



USAID | **MACEDONIA**
FROM THE AMERICAN PEOPLE

AGBIZ PROGRAM

FISCAL YEAR 2010 WORK PLAN

OCTOBER 2009 – SEPTEMBER 2010

OCTOBER 2009

This publication was produced for review by the United States Agency for International Development. It was prepared by ARD, Inc.

Prepared for the United States Agency for International Development, USAID Contract Number EDH-I-00-05-00006-00, Task Order 03, Macedonia Agribusiness activity (AgBiz), under Rural and Agricultural Incomes with a Sustainable Environment Plus (RAISE PLUS) Indefinite Quantity contract (IQC).

Implemented by:
ARD, Inc.
P.O. Box 1397
Burlington, VT 05402

MACEDONIA AGRIBUSINESS ACTIVITY (AGBIZ PROGRAM)

FISCAL YEAR 2010 WORK PLAN
OCTOBER 2009 – SEPTEMBER 2010

OCTOBER 2009

DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	VII
1.0 EXECUTIVE SUMMARY	1
2.0 ARD AND AGBIZ VALUES	3
2.1 ASSOCIATES IN RURAL DEVELOPMENT (ARD) VALUES	3
2.2 AGBIZ VALUES	3
3.0 AGBIZ GOAL AND OBJECTIVES.....	5
3.1 GOAL.....	5
3.2 PRIMARY OBJECTIVE	5
3.3 SUB-OBJECTIVES	5
3.4 COMPONENTS	6
3.5 VALUE CHAINS	7
3.6 AGBIZ PROGRAM EVALUATION	8
4.0 FY10 PLANS.....	13
4.1 FY '10 OBJECTIVES, PROJECTS AND ACTIVITIES.....	13
4.2 ADMINISTRATION.....	15
4.2.1 <i>Organizational Structure and Staff Responsibilities</i>	15
4.2.2 <i>Administration Objectives and Activities</i>	19
4.3 WINE VALUE CHAIN OBJECTIVES, PROJECTS AND ACTIVITIES.....	20
4.4 FRESH FRUITS AND VEGETABLES VALUE CHAIN OBJECTIVES, PROJECTS AND ACTIVITIES.....	21
4.5 PROCESSED VEGETABLES VALUE CHAIN OBJECTIVES, PROJECTS AND ACTIVITIES.....	23
4.6 CROSS-CUTTING ISSUES OBJECTIVES AND ACTIVITIES.....	24
4.6.1 <i>Policy and Institutional Reform</i>	24
4.6.2 <i>Access to Finance</i>	25
4.6.3 <i>Backward Linkages</i>	26
4.6.4 <i>Association Development</i>	27
4.6.5 <i>Food Safety Standards</i>	28
4.6.6 <i>Outreach, Market Information, External Cooperation, M&E and Environment</i>	29
4.7 ACTIVITIES AND PROJECTS RESPONSIBILITIES SUMMARY	30
4.8 OVERALL	31
5.0 ISSUES TO BE RESOLVED	33
5.1 INTERNAL TO AGBIZ.....	33
5.1.1 <i>Total Program Funding</i>	33
5.1.2 <i>Efficient and Expedient Support for Local STTA (ELSAs)</i>	35
5.1.3 <i>Regional Market Information</i>	35
5.1.4 <i>AgBiz Role in IPARD</i>	36
5.1.5 <i>How to Effectively Implement Policy and Institutional Reforms</i>	36
5.2 EXTERNAL INFLUENCES ON AGBIZ PROGRAM IMPLEMENTATION.....	37
5.2.1 <i>Holding Current Positions in ex-Yugoslavia Markets while Entering New, Developed Markets</i>	37
5.2.2 <i>Delivering Sufficient Quantities and Quality Products to Developed Export Markets</i>	37
5.2.3 <i>Quality of Available Planting Material</i>	37
5.2.4 <i>Average Size Land Holding and Plot</i>	38
5.2.5 <i>Avoiding a Major Impact from the Global Economic Downturn</i>	38
5.2.6 <i>Policy Reforms Needed for Effective and Efficient Program Implementation and Enhanced Results, and Reform Recommendations</i>	38
6.0 FY '10 BUDGET.....	41
7.0 FY '10 AND LOP INDICATORS PROJECTION.....	42
8.0 ONGOING PLANS.....	45
8.1 PROGRAM DEVELOPMENT ACTIVITIES	45

8.2	VALUE CHAIN COMPETITIVENESS ENHANCEMENT ACTIVITIES	45
8.3	PROJECT IMPLEMENTATION	45

LIST OF TABLES AND FIGURES:

TABLE 1. AGBIZ OBJECTIVES COMPARATIVE IMPORTANCE AND PROGRESS RATING.....	6
TABLE 2. AGBIZ “COMPONENTS”	6
Table 3. AGBIZ VALUE CHAINS	8
TABLE 4. AGBIZ RESPONSE TO EVALUATION RECOMMENDATIONS.....	10
TABLE 5. AGBIZ PRELIMINARY PLANS INCORPORATING EVALUATION RECOMMENDATIONS.....	12
TABLE 6. AGBIZ STAFF RESPONSIBILITIES ALLOCATION.....	16
TABLE 7.1. AoF #1 ORGANIZATION STRUCTURE / HR / COMPLIANCE / INTERNAL POLICIES	19
TABLE 7.2. AoF #2 WINE.....	20
TABLE 7.3. AoF #3 FRESH FRUITS AND VEGETABLES	21
TABLE 7.4. AoF #4 PROCESSED VEGETABLES.....	23
TABLE 7.5. AoF #5 CROSS-CUTTING INITIATIVES.....	24
Table 7.5.1. AoF #5.1 Policy and Institutional Reform	24
Table 7.5.2. AoF #5.2 Access to Finance.....	25
Table 7.5.3 AoF #5.3 Backward Linkages	26
Table 7.5.4. AoF #5.4 Association Development.....	27
Table 7.5.5. AoF #5.5 Food Safety Standards	28
Table 7.5.6. AoF #5.6 Outreach, Market Information, External Cooperation, M&E and Environment.....	29
TABLE 8. BUDGET APPROVED & ALLOCATED BY AOF'S COORDINATOR	31
TABLE 9. AoFs ACTIVITIES PRIORITIZED AND BUDGET ALLOCATED.....	32
TABLE 10. AoFs' PRIORITY ACTIVITIES, BUT INSUFFICIENT RESOURCES AVAILABLE.....	34
TABLE 11. FY'10 AGBIZ BUDGET	41
TABLE 12. FY '10 AND LOP PROJECTIONS.....	43
FIGURE 1. ACTIVITIES BUDGET ALLOCATION MODEL - THREE VALUE CHAINS.....	14
FIGURE 2. AGBIZ ORGANIZATION CHART	17

ACRONYMS AND ABBREVIATIONS

AgBiz Program	Macedonia Agribusiness Activity
AoF	Area of Focus
AMIS	Agricultural Market Information System
ARD	Associates in Rural Development
AWP	Annual Work Plan
BEA	Business Environment Activity (USAID funded)
BEO	Bureau Environmental Officer
CCI	Cross Cutting Initiatives
CoP	Chief of Party
COTR	Contract Officer's Technical Representative
DPM	Deputy Prime Minister
EDD	Environmental Due Diligence
ELSA	Expedited Local Short-term technical Assistance
EU	European Union
FFRM	Federation of Farmers of the Republic of Macedonia
FY	Fiscal Year
FTE	Full Time Equivalent
GDP	Gross Domestic Product
GlobalGAP	Global Good Agricultural Practice
GoM	Government of Macedonia
HACCP	Hazard Analyses and Critical Control Points
IFC	International Food Standards
IPARD	Instrument for Pre-Accession Assistance for Rural Development
ISO	International Organization for Standardization
LoE	Level of Effort
LoP	Life of Program
M&E	Monitoring & Evaluation
MAFWE	Ministry of Agriculture, Forestry, and Water Economy
MAP	Macedonian Association of Processors
MCP	Macedonia Competitiveness Project (USAID funded)
MIS	Management Information System
MoE	Ministry of Economy
PIR	Policy and Institutional Reform
PO	Producer Organization
PPA	Pollution Prevention Assessment
RCI	Regional Competitiveness Initiative
RfP	Request for Proposal
RMI	Regional Market Information
SAPARD	Special Accession Programme for Agricultural and Rural Development
SoW	Scope of Work
STTA	Short-term Technical Assistance
SWOTOR	Strengths, Weaknesses, Opportunities, Threats, Objectives and Recommendations
UK	United Kingdom
USAID	United States Agency for International Development
VC	Value Chain
WGP	Wild Gathered Products
WTO	World Trade Organization

I.0 EXECUTIVE SUMMARY

In Fiscal Year (FY) 2010, the Macedonia Agribusiness Activity (AgBiz) will 1) complete implementation of the 19 Projects signed in FY '08, 2) develop and implement more than 60 high impact value chain competitiveness enhancement Activities, 3) help at least 11 customers access appropriate sources of more than \$0.6 million in financing, and 4) identify, prioritize and attempt to stimulate reform of at least seven policies that constrain the competitiveness of Macedonian agribusiness exports.

In FY '10, AgBiz will be placing emphasis on effectively completing all 20 Projects and closing them out according to USAID regulations. These Projects are designed to have a significant impact on the competitiveness of the supported firms and on Macedonian exports, as well as to serve as models for other agribusinesses to emulate. Therefore, we will hold a "Congratulations on Your Successful Project" high profile ceremony in April 2010 to publicize the results of the completed Projects. We will encourage grantees to continue to submit their Quarterly Progress Reports after Project completion that are needed for our sales related indicators. Direct project expenditures in FY '10 are anticipated to be more than \$125,450 and total Project investments to be over \$3.1 million for an average AgBiz share of 4%.

AgBiz will continue to identify, screen, implement, and follow-up on value chain competitiveness enhancement Activities in FY '10. However, based on the "focus" recommendations in the AgBiz Evaluation and subsequent discussions with USAID, in FY '10 the program will implement a somewhat different value chain support approach. This approach will involve the following:

1. Bottled Wine will be renamed Wine to reflect the fact that the Program is helping bulk wine producers shift to bottled wine, as well as supporting wineries to successfully export their bottled wines;
2. Since Fresh Fruits have much in common with Fresh Vegetables from the perspective of post harvest handling challenges, target buyers and export competitiveness enhancement activities such as trade fairs, study tours and technology transfer, AgBiz has merged the former Fresh Fruits and Fresh Vegetables Value Chains into a single value chain;
3. AgBiz will significantly deemphasize Wild Gathered Products Value Chain and limit our support to already agreed Activities, and Activities that are implemented through the Forest Fruits Association the Program helped to form;
4. To support the importance and sustainability of trade associations, and as a legacy institution AgBiz will sub-contract with the Macedonia Association of Fruit and Vegetable Processors (MAP) to be responsible for coordinating AgBiz support for the Processed Vegetables value chain; and
5. In FY '10 AgBiz will allocate a significant (+/-30%) amount of resources to Cross-Cutting Initiative (CCI) Activities. The six CCIs are: Policy and Institutional Reform; Access to Finance; Backward Linkages; Association Development; Food Safety Standards; and Outreach, Market Information, External Cooperation, M&E and Environment.

In FY '10 special emphasis will be placed on Activities in support of enhanced backward linkages, support for access to IPARD financing and stimulating the establishment and/or continued development of sustainable trade associations in our value chains.

In FY '10 we expect to complete the successful implementation of 23 Activities committed to in FY '09 and launch 59 new Activities. This is anticipated to include six trade shows, six study tours, seven assessments/strategies, six workshops, six international B2B Meetings, four different operations manuals and three association support Activities. Total AgBiz Activity expenditures in FY '10 are anticipated to be more than \$342,500 with an average AgBiz contribution of less than 50% of the total Activity cost.

Other significant AgBiz plans for FY '10 include:

- Shifting LoE from Projects, since all but one will be completed by the end of the second fiscal quarter, and increasing emphasis on Activities;
- Helping the new Activities and Policy and Institutional Manager become fully functional;

- Proposing to USAID in February/March 2010 modifications in the indicators report;
- Finalizing the Environment Mitigations work for completed Projects;
- Successfully completing the 14 ELSA Activities initiated in FY '09;
- Implementing a formalized policy and institutional reform needs identification and prioritization process, and closer links with Business Environment Activity (BEA) for devising potential actions to address the constraints;
- Requesting a Budget Mod in January 2010 to reallocate more funds to Activities and appoint a DCoP;
- Communicate with USAID regarding the need and justification for an increase in total Program funding of at least \$200,000 to support 48 Priority Activities we do not currently have sufficient funding to implement;
- Developing a new organizational structure and responsibilities allocation for when the current CoP departs in April;
- As an example of expanded cooperation with other projects AgBiz will investigate and if agreed implement pilot activities wherein AgBiz and MCP effectively and efficiently work together to synergize our efforts at agribusiness related FDI attraction and export development;
- Continued support for regional market information dissemination via the Regional Market Information section of FFRM's Moja Zemja magazine; and
- A projected Program total budget of \$1.4 million.

Results that will be achieved in FY '10 are projected to be:

- An Outreach Program that will produce 13 Success Stories and stimulate 34 media exposures;
- Increased exports of \$7.5 million and increased purchases from small producers of \$4.0 million;
- Orders received from trade fairs and Business-to-Business (B2B) meetings of €0,7million from more than 24 new customers;
- More than \$0.610 million of customer financing identified for 11 customers; and
- 76 additional agribusinesses supported, and 140 individuals trained.

This FY '10 Annual Work Plan is based on the assumption that the additional \$350,000 in Program funding requested in December of 2008 and approved by USAID/Macedonia in January of 2009 will be provided to AgBiz in the form of a Contract Modification. Otherwise the program will need to start shutting down in mid-calendar 2010.

There are numerous specific Activities that AgBiz should implement in FY '10 but for which we do not have sufficient funds. Some of these Activities are follow-on support to previously supported value chains such as WGP and Apples, and others are activities that should be implemented to optimize the benefits of previous Activities. These needed Activities would require an additional \$155,000 in direct funding. The available Activities budget for FY '08 was around \$406,000 and for FY '09 was around \$354,000. For FY '10, even with the requested additional \$350,000 in funding, new Activities money available will be only \$217,000, a \$137,000 or nearly 39% decrease in funding available to implement new Activities in FY '10. This is unfortunate in an environment where agribusinesses are under considerable stress due to the global economic crisis, and Macedonia is preparing for EU accession, which means many enhancements are needed to Macedonian agribusinesses to be able to compete in an era of more open borders.

