketing potentials, such as Arilje

raspberries. The purpose of the project's funding will be for the client (for example Arilje SME Association or similar POs) to carry out studies needed to meet EU requirements for obtaining PDO/PGI and/or conduct various marketing activities (promotional campaigns, participation at trade fairs, etc) that will enable the PDO/PGI holders to take advantage of protected geographic origin of their products.

*Project timeframe: Dec 2008 – Sep 2009*

*Expected results: 2 presentations conducted, at least 1 PDO/PGI obtained, 6 businesses-PDO/PGI holders directly assisted, \$50,000 of new/additional revenues achieved*

- **Activity 6.4 Transition of the Serbian Fruit website to a national association “Fruits of Serbia” via SerbianFruit.com website.** The Project has enabled a number of berry fruit businesses and producer organizations to develop their international contacts. In following months the berry fruit sub-sector lead together with marketing team will continue assistance to interested businesses with proven development capacities to increase access to potential buyers through adding/posting their company profile on the website. To improve the sustainability of this tool, in year 2 the Project will start transition of the site from the project to a national umbrella association “Fruits of Serbia”. The project will grant/cover costs of competent ABDS provider(s) who would provide the association with necessary trainings and technical assistance needed to successfully take over the site and carry on with its maintenance, development and promotional activities.

*Project timeframe: Jan – Jun 2009*

*Expected results: 1 producer organization and 30 companies assisted*

## **OBJECTIVE 7: DEVELOP CAPACITY TO MEET INTERNATIONAL STANDARDS**

Through a Project-wide overall certification program and sector-specific grants for certification, the Project will support the awareness campaign and assist growth-oriented producer organizations and companies in the process of implementation of international standards needed to improve overall quality and penetrate new markets. These activities will result in improved quality and marketability of their products, as well as in decreased costs and increased overall sales.

- **Activity 7.1 Introduction of the Global Gap standard**

**Fresh berries:** Through cost-share within the overall certification program the Project will assist a minimum of 3 selected producers of berry fruits for fresh market to implement Good Agricultural Practices, traceability and environmental requirements, and thus certify Global Gap standard for exportable fresh berries. Besides the awareness campaign, the Project funds will be used to cover part of costs related to consulting fruit producing businesses and their certification.

*Project timeframe: Oct 2008 – Sep 2009*

*Expected results: 3 producers certified, 2 ABDS providers assisted, \$150,000 of new revenues achieved and 2 new employments created within one year*

**Processed:** The Project will also assist a sub-sector and/or target market specific certification that would result by improved access to new markets for Serbian higher value added products. Similarly, the project funds will be used to cover part of costs related to consulting processors of berry fruit and their certification. With the project assistance at least 2 berry-fruit processors will be enabled to obtain HACCP, Organic, BRC, Kosher, Halal and/or other certification that will enable them to increase competitiveness and meet requirements needed to establish sales at new markets.

*Project timeframe: Oct 2008 – Sep 2009*

*Expected results: 2 processors certified; 1 ABDS provider assisted, \$200,000 of new revenues achieved and 2 new employments created within one year*

## **OBJECTIVE 8: ASSIST IN PRODUCTION DIVERSIFICATION**

- ***Activity 8.1 Grants to assist higher value-added products development.*** The Project will use grants to assist higher value-added products development within the berry fruit sub-sector. This assistance will be provided to growth oriented businesses to upgrade existing value-adding processing technologies, develop new higher value-added fruit products (e.g., fruit purees and powders for food processors, freeze-dried berries, etc.), improve packaging and designs of existing products to meet new markets' requirements and speed up sales, etc.

*Project timeframe: Oct 2008 – Sep 2009*

*Expected results: 2 producers/processors assisted, 3 new product introduced/existing products improved, \$200,000 of new revenues and 6 full-time employments achieved within one year*

- ***Activity 8.2 STTA to assess production conditions and conduct feasibility study on cranberry production in Serbia.*** The Project will address identified domestic market demands for and growers' interest in cranberries, which are currently not produced in Serbia. To do that, the Project will hire an US-based STTA provider experienced in this production to assess production conditions and conduct feasibility study on cranberry production in Serbia. If reasonable, the STTA will then provide orientation training/advisory program to interested producers and potential BDS providers.

*Project timeframe: Dec 08 – Sep 09*

*Expected results: 1 new product introduced, 3 POs trained and 2 ABDS providers trained in new production*

## **OBJECTIVE 9: ENCOURAGE YOUTH AND WOMEN INVOLVEMENT IN AGRIBUSINESS**

- ***Activity 9.1 Visit schools to encourage youth applications and involve youth entrepreneurs in subsector specific activities.*** The Project staff will work on Encouraging Youth involvement in Agribusiness and pay a special attention to all Project activities and proposals with potential for new youth and/or women employment. New kinds of business such as fresh berries marketing and production of cranberries especially attract many young persons. To encourage youth and women involvement in agribusinesses, in coordination with Youth program director the berry fruit sub-sector lead will visit selected schools and

present VCA findings and opportunities at the local and international markets. Besides, the berry fruit subsector lead will encourage youth applications for grants and/or technical assistance and participate in evaluation process. Additionally, where sufficient interest is identified the youth entrepreneurs will be involved in sub-sector specific technical assistance and advisory services that will provide the most of benefit to them.

*Project timeframe: Oct 2008 – Sep 2009*

*Expected results: 3 youth /women projects assisted, 3 youth/women employments created; 50 young farmers assisted through technical assistance; US\$20,000 of new revenues achieved*

## Y2 CULTIVATED BERRY FRUIT – GANTT CHART

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>1. FRESH BERRY VALUE CHAIN</b>													
1.1 Training programs - production of berry fruit under high tunnels and packaging of fresh berries/cold chain management	SM, *TD, PC												
1.2 Trade mission to the United Kingdom	SM, *TD												
1.3 Know-how exchange tour to production areas in Italy, Spain or Chile	SM, *TD, RL, JD												
1.4 Grants to apply new technologies and share information	SM, *TD, SD												
<b>2. PLANTING MATERIAL – NURSERY DEVELOPMENT</b>													
2.1 Training program/ seminar - how to improve quality of planting material and deal with intellectual property rights	TBD, PC, SM												
<b>3. SPEED-UP BLUEBERRY PRODUCTION</b>													
3.1 Training and advisory program for Serbia blueberry growers	TBD, PC, SM												
<b>4. ASSOCIATION DEVELOPMENT</b>													
4.1 Training program in producer organizations' overall management	TBD, PC, SM												
<b>5. ABDS / BUSINESS SERVICES DEVELOPMENT</b>													
5.1 Training programs in logistics and cool chain management	SM, RL, JD												
5.2 Support establishment of partnership that will result by improved application of inputs of service provision in Serbia.	SM, RL, JD												

<b>6. DEVELOP MARKETING CAPACITIES AND EXPORT MARKET LINKAGES</b>													
6.1 Co-fund exhibition of producers at selected fairs, such as Fruitlogistica, BioFach, Fancy Food, IFE, Sial	<b>RL, JD, SM</b>												
6.2 Cost-share to conduct sales delegation trips to regional and/or major international markets in Russia and Europe	<b>RL, JD, SM, SD</b>												
6.3 Awareness campaign and grants aimed at protecting geographic origin –PDO/PGI	<b>RL, JD, SM</b>												
6.4 Transition of the SerbianFruit web-site to a national association “Fruits of Serbia”.	<b>RL, JD, SM</b>												
<b>7. DEVELOP CAPACITY TO MEET INTERNATIONAL STANDARDS AND TRACEABILITY REQUIREMENTS</b>													
7.1 GlobalGap standard	<b>BO, SM</b>												
7.2 HACCP, Organic, BRC and/or other certification	<b>BO, SM</b>												
<b>8. ASSIST DIVERSIFICATION OF PRODUCTION</b>													
8.1 Grants to assist higher value-added products development	<b>SM, SD, RL, JD</b>												
8.2 STTA to assess production conditions and conduct feasibility study on cranberry production in Serbia.	<b>SM, SD, RL, JD</b>												
<b>9. ENCOURAGE YOUTH AND WOMEN INVOLVEMENT IN AGRIBUSINESS</b>													
9.1 Visit schools, encourage youth applications and involve youth entrepreneurs in subsector specific activities	<b>IP, SM, SD</b>												



## Year 2 Work Plan, Annex II.3

### DAIRY

October 1, 2008 - September 30, 2009

#### OVERVIEW

During the Year 1, the USAID Agribusiness Project completed a dairy sector assessment and focused on potential interventions with medium sized dairies and related stakeholders. The Project also completed technical audits of 17 medium sized dairies in Serbia to complement the dairy sector assessment with practical experience and to decide the course of intervention.

The main constraints to be addressed by the Project are:

- stakeholders' (farmers, dairy managers and owners, ABDS providers) lack of technical, operations and marketing knowledge
- lack of quality standards and practices with respect to policy adjustments and EU accession
- lack of access to new export markets
- weak ABDS provision along the value chain

The Project goals in Year 2 are to:

- Consolidate stakeholders' linkages (dairy-ABDS-farmer)
- Develop a pool of dairies interested in implementing structural changes and adopting new technologies/services
- Increase dairy stakeholders' technical knowledge on production, processing operations, quality standards and marketing requirements
- Develop CEFTA, Russia and USA export opportunities, leveraging Ministry of Agriculture, SIEPA, USDA and other donor funds for trainings, Business to Business trade events and study tours.

## Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness

### OBJECTIVE 1.1: STRENGTHEN PRODUCER ORGANIZATIONS

The dairy producer organizations' (PO) management and marketing skills are very limited. None of 17 dairies interviewed recognized a single PO as a partner in business. Dairies themselves tried to support initiatives which would lead to a creation of viable PO, but none succeeded. Even farmers do not see PO as means to enhance their business. Thus the dairy sector has a challenge, but we anticipate that these initiatives may revive PO prospects:

- **Task 1.1.1 Develop a Nationwide Dairy Milk Quality and Farm Management Campaign.** In cooperation with ABDS providers, led by Taurus Agro Consulting as the most advanced service provider within the sector, dairy companies will identify 50 leading farmers for intensive farm management program plus 300 farmers for general training sessions. Taurus will assist local dairy ABDS providers by assigning and coordinating tasks in the field and involving them in three training seminars (on mastitis prevention, reproduction and artificial insemination) led by a US consultant, thus increasing the dairy ABDS providers' technical capacity as well. PO leads will educate farmers about the value of working in a group. The activity has nationwide coverage.  
*Project timeframe: October 2008 - July 2009*  
*Expected results: 50 commercial dairy farm agribusinesses improved, 300 dairy farmers trained, 6 ABDS providers trained, new sales \$ 800,000 (Year 2 – Year 5)*
- **Task 1.1.2 Help Producer Organizations to implement international standards and meet certification requirements.** Dairy farm HACCP certification is mandatory under the new Veterinary Law, and is also a food safety precondition for dairy companies that export. The Project will cost share with the Holstein Farmers Association of Serbia to implement HACCP on 15 individual dairy farms. The Association is an umbrella for the implementation and this grant is expected to benefit non-members as well by promoting the need for dairy farm certification Serbia-wide. An additional 100 farmers will be trained on HACCP farm requirements, with the lessons learned from implemented activities.  
*Project timeframe: October 2008 - July 2009*  
*Expected results: 15 commercial dairy farm agribusinesses HACCP certified, additional 100 farmers trained*
- **Task 1.1.3 Develop Serbian-American Dairy Business to Business linkages.** This activity will be in the continuation of cooperation with the US companies (such as Cooperative Resources International (CRI) or Land o Lakes), that will organize and coordinate events. US dairy expertise in Serbia was successfully introduced through an exclusive partnership between the US genetic companies World Wide Sires and CRI, and Taurus from Serbia. To date, over 300 farmers, ABDS providers, dairies and veterinarians have been trained on increasing the profitability of dairy farm production based on the US models. In addition, two US milk quality controlling devices were previously introduced on commercial farms and at the Institute in Zrenjanin, showing better performance than available EU products. Additionally, USDA finalized an export promotion dairy campaign to US market, which resulted in market inquiries for the Subotica and Jersey dairies from US buyers.

Since Serbian dairies still do not meet the technical standards to export to the EU countries, the US market is available as an export opportunity and is an attractive alternative. Dairy companies Sabac, Lazar, Mladost, Kuc and Mihajlovic expressed interest in expanding B&B linkages and transfer of know-how by linking with the US dairy expertise and technology.

*Project timeframe: March 2009*

*Expected results: 14 dairy, ABDS, farmers and regional government representatives adopt new skills for development of commercial farms, farm management programs, new dairy products and PO development.*

## **OBJECTIVE 1.2: IMPROVE ABDS DELIVERY**

The Project has successfully identified ABDS providers for dairy farm management, artificial insemination and veterinary services. However, there is a lack of ABDS providers who specialize in marketing and sales. Improved ABDS delivery is closely related to the activities within Objective 1.1.

- ***Task 1.2.1 Create a National ABDS Providers' Network.*** This will be initiated along with the Dairy Milk Quality and Farm Management Campaign. The activity anticipates building functional relations among ABDS providers leading to creation of a Network. This activity will support the registration of the network, development of a website and development of a specialized monthly e-newsletter featuring production, marketing, technology and policy issues (developed by the ABDS providers). Regional ABDS Providers in dairy farm production management that will participate are: Maxi Farm - G.Milanovac, Veterinary Station - Guca, Veterinary station - Vrsac, Taurus Agro Consulting, Lucar Farms - Sombor, Evrolek - Sabac and Imanuel - N.Sad.

*Project timeframe: December-March 2009*

*Expected results: 1 National ABDS Providers Network developed, 200 subscribers for dairy e-newsletter*

- ***Task 1.2.2 Improve Zlatibor Specialty Products Visual Identity.*** The activity will cost share with Zlatibor Dairy in developing visual identity, labeling and packaging for dairy specialty products. This activity will identify a local ABDS provider to work with the dairy in developing visual identity.

*Project timeframe: December 2008-June 2009*

*Expected results: Three specialty products improved*

- ***Task 1.2.3 Support Development of Commercial Dairy Farm Agribusinesses.*** A US dairy STTA will be brought in to develop technical and investment plans for dairy farms of 30, 50 and 100 cows each. In addition, the activity will include three regionally based seminars of two days each.

*Project timeframe: December 2008-May 2009*

*Expected results: Five investment plans developed; 100 farmers, five dairies and five ABDS providers trained.*

### **OBJECTIVE 1.3: ENCOURAGE YOUTH INVOLVEMENT IN AGRIBUSINESS**

- **Task 1.3.1: Support Development of Dairy Practice Farm Programs.** In cooperation with private sector dairy companies, agricultural schools, local and regional governments and ABDs providers, the activity will cost share the development of training programs and engagement of the US and local dairy experts in implementing three regionally based, two day farm management and production courses, with a focus on agricultural high schools and young farmers.  
*Project timeframe: May-September 2009*  
*Expected results: 100 students and farmers trained*

### **OBJECTIVE 1.4: INCREASE VALUE CHAIN AND/OR CLUSTER COMPETITIVENESS**

Activities that will lead to improved dairy sector competitiveness are: improved milk quality and safety, introduction of new production technologies, development of new high quality and specialty products, and certification of farms and dairy companies. Additionally, education of all dairy stakeholders, from farmers to dairy owners and managers, is critical. Serbian dairy sector export market development in early 2009 will be focused on developing markets in Russia, Ukraine, the ex-Yugoslav Countries and the USA. While the EU market appears to be open for Serbia, in fact the EU has strict food safety standards which are met only by Subotica Dairy. In 2009 the Sabac and Lazar dairies should also be supported to reach standards for export to the EU.

- **Task 1.4.1 Support implementation of IT dairy management.** The project will support five dairies to implement dairy management software that will increase efficiency of milk supply logistics and operations in general. A specialized ABDS provider, such as “Dva S” from Kragujevac, will make assessments of dairies, adjust software for individual needs, implement software and train dairy staff.  
*Project timeframe: December 2008-June 2009*  
*Expected results: Five dairies implemented dairy management software*
- **Task 1.4.2 Develop Russian export market opportunities.** The activity will entail linking dairies interested in the Russian market (Sabac, Lazar, Zlatibor, Kuc and Mladost) and supporting them to exhibit at the Moscow Fair. This will be undertaken in cooperation with regional governments and SIEPA.  
*Project timeframe: February 2009*  
*Expected results: \$300,000 of increased export sales*

**Task 1.4.3: Develop the US export market for Serbian dairies.** Following the success of the USDA campaign in 2008, Subotica and Jersey dairies received enquiries for cooperation from the USA. The Project will expand activities to engage other interested dairies from Serbia, primarily Lazar-Blace and Sabac Dairy. The project will cost share:

**I) A set of export market seminars on:**

- Import regulations for cheese and dairy products
- Anti bio-terrorism and prior entry registration
- Labeling regulations for cheese
- Export costing calculation
- Export distribution and market maintenance
- Meeting with companies, review of product line, pricing calculation
- Identification of niche markets.

**II) Exhibition at the Fancy Food Fair in Chicago or New York:**

- Coordination of trade show
- Exporting of samples preparation
- Discussion of sanitary certificate issuing matters and exhibition.

*Project timeframe: January to August 2009*

*Expected results: \$300,000 of increased export sales*

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*For more information on the Components 2 and 3 and related tasks, please refer to the Gantt chart below.*



<b>DAIRY GANTT CHART-Goran Janjic</b>	<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Objective 1.5: Develop Pollution Prevention Program</b>													
Task 1.5.1: Support Dairy related PP Programmes in cooperation with local and international institutions	<b>JC, GJ</b>												
<b>Component 2: Improved Enabling Environment For Serbian Agribusiness</b>													
<b>Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price Information</b>													
Task 2.1.1: Strengthen the Serbian System of Market Information in Agriculture (STIPS) (expanding number of commodities in the system, trainings in the use and analysis of information in the system)	<b>BO, GJ</b>												
Task 2.1.2: Organize targeted agricultural studies/surveys	<b>BO, GJ</b>												
<b>Objective 2.2: Facilitate Legal, Policy, and Regulatory Reform</b>													
Task 2.2.1: Promote and provide support to introduction of international standards (GlobalGAP, HACCP, Organic, ISO 14001, ISO 22000)	<b>BO, GJ</b>												
Task 2.2.2: Provide support to legislative and policy reform coordination (MAFWM, institutes, academia in drafting new legislation and policies)	<b>BO, GJ</b>												
Task 2.2.3: Support policy implementation (MAFWM and other implementers of policy to ensure full application of laws and regulations)	<b>BO, GJ</b>												
Task 2.2.4: Address specific policy reform activities	<b>BO, GJ</b>												

<b>DAIRY GANTT CHART-Goran Janjic</b>		<b>Responsibility</b>	<b>M1</b>	<b>M2</b>	<b>M3</b>	<b>M4</b>	<b>M5</b>	<b>M6</b>	<b>M7</b>	<b>M8</b>	<b>M9</b>	<b>M10</b>	<b>M11</b>	<b>M12</b>
<b>Component 3: Establish and Manage USAID Agribusiness Project Grants Program</b>														
Task 3.1 Implement Investment Incentive Grant program	<b>GN, GR, SDJ, GJ</b>													
Task 3.2 Implement Enabling Grant program	<b>GN, GR, SDJ, GJ</b>													



## Year 2 Work Plan, Annex II.4

### VEGETABLE

October 1, 2008 - September 30, 2009

#### OVERVIEW

Over the life of project, the Agribusiness Project goals in the vegetable subsector are to increase sales, especially export sales, to create jobs, and to enhance ABDS provision. The focus in the Year 2 will be to boost revenues from storable vegetables (onion carrot, potato, cabbage, parsley), increase yields (new varieties, modern growing techniques), introduce Global Gap certification programs, and cut post harvest handling and storage losses. Vegetable production is one of the most labor intensive productions in agriculture so it creates further opportunities for employment (mainly short term and seasonal). Incomes of vegetable producers can be significantly increased by applying modern growing and farm management techniques, as well as increasing the marketing and management skills of managers.

While working to develop Serbia's vegetable production and marketing capacities, the domestic market will be targeted by the Project. The industry stakeholders will be supported to establish production of adequate varieties and develop products (retail-packed fresh vegetables), as well as to implement efficient production, post-harvest and logistics technologies, that will result in steady local sales of fresh products to supermarkets.

Complementary goals for Year 2 include development of effective marketing strategies and implementation of needed international standards (Global GAP and HACCP). All these activities will also include development of an ABDS providers' network, along with working with the stakeholders and improving their own capacities through training and know-how exchange programs. Through all stages of program implementation, the Project will use producers/processors' associations, and existing ABDS providers as leverage points to maximize impacts and assure sustainability.

## **OBJECTIVE 1: STRENGTHEN PRODUCER ORGANIZATIONS**

The assessments of producer organizations from different regions of Serbia showed significant differences in types of production, technology, and especially management structure, marketing skills and organizational levels. With a goal to increase their efficiency and help them become “service-oriented” POs, the Project will provide assistance at several levels. Management (financial planning, book-keeping, farm management) will be improved through a series of trainings. Assistance will also be provided to cut the costs of production and inputs, start expanding services for the members (technology, protection) and most important, provide the markets for their products.

- ***Task 1.1 Increase efficiency of POs and services provided to their members***

- ***Activity 1.1.1 Organize in-country visits for the producer organizations’ managers.***

- The activity will facilitate for study visits of PO managers from the central and south of Serbia to Vojvodina POs (Backa region), to exchange information and experience, and improve management. Participants on both sides will be those involved in production of the same group of vegetables.

- Time frame Feb-March 2009*

- Expected results: managers of five undeveloped producers’ organization will increase number of services provided for their members.*

- ***Activity 1.1.2 Arrange training workshops for managers of more developed POs.***

- This activity will consider participation of an ABDS provider specialized in the management of producer organizations. Specific activities would include moving forward from just input supply service to marketing, promotion, finance and other service provision for the members.

- Time frame Feb – April 2009*

- Expected results: 10 managers of producer organizations involved in vegetable production will improve their knowledge and increase capacity of their organizations.*

- ***Activity 1.1.3 Visit the Spanish Association of Vegetable Producers.*** Facilitate a study tour to Spain of growers involved in production, distribution and marketing. Participants will be members of six producer organizations aiming to develop distribution center operations. This tour will also include visits to terminal markets.

- Time frame December 2008*

- Expected results: Increased knowledge about production technology for 20 representatives with increased number of services by three-five.*

- ***Task 1.2 Assist in further development of Distribution Centers***

- The Project will use international and local ABDS consultants to conduct a study and trainings in collaboration with the Ministry of Agriculture. The study will provide detailed analysis of costs, quality, logistics, benefits, as well as information on maximum returns on the potential investments, organization and management of the centers, and recommendations for future activities.

- Time frame: October – February 2009*

- ***Task 1.3 Implementation of new vegetable varieties***

- Assistance will be provided through training to promote high market demand varieties using specialized ABDS providers. This group of products includes mini vegetables and other varieties demanded by the market (white eggplant, etc.). The activity will

include four training workshops with participation of individual farmers, POs and processor representatives.

*Time frame: January – March 2009*

*Expected results: 20 producers will start production of new varieties. Five - seven new vegetable types will be produced in Serbia. Additional sales income of \$50,000*

- ***Task 1.4 Implementation of new varieties that will extend growing season***

Assistance will be provided through two training workshops on assortments, growing technology and advantages of such production being delivered by a local ABDS provider. Vegetable varieties to be presented include early and late tomato, cucumber, pepper, and sweet corn.

*Time frame Jan- March 2009*

*Expected results: Additional sales for the producers (\$30-50.000), import of early vegetables decreased by 5%. Start up productions of five early vegetable types.*

- ***Task 1.5 Improve post-harvest and storing techniques and practices***

***Activity 1.5.1 Training workshops on post-harvest techniques*** This activity will be delivered out of the production season by a specialist for storable vegetables. Four training sessions will be held in the following locations: North Vojvodina, Central Serbia, Pomoravlje region and South of Serbia. Participants will include ZZ Gospodjinci, ZZ Zablacanka, Begec vegetable producers association, ZZ Kondor, ZZ Agrokooperativa, and others.

*Time frame December 2008 – February 2009*

*Expected results: production losses reduced by 20%, 200 farmers trained*

***Activity 1.5.2 Training sessions on post-harvest techniques and management for local ABDS providers*** This activity will include participation of 15 ABDS providers who will improve their knowledge and become able to assist other producers in Serbia. It will also include printing of brochures.

*Time frame December 2008 – February 2009*

*Expected results: 15 ABDS providers will assist in improvement of post-harvest techniques to 400 producers. Decreased post harvest losses by 20 %*

- ***Task 1.6 Improve products by proper packaging, labeling, promotion and marketing***

Workshops will be held regarding the trends and requirements in fresh, organic/fresh, and processed vegetables. Training will include specifics regarding super market chains in both domestic and foreign markets (EU, Russia, Ukraine and the US).

*Time frame March-May 2009*

*Expected results: improvement of fresh vegetable packaging which will contribute to additional sales value of \$100,000*

- ***Task 1.7 Business to business meeting with Russian and Ukraine buyers***

A sales mission will be organized for the managers of storable vegetable POs who have shown the greatest level of interest and results in production potentials for this market. Participants on the other side will be representatives of wholesalers, vegetable traders, and wholesale green markets. The goal will be to learn more about export market requirements regarding assortment, quality, packaging, labeling and transport.

*Activity is planned in period March-April 2009*

*Expected results: direct sales in value of \$500,000, preparatory agreements for the sales of production in 2009*

## **OBJECTIVE 2: IMPROVE ABDS DELIVERY**

Activities related to identification and assistance to ABDS providers has shown that vegetable production sector is undeveloped as a “private practice”. The majority of the service providers are university professors or employees of other public institutions who perform these activities as a “part-time after-hours job”, but still keep their position and regular salary/social security at the primary position/employment.