2.0 ARD AND AGBIZ VALUES

The values a firm and its employees have represent the guide to how they operate. Therefore, an important precursor to and context for a plan is a restatement of these values. Following are the key values for ARD, the AgBiz prime contractor, and the values of the AgBiz team. These values underlay all that we do.

2.1 ASSOCIATES IN RURAL DEVELOPMENT (ARD) VALUES

1. Provide quality services and intellectual leadership to our clients;
2. Mutual respect and collegiality at all levels within the firm;
3. Innovative, multidisciplinary approaches to technical challenges;
4. Teamwork and integrity in all our relations; and
5. Individual and collective contributions to successful project implementation and business generation.

2.2 AGBIZ VALUES

1. Our mantra – a sustainably improved lifestyle (income) for participants in agriculture and agribusiness;
2. All work focused on achieving Program objectives;
3. Efficient and effective use of Program resources;
4. No favoritism of customers, suppliers, or employees;
5. Open, full, and honest communication;
6. Good internal and external personal relationships;
7. Staff receives no financial or material personal gain from work other than AgBiz compensation;
8. High professional and ethical standards in our daily work;
9. Confidentiality of customers' information;
10. Utilize Macedonian assets when available and effective;
11. Full compliance with ARD, USAID and local societal values;
12. Full compliance with the Code of Conduct; and
13. Use simplified approaches and methodologies where ever possible.

3.0 AGBIZ GOAL AND OBJECTIVES

Clarity of goals and objectives is essential for Program success in FY '10. Following are the AgBiz overarching Goal, our Primary Objective, our Sub-objectives, our basic Components and the Value Chains we will be supporting in FY '10. The Goal, Primary Objective, Sub-objectives and Components have been formally agreed to by USAID. The Value Chains we will be focusing on in FY '10 are in response to the “focus” recommendation in the recently completed AgBiz Evaluation.

3.1 GOAL

The goal of AgBiz is increased Macedonian economic growth through the expanded, competitive, and sustainable production and export sales of agriculture-based products. By supporting growth in the agriculture-related Macedonia economy, AgBiz will: 1) Better enable agribusinesses to identify, understand, and sustainably enter export markets for value added food products; 2) Enhance market linkages between producers, processors, and traders; 3) Improve business management and operations throughout agribusiness value chains; and 4) Produce greater incomes for agricultural producers and processors, and create new employment opportunities.

3.2 PRIMARY OBJECTIVE

The primary objective of AgBiz is the sustainability and significantly increased competitiveness of agribusiness producers, processors, and traders working individually or in groups; and participating in value chains that have good potential in export markets, especially for value added products; and where there is an opportunity for a broad-based positive impact; accomplished in an efficient manner and in conformity with relevant regulations.

3.3 SUB-OBJECTIVES

Table One (1) presents AgBiz Sub-objectives in the order of their perceived importance by AgBiz staff. The most important sub-objectives are categorized as A Priority, Important Sub-objectives as B Priority, and Significant but comparatively less important sub-objectives as C priority. However, even C Priority sub-objectives are quite important to AgBiz.

Table One (1) also presents an internal assessment of the comparative amount of progress AgBiz has made to date in achieving each objective. A Progress Rating of less than three (average) on an A or B Priority objective would indicate an objective that needs additional attention – as highlighted in light gray in Table 1. Therefore, developing backward linkages, effective use of Instrument for Pre-Accession Assistance for Rural Development (IPARD) facilities when they become available and trade association development are sub-objectives that will receive additional emphasis in FY '10. An implication of this prioritization and progress rating is that we may be overemphasizing outreach activities and own brand production of retail packs versus bulk/industrial production – as highlighted in dark gray in Table 1.

This FY '10 Annual Work Plan incorporates these shifts in emphasis into the AgBiz Program.

TABLE I. AGBIZ OBJECTIVES COMPARATIVE IMPORTANCE AND PROGRESS RATING

COMPARATIVE IMPORTANCE 5 = Very Important 1 = Very Minimal Importance	OBJECTIVE	PROGRESS RATING 5 = Very Good Progress 1 = Very Poor Progress
A	Increased competitiveness of private sector, agriculture-related firms in value chains that have good potential in export markets, and where there is an opportunity for a broad-based positive impact	4.0
A	Properly leveraged, efficient and effective use of USAID resources	4.4
A	Enhanced competitiveness, and therefore an increased and sustainable growth rate of the selected value chains (Activity Development and Implementation)	3.6
A	Significantly improved linkages/relationships between producers and processors/marketers leading to reliable contracts for the competitive production of the products and raw materials required by export markets (Backward Linkages)	2.0
B	Compliance with ARD, GoM and USAID regulations	4.5
B	Increased compliance with international food and management standards, especially as related to EU markets entry	3.4
B	Effective customer use of IPARD facilities when they become available	2.3
B	Increased agribusiness processor/marketer access to and availability of finance	3.2
B	Trade associations participating in the selected value chains that are themselves sustainable by helping their members become and stay highly competitive (Trade Association Development)	2.2
C	Increased demand for Macedonian agricultural raw materials and products focused on export markets, and an increased supply of producers who are willing and able to supply the demanded raw materials and products	2.5
C	Increased firm involvement in own brand production of retail packs versus bulk/industrial production, i.e., more value added products	2.9
C	Effectively coordinate with related USAID projects, relevant Other Donor's projects and MAFWE activities	2.5
C	Effective promotion of USAID and the American people as the source of AgBiz assistance	4.3
C	Models for future agribusiness economic growth projects established	2.6
C	An enabling environment that fosters and supports highly competitive, export focused agribusinesses	2.0
C	Staff expertise and skills developed	2.4
C	Increased competitiveness and therefore market share of agriculture-based products that can be produced in Macedonia but are currently imported	2.0

3.4 COMPONENTS

Table Two (2) lists the AgBiz “components”, the comparative emphasis we will have placed on each “component” as expressed by Life of Program (LoP) Level of Effort (LoE), and the LoE we will be placing on each “component” during FY '10. Table 2 also provides a very basic description of each “component”.

TABLE 2. AGBIZ “COMPONENTS”		
TITLE	LoP/FY '10 LoE ALLOCATION	DESCRIPTION
Value Chain <u>Activities</u>	50%/62%	<u>Multi-company</u> value chain competitiveness enhancement events such as trade fairs, study tours, TA, and training; and CCI's
Business Expansion <u>Projects</u>	40% /20%	<u>Firm level</u> , export-focused expansion project development and implementation via financial support and technology transfer, e.g., market entry and share expansion and facilities upgrading or expansion
Enhanced Access to Finance	7%/10%	Introducing customers to and assisting them in securing advantageous sources of financing, including IPARD
Policy Reform	3%/8%	Identification and prioritization of competitiveness constraining policies

We do not treat the above as true, independent components, but rather utilize a value chain competitiveness enhancement approach that integrates all four of these areas into a single strategy. However, we do organize our reporting on the basis of these semi-components.

As can be noted from Table 2, we will be allocating our FY '10 resources somewhat differently than for the LoP. This is because:

1. we plan to increase emphasis on value chain competitiveness enhancement activities, especially those that are cross cutting, i.e., have the potential to positively impact more than one of the current value chains we support or value chains that we have previously supported – thus the FY '10 LoE allocation will be 62% versus an LoP of 50%;
2. the Projects signed in July and October of 2008 will be completed in December 2009 and March 2010, and only ongoing grantee reporting will be required after the Projects are completed– thus the FY '10 LoE allocation will be 20% versus an LoP of 40%;
3. we plan to increase our emphasis on Access to Finance, especially as related to supporting our customers to access IPARD funds– thus the FY '10 LoE allocation will be 10% versus an LoP of 7%; and
4. we also plan to increase our emphasis on Policy and Institutional Reform to not only identify and prioritize policy and institutional reform constraints to export competitiveness, but to also work with relevant trade associations and other USAID projects, e.g., USAID's Business Environment Activity (BEA) to stimulate the highest priority reforms– thus the FY '10 LoE allocation will be 8% versus an LoP of 3%.

3.5 VALUE CHAINS

Based on the “focus” recommendation in the recently completed AgBiz Evaluation we will be modifying the value chains we support in FY '10. The value chains AgBiz previously supported were: Fresh Fruit (table grapes and apples), Wild Gathered Products, Bottled Wine, Fresh Vegetables and Processed Vegetables. Based on the “focus” recommendations in the AgBiz Evaluation and subsequent discussions with USAID, in FY '10 we will implement a somewhat different value chain support approach. This approach will involve the following:

6. Bottled Wine will be renamed Wine to reflect the fact that we are helping bulk wine producers shift to bottled wine, as well as supporting bottled wine producers to successfully export their bottled wines.
7. Since Fresh Fruits have much in common with Fresh Vegetables from the perspective of post harvest handling challenges, target buyers and export competitiveness enhancement activities such as trade fairs, study tours and technology transfer, we have merged the former Fresh Fruits and Fresh Vegetables Value Chains into a single value chain. However, support for fresh fruits will be focused on table grape exporters and minimal emphasis will be placed on fresh apple exports due to structural and variety challenges with fresh apples. However, we will continue to support the sustainability of the apple association and help expand its membership to include post harvest handling and marketing members.
8. We will significantly deemphasize Wild Gathered Products and limit our support to already agreed Activities, and Activities that are implemented through the Forest Fruits Association we helped to form.
9. To support the importance and sustainability of trade associations, and as a legacy institution we will sub-contract with the Macedonia Association of Fruit and Vegetable Processors (MAP) to be responsible for coordinating AgBiz support for the Processed Vegetables value chain. This means an association that has managed to form themselves and sustain their presence is “rewarded” with a significant source of revenue and responsibility for helping its members effectively utilize AgBiz support. It is anticipated that this will also enable MAP to expand its membership and become a model or example for the other fledging or “thinking about it” trade associations AgBiz supports or wants to develop.
10. In FY '10 we will be allocating significant (+/-30%) amount of resources to Cross-Cutting Initiatives (CCIs). We will be implementing six CCIs in FY '10. The CCIs and their approximate

percentage of total direct (out of pocket, not including staff time and not related to a single value chain) Activity costs are:

- a. Policy and Institutional Reform (5.5%);
- b. Access to Finance (6.6%);
- c. Backward Linkages (3.1%);
- d. Association Development (5.3%);
- e. Food Safety Standards (1.6%); and
- f. Outreach, Market Information, External Cooperation, M&E and Environment (6.9%).

See section 4.0 for a more detailed description of the Activities to be supported for each value chain and CCI.

Table Three (3) shows the comparative importance of the three AgBiz primary value chains as indicated by the value and five-year growth of exports, the opportunities we see in each, and the important challenges they face.

Value Chain	Export Value & Growth %	Opportunities	Issues
Wine	\$57.5 mil. 17.6%	Shift from bulk (72%V/90%Q) to bottled	Marketing expertise; minimal internal cooperation
Fresh Fruits & Vegetables	\$127.9 mil. 30%	Improved cold storage, grading, and packing	New competitors in current markets; understanding EU markets; the capital & marketing skills required to shift to value added products & chain retailers
Processed Vegetables	\$41.3 mil. 24%	Find new markets & expand shares in existing markets; diversify product mix	Facility standards, raw material supply management & year round marketing

The value chains AgBiz will support in FY '10 had 2008 exports of at least \$227 million. This number includes estimates by AgBiz staff and our customers since official export statistics are not very reliable and we believe significantly understate the value of exports. This value of exports is equal to around 58% of total agriculture-based exports, and around 79% of non-tobacco agriculture-based exports. This means we are focusing on the value chains that have the best potential to significantly and positively impact Macedonian export growth and economic development.

3.6 AGBIZ PROGRAM EVALUATION

In May and June of 2009 USAID contracted for EPICentar International to conduct a mid-term AgBiz Program Evaluation and an Agriculture Sector Assessment Review. AgBiz provided substantial input into the Evaluation and Review. Evaluation findings were released in July and were followed by several meetings between USAID and AgBiz managers to discuss Evaluation findings and their implications on the AgBiz FY '10 AWP. Specific findings of the Evaluation included:

1. "The official AgBiz indicators and feedback received during the field research shows that the Program achieves its objectives successfully. The Program is widely known in the field, and all participants in the selected VCs have indicated appreciation with its results."
2. "The Program has numerous success stories, and the methodologies, knowledge and experience developed through its activities should be utilized for other support assistance for all other players in the VCs. These results should also be replicated on a national level through partnerships with relevant institutions and organizations that will become the legacy institutions after the completion of the Program."
3. "The proposed follow-up activities should address the key issues which, to a great extent, are common for all VCs and can be grouped as: a) upgrade of the contract farming relations, b) support of the (Global)GAP and standardization processes, c) organization of replicable education models, d) support for association and Producer Organizations (POs), e) preparation

- of common market strategies, f) support the creation of national origin and other branding activities, g) improvement of access to finance and IPARD.”
4. “All of the five supported VCs maintain great performance in terms of their measured indicators. However, the continuation of AgBiz Program support, due to the numerous proposed follow-up activities, should be more narrowly defined and focused in the future. This would mean eliminating activities already covered by other donors, and excluding VCs that are less likely to be improved in the timeframe of the Program, like the Wild Gathered Products(WGP) VC.”
 5. “The general recommendations for the AgBiz Program cover five main groups:
 - a. **Focus of the Intervention** – Considering the available time and available financial and human resources, we recommend that the Project should continue supporting the Processed Vegetables VC, Bottled Wine VC, and Fresh Vegetables VC (table grapes included), which are listed according to their priority of importance as sectors with the highest potential for increased competitiveness and impact. The WGP VC and Apples VC should be gradually phased out, potentially leaving some sustainable structures behind;
 - b. **Improvement of Networking and Market Linkages** – The Program should consider increased involvement in the facilitation of links between primary producers and processors, testing different models, and sharing the lessons learned from these activities;
 - c. **Replication of the Successes & Better Information Dissemination** – The Program partners, as key stakeholders, should be crucial in the organization of efficient replication of successful models gained through Program activities; the dissemination of information and knowledge could be improved by active cooperation with Federation of Farmers of the R. Macedonia (FFRM), regular meetings with Government of Macedonia (GoM), study tours experience exchange, roundtables, etc.;
 - d. **Identification of Policy Issues** – Even though it is considered a minor Program activity, it should continue identifying policy issues affecting the competitiveness of the VCs, and address these issues through joint activities with the key stakeholders and appropriate donor supported projects such as USAID’s BEA; and
 - e. **Synergies Among Donor Projects** – Improvement of the coordination among donor activities, identifying the complementary objectives, and overall planning support for the agricultural sector could lead to appropriate, effective and efficient use of funds and resources.”