Registered ABDS providers in the region like “Agro protect”, “Agrobiznis centar” and others are mostly satisfied with their number of clients, but the range of their activities and the assistance that they provide is limited. The reason for this situation lies in a lack of necessary investment in mobile equipment and laboratories that could provide them with accurate and prompt information needed for their advisory services.

- ***Task 2.1 Knowledge transfer/study tour for the ABDS providers***

This study tour will be arranged in the region for the selected ABDS providers to provide them with models of operations, financing, scope of services etc. to assist them increase efficiency and improve quality of their services.

*Time frame: to be determined*

*Expected results: Capacity of local ABDS provides improved, organizational structure and business opportunities improved, additional services sales value \$30,000*

## **OBJECTIVE 3: ENCOURAGE YOUTH INVOLVEMENT IN AGRIBUSINESS**

The number of young farmers involved in vegetable production is very high. Since this type of production offers good opportunities for youth to stay and continue their family business or start their own, it is very important to motivate them and to help them learn and implement new technologies. They represent the driving force as future leaders in vegetable production in their regions. Activities to be implemented will include (*Time frame to be determined*):

- ***Activity 3.1*** Supervise winners of grants through the Best Business Idea Youth program, assist them and link with ABDS providers if assistance needed
- ***Activity 3.2*** Facilitate participation of young entrepreneurs at the training sessions arranged for vegetable producers on different subjects

## **OBJECTIVE 4: INCREASE VALUE-CHAIN AND/OR CLUSTER COMPETITIVENESS**

- ***Task 4.1 Assist the producers willing to implement new technologies at any level of production*** “Fresh Gro.”, vegetable producer in closed environment, will build a green house made of “lexan”, a new material that will last more than 20 years. As a second part of that project, a heating unit will be built using bio-mass as fuel, with exploitation of gases at 80%. This model will be used as a demonstration center for all interested parties.

*Time frame: to be determined*

*Expected results: Employment of 15-20 women who will work in this greenhouse*

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>VEGETABLE</b>													
<b>Objective 1: Strengthen Producer Organizations</b>													
<i>Task 1.1 Increase efficiency of POs and services provided to their members</i>	<b>RV, PC</b>												
Activity 1.1.1 Organize in-country visits for the producer organizations' managers	<b>RV, PC</b>												
Activity 1.1.2 Arrange training workshops for managers of more developed POs'	<b>RV, PC</b>												
Activity 1.1.3 Visit the Spanish Association of Vegetable Producers	<b>RV, PC</b>												
<i>Task 1.2 Assist in further development of Distribution Centers</i>	<b>RV, BO</b>												
<i>Task 1.3 Implementation of new vegetable varieties</i>	<b>RV</b>												
<i>Task 1.4 Implementation of new varieties that will extend growing season</i>	<b>RV</b>												
<i>Task 1.5 Improve post-harvest and storing techniques and practices</i>	<b>RV</b>												
Activity 1.5.1 Training workshops on post-harvest techniques	<b>RV</b>												
Activity 1.5.2 Training sessions on post-harvest techniques for local ABDS providers	<b>RV, NP</b>												
<i>Task 1.6 Improve products by proper packaging, labeling, promotion and marketing</i>	<b>RV, RL</b>												
<i>Task 1.7 Business to business meeting with Russian and Ukraine buyers</i>	<b>RV, RL</b>												

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Objective 2: Improve ABDS Delivery</b>													
<i>Task 2.1 Knowledge transfer/study tour for the ABDS providers</i>	<b>RV</b>												
<b>Objective 3: Youth Enterprise Program And Business Plan Competition</b>													
Activity 3.1 Follow-up of winners of youth competition program regarding implementation of business plans	<b>RV, IP</b>												
Activity 3.2 Facilitate participation of young entrepreneurs at the training sessions arranged for vegetable producers on different subjects	<b>RV, IP</b>												
<b>Objective 4: Increase Value-Chain And/Or Cluster Competitiveness</b>													
<i>Task 4.1 Assist the producers willing to implement new technologies at any level of production</i>	<b>RV</b>												



## Year 2 Work Plan, Annex II.5

### TREE FRUIT

October 1, 2008 - September 30, 2009

#### OVERVIEW

The main focus of the tree fruit sub-sector in the second year of the project will be on the growing export market for fresh apples and stone fruits in Russia, and diversifying sales outlets via EU market channels. Since the fresh tree fruit sub sector is distinctive in regard to the time needed for expanding production and introducing new varieties, the Project will focus on existing capacities and resources by improving quality and efficiency of final output, supporting consolidation of sales and export promotion, and improving subsector-specific ABDS delivery.

The food safety requirements to access EU markets are very high, and during the second year of project life the industry stakeholders will be supported in implementing required standards, such as product traceability, GlobalGAP, and HACCP. The continuing emergence of new producer organizations, associating with already existing organizations and strong marketing companies will also be addressed by the project to add to the process of sustainability. To achieve these goals, the project will train technical assistance providers in the latest technologies and methods in efficient production, post-harvest, cold storage, and promotion and sale of Serbian fruit products.

In the year 2, the Project will use the following leverage points to maximize impacts and assure sustainability:

- Focus on the Fruitland Association of Cooperatives (eight cooperative members) and newly emerging integrated farmers groups (“Dobro Voce” Novi Slankamen, “Fruit Garden” Kupusina, etc.);
- Use ABDS providers, extension workers and equipment suppliers to support new technologies and know-how transfer;
- Use international trade fairs as leading points of contact around introducing new technologies and marketing links;
- Focus on the development of a sector specific association at national level. The project will first try to work with the new “Fruits of Serbia” Association. If this is unsuccessful, the Project will support stakeholders in establishing a viable tree fruit association on a national level.

## **OBJECTIVE 1: IMPROVED MARKET REQUIRED PRODUCT CERTIFICATION**

We will support implementation of international product certification to effectively respond to rising standards in export tree fruits. During the process of assessing the tree fruit sub-sector we identified a number of producer organizations and companies that would need GlobalGAP certification.

1. "Vocko" Cooperative, Tavankut;
2. "Prima" Cooperative, Backi Vinogradi;
3. "Slankamenka" Cooperative, Novi Slankamen;
4. "Domacin" Cooperative, Topola;
5. "Ari Nova" Cooperative, Arilje;
6. "Cacanska Jabuka" Association, Cacak;
7. "Green-Group" Cooperative, Sid.

We plan to assist growers through the new overall USAID Agribusiness standards initiative that will start in mid September 2008 (project details are described in the concept paper for Introduction of International Standards). The tree fruit sub-sector lead will work in close cooperation with Project's Producer Organizations team and Grants and Policies specialists to select and support tree fruit stakeholders through the certification process. A minimum of 8 producer groups / 150 members will be trained and minimum 4 producer groups / 40 members will receive Global GAP or other certification by the end of the year two. For the standards certification, informal groups associated with specific downstream buyers will be considered as producer organizations. Other certification support will be provided for ULO/CA cold stores and distribution centers owned by producer organizations that need HACCP/ISO standard. It is estimated that a minimum of two ULO/CA cold stores will be certified.

*Timeframe: October 2008 - September 2009*

Specific activities will include:

- **Activity 1:** GlobalGAP awareness seminars in Novi Sad, Cacak and Nis. *Timeframe: Second half of September 2008 – early October 2008;*
- **Activity 2:** Workshops about the GlobalGAP introduction and certification requirements organized in cooperation with the interested producer organizations, which have fulfilled the criteria prescribed by the USAID Agribusiness Project. *Timeframe: October 2008;*
- **Activity 3:** Financial support to selected producers to implement requirements and certify international standards as a test case (certification of four producer organizations – at least ten growers of each PO). *Timeframe: October 2008 – September 2009;*

USAID Agribusiness Project will select qualified service providers for implementation of the awareness seminars and workshops, and preparation of the GlobalGAP info brochures. We will conduct prequalification of the service providers for the GlobalGAP training/consulting and certification.

## **OBJECTIVE 2: IMPROVE THE PRODUCTIVITY, QUALITY AND SUSTAINABILITY OF FRUIT PRODUCTION SYSTEMS THAT MEET MARKET DEMAND**

Considering the crucial role of ABDS providers and extension workers in a strong value chain, we will implement technical assistance and grant packages aimed at improving their capacities to provide effective and quality services to growers and ULO/CA operators. Through the capacity building and technology transfer programs up to 10 ABDS providers

and extension workers will be trained in second year of Agribusiness Project assistance and over 800 fruit growers will be supported.

***Task 2.1: Improve harvest and post harvest management***

ULO/CA storage technology for fresh apples is relatively new in Serbia and there are no skilled service providers and staff trained in fruit physiology issues for the ULO storage per requirements for different apple varieties and other conditions. For instance, producers in Serbia had a particular problem last year with scald, suffering higher than usual losses during storage life of Granny Smith and Golden Delicious apples. More ULO training and assistance can address this problem.

Specific activities will be to identify and provide technical experts to work with selected local service providers as well as technologists employed at ULO/CA cold stores to improve provision of particular services. Selected foreign experts in tree fruit post harvest physiology and storage will visit and assess main local stakeholders (growers, ULO operators and ABDS providers) and according to their findings deliver training and advisory program that will ensure application of proper post harvest and storage technologies, resulting in an increase of incomes of the participating ABDS providers and their clients.

*Identified participants: (a) ABDS providers: Agriculture Innovation Center Arilje, Agropest-YU, Agroprotekt, ITA, etc., and (b) Technologists and extension workers of ULO operators (cooperatives: "Vocko" Tavankut, "Prima" Backi Vinogradi, "Slankamenka" Novi Slankamen; "Domacin" Topola, "Ari Nova" Arilje, "Cacanska Jabuka" Cacak, "Dobro Voce" Novi Slankamen, Golden Fruct Hajdukovo; companies: Golden Garden., Medoprodukt, Agrar-Komerc, Agroprom-Com, Dobravac., Greeny, Juzni Banat).*

- ***Activity 2.1.1: Training and technical assistance in advanced harvest and post harvest management practices for the most effective storage of fresh apples and plums in ULO/CA chambers:*** Optimal apple maturity, post harvest physiology, optimal storage temperatures and CO<sub>2</sub> and O<sub>2</sub> ratio for each apple variety according to various stages of maturity and weather conditions

*Timeframe: February 2009*

*Technical support to be provided by STTA: Chris Watkins, Cornell University and Cooperative Extension, Associate Director for Agriculture and Food Systems, Postharvest Science and Storage Specialist.*

- ***Activity 2.1.2: Training and technical assistance in introduction/application of new post-harvest technologies to extend fresh apples shelf life:*** Dynamic ULO, SmartFresh, 1-MCP (1-methylcyclopropene), postharvest drench, use of DPA (diphenylamine) plant growth regulator used post-harvest to control storage scald on apples.

*Timeframe: February 2009*

*Technical support to be provided by STTA: TBD and/or Chris Watkins, Cornell University and Cooperative Extension, Associate Director for Agriculture and Food Systems, Postharvest Science and Storage Specialist.*

Organizing such trainings involving foreign experts was not possible during apple harvest time in 2008 due to the overlap of harvest seasons in Europe and United States. The only alternative to having the experts in Serbia at harvest time is to schedule their visits later in the storage season, or even at the opening of ULO/CA cold chambers (January-March 2009). It is best for them to be on site as cold chambers are opened to start analyzing both how closed rooms are being operated, as well as to assess how apples are being handled after removal. This will be sort of a forensic postharvest job that will benefit from reviewing the processes

throughout, and advising on harvest, handling and storage practices for the upcoming harvest season (September-October 2009). For that reason full impact and results will be visible after 2009 harvest season during storage and marketing period of fresh apples (October 2009 – May 2010).

**Task 2.2: Improve farm-level productivity and quality of apple and stone fruit fresh produce.** Although off-season storage and product certification are important success factors for marketing of fresh fruit, the most critical factor is improved productivity and quality at the farm level. Poor agro-technical knowledge and application of inadequate measures are constraints to high quality products and maximum yields. Farmers organized into business-like producer groups, can be supported by regional service providers that provide services related to oversight of production, pest and nutrient management of orchards, tree pruning, use of plant growth regulators, etc. Those service providers are local experts, ABDS companies and state-owned extension stations. Usually they lack advanced skills and practices to provide maximum appropriate services.

Specific activities will be to identify and provide technical experts to train selected local service providers to improve provision of particular services. Selected foreign experts in tree fruit growing practices will visit and assess the main local stakeholders (growers, and ABDS providers) and deliver training and advisory programs (seminars, in-field demonstrations) that will ensure application of advanced growing technologies, and increase of incomes of participating ABDS providers and their clients through increased quality output.

- **Activity 2.2.1: Training and technical assistance in advanced apple and stone fruit growing techniques:** pest management, nutrient management, tree pruning, fruit size management, and use of plant growth regulators.

*Timeframe: November - December 2008*

*Technical support to be provided by STTA: Dr. Mirjana Bulatovic-Danilovich, Michigan State University, District Horticulture Educator, and an additional specialist on nutrient management (TBD).*

*Identified participants: (a) Agronomists employed at tree fruit producer organizations and enterprises (cooperatives: “Vocko” Tavankut, “Prima” Backi Vinogradi, “Slankamenka” Novi Slankamen; “Domacin” Topola, “Ari Nova” Arilje, “Cacanska Jabuka” Cacak, “Green Group” Sid, “Dobro Voce” Novi Slankamen, Golden Fruct Hajdukovo; companies: Medoprodukt, Agrar-Komerc, Greeny, Juzni Banat, A.D. Sloga Kovin, Biostar KD, PerMark, Green Natural Food Group, Atos Vinum), and (b) ABDS providers: Agriculture Innovation Center Arilje, Agropest-YU, Agroprotekt, ITA; extension stations consultants from predominant fruit production regions, service providers from Cacak Fruit Research Institute and local experts-service providers.*

- **Activity 2.2.2: Support pilot project in Northern Vojvodina, development of Pest-Watch advisory web portal.**

Local tree fruit ABDS provider from Sombor (Agroprotekt), in cooperation with other regional providers, is developing a Pest-Watch regional commercial advisory web portal for forecasting and managing plant insects and diseases, and offering on-line advising to farmers on optimal pest management. Project will support the web portal development through a grant scheme, and will fund trainings of farmers how to use on-line web services. This is a pilot project to establish needed ABDS that could be replicated in other regions.

*Timeframe: November 2008 - March 2009*

*Type of Assistance: Grant*

- **Activity 2.2.3: Study tour to advanced fruit growing operations in Italy, South Tyrol.** Visit to producer organizations, ABDS providers, and equipment suppliers: Cooperative Association of Val Venosta, Workgroup for Integrated Fruit Production in South Tyrol and the Fruttunion association of fruit and vegetable import-export wholesalers. Participants will be ten tree fruit ABDS providers and representatives of producer organizations.

*Timeframe: March 2009 (subject to change)*

*Duration time: 3-5 days*
- **Activity 2.2.4: Implementation of accreditation of Arilje Agro-innovation Center's testing laboratory through a grant scheme.** The accreditation process will be completed in September 2009, when first results will be visible.

*Timeframe: October 2008 - September 2009*

**OBJECTIVE 3: CONSOLIDATED EXPORT PROMOTION AND SALES FOR MORE RELIABLE AND COMPETITIVE SUPPLIES**

USAID Agribusiness Project will pay special attention to three high-priority issues:

**Task 3.1: Consolidation of export promotion activities:** Provide support to stakeholders in preparation for the exhibition at local and international trade fairs. The tree fruit sub-sector lead will work in close cooperation with Project's Sales and Marketing team to vet and select producers that meet market specific standard and participation criteria to exhibit at international trade shows. The list of 2009 agreed trade fairs is in Sales and Marketing Work plan. The sector lead will provide assistance in follow up from trade fairs and tracking of resulting sales.

The project will support development of a sector specific national association (initially working with the Fruits of Serbia Association) and will coordinate organization of joint exhibition of its members at targeted trade fairs (such as Fruit Logistic fresh produce fair in Berlin, in February 2009).

**Task 3.2: Consolidation of sales:** Project will provide technical support to stakeholders in carrying out feasibility studies, as well as planning and budgeting for establishment of regional sales consolidation hub centers and cold stores for fresh produce. For example, producer organizations and fruit and vegetable growers from Cacak are considering this type of joint initiative, and are supported by the Cacak local government and the Cacak Fruit Research Institute.

The project will work with the larger associations and cooperatives (such as the Fruitland and Fruits of Serbia Associations, and regional producer organizations) to ensure that they are fully compliant with business, quality, and marketing standards, and can increase their joint sales/export capacity. Consolidation efforts such as the initiative of "Fruitland" association of tree fruit cooperatives to consolidate their product offer and improve joint market access through introduction of tailor-made software for supply chain and inventory management of ULO cold stores, will be supported through the incentive grants scheme.

*Timeframe: October 2008 - September 2009*

**Task 3.3: Improving buyer linkages:** The tree fruit sub-sector lead will work in close cooperation with Project's Sales and Marketing team to improve buyer linkages between producers and local downstream buyers and foreign wholesalers and retailers.

Specific activities will include:

- Organizing and facilitating inward buying missions (like ASDA and SPAR Slovenia in year one);
- Supporting supply chain development to satisfy buyer-identified requirements to conclude sales in new markets;
- Providing negotiation support to stakeholders-clients in dealing with buyers.

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>TREE FRUIT</b>													
<b>Objective 1: Support market required product certification (GlobalGAP)</b>													
<i>Activity 1.</i> GlobalGAP awareness seminars in Novi Sad, Cacak and Nis	PC, TBD, BO, GR, SDJ												
<i>Activity 2.</i> Workshops about the GlobalGAP introduction and certification requirements	PC, TBD, BO, GR, SDJ												
<i>Activity 3.</i> Supporting producers to implement GlobalGAP certification	PC, TBD, BO, GR, SDJ												
<b>Objective 2: Improve productivity, quality and sustainability of fruit production systems</b>													
<b><i>Task 2.1: Improve harvest and post harvest management</i></b>	PC												
<i>Activity 2.1.1.</i> Training and technical assistance in advanced harvest and post harvest management practices for the most effective ULO/CA storage of fresh apples and plums	PC												
<i>Activity 2.1.2.</i> Training and technical assistance in introduction/application of new post-harvest technologies to extend fresh apples shelf life	PC												
<b><i>Task 2.2: Improve farm-level productivity and quality of apple and stone fruit fresh produce</i></b>													
<i>Activity 2.2.1.</i> Training and technical assistance in advanced apple and stone fruit growing techniques	PC												
<i>Activity 2.2.2.</i> Support pilot project in Northern Vojvodina, development of Pest-watch advisory web portal													

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>Task 2.2: (continued)</b>													
Activity 2.2.3. Study tour to advanced fruit growing operations in Italy, South Tyrol	PC												
Activity 2.2.4. Implementing accreditation of Arilje Agro-innovation Center's laboratory through grants scheme	PC												
<b>Objective 3: Consolidate export promotion and sales for more reliable and competitive supplies (joint fairs, improved buyer linkages)</b>	PC, RL, JD	<i>See "Marketing and Sales" chapter of the Work Plan for more information.</i>											



## Year 2 Work Plan, Annex II.6

# HERBS, MUSHROOMS, AND FOREST FRUIT

October 1, 2008 - September 30, 2009

### OVERVIEW

This document presents the Herbs, Mushrooms, and Forest Fruit sub-sector Y2 Work Plan. Since the sub-sector is already export oriented, work in Y1 was focused on increasing the competitiveness of Serbian businesses in foreign markets and market linkages, thus increasing the value of the exported products. The long term strategy, to gradually shift the volume of sales from bulk to retail, was and will continue to be the main focus of the Agribusiness Project's activities for this sub-sector.

Since Serbia has yet to take advantage of the opportunity to export high value final products, the Project will target its assistance to achieve this vision for the end of the Project – adding at least extra \$6 million to annual sales in year five or \$25 million in total.

In Y2 the Project will provide assistance to at least five leading mushroom companies, three herb companies, and one spice company looking to exploit market opportunities in the end user market, and add at least extra \$2 million of sales by the end of year 2.

Based on the size, market opportunities, level of development, business needs, and business investment interest, the main focus of the Project activities in Y1 was aimed toward wild mushroom and tea companies. In Y2 the Project will continue to give most of its attention to these two groups of companies and producer organizations, capitalizing on experience from Y1, lessons learned, market opportunities, and the businesses' plans and needs. However, other initiatives driven by project strategy and the Project's main goal, adding value to the products, will also be supported. Work on specific opportunities such as export of fresh spices grown in plant containers, as well as growing medicinal plants, will find place in the Project's Y2 agenda.

## **OBJECTIVE 1: BUILD EXPORT MARKET LINKAGES TO RETAIL BUYERS**

To pursue new markets that either pay a higher premium or that allow the addition of value-added products without any friction with current partners, the Project will be supporting following activities.

- **Activity 1.1. Co-fund exhibition of producers at Fruit Logistica, BioFach, Gulfood, Fancy Food Show, WorldFood show, Sial, IFE London, and Novi Sad Fair in cooperation with national associations.** The Project will work with SIEPA and Mushroom Association within Fruits of Serbia and National Association of MAP collectors and processors "Dr Jovan Tucakov" as a leverage point to organize exhibitions at trade shows for its members. At least six different companies will exhibit at the fairs.

*Expected results: \$1 million of additional exports, \$200,000 of additional domestic sales and 15 full time jobs.*

- **Activity 1.2. Support links to inward trade missions from supermarkets or other buyers.** As a part of market linking activities, the Project will organize field assessments of selected companies by retail buyers such as SPAR, ASDA, Merkator, Rodic, and Metro.

*Expected results: 2-4 new companies sign contract with supermarkets, \$100,000 of new revenues achieved.*

- **Activity 1.3. Support sales delegation trips to EU and North American markets and specialized fairs.** Through cost-shares the Project will help the companies to conduct sales delegation trips to international markets in the EU and North America, which are recognized as target markets, to assess market demands and competition, to facilitate business to business meetings, and to prepare for their own participation. Visits to Natural Ingredients Fair in Paris, Fancy Food Fair in New York, HORECA Fair and Market Terminals in the US and the EU will be considered. Additionally, Project staff will conduct market analyses for participants using ITC tools.

*Expected results: 2 sales missions conducted, \$100,000 of new revenues achieved.*

## **OBJECTIVE 2: INCREASE VALUE ADDED PRODUCTS**

The main focus will be on increasing competitiveness of Serbian businesses in foreign markets, through introducing new technologies and technical assistance packages consequently increasing the value of the exported products. Therefore, processors and exporters are focal point of intervention, and strategic objectives, especially those looking for solutions to improve their business, to diversify and add value to their products.

Based on developed criteria, the Project will select the companies with which to work closely. The criteria for selection of companies as a project partners are: progressive, forward thinking ownership, HACCP certified, interested in investing in new products and packaging, access to raw material, and leading exporters in volume. The Project will sign MOUs with companies to formalize relationships and joint efforts. The following activities will be conducted with selected companies to achieve main goal of gradually shifting sales volume from bulk to retail.

- **Activity 2.1. Assist in improving design, packaging, labeling for companies ready to compete in end markets.** The Project will work with marketing agencies, ABDS providers and/or STTA, to improve services delivered to at least three companies, likely Bilje Borca, Interfood 60 and Strela Klaic. Information on target market preferences, labeling requirements and market research findings will be delivered both to the companies and new ABDS providers.  
*At least three companies will enter new markets that either pay a higher premium, or allow for the addition of value-added products, achieving \$500,000 of additional sales*
- **Activity 2.2. Organize training and education in management, sales, marketing, and negotiation to export oriented companies, as well as sector specific training.** The Project will co-finance training, delivered by ABDS providers, on management, sales, marketing, and negotiation skills delivered by local STTA. These training programs will be similar across sub-sectors but will also include sub-sector specific information. In addition, the Project will co-finance training on Medicinal and Aromatic Plants growing techniques. Events such as the Tea Festival Fair in Nis and the Gifts of Nature Fair in Belgrade will be used deliver such training programs.  
*At least one PO and five companies will be trained*
- **Activity 2.3. Improve access to GOS funds by Serbian agribusiness by disseminating information.** The Project staff will regularly monitor available funds from Ministry of Agriculture, Regional Development, Finance and Environmental and disseminate information to the sub-sector stakeholders. In addition, the Project will assist Serbian agribusiness firms and producer organizations in accessing GOS subsidized funding.  
*At least 15 companies will benefit from this information and at least three will access to the funds in total value of at least \$10,000*
- **Activity 2.4. Improve companies' promotional material and web sites for exhibition at international and domestic fairs.** The Project will co-fund exhibitions for at least six companies at international and domestic fairs. In order to maximize the results, the Project will hire local STTA consultants to help companies design their promotional activities through developing brochures, leaflets and multi-language web sites.  
*Expected results: \$100,000 of new revenues achieved*
- **Activity 2.5. Support companies penetrating new markets with new technologies/equipment to improve productivity and product quality.** The project will use its grants component to assist higher value-added products development. This assistance will be provided to growth oriented businesses to upgrade existing value-adding processing technologies and to develop new higher value-added products (such as drying and sterilization equipment), to meet new markets in terms of quantity, price and quality.  
*The project will approve one or two grants which will result in \$100,000 of new revenues by the end of Y2 and 5 new jobs.*
- **Activity 2.6. Support study tours to regional countries on MAP growing techniques.** Through cost-shares the Project will help PO and companies that have developed a network of cultivated herbs suppliers to conduct a study tour on growing techniques and access to new suppliers.  
*Expected results: one study tour conducted, \$100,000 of new revenues.*

### OBJECTIVE 3: DEVELOP ASSOCIATIONS

Although many industry associations have been identified, most of these are not business oriented, and can better be characterized as “nature lovers” and “nature keepers”. In most cases role of business oriented POs in the value chain is to serve as a link between growers/collectors and processors/exporters. Although there are a few positive examples, most of the POs are not very active, so their role in the value chain is marginalized. Typically members of associations will rather sell directly to processors than through POs. However, there are several cooperatives that are involved in production and/or processing and even exporting of final or semi final mushroom products like Moravac, Panonski cvet, and Sumadijski cvet. National level associations will be main leverage point for the Project activities, with participants like the newly created Mushroom Association within Fruits of Serbia, and National Association of MAP collectors and processors, and the "Dr Jovan Tucakov" Association.

The purpose of this objective is to strengthen existing business oriented POs and to help in establishing new producer organizations, especially national level organizations comprising industry leaders, to become effective service providers for their members and to be leverage points for various activities planned with subsector stakeholders.

- **Activity 3.1. Organize an awareness campaign on standards Organic Wild Collection, FairWild and International Standard for Sustainable Collection of medicinal and Aromatic plants (ISSC-MAP) targeted to companies that collect wild mushrooms, and members of associations.** Based on contacts already made with Institute for Market Ecology, IMO, an internationally acting certification body, Agribusiness Project will organize an awareness campaign in cooperation with Mushroom Association, the "Dr Jovan Tucakov" Association and local ABDS provider One Food. The campaign will start with distribution of brochures on the standards followed by a one day seminar conducted by IMO representatives. The purpose of the seminar is to stimulate buy-in and acceptance of the standards. These activities are aimed toward certification which will be additional benefit to be marketed to final consumers in EU.  
*Expected results: distributed brochures to at least 10 companies, six companies attended on the one day seminar and one company starts certification process.*
- **Activity 3.2. Improve management capacity and develop an action plan (short term strategy) for the Mushroom Association within Fruits of Serbia.** In order to improve the management capacity of the Mushroom Association, the Project will provide assistance to develop one year action plan. The action plan will give direction on choosing the activities planned for upcoming season, implementation choices, recourse required, and ways to finance activities. The main focus of the action plan will be participation in trade shows, promotional activities, and work on enabling environment issues such as export procedures and temporary import procedures. The Project will utilize local STTA services to complete this task. The result will be to make the Association sustainable, active and strong enough to cooperate with the Project and eventually to take over responsibilities and carry on activities once the Project ends.
- **Activity 3.3. Develop a Serbian wild mushroom web site for Mushroom Association.** The Project will develop a Serbian wild mushroom web site as a part of the Serbian Mushroom promotional campaign. The main focus of the promotional campaign is to

present the value of Serbian Wild Mushrooms in terms of quality, flavor, aroma and use. Through the SerbianFruit.com website the Project will continue developing international contacts with foreign buyers. The sub-sector lead together with marketing team will assist interested businesses with proven development capacity to increase their access to potential buyers through adding/posting their company profile on the website.

*Expected results: Site developed, 3-5 new companies posted on SerbianFruit.com, \$100,000 of new revenues achieved.*

#### **OBJECTIVE 4: IMPROVE INTERACTIONS WITH CROSS-CUTTING COMPONENTS**

**Policy** - Since the export of Herbs, Spices & Mushrooms collected from nature are subject to a quota system, special export licenses are required. Once granted licenses to collect certain quantities of wild Herbs, Spices & Mushrooms, exporters need to sign up in advance the quantities they plan to export with Serbian Government offices (Customs and the Ministry of Environment, as well as the Department for Environmental Protection) and pay fees and taxes based on these estimates. The process is time consuming, and needs to be done several months prior collection season. In seasons with lower yields than average, exporters are not able to export the anticipated quantities, although they already paid fees and taxes for these higher quantities. In seasons with higher yields than average, exporters are not able to export additional quantities beyond the amounts initially estimated because obtaining new export licenses for the additional amounts is time consuming process when collecting season is over.

- ***Activity 4.1. Provide support to legislative and policy reform on export procedures for wild collected products.*** In cooperation with the MAFWM, the Ministry of Environment and the Department for Environmental Protection, and Mushroom Association, the Project will assist in creation of policy reform recommendations and provide support to the Mushroom Association in its efforts to improve export procedures for wild collected products. Local STTA will be hired. Expected benefits are for exporters to pay export fees and taxes based on actual exported quantities, and for times for issuing collection and export licenses to be shortened.

*Expected results: policy reform recommendation document prepared.*

**Youth**-The Youth Enterprise Program intends to attract and retain Serbian youth in agriculture and agribusiness. The Project will provide assistance to young farmers/entrepreneurs within the sub-sectors through the youth business plan competition program. Project ideas that are in line with the sub-sector Strategy will be prioritized to be supported.

- ***Activity 4.2. Provide grant support to young entrepreneurs within the sub-sector.*** The sub-sector lead will assist the Youth Agribusiness Program Director in evaluating, assessing, and awarding the two best business plans for the sub-sector and will assist in registration process. Support will also include following-up with winners regarding implementation of business plans. In addition, the sub-sector lead, in cooperation with Youth Agribusiness Program Director, will deliver a presentation of the sub-sector VCA and opportunities recognized within the sub-sector.

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
<b>1. BUILD EXPORT MARKET LINKAGES TO RETAIL BUYERS</b>													
1.1. Co-fund exhibition of producers at Fruit Logistica, BioFach, Gulfood, Fancy Food Show, WorldFood show, Sial, IFE London and Novi Sad Fair in cooperation with national associations.	VP, PC, RL												
1.2. Support links to inward trade missions from supermarkets or other buyers	VP, RL												
1.3. Support sales delegation trips to EU and North American markets and specialized fairs.	VP, RL												
<b>2. INCREASING VALUE ADDED PRODUCTS</b>													
2.1. Improve design, packaging, labeling to companies ready to compete on end market.	VP, RL												
2.2. Organize training and education in management, sales, marketing, and negotiation to export oriented companies and sector specific trainings.	VP, RL												
2.3. Improve access to GOS funds by Serbian agribusiness by disseminating information.	VP												
2.4. Improve companies' promotional material and web sites for exhibition on international and domestic fairs	VP, RL												
2.5. Support companies penetrating on new market with new technologies/equipment to improve productivity and product quality.	VP												
2.6. Support study tours on MAP growing techniques to regional countries	VP												
<b>3. ASSOCIATION DEVELOPMENT</b>													

	Responsibility	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
3.1. Organize awareness campaign on standards (Organic Wild Collection, FairWild and International Standard for Sustainable Collection of medicinal and Aromatic plants (ISSC-MAP)) specialized for wild collection companies, members of associations.	VP, BO, PC												
3.2. Improve management capacities and develop action plan (short term strategy) for Mushroom Association within Fruits of Serbia.	VP												
3.3. Develop Serbian wild mushroom web site for Mushroom Association.	VP, RL												
<b>4. IMPROVE INTERACTIONS WITH CROSS-CUTTING COMPONENTS</b>													
4.1. Provide support to legislative and policy reform on export procedures for wild collected products.	VP, BO												
4.2. Provide grant support to young entrepreneurs within the sub-sector	VP, IP												



USAID  
Agribusiness  
Project

## **Year 2 Work Plan**

### **Annex 3: Grants Program & Revised Grants Manual**

## **Background and Introduction**

USAID Agribusiness Project has designed the Grants Program to augment the project's objectives and to facilitate market-driven activities in the commodity action plans and the value-chain strategies developed in the previous year.

USAID/RCO has approved the Grants Manual on March 19, 2008, which is considered an official inception date of the Grants Program, as well as completion of the Task 3.1 within the Year 1 Work Plan.

However, certain revisions in the approved Grants Manual are envisioned to assure consistency with the strategic objectives of the USAID Agribusiness Project in Year 2, described herein, as well as the lessons learned during the sector assessments and analysis. As advised in the Task Order, USAID Agribusiness Project should update the Grants Manual no less frequently than annually; the updated version is included as an annex to this work plan.

Namely, the changes consider introduction of the In-Kind Grant Format, in addition to Fixed Obligation and Simplified Grants to facilitate implementation of the Youth Grants Program. We propose taking \$2.2 million from the \$5.2 million grants budget and putting it under "Project Activities" to fund training programs, trade fairs, seminars, studies and workshops to enhance delivery of public goods, which used to be envisioned as enabling grants. Remaining \$3 million will be used only for the cost-share reimbursable investment incentive grants, capacity building grants for producer organizations and ABDS providers, and the youth enterprise grants. With the reduced grant budget the current Grants/M&E Officer's position will be (re)converted into Agriculture Development Officer who will work as the tree fruit sector lead.

Nevertheless, the Grants Program will continue to be administered in accordance with provisions contained in ADS, Section 302.5.6, "Grants Under Contracts," ADS Chapter 303, "Grants and Cooperative Agreements to Non-Governmental Organizations," and/or within the terms of the USAID Standard Provisions applicable to Non-U.S. Non-Governmental Recipients. These provisions are incorporated into the Grants Manual, which also provides program guidelines, policies, and procedures; roles and responsibilities of the USAID Agribusiness Project staff, USAID, and grantees; eligibility and other selection criteria; limitations; application, review and award processes; administrative and financial management and controls; monitoring, evaluation, and reporting.

USAID Agribusiness Project plans to obligate the grant funds in the amount of \$1 million to support approximately 55 grant activities emerging from this work plan, in the period October 1, 2008 – September 30, 2009.

In corresponding to the core objectives of the USAID Agribusiness Project to increase efficiency, and improve the competitiveness of the Serbian agribusinesses in the selected sub-sectors in this work plan, the following three major grant components are envisioned:

- 1.) Investment Incentive Grants
- 2.) Capacity Building Grants for Producer Organizations and ABDS Providers
- 3.) Youth Grants

As mentioned before, all project activities in support of the public-private collaboration in providing essential services, promoting and expanding public-private sector dialogue, increasing participation in policy reform, as well as other activities aimed to improving enabling environment for agribusinesses in Serbia and enhancing the provision of public goods will be funded from the separate budget line item named “Project Activities.” These non-grant funds will be used to support provision of the services such as market information, annual agriculture production estimates, technical assistance and training, agriculture extension services, baseline and special studies, surveys, statistics, evaluations, animal and plant health, environmental issues, food safety and other activities aimed at enhancing provision of public goods.

Pursuant to the recommendations provided by Mr. Gary Kilmer, Principal Development Specialist of DAI, pertaining to the original voucher grant award category within the Investment Incentive Grant component, USAID Agribusiness Project has decided to change its approach, and to strengthen the ABDS delivery within the existing and approved grant procedures. Such approach will be both more cost effective and more appropriate than implementing a stand alone “voucher” program, which in its traditional form is more appropriate for providing standardized low cost services to a large number of micro and very small businesses.

USAID Agribusiness Project’s Grants Manager, working in the close cooperation with the Operations Director and the Chief of Party, will ensure that grant proposals are consistent with USAID grant rules and regulations, and that budget items are allowable costs as defined by OMB and USAID.

## **Investment Incentive Grants**

*Investment Incentive Grants* are designed to increase the efficiency and competitiveness of Serbian agribusiness enterprises along the value chain in the six high-potential selected sub-sectors by leveraging private investment in infrastructure, technology, value-added processing, and marketing by producer organizations, agribusiness firms, and ABDS providers. However, these grants are not intended to substitute for available commercial finance; award conditions must include that the recipient is not able to secure credit for the purposes and timeframe contemplated, and that the grant does not interfere with the development of credit markets.

Investment Incentive Grants would normally complement technical assistance and education, and may include such things as machinery and equipment, construction and/or rehabilitation of packing plants and cold storage units, irrigation systems, green house technology, or other items or services that have the ability to significantly advance a sector, sub-sector, or enterprise cluster from one stage of competitive development to another. Investment Incentive Grants shall target producer organizations, ABDS providers and private enterprises; and shall not favor one producer or business interest over another.

The Investment Incentive Grants will be available in the following three award categories:

*i. Producer Organization Grants*

This category focuses on large-scale productive investments by producer organizations (cooperatives, associations) in agricultural processing and storage. Eligibility requirements include formal registration of the organization, basic financial statements, and an organizational mission that serves a public or quasi-public purpose or multiple beneficiaries. Grants may not exceed \$100,000 in amount, or finance more than 50% of the total required investment.

*ii. Enterprise Expansion Grants*

This category focuses on leveraging resources to expand the operations of existing agribusiness firms and enterprises (including those owned by producer organizations). Eligibility requirements include formal registration of the business, and at least two years of financial reports (balance sheet/income statement). Grants may not exceed \$70,000 in amount, or finance more than 50% of the total required investment.

*iii. Agribusiness Startup Grants*

This category focuses on encouraging and enabling innovative new business startups (0-3 years old). Eligibility requirements include formal registration of the business. Grants may not exceed \$40,000 in amount, or finance more than 60% of the total required investment.

In certain situations where significant employment and other economic benefits may come as a result of a grant, USAID Agribusiness Project may finance up to 70% of the total required investment. However, in circumstances USAID Agribusiness Project's share shall exceed \$100,000.

Pursuant to the recommendations provided by Mr. Gary Kilmer, Principal Development Specialist of DAI, pertaining to the original voucher grant award category within the Investment Incentive Grant component, USAID Agribusiness Project has decided to change its approach, and to strengthen the ABDS delivery within the existing and approved grant procedures. Such approach will be both more cost effective and more appropriate than implementing a stand alone "voucher" program, which in its traditional form is more appropriate for providing standardized low cost services to a large number of micro and very small businesses.

## **Capacity Building Grants for Producer Organizations and ABDS Providers**

*Capacity Grants for Producer Organizations and ABDS Providers* are designed to support non-profit and for-profit non-governmental producer organizations and ABDS providers as to improve their management and operational capacity. As for the specific activities, these grants will be used to support creation and capacity building of the

targeted food industry associations and producer organizations to provide general benefit services. These associations and organizations can be at a national level, or at a regional level, depending on the concentration of the industry in the region and the activities performed by the association. The grants will target the associations in the project's selected agriculture sub-sectors where there is strong commitment from the private sector stakeholders.

The grants will not cover any operating expenses for established associations, but will focus on building the capacity of the associations to carry out their functions e.g. agriculture extension services, business advisory, financial management consulting, joint sales, etc.

However, for brand new associations, the grants could cover up to one year of operating funding (essentially a pilot phase), while they are getting established and building up their track record, with a strong commitment from the association members to cover the expenses in the period after first year e.g. a five-year operational plan accepted by all association's members or similar.

Through the value-chain assessments, the sector leads identified over 10 producer organizations (cooperatives and associations) in each sub-sector on the national and regional levels. The capacity of such organizations varies and the USAID Agribusiness Project will utilize the grant funds to build their organizational and management capacity, as well as productivity of the organization's members.

USAID Agribusiness Project will utilize the grant funds to assist ABDS providers to strengthen their operations and promote the establishment of new ABDS firms to provide in-demand services to firms along the value chain. USAID Agribusiness Project will focus on four primary areas of service delivery: technical services, including firms to adopt new technologies and practices to promote increased productivity and efficiency; management services to assist firms to develop business and operational plans, strategies, and new ways of working; financial services to train firms in accessing credits and managing their financial accounting systems; and marketing services to support firms in identifying and capitalizing on new market opportunities both at home and abroad and to finalize new sales.

These funds will be used to support food industry associations and local firms to participate in national and regional agricultural trade shows and fairs, and the study tours. The funds will be used to cover the costs of the preparatory training programs for participants, as well as preparation of the marketing material, business-to-business meetings around the fairs, etc. These funds shall not be used to cover lodging, travel and per-diem expenses for the trade fair participants; however, the funds may be used to cover up to 70% of such costs for study tours.

USAID Agribusiness Project will provide the grant funds to the qualified agricultural producers and processors registered in Serbia for the necessary training/consulting services and certification for GlobalGAP, ISO 14001 and ISO 22000 standards.

## **Youth Enterprise Grants Program**

*Youth Enterprise Grants Program* is designed to encourage and promote youth entrepreneurship by supporting youth enterprise clubs, and using informal education approaches to provide practical skill training in agribusiness development and management. The program is intended to introduce young people (general age range is from ages 15-24) to agribusiness technical, financial, and business management principles.

Youth Enterprise Grants will be awarded on a competitive basis. The idea is to invite youth through a public Request for Application (RFA) to submit original business ideas and creative business solutions in the form of an abbreviated business concept paper (the USAID Agribusiness Project shall provide the application form) in a first phase competition.

Initial concept applications shall be subject to a panel review, which includes the USAID Agribusiness Project staff, as well as interested public, private and financial sector stakeholders and youth organizations, as an option. The most promising applications will be selected to receive individual technical assistance and mentoring to develop detailed business and investment plans.

These detailed plans will be submitted for final review at the panel, which will include USAID, in addition to the initial panel members. The winners of the competition will be rewarded with business startup grants.

The grants shall not be disbursed until the business is registered, and may not exceed \$15,000 in amount. However, in this category grants may finance up to 100% of the total required investment.

The USAID Agribusiness Project will explore opportunities for leveraging Youth Enterprise Grant funds with the funds provided by Serbia National Employment Agency, National Investment Plan, etc. Whenever possible, USAID Agribusiness Project will award youth enterprise grants as to contribute to the competitiveness of the selected sectors.

Youth Enterprise Grants Program will be managed by Ivana Petrovic, Youth/Gender Director.

## **Grant Terms**

USAID Agribusiness Project shall not award any grant that exceeds 100,000 USD or for a period that extends beyond the estimated completion date of the USAID Agribusiness Project. The terms of all grants shall allow for an orderly close-out prior to the end of USAID Agribusiness Project i.e. September 1, 2009.

Grants will be structured, timely, quantified, and used in combination with and in order to leverage other financial resources, including cost-sharing with grantee funds and in-kind contributions. It is usually expected that the grantee will make some contribution to the activity for which they are seeking funding. This can be either in-kind (such as labor and materials) or cash. The purpose of the matching requirement is to leverage additional resources towards achieving the program's objectives and to give the grantee a stake in the outcome of the activity. Whenever the goal of a grant is provision of public goods, the matching contribution (a cost-share by the grant recipients) shall not be required; otherwise, the grant recipients will be required to provide 30% of matching funds at minimum, in-kind and/or cash for particular grant activity.

Cost-sharing or matching refers to that portion of project or program costs not borne by the USAID Agribusiness Project. All contributions, including cash and in-kind contributions, are accepted as part of the recipient's cost-sharing or matching when they meet the criteria established in the standard provision governing recipient contributions. Grant cost-sharing must be in conformance with applicable USAID guidance: specifically, the Required as Applicable Standard Provision entitled "Cost Sharing." It is USAID's policy not to apply its source, origin, and nationality requirements or the "restricted goods" provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" on cost-sharing amounts. In accordance with 22 CFR 226.24, program income may be used to finance the required cost-share portion of the grant award.

Grant recipients will be local (Serbian) Non-U.S., Non-Governmental organizations, both for-profit and non-for-profit, e.g. producer organizations (farmer cooperatives and associations), business associations, ABDS providers, professional organizations, research institutions, educational facility, agribusiness enterprises and individual firms engaged in agricultural input supply, processing, service provision, marketing, storage, branding, transport, etc. whose proposed activities meet the USAID Agribusiness Project's eligibility and evaluation criteria, as well as contribute to project results.

Grant recipients must be registered under Serbian law, and their organizational goals and objectives should be consistent with the objectives of USAID Agribusiness Project.

The following specific eligibility criteria shall apply to all potential grantees, with the exception to the youth enterprises:

- A sub-sector value chain actor(s) registered under Serbian law, and
- Demonstrated experience or capacity in the market- linkage capacity building or related activities or show evidence of institutional capability in the above said area, and/or
- Ability to obtain the necessary management competence in planning and carrying out assistance program, and/or
- Be an organization capable to practice cost sharing (matching) principle in cash or in-kind.

Single agriculture producer i.e. a small farmer, individuals, political organizations, foreign-owned and government institutions, and religious groups are not eligible for grants under the USAID Agribusiness Project without prior approval of USAID. Also ineligible are private agribusinesses and Non-Governmental organizations whose objectives are not consistent with the objectives of USAID Agribusiness Project that would be recommending the grant for approval.

All grantees will be required to sign the following certificates:

- Certification Regarding Anti-Terrorism Financing
- Certification Regarding Debarment, Suspension and Other Responsibility Matters
- Certification Regarding Drug-Free Workplace Requirements
- Anti-Trafficking Activities

Support of international travel or the purchase of equipment having a useful life over one year and an acquisition cost of \$5,000 or more may be authorized as long as the applicable grant type and its applicable Standard Provisions will allow.

Commodities and services procured under the USAID Agribusiness Project must be procured in accordance with the following order of preference:

- (1) The United States (USAID Geographic Code 000)
- (2) Serbia, and then
- (3) A SEED or EU Country (USAID Geographic Code 935)

The procurement of non-U.S. commodities or services must be documented to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement, as well as the reasons justifying the non-U.S. procurement.

USAID Agribusiness Project will follow the provisions of the Initial Environmental Examination (IEE) ensuring that all requirements of the environmental regulations as described in 22 CFR 216 are satisfied prior to a grant award. USAID Agribusiness Project Environmental Specialist shall conduct environmental due diligence as specified in the IEE for all activities not categorically excluded, implement appropriate mitigating actions, and conduct adequate monitoring to ensure environmental concerns are addressed. Specifically, the Environmental Specialist shall conduct environmental compliance, review, and due diligence for the grants program, and farmer and enterprise training on environmental issues. Areas of responsibility will include Environmental Due Diligence (EDD), Pollution Prevention Assessments (PPA) related to clean production, the preparation and implementation of a Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP), and certifications (HACCP, ISO, GAP, etc.).

## **Selection and Approval Procedures**

All grant applications will be solicited as follows:

- Applications solicited through public notification for a specified program or support activity;
- Applications solicited directly from selected potential grantees (NGOs, PIOs, etc.) for a specific activity; and
- Unsolicited applications.

Grants may be awarded on both a solicited and unsolicited basis. In order to meet minimum eligibility criteria for grant competition, grant proposals must:

- Meet at least one of the USAID Agribusiness Project objectives and principles and the project-level indicators provided in the Performance Monitoring Plan.;
- Contain expected outcomes and results consistent with and linked to USAID Agribusiness Project's objectives;
- Be submitted by a Serbian organization (both for-profit and non-profit that is registered under Serbian law);
- Contain evidence of a significant cost share commitment in most, but not all cases.

USAID Agribusiness Project staff (particularly Grants staff, if on project) will screen all concept papers and applications to ensure compliance with all eligibility requirements prior to forwarding the materials as necessary.

Grant applications that meet minimum eligibility criteria above will be reviewed and awarded based, but not limited to the following selection criteria:

- Demonstrated capacity of organization, including sound financial practice, in areas pertaining to the proposed activity;
- Responsiveness to need;
- Potential for impact;
- Demonstrated likelihood of proposed activity to further project objectives;
- Appropriateness and feasibility of project activities within the proposed timeframe and budget.

All grant applications will undergo a review and selection process by the USAID Agribusiness Project Grants Review Committee to ensure objective and effective evaluation of proposals. The Committee members will consist of a USAID Cognizant Technical Officer designated for this activity, the Chief of Party, the Operation Director and/or the Deputy Chief of Party, the Grants Manager (a non-voting member), and at least one of the USAID Agribusiness Project's Technical Advisors/Specialists i.e. Grant Advisor, preferably involved in the sub-sector assisted by a reviewed grant. USAID must provide a 'no objection' to each grant. The Committee will make a determination of responsibility of the grantee which includes a determination of their financial, management responsibility and feasibility of the proposed activities and showing the total attribution that will inure to the sector.

The Grants Manager's responsibility is to provide all needed background information and written instructions, including the evaluation criteria, to the individuals participating in

the Committee; and to generate a Grant Committee Review Record that summarizes selection and approval process. The Grants Manager must also ensure that all of the rules and regulations in the approved Grants Manual are carried out in all phases of the grant award process. The Grants Manager and/or a Grant Advisor must also respond to any requests made by the Committee for additional information, further studies, etc.

The Committee shall:

- a) Review and approve the grant proposal
- b) Review and ask changes and amendments to be made
- c) Reject the grant proposal in whole after reviewing

In the cases a) and b) and after the necessary changes and amendments are done; Grants Manager will resubmit the grant proposal to the Chief of Party for approval. Once the grant proposal is approved, Grants Manager generates an appropriate grant agreement to be reviewed and signed by the Chief of Party.

By signing the grant agreement, the Chief of Party shall confirm:

- That all budgeted costs have been verified as allowable, allocable and reasonable.
- That the implementation plan and detailed benchmarks and disbursement schedule are complete, realistic and accurate.

## **Procedures for Award and Disbursal**

Procedures for grants award and disbursal are set forth in the Grants Manual. USAID must provide 'no objection' to each grant award.

## **Monitoring and Reporting**

All grantees will be subject to regular and periodic monitoring visits and reporting requirements. Grants under implementation will have a customized monitoring plan when deemed necessary by program staff. This plan will be flexible and dictated internally by the amount, length and complexity of the grant, as well as accessibility of the grantee's location.

Grants Program Report will be submitted with the required quarterly and annual program reports summarizing the grant amount disbursed within the reporting period, number of people employed (data segregated by gender) prior and ante, number of increased sales, number of POs as recipients, as well as other relevant indicators within the Performance Monitoring Plan as collected through the Quarterly Impact Surveys. Grants Manger and MIS Specialist will assure a day-to-day grants program update in the TAMIS.



**USAID**  
FROM THE AMERICAN PEOPLE

# **Grants Manual**

## **USAID Agribusiness Project in Serbia**

**Last Update: September 10, 2008**

**USAID Agribusiness Project  
Internacionalnih brigada 57  
11 000 Belgrade  
Serbia**

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# USAID Agribusiness Project in Serbia Grants Manual

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## LIST OF ACRONYMS

ADS	Automated Directive System, which is the official written guidance for USAID procedures.
APS	Annual Program Statement
Closeout	The process of documenting the grant files to verify that all performance, reporting, and financial obligations of a grantee have been completed.
CFR	Code of Federal Regulations. The applicable CFR sections for this grant program are: 22 CFR Part 226.21 through 226.90 Administration of Assistance Awards to U.S. Non-Governmental Organizations, as applied and applicable to U.S. and non-U.S. recipients.
COP	Chief of Party
CTO	USAID Cognizant Technical Officer
DAI	Development Alternatives, Inc.
FOG	Fixed Obligation Grant
LSGA	Limited Scope Grant Agreement
NGO	Non-Governmental Organization
USAID	United States Agency for International Development

## **I. GENERAL DESCRIPTION OF PROJECT**

USAID Agribusiness Project is authorized in accordance with the U.S. Foreign Assistance Act and USAID under task order #EDH-I-00-05-00004-00.