Our Evaluation response, past efforts and how we will be incorporating the recommendation into our FY’10 plans were summarized for each recommendation. This matrix was presented to and discussed with USAID, and is shown below in Table 4. Since one of the objectives of the Evaluation and Review was to help USAID/Macedonia plan for future agriculture related programs, we also developed a matrix that categorized into Short Term, Intermediate Term and Longer Term impact the specific actions in each of the types of Evaluation and Review recommendations as shown in Table 5 below. This matrix is linked to the matrix shown in Table 4 and illustrates how most AgBiz plans are focused on having an impact within the remaining term of the Program, as shown in the Short Term Impact column of Table 5, but some of our work is designed to start progress toward objectives where the impact should be felt beyond the current term of the program as shown in the Intermediate Term Impact column of Table 5.

The development of these matrixes and discussion of them with USAID helped increase all parties understanding of the implications of the Evaluation and Review, and how the results will be used to optimize the AgBiz FY ’10 AWP and to help USAID/Macedonia develop a new agribusiness development strategy.

TABLE 4. AGBIZ RESPONSE TO EVALUATION RECOMMENDATIONS

	Recommendation	AgBiz Actions to Date	AgBiz Input	Tentative AgBiz Priority	Probable FY '10 AgBiz Actions
1 Fresh Vegetables					
1.1	Upgrade then Replicate Contract Farming	Minimal	Only in support of interested processors/marketers	M	Evaluation going on now; part of the FY '10 AWP development process; need model contracts & demonstrations of results
1.2	Expand GlobalGAP	Two Activities with 14 customers & several ELSAs currently supporting GlobalGAP & HACCP	Agree, but 50% GoM support available	M	Only for multiple customers based on reduced cost
1.3	Organize Production Demonstration Plots	Tried with peppers, but minimal cooperation from stakeholders; table grape field trials ruined by hail	Only in cooperation with interested processors/marketers	L	Through interested marketers/processors only. Need very well organized dissemination of the results, key findings and recommendations.
1.4	Support a FV Trade Association	Currently supporting Vega Mak, but they may not be the answer	Fully agree	H	Likely part of FY '10 Plan; but may be a fresh produce exporters assn
2 Processed Vegetables					
2.1	Export Market Analysis/Research	Which markets & products?	Questionable	L	Would need to be led by MAP
2.2	Stimulate Joint Marketing	Frequently suggested to customers during trade fairs & study tours	Good idea; but minimal customer interest; customers not even in favor for producing a joint catalogue for Trade Fair participation or cooperating on purchasing glass packaging	VL	Discuss with MAP to determine if they will work with us to develop a focused export marketing program, AND commit to its implementation
2.3	Provide IPARD Access Training	First round completed in August	Agree	H	Follow-up may be needed
2.4	Study Tour Lessons Learned Dissemination	Most STs have follow-up meeting; all are invited	Agree; is standard practice	H	Continue; publish findings
2.5	Training in Modern Processing Technology	Achieved via Trade Fair and Study Tours, e.g., Turkey & Fancy Foods	MAP would need to define specific technologies to be transferred	M	If MAP specifies exactly what kind of TT
3 Fresh Fruits					
3.1	Support Apple Producers Association	Indirect support ongoing, e.g., Korca study tour & sustainable production training	Maybe; assn should be both producers and marketers; why support an assn if dropping the VC?	M	May include in FY '10 Plan; impact on export competitiveness questionable unless support is for an integrated assn
3.2	Table Grape Extension Service Pilot	Now supporting K. Buskov	Sustainability??	VL	NEA of questionable viability; SIDA working with them for years
3.3	Table Grape Marketers Association	Frequent topic of conversation with TG customers	Agree	H	Promote, formalize and subsidize for a limited time; but may be a fresh produce exporters assn
3.4	Phase out Support to Apples	Just getting it going	Would reduce coverage by \$25 mil.	?	Need to reassess based on what can really be accomplished; may limit support to Cross-Cutting Initiatives
4 Wine					
4.1	Trade Association Development	Some effort to develop new Assn.	Strongly Agree	H	Accelerate effort, but with a specific assn objective
4.2	Wine Export Promotion Agency	Needs careful coordination now underway	Strongly Agree	H	Do international programs assessment for examples & lessons learned
4.3	Oenology Training	Only oak aging	Maybe; but more potential in standardizing quality	L	Need to understand demand & subject specifics
4.4	Improved IPARD Access	Training was 1st week of August	Only +/- 15 wineries may qualify for IPARD support	M	Follow-up likely
5 Wild Gathered Products					
5.1	Continued Trade Association Development	Association established	Maybe; why support an assn if dropping the VC?	M	Develop an association sustainability support plan as a Cross-Cutting initiative?
5.2	Identify Synergies with Other Entities	Significant current joint funding	Now work a lot with SIPPO & the GoM	L	Can pursue when there is mutual interest
5.3	Phase out Support	One of the more successful examples of USAID VC support	Would reduce coverage by \$17 mil.; Evaluation export data not correct	M	Will limit support to Cross-Cutting Initiatives
6 General					
6.1	Phase out WGP and	What specific objectives	Would reduce coverage by \$43 mil.	M	Will limit support to Cross-Cutting

TABLE 4. AGBIZ RESPONSE TO EVALUATION RECOMMENDATIONS

	Apples Support	impacting Activities would be substituted?			Initiatives
6.2	Sustainable Vertical (backward & forward) Linkages Development	Important but challenging & time consuming	Agree; especially if focused on communicating market requirements back through the VC	H	Evaluation going on now; likely to be an important FY '10 AWP AoF
6.3	Expanded Activities & Results Communications	Have extensive current outreach program & recently introduced VC Newsletters	OK	H	Target more on customers and the GoM vs. the general public?
6.4	Increased Policy Reform Work	Has been an objective	Agree	H	Increased staff focus; who to do advocacy?
6.5	Enhanced Other Projects & Donor Coordination/Cooperation	Extensive past & current efforts	Agree	M	Quarterly forum?; needs USAID leadership
6.6	Trade Association Development	Has been an important objective & some good progress has been achieved	Agree; but LoE required & financial sustainability issues	H	Evaluation going on now; is an important FY '10 AWP AoF
6.7	Value Chain Competitiveness Enhancement Strategy Development	Only internal VC development strategies	Specifically for whom; a wide range of stakeholders? How or would they be used?	L	Could engage consultants to work with a wide range of sector participants to help prepare & present them, but don't have the budget

TABLE 5. AGBIZ PRELIMINARY PLANS INCORPORATING EVALUATION RECOMMENDATIONS

Area of Focus	Short Term Impact*	Intermediate Term Impact**	Longer Term Impact***
Exports Competitiveness Enhancement	Firm-level Trade Fairs & Study Tours (P)	VC Specific Export Development & Procedures Handbooks	
	Firm-level Technical Assistance (P)	Export Management Training	
	Workshops (P & 2.4)		Branding & Origin Recognition Development
	1-on-1 Technology Transfer (2.5, 4.3)		
	Full Support & Follow-up on All Projects (P)		Replicate AgBiz Export Competitiveness Enhancement Projects
Horizontal Linkages	Selective Trade Assn Development & Support (1.4, 3.1, 3.3, 4.1, 5.1, 6.6)	Five VC Trade Assn Development & Support (6.6)	Agribusiness Exporters Association Development
		Develop Export Promotion Model (4.2)	Agribusiness Exports Promotion Agency
	MAP Responsibility for Processed Vegetables Coordination (1.4, 6.6)	Increase Collaboration between VC Participants (1.4, 3.1, 4.1, 5.1, 6.6)	Producer Organization Development
	Market Information Dissemination (2.1)		
Vertical Linkages	Post-harvest Technology Transfer (P)	Production-focused Technology Transfer (1.3, 3.1)	Producer Organization Development
	Support & Enhance Existing Informal Backward Linkages Leading to Formal Contract Farming (1.1, 6.2)	Contract Farming Models with Agribusinesses (1.1, 6.2)	Replicate Trial Contract Farming Models & Contract Farming Development
		Develop Integrated Supply Chain Management Models (1.1, 6.2)	Integrated Supply Chain Management Model Replication
Sustainability / Legacy Institutions	Develop Internationally Competitive Agribusinesses (P)		Broad-based Trade Association Support
	Professional Agribusiness Staff Development (P)	BSP Development & Support	Certified BSP's
Policy Reform	Reform Needs Identification & Prioritization (6.4)	Cooperative High Priority P&I Reform Analysis, e.g., w BEA (6.4)	Broad Based Advocacy Capacity Building
		TA Advocacy Capacity Building in Supported Assns (1.4, 3.1, 4.1, 5.1, 6.6)	Develop Agribusiness Trade Assns that can Identify, Prioritize & Effectively Advocate Policy Reform
	Ongoing Assessment, Linkages & Access Support (2.3, 4.4)		FDI Stimulation
Access to Finance	Agribusiness Finance Manual Update (P)		
	Selective IPARD Support (2.3, 4.4)	Develop/Support IPARD Competent Professional BSPs (2.3, 4.4)	Domestic Investment Stimulation
	Consultants		
	Firms		
Cooperation, Coordination & Communication	Targeted "Technical" Communications		Agribusiness Forums
	Results/Findings of Activities (2.4, 6.3)	Enhanced GoM Linkages	
	Past, Current and Planned Activities	Enhanced Research/Education Linkages (1.3, 2.4, 4.3)	
	To GoM, Customers & Other Donors (6.5)	Comprehensive VC Competitiveness Enhancement Strategies (6.7)	
	To the General Public		
	"From the American People" (P)		
	Increased Cooperation/Coordination with Other USAID Projects (6.5)	USAID-led Donor Coordination (6.5)	
	Activities in Three Largest VCs Only (3.4, 5.3, 6.1)	Activities in Four Value Chains (5.3, 6.1)	Activities in Five Value Chains
"Focus"	Cross-cutting Only Support to FF & WGP	Cross-cutting Only Support to WGP (6.1)	Disbursed Support for Activities
	"Concentrated" Activities Budget	"Focused" Activities Budget (6.1)	

Bold will be part of FY '10 AWP - including the new \$350,000

P = Resulted in the Positive performance findings in the Evaluation

* Within the remaining term of the Program

** Will require post-Program support for sustainability and additional funding

*** Only logical if post March 2011 support is available

4.0 FY 10 PLANS

The following is a synopsis of the AgBiz FY '10 Plan. The plans for FY '10 are not significantly different than the FY '09 Plan. We will complete implementation of the Projects signed in FY '08, develop and implement high impact value chain competitiveness enhancement Activities, help customers' access appropriate sources of finance, and identify and prioritize policies that constrain the competitiveness of Macedonian exporters of agribusiness products. However, in FY '10 we will be placing more emphasis on Activities that benefit more than one value chain, especially association development, access to IPARD finance, backward linkages and policy and institutional reform.

4.1 FY '10 OBJECTIVES, PROJECTS AND ACTIVITIES

The specifics of how we will accomplish our objectives in FY '10 are outlined below. The following section is structured as a series of Objectives, Projects and Activities for the ten AgBiz Areas of Focus (AoF). The ten AoFs are:

1. Administration - including organization structure, human resources, compliance and internal policies;
2. Wine;
3. Fresh Fruits and Vegetables;
4. Processed Vegetables; and
5. Cross-Cutting Initiatives composed of:
 - 5.1 Policy and Institutional Reform;
 - 5.2 Access to Finance;
 - 5.3 Backward Linkages;
 - 5.4 Association Development;
 - 5.5 Food Safety Standards; and
 - 5.5. Outreach, Market Information, External Cooperation, M&E and Environment.

Each of these ten AoFs has a staff person or persons, or in the case of Processed Vegetables an association (MAP), responsible for accomplishing the objectives for that AoF, and for successfully implementing the Projects and planning and implementing the Activities needed to accomplish the established objectives.

The FY '10 planning process started with the USAID/Macedonia discussions about the AgBiz Evaluation described above. The results and implications of these discussions with USAID were incorporated into planning for the Annual Work Plan (AWP) Workshop that was held between the 9th and 11th of September. At the workshop the priority of AgBiz objectives was reviewed, progress on achieving the objectives was assessed (see Table 1) and input from the Evaluation and USAID discussions of the Evaluation were taken into account.

During the Workshop a Strengths, Weaknesses, Opportunities, Threats, Objectives and Recommended Activities (SWOTOR) assessment was presented for each AoF. Special presentations on Vertical (later Backward) Linkages and Horizontal (later Association Development) Linkages were presented by Macedonian consulting companies sub-contracted to do special assessments of these two AoFs. The objectives and especially the proposed Activities for each AoF were discussed by Team AgBiz. Proposed Activities were then regrouped to optimize the homogeneity of the AoFs and roughly prioritized within each AoF. USAID managers participated in the opening and closing sessions of the Workshop and provided their input into Annual Work Plan preparation.

An important part of the FY '10 planning process was determining how to allocate scarce AgBiz resources among the ten AoFs to achieve an optimal return on USAID resources. The starting point of this process was to develop a reasonable resources allocation model, then use it to assess several different approaches to the “focus” recommendation in the Evaluation, and USAID’s concurrence with the recommendation. The next step was to estimate the value of Activity funds available for FY '10. This is a complicated process, and good available funds information was not available until after the close of FY '09. The underlying principle for determining the Activity budget for FY '10 was to “squeeze” all other budget categories to optimize the Activities budget. The available new Activities budget for FY '10 was determined to be around \$217,000, and that was used in the Activities budget allocation model.

After considerable assessment and review of the alternatives of supporting five, four and three value chains using the allocation model, the approach using three value chains was selected as described above. The three value chain plus five CCIs model used to allocate Activity funds is shown in Figure 1.

FIGURE I. ACTIVITIES BUDGET ALLOCATION MODEL - THREE VALUE CHAINS

Value Chain/Cross Cutting Initiative	Value of CY '08 Exports (mil.)	Score	Four Year Avg. Annual Export Growth	Score	Subjective Factors*	Score	Total Score	New Money Budget	
Fresh Vegetables & Table Grapes	\$127.9	39.5	30.0%	29.3	4	33.3	0.34	\$74,204	
Processed Vegetables	\$41.3	12.8	24.0%	23.5	3	25.0	0.19	\$42,286	
Wine	\$57.5	17.8	17.6%	17.2	2	16.7	0.17	\$37,580	
CCIs - Association Development; Backward Linkages; Policy Reform; Access to Finance; Outreach, M&E, Environment, Market Info; & Quality Standards	NA	30		30	3	25.0	0.29	\$62,930	
		100.0		100.0	12.0	100.0	1.0		
Projected Activities Budget								\$217,000	\$217,000

* Comparative: broad-based impact; international competitive advantage; customer interest/demand; customer willingness to cost share, etc.

	\$226.7		71.6%		12.0				
Assumption - it costs at least \$30,000/year to coordinate a VC							40:40:20		

Average Trade Fair Cost to AgBiz = \$10,000
 Average Study Tour Cost = \$8,600
 Average Training & Technical Workshop = \$4,100
 Average Assessment = \$3,300
 Average ELSA = \$3,000
With AT LEAST 50% customer cost sharing

Once the Activities budget available for each AoF was known, the Team categorized proposed Activities into three groupings under each AoF. The categories are: High Priority – will be included as an FY '10 Activity utilizing the allocated FY '10 Activities budget for that AoF; Priority – an important Activity, but one for which there is not sufficient funds; and Lower Priority – a good activity, but of lesser importance than those above it.

The resulting AoF Objectives and Activities planned for FY '10 are summarized below. Each summary shows 1.) the main objectives for that AoF, 2.) the previously committed to Activities and Projects that must be completed in FY '10, 3.) new planned Activities, target completion dates and the projected AgBiz cost of each planned activity the set of which is designed to accomplish the objectives, and the person with overall responsibility for each AoF. The summaries also indicate Priority activities for which we do not have available funds to implement. In many cases a different person is responsible for a specific Activity, even though the AoF is another person’s overall responsibility. This is to enable a reasonable degree of staff technical specialization and to balance workloads.

4.2 ADMINISTRATION

4.2.1 Organizational Structure and Staff Responsibilities

AgBiz staff responsibilities have evolved somewhat, new staff (i.e., Vasko replacing Jeton) has been added and the basic responsibility allocation has changed due to the somewhat different strategic approach that will be utilized in FY '10, i.e., a reduction in the number of value chains and increased emphasis on Cross-Cutting Initiatives. Therefore, at the end of the Fiscal Year we modified the organizational structure and staff responsibilities to make sure both are optimized and clear to all. Significant changes from FY '09 include:

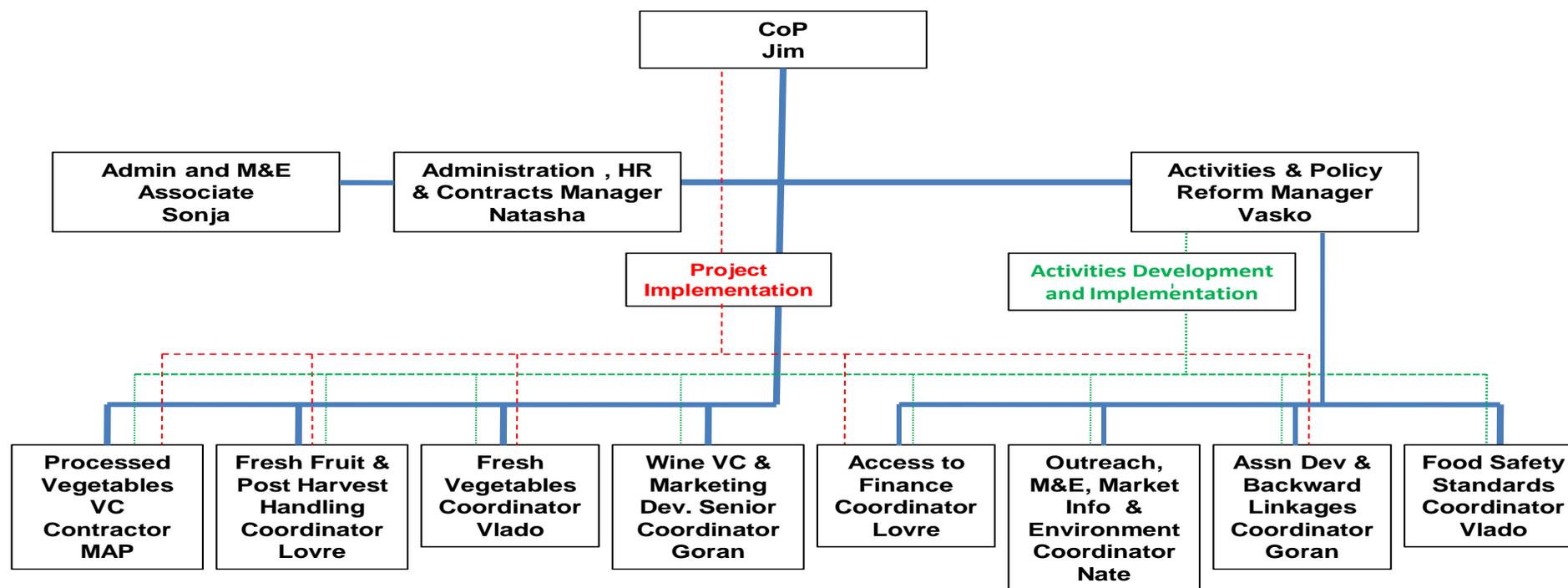
- Deputy Chief of Party (DCoP) Jeton Starova resigned to accept a management position in Mongolia and was replaced by Activities and Policy and Institutional Reform Manager Vasko Hadzievski who will be responsible for managing all Activities and Cross-Cutting Initiatives and will have direct responsibility for Policy and Institutional Reform;
- Responsibility for the Fresh Fruits and Vegetables Value chain will be shared by Lovre and Vlado;
- Lovre will also be responsible for the Access to Finance CCI and Vlado also for the Food Safety Standards CCI;
- Goran Angelovski will be responsible for two new CCIs – Backward Linkages and Association development;
- The only WGP and Apple Activities to be implemented in FY '10 will be those already committed to or Activities implemented through an association as part of the Association Development CCI;
- The Macedonian association of Fruit and Vegetable Processors (MAP) was given a sub-contract to coordinate the Processed Vegetables Value Chain; and
- Agron Halimi was given a one month consulting contract to support M&E work during preparation of the Quarterly and Annual Reports, and will have a FFP sub-contract to collect information for the RMI section of Moja Zema described in AoF 5.5 – section 4.6.6 below.

The AgBiz responsibilities' listing is shown below as Table Six (6). The current AgBiz organization chart including titles is shown in Figure 2 below.

TABLE 6. AGBIZ STAFF RESPONSIBILITIES ALLOCATION

Key Responsibility	Primary Responsibility	Secondary Responsibility
Overall Strategy Development	Chief of Party (CoP)	Team
Work Plan Development, Approval, and Monitoring	CoP	Team and Senior Technical Advisor/Manager (STA/M)
Quarterly and Annual Reports	CoP	Deputy Chief of Party (DCoP)
Compliance	CoP	Administration, HR & Contracts Manager
Client (USAID) Relations	CoP	DCoP
ARD Relations	CoP	STA/M
External Cooperation and Coordination	DCoP	Cross-Cutting Services Specialist
Internal Cooperation and Coordination	CoP	DCoP
Projects Manager	CoP	DCoP
Activities Manager	DCoP	CoP
Government of Macedonia Relations	DCoP	CoP
Policy & Institutional Reform	DCoP	CoP
Office Management & Records	Administration, HR & Contracts Manager	Administration and M&E Associate
Accounting & Budgets – ARD	Administration, HR & Contracts Manager	Administration and M&E Associate
Accounting – Macedonian	Administration, HR & Contracts Manager	Consultant
Human Resources	Administration, HR & Contracts Manager	CoP
Grants & Sub-contracts	Administration, HR & Contracts Manager	CoP
Inventory Control & Asset Management	Administration, HR & Contracts Manager	Administration and M&E Associate
Procurement	Administration, HR & Contracts Manager	CoP
IT Systems and M&E MIS	Administration and M&E Associate	Administration & Contracts Manager
Customer Marketing Enhancement	Marketing Development Manager	CoP
Branding/Outreach	Cross-Cutting Services Specialist	CoP
Market Information	Cross-Cutting Services Specialist	Marketing Development Manager
Monitoring & Evaluation (except administration)	Cross-Cutting Services Specialist	Administration and M&E Associate
Environment	Cross-Cutting Services Specialist	CoP
Training	Cross-Cutting Services Specialist	DCoP
Gender	Cross-Cutting Services Specialist	Administration and M&E Associate
Access to Finance, including IPARD	Finance Coordinator	DCoP
Food Safety Standards	Food Safety Coordinator	DCoP
Association Development	Backward Linkages & Association Development Coordinator	DCoP
Backward Linkages	Backward Linkages & Association Development Coordinator	DCoP
Fresh Fruits & Vegetables Value Chain Coordination	Value Chain Coordinators	CoP
Wine Value Chain Coordination	Value Chain Coordinator	CoP
Processed Vegetables Value Chain Coordination	MAP	CoP

FIGURE 2. AGBIZ ORGANIZATION CHART



4.2.2 Administration Objectives and Activities

The following table shows the main Objectives and Activities for the Administration AoF and the person responsible for each Activity.

TABLE 7.1. AoF #1 ORGANIZATION STRUCTURE / HR / COMPLIANCE / INTERNAL POLICIES																
AoF KEY OBJECTIVES																
1	FY '10 staff requirements & organization structure are optimized for implementing the FY '10 Plan; clear responsibilities & authorities for post expat CoP departure are established; assist new COP in procedures & policies compliance															
2	Optimize USAID funding															
3	Assure Grant and Activity implementation and close out is compliant with regulations															
4	Maintain full staffing and staff motivation															
AoF' FY'10 ACTIVITES																
Activity Description	Person Responsible	Budget Allocated	Implementation Plan*													
			Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10		
1	Assess & decide on FY '10 staff requirements & responsibilities; adjust organization structure to FY '10 Plan	Jim	no variable cost	4												
2	Explain & demonstrate a clear distinction between responsibilities & authorities prior to when the current COP departs with modified Position Descriptions and an adjusted organization structure	Natasha & Jim						4								
3	Develop policies regarding ELSAs that are not progressing or are not being properly implemented	Natasha			4											
4	Develop a plan for efficiently getting high quality and timely Quarterly Progress Reports from grantees (with M&E)	Natasha & Jim			4											
5	Develop a plan for assuring continued Grantee Results Reporting after their grants are finished (with M&E)	Natasha & Jim				4										
6	Change to semi-annual staff evaluations with good feedback on performance & clear criteria for salary adjustments				4											
7	Prepare Budget Mod for utilization of the additional funding of \$350,000	Natasha & Jim					4									
8	Complete proper grant close out procedures and reports	VCCs & Natasha			x	x	x	x	x	4						
9	Support new CoP in procedure and policy compliance	Natasha						x	x	x	x	x	x	x	4	
10	Identify ways to motivate staff to stay until near the end of Program activities in Dec. 2010	Natasha													4	
11	In the latter part of FY '10 prepare alternative scenarios for continuing Program benefits	Natasha														4
12	Request new funding if it appears USAID/Macedonia might have funds available	Natasha														4
Contingency (Exchange rate, etc.)		\$ 12,352														
*Activity Development & Implementation Steps Legend:																
1	2	3	4	5	6	7										
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up										
X	on-going activity															

4.3 WINE VALUE CHAIN OBJECTIVES, PROJECTS AND ACTIVITIES

The following table shows the main Objectives, new Activities and already approved Activities and Projects for the Wine AoF. Goran Damovski is responsible for all of these Activities and Projects.

TABLE 7.2. AoF #2 WINE

FY'10 AoF KEY OBJECTIVES														
1	Support the formation & strengthening of the "Wines of Macedonia" trade association													
2	Enhance the export marketing & promotion of branded, high-quality Macedonian wines on selected export markets													
3	Improve Macedonian origin recognition & appreciation for quality Macedonian wines													
4	Continue supporting VC participants to shift from bulk to bottled value added products													
5	Transfer needed technology & identify models for export quality control & securing greater consistency of Macedonian wines													
6	Improve vertical linkages through specific supply chain integration support													
7	Develop cross-cutting activities for more effective & efficient VC competitiveness enhancement													
Approved in FY'09 to be Completed in FY'10														
	Activity Description										Target Date Completion	Budget Approved		
1	CBI Export Marketing Training											\$1,568		
2	ELSA/Vardarska Dolina - Plan for enlargement of the existing winery's premises										31-Oct	\$4,147		
3	ELSA/Dzumajlija - Business plan development for expanding bottled wine export										20-Oct	\$2,428		
4	ELSA/Pivka - New labels design										31-Oct	\$976		
TOTAL Budget Allocated												\$9,119		
	Project Description										Target Date Completion	Remaining Budget		
1	Popova Kula - Improving the Competitiveness of Bottled Wine Exports										15-Dec	\$15,898		
2	Valandovo Winery - Shift from Bulk to Bottled Wine Sales										29-Mar	\$16,862		
3	Bovin - Increasing the Added Value and Sales of Premium Wines										29-Mar	\$8,543		
4	Agrolozar/Dalvina - Shifting from Bulk to Bottled Wine and Entering Export Markets										29-Mar	\$20,000		
TOTAL Budget Allocated												\$61,303		
AoF FY'10 ACTIVITES			Implementation Plan*											
	Activity Description	Budget Allocated	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Contribute to the Export Promotion Strategy for Macedonian Wine that is under development by MAFWE (with CBI)	\$1,300		1	2-3	4	5			6			7	
2	Develop an Export Marketing Plan with CBI	\$1,280		1-2	3-4-5			6			7			
3	Facilitate wineries to properly prepare, participate in & follow up on Moscow Wine	\$15,000	1-2-3	4	5			6			7			
4	Organize promotional activities for re-establishing & expanding the presence of wines & PV in Serbia or Slovenia	\$6,000		1-2	3-4	5			6			7		
5	Organize B2B joint promotions in selected EU markets	\$9,000			1	2-3	4	5			6			7
6	Facilitate wineries to properly prepare, participate in & follow up on ProWein 2010	\$2,500				1	2	3-4	5			6		7
7	Facilitate wineries to properly prepare, participate in & follow up on London Wine Fair	\$2,500				1	2		3	4	5			6
TOTAL Budget Allocated for Highest Priority Activities		\$37,580												
*Activity Development & Implementation Steps Legend:														
1	2	3	4	5	6	7								
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up								
Priority ACTIVITIES, but Insufficient Resources Available														
1	"Assessment of Successful National Wine Export Promotion Programs & a Concept for a Sustainable Model for Macedonia"											\$15,000		
2	Workshop with Wine VC Participants focused on Identification & Prioritization of Export Competitiveness Related PIR Needs											\$1,000		
3	Study Tour to visit successful wine export promotion entities											\$7,000		
4	Facilitate wineries to properly prepare, participate in & follow up on Poznan Wine Fair											\$7,000		
5	Improve market information access & specific market requirements in target markets											\$1,700		
6	Support a group of export oriented wineries to attend advanced wine export marketing training in the EU or US											\$10,000		
TOTAL Anticipated Budget for Priority Activities											\$41,700			
1	Improve winemaking technology & standardize quality											\$2,000		
2	Evaluate opportunities for developing US &/or China market entry for Macedonian wines											\$-		
TOTAL Anticipated Budget for Lower Priority Activities											\$2,000			
TOTAL APPROVED ACTIVITES & PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET												\$108,002		

4.4 FRESH FRUITS AND VEGETABLES VALUE CHAIN OBJECTIVES, PROJECTS AND ACTIVITIES

The following table shows the main Objectives, new Activities and already approved Activities and Projects for the new Fresh Fruits and Vegetables AoF as well as the person responsible for each Activity and Project.