The overall objective of the USAID Agribusiness Project is: “Increased value of Serbian agricultural product sales, and increased agricultural employment.” The USAID Agribusiness Project will achieve this objective by increasing the efficiency and competitiveness of Serbian agribusiness enterprises along the value chain in the high-potential sectors identified during the sector selection and analysis, and upon USAID’s approval. These agribusiness enterprises will be assisted to take advantage of emerging opportunities in domestic, regional and international markets.

Increased efficiency and competitiveness of Serbian agribusinesses in selected high-potential sectors will be achieved through the range of activities specifically seeking to increase the competitiveness of input suppliers, producers, processors and wholesalers in domestic, regional and international markets by increasing their access to agribusiness development services. The USAID Agribusiness Project will help these agribusiness enterprises build and improve their business and production, financial and technical management skills to identify markets; to access financing, and negotiate and fulfill contracts and purchase agreements.

Increasing Serbian agribusiness competitiveness, however, requires a positive enabling environment, which includes favorable legislation and policies, as well as effective provision of essential agribusiness extension services such as market information, annual agriculture production estimates, animal and plant health and food safety, as well as regulatory oversight e.g. licensing, labeling, standards, product certification, etc. The USAID Agribusiness Project will engage available resources to encourage and facilitate public-private collaboration as to improve the agricultural information dissemination, support legislative, policy and regulatory reform efforts.

To achieve all these goals, the USAID Agribusiness Project will deliver technical assistance, education and grants to facilitate increased enterprises’ efficiency and competitiveness all along the agriculture production, processing and marketing value chains. Achievement of the core objectives of the USAID Agribusiness Project will be primarily measured by increases in:

- Agricultural GDP;
- The total value of agricultural exports; and
- Employment in agricultural processing and services.

## **2. GRANTS PROGRAM**

### **2.1 Objectives**

The USAID Agribusiness Project will utilize the \$3 million Grants Program to augment the project’s objectives and to support activities emerging from the value chain assessments and the selected sub-sector strategies.

The Grants Program shall be administered in accordance with provisions contained in ADS, Section 302.5.6, “Grants Under Contracts,” ADS Chapter 303, “Grants and Cooperative

Agreements to Non-Governmental Organizations,” and/or within the terms of the USAID Standard Provisions applicable to Non-U.S. Non-Governmental Recipients. Information on these provisions can be accessed through the USAID external website at [www.info.usaid.gov](http://www.info.usaid.gov) "Business & Procurement" section.

The value of any individual grant to any organization/project's beneficiary shall not exceed \$100,000, and it should be fully disbursed within one year of grant award.

In corresponding to the core objectives of the USAID Agribusiness Project to increase the efficiency and competitiveness of Serbian agribusinesses, the following three major grant components are envisioned:

1. Investment Incentive Grants
2. Capacity Building Grants for Producer Organizations and ABDS Providers
3. Youth Grants

The purpose of this updated version of the Grants Manual is to provide specific implementation guidance for the Grants Program effective October 1, 2008 i.e. awarding, administering and monitoring grants, as to ensure that the Grants Program is managed in a consistent and efficient manner, programmatic impact is maximized and objectives are achieved.

The policies and procedures contained in this Manual may be subject to change, with approval of USAID. Any questions regarding the grant policies and procedures should be directed to the USAID Agribusiness Project Grants Manager.

## **2.2 Grants Program Components**

### **2.2.1 Investment Incentive Grants**

*Investment Incentive Grants* are designed to increase the efficiency and competitiveness of Serbian agribusiness enterprises along the value chain in the six high-potential selected sub-sectors by leveraging private investment in infrastructure, technology, value-added processing, and marketing by producer organizations, agribusiness firms, and ABDS providers. However, these grants are not intended to substitute for available commercial finance; award conditions must include that the recipient is not able to secure credit for the purposes and timeframe contemplated, and that the grant does not interfere with the development of credit markets.

Investment Incentive Grants would normally complement technical assistance and education, and may include such things as machinery and equipment, construction and/or rehabilitation of packing plants and cold storage units, irrigation systems, green house technology, or other items or services that have the ability to significantly advance a sector, sub-sector, or enterprise cluster from one stage of competitive development to another. Investment Incentive Grants shall target producer organizations, ABDS providers and private enterprises; and shall not favor one producer or business interest over another.

Investment Incentive Grants will be available in the following three award categories:

*i. Producer Organization Grants*

This category focuses on large-scale productive investments by producer organizations (cooperatives, associations) in agricultural production, processing and storage. Eligibility requirements include formal registration of the organization, basic financial statements, and an organizational mission that serves a public or quasi-public purpose or multiple beneficiaries. Grants may not exceed \$100,000 in amount, or finance more than 50% of the total required investment.

*ii. Enterprise Expansion Grants*

This category focuses on leveraging resources to expand the operations of existing agribusiness firms and enterprises (including those owned by producer organizations). Eligibility requirements include formal registration of the business, and at least two years of financial reports (balance sheet/income statement). Grants may not exceed \$70,000 in amount, or finance more than 50% of the total required investment.

*iii. Agribusiness Startup Grants*

This category focuses on encouraging and enabling innovative new business startups (0-3 years old). Eligibility requirements include formal registration of the business. Grants may not exceed \$40,000 in amount, or finance more than 60% of the total required investment.

In certain situations where significant employment and other economic benefits may come as a result of a grant, USAID Agribusiness Project may finance up to 70% of the total required investment. However, in no circumstances USAID Agribusiness Project's share shall exceed \$100,000.

Pursuant to the recommendations provided by Mr. Gary Kilmer, Principal Development Specialist of DAI, pertaining to the original voucher grant award category within the Investment Incentive Grant component, USAID Agribusiness Project has decided to change its approach, and to strengthen the ABDS delivery within the grant components described herein. Such approach will be both more cost effective and more appropriate than implementing a stand alone "voucher" program, which in its traditional form is more appropriate for providing standardized low cost services to a large number of micro and very small businesses.

### **2.2.2 Capacity Building Grants for Producer Organizations and ABDS Providers**

*Capacity Building Grants for Producer Organizations and ABDS Providers* are designed to support non-profit and for-profit non-governmental producer organizations and ABDS providers as to improve their management and operational capacity. As for the specific activities, these grants will be used to support creation and capacity building of the targeted food industry associations and producer organizations to provide general benefit services. These associations and organizations can be at a national level, or at a regional level, depending on the concentration of the industry in the region and the activities performed by the association. The grants will target the associations in the project's selected agriculture sub-sectors where there is strong commitment from the private sector stakeholders.

The grants will not cover any operating expenses for established associations, but will focus on building the capacity of the associations to carry out their functions e.g. agriculture extension services, business advisory, financial management consulting, joint sales, etc.

However, for brand new associations, the grants could cover up to one year of operating funding (essentially a pilot phase), while they are getting established and building up their track record, with a strong commitment from the association members to cover the expenses in the period after first year e.g. a five-year operational plan accepted by all association's members or similar.

USAID Agribusiness Project will utilize these grant funds to assist ABDS providers to strengthen their operations and promote the establishment of new ABDS firms to provide in-demand services to firms along the value chain. USAID Agribusiness Project will focus on four primary areas of service delivery: technical services, including firms to adopt new technologies and practices to promote increased productivity and efficiency; management services to assist firms to develop business and operational plans, strategies, and new ways of working; financial services to train firms in accessing credits and managing their financial accounting systems; and marketing services to support firms in identifying and capitalizing on new market opportunities both at home and abroad and to finalize new sales.

These funds will be used to support food industry associations and local firms to participate in national and regional agricultural trade shows and fairs, and the study tours. The funds will be used to cover the costs of the preparatory training programs for participants, as well as preparation of the marketing material, business-to-business meetings around the fairs, etc. These funds shall not be used to cover lodging, travel and per-diem expenses for the trade fair participants; however, the funds may be used to cover up to 70% of such costs for study tours.

USAID Agribusiness Project will provide the grant funds to the qualified agricultural producers and processors registered in Serbia for the necessary training/consulting services and certification for GlobalGAP, ISO 14001 and ISO 22000 standards.

### **2.2.3 Youth Enterprise Grants Program**

*Youth Enterprise Grants Program* is designed to encourage and promote youth entrepreneurship by supporting youth enterprise clubs, and using informal education approaches to provide practical skill training in agribusiness development and management. The program is intended to introduce young people (general age range is from ages 15-24) to agribusiness technical, financial, and business management principles.

Youth Enterprise Grants will be awarded on a competitive basis. The idea is to invite youth through a public Request for Application (RFA) to submit original business ideas and creative business solutions in the form of an abbreviated business concept paper (the USAID Agribusiness Project shall provide the application form) in a first phase competition.

Initial concept applications shall be subject to a panel review, which includes the USAID Agribusiness Project staff, as well as interested public, private and financial sector stakeholders and youth organizations, as an option. The most promising applications will be selected to receive individual technical assistance and mentoring to develop detailed business and investment plans.

These detailed plans will be submitted for final review at the panel, which will include USAID, in addition to the initial panel members. The winners of the competition will be rewarded with business startup grants.

The grants shall not be disbursed until the business is registered, and may not exceed \$15,000 in amount. However, in this category grants may finance up to 100% of the total required investment.

The USAID Agribusiness Project will explore opportunities for leveraging Youth Enterprise Grant funds with the funds provided by Serbia National Employment Agency, National Investment Plan, etc. Whenever possible, USAID Agribusiness Project will award youth enterprise grants as to contribute to the competitiveness of the selected sectors.

Youth Enterprise Grants Program will be managed by Ivana Petrovic, Youth/Gender Director.

### **2.3 Grant Terms**

This section should define any particular grant terms as they pertain to the USAID Agribusiness Project.

USAID Agribusiness Project may not award any grant that exceeds 100,000 USD or for a period that extends beyond the estimated completion date of the USAID Agribusiness Project. The terms of all grants shall allow for an orderly close-out prior to the expiration date of the Contract.

Grant recipients will be local (Serbian) Non-U.S., Non-Governmental organizations, both for-profit and non-for-profit, e.g. producer organizations (farmer cooperatives and associations), business associations, professional organizations, research institutions, educational facility, agribusiness enterprises and individual firms engaged in agricultural input supply, processing, service provision, marketing, storage, branding, transport, etc. whose proposed activities meet the USAID Agribusiness Project's eligibility and evaluation criteria, as well as contribute to project results.

Grant recipients must be registered under Serbian law, and their organizational goals and objectives should be consistent with the objectives of USAID Agribusiness Project. However, certain capacity building grants for informal producer organizations aimed at improving their organizational and management capacity towards formal registration may be considered on an exceptional basis.

The following specific eligibility criteria shall apply to all potential grantees, with the exception to the youth enterprises:

- A sub-sector value chain actor(s) registered under Serbian law;
- Demonstrated experience or capacity in the market- linkage capacity building or related activities or show evidence of institutional capability in the above said area;
- Ability to obtain the necessary management competence in planning and carrying out assistance program;
- Be an organization capable to practice cost sharing (matching) principle in cash or in-kind.

Single agriculture producer i.e. a small farmer, individuals, political organizations, foreign-owned and government institutions, and religious groups are not eligible for grants under the USAID Agribusiness Project without prior approval of USAID. Also ineligible are private agribusinesses and Non-Governmental organizations whose objectives are not consistent with the objectives of USAID Agribusiness Project that would be recommending the grant for approval.

All interest and other refunds by award recipients hereunder will be made to a special, non-commingled, interest-bearing account established by DAI (the "Separate Account"). DAI has no beneficial interest in any funds in the Separate Account. Funds in the Separate Account shall be paid annually to USAID, as directed by the CTO. At the conclusion of the Contract, any funds remaining in the Separate Account shall be returned to USAID and any interest shall be refunded to the U.S. Government.

Grants will be structured, timely, quantified, and, whenever possible, used in combination with and in order to leverage other financial resources, including cost-sharing with grantee funds and in-kind contributions. Additionally, grants:

- May be awarded for variable amounts but not to exceed \$100,000, and for variable periods not to exceed one year for small grants (or full justification is needed if extended beyond 12 months), or the task order completion date for standard grants;
- May come under one or multiple categories of assistance;
- May cover all or only a portion of specific activities or costs; and
- May be used to cover direct project costs such as honoraria, consulting fees, stipends, local travel and per diem, data collection, analysis, communication and document preparation, workshops, conference and training participation, equipment, and other costs as may be approved; salaries, however, shall be provided only to those individuals directly involved in the research, study or other activity as approved by USAID

Cost-sharing or matching refers to that portion of project or program costs not borne by USAID Agribusiness Project. All contributions, including cash and in-kind contributions, are accepted as part of the recipient's cost-sharing or matching when they meet the criteria established in the standard provision governing recipient contributions. Grant cost-sharing must be in conformance with applicable USAID guidance: specifically, the Required as Applicable Standard Provision entitled "Cost Sharing." It is USAID's policy not to apply its source, origin, and nationality requirements or the "restricted goods" provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" on cost-sharing amounts. In accordance with 22 CFR 226.24, program income may be used to finance the required cost-share portion of the grant award.

It is usually expected that the grantee will make some contribution to the activity for which they are seeking funding. This can be either in-kind (such as labor and materials) or cash. The purpose of the matching requirement is to leverage additional resources towards achieving the program's objectives and to give the grantee a stake in the outcome of the activity.

For the USAID Agribusiness Project, matching contributions in cash or in-kind from non-USAID sources should generally operate between 30 percent and 50 percent of the value of the total activity being supported by the grant. For Youth Enterprise Grants, however, grants may finance up to 100% of the total required investment.

Where possible, USAID Agribusiness Project will assist the grantee to identify and facilitate cost sharing mechanisms. USAID Agribusiness Project will provide an accounting of the final value of the project and the percentage of overall project costs represented by grantee (or beneficiary) cash, labor, materials, equipment or support services, which will be included in the grant file. In cases where the Grantee (such as a local NGO) is implementing a project on behalf of the direct beneficiaries, then the Grantee, along with the USAID Agribusiness Project's assistance, should help the beneficiaries in identifying appropriate and reasonable cost sharing mechanisms. Further guidance on Cost Sharing can be found in ADS 303.3.10 (for information related to meeting cost sharing requirements, see ADS 303.3.10.4).

All grants awarded under the USAID Agribusiness Project's grant program shall include the following standard clause:

*The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all sub-contracts/sub-awards issued under this subcontract/agreement.*

All grantees will be required to sign the following certificates attached as Annexes H, I, J and K:

- Certification Regarding Anti-Terrorism Financing
- Certification Regarding Debarment, Suspension and Other Responsibility Matters
- Certification Regarding Drug-Free Workplace Requirements
- Anti-Trafficking Activities

Support of international travel or the purchase of equipment having a useful life over one year and an acquisition cost of \$5,000 or more may be authorized as long as the applicable grant type and its applicable Standard Provisions will allow.

All grants must be fully consistent with the USAID Agribusiness Project's strategies and priorities. The USAID Agribusiness Project ensures adequate coordination with implementing partners and other donor-funded interventions to avoid duplication of effort.

## **2.4 Types of Grants and Applicable Conditions**

There are six basic grant types: Simplified Grant, Fixed Obligation Grants (FOG), Standard Grant, In-Kind Grant, Grant to PIOs, and Limited Scope Grant Agreement (LSGA). The following three types of grants cut across recipient categories: Simplified, FOG and In-Kind Grants. The descriptions in the sections below are aimed at helping project management to determine which format, given its associated requirements and parameters, is appropriate and practical for each grant activity.

The requirements for the grants to Non-US Non-Governmental Organizations are contained in several applicable federal regulations and USAID administrative standards. These regulations include:

- Mandatory Standard Provisions for Non-U.S., Nongovernmental Recipients and Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Recipients, <http://www.usaid.gov/policy/ads/300/303mab.pdf>
- ADS 303, <http://www.usaid.gov/policy/ads/300/303.pdf>;
- OMB Circular 122 “Cost Principles for Non-Profit Organizations,” <http://www.whitehouse.gov/omb/circulars/a122/a122.html>;
- 22 CFR Part 226, in particular 226.20 through 226.28, <http://www.usaid.gov/policy/ads/cfr.html#22>;
- 22 CFR Part 226, on Source, Origin and Nationality, and
- Section 579 Reporting on Payment of Foreign Taxes, <http://www.usaid.gov/policy/ads/300/updates/iu3-0314.pdf>.
- FAR 31 Contract Cost Principles and Procedures

## **2.4.1 Simplified Grants**

### *A. Overview*

The simplified format is used only when the grant meets the following conditions (per ADS 303.3.24):

1. The total value of the grant does not exceed \$100,000 for U.S. organizations and \$250,000 for non-U.S. organizations;
2. All costs to be charged to the grant are identified in the grant text and do not include international airfares or indirect costs;
3. Any goods to be purchased by the grantee meet the rules governing local cost financing and geographic code and do not include ineligible or restricted goods, and no single item having a useful life of over one year and an acquisition cost of \$5,000 or more shall be purchased;
4. The grant includes language requiring the grantee to allow Contractor access to its records for up to three years, and that the grantee will refund to the Contractor any funds it received for any costs that did not meet the terms and conditions of the grant;
5. Sub agreements, if any, must meet the same conditions listed here for simplified format grants;
6. The grantee is required to sign the applicable certifications listed in ADS 303.3.8;
7. The recipient shall receive payments on a reimbursement basis (i.e., no advances are allowed); the grantee must also demonstrate adequate financial management capacity to be able to separately track all costs associated with the grant since the grant is cost reimbursable upon presentation of receipts;
8. No indirect costs are allowed.

In exceptional cases, the USAID Agribusiness Project may modify the format for simplified grants for non-U.S. organizations to include support of international travel (#2) or the purchase of equipment (#3), as long as the applicable standard provisions for those types of activities are attached to the grant award. An additional requirement for inclusion of international travel in the grant agreement is that it may only be included after prior consultation with the USAID Contracting Officer.

## B. *Disbursement*

Simplified grants are cost reimbursable agreements whereby USAID Agribusiness Project will reimburse the grantee for costs. Because these are reimbursement agreements, the grantee will not receive payment until after presenting receipts showing actual costs. USAID Agribusiness Project will structure the payments so that there is no possibility of the grantee expending less than the amount received. Grantees may not receive more than 90% of the total budget amount prior to submission of the final program report, final financial report, and any required certifications. Upon submission of these documents, USAID Agribusiness Project will issue the final payment.

### **2.4.2 Fixed Obligation Grant**

#### A. *Overview*

If appropriate, the USAID Agribusiness Project has the option of utilizing the fixed obligation grant format. This format allows for the award of a grant for very specific program elements without the requirement of the USAID Agribusiness Project monitoring of the actual costs subsequently incurred. It is intended to support specific projects where costs are certain, and where the accomplishment of grant "milestones" is readily discernible.

A discussion by the Grants Manager of the appropriateness of this type of grant and appropriate project milestones must be included in the documentation of the grant negotiations. Partial payments may be made upon demonstration of achieved results, and payment amounts should reflect the relative value of the benchmarks achieved. Payment is always made on a reimbursement basis upon completion of a milestone i.e. no advances are allowed.

#### B. *Fixed Obligation Format Requirements*

The Grants Manager must ensure the appropriateness of issuing a fixed obligation grant based on the following factors:

1. The grant meets the applicable conditions of the Simplified Grants listed under 2.4.1 above;
2. Programmatic accomplishments or results are easily identified and quantified, and are established in grant milestones;
3. There is very limited risk that the project will undergo significant changes;
4. There is adequate cost information (historical or unit pricing) available to determine and negotiate the fixed price of the grant;
5. Negotiations ensure to the extent possible that the funds budgeted will be the actual cost of the effort and that no funds will remain upon completion of the project;
6. USAID Agribusiness Project must be satisfied that this type of grant fits within the objectives of the project, and USAID Agribusiness Project will not use it as an alternative way of awarding to a High Risk Grantee. The Grants Manager or his designee must include a discussion of the appropriateness of this type of grant in the Memorandum of Negotiation;
7. Grantees will be informed, through a clause in the grant format, of the right of DAI to terminate the grant in whole or in part, or suspend payments, should the grantee become insolvent during performance of the award;

8. At the end of the grant, grantees must certify in writing to DAI that the activity was completed. If the grantee cannot certify completion, or if DAI determines that the activity was not completed, it is expected to make appropriate refunds; and
9. While the grant is fixed price, the grantee must demonstrate adequate financial management capacity to be able to separately track all costs associated with the grant since the grant becomes directly reimbursable, if at any point the milestones are not fully completed.

*C. Fixed Obligation Grant Implementation Plan*

Once use of the fixed obligation grant format has been approved, a detailed implementation plan will be developed by the grantee, in collaboration with the USAID Agribusiness Project’s grants or technical personnel, in order to finalize the milestones and budget. The implementation plan will include:

1. Result or results to be achieved (measurable goals);
2. Responsibilities and contributions of each party to the grant;
3. Well defined milestones and verification requirements for each achieved milestones (including analyzed costs);
4. Type of payment mechanism (in-kind or reimbursement payment to grantee) and payment amounts per milestone; and
5. Timelines for achievement of results and deliverables.

*D. Disbursement*

All disbursements under Fixed Obligation Grants will be made upon the submission of evidence that a milestone has been achieved. Such evidence may come in many forms, including a work-plan, a technical report, a financial report, meeting notes, the arrangement of specified logistics, the finalization of a list of training participants, the completion of a phase of an infrastructure project, etc. The following is an example of how a disbursement schedule might be structured under a Fixed Obligation Grant:

Example: Community Awareness Campaign  
 Activity Goal: Building community awareness of proper ways to identify and mitigate the spread of zoonotic disease  
 Budget: \$7,500 USD

<b>Milestone</b>	<b>Description</b>	<b>Disbursement</b>
<b>1</b>	Work-plan drafted and approved	\$2,500
<b>2</b>	Packet of zoonotic disease awareness materials created for distribution to each household	\$1,500
<b>3</b>	Information packets printed and distributed	\$1,500
<b>4</b>	Community Round-tables held to discuss information and answer questions (four)	\$2,000 (\$500 per event)
		<b>\$7,500</b>

Discerning the milestones in FOGs is very important. While achievement of a milestone is necessary to trigger a disbursement, it is not necessary to make a disbursement for every milestone.

### **2.4.3 In-Kind Grants**

In some circumstances USAID Agribusiness Project may elect to use an In-Kind disbursement in support of a Simplified Grant. Goods and services will be purchased directly by USAID Agribusiness Project while working closely with the grantee and then delivered to the grantee or the grant activity. Procurement will be done in accordance with DAI's procurement regulations; purchase contracts with vendors will be co-signed by the grantees and USAID Agribusiness Project.

Such an approach is useful when the Simplified Grant format is the most appropriate format overall, but the purchase of a single item (goods and/or services) inhibits the use of a Simplified Grant due to the fact that the grantee does not possess the cash on hand to make such a purchase. In this circumstance, USAID Agribusiness Project will proceed with the Simplified Grant while including a single In-Kind transfer under the auspices of the original grant. If the grantee receives such an In-kind transfer, the Standard Provision on Title to and Use of Property referred to above must be followed.

This type of grant will be appropriate when the grant includes an expensive piece of equipment or machinery, or other goods and services that grantee cannot purchase from its own resources. In the case that the grantee does not have sufficient capital to make this purchase and wait for reimbursement, USAID Agribusiness Project may choose to use an In-Kind disbursement for that particular item, while the grantee continues to seek reimbursement for other, smaller expenses under the same grant. In most cases, this mechanism will be used for Investment Incentive Grants that involve an agribusiness start-up or Youth Enterprise Grants, given that these grantees are not likely to have large amounts of available capital.

## **2.5 Minimum Eligibility Criteria**

Grants may be awarded on both a solicited and unsolicited basis. In order to meet minimum eligibility criteria for grant competition, proposals must:

1. Meet at least one of the USAID Agribusiness Project objectives and principles noted above under General Description of Project and the project-level indicators provided in the Performance Monitoring Plan.;
2. Contain expected outcomes and results consistent with and linked to USAID Agribusiness Project's objectives;
3. Be submitted by a Serbian organization (both for-profit and non-profit that is registered under Serbian law);
4. Contain evidence of a significant cost share commitment in most, but not all cases.

The USAID Agribusiness Project staff will screen all concept papers and applications to ensure compliance with all eligibility requirements prior to forwarding the materials as necessary.

## **2.6 Competition**

The competition requirement is met when an announcement has been published according to the procedures outlined in this manual. Recommendations for awards are made following an impartial review and evaluation of all applications (see Section 3.4).

It is the USAID Agribusiness Project's policy to ensure maximum competition by seeking applications from all eligible and qualified entities. Establishing a two or more tiered level of competition (i.e., prequalification round) is in keeping with this policy, as long as applications are reviewed in a fair manner at each level. Competition may also be limited to local or regional organizations for appropriate projects.

Exceptions to Competition. Competition is not required for the following categories of assistance awards, pending USAID authorization:

- **Amendments and follow-ons.** Amendments to existing awards or follow-on awards, either for the same activity or to further develop an existing assistance relationship, for amounts equal to or less than the original grant.
- **Unsolicited applications.** The application must be submitted solely on the applicant's initiative without any prior formal or informal solicitation. Awards may be made where the application clearly demonstrates a unique, innovative, or proprietary capability: represents appropriate use of project funds to support or stimulate a public purpose: and fits within an existing USAID Agribusiness Project strategic objective as determined by the Grants Manager along with the COP. The burden of proof that the application is indeed "unsolicited" (i.e., is submitted without prior formal or informal solicitation) rests with DAI and must be documented.
- **Exclusive or Predominant Capability.** Assistance awards for which one recipient is considered to have exclusive or predominant capability based on proprietary capability, specialized facilities, or technical expertise, or based on an existing unique relationship with the cooperating country or beneficiaries.
- **Small Awards.** Awards with an estimated total amount of \$100,000 or less and with a term of no more than one year. The award cannot be amended to add funds in excess of \$100,000 or extended beyond one year. The grant file must justify how the award meets the exception.
- **Critical Objectives of the Program.** When circumstances are determined to be critical to the objectives of the USAID Agribusiness Project, or when the non-provision of a specific grant would impede the achievement of the USAID Agribusiness Project's results and/or the fulfillment of U.S. foreign assistance objectives, USAID may formally waive competition requirements.
- **Local Competition.** Competition may be limited to local or regional (indigenous) organizations. If a competition is limited to local or regional organizations U.S. organizations may not compete for award unless the program is re-advertised to provide all U.S. organizations with a fair opportunity to compete for award.