TABLE 7.3. AoF #3 FRESH FRUITS AND VEGETABLES

AoF KEY OBJECTIVES														
1	Solidify the position of VC participants in their very important existing Balkan markets & successfully enter new markets													
2	Establish linkages with new export markets, especially those outside the Balkans													
3	Improve IPARD access by supporting fresh exporters to better understand IPARD & the related challenges they face and learn about pre-accession funds access experience of similar businesses in other countries													
4	Encourage & support establishing a strong association of fresh produce exporters													
5	Through the Fresh Exporters Association support networking capacities & the visibility of the Association & enhance supply chain management for an improved supply of raw materials													
6	Support implementation of internationally accepted quality control & management standards													
7	Increased competitiveness & therefore exports of Macedonian fresh fruits & vegetables due to significantly enhanced PHH													
8	Achieve higher quality fresh produce for exports													
Approved in FY'09 to be Completed in FY'10														
	Activity Description	Person Responsible	Target Date Completion	Budget Allocated										
1	FruitLogistica 2009	Vlado	Feb.	\$ 18,331										
2	Training and STTA to Improve Fresh Produce Post-Harvest Handling Technologies	Vlado	2-Sep	\$ 15,935										
3	ELSA/Vivi Prom - Feasibility study for establishing line for calibration, peeling and packing onions	Vlado	30-Sep	\$ 3,358										
4	ELSA/Dushan Kiric - Design and development of a sales and promo web site	Vlado	15-Aug	\$ 2,966										
5	Tirana Agriculture Fair	Lovre	Oct.	\$ 1,100										
6	Alijansa Field Trials	Lovre		\$ 4,000										
7	ELSA/Migori - Plan for adjusting existing facilities into packing and cooling center	Lovre	Dec-10	\$ 3,622										
8	ELSA/Venec - HACCP System Implementation and Certification	Lovre	Dec-10	\$ 3,771										
9	ELSA/Stefanov - HACCP System Implementation and Certification	Lovre	25-Sep	\$ 3,748										
10	ELSA/United Agroproducers - Brochure for apple growers	Lovre	Dec-10	\$ 2,460										
TOTAL Budget Allocated				\$ 59,291										
	Project Description	Person Responsible	Target Date Completion	Remaining Budget										
1	Badzo - Improving the Competitiveness of Fresh Vegetable Exports	Vlado	15-Dec	\$ 5,500										
2	Agros 2004 - Establish a new model of harvest and post harvest activities	Vlado	15-Dec	\$ 4,457										
3	Agrohemija - Establishing a New Packing Center for Fresh Products	Vlado	15-Dec	\$ 11,547										
4	Peca Komerc - Establishing a Modern Produce Packing Center	Lovre	29-Mar	\$ 6,000										
5	GD Tikvesh - Improving the Quality of Table Grape Production and Establishing a Packing Center	Lovre	29-Mar	\$ -										
6	Ledra Agro - Improve the Quality and Competitiveness of Seedless Table Grape Exports	Lovre	29-Mar	\$ 3,438										
TOTAL Budget Allocated				\$ 30,942										
AoF' FY'10 ACTIVITES														
Activity Description	Person Responsible	Budget Allocated	Implementation Plan*											
			Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	A PHH Study Tour to Vojvodina or Poland for Apple Producers & Consolidators	Lovre	\$6,000	1	2-3-4	5			6			7		
2	Study Tour & B2B Meetings in the EU to establish the foundation for future exports to mainland Europe & study modern post harvest handling (Rotterdam)	Lovre	\$11,000		1-2	3-4	5		6			7		
3	Parma Trade Fair support - Equipment / Cross Cutting with Processed	Lovre	\$3,000			1-2	3	4	5		6		7	
4	Vienna B2B Meeting	Vlado	\$1,100				1-2	3		4	5		6	
5	B2B Meetings with UK FF Importers & Visits to UK Retailers	Lovre	\$11,000					1	2	3-4	5		6	
6	Organize B2B Meetings & a Study Tour to Estonia &/or Russia	Vlado	\$6,000					1	2-3		4		5	6
7	Develop pre-harvest, harvest & post-harvest handling Guidelines/Manuals	Lovre	\$3,500							1	2-3	4	5	6
8	Support World Food Moscow 2010	Vlado	\$10,000					1	2	3				4-5
9	Post Harvest Regional Seminar/with Faculty of Agriculture	Vlado	\$2,500	3	4	5								
10	Local TA for designing proper cooling facilities	Vlado	\$2,000			1	2	3			4	5		6
11	Establish & Support an Association of Fresh Produce Exporters and Cost Share a Professional Assn Manager	Goran	\$18,000			1	2	3			4	5		6
TOTAL Budget Allocated for Highest Priority Activities			\$74,100											
*Activity Development & Implementation Steps Legend:														
1	2	3	4	5	6	7								
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up								
Priority ACTIVITIES, but Insufficient Resources Available														
1	Support a contract farming project for one Fresh Produce customer as a model - CCI with Backward Linkages								\$ 7,000					
2	Engage a consulting company to develop a strategy & action plan for increased value adding								\$ 4,000					
3	Provide technical assistance via international STTA & support prioritized technical & capacity enhancement needs of fresh produce								\$ 15,000					

TABLE 7.3. AoF #3 FRESH FRUITS AND VEGETABLES

	operators		
4	PHH Study Tour for pack house & cooler managers to Turkey or Israel	\$	4,000
5	Support establishing a nursery center for high quality planting material	\$	6,000
		TOTAL Anticipated Budget for Priority Activities	\$ 36,000
1	Cost share an in-country representative for 3 customers	\$	12,000
2	Develop a pilot project for university professionals to provide TA for post-harvest operations enhancement	\$	-
3	SAPARD/IPARD related Study Tour to Croatia - CCI with Access to Finance?	\$	8,000
		TOTAL Anticipated Budget for Lower Priority Activities	\$ 20,000
		TOTAL APPROVED ACTIVITES & PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET	\$ 164,333

4.5 PROCESSED VEGETABLES VALUE CHAIN OBJECTIVES, PROJECTS AND ACTIVITIES

The following table shows the main Objectives, new Activities and already approved Activities and Projects for the Processed Vegetables AoF. MAP is responsible for coordinating the successful implementation of all of these Activities and Projects.

TABLE 7.4. AoF #4 PROCESSED VEGETABLES

AoF KEY OBJECTIVES														
1	Support the strategic repositioning & enhanced export performances of the VC													
2	Strengthen the networking capacities & visibility of VC participants & the institutional capacity of MAP													
3	Enhance value chain participants' capacity to develop & implement sustainable export marketing strategies, especially for non-Balkan markets													
4	Increase participants operating efficiency by introducing new technologies, developing value-added products & reducing operating costs													
5	Enhance supply chain management for an improved raw materials supply													
6	Help value chain participants to successfully access all available sources of business expansion funding - CCI with Access to Finance													
To be Completed in FY'10														
Activity Description											Target Date Completion	Budget Approved		
1	Chicago Fancy Food Show										N/A	\$1,052		
TOTAL Budget Approved												\$1,052		
Project Description											Target Date Completion	Remaining Budget		
1	Vipro - Improving the Competitiveness of Processed Vegetable Exports										15-Dec	\$122		
2	Avto Ria - The Establishment and Operation of a New Processing System for Onions										15-Dec	\$7,385		
3	Bonum Plus - Improving the Competitiveness of Processed Vegetable Exports										15-Dec	\$9,945		
4	Lars - Improve and Increase the Productivity and Capacity of Drying										15-Dec	\$231		
5	Dentina - Improving the Competitiveness of Processed Vegetable Exports										29-Mar	\$6,696		
TOTAL Budget Approved												\$24,379		
AoF' FY'10 ACTIVITES			Implementation Plan*											
Activity Description		Budget Allocated	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Support participation of VC participants in Anuga 2009	\$8,900	4-5			6			7					
2	Organize a Study Tour and B2B event in the Czech Republic	\$7,500	1	2-3	4-5			6			7			
3	Organize a study Tour for the MAP managing board to a well developed association from the EU, e.g., the Spanish or Italian Association of Processors	\$5,000			1-2	3-4	5			6			7	
4	Facilitate & support establishing a dialogue between MAP members & primary producers, involving GoM authorities	\$1,000				1-2	3-4-5			6			7	
5	Facilitate & support a promotional event in Denmark with a focus on processed F&V and bottled wine	\$5,500				1	2-3-4	5			6			7
6	Study Tour & B2B in Canada	\$8,300						1-2	3-4	5			6	
7	Support the "Survey on the Performance of the F&V Processing Industry in 2009"	\$3,500						1-2-3		4-5				
8	Develop an integrated strategy for the accelerated development of the VC	\$2,500							1-2-3		4-5			6
TOTAL Budget Allocated for Highest Priority Activities		\$42,200												
*Activity Development & Implementation Steps Legend:														
1	2	3	4	5	6	7								
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up								
Priority ACTIVITIES, but Insufficient Resources Available														
1	Support VC participants to participate in regional trade fairs such as Novi Sad, the Gastro Fair in Split, etc.										\$	5,000		
2	Support organizing a Regional F&V Processors' Conference in Macedonia										\$	7,000		
3	Support a Study Tour to the Food Processing Equipment Exhibition CIBUS Tech Parma - Cross Cutting with Fresh										\$	5,000		
TOTAL Anticipated Budget for Priority Activities											\$	17,000		
1	Support of the "Days of Winter Preserves" event in the Skopje Main Square										\$	5,000		
2	Develop of a catalogue for the Macedonian F&V processing industry										\$	2,000		
TOTAL Anticipated Budget for Lower Priority Activities											\$	7,000		
TOTAL APPROVED PROJECTS TO BE COMPLETED IN FY'10 AND ACTIVITIES PLANNED FOR FY'10 BUDGET											\$	67,631		

4.6 CROSS-CUTTING ISSUES OBJECTIVES AND ACTIVITIES

4.6.1 Policy and Institutional Reform

The following table shows the main Objectives, new Activities and already approved Activities for the Policy and institutional reform AoF. Vasko Hadzievski is responsible for all of these Activities.

TABLE 7.5. AoF #5 CROSS-CUTTING INITIATIVES

Table 7.5.1. AoF #5.1 Policy and Institutional Reform

AoF KEY OBJECTIVES

1	Improve the internal process of identifying & prioritizing PIR needs
2	Involve & focus on trade associations in the PIR process
3	Identify, prioritize & receive a commitment from trade associations to develop activities for a limited number of high priority PIR actions
4	Gain consensus from other stakeholders & the GoM to improve the business environment for export competitiveness through networking
5	Successfully assist trade associations in resolving their prioritized PIR issues
6	Better communication & transfer of field information to policy makers to change their approach to agricultural support policies

Approved in FY'09 to be Completed in FY'10

Activity Description	Target Date Completion	Budget Allocated
1 TA in Assessing Gray Areas in HACCP for WGP Sector	Oct.	\$ 3,960
TOTAL Budget Allocated		\$ 3,960

AoF' FY'10 ACTIVITIES	Activity Description	Budget Allocated	Implementation Plan*											
			Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Maintain contact with and develop relations with the GoM regarding "Establishing an Agribusiness Products Export Promotion Agency"	\$ 500	x	x	x	x	x	x	x	x	x	x	x	x
2	Other PIR Activities to be identified during FY '10 following implementation of the above Activities & the assessment & prioritization of newly identified PIR needs	\$ 7,000	x	x	x	x	x	x	x	x	x	x	x	x
3	Initiate legislation changes & support lobbying for addressing institutional constraints in the supported VCs by preparing & presenting strategic documents to the GoM	\$ 3,000					x	x	4					
4	Workshops focused on the Identification & Prioritization of Export Competitiveness PIR needs - starting with MAP and Shumski Plod	\$ 1,500					1			2	3		4	5
TOTAL Budget Allocated for Highest Priority Activities		\$ 12,000												

*Activity Development & Implementation Steps Legend:

1	2	3	4	5	6	7
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up
x	on-going activity					

Priority ACTIVITIES, but Insufficient Resources Available

1	A National Forum on Priority Issues for Developing a Business Environment that Supports the Enhanced Export Competitiveness of Value Added Agriculture-based Products	\$4,000
2	An Assessment of the Operating Principles of Publically Funded (or co-funded) Export Promotion Programs for Value Added Agricultural Products starting with wine	\$15,000
3	Establish & facilitate a working group of relevant stakeholders for the identification of relevant PRI issues	\$4,000
TOTAL Anticipated Budget for Priority Activities		\$23,000
1	Assessment of Cooperative & PO Development Activities & Conditions in Macedonia	\$2,500
2	Organize workshops &/or meetings with MAFWE & MoEPP to solve institutional constraints	\$5,000
TOTAL Anticipated Budget for Lower Priority Activities		\$7,500
TOTAL APPROVED ACTIVITIES TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET		\$15,960

4.6.2 Access to Finance

The following table shows the main Objectives and new Activities for the Access to Finance AoF. Lovre Ristevski is responsible for all of these Activities except for #5 – IPARD Training that is Nate Stankovic's responsibility.