In accordance with ADS 303.3.6.5, noncompetitive awards must be justified in writing, to the satisfaction of the USAID Agreement Officer. Pursuant to the Grant Terms, all grant awards within the USAID Agribusiness Project may be considered Small Awards.

### **3. GRANT PROPOSAL FORMATS, SOLICITATION AND REVIEW PROCEDURES**

#### **3.1 Categories of Applications and Review Procedures**

Applications for grants will fall into one of three categories:

- a. Applications solicited through public notification (see 3.1.1) for a specified program or support activity;
- b. Applications solicited directly (see 3.1.2) from selected potential grantees (NGOs, PIOs, etc.) for a specific activity; and
- c. Unsolicited applications (see 3.1.3).

All grants will require an application and will undergo a review and approval process. All grant applications, whether funded or rejected, shall be retained on file.

Review procedures may vary slightly among the three categories of grant applications. Additionally, all information received from applicants shall be considered proprietary and held in strict confidence by those individuals who review it to protect the integrity and privacy rights of the grant applicant.

The members of any review panels, as well as any staff involved in the review/approval, shall not have any conflicts of interest or the appearance of such with regard to the organizations whose applications they will be reviewing. An individual shall be considered to have the appearance of a conflict of interest if that person—or that person's spouse, partner, child, close friend or relative—works for, is negotiating to work for, or has a financial interest (including being an unpaid member of a Board of Directors) in any organization which submitted an application under the review panel's review, or, contributed on any level to any component that resulted in a grant award. In such cases, the panel should carefully review the situation, consult USAID's Regional Contracting Officer and legal advisor, and in coordination with USAID Cognizant Technical Officer, determine the appropriate action required to avoid or mitigate such conflict and ensure impartiality in the award of grants under the program. Members of the review panel should neither solicit nor accept gratuities, favors, or any other types of gift from parties to sub-agreements.

##### **3.1.1 Public Requests for Applications**

The USAID Agribusiness Project will publish an RFA for certain types of grants. Specific evaluation criteria and a methodology will be established as part of the RFAs, and the following procedures will be followed:

- a. *RFA Preparation.* The RFA document will be prepared and approved by the Grants Manager or his designee in coordination with the COP or Deputy COP and the DAI Contracts Office (see Section 3.2 for additional information on the contents of the RFA).
- b. *Public Notice.* A notice will be made in at least three newspapers with widespread distribution, in relevant local newspapers as well as in electronic media.

- c. RFA Distribution. The RFA will be distributed to all organizations that request it. Applications will be due according to the due date(s) listed in the RFA with the possibility of any extension published in the same newspaper(s) as the RFA.
- d. Proposal Development. Applicants will develop their proposals. For two-stage applications, after the Concept Paper Review Panels recommend projects for full proposal development, the USAID Agribusiness Project staff will work with selected potential grantees to develop their proposals. At this time, the USAID Agribusiness Project staff will also conduct a pre-award assessment.
- e. Clarifications. As necessary, USAID Agribusiness Project will provide written answers to written questions from applicants during the proposal process. During evaluation, the Grants Manager or his designee will make any requests for clarifications and/or additional information from applicants needed for the review panel to evaluate and make recommendations. It is expected that the time frame for clarifications during the proposal process and the evaluation process will be less than one week.
- f. Grants Review Committee Final Recommendation and Final Concurrence. The Review Committee will evaluate the proposal submissions and make a recommendation to fund, not fund, or take any other action. The negotiation and award procedure is located in Sections 3.5 and 4 of this Manual. Upon receipt of the necessary concurrence, the Grants Manager may negotiate and process the grant agreement(s).

### **3.1.2 Direct Solicitations for a Specific Activity**

The USAID Agribusiness Project staff may solicit applications for grants for a specific activity that supports the project's technical assistance and/or training activities as described herein. The USAID Agribusiness Project staff, in consultation with the Grants Manager and COP or his designee, will proceed in identifying candidates and selecting grant activities in accordance with the following procedures:

- a. Activity Identification. Identify a specific activity that supports project technical assistance, training, and/or any other activity that can be assisted by grant funding under the terms provided in this manual, and provide a list of potential grantees with the capacity to carry out the identified program.
- b. Definition of Objectives. Define a set of objectives for the activity and submit the requirements and supporting documentation to the Grants Manager for preparation of the corresponding RFA.
- c. Grants Review Committee. The Review Committee will evaluate applications based on the criteria established and will prepare a written record of the results. The record will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.
- d. Final Concurrence. Upon receipt of the necessary concurrence, the Grants Manager may negotiate and complete the grant agreement(s). The negotiation and award procedure is located in Sections 3.5 and 4 of this Manual.

As necessary, USAID Agribusiness Project will ensure USAID Cognizant Technical Officer participation in all stages of the process.

### 3.1.3 Unsolicited Applications

Unsolicited applications for grants to do activities that support the broad objectives of the project will be reviewed on an ongoing basis. The USAID Agribusiness Project staff, in consultation with the COP or Deputy COP, will proceed to screen application(s) and recommend grantees for concurrence in accordance with the following procedure:

- a. Application Screening. Staff will screen applications based on the minimum eligibility requirements and forward eligible grant applications to the Grants Manager).
- b. Grants Review Committee. The Review Committee will evaluate applications based on the objectives of the project and prepare a written record of the results. The record will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.
- c. Final Concurrence. Upon receipt of the necessary concurrence, including USAID CTO's concurrence, the Grants Manager may negotiate and complete the grant agreement(s). The negotiation and award procedure is located in Sections 3.5 and 4 of this Manual.

### 3.2 Request for Applications (RFA) and/or Annual Program Statement (APS) Requirements

The Contracts Office can provide a template for developing an RFA and should be consulted if additional questions arise. At a minimum, all RFAs shall contain (see ADS 303.3.5.3 for more details):

1. A general description of the proposed program with an indication of the range of activities that might be involved, and the established goals of the activity, if any, which the applicant is expected to meet. The level of detail in the program description will depend on the requirements of the strategic objective.
2. How the award will be administered. For non-U.S. organizations, the RFA must state the Standard Provisions for Non-U.S. Nongovernmental Recipients will apply. For U.S. organizations, the RFA must state that 22 CFR 226, OMB Circulars, and the Standard Provisions for U.S. Nongovernmental Recipients will be applicable. Instead of attaching complete copies of 22 CFR 226 and the OMB Circulars to the RFA, the RFA directs applicants to the source where they may obtain copies (for example, indicate the name of the person they may contact, or the USAID homepage address on the Internet, or other Internet addresses).
3. An estimate of funds available for the RFA/APS and number of awards anticipated, including a statement to the effect that DAI reserves the right to fund any or none of the applications submitted.
4. Expected duration of USAID Agribusiness Project's support or the period of performance.
5. Minimum eligibility requirements.
6. Qualification requirements, i.e., clear identification of types of entities that may apply.
7. Point of contact, including name, title, address, e-mail address, and phone and fax numbers, where a potential applicant can get any materials they may need to apply or state that the RFA contains everything a potential applicant needs to apply.
8. Required certifications.

9. Required format for the application.
10. Deadline for submission of application, how it is determined that the application is received in time, and the consequences of late submission.
11. Any funding restrictions (such as limitations on direct costs or no indirect costs, etc.) and whether or not the award will or will not allow the reimbursement of pre-award costs.
12. The selection criteria used to evaluate applications, including an indication of their relative importance.
13. The required cost-sharing element and, if used as part of the review process (i.e., more than just an eligibility factor) an explanation of how evaluated (should be a sub-element of cost effectiveness).
14. Description of the review and selection process.
15. What a successful applicant can expect to receive following selection.
16. Requirements and expectations regarding reporting.
17. Information regarding points of contact for questions.
18. Statement to the effect that DAI/USAID reserves the right to fund any or none of the applications submitted.
19. Any other relevant information.

An APS must conform to requirements listed in ADS 303.3.5.4.

If USAID directs USAID Agribusiness Project to address environmental concerns in the activity, USAID Agribusiness Project must incorporate these and state any such requirements in the RFA or APS.

RFAs/APSs must be filed with related documents. Please see Section 5.11, “Grant Files and Closeout” and Annex G for a detailed description of the proper filing system.

### **3.3 Format for Grant Proposals**

The format for proposals will vary in accordance with the technical specifications and kind or type of grant (see Annex O for a sample Grant Application). In general, the grant application should include the background information, project description with the clearly defined goals, objectives and results linked to the project activities; beneficiaries; monitoring and evaluation plan and a follow-up; project work plan (including milestones for a FOG); project timeframe; list of team members and their resumes; projected grant budget and budget notes; proposed disbursement/reimbursement plan; statement of cost sharing (including a breakdown of the applicant’s contribution in money or in kind); as well as other attachments that could include registration documents, financial capability questionnaire, certificates, reference letters, etc. All grant applications must be provided in English language.

If USAID Agribusiness Project decides to require cost sharing, it must state the requirements in the competitive announcement. Further information on including cost sharing in RFAs and APSs and on evaluating cost sharing can be found in ADS 303.3.10.3.

For all types of applications, USAID Agribusiness Project will provide more detailed instructions regarding proposal requirements.

### **3.3.1 Concept Papers**

Prior to submitting a full grant application, the eligible applicants are advised to submit a concept paper (see Annex N).

Following USAID Agribusiness Project's receipt of a concept paper and based on the review committee output, a response will be sent to the applicant within 14 days. In this period an USAID Agribusiness Project Technical Advisor/Program Specialist will review the concept paper and gain a permission of the Chief of Party and the CTO to advise the applicant on how to develop a full grant application.

If the response requests a full grant application, the applicant will be required to work closely with USAID Agribusiness Project Technical Advisor/Program Specialist and the Grants Manager as to prepare and submit a formal grant application. USAID Agribusiness Project staff involved in this process should follow the USAID and Federal regulations dealing with the grant award finance and administration issues i.e. determination should be made at early stage whether potential project costs are reasonable, allocable and allowable.

The precise format for submission of a grant application depends on the type of grant, and the applicant will be advised about this issue accordingly.

The applicants must be aware that requests to submit the grant applications following review of concept papers is not necessarily an indication of likelihood of grant award.

### **3.4 Selection Criteria**

Grant applications that meet minimum eligibility criteria (see Section 2.5) will be reviewed and awarded based on selection criteria, which could include but not limited to:

1. Demonstrated capacity of organization, including sound financial practice, in areas pertaining to the proposed activity;
2. Responsiveness to need;
3. Potential for impact;
4. Demonstrated likelihood of proposed activity to further project objectives;
5. Appropriateness and feasibility of project activities within the proposed timeframe and budget.

The competency, suitability, and capability of eligible applications will be evaluated based on the established criteria. The evaluation may entail interviewing, site visits, background research, and/or solicitation of additional information. The Grants Manager or his designee will prepare a written record of the results of the evaluation in the form of Grant Evaluation Committee Record (see Annex P). The written record will account for how the application was evaluated in terms of the selection criteria and will contain a recommendation with a justification for the final decision to fund, not fund, or take any other action.

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<sup>1</sup> Further guidelines are provided in the Grants Manual under Section 6. Grant Procurement Procedures

### 3.4.1 Grants Review Committee

Grants will be awarded by the USAID Agribusiness Project Grants Review Committee (herein and after the Committee). The Committee members will consist of a USAID Cognizant Technical Officer designated for this activity, the Chief of Party, the Operation Director and/or the Deputy Chief of Party, the Grants Manager (a non-voting member), Environmental Specialist, Finance Director and at least one of the USAID Agribusiness Project's Technical Advisors/Specialists, preferably involved in the sub-sector assisted by a reviewed grant. Delegation of this authority to other persons not officially occupying these positions is not permitted. USAID must provide a 'no objection' to each grant.

A quorum of the Committee will consist of at least two USAID Agribusiness Project senior staff (one of which must be either the Chief of Party or the Deputy Chief of Party) and the USAID Representative. Decisions of the Committee will be made by majority vote of the members participating in a meeting. The USAID CTO has no vote, but does have veto power over Committee decisions.

The Grants Manager's responsibility is to provide all needed background information and written instructions, in the form of Grants Review Committee Record, to the individuals participating in the review. The Grants Manager must also ensure that all of the rules and regulations in this Manual are carried out in all phases of the grant award process. The Grants Manager and/or a Technical Advisor/Specialist must also respond to any requests made by the Committee for additional information, further studies, etc.

The Committee shall:

- a) Review and approve the grant proposal
- b) Review and ask changes and amendments to be made
- c) Reject the grant proposal in whole after reviewing

In the cases a) and b) and after the necessary changes and amendments are done; Grants Manager will resubmit the grant proposal to the Chief of Party for approval. Once the grant proposal is approved, Grants Manager generates an appropriate grant agreement (see Annexes 1 and 2) to be reviewed and signed by the Chief of Party.

By signing the grant agreement, the Chief of Party shall confirm:

- That all budgeted costs have been verified as allowable, allocable and reasonable.
- That the implementation plan and detailed benchmarks and disbursement schedule are complete, realistic and accurate.

DAI/Bethesda must approve the grant applications in excess of \$25,000 (USAID Agribusiness Project share) prior to the grant award.

The format of grant agreement must conform to the grant format appropriate to the nature of the grant and kind of grantee receiving the grant. It must be clearly indicated whether the grant is one of the following: Fixed Obligation Grant, Simplified Grant Format or In-Kind Grant.

Signed Grant Agreement is entered into the database.

## **3.5 Negotiation**

### **3.5.1 Cost Analysis**

Each cost element of the program description shall be reviewed by the Grants Finance Officer for reasonableness allocability and allowability in accordance with the applicable cost principles for U.S. Federal government grants. The extent of the cost analysis will vary among grant types and should be determined by the Director of Finance, in consultation with the Grants Manager, on the basis of the nature of the program, past experience with the applicant, and the amount and type of costs involved.

Specifically, the cost analysis will assist in determining:

- a) The extent of the prospective grantee's understanding of the financial aspects of the program and the grantee's ability to perform the grant activities with the funds requested;
- b) The extent to which the applicant's plans will accomplish the program objectives with reasonable economy and efficiency; and
- c) The special conditions, if any, relating to costs that are placed in the award.

If necessary, USAID Agribusiness Project will negotiate the budget to ensure that costs are realistic and reasonable. The negotiation process must be documented, along with other pre-award determinations in a Memorandum of Negotiation. The Memorandum of Negotiation must include the cost analysis and provide any other relevant details on points negotiated (please see Annex B for a sample Memorandum of Negotiation). Note: If the grant is a FOG, the Grants Manager or his designee must include a discussion of the appropriateness of this type of grant in the Memorandum of Negotiation and/or Grant Review Committee Record.

If program income is anticipated during the award period, the purpose, procedures and use of this income by the grantee or donation by the grantee to another organization must be specifically stated in the award. The definition of program income is found at 22 CFR 226.2 [<http://www.access.gpo.gov/nara/cfr/>]; suggestions on how to direct the use of program income are found at 22 CFR 226.24 and program income may be used to finance the grantees' cost-share of the grant award.

In cases where DAI awards a grant to for-profit entities, DAI will avoid the direct receipt or deposit of grantee program income to a DAI-controlled bank account under the grants program. If award of a grant to a for-profit entity becomes necessary, the advice and guidance of the DAI/Bethesda Contracts Office shall be sought, also, prior USAID CTO approval will be obtained before opening discussions with the prospective for-profit grantee(s).

### **3.5.2 Pre-Award Responsibility Determination**

The recommendation or selection of an application in accordance with established procedures does not guarantee an award. All applicants must demonstrate that they possess, or have the ability to obtain, the necessary management competence to practice mutually agreed upon methods of accountability for funds and other assets provided. While 22 CFR 226 does not cover awards to non-U.S. recipients, USAID Agribusiness Project shall rely on the standards established in that regulation in determining whether potential non-

U.S. recipients are responsible. To assist in making this determination, USAID Agribusiness Project staff shall conduct a survey using a financial capability questionnaire that would generally include a review of the applicant's recent audited financial statements, projected budget, cash flow, and organization chart, and applicable policies and procedures (e.g., accounting, purchasing, property management, personnel), if appropriate. The level of scrutiny and review required shall be proportional to the complexity of the grant program contemplated and the total amount of the grant.

In cases that require further information, USAID Agribusiness Project may also verify financial responsibility and institutional capability by inspections, letters from other donors, and/or on-site visits.

As mentioned, the cost analysis, pre-award determinations, and negotiation process must be documented in a Memorandum of Negotiation (please see Annex A for a sample Memorandum of Negotiation). The written determination of the applicant's responsibility should confirm that the applicant:

- Has adequate financial resources, or the ability to obtain such resources, as required during the performance of the award;
- Has the ability to meet the award conditions, taking into consideration all existing prospective recipient commitments, nongovernmental and governmental;
- Has a satisfactory record of performance. Generally, relevant unsatisfactory performance in the past is enough to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance, or the applicant has taken adequate corrective measures to assure that they will be able to perform satisfactorily;
- Has a satisfactory record of business integrity; and
- Is otherwise qualified to receive an award under applicable laws and regulations.

In determining if the prospective grant recipient has the management capacity to plan and carry out the assistance award, some or all of the following may be required, depending on the size and complexity of the grant and/or the previous experience of the prospective grantee. The aim is to get as much information as possible in making the responsibility determination. For further information regarding pre-award determination of responsibility see ADS 303.3.9

- ✓ a. completed financial capability questionnaire
- ✓ b. copy of most recent audit, if no recent audit, "Balance Sheet", "Income Statement" for the most current and previous fiscal year
- ✓ c. incorporation papers or certificate of registration and statute
- ✓ d. summary of relevant past performance – including type of contract/grant, value, title, client (and contact information, if available)
- ✓ e. *if applicable* – NICRA, or if no NICRA, the profit and loss statements which include detail of the total costs of goods and services sold, by information of the applicant's customary indirect cost allocation method, together with supporting computations of the basis for the indirect cost allocation method
- ✓ f. organizational chart, if available
- ✓ g. cash flow, description of management structure, and/or oversight procedures, if available
- ✓ h. copy of applicant's accounting manual, if available
- ✓ i. copy of applicant's operations manual, if available
- ✓ j. copy of purchasing policies and description of the applicant's purchasing system (for large grantees), if available
- ✓ k. any other pertinent information regarding the applicant

### **3.5.3 High Risk Organization**

If USAID Agribusiness Project's staff evaluates the financial capabilities of a grantee and determines that they are limited or deficient, they will classify them as high-risk organizations per ADS 303.5.9.2, which invokes the statutes of 22 CFR 226.14 to allow for closer monitoring requirements. Specific techniques to address this high risk include, but are not limited to: (1) Special award conditions, such as additional financial reporting detail or frequency; and (2) Providing technical assistance to the grantee. This option may be only used for such a period of time until the potential recipient can correct any institutional deficiencies, but not for the life of the award.

### **3.5.4 Branding and Marking**

The potential grantee will comply with the branding strategy and marking plan already negotiated with USAID for this activity, and incorporated into the task order, with assistance from USAID Agribusiness Project as necessary. It is a federal statutory and regulatory requirement that all USAID programs, projects, activities, public communications, and commodities that USAID partially or fully funds under a USAID grant or cooperative agreement or other assistance award or sub award, must be marked appropriately overseas with the USAID identity. See Section 641, Foreign Assistance Act of 1961, as amended, 22CFR 226.91. Under the regulation, USAID requires the submission of a Branding Strategy and Marking Plan, but only by the "apparent successful applicant," as defined in the regulation. See ADS 303.3.6.3f for details on approval and exceptions.

The branding strategy should describe how the program, project, or activity is named and positioned; how it is promoted and communicated; and identifies all donors and explains how they will be acknowledged. The Marking Plan should detail the public communications, commodities, and program materials intended to visibly bear the USAID Identity. For additional assistance on writing Branding Strategies and Marking Plans, please see Annex C.

### **3.5.5 Debarment and Terrorist Financing Searches**

To ensure that USAID Agribusiness Project does not award grants to applicants that have been debarred, suspended or proposed for debarment, apparently successful applicants will be checked against the US Government's Excluded Parties List. As such, USAID Agribusiness Project staff will perform a search for the applicant's name on the Excluded Parties List (<http://epls.arnet.gov>) and document the outcome.

Moreover, to prevent against providing support to entities determined to have committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests, the USAID Agribusiness Project staff must compare each proposed grant action against specific databases. USAID Agribusiness Project must conduct searches on the following two databases:

1. Check the master list of Specially Designated Nationals and Blocked Persons, which is maintained by the US Treasury's Office of Foreign Assets Control (OFAC) and is available at OFAC's website: <http://www.treas.gov/offices/eotffc/ofac/sdn/tl/sdn.pdf>
2. Verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999)

(the “1267 Committee”) [individuals and entities linked to the Taliban, Usama bin Laden, or the Al Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee’s website: <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>.

Supporting documents showing that these searches have been performed must be printed and filed. They should also be recorded on TAMIS and submitted to USAID as part of the concurrence request.

Executive Order No. 13224 also deems that the Prime Recipient (i.e., DAI) will consider all information about potential grantees of which it is aware and all public information that is reasonably available to it or of which it should be aware. Locally available information (newspapers, radio, television, etc.) may be used to ascertain whether an individual or organization is defined within the Executive Order parameters. In other words, DAI is not absolved of responsibility for providing support to an individual or organization just because he/she/it doesn’t appear on the database searches if the USAID Agribusiness Project staff members should have reasonably known that the person or company has committed or pose a significant risk of committing acts of terrorism that threaten U.S. interests.

<p>It is mandatory to have print-outs of the following debarment and terrorist financing searches in the file:</p> <ul style="list-style-type: none"><li>✓ US Government Excluded Parties List</li><li>✓ List of Specially Designated Nationals and Blocked Persons</li><li>✓ United Nations Security Committee (UNSC) list</li></ul>
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### **3.5.6 Environmental Considerations**

USAID Agribusiness Project will follow the provisions of the Initial Environmental Examination (IEE) ensuring that all requirements of the environmental regulations as described in 22 CFR 216 are satisfied prior to a grant award.

USAID Agribusiness Project’s Environmental Specialist shall conduct environmental due diligence as specified in the IEE for all activities not categorically excluded, implement appropriate mitigating actions, and conduct adequate monitoring to ensure environmental concerns are addressed.

Specifically, the Environmental Specialist shall conduct environmental compliance, review, and due diligence for the Grants Program, and farmer and enterprise training on environmental issues. Areas of responsibility will include Environmental Due Diligence (EDD), Pollution Prevention Assessments (PPA) related to clean production, the preparation and implementation of a Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP), and certifications (HACCP, ISO, GAP, etc.).

## **4. GRANT AWARD**

### **4.1 Award Elements**

After financial management and responsibility requirements have been satisfied and final negotiations and assessment completed, the Grants Manager, with the assistance of requisite staff, will prepare a specific grant agreement for each grantee in accordance with the

appropriate format for the type of grant agreement approved. All grant agreements must include a program description that identifies the goals and objectives of the grant project, the specific activities to be carried out, and the measurable results to be achieved.

At minimum, the components for the various types of grant agreements include:

- Signature Page
- Overview Page and Articles
- Annexes:
  1. Program Description
  2. Program Budget
  3. Request for Reimbursement Form and/or Grant Payment Request Form
  4. Reporting on Payment of Foreign Taxes
  5. Financial and Programmatic Report Format
  6. Certification/s
  7. Branding Strategy and Marking Plan
  8. Mandatory Standard Provisions and Required as Applicable Provisions

## **4.2 USAID Concurrence**

The program description must have clearly established goals that are realistic and measurable and for which it will be held accountable. Depending on the USAID Mission, the final program description and final budget may be submitted to USAID as part of the request for concurrence.

USAID CTO shall be involved in the approval process from very beginning i.e. preliminary review of the Concept Papers thru the final approval/rejection of every project.

Upon USAID (normally CTO) concurrence of the grant recipient, the grantee and DAI's authorized representative (usually COP) sign the grant agreement, making it valid.

Only the COP has the authority delegated by DAI/Bethesda to sign contracts and grants. Any contract, grant agreement, or modification whose amount exceeds the authorized delegations of authority requires signature by DAI/Bethesda or an action-specific, ad hoc delegation of authority from DAI/Bethesda for signature in the field.

## **5. GRANT AWARD ADMINISTRATION**

Award administration encompasses all dealings between USAID Agribusiness Project officials and the grantee from the time the award is made until the end of the support. The specific nature and extent of administration will vary from award to award. It can range from reviewing and analyzing performance reports or performing site visits to more technically developed involvement for high-risk recipients.

Post award orientation with the grantee and USAID Agribusiness Project technical staff is encouraged to clarify the roles and responsibilities of the technical staff who will administer the award. The Grants Manager shall serve as the mandatory control point of record for all official communication dealing with grant administration.

The Operations Director shall provide for the continuing oversight by appropriate USAID Agribusiness Project staff (namely, the Finance Director) of the financial management aspects of the award through reviews of reports, correspondence, site visits, or other appropriate means. When deemed necessary, the Operations Director and/or Grants Manager may request or arrange for special audits of grantees. Within approximately one month of signing the grant award agreement, the Finance Director and/or relevant program officer may conduct a financial management training session with grant recipients.