Table 7.5.2. AoF #5.2 Access to Finance

AoF KEY OBJECTIVES														
1	Help customers gain access to viable & competitive sources of finance by promoting & making accessible financial sourcing options such as MBEP that could provide very competitive rates & terms, GoM programs, IPARD, & other important & very relevant sources													
2	Help make customers & their consultants familiar with & train them to successfully apply for IPARD support													
3	Provide training to producers, processors & SMEs on how to assess capital needs, including but not limited to working capital requirements, long-term financing, & equity investments													
4	Follow the impact of the global financial crises on the financial sector & how that may affect customers' loan application processes & approvals													
5	Understand, communicate & make available joint venture opportunities to customers													
AoF' FY'10 ACTIVITES			Implementation Plan*											
Activity Description		Budget Allocated	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	IPARD Study Tour for customers to visit companies in Croatia, Bulgaria or Romania who used SAPARD Funds for Post Harvest Handling Improvements	\$ 4,920	1	2-3	4-5									
2	Study Tour for companies, consultants and bankers to visit consulting companies, banks, etc. and share experience of other countries to optimize the process of achieving better access to/and utilization of IPARD Funds	\$ 5,000							1-2	3-4	5			
3	Update the Agribusiness Finance Manual	\$ 2,500		1-2	3-4	5								
4	Access to Finance Workshops	\$ 500			1-2-3	4	5							
5	Provide training & support to customers and consultants on applying for IPARD funding for FV	\$ 1,500		1-2	3-4	5								
6	Support VC participants to successfully access all available financing	staff	x	x	x	x	x	x	x	x	x	x	x	x
TOTAL Budget Allocated for Highest Priority Activities		\$ 14,420												
*Activity Development & Implementation Steps Legend:														
1	2	3	4	5	6	7								
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up								
X	on-going activity													
Priority ACTIVITIES, but Insufficient Resources Available														
TOTAL Budget Allocated for Highest Priority Activities												\$	14,420	
1	Staff participation in financing-related training & seminars								Lovre	\$	1,000			
TOTAL Anticipated Budget for Priority Activities												\$	1,000	
None												\$	-	
TOTAL PLANNED BUDGET FOR FY'10												\$	14,420	

4.6.3 Backward Linkages

The following table shows the main Objectives, new Activities and already approved Activities and Projects for the Backward Linkages AoF. Goran Angelovski is responsible for all of these Activities and Projects.

Table 7.5.3 AoF #5.3 Backward Linkages																										
AoF KEY OBJECTIVES																										
1	Create operational links with other donor or GoM initiatives that support backward linkages enhancement																									
2	Develop a pilot/demonstration model for establishing a system that will enable future formal links between producers/POs and buyers/exporters																									
3	Improve the knowledge & awareness of how to create backward linkages between small producers & buyers/exporters																									
Approved in FY'09 to be Completed in FY'10																										
Activity Description												Target Date Completion	Budget Allocated													
1	Russia Organic Certification Training											Oct.	\$ 500													
2	ELSA/Anva Fungi - New packaging and promotional leaflet development											20-Sep	\$ 2,100													
3	ELSA/Kastel - Organic Wild Crafted Standards Certification											25-Sep	\$ 3,274													
TOTAL Budget Allocated												\$	5,874													
Project Description												Target Date Completion	Remaining Budget													
1	Flores II - Introduce new organic products line and adopt organic production principles											29-Mar	\$ -													
2	Koro Company - Serbian Market Entry and Adoption of Organic Production Standards											29-Mar	\$ 5,162													
3	Inter-Mak II - Improved and Increased Export Capacity											29-Mar	\$ 60													
4	Vigan - Improved and Increased Export Capacity											29-Mar	\$ 1,256													
TOTAL Budget Allocated												\$	6,478													
AoF' FY'10 ACTIVITES												Implementation Plan*														
Activity Description												Budget Allocated	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10		
1	Coordinate with ongoing SNV/MAASP activities to establish a backward linkages model											\$ 500	x	x	x	x										
2	Assess AgBiz VC Participants Use of Backward Linkages & Lessons Learned & Best Practices											\$ 1,000			1	2		3		4		5				
3	Organize planning workshops with producers & exporters/marketers to communicate the results of cooperative backward linkage initiatives											\$ 300							1	2			3			4
4	Support an existing contract farming model based on the results of the assessment - with Fresh or PV											\$ 5,000			1		2		3				4			
TOTAL Budget Allocated for Highest Priority Activities												\$ 6,800														
*Activity Development & Implementation Steps Legend:																										
1	2	3	4	5	6	7																				
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up																				
X	on-going activity																									
Priority ACTIVITIES, but Insufficient Resources Available																										
1	Organize a series of & facilitate contract farming meetings between traders & producers to move positions closer to scientific cost of production calculations												\$							6,000						
2	Promote Program activities related to VL support through publications in the FFRM magazine																			none						
TOTAL Anticipated Budget for Priority Activities												\$							6,000							
1	Organize meetings & round tables with primary producers and POs through FFRM regional centers - CCI with Processed												\$							1,500						
2	Support establishment of a multidisciplinary platform focusing on enhancing agricultural exports												\$							5,000						
TOTAL Anticipated Budget for Lower Priority Activities												\$							6,500							
TOTAL APPROVED ACTIVITES & PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET												\$							19,152							
Activities Removed:												Ranked by Priority														
1	Develop a methodology for creating a model for product cost determination													A												
2	Backward linkage experience exchanges through study tours													C												

4.6.4 Association Development

The following table shows the main Objectives, new Activities and already approved Activities and Projects for the Association development AoF. Goran Angelovski is responsible for all of these Activities.

Table 7.5.4. AoF #5.4 Association Development													
AoF KEY OBJECTIVES													
1	Support the establishment of 1 to 2 new associations in VCs where initial interest & need is identified												
2	Provide technical assistance for the efficient functioning of the selected trade associations - including Sumski Plod												
3	Assist the selected trade associations in implementation of activities that will improve the international competitiveness of their members												
4	Establish a strategic partnership with MAP to coordinate implementation of AgBiz support to the processed vegetables VC												
5	Continue to support the Sumski Plod & other Associations to address their policy & institutional constraints												
6	Improve linkages with other VCs & agricultural sectors to better utilize & combine available recourses, use opportunities to provide support that is not available to individual associations												
AoF' FY'10 ACTIVITES		Budget Allocated	Implementation Plan*										
Activity Description			Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
1	Develop an AgBiz Association Development processes / procedure / steps for use in defining the process and types of support AgBiz will provide for Assn development	\$ 2,000		1	2		3	4	5			6	
2	Establish partnership (support) agreements between AgBiz and selected trade associations	\$ 500					1	2	3-4-5			6	
3	Develop a Trade Association Management Manual	\$ 500				1		2	3		4	5	6
4	Do an analysis to identify the interest & commitment of fresh produce VC participants to establish a Trade Association	\$ 2,000	1	2	3-4	5			6				7
5	Support the formation & strengthening the trade association "Wines of Macedonia"	\$ 3,000			1		2		3	4	5		6
6	Support of Sumski Plod with cost sharing to engage a short term expert/s to develop a 5 year strategy, activities & financing plan for the association, and support proposals to the GoM & donors as a model for Assn Development	\$ 3,500						4					6
TOTAL Budget Allocated for Highest Priority Activities		\$ 11,500											
*Activity Development & Implementation Steps Legend:													
1	2	3	4	5	6	7							
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up							
Priority ACTIVITIES, but Insufficient Resources Available													
1	Study Tours for VC Coordinators & association Management Board members to successful associations											\$ 8,500	
2	Shumski Plod Executive											\$ 4,000	
3	Support Sumski Plod to become a sustainable trade association via a Web site for the WGP VC and Shumski Plod											\$ 6,000	
TOTAL Anticipated Budget for Priority Activities											\$ 18,500		
1	Trade Fair support for Biofach 2010											\$ 8,000	
TOTAL Anticipated Budget for Lower Priority Activities											\$ 8,000		
TOTAL APPROVED ACTIVITES & PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET											\$ 11,500		
Activities Removed:											Ranked by Priority		
1	Promotion & strategic positioning of the associations within the sectors											A	
2	Support the development of association promotional materials											B	
3	Support market research of selected important markets for associations											C	
4	Support the establishment of a joint sales office for Sumski Plod Association members in Italy											C	

4.6.5 Food Safety Standards

The following table shows the main Objectives, new Activities and already approved Activities and Projects for the Food Standards AoF, as well as the specific person responsible for each.

Table 7.5.5. AoF #5.5 Food Safety Standards														
AoF KEY OBJECTIVES														
1	Increase capacity of the Local Service Providers and customers' awareness of the importance of Food Safety Standards, especially the International Food Standards (IFS) as a prerequisite for penetrating supermarket chains													
2	Lack of local consultants trained to implement the IFS Standard													
3	Help resolve the IFS implementation/certification by local consultants that will exclude middlemen in the supply chain and facilitate direct sales to supermarkets													
Approved in FY'09 to be Completed in FY'10														
Activity Description		Person Responsible	Target Date Completion	Budget Allocated										
1	Cost-efficient Group GlobalGAP Implementation and Certification	Vlado	30-Nov	\$ 7,656										
2	HACCP Implementation Support to WGP Consolidators	Goran	1-Dec	\$ 8,500										
3	ELSA/Igor Komerc - HACCP System Implementation and Certification	Goran	25-Sep	\$ 2,697										
4	ELSA/Fungi Flora - HACCP System Implementation and Certification	Goran	25-Sep	\$ 3,972										
5	ELSA/Extra Fungi - HACCP System Implementation and Certification	Goran	25-Sep	\$ 3,905										
6	ELSA/Val Fungi - HACCP System Implementation and Certification	Goran	30-Nov	\$ 3,048										
TOTAL Budget Allocated				\$ 29,778										
Project Description		Person Responsible	Target Date Completion	Remaining Budget										
1	Kokolanski - Increase and improve processing capacity and adopt HACCP food safety principles	Goran	15-Dec	\$ 2,347										
TOTAL Budget Allocated				\$ 2,347										
AoF' FY'10 ACTIVITIES		Implementation Plan*												
Activity Description		Budget Allocated	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Support Implementation of Food Safety Standards and the implementation of BRC & IFS Food Safety Standards via Train-the-Trainers	\$ 3,400			1	2	3	4	5				6	
TOTAL Budget Allocated for Highest Priority Activities		\$ 3,400												
*Activity Development & Implementation Steps Legend:														
1	2	3	4	5	6	7								
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up								
Priority ACTIVITIES, but Insufficient Resources Available														
1	Support value adding to bulk WGP products by implementing quality standards & food safety systems										\$	10,000		
										TOTAL Anticipated Budget for Priority Activities				\$ 10,000
none										\$	-			
										TOTAL Anticipated Budget for Lower Priority Activities				\$ -
TOTAL APPROVED ACTIVITIES & PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET										\$	35,525			

4.6.6 Outreach, Market Information, External Cooperation, M&E and Environment

The following table shows the main Objectives and new Activities for the Outreach, Market Information, External Cooperation, Monitoring & Evaluation (M&E) and Environment AoF. Natasha Stankovic has primary responsibility for all of these Activities.

Table 7.5.6. AoF #5.6 Outreach, Market Information, External Cooperation, M&E and Environment														
AoF KEY OBJECTIVES														
1	Continue public awareness of Program achievements & impact as a USAID funded project													
2	Extensively expose Macedonian agribusinesses to market information													
3	Use available entities, e.g., associations, as vehicles for market information dissemination													
4	Upgrade professional technical communications to increase Program awareness & output by the GoM, Customers and Other Donors													
5	Fulfill all required Environmental Mitigations within the term of the grants													
6	Gain USAID approval for then revise indicators													
7	Ensure proper, accurate and timely customer reporting, including closely monitoring Grantees quarterly indicator data													
8	Accomplish the revised indicator targets & document accomplishments													
9	Keep the MIS current and fully functional													
10	Provide support to staff & customers in preparing reports													
Approved in FY'09 to be Completed in FY'10														
	Activity Description											Target Date Completion	Budget Allocated	
1	Make sure all Mitigations are completed by the end of each grant, including the SPPA for Dalvina											30-Oct	\$ 400	
												TOTAL Budget Allocated	\$ 400	
AoF' FY'10 ACTIVITES		*Implementation Plan												
Activity Description		Budget Allocated	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
1	Manage "Wines from Macedonia" Promotional Video	\$300	3	4	5									
2	A quarterly field visits schedule for USAID & MAFWE officials													
3	Revise upward projections for Activity-sourced indicators to reflect expected results and Review, adjust & gain USAID approval for a revised set of Project-related indicators	no variable cost		x		x			x		x			
4	Develop a plan for assuring timely & accurate Project-related indicator reporting, even after the end of Projects				x									
5	Develop a specific plan for supporting grantees to provide indicator data of the specific type required				x									
6	Hold a "Congratulations Ceremony" for grantees	\$4.500				x	x	4						
7	Release 10 high quality VC Market Information Newsletters	\$200		x	x	x	x	x	x	x	x	x	x	x
8	Produce a bi-annual Program Newsletter (two issues)	\$500						x	4				x	4
9	Present market information & technical data in Moja Zamja	\$8.500	x	x	x	x	x	x	x	x	x	x	x	x
10	Develop & implement a technical communications plan targeted on key stakeholders	\$1.000	x	x	x	x	x	x	x	x	x	x	x	x
11	Keep the MIS system updated		x	x	x	x	x	x	x	x	x	x	x	x
12	Provide analyses of accomplished vs. projected indicators	no variable cost	x	x	x	x	x	x	x	x	x	x	x	x
13	Increase the frequency of PR materials		x	x	x	x	x	x	x	x	x	x	x	x
TOTAL Budget Allocated for Highest Priority Activites		\$15.000												
*Activity Development & Implementation Steps Legend:														
1	2	3	4	5	6	7								
Approved Activity Concept	Approved Activity Description	All Agreements Signed	Implementation/ Complete	Results Report & M&E Input	Three Month Follow-up	Six Month Follow-up								
X	on-going activity													
Priority ACTIVITIES, but Insufficient Resources Available														
1	Media campaign on local/regional level												\$ 1.000	
2	Produce video recordings or pictures presenting Program achievements & posting them on websites												\$ 1.000	
3	Track & record relevant training, conferences, seminars & presentations available in Macedonia & communicate them to VCC & their customers; obtain feedback from customers & VCCs about their level of interest												none	
4	Develop & implement a plan for cooperation with other donor projects in the Region												none	
												TOTAL Anticipated Budget for Priority Activites	\$ 2.000	
1	Establish a functional communication system with relevant authorities												\$ 1.000	
												TOTAL Anticipated Budget for Lower Priority Activites	\$ 1.000	
												TOTAL APPROVED ACTIVITES & PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR FY'10 BUDGET	\$ 15.400	

4.6.6.1 M&E Indicator Adjustments

During the Second Quarter of FY '10, AgBiz will propose to USAID modifications in most of the indicators we report in the Increased Production and Marketing section of the indicators table. Except for indicator 1.9 all of these indicators are sourced from Projects. Grantee's exports have been significantly and negatively impacted by the global economic crisis. Buyers have reduced their orders due to reduced consumer demand, and are not willing to consider new suppliers. Buyers are also not paying their bills, so exporters are hesitant to sell them more products. Therefore, maintaining existing buyers, and especially entering new markets, has become much more difficult than was anticipated when the original sales-based, Project-sourced indicator projections were made back in early 2008.