Site visits are an important part of effective award management. Joint site visits by senior staff and program officers are encouraged, since they can provide an effective review of the project. A brief report highlighting the findings is recommended. A copy of each report should be placed in the official grant file.

Grants are subject to the provisions established and included in each award. The Grants Manager or designee, in case of his absence, shall determine that the award does not contain administrative approvals that are in conflict with the grant provisions, stated regulations, or policies. The Grants Manager or his designee is responsible for processing all award modifications, suspensions, and termination actions.

## **5.1 Use and Disposition of Project Income**

Program Income is defined as income earned by the grantee that is directly generated by a supported grant activity or earned as a result of the grant award. It may result from activities integrally related to the grant, or from activities which are incidental to the main purpose of the grant. Program income may be earned both from grantee activities and from services provided by an individual performing a role in the grant activity. The time-frame for earning program income is any income earned by a grantee during the grant period. "During the grant period" means between the effective date of the Grant Agreement and the end date of the grant as reflected in the final financial report.

Examples of program income include:

1. Fees for services performed and for the sales of services, e.g., sale of computer time
2. Use or rental of real or personal property acquired with grant funds
3. Sale of commodities or items fabricated under the grant, e.g. publications
4. Payments of principal and interest on loans made with grant funds
5. Any donations that are solicited by the grantee during a grant activity

The Grantee will inform USAID Agribusiness Project of any program income generated under the grant and agrees to USAID's disposition of such program income which is in accordance with 22 CFR 226.24. Program income earned under this agreement shall be applied and used in the following descending order:

1. Added to funds committed by USAID and the recipient to the project or program, and used to further eligible project or program objectives;
2. Used to finance the non-Federal share of the project or program; and
3. Deducted from the total project or program allowable cost in determining the net allowable costs on which the federal share of costs is based.

If the terms and conditions of the award do not specify how program income is to be used, then number 2) shall apply automatically. Grantees who are commercial organizations may not apply Option 1) to their program income.

Grantees shall have no obligation to the U.S. Government regarding program income earned after the end of the project/grant period.

Costs incident to the generation of program income may be deducted from gross income to determine program income, provided that these costs have been charged to the award and they comply with the applicable rules for allowable costs under grants.

Unless terms and conditions of the award provide otherwise, recipients shall have no obligation to the US government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award.

## **5.2 Cash Disbursements**

USAID Agribusiness Project must ensure that the grantees have the ability to comply with 22 CFR 26, Parts 226.20-226.22. The Mandatory and Required Applicable Standard Provisions for Non-U.S., Non-Governmental Recipients that apply to cash disbursement grants will be incorporated into the grant agreement where applicable.

The financial questionnaire is used to assist in the process of evaluating a grantee's financial management capability. USAID Agribusiness Project may also verify financial responsibility and institutional capacity by inspections of annual financial statements, audit reports, letters from other donors, and/or on-site visits. USAID Agribusiness Project will ensure, at a minimum that the grantee's systems permit them to identify, segregate, accumulate and properly record all costs incurred under the grant.

All requests for payments as specified herein shall be made to the Finance Director through the Grants Manager. Each voucher shall be identified by the grant award number and shall state the total tax-free costs for which reimbursement is being requested.

No tax shall be reimbursed under any circumstances under the Grants Program. In the event that the USAID Agribusiness Project is unable to secure a tax exemption for grantee's purchases under grants, the grantee will have to bear that cost out of their own funds. Nevertheless, these expenditures shall be considered allowable cost sharing (matching contribution) by the grantee. Charges from the bank and currency exchange fees are considered allowable costs under the terms of USAID Agribusiness Project.

Cash payments will be provided in such a way as to minimize the potential for waste or fraud. Payments based upon the recipient's incremental progress are acceptable. Reimbursement based on presentation of receipts and other justifying documents is the other authorized method of payment. These two methods of cash disbursement are described below:

Incremental Payments. In order to qualify for payments, the grantee's accounting and financial management systems must conform to standards for funds control and accountability required under USAID and Federal regulations (ADS 303.3.9 and 22 CFR

226.20 – 226.22). New grantees are free to use their existing accounting systems, so long as they meet those applicable standards as set forth in the CFR, the applicable Standard Provisions, and the financial questionnaire.

Other guiding principles to cash advance disbursements include:

1. Funds shall not be commingled with other recipient owned or controlled funds.
2. Grantees should liquidate any prior advances before new advances are released; and
3. Advances shall be limited to the minimum amounts needed to meet current disbursement needs and only if a pre-award determination of responsibility has been made.

After the budget has been negotiated and the grant agreement has been signed, the grantee shall begin receiving disbursements for each upcoming benchmark (which should be at least monthly.) Benchmarks must be achieved before the specified disbursement is made.

USAID Agribusiness Project shall make every effort to determine the grantees ability to manage and financially support the grant award.

All interest and other refunds by award recipients hereunder will be made to a special, non-commingled, interest-bearing account established by DAI (the “Separate Account”). DAI has no beneficial interest in any funds in the Separate Account. Funds in the Separate Account shall be paid annually to USAID, as directed by the CTO. At the conclusion of the Contract, any funds remaining in the Separate Account shall be returned to USAID and any interest shall be refunded to the U.S. Government.

Reimbursements. If a grantee’s financial management systems do not conform to standards for receiving incremental payments, the grantee may still be eligible to receive reimbursements. As benchmarks are achieved, the grantee can submit the DAI Reimbursement Request form (based on Standard Form 1034 “Public Voucher for Purchases and Services Other Than Personal” and SF 1034A, Continuation of SF 1034). Each reimbursement shall be identified by the grant number and shall state the total costs for which reimbursement is being requested. The grantee shall attach receipts, timesheets, sub-contracts and other appropriate documentation. This type of disbursement mechanism requires that the grantee have adequate cash flow. All Fixed Obligation Grants and Simplified Grants must be issued on a reimbursement basis.

### **5.3 Language**

It is USAID policy that English shall be the official language of all award documents. If an award or any supporting documents are also provided in a foreign language it must be stated in each version that the English language version is the only official version (see ADS 303.5.17).

### **5.4 Termination and Suspension**

Language must be included in the grant agreement giving DAI and USAID the right to terminate a grant, in whole or part, or suspend payments, should the grantee become insolvent during the performance of the award or should the grantee not meet their

responsibilities as set forth in the Grant Agreement. A termination letter will be placed in the grantee's file and include the following:

- The reasons for the termination;
- The effective date;
- The portion to be terminated; and
- The portion terminated (in case of partial termination).

USAID shall also have the right to terminate the grant activity (activities) unilaterally in extraordinary circumstances.

## **5.5 Monitoring, Reporting, and Audits**

The grantee shall maintain books, records, documents, and other evidence relating to the USAID-sponsored project. Accounting records that are supported by documentation will at a minimum show all costs incurred under the grant agreement, receipt and use of goods and services acquired under the grant agreement, costs of the project supplied from other sources, the overall progress of the project, and the cost share obligation from grant recipients.

Grantees must report their cost-share contribution through required financial reports, accompanied by supporting documentation, as described in the Required as Applicable Provision on Cost Share, which is a Mandatory Provision for all DAI grants (this provision can be found at : <http://www.usaid.gov/policy/ads/300/303maa.pdf> for U.S., Non-governmental Recipients and at <http://www.usaid.gov/missions/sa/usaidsa/mandatorystandard.pdf> for Non U.S., Non-governmental Recipients).

All grantees will be subject to regular and periodic monitoring visits and reporting requirements. All projects must submit a final report on activities supported by the grant. For projects completed in less than a six-month period, a final expense and activity report, including the amount of cost share accompanied by supporting documents, must be submitted to the Grants Manager upon completion. For projects exceeding a six-month timeframe, quarterly expense and activity reports, in addition to a final expense and activity report (which includes the amount of cost-share accompanied by supporting documentation), must be submitted to the Grants Manager, or as otherwise specified in the grant agreement.

Grants under implementation will have a customized monitoring plan when deemed necessary by the USAID Agribusiness Project's technical staff. This plan should be flexible and dictated internally by the amount, length and complexity of the grant, as well as accessibility of the grantee's location.

Non-U.S. Grantees must be audited if they received more than \$300,000 in USAID funds during their fiscal year. The thresholds include USAID funds received from all USAID sources, not just USAID funds received through USAID Agribusiness Project grants. DAI may require that 1) grantees that spend less than the above thresholds and 2) for-profit grantees be audited. DAI reserves the right to arrange for an audit at any time.

In some cases, DAI may decide to cover an audit through a grant, particularly for large grants. This might happen when the pre-award responsibility determination demonstrates that the organization is on the right track, but would benefit from regular audits to help the organization focus on ensuring its financial and accounting systems function properly.

Grantees are required to adhere to USAID regulations, including requirements to maintain records for a minimum of three years to make accounting records available for review by appropriate representatives of USAID Agribusiness Project or USAID.

## **5.6 Records**

The grantee shall maintain financial records, supporting documents, statistical records, and all other records pertinent to the award in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to this award. Accounting records that are supported by documentation will at a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program. Unless otherwise notified, the grantee's records which pertain to this agreement shall be retained for a period of three years from the date of submission of the final expenditure report and may be audited by DAI, USAID and/or its representatives. USAID Agribusiness Project will open a grant file for each award and follow the guidance as set forth in Supplementary Reference ADS 303 "File Documentation Guidelines."

## **5.7 Publications and Media Releases**

This provision is applicable when publications are financed under the award.

The grantee shall provide USAID Agribusiness Project at least two copies of all published works developed under the award with lists of other written work produced under the award. At the end of the project, USAID Agribusiness Project shall submit one electronic or one hard copy of final documents (electronic copies are preferred) to PPC/CDIE/DIO at the following address:

Online (preferred)

**<http://www.dec.org/submit.cfm>**

Mailing address:

Document Acquisitions

USAID Development Experience Clearinghouse (DEC)

8403 Colesville Road Suite 210

Silver Spring, MD 20910-6368

Contract Information

Telephone (301) 562-0641

Fax (301) 588-7787

E-mail: **[docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org)**

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. They may be submitted online (preferred); on 3.5"

diskettes, a Zip disk, CD-R, or by e-mail. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) strategic objective; and 6) date of publication;:

In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for U.S. Government purposes.

## **5.8 Marking under USAID-funded Assistance Instruments**

### **5.8.1 Definitions**

USAID has very clear definitions for terms associated with USAID technical assistance. These terms should be used as appropriate by grantees and can be found in the Mandatory Standard Provisions for both US and Non-US, Nongovernmental Recipients.

### **5.8.2 Marking of Program Deliverables**

All grantees must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or sub award with the USAID Identity, of a size and prominence equivalent to or greater than the recipient's, other donor's, or any other third party's identity or logo.

To ensure that the marking requirements "flow down" to sub recipients of sub awards, USAID Agribusiness Project will include the USAID-approved marking provision in any USAID funded sub award, as follows:

*"As a condition of receipt of this sub award, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient's, sub recipient's, other donor's or third party's is required. In the event the recipient chooses not to require marking with its own identity or logo by the sub recipient, USAID may, at its discretion, require marking by the sub recipient with the USAID Identity."*

Any 'public communications', as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:

*"This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID, the United States Government, or Development Alternatives, Inc."*

USAID Agribusiness Project will provide the Cognizant Technical Officer (CTO) or other USAID personnel designated in the contract with two copies of all program and communications materials produced under the award. In addition, USAID Agribusiness Project will submit one electronic or one hard copy of all final documents to USAID's Development Experience Clearinghouse.

### **5.8.3 Implementation of Marking Requirements**

USAID Agribusiness Project will require that the grantee submit a Marking Plan, to be approved by USAID as part of pre-award negotiations:

The plan will include:

1. A description of the program deliverables specified that the grantee will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity.
2. The type of marking and what materials the grantee uses to mark the program deliverables with the USAID Identity,
3. When in the performance period the grantee will mark the program deliverables, and where the applicant will place the marking,

In certain cases, USAID Agribusiness Project and/or the grantee may be exempted from USAID marking requirements. Further details regarding such exemptions and waivers can be found in the Mandatory Standard Provisions for US and Non-US, Nongovernmental Recipients, and ADS 320.

### **5.9 Amendments and Extension**

Once a grant has been awarded, no additional competition is required for amendments to the existing grant or follow-on grant awards for the same activity, or to further develop an existing assistance relationship for amounts equal to or less than the original grant.

Approval by the grants review committee is required for amendments to existing awards that involve any substantial change, extension, or expansion of previously approved grant activities.

The Grants Manager serves as the mandatory control point of record for all official communication that would constitute an amendment to the award. Amendments will be made by formal modifications to the basic award document.

### **5.10 Conflict of Interest**

In the review and implementation of grants, USAID Agribusiness Project reserves the right to investigate an application or a grant due to any real or perceived conflict of interest. In the event that USAID Agribusiness Project determines that conflict of interest exists, USAID Agribusiness Project may disqualify an application or terminate a grant.

#### Definition of conflict of interest:

A conflict of interest is any interest, financial or otherwise, direct or indirect; participation in any business, transaction or professional activity; or incurring of any obligation of any nature,

which is or appears to be in substantial conflict with the proper discharge of duties in relation to a USAID Agribusiness Project-funded activity.

Conflict of interest includes, but is not limited to:

1. An occasion when an individual's private interest differs from his or her professional obligations
2. A situation in which professional actions or decisions occur that an independent observer might reasonably question
3. Nepotism, i.e., favoritism shown to a relative on the basis of an immediate family relationship (Note: immediate family can be defined as parents, children, siblings, grandparents, same categories of in-laws, foster and step children, and anyone living in the same household as a family)

### **5.11 Grant Files and Closeout**

USAID reserves the right to conduct financial reviews or audits, and to otherwise ensure the adequate accountability of organizations expending USG funds. The grant files will contain the essential documents to demonstrate that the grant was successfully completed and that funds were spent prudently with costs justified.

In order to prepare the grant files for closeout, the USAID Agribusiness Project will maintain an on-going official grant "Master File," which includes only the documents that need to be preserved in case of audit. This file will be clearly organized and easy to understand. An auditor with very little prior knowledge of the project will be able to quickly review the file and conclude whether the grant funds were used for their designated purpose, whether systematic and competitive procurement procedures were used, and whether all funds were properly accounted for. A checklist located in Annex G details the documents that the master file must contain and provides an explanation of how they should be filed.

In addition, for each competition, the grants staff must maintain an RFA/APS file. The RFA/APS file checklist can be found under Section 3.2 of this Manual. The RFA for successful grant recipients should be included in a separate file at the beginning of the master files.

At closeout, USAID Agribusiness Project staff will also ensure that all entries in the grants management database are complete, which will help guide an auditor through DAI's grants management system.

Closeout of the grants awarded under the simplified format is conducted in accordance with 22 CFR 226.71. Within 30 days of completion of the entire activity or all benchmarks, the grantee shall provide a written certification that the activity for which the grant was awarded has been fully completed.

Grant closeout for fixed obligations grants will be accomplished with acceptance of the final milestone, and the approval of final payment. Within 30 days of completion of the entire activity or all milestones, the grantee shall provide a written certification that the activity for which the grant was awarded has been fully completed.

Grants Manger is responsible for ensuring that the grantee has completed all requirements for closeout and shall include information on grant closeouts in the monthly report of grant activities.

## **6. GRANT PROCUREMENT PROCEDURES**

The grantees shall conduct procurement activities, under the supervision of USAID Agribusiness Project staff and shall be reimbursed for the purchased services and/or items listed in the grant award, except for the In-Kind Grants. USAID Agribusiness Project shall, however, maintain primary responsibility before USAID in respect to the procurement standards as described below. As described before, USAID Agribusiness Project may decide to conduct a direct procurement, but only if a grantee has limited capability to procure services and/or equipment with the grants funds i.e. Youth Enterprise Grants and Agribusiness Start-up Grants.

If procurement activities fall within the scope of grantee's authority, each grantee must adhere to the following procurement standards:

- The grantee will avoid purchasing unnecessary items;
- Where appropriate, the USAID Agribusiness Project staff or the grantee will determine whether lease and purchase alternatives is the most economical and practical procurement;
- The grantee will document a price or cost analysis in its procurement files in connection with every procurement action. Price analysis will be accomplished in various ways, including the comparison price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability;
- No employee, officer, or agent of the grantee organization shall participate in the selection, award, or administration of a contract supported by USAID Agribusiness Project funds if a real or apparent conflict of interest would be involved. Such conflict would arise when the grantee or any member of the grantee's immediate family, the partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award;
- All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The grantee shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade;
- Every time the grantee purchases something with USAID Agribusiness Project funds, it must use an appropriate level of cost comparison and analysis, as follows:
  - a. When purchasing any good or service with a unit cost of less than US\$500, price quotes are preferred but not required. If possible, three oral quotes should be obtained and documented (name of vendor and price quote). Selections should be made on the grounds of price, quality, dependability, timeliness, and other business considerations.

- b. When purchasing a good or service with a unit price greater than or equal to US\$500, but less than US\$2,500, three valid written quotes must be sought. Oral quotes are not acceptable. Selection should be made based on the factors of price, assured timely deliveries, proven ability to deliver a quality product, reputation of vendor, and other criteria fitting to the specific procurement.
  - c. For procurement elements or awards greater than \$2,500, further requirements may apply as found in the Procurement of Goods and Services (October 1998) clause from the Standard Mandatory Provisions for Non-U.S., Nongovernmental Recipients. Please see below *Recommended Procurement Procedures, by Dollar Amount*.
- Each time the grantee requests an oral or written bid from three or more vendors, it must provide each vendor with identical information regarding the specification of the goods or services it is procuring;
  - The grantee shall provide to USAID Agribusiness Project copies of the procurement documents e.g. invitations to bids, market research, bid analysis and evaluations, award letters, contracts with vendors, etc., as well as other documents related to the procurement procedures conducted by the grantee;
  - To the greatest extent possible, the grantee should use local business service providers and other counterparts as appropriate.

The grantee may, however, use its own procurement policies and practices for the procurement of goods and services, provided they conform to all of USAID's requirements listed in Procurement of Goods and Services (October 1998) and the standard provision entitled "USAID Eligibility Rules for Goods and Services".

USAID Eligibility Rules for Goods and Services are applicable when the costs for goods or services will be paid for with USAID Agribusiness Project funds. This provision is not applicable if the recipient is providing for the goods or services with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.

*Recommended Procurement Procedures, by Dollar Amount*

<b>Procurement Amounts</b>	<b>Action(s) Taken</b>	<b>Forms To File</b>
If total anticipated price is less than \$500	Purchase as needed at market price– no paperwork other than receipt for billing purposes needed.	None
If total anticipated price (total payment to vendor, not per item) is between \$500 and less than \$2500	Must document attempt to get three bids or price quotes (by verbal solicitation verbally) - Memo to File must include: <ul style="list-style-type: none"> <li>- Company names</li> <li>- tel. #</li> <li>- date contacted</li> <li>- price quoted</li> </ul>	Memo to File
If total anticipated price is between \$2500 and less than \$10,000	Must get three verbal bids or price quotes from vendors. Must create a Bid Comparison Matrix listing prices, vendors, availability, and reason for choice.	Bid Comparison Matrix

Procurement Amounts	Action(s) Taken	Forms To File
If total anticipated price is between \$10,000 and less than \$25,000	Must get three written bids from vendors, and create a Bid Comparison Matrix. Must stipulate Selection Criteria Must convene a bid committee to review the bids together.	Bid Comparison Matrix Copies of vendor bids Bid Decision Memo to File
\$25,000 or more	Must issue formal a public bid documents, such as a Request For Quotes (RFQ). Must stipulate Selection Criteria Must convene a bid committee.	Copy of RFQ and responses. Bid Comparison Matrix Bid Decision Memo to file CO Approval(as needed)

## 6.1 Allowable Costs/Eligibility Rules for Goods and Services

Expenses incurred under the grants program must meet the following criteria in order to be eligible for reimbursement:

Reasonable Cost: Means those costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.

Allocable Costs: Means those costs which are incurred specifically for the award.

Allowable Costs: Means those costs which are reasonable and allocable and conform to any limitations in the award.

Cost Principles: which costs are allowable, allowable with prior approval, or allowable by type of grantee (U.S. NGO, non-U.S. NGO, etc.)

It is USAID Agribusiness Project's goal to ensure that costs incurred are in accordance with the applicable set of Cost Principles under the Mandatory Standard Provision for Non-U.S., Non-Governmental Recipients (Allowable Costs). USAID Agribusiness Project will determine which costs are allowable, allowable with prior approval, or unallowable, for Non-U.S. Non-Governmental grantees.

The following guidelines will be used during the budget review stage of grant proposal evaluation, before the grant agreement is approved, to determine if a questionable cost is allowable:

1. Review OMB Circular A-122, (Annex M), a list of "Selected Items of Cost" which describes what is and is not allowable, or allowable under what circumstances (for example, "alcoholic beverages: Costs of alcoholic beverages are unallowable").
2. Review ADS 312 "Eligibility of Commodities" for more information if an item to be procured is a restricted good or service.
3. Determine whether the costs are reasonable, allocable, and allowable.
4. Contact the DAI/Bethesda for review and decision when appropriate.
5. Prior to incurring a questionable cost, obtain USAID's written determination on whether the cost will be allowable. (This should be done even for cash disbursements, as DAI is accountable for the use of funds provided to the grantees.)

The grantee will also adhere to the list of ineligible goods and services clause from the list in ADS 312 “Eligibility of Commodities”. The following restricted goods<sup>2</sup> and services shall not be procured without the prior approval of the Agreement Officer:

- Agricultural commodities;
- Motor vehicles;
- Pharmaceuticals;
- Pesticides;
- Used equipment;
- U.S. Government-owned excess property; and
- Fertilizer.

*Waivers on Agricultural Commodities (ADS E312.5.3a2e): Depending on the source origin designation of the grant, a geographic source waiver, in accordance with ADS Chapter 310, may be required if the commodity is to be purchased from a country not eligible under the agreement. If a proposal is to procure an agricultural commodity, DAI staff must review ADS 312 and obtain USAID waiver if necessary before the grant is implemented. DAI will work with the USAID Agreement Officer to obtain appropriate and necessary waivers prior to procurement.*

The Required as Applicable Provision entitled USAID Eligibility Rules for Goods and Services shall apply to all standard form grants issued under USAID Agribusiness Project.

## **6.2 Source, Origin, and Nationality**

The authorized geographic code for the USAID Agribusiness Project in Serbia is USA (000). However, local procurement in the cooperating country is authorized within the parameters specified in 22 CFR 228.40, “Local Procurement”

Pursuant to the standard provisions for the grants-under-contracts not exceeding \$250,000, and reference to the waiver letter dated June 6, 2008 issued by Regional Contracting Officer, use of an order of preference for the procurement of goods and services is permitted.<sup>3</sup> Accordingly, Commodities and services procured under the USAID Agribusiness Project must be procured in accordance with the following order of preference:

- (1) The United States (USAID Geographic Code 000)
- (2) Serbia, and then
- (3) A SEED or EU Country (USAID Geographic Code 935)

The procurement of non-U.S. commodities or services must be documented to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and one or more of the following reasons justifying the non-U.S. procurement:

- A) The commodity or service is of a type that is not produced in or available for purchase on the United States (or Cooperating Country if it is a SEED or EU country procurement)

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<sup>2</sup> Refer to ADS 312 “Mandatory Reference, USAID Commodity Eligibility Listing” for a list of restricted commodities.

<sup>3</sup> Refer to the letter dated June 6, 2008 issued by Regional Contracting Officer; “Regional Source/Origin/Nationality Waiver for SEED Funding – Letter to Contractors.

- B) It is necessary to procure the non-U.S. commodities or services in order to meet unforeseen circumstances, such as emergency situations.
- C) It is necessary to procure the non-U.S. commodities or services to promote efficiency in the use of United States foreign assistance resources.
- D) For the commodities with their source and origin in the Cooperating Country:
  - i. The lowest available delivered price from the United States is reasonably estimated to be 50 percent or more higher than the delivered price from the Cooperating Country, or
  - ii. The estimated cost of U.S. construction materials (including transportation and handling charges) is at least 50 percent higher than the cost of locally produced materials.

### **6.3 Equipment**

Equipment is defined as any tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. If the grant budget includes equipment the Provision for Non-U.S. Non-Governmental Recipients (Title to and Use of Property, Recipient Title) will be incorporated into the Grant Agreement.

Under the simplified grants, the Agreement Officer must approve the purchase of equipment over \$5,000, and applicable provisions must be included in the grant format. The purchase of equipment with a value exceeding \$2,500 is not authorized under a Fixed Obligation grant. The project must follow standard procurement procedures.

The grantee is required to use and maintain the equipment for the purpose of the award in accordance with the applicable standard provision and as summarized below:

- The recipient is required to maintain equipment inventory records that include the description of the equipment, the source of the equipment, the title holder, the serial number or other identification, the acquisition date, the cost of equipment, the location, use, and condition of the equipment, and any ultimate disposition data including the date of disposal and the sale price of the equipment.
- The recipient is required to take an annual physical inventory of the equipment and reconcile the results with the equipment records and submit a copy of the physical inventory to DAI.
- In the grant agreement, the grantee will agree to indemnify, DAI and its Officers and Directors, including cost of defense, for any claim made against them arising out of the grantee's performance of this grant agreement. This indemnity shall be in excess of DAI's insurance policies, but not limited by the scope of such policies. DAI and USAID do not assume liability for third party claims for damages arising out of this grant.

### **6.4 Supplies**

Supplies are all property, excluding equipment. In accordance with the applicable Standard Provisions, title to supplies and other expendable property shall vest in the grantee upon acquisition.

## 6.5 Travel

USAID Agribusiness Project must obtain USAID Contracting Officer approval to use grant funds in support of international travel where applicable and necessary. Guidance will be followed as set forth in the Required as Applicable Standard Provision for Non-U.S. Non-Governmental Recipients (International Air Travel and Transportation).

For grantees receiving cash disbursements for travel, the Standard Provision (referenced above) must be followed and incorporated in to the grant agreement. If the grant is in-kind (that is, USAID Agribusiness Project negotiates and purchases the tickets for the grantee), DAI must follow Standard Provisions when approving travel and purchasing the tickets. In either case, the Fly America Act applies at all times.

## 6.6 Participant Training

Participant training conducted in countries other than the U.S. or the cooperating country must comply with the requirements for third country training set forth in ADS 253.3.2.

A participant is any non-U.S. individual being trained under the USAID Agribusiness Project outside of that individual's home country.

A nationality waiver may be required for training providers from countries outside the authorized geographic code.

Participant training shall be conducted in close cooperation with the World Learning in Serbia.

## 6.7 Payment to Host Country Government Employees

### a) *Definition of Host-Country Government (HCG) Employee*

A HCG employee is an employee paid by the HCG, occupying an established position, either temporary or permanent, part-time or full-time, within a host-country government institutions such as State Universities, Research Institutes, vocational schools, etc. A host-country institution is an organization in which the government owns at least a 50 % share or receives at least 50% of its financial support from the government.

### b) Types of Payments

There are two categories of payments to HCG employees: those that are considered salary supplements, and those that cover other costs not considered salary supplements.

#### *b1) Salary Supplements:*

These are payments made that increase an employee's base salary for the performance of his/her regular duties or for work performed during regular office hours. In most cases, these are not acceptable (except for university professors/lecturers).

Exceptions where payments are allowable for other government employees outside of the university system shall be limited and subject to USAID approval, and it may be considered under following terms only:

- If the government employee is providing services outside of his/her normal working hours.

- If the government employee is on leave without pay from their government post during the time he/she is providing services to us.
- If the government employee is on annual leave from the government at the time that he/she is providing services to us.

In addition, it is important to remember the following: **-Policy Making Officials shall not receive USAID payment of salary supplements in any form** (including USAID payments for project related work conducted outside normal working hours). Policy-Making officials are defined as high-level elected or appointed officials such as those serving in the cabinet or in the immediately subordinate sub-cabinet position.

*b2) Additional Payments not in the form of salary supplements:*

Possible payments are: food and lodging, travel, and honoraria for university professors.

- Food/Lodging/local transport costs are permissible for program or project related activities provided that such reimbursement is made on an actual cost reimbursement basis or it is paid at a consistent host-country rate.
- National transport costs are allowable for government officials in special cases where Host Country Government Officials are traveling in country with a US government official.
- International Travel is also permissible if the USAID Mission Director or from USAID Washington approval is provided if there is no USAID Mission Director.
- Honoraria may be paid to university employees and to members of research institutions, who are HCG employees solely by virtue of their position in a university or research institution, carrying out project-related activities outside their normal duties.

## 6.8 Use of U.S./International Consultants

An international consultant can be used under a grant if the organization is the recipient of the grant with which this consultant is affiliated, and the grant is not to the consultant as an individual.

If a local grantee wishes to hire an international consultant as part of a grant from USAID Agribusiness Project must verify the following:

- a) International consultant's salary- this needs to be checked for reasonableness, with well-documented salary history for the requested rate.
- b) The local grantee must verify that they have hired the consultant, with a formal employee contract, Scopes of Work, time sheets, etc drawn up between the consultant and the local grantee.

The local grantee must pay the consultant's salary directly.

## **6.9 Rights to Intellectual Property Produced with Grant Funds**

All materials produced under the grants -- written, graphic, film, magnetic tape, or otherwise -- shall remain the property of both the grantee and USAID Agribusiness Project. Both the grantee and USAID Agribusiness Project retain rights to publish or disseminate in all languages reports arising from such materials, unless otherwise specified in the grant agreement. The rights and duties provided for in this policy shall continue, notwithstanding the termination of the grant or the execution of its other provisions.

### **ANNEXES**

- A. Sample Memo of Negotiation
- B. Assistance on Branding and Marking
- C. Sample Simplified Grant Format Non-US
- D. Sample Fixed-Obligation Grant Format Non-US
- E. Mandatory Standard Provisions for Non-U.S. Non-Governmental Recipients
- F. Financial Capability Questionnaire (for recipients of cash grants)
- G. Grant File Documentation Guidelines and Check List
- H. Certification Regarding Debarment, Suspension and Other Responsibility Matters
- I. Certification Regarding Drug-Free Workplace Requirements
- J. Certification Regarding Terrorism Financing
- K. Anti-trafficking Activities
- L. Reporting of Foreign Taxes
- M. OMB Circular 122 "Cost Principles for Non-Profit Organizations"
- N. Concept Paper
- O. Sample Grant Application
- P. Grants Review Committee Record

*NOTE: These annexes are all the possible documents that can be attached to a specific grant. In most cases the grant will require that only two or three of the Annexes listed here be incorporated in the grant document issued to the grantee. Directions on which grant annex to include, are provided in the instructions that follow. When the grant is issued that actual annexes that are attached are renumbered A-1, A-2, A-3, etc. The Grant Formats indicate the preferred order of numbering of the annexes when attached to the grant.*



**USAID**  
FROM THE AMERICAN PEOPLE

USAID  
Agribusiness  
Project

# **Performance Monitoring Plan**

**(October 2008 – September 2009)**

**September 10, 2008**

## Introduction

This document describes a comprehensive approach to USAID Agribusiness Project's Performance Monitoring Plan (PMP), building upon the framework outlined in DAI's proposal and Year One Workplan. The performance monitoring system is the foundation of the project's communications strategy and its internal monitoring and evaluation system. This system will allow USAID Agribusiness Project staff to build on winning initiatives and take corrective action when results are less successful than anticipated. An adaptive management strategy will facilitate replication of successes and, thereby, expedite achieving the desired results of USAID Agribusiness Project. The system is used to compile and track performance monitoring information, including indicators required by USAID/Serbia, as well as qualitative information, such as anecdotal experiences, which can be published as success stories. The PMP:

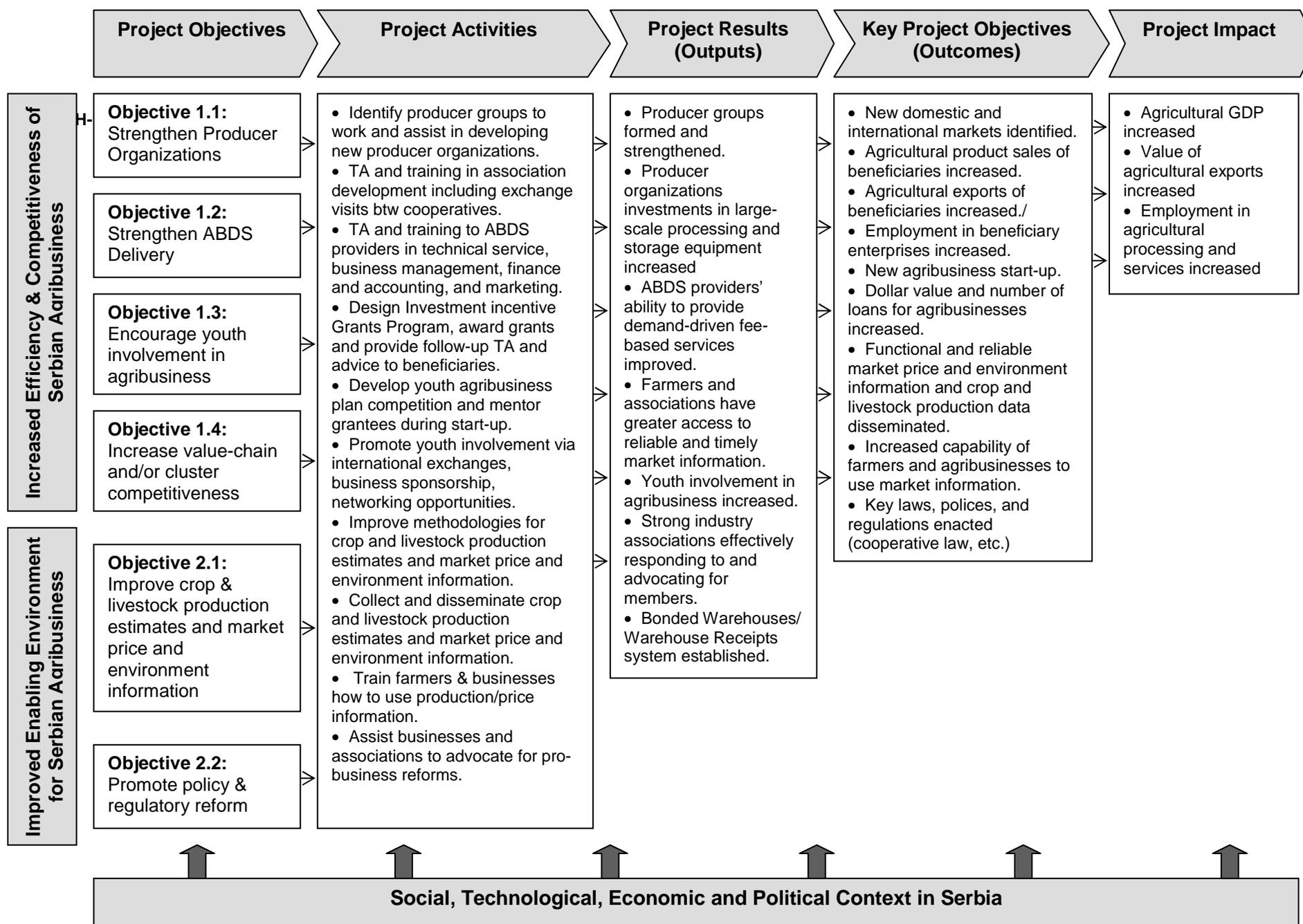
- Meets all USAID/Serbia and USAID/Washington reporting needs, enabling USAID Agribusiness Project management to report to USAID total sales of targeted products for every dollar in award funds;
- Functions as the project internal monitoring and evaluation system, assisting USAID Agribusiness Project staff and USAID to manage and prioritize project investments;
- Consolidates and distributes standardized information on the performance of targeted value chains (elements of the PMP can remain beyond the life of the project); and
- Shares lessons learned on best practice models that can be replicated.

The PMP is divided into three main sections. Following this introduction is a section on the causal model that shows the relationship between project activities, outputs, outcomes and impact. Next section provides a description of the proposed project level indicators, including the rationale behind each one and a brief description of how they will be captured and used. The final section deals with management of the PMP.

## PMP Framework

The proposed approach to performance monitoring is based on a causal chain that links project activities to USAID/Serbia's Foreign Assistance Strategy. Figure H-1 shows the relationships between the USAID Agribusiness Project's activities and targeted results.

In this causal chain, the three **project objectives** lead to **project activities**. The **project activities** will produce, in the first instance, **project results (outputs)**, such as new technologies and methodologies adopted by farmers, links established or improved between value chain actors, small producers, and financial service providers, etc. These outputs, in turn, will lead to positive **key project objectives results (outcomes)**. These outcomes have largely been defined by USAID/Serbia in the RFP. Ultimately, the project outcomes lead to **project impact**. The overall impact of the USAID Agribusiness Project will be a stronger agricultural sector with Serbian producers able to compete more effectively in domestic and global markets and increased household income of Serbian farmers.



## Project-Level Indicators

The project-level indicators for the PMP are divided into the following categories:

- USAID Standard F Indicators
- Overarching Project Level Indicators
- Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness
  - Objective 1.1: Strengthen Producer Organizations
  - Objective 1.2: Improve ABDS Delivery
  - Objective 1.3: Encourage youth involvement in agribusiness through the Youth Enterprise Program
  - Objective 1.4: Increase value-chain and/or cluster competitiveness
  - Investment Incentive Grants to support Objectives 1.1, 1.2, 1.3 and 1.4
  - Capacity Building Grants for Producer Organizations and ABDS Providers
- Component 2: Improved Enabling Environment for Serbian Agribusiness
  - Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price Information
  - Objective 2.2: Promote Legal, Policy, and Regulatory Reform

Following is a brief overview of the indicators for each of these project objectives. These indicators are further defined, including targets and data collection methodology, in the Attachment 1.

## USAID Standard F Indicators

USAID/Serbia has recommended the following performance indicators to measure the results generated through the support provided by USAID Agribusiness Project. Data collection methodology will include the Data Quality Assessment, as well as other tools provided by USAID/Serbia. The envisioned results and targets attributable to USAID Agribusiness Project are as follows:

- Percent change in value of international exports of targeted agricultural commodities as a result of USG assistance; target: 15% international export increase in 2009 for the agricultural commodities assisted by USAID Agribusiness Project
- Number of producer organizations, water user associations, trade and business associations, and community-based organizations (CBOs) receiving USG assistance; target: 15 organizations assisted by USAID Agribusiness Project in 2009.
- Number of agriculture-related firms benefiting directly from USG supported interventions; target: 30 agriculture-related firms benefiting directly thanks to USAID Agribusiness Project interventions

## Overarching Project Level Indicators

While a number of indicators can be attributed to particular interventions, several higher level indicators will result from a combination of technical assistance, training, and grants that span across objectives. The following we consider to be overarching project indicators:

<b>Overarching Project Indicators</b>	<b>Narrative Description</b>
Percent change in agricultural GDP (to be compared with the GDP's in the neighboring countries e.g. Bosnia, Macedonia, Croatia, Bulgaria, etc.)	Because GDP is one of the most important measures of production in the Serbian economy, it is important to measure all production of agricultural commodities, which includes all crop, livestock, and fisheries activities. In 2005 Serbian agricultural GDP was \$4.25 B, and in 2006 it reached \$4.79 B. However, the agricultural GDP has fallen down for 11.8% to \$4.23 B in 2007 <sup>^</sup> , thus the projections given in the PMP are very conservative. USAID Agribusiness Project has also taken into account a dynamic political environment in Serbia, which as such may generate unexpected macroeconomic indicators.
Percent change in the value of agricultural exports (disaggregated by export market and commodity)	Three groups of goods dominate Serbia's agricultural exports: fruits and vegetables (33%), particularly raspberries; cereals and their processed products (26%), particularly maize; and sugar and confectionery products (16%). Higher unit prices of agricultural and foodstuff products in import than in export shows that Serbia continues to export goods of lower processing level and import higher value added products. USAID Agribusiness Project will work with producer groups and businesses to continue the agricultural export growth trend likewise in the previous years (2005: \$909M; 2006: \$1.25B; 2007: \$1.67B) <sup>^</sup> .
Actual increase in employment in agricultural processing and services (disaggregated by the gender of new employees, type of employment, sub-sector, and geographic region)	A key objective of USAID Agribusiness Project, increasing employment in target agricultural processing and services is important to promoting development in Serbia. Focusing on entire value chains which will lead to increased employment in competitive value chains in areas such as input supply, processing, marketing, etc. Employment calculations will include assessments of full-time, part-time, and seasonal employment to arrive at total number of jobs, which is projected at 10,000 new jobs in 2012 (cumulative). Enterprises will include commercial farms and firms along the value chain, such as input suppliers, processors, buyers, exporters, etc.
Dollar value change in agricultural product sales of USAID Agribusiness Project beneficiaries (disaggregated by geographic region and commodity)	USAID Agribusiness Project will work with producers and farmer groups to improve production practices, post-harvest handling, packaging, and marketing with the objective of increasing the total value of agricultural product sales of Serbian farmers and firms.

**NOTE:** National Bureau for Statistics publishes GDP data annually, and six months after the end of calendar year (Serbian fiscal year). Also, the agricultural export data are published on an annual basis as a summary report, but some row figures might be available on a quarterly basis. USAID Agribusiness Project staff shall make all efforts to obtain these data as soon as available, but USAID should be aware of the reporting constraints related to these two indicators whereas USAID Agribusiness Project staff has no control over the reporting timing whatsoever. USAID Agribusiness Project has established official communication channel with the National Bureau for Statistics to assure professional and timely information exchange.

<sup>^</sup> Source: National Bureau for Statistics

## Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness

### ***Objective 1.1: Strengthen Producer Organizations***

Once the USAID Agribusiness Project team has carried out the rapid sub-sector assessments and developed commodity action plans, both existing and nascent groups of farmers and/or agribusiness-related firms will be assisted to work together to become effective service providers for their members and evolve into sustainable business enterprises. This includes training and technical assistance in association development (devising new by-laws, formulating governance and management oversight, identifying and developing fee-based member services), association management, finance and accounting, improved production, processing and marketing.

<b>Objective 1.1 Indicators</b>	<b>Narrative Description</b>
Number of producer organizations assisted as part of the USAID Agribusiness Project (disaggregated by geographic region, sub-sector, age of organization, the size of producer organizations i.e. number of members, and type of assistance)	It will be necessary for farmers to learn to work together to achieve economies of scale in terms of input purchases and product sales. A key focus of USAID Agribusiness Project will be to work with existing producer organizations and help to establish new ones with the objective of helping them to become sustainable, financially viable business enterprises.
Number of new members joining USAID Agribusiness Project-assisted producer organizations (disaggregated by gender and geographic region).	A prime indicator of an organization's success is its ability to attract and retain new members.
Total dollar value of member sales through USAID Agribusiness Project-assisted producer organizations (disaggregated by gender and market i.e. domestic/international)	A major reason that producers benefit from collective action is the ability to capitalize on economies of scale and access new markets for their goods by selling in larger quantities to meet buyer requirements.
Average Score of assisted producer organizations on the Organizational Capacity Assessment Tool	This indicator is an overarching tool that scores civil society and community-based organizations along 7 dimensions that are critical to effective organizations (governance, management practices, human resources, financial resources, service delivery, external relations, and sustainability). Each dimension is scored along a 5-point scale, where 1= needs urgent attention, all the way to 5 = good, needs maintaining. Then all the dimension totals will be added together to get the response entities' final score for the year.

### ***Objective 1.2: Improve ABDS Delivery***

USAID Agribusiness Project will assist ABDS providers to strengthen their operations and promote the establishment of new ABDS firms to provide in-demand services to firms along the value chain. The USAID Agribusiness Project team will identify initial ABDS providers and assist them to strengthen the quality and range of services offered. The USAID Agribusiness Project team will also identify opportunities for new ABDS providers, and assist promising entrepreneurs interested and willing in starting up new ABDS enterprises. USAID Agribusiness

Project will focus on four primary areas of service delivery: technical services, including firms to adopt new technologies and practices to promote increased productivity and efficiency; management services to assist firms to develop business and operational plans, strategies, and new ways of working; financial services to train firms in accessing credit and managing their financial accounting systems; and marketing services to support firms in identifying and capitalizing on new market opportunities both at home and abroad and to finalize new sales. USAID Agribusiness Project will complement assistance to ABDS providers with technical assistance to the agribusinesses in accessing the financial institutions.

Objective 1.2 Indicators	Narrative Description
Number of Agribusiness Development Service (ABDS) firms benefiting directly from USAID Agribusiness Project assistance (disaggregated by the gender of owner or general manager, type of ABDS, and geographic region)	ABDS firms provide a range of services to firms and farmers, including technical assistance adopting new technologies and practices, management and financial consulting to strengthen business practices, and marketing assistance to promote client firm sales. This will measure the number of firms working with the project.
Number of new ABDS started with USAID Agribusiness Project assistance (disaggregated by the gender of owner or general manager, type of ABDS, and geographic region)	In areas where agribusiness development service firms do not exist, USAID Agribusiness Project will assist partners to identify market opportunities for starting up new ventures that respond to local business needs. This will measure new ABDS firm creations.
Total dollar value of new revenues generated from ABDS providers as a result of USAID Agribusiness Project assistance (disaggregated by the gender of owner or general manager, type of ABDS, type of service, and geographic region)	ABDS providers will be sustainable when they are able to identify and offer a range of in-demand services that firms are willing to pay for. USAID Agribusiness Project will only count new revenues for this indicator to account for the direct contribution that USAID Agribusiness Project activities make.
Client satisfaction rating by firms of the availability and quality of agribusiness development services by region (disaggregated by the gender of owner or general manager, type of firm, and geographic region)	Client satisfaction measures are useful for gauging, from the perspective of different beneficiary groups, the value and impact of assistance. Client satisfaction is measured on a five point scale, and clients are asked to rate each type of service provided (training, technical assistance, marketing, advocacy, etc.), and to provide an overall summary score (1 to 5) on their overall satisfaction with the package of services received. With these ratings, USAID Agribusiness Project will be able to assess to what extent the team is adeptly identifying unmet needs and assisting the private sector respond to these needs.
Number of producers/ processors who have received credit as a result of USAID Agribusiness Project assistance (disaggregated by the gender of borrower, landing institution, sub-sector, and geographic region)	Access to financial services is critical to assisting farmers and firms to make investments in their businesses. USAID Agribusiness Project will provide technical assistance to farmers and firms, and promote the loans to the agricultural sector.
Total dollar value of credits received by producers/ processors as a result of USAID Agribusiness Project assistance (disaggregated by the gender of borrower, landing institution, sub-sector, and geographic region)	Access to financial services is critical to assisting farmers and firms to make investments in their businesses. By assisting financial service providers and training loan officers, USAID Agribusiness Project will strengthen the lending community's ability to make profitable loans to the agricultural sector.

***Objective 1.3: Encourage Youth Involvement in Agribusiness through the Youth Enterprise Program and Business Plan Competition***

It is a challenge to attract and retain Serbian youth in agriculture and agribusiness. The Youth Enterprise Program intends to address this issue by encouraging youth participation in the USAID Agribusiness Project through exchanges and networking opportunities with international universities and organizations, and the development of a 4H program and Young Serbian Farmers' Association. The Business Plan Competition will, in turn, provide promising young entrepreneurs with assistance to develop business and investment plans and startup and expansion grants.

<b>Objective 1.3 Indicators</b>	<b>Narrative Description</b>
Number of Business Plan Competition winners (disaggregated by the gender of owner or general manager, and geographic region)	The Business Plan Competition will provide an impetus to young entrepreneurs <sup>1</sup> to refine their business ideas and acquire the capital necessary to make it happen. There will be four annual competitions (none in year five).
Number of youth-led businesses participating in USAID Agribusiness Project i.e. number of youth who have received the Project's assistance (disaggregated by the gender of owner or general manager, type of assistance sub-sector, and geographic region)	In addition to the winners of the Business Plan Competition, USAID Agribusiness Project will provide assistance to young farmers/ entrepreneurs within the selected sub-sectors; this assistance will include technical assistance, training programs, management capacity building, assistance in developing proposals, work plans, strategies, and management processes; production assistance to young farmers/future entrepreneurs through mentorship with US universities; and sector certification program for young entrepreneurs, and participation in 4H or other programs, market study tours and fairs, etc.
Number of youth-led successful/operational businesses initiated thanks to USAID Agribusiness Project (disaggregated by the gender of owner or general manager, sub-sector, and geographic region)	USAID Agribusiness Project will establish a record of successful youth-led businesses initiated thanks to the Project. Youth/Gender Director and M&E/Grants Department will determine an appropriate mechanism to measure successfulness of the youth-led businesses supported through the Project, which will include, but not limited to: governance, management practices, human resources, financial resources, service delivery, external relations, advanced technology implementation, sustainability, etc.

<sup>1</sup> Young entrepreneurs are defined as young adults between the ages of 15-24.

**Objective 1.4: Increase Value-Chain and/or Cluster Competitiveness**

USAID Agribusiness Project will utilize the grants and technical assistance to promote the project’s objectives of rapid, sustained, broad-based economic growth. These activities will be leveraged to address market failures hindering firms from investing in new technologies, international food safety and quality standards, expanding their facilities, or purchasing services.

<b>Objective 1.4 Indicators</b>	<b>Narrative Description</b>
Number of farmers and firms accessing new technologies that enhance productivity, production, and quality with the support of Investment Incentive Grants (disaggregated by the gender of owner or general manager, type of technology, and geographic region)	USAID Agribusiness Project will assist farmers and firms to buy down risk and take the opportunity to make investments that enhance their productivity and ultimately contribute to profitability by introducing a new technology. The leverage point for this assistance would be rather at the producer organizations or a sub-sector association’s level as to achieve a greater impact of such new technology. The goal will be to have as many producers as possible covered by a new technology.
Number of international food-safety, quality and environmentally friendly certificates (HACCP, Global GAP, ISO, Organic, etc.) introduced to and/or adopted by agribusinesses thanks to USAID Agribusiness Project (disaggregated by the sub-sector and the type of certificate)	USAID Agribusiness Project will develop technical assistance packages aimed at improving the level of productivity, reducing the cost of production, post-harvesting losses, improving product quality and marketability and improving farm enterprise management through introduction of international food-safety, management and quality standards.

**Investment Incentive Grants to support Objectives 1.1, 1.2, 1.3 and 1.4**

USAID Agribusiness Project will utilize the Investment Incentive Grants to promote the project’s objectives of rapid, sustained, broad-based economic growth. These grants will be leveraged to address market failures hindering firms from investing in new technologies, expanding their facilities, or purchasing services. The Investment Incentive Grants program does not aim to displace the market or promote investments that would have been made, but rather to assist firms to buy down risk and take the opportunity to make investments that enhance their productivity and ultimately contribute to profitability.

<b>Investment Incentive Grants Indicators</b>	<b>Narrative Description</b>
Number of investment incentive grants disbursed under USAID Agribusiness Project (disaggregated by the gender and age of grantee, type of grant, and geographic region)	It is envisioned that USAID Agribusiness Project will disburse a minimum of 10 grants per year to eligible firms who receive competitively awarded grants, plus project sponsored innovation grants. There are four award categories: 1) producer organization grants; 2) enterprise expansion grants; 3) agribusiness start up grants; and 4) youth enterprise grants.
Dollar value of investment incentive grants disbursed under USAID Agribusiness Project (disaggregated by the gender and age of grantee, type of grant, and geographic region)	All grants will be cost shared, requiring a minimum of 40% contribution in the case of start-up grants to 50% contribution for producer organization and enterprise expansion grants. Youth enterprise grants may receive up to 100% financing. The dollar value presented is an estimate; the actual value will be balanced with the enabling grants total.