Conversely, we have already achieved many of the indicators that are derived from Activities, and these should be adjusted upward.

The combination of the above adjustments will result in much more relevant indicator data and reflect the facts of the current environment. The timing of when we will propose revised indicators is based on the need for grantees to complete their 2009 accounts before we can work with them to develop new indicator projections. As previously reported, in January 2010 we will be able to for the first time present increase data and percentages change data for grantee-based indicators. These data will help us determine revised LoP indicators for sales-based information.

4.7 ACTIVITIES AND PROJECTS RESPONSIBILITIES SUMMARY

Table 8 below summarizes the responsibilities of each AgBiz team member and MAP based on the AgBiz cost of the Projects and Activities they will be responsible for in FY '10. The chart includes already committed Activities, including Expedited Local Short-term Assistance (ELSAs), completing implementation of all Projects and new Activities. This chart was developed to assure a reasonable balance of responsibilities.

TABLE 8. BUDGET APPROVED & ALLOCATED BY AOF'S COORDINATOR

		Damo	Vlado	Lovre	MAP	Vasko	Goran	Nate	TOTAL BY AoF
TO BE COMPLETED IN FY '10	ACTIVITIES								
	AoF #2 WINE	\$9,119							\$9,119
	AoF #3 FRESH FRUITS AND VEGETABLES		\$40,590	\$18,701					\$59,291
	AoF #4 PROCESSED VEGETABLES				\$1,052				\$1,052
	AoF #5 CROSS-CUTTING INITIATIVES								
	AoF #5.1 Policy and Institutional Reform						\$3,960		\$3,960
	AoF #5.3 Backward Linkages						\$5,874		\$5,874
	AoF #5.5 Food Safety Standards		\$7,656				\$22,122		\$29,778
	AoF #5.6 Outreach, Market Information, External Cooperation, M&E and Environment							\$400	\$400
	TOTAL ACTIVITIES	\$9,119	\$48,246	\$18,701	\$1,052	\$-	\$31,956	\$400	\$109,474
	PROJECTS								
	AoF #2 WINE	\$61,303							\$61,303
	AoF #3 FRESH FRUITS AND VEGETABLES		\$21,504	\$9,438					\$30,942
	AoF #4 PROCESSED VEGETABLES				\$24,379				\$24,379
	AoF #5 CROSS-CUTTING INITIATIVES								
AoF #5.3 Backward Linkages						\$6,478		\$6,478	
AoF #5.5 Food Safety Standards						\$2,347		\$2,347	
TOTAL PROJECTS	\$61,303	\$21,504	\$9,438	\$24,379	\$-	\$8,825	\$-	\$125,449	
TOTAL APPROVED AND COMMITTED		\$70,422	\$69,750	\$28,139	\$25,431	\$-	\$40,781	\$400	\$234,923
PLANNED FOR FY '10	AoF #2 WINE	\$37,580							\$37,580
	AoF #3 FRESH FRUITS AND VEGETABLES		\$21,600	\$34,500					\$56,100
	AoF #4 PROCESSED VEGETABLES				\$42,200				\$42,200
	AoF #5 CROSS-CUTTING INITIATIVES								
	AoF #5.1 Policy and Institutional Reform					\$12,000			\$12,000
	AoF #5.2 Access to Finance			\$12,920				\$1,500	\$14,420
	AoF #5.3 Backward Linkages						\$6,800		\$6,800
	AoF #5.4 Association Development						\$29,500		\$29,500
	AoF #5.5 Food Safety Standards		\$3,400						\$3,400
	AoF #5.6 Outreach, Market Information, External Cooperation, M&E and Environment							\$15,000	\$15,000
TOTAL FY'10 BUDGET ALLOCATED		\$37,580	\$25,000	\$47,420	\$42,200	\$12,000	\$36,300	\$16,500	\$217,000
TOTAL FY'10 BUDGET COMMITTED & ALLOCATED		\$108,002	\$94,750	\$75,559	\$67,631	\$12,000	\$77,081	\$16,900	\$451,923

4.8 OVERALL

Table 9 below summarizes new Activity and already committed Activities and Projects expenditures for FY '10. As can be noted from this table total direct Activity and Project expenditures for FY '10 are projected to be around \$452,000. The exact amount will depend on the MKD:USD exchange rate and actual already approved Projects and Activities costs as well as the actual cost of planned Activities versus the estimated budget. The estimated budget for new Activities will vary based on bids received for larger Activity costs, actual costs at the time an Activity is approved and the extent of actual versus anticipated cost sharing.

Similar Activities and Projects expenditures in FY '09 were \$500,312.

TABLE 9. AoFs ACTIVITIES PRIORITIZED AND BUDGET ALLOCATED

Area of Focus (AoF)	BUDGET MODEL	HIGHEST PRIORITY (Budget Allocated and Included in the FY'10 Work Plan)		WISH LIST (High Priority, but Insufficient Resources Available)		LOWER PRIORITY (and Insufficient Resources)	
		Number of Activities	Budget Allocated	Number of Activities	Budget Required	Number of Activities	Budget Required
#1 Organization Structure/HR/Compliance/Internal Policies (Natasha)		none	none	none	none	none	none
#2 Wine (Damo)	\$37,580	7	\$37,580	6	\$41,700	2	\$2,000
#3 Fresh Fruits & Vegetables (Vlado & Lovre)	\$74,204	11	\$74,100	5	\$36,000	3	\$20,000
#4 Processed Vegetables (MAP)	42,286	8	\$42,200	3	\$17,000	2	\$7,000
#5 Cross-Cutting Initiatives (Vasko)							
#5.1 Policy and Institutional Reform (Vasko)		4	\$12,000	3	\$23,000	2	\$7,500
#5.2 Access to Finance (Lovre)		6	\$14,420	1	\$1,000	1	\$-
#5.3 Backward Linkages (Goran)		4	\$6,800	2	\$6,000	2	\$6,500
#5.4 Association Development (Goran)		6	\$11,500	3	\$18,500	1	\$8,000
#5.5 Food Safety Standards (Vlado)		1	\$3,400	1	\$10,000	0	\$-
#5.6 Outreach, Market Information, External Cooperation, M&E and Environment (Nate)		13	\$15,000	4	\$2,000	1	\$1,000
TOTAL Cross-Cutting Initiatives	\$62,930	34	\$63,120	14	\$60,500	7	\$23,000
Contingency (Exchange rate, etc.)	\$12,352						
TOTAL Budget Allocated for FY'10	\$229,352	59	\$217,000	28	\$155,200	14	\$52,000
Activities Approved in FY'09 to be Completed in FY'10							
#1 Organization Structure/HR/Compliance/Internal Policies (Natasha)							
#2 Wine (Damo)		4	\$9,119				
#3 Fresh Fruits & Vegetables (Vlado & Lovre)		9	\$59,291				
#4 Processed Vegetables (MAP)		1	\$1,052				
#5 Cross-Cutting Initiatives (Vasko)							
#5.1 Policy and Institutional Reform (Vasko)		1	\$3,960				
#5.2 Access to Finance (Lovre)							
#5.3 Backward Linkages (Goran)		1	\$5,874				
#5.4 Association Development (Goran)							
#5.5 Food Safety Standards (Vlado)		6	\$29,778				
#5.6 Outreach, Market Information, External Cooperation, M&E and Environment (Nate)		1	\$400				
TOTAL Activities Budget FY'09		23	\$109,474				N/A
Projects Approved in FY'09 to be Completed in FY'10							
#1 Organization Structure/HR/Compliance/Internal Policies (Natasha)							
#2 Wine (Damo)		4	\$61,303				
#3 Fresh Fruits & Vegetables (Vlado & Lovre)		6	\$30,942				
#4 Processed Vegetables (MAP)		5	\$24,379				
#5 Cross-Cutting Initiatives (Vasko)							
#5.1 Policy and Institutional Reform (Vasko)							
#5.2 Access to Finance (Lovre)							
#5.3 Backward Linkages (Goran)		4	\$6,478				
#5.4 Association Development (Goran)							
#5.5 Food Safety Standards (Vlado)		1	\$2,347				
#5.6 Outreach, Market Information, External Cooperation, M&E and Environment (Nate)							
TOTAL Projects Budget FY'09		20	\$125,449				N/A
ACTIVITIES AND PROJECTS TO BE COMPLETED IN FY'10 AND PLANNED FOR THE FY ' 10							
Area of Focus (AoF)	BUDGET MODEL	Number of Activities	Budget Allocated	Number of Activities	Budget Required	Number of Activities	Budget Required
#1 Organization Structure/HR/Compliance/Internal Policies (Natasha)		none	none	none	none	none	none
#2 Wine (Damo)		15	\$108,002	6	\$41,700	2	\$2,000
#3 Fresh Fruits & Vegetables (Vlado & Lovre)		27	\$164,333	5	\$36,000	3	\$20,000
#4 Processed Vegetables (MAP)		14	\$67,631	3	\$17,000	2	\$7,000
#5 Cross-Cutting Initiatives (Vasko)							
#5.1 Policy and Institutional Reform (Vasko)		5	\$15,960	3	\$23,000	2	\$7,500
#5.2 Access to Finance (Lovre)		6	\$14,420	1	\$1,000	1	\$-
#5.3 Backward Linkages (Goran)		11	\$19,152	2	\$6,000	2	\$6,500
#5.4 Association Development (Goran)		6	\$11,500	3	\$18,500	1	\$8,000
#5.5 Food Safety Standards (Vlado)		8	\$35,525	1	\$10,000	0	\$-
#5.6 Outreach, Market Information, External Cooperation, M&E and Environment (Nate)		14	\$15,400	4	\$2,000	1	\$1,000
TOTAL Cross-Cutting Initiatives		50	\$111,957	14	\$60,500	7	\$23,000
TOTAL Budget Committed in FY'09 and Allocated in FY '10		103	\$451,923	28	\$155,200	14	\$52,000

5.0 ISSUES TO BE RESOLVED

5.1 INTERNAL TO AGBIZ

Resolution of the issues outlined in this section is important to the success of AgBiz, and are to a great extent under the control of AgBiz and/or USAID.

5.1.1 Total Program Funding

This AWP assumes that the \$350,000 in incremental funding first requested in December of 2008 will finally be approved before the end of the second quarter of FY '10. If this does not happen, AgBiz will have to start shutting down operations in the third quarter of FY '10.

AgBiz is a comparatively small project, yet must have the staff needed to meet all of the requirements of a USAID project, e.g., outreach, training, M&E, environment, grants management, technical coordination, accounting, etc. This means a “fixed” cost for minimal operations, and remaining funds are allocated to Projects and Activities to achieve Program results. AgBiz has established a very good performance record and can achieve even greater results with a modest amount of additional funding. The return on resources for this additional investment by USAID would be very good since the current budget is sufficient to cover basic operating (“fixed”) costs. The additional funding would be used almost exclusively to implement a greater number of Activities.

Table 10 below shows the specific Activities that AgBiz should implement in FY '10 under each AoF, but for which we do not have sufficient funds. Some of these Activities are follow-on support to previously supported value chains such as WGP and Apples, and others are activities that should be implemented to optimize the benefits of previous Activities. These needed Activities would require an additional \$155,000 in direct funding. The available Activities budget for FY '08 was around \$406,000 and for FY '09 was around \$354,000. For FY '10, even with the requested additional funding, new Activities money available will be only \$217,000, a \$137,000 or nearly 39% decrease in funding available to implement new Activities in FY '10. This is unfortunate in an environment where agribusinesses are under considerable stress due to the global economic crisis, and Macedonia is preparing for EU accession, which means many enhancements are needed to Macedonian agribusinesses to be able to compete in an era of more open borders.

Agribusiness accounts for at least 13% of Macedonian Gross Domestic Product (GDP) (compared to 13.8% for all other manufacturing), nearly 14% of registered employment, and more than 12% of exports. Therefore, agribusiness is a very important contributor to Macedonian economic growth, and is important to successful EU accession, so it deserves adequate USAID funding.

Also, in the near term environment of a weak global economy, AgBiz will have a much shorter term positive impact than efforts, e.g., to attract foreign investment and develop the workforce, if we are able to implement more Activities. Short to intermediate term economic support is very important to the stability of Macedonia over the next year or so. Because so many Macedonians are directly or indirectly involved in agribusiness, additional financial support from USAID for the work AgBiz does would have a significant shorter term, broad-based benefit.

During the second half of FY 10, AgBiz will develop and present to USAID a proposal for increasing Program funding.