### ***Capacity Building Grants for Producer Organizations and ABDS Providers***

USAID Agribusiness Project will utilize the Capacity Building Grants to support non-profit and for-profit non-governmental producer organizations and ABDS providers as to improve their management and operational capacity. As for the specific activities, these grants will be used to support creation and capacity building of the targeted food industry associations and producer organizations to provide general benefit services. The grants will target the associations in the Project’s selected agriculture sub-sectors where there is strong commitment from the private sector stakeholders. USAID Agribusiness Project will further utilize these grant funds to assist ABDS providers to strengthen their operations and promote the establishment of new ABDS firms to provide in-demand services to firms along the value chain. USAID Agribusiness Project will focus on four primary areas of service delivery: technical services, management services, financial services and marketing.

<b>Capacity Building Grants Indicators</b>	<b>Narrative Description</b>
Number of capacity building grants disbursed under USAID Agribusiness Project (disaggregated by the type of grantee, and the purpose of a grant)	As for the specific activities, these grants will be used to support creation and capacity building of the targeted food industry associations, producer organizations and ABDS providers to provide general benefit services and technical assistance to the beneficiaries. These associations and organizations can be at a national level, or at a regional level, depending on the concentration of the industry in the region and the activities performed by the association. The grants will not cover any operating expenses for established associations, but will focus on building the capacity of the associations to carry out their functions e.g. agriculture extension services, business advisory, financial management consulting, joint sales, etc.
Dollar value of enabling grants disbursed under USAID Agribusiness Project (disaggregated by the type of grantee, and the purpose of a grant)	The dollar value presented is an estimate, which needs to be balanced with the Investment Incentive Grants.

## Component 2: Improved Enabling Environment for Serbian Agribusiness

### ***Objective 2.1: Improve Crop and Livestock Production Estimates and Market Price and Environment Information***

An accurate, user friendly, up to date, and widely available agricultural management information system is a critical component to assisting Serbian farmers and businesses to make production, pricing, and marketing decisions. USAID Agribusiness Project will work with the MAFWM and Bureau of Statistics to improve data collection and dissemination procedures and to strengthen the capacity of producers and firm managers to utilize production and price information when making business decisions.

<b>Objective 2.1 Indicators</b>	<b>Narrative Description</b>
Reliable crop/livestock production, in-country consumption and market price information system operating within the MAFWM	The MAFWM and Bureau of Statistics currently operate STIPS, a market information system that could be strengthened with more consistent data collection methodologies and an expansion of the type of data collected (in-country supply and demand balances per commodities, international trade data and data on external reference prices). System must be user friendly and enable more producers and enterprises to "make better business decisions." This indicator will measure the quality impact through an annual or semi-annual client satisfaction survey.
Surveys of USAID Agribusiness Project's focal sub-sectors implemented in conjunction with the MAFWM and with FAO support	A national agricultural census has not been carried out in 10 years. USAID Agribusiness Project will assist the MAFWM to carry out discrete studies on each of the sectors that USAID Agribusiness Project is working on that is congruent with the Serbian Agricultural Strategy to ensure better baseline information for each of the sub-sectors or specific agricultural issues.
Number of producers, firms and producer organizations trained in the use of market information, production and in-country consumption data for strategic planning, farm management, and business decision making (disaggregated by gender, type of training, and geographic region)	A market information system is only valuable if users are trained in how to access and use the information in the system to make better business decisions. The producer organizations will be the primary target for training, since they can further extend accrued knowledge. Training outcome will be measured not only by the number of associations/producers trained, but also by the number of seminars/workshops organized.
Introduction of an operational Environmental Information System (EIS)	The Environmental Protection Agency of Republic of Serbia, registered as National Reference Center for Agriculture by European Environment Agency is going to establish an Environmental Information System to collect, assess and analyze environmentally-related data at national and regional levels. The goal is to provide access to sound, science-based information necessary for implementation of the environmental principles among producers, ABDS providers and policymakers. The system will facilitate efficient control, monitoring, planning, audit and review of the activities in the agricultural sector. Thanks to the system's parameters related to the data about land quality, usage of agricultural inputs and agro-chemicals (fertilizer and pesticides), population, labor force, macro-economic aggregates and development assistance, all agricultural stakeholders will have access this kind of data, which do not exist at the moment. USAID Agribusiness Project will measure qualitative impact of this system through an annual or semi-annual client satisfaction survey.

***Objective 2.2: Promote Legal, Policy and Regulatory Reform***

USAID Agribusiness Project will support legal, policy and regulatory reform efforts that directly impact agribusiness competitiveness. In this context, USAID Agribusiness Project shall focus on working through local counterparts, such as the Standing Conference of Towns and Municipalities (SCTM), the National Alliance for Local Economic Development (NALED), local advocacy groups, cooperatives, business and industry associations to effect policies and procedures. USAID Agribusiness Project shall also support specific public/private initiatives to improve the application of key laws, institutions and policies related to agribusiness competitiveness, and the formulation and application of international policies such as agriculture-related EU and WTO agreements.

<b>Objective 2.2 Indicators</b>	<b>Narrative Description</b>
Number of strategy papers prepared on policy related issues as a result of USAID Agribusiness Project activities (disaggregated by the type of reform/policy, EU and/or international principles and rules, and sub-sector).	USAID Agribusiness Project has already identified a number of policy areas that need to be addressed by the Government in order to expand economic growth in the agricultural sector. Others will arise during the Project activities. Strategy papers addressing the policy related issues for the purpose of ensuring compliance with the EU regulations will be of primary interest for the USAID Agribusiness Project. The Project expects to provide its contribution, inter alia, in the following areas: food safety, plant health, veterinary matters, warehouse receipts, protection of plant varieties, development of cooperatives, etc.
Number of policy and regulatory reforms implemented as a result of USAID Agribusiness Project assistance (disaggregated by the type of reform/policy, EU and/or international principles and rules, and sub-sector).	This will be the numbers of laws or regulations adopted by the Government and/or Parliament and subsequently fully implemented.

***Training Programs, Seminars, Studies and Workshops to Improve Enabling Environment for Serbian Agribusinesses***

USAID Agribusiness Project will transfer a total of \$2.2 million from the grants budget to the "Project Activities" budget to cover costs of the training programs, trade fairs, seminars, studies and workshops aimed at enhancing delivery of public goods. These payments would not require CTO approval. USAID Agribusiness Project will utilize these non-grant funds to support for profit and not for profit non-governmental organizations' advocacy and reform efforts, and facilitate public-private partnership dealing with the policy issues. Accordingly, the enabling grants will no longer exist within the USAID Agribusiness Project's portfolio. The remaining grants budget in the amount of approximately \$3 million (over the life of the Project) would be exclusively used for the investment incentive grants, capacity building grants for producer organizations and ABDS providers and youth grants.

<b>Project Activities Indicators</b>	<b>Narrative Description</b>
Number of Project Activities i.e. training programs, trade fairs, seminars, studies and workshops, to enhance delivery of public goods (disaggregated by the type of project activity, beneficiary/type of organization and the purpose of activity)	These grants will be used to fund surveys, support to associations, group activities, public good technical assistance, etc.
Dollar value of Project Activities i.e. training programs, trade fairs, seminars, studies and workshops, to enhance delivery of public goods (disaggregated by the type of project activity, beneficiary/type of organization and the purpose of activity)	The dollar value presented is an estimate, which needs to be balanced with the Investment Incentive Grants.

## **Management of the PMP**

Slavenko Djokic, the Monitoring and Evaluation Specialist/Grants Manager, in coordination with the COP, is responsible for implementing this plan. USAID Agribusiness Project will collect, analyze, and report on data via four primary methods: 1) project data collected by USAID Agribusiness Project staff and entered into DAI's Technical and Administrative Management Information System (TAMIS) on a daily basis or weekly in the case of some activities; 2) a quarterly client impact survey using the questionnaire developed by the Project's Grants/M&E staff; the first quarterly survey in the second year of the Project will be conducted in December 2008; 3) an annual client satisfaction and impact survey, using the questionnaire developed by the Project's Grants/M&E staff; and the survey conducted by using the OCAT; and 4) grantee reporting requirements that clearly link grant funding, dollar for dollar, to the project results. On a quarterly basis in roundtable meetings with stakeholder groups, USAID Agribusiness Project will present progress against targets, request feedback on USAID Agribusiness Project performance and, on an annual basis, plan sector initiatives for the coming year in collaboration with Partners and USAID. This will provide important inputs for USAID Agribusiness Project's Annual Workplan.

## **Technical Assistance Management Information System**

On a daily basis (weekly in the case of some activities), USAID Agribusiness Project staff will be required to enter all project activities into TAMIS. DAI's TAMIS integrates workplan management, impact and performance monitoring, and project administration into one easy-to-use information system customized to the details of the annual workplans developed for USAID Agribusiness Project. In addition to specifying, tracking, and timing resource allocation, TAMIS will compile and sort information pertinent to each task. The key to the efficiency of TAMIS is that all data and information required for implementation and monitoring are entered only once by staff into a single database as part of routine work, eliminating the need for separate monitoring efforts. TAMIS provides up-to-date implementation information that:

- Tracks workplan progress toward agreed upon milestones and implementation, including records of meetings, assignment of follow-up actions, and schedules for training and workshops;
- Tracks grants;
- Monitors performance of partners—farmers, producer groups, agribusinesses, associations—against established performance indicators;
- Reports progress by region or specific site by linking the TAMIS databases to a Geographical Information System. This enables us to be readily able to provide maps and other graphics that help our partners visualize performance and impact of SNAGA and our partners.

- Monitors achievement of performance indicators used to meet USAID/Serbia's objectives; and
- Generates reports and documentation required under the F-Process.

The performance monitoring and evaluation module is an integral component of TAMIS and will allow continual status updates on progress made on performance milestones and indicators that contribute to USAID/Serbia's objectives. Through the Internet, USAID/Serbia can monitor progress on a regular basis without lengthy and burdensome reporting requirements. Moreover, as the project evolves and participants' information requirements change, further adaptation of the system can be made.

## Quarterly and Annual Client Impact Surveys

Client impact and satisfaction surveys are efficient tools for measuring results and getting feedback from our primary partners: businesses and farmer organizations. **Client impact** surveys can be done cost effectively and efficiently, yielding rich information for USAID and USAID Agribusiness Project management. For the quarterly income and sales surveys, data can be collected in approximately two weeks, while the annual larger impact and satisfaction surveys will entail around one month of data collection for a sample set of firms and organizations across the country. Technical Advisors and Sub-sector Leads will advise Monitoring and Evaluation Team about the firms and organizations that should be covered by the survey for each quarter. These types of surveys enable project management and USAID to collect quantitative data on production and income changes, as well as qualitative success stories useful for sharing results to a wider audience. Firms will be obligated to share sales data (emphasizing that the identity of each firm will remain confidential) as part of the agreement to work with the Project.

**Client satisfaction** measures are useful for gauging, from the perspective of different beneficiary groups, the value and impact of assistance. Client satisfaction is measured on a five point scale, from 1 = extremely dissatisfied to 5 = extremely satisfied. Clients are asked to rate each type of service provided (training, technical assistance, marketing, advocacy, etc.), and to provide an overall summary score (1 to 5) on their overall satisfaction with the package of services received. USAID Agribusiness Project will therefore be able to report on client satisfaction by each type of service as well as overall satisfaction with the program as a whole (for example, USAID Agribusiness Project can calculate the percentage of firms report that they are extremely satisfied with the training that they have received, and the percentage that are extremely satisfied overall). With these ratings, USAID Agribusiness Project will be able to assess to what extent the team is adeptly identifying unmet needs in communities and assisting the private sector respond to these needs.

The Organizational Capacity Assessment Tool (OCAT) has been a critical tool used by DAI to implement development programs across the globe. This instrument, based on the version developed by PACT, measures change over time within organizations. It measures an organization's relative strengths and weaknesses, and provides baseline information needed to develop capacity building activities. Through OCAT, specific interventions can be tailored to each organization, strengthening its capacity over time, and providing the means to measure progress. OCAT has been used by DAI to assess various types of organizations (with modification) including agricultural producer organizations, other NGOs, local government offices/ministries, and commercial enterprises, and it is adjusted to serve the needs of USAID Agribusiness Project in Serbia. The tool measures each organization across 7 variables: 1) Internal Governance; 2) Management Practices; 3) Human Resources; 4) Financial Resources; 5) Service Delivery; 6) External Relations; and 7) Sustainability. Each dimension is scored along a 5-point scale, where 1 = needs urgent attention to 5 = strong, needs maintaining. Then all the dimension totals will be added together to get the response entities' final score for the year. We expect newly formed organizations to begin with a baseline of 7, and by the second year of assistance to achieve a minimum score of 15. A strong producer organization in Serbia should score between 25 and 30; top performers should exceed 30 (with a maximum possible score of 35).

## **Grants Monitoring**

Cost-share Investment Incentive grants are an important component of USAID Agribusiness Project activities to demonstrate new technologies to farmers, firms, and associations, promote innovation, reduce risk, and stimulate new investments, each of which will be designed to improve production, reduce costs, increase income, and/or increase sales. The Capacity Building Grants for Producer Organizations and ABDS Providers are designed to support non-profit and for-profit non-governmental producer organizations and ABDS providers as to improve their management and operational capacity. As for the specific activities, these grants will be used to support creation and capacity building of the targeted food industry associations and producer organizations to provide general benefit services. The grants will target the associations in the project's selected agriculture sub-sectors where there is strong commitment from the private sector stakeholders. Every grant will therefore be selected with the perspective of how this grant will directly link to the previously defined competitiveness-related results. As part of the reporting process, each grant rationale will include a section clearly outlining what result will be achieved via this grant, and each grant will be divided into two or more trenches, with grantees required to demonstrate progress in implementation in order to receive the entire grant amount. Grantees themselves will thereby be part of the performance monitoring plan, as they will be required to report on periodic and final results of each grant dollar spent. This data will be fed into TAMIS, easily accessible for USAID Agribusiness Project and USAID management.

## **Attachment: Project Indicators**

### USAID Agribusiness Project- Overarching Project-Level Indicators

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
1	Percent change in agricultural GDP	N/A	National statistics	N/A	2007 Ag GDP: \$4.25 B	0.5% (over baseline)	1% (over baseline)	3% (over baseline)	6% (over baseline)	10% (over baseline)
2	Percent change in the value of agricultural exports	<ul style="list-style-type: none"> <li>Export market</li> <li>Commodity</li> </ul>	National statistics	N/A	2007 Ag Exports: \$1.67 B	2% (over baseline)	4.5% (over baseline)	7.5% (over baseline)	11% (over baseline)	15% (over baseline)
3	Actual increase in employment in agricultural processing and services	<ul style="list-style-type: none"> <li>Region</li> <li>Gender of new employees</li> <li>Type of firm</li> <li>Type of employment</li> </ul>	<i>Client Impact Survey</i> designed and implemented by the M&E/Grant Department including data validation and reporting	M&E/Grant Manager	0	200 persons	1,000 persons (cumulative)	3,000 persons (cumulative)	6,000 persons (cumulative)	10,000 persons (cumulative)
4	Dollar value change in agricultural product sales of USAID Agribusiness Project beneficiaries	<ul style="list-style-type: none"> <li>Region</li> <li>Commodity</li> </ul>	<i>Client Impact Survey</i> designed and implemented by the M&E/Grant Department including data validation and reporting	M&E/Grant Manager	0	\$3 M in Year 1	\$7 M in Year 2	\$12 M in Year 3	\$20 M in Year 4	\$30 M in Year 5

**NOTE:** Projections on percent changes in agricultural GDP and exports are given based on *Projections of the basic macroeconomic indicators: 2008 - 2011*, a document issued by the Government of Serbia in May 2008, and the Task Order. The targets for Overarching Project-Level Indicators for 2012 as set in the Task Order shall remain unchanged. However, the targets shall be projected for each year over the life of the project and may be revised on an annual basis if economic conditions justify it.

**Last Update: September 2008**

**USAID Agribusiness Project - Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness**

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
1	Number of producer organizations assisted as part of the USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Region</li> <li>▪ Age of organization</li> <li>▪ Size (number of members)</li> <li>▪ Sub-sector</li> <li>▪ Type of Assistance</li> </ul>	Project data input into TAMIS	Project staff	N/A	30	50 (cumulative)	70 (cumulative)	90 (cumulative)	100 (cumulative)
2	Number of new members joining USAID Agribusiness Project-assisted producer organizations	<ul style="list-style-type: none"> <li>▪ Gender</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	Project staff	N/A	250 total new members (annually)	500 total new members	3,000 total new members	5,000 total new members	6,000 total new members
3	Total dollar value of member sales through USAID Agribusiness Project-assisted producer organizations	<ul style="list-style-type: none"> <li>▪ Gender</li> <li>▪ Domestic/ international</li> </ul>	<i>Client Impact Survey</i> designed and implemented by M&E/Grants Department and Project staff, including data validation and reporting	M&E/Grants Manager	N/A	\$300K sales in year 1	\$1M sales in year 2	\$2M sales in year 3	\$5M sales in year 4	\$10M sales in year 5
4	Average score of assisted producer organizations on the Organizational Capacity Assessment Tool	N/A	<i>Annual or semi-annual survey</i> conducted based on the Organizational Capacity Assessment Tool	M&E/Grants Manager	Results of 2008 Assessment will be used as a baseline		TBD	TBD	TBD	TBD
5	Number of Agribusiness Development Service (ABDS) firms benefiting directly from USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender of owner/ manager</li> <li>▪ Type of ABDS</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	20 firms	40 firms (cumulative)	60 firms (cumulative)	80 firms (cumulative)	100 firms (cumulative)

**USAID Agribusiness Project - Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness**

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
6	Number of new ABDS started with assistance of USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender of owner/manager</li> <li>▪ Type of ABDS</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	1	3 (cumulative)	8 (cumulative)	15 (cumulative)	25 (cumulative)
7	Total dollar value of new revenues generated from ABDS providers as a result of USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender of owner/manager</li> <li>▪ Type of ABDS</li> <li>▪ Type of service</li> <li>▪ Region</li> </ul>	<i>Client Impact Survey</i> designed and implemented by M&E/Grants Department and Project staff, including data validation and reporting	M&E/Grants Manager	N/A	\$50,000 in sales in year 1	\$100,000 in sales in year 2	\$200,000 in sales in year 3	\$350,000 in sales in year 4	\$600,000 in sales in year 5
8	Client satisfaction rating by firms of the availability and quality of agribusiness development services by region	<ul style="list-style-type: none"> <li>▪ Type of firm</li> <li>▪ Gender of owner/manger</li> <li>▪ Region</li> </ul>	<i>Client Impact Survey</i> designed and implemented by M&E/Grants Department and Project staff, including data validation and reporting	M&E/Grants Manager	N/A	4	4	4	4	4
9	Number of producers/processors who have received credit as a result of USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender of borrower</li> <li>▪ Region</li> <li>▪ Lending institution</li> <li>▪ Sub-sector</li> </ul>	<i>Client Impact Survey</i> designed and implemented by M&E/Grants Department and Project staff, including data validation and reporting	M&E/Grants Manager	N/A	20	50 (cumulative)	80 (cumulative)	120 (cumulative)	180 (cumulative)

**USAID Agribusiness Project - Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness**

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
10	Total dollar value of credits received by producers/processors as a result of USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender of borrower</li> <li>▪ Region</li> <li>▪ Lending institution</li> <li>▪ Sub-sector</li> </ul>	<i>Client Impact Survey</i> designed and implemented by M&E/Grants Department and Project staff, including data validation and reporting	M&E/Grants Manager	N/A	\$160,000 in year 1	\$240,000 in year 2	\$240,000 in year 3	\$320,000 in year 4	\$480,000 in year 5
11	Number of farmers and firms accessing new technologies with the support of Investment Incentives Grants	<ul style="list-style-type: none"> <li>▪ Firm/ farm</li> <li>▪ Type of technology</li> <li>▪ Gender of owner/manager</li> <li>▪ Region</li> </ul>	<i>Client Impact Survey</i> designed and implemented by M&E/Grants Department and Project staff, including data validation and reporting	M&E/Grants Manager	N/A	100	250 (cumulative)	500 (cumulative)	750 (cumulative)	1000 (cumulative)
12	Number of international food-safety, quality and environmentally friendly certificates (HACCP, Global GAP, ISO, Organic, etc.) introduced to and/or adopted by agribusinesses thanks to USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Subsector</li> <li>▪ Certificate</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	Results of the activities conducted in 2008 will be used as a baseline		TBD	TBD	TBD	TBD
13	Number of Youth Business Plan Competition winners	<ul style="list-style-type: none"> <li>▪ Gender of owner/manager</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	Youth/Gender Director	N/A	10 per annum	12 per annum	15 per annum	15 per annum	No competition
14	Number of youth-led businesses participating in USAID Agribusiness Project-funded activities. i.e. number of youth who have received the Project's assistance	<ul style="list-style-type: none"> <li>▪ Gender of owner/manager</li> <li>▪ Sub-sector</li> <li>▪ Region</li> <li>▪ Type of Assistance</li> </ul>	Project data input into TAMIS	Youth/Gender Director	N/A	20 per annum	25 per annum	30 per annum	30 per annum	5 per annum

**USAID Agribusiness Project - Component 1: Increased Efficiency and Competitiveness of Serbian Agribusiness**

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
15	Number of youth-led successful/operational businesses initiated thanks to USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender of owner/manager</li> <li>▪ Sub-sector</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	Youth/Gender Director	N/A	10	22 (cumulative)	37 (cumulative)	52 (cumulative)	57 (cumulative)
16	Number of Investment Incentive Grants (including Youth Enterprise Grants) disbursed under USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender and age of grantee</li> <li>▪ Type of grant</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	2 per annum	45 per annum	45 per annum	35 per annum	7 per annum
17	Dollar value of Investment Incentive Grants (including Youth Enterprise Grants) disbursed under USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Gender and age of grantee</li> <li>▪ Type of grant</li> <li>▪ Region</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	30,000 per annum	700,000 per annum	600,000 per annum	500,000 per annum	\$100,000 per annum
18	Number of Capacity Building Grants disbursed under USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Type of organization</li> <li>▪ Purpose</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	N/A	25 per annum	25 per annum	25 per annum	7 per annum
19	Dollar value of Capacity Building Grants disbursed under USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Type of organization</li> <li>▪ Purpose</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	N/A	\$300,000 per annum	\$300,000 per annum	\$300,000 per annum	\$100,000 per annum

**USAID Agribusiness Project - Component 2: Improved Enabling Environment for Serbian Agribusiness**

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
1	Reliable crop/livestock production and market price information system operating within the Ministry of Agriculture	▪ Subsector	Annual or semi-annual survey on client satisfaction designed and implemented by M&E/Grants Department and Policy Specialist, including data validation and reporting	Policy Specialist and M&E/Grants Manager	2008 System Reports will serve as a baseline		TBD	TBD	TBD	TBD
2	Targeted agricultural surveys implemented with the project support (per annum) in order to generate additional data on specific sectors or specific agricultural issues (e.g. costs and generated income per various households)	▪ Subsector	Project data input into TAMIS/Data from partner organizations	Policy Specialist	N/A	1 per annum	2 per annum	2 per annum	2 per annum	1 per annum
3	Number of producers and firms trained in the use of market information & production data	▪ Gender ▪ Firm/producer ▪ Type of training ▪ Region	Project data input into TAMIS	Policy Specialist	N/A	25	75 (cumulative)	150 (cumulative)	200 (cumulative)	225 (cumulative)
4	Number of strategy papers prepared on policy related issues as a result of USAID Agribusiness Project activities	Type of reform*	Project data input into TAMIS and data from partner organizations	Policy Specialist	N/A	2	6 (cumulative)	9 (cumulative)	11 (cumulative)	12 (cumulative)
5	Introduction of an operational Environmental Information System (EIS)	N/A	Annual or semi-annual survey on client satisfaction designed and implemented by M&E/Grants Department and Environmental Engineer, including data validation and reporting	Environmental Engineer and M&E/Grants Manager	No system in place		TBD	TBD	TBD	TBD

**USAID Agribusiness Project - Component 2: Improved Enabling Environment for Serbian Agribusiness**

No.	Performance Indicator	Disaggregated by:	Methodology (data source)	Responsible Party	Baseline	2008	2009	2010	2011	2012
6	Number of policy reforms implemented as a result of USAID Agribusiness Project	Type of reform*	Official Gazette of the RS (Serbian trade magazines and newspapers, GOS & Ministry data)	Policy Specialist	N/A	1 per annum	1 per annum	1 per annum	1 per annum	1 per annum
7	Number of Project Activities i.e. training programs, trade fairs, seminars, studies and workshops, to enhance delivery of public goods	<ul style="list-style-type: none"> <li>▪ Type of Project Activity</li> <li>▪ Beneficiary/Type of Organization</li> <li>▪ Purpose</li> </ul>	Project data input into TAMIS	Operations Director	N/A	N/A	approx. 30 per annum	approx. 30 per annum	approx. 20 per annum	approx. 5 per annum
8	Dollar value of Project Activities training programs, trade fairs, seminars, studies and workshops to enhance delivery of public goods	<ul style="list-style-type: none"> <li>▪ Type of Project Activity</li> <li>▪ Beneficiary/Type of Organization</li> <li>▪ Purpose</li> </ul>	Project data input into TAMIS	Operations Director	N/A	N/A	\$800,000 per annum	\$800,000 per annum	\$500,000 per annum	\$100,000 per annum
9	Number of Enabling Grants disbursed under USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Type of organization</li> <li>▪ Purpose</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	approx. 2 per annum	N/A	N/A	N/A	N/A
10	Dollar value of Enabling Grants disbursed under USAID Agribusiness Project	<ul style="list-style-type: none"> <li>▪ Type of organization</li> <li>▪ Purpose</li> </ul>	Project data input into TAMIS	M&E/Grants Manager	N/A	\$70,000 per annum	N/A	N/A	N/A	N/A

\* Types of reform are described in the PMP (reforms to address EU & International rules and procedures)

**ANNEX VI  
Organization  
Chart**