TABLE 10. AoFs' PRIORITY ACTIVITIES, BUT INSUFFICIENT RESOURCES AVAILABLE

FY '10 ACTIVITES

AoF #2 WINE (Damo)

	Activity Description	Person Responsible	Budget Allocated
1	Complete an "Assessment of Successful National Wine Export Promotion Programs & a Concept Proposal for a Sustainable Model for Macedonia"	Damo	\$ 15,000
2	Workshop with Participants in the Wine VC focused on the Identification & Prioritization of Export Competitiveness Related PIR Needs	Damo	\$ 1,000
3	Study Tour to visit successful wine export promotion entities	Damo	\$ 7,000
4	Facilitate wineries to properly prepare, participate in & follow up on Poznan Wine Fair	Damo	\$ 7,000
5	Improve market information access & specific market requirements in target markets	Damo	\$ 1,700
6	Support a group of export oriented wineries to attend advanced wine export marketing training in the EU or US	Damo	\$ 10,000
TOTAL Anticipated Budget for Wine Priority Activities			\$ 41,700
AoF #3 FRESH FRUITS AND VEGETABLES (Lovre and Vlado)			
1	Support a contract farming project for one Fresh Produce customer as a model - CCI with Backward Linkages		\$ 7,000
2	Engage a consulting company to develop a strategy & action plan for increased value adding		\$ 4,000
3	Provide technical assistance via international STTA & support prioritized technical & capacity enhancement needs of fresh produce operators		\$ 15,000
4	PHH Study Tour for pack house & cooler managers to Turkey or Israel		\$ 4,000
5	Support establishing a nursery center for high quality planting material		\$ 6,000
TOTAL Anticipated Budget for Fresh F&V Priority Activities			\$ 36,000
AoF #4 PROCESSED VEGETABLES (MAP)			
1	Support VC participants to participate in regional trade fairs such as Novi Sad, the Gastro Fair in Split, etc.	MAP	\$ 5,000
2	Support organizing a Regional F&V Processors' Conference in Macedonia	MAP	\$ 7,000
3	Support a Study Tour to the Food Processing Equipment Exhibition CIBUS Tech Parma - Cross Cutting with Fresh	MAP	\$ 5,000
TOTAL Anticipated Budget for Processed Vegetables Priority Activities			\$ 17,000
AoF #5 CROSS-CUTTING INITIATIVES			
AoF #5.1 Policy and Institutional Reform (Vasko)			
1	A National Forum on Priority Issues for Developing a Business Environment that Supports the Enhanced Export Competitiveness of Value Added Agriculture-based Products	Vasko	\$ 4,000
2	An Assessment of the Operating Principles of Publically Funded (or co-funded) Export Promotion Programs for Value Added Agricultural Products starting with wine	Vasko	\$ 15,000
3	Establish & facilitate a working group of relevant stakeholders for the identification of relevant PRI issues	Vasko	\$ 4,000
TOTAL Anticipated Budget for PIR Priority Activities			\$ 23,000
AoF #5.2 Access to Finance (Lovre)			
1	Staff participation in financing-related training & seminars	Lovre	\$ 1,000
TOTAL Anticipated Budget for Access to Finance Priority Activities			\$ 1,000
AoF #5.3 Backward Linkages (Goran)			
1	Organize a series of & facilitate contract farming meetings between traders & producers to move positions closer to scientific cost of production calculations	Goran	\$ 6,000
2	Promote Program activities related to VL support through publications in the FFRM magazine	Goran	none
TOTAL Anticipated Budget for Backward Linkages Priority Activities			\$ 6,000
AoF #5.4 Association Development (Goran)			
1	Study Tours for VC Coordinators & association Management Board members to successful associations	Goran	\$ 8,500
2	Shumski Plod Executive	Goran	\$ 4,000
3	Support Shumski Plod to become a sustainable trade association via a Web site for the WGP VC and Shumski Plod	Goran	\$ 6,000
TOTAL Anticipated Budget for Association Development Priority Activities			\$ 18,500
AoF #5.5 Food Safety Standards (Vlado)			
1	Support value adding to bulk WGP products by implementing quality standards & food safety systems	Vlado	\$ 10,000
TOTAL Anticipated Budget for Food Safety Standards Priority Activities			\$ 10,000
AoF #5.6 Outreach, Market Information, External Cooperation, M&E and Environment (Nate)			
1	Media campaign on local/regional level	Nate	\$ 1,000
2	Produce video recordings or pictures presenting Program achievements & posting them on websites	Nate	\$ 1,000
3	Track & record relevant training, conferences, seminars & presentations available in Macedonia & communicate them to VCC & their customers; obtain feedback from customers & VCCs about their level of interest (staff time limitation)	Nate	none
4	Develop & implement a plan for cooperation with other donor projects in the Region	Nate	none
TOTAL Anticipated Budget for Outreach, MI, External Cooperation, M&E and Environment Priority Activities			\$ 2,000
TOTAL ANTICIPATED BUDGET FOR PRIORITY ACTIVITES			\$ 155,200

5.1.2 Efficient and Expedient Support for Local STTA (ELSAs)

The requirements for issuing a grant are very burdensome and time consuming. In early FY '09 AgBiz believed there was an opportunity to quickly develop small (less than \$4,000) technical assistance activities that can be accomplished by local consultants on an at least 50% cost sharing basis with an AgBiz customer. We therefore developed what was supposed to be a simplified and effective mechanism for supporting Short-term Technical Assistance (STTA) delivery, similar to a voucher system, called Expedited Local Short-term Assistance (ELSA). Examples of this type of local STTA Activities include Global Gap implementation and/or certification, Hazard Analyses and Critical Control Points (HACCP) implementation and/or certification, various types of International Organizations for Standardization (ISOs) standards, business and marketing plans, TA in new product development, and adopting new technologies. We developed the ELSA system for this purpose, and solicited applications for ELSA support in January of 2009. Thirty-one (33) ELSA applications were received and 17 were approved with a total projected cost of 115,967 and an AgBiz cost of 51,553 for an AgBiz cost share of 44%.

However, implementation of the ELSA concept has turned out to be very lapsed time and LoE consuming, i.e., the “expedited” part of the name has not materialized. Our ELSA customers are not familiar with USAID-type procurement procedures, including developing an Request for Proposal (RfP) with a Scope of Work (SoW) and soliciting and evaluating multiple bids. Therefore, most of the work of developing and gaining agreement on a SoW, developing and issuing an RfP and, to a lesser extent, evaluating bids had to be done by AgBiz Value Chain Coordinators. This work with successful applicants was a slow process and took many more months and Coordinator LoE than was anticipated. The process became so drawn out that we had to establish an end of FY '09 cutoff date for signing ELSA three party agreements. It was anticipated that all ELSAs would be completed in FY '09, but in fact only two were completed by then and 15 are still in the process of being implemented.

Also, the seven out of 17 ELSAs that involve HACCP and organic implementation require the customer to be certified before we will pay our share of the cost, and some customers may not be able to or may not choose to be certified.

Therefore, we will be carrying into FY '10 14 ELSAs that will require a significant amount of Coordinator time to complete, use more than \$46,000 in Activities funding and some may not be completed. However, those that are not completed will release funds for other late FY '10 Activities.

We do not plan to offer any more ELSAs.

5.1.3 Regional Market Information

Useful marketing information is sorely lacking in Macedonia. As a result, there are weak linkages between production (supply) and markets (demand). Regional markets account for around 75% of Macedonian agribusiness exports. There are several regional market information sources, specifically in Albania, Serbia, Montenegro and Croatia. There are also several EU sources of market information. One of the requirements for EU accession is for a country to have a functioning Agricultural Market Information System (AMIS). Unfortunately, the substantial investment required to develop and implement an AMIS is almost solely for the benefit of EU Headquarters in Brussels.

During FY '09 AgBiz worked with the RCI to determine if other USAID-supported agribusiness projects in the region are interested in cooperating on some type of regional market information system. Getting regional projects to cooperate has proven to be difficult due to their somewhat differing objectives and approaches, and the fact they are managed by competing contractors. However, Regional Competitive Initiative RCI), as stimulated by AgBiz, has done a good job of sharing market information from any one project and readily available sources with all agribusiness projects in the region.

In FY '09 we developed profiles on Croatian markets for fresh vegetables and table grapes and implemented a six months trial Activity with the Federation of Farmers of the Republic of Macedonia (FFRM) to source market information for the Regional Market Information section of their Moja Zemja

magazine. Customers did not express a lot of interest in the Croatia market profiles, and while the impact of an expanded Regional Market Information (RMI) section in Moja Zemja is somewhat difficult to assess, we do believe the RMI section is now much more valuable to readers, we have been able to include a two page article about AgBiz and/or its customers in every issue and agribusiness subscriptions to the magazine have increased significantly, helping the magazine to move toward sustainability.

There are two challenges associated with market information: 1) customers do not place much value on the information if it is not useful to either identify a potential customer or help determine a very current market price, and 2) the availability of low cost and useful market information is limited, and more importantly, it takes considerable LoE to search for, identify, prioritize and translate. This combination makes it difficult to establish a sustainable market information service. The Moja Zemija approach has the best potential for sustainability, and the RMI section will soon include information market information sourced from the Ministry of Agriculture, Forestry and Water Economy's (MAFWE) AMIS unit. However, the annual cost to AgBiz to provide useful regional market information to the RMI is at least \$8,500, an expenditure with no potential for cost sharing, and one that is difficult to directly link to the enhanced export competitiveness of our customers. Therefore, with very limited Activities funding it is difficult to support the RMI, even though we know it is a service that should be valuable to agribusiness exporters.

5.1.4 AgBiz Role in IPARD

IPARD will at some time make €19 million available to Macedonian agribusinesses to help prepare them for European Union (EU) accession. Since these funds must be matched with 50% of the project cost from the recipient, most likely via a loan, the total implied investment is at least €38 million, or more than US\$52 million. While the timing of IPARD funds availability is becoming clearer, and is anticipated to be late calendar 2009 or early 2010, the amount of emphasis AgBiz should place on informing customers about IPARD funds and helping them to apply for IPARD support is difficult to determine. Our current position is mostly stay informed about the specifics of an IPARD application for funding and monitor the Payment Agency and Other Donors IPARD support activities. If others do not provide significant support for training consultants to help agribusiness customers apply for IPARD support, we will develop and support IPARD training for consultants. Also, we will assess the level of consultant and customer commitment to a study tour to Croatia, Bulgaria and/or Romania to evaluate their experience with the Special Accession Program for Agricultural and Rural Development (SAPARD) (very similar to IPARD) and learn how to avoid the mistakes they made and utilize what practices they found to be most effective. A budget for such an Activity is included in the Access to Finance AoF as IPARD training for customers and consultants. Our access to finance assistance will be important as related to IPARD, since the recipient must first get a loan for the entire value of their project, then later receive the 50% IPARD (75% from the EU and 25% from the GoM) support.

5.1.5 How to Effectively Implement Policy and Institutional Reforms

In FY '10 we will be enhancing utilization of our policy and institutional reform (PIR) identification and prioritization approach. We will also work with BEA and other projects to analyze how to successfully achieve high priority PIRs. Normally, PIR advocacy work would be accomplished by active trade associations. Unfortunately, only one proven-viable trade association exists that we can work with to advocate for PIRs.

One of the main roles of a trade association is PIR advocacy. So AgBiz identifying high priority policy and institutional reforms, assessing how they might be accomplished in cooperation with other USAID projects, and then working with current or potential trade association members to help achieve the reforms could help stimulate the further development of nascent trade associations. However, we are faced with somewhat of a "chicken and egg" situation in that without a viable trade association policy and institutional reform advocacy is difficult, but first potentially viable trade associations have to be formed or strengthened. Good PIR work should help trade associations to develop.

5.2 EXTERNAL INFLUENCES ON AGBIZ PROGRAM IMPLEMENTATION

The following issues have a significant impact on the competitiveness of Macedonian agribusiness exports, but there are limited actions that AgBiz can take in the near future that will have a significant shorter term, wide, and positive impact on these issues.

5.2.1 Holding Current Positions in ex-Yugoslavia Markets while Entering New, Developed Markets

As previously noted, Macedonian companies in the fresh vegetables and table grapes value chains sell the vast majority of their output to Balkan markets, especially Serbia and Croatia. Competitors from more developed countries are marketing better quality products with better packaging to these markets and putting Macedonian exporters under pressure. Macedonian exporters are also not well prepared and therefore not well represented in the major retail chains and tend to sell to wholesale markets rather than directly to supermarket chains. A similar situation exists with bottled wine value chain participants, and in this case Balkan produced wines are important competitors.

The challenge for Macedonian exporters of table grapes, fresh vegetables, and bottled wines is how to keep their current business in Balkan markets by fighting off new competitors through product and packaging improvements; and at the same time develop competitive presentations for the more developed markets, especially in the current very difficult economic conditions.

AgBiz assistance is helping firms improve their post-harvest cooling and packaging facilities; and Activities that support trade shows, study tours, and training are helping our customers better understand and start to sell in the more developed markets. However, many Macedonian agribusinesses need to more aggressively enhance their competitiveness, especially their marketing skills, to be able to increase their exports in the current environment.

5.2.2 Delivering Sufficient Quantities and Quality Products to Developed Export Markets

When exporters are successful at attracting the interest of buyers in developed markets, it is common for the potential buyer to want to order more product, or a wider variety of products, than a single Macedonian exporter can supply. It is very unusual for processors or marketers to consolidate their output to be able to fulfill a large order. This has to do with quality control, pricing, liability, sharing market information, etc. This is a very difficult issue to overcome, and will continue to limit Macedonian agriculture-based exports. AgBiz efforts to expose customers to foreign buyers as a group and our work to link sellers into associations that can more effectively cooperate will help to begin to resolve this issue, but progress will be slow.

5.2.3 Quality of Available Planting Material

The starting point for good finished raw materials is high quality and healthy seedlings. Currently too many producers grow their own seedlings using seeds of low genetic quality; they also do not start them properly. A significant need in order to improve the quality of agricultural raw materials and the yields of production agriculture is high quality seedlings/planting material; this requires modern technology, facilities and know how. The issue here is who will take the lead to develop a commercial greenhouse business that produces planting seedlings. Both processors and marketers need better quality raw materials, but see planting material greenhouses as a different business and no one of them require enough seedlings to make such a business viable. Current greenhouse owners are using their houses to grow early season vegetables, so do not want to convert them to seedling production. Producers are not sufficiently organized, nor do they have the technical or management skills to work together to develop such greenhouses. AgBiz will continue to look for potential investors in seedling greenhouses, including

foreign firms. We will discuss this possibility with USAID's Macedonia Competitiveness Project (MCP), and cooperate with them if and when a potential investor can be identified.

5.2.4 Average Size Land Holding and Plot

The biggest constraint to the rapid growth and enhanced competitiveness of the Macedonian agriculture/agribusiness sector is the average size of a producer's holding and the number of plots that holding is broken up into. Small plots result in inefficient production, and small holdings mean that it is almost impossible for a producer to earn a decent living off of his small quantity of land. This forces him into a low input/low output and risk aversion/crop diversification mode. Inheritance practices cause further reductions in land holding and plot size. There is very little that AgBiz can do to address this issue since any solution would need to be developed and implemented over the long term, and the earliest impact would be felt well beyond the term of the Program. AgBiz partially addresses this issue by supporting processors and marketers that have backward linkages with larger producers by providing them with inputs, private extension services, and market information. The success of producers working with the customers we support will serve as a model to encourage other producers to increase the scale of their operations via leasing or other means.

5.2.5 Avoiding a Major Impact from the Global Economic Downturn

World financial markets are in a longer term slump, and this will cause consumers to become more value conscious. This may also put pressure on organic and other types of more expensive food products. The impact on Macedonian agribusiness exports of this increased consumer focus on value could be either positive or negative: negative due to lowered total spending in developed EU markets, but positive if Macedonian exporters can determine a way to produce and market their products very economically. Fancy packaging and long haul supply lines that use a lot of expensive energy will result in expensive products on grocers' shelves. Macedonian firms need to evaluate how they can increase the competitiveness of their products without significant increases in costs. This will likely mean close attention to on time and correct quality raw materials purchasing, product quality preservation/loss reduction, simple but effective packaging, and volume shipping to nearby markets. Assuming the current decline in economic activity continues into the near future, AgBiz will look closely at helping our customers market good value, good quality products, and minimize emphasis on value added presentations that become increasingly less acceptable to consumers.

5.2.6 Policy Reforms Needed for Effective and Efficient Program Implementation and Enhanced Results, and Reform Recommendations

Develop and implement a well coordinated MoE and MAFWE approach to competitiveness enhancement of agriculture and agribusiness products

Responsibility for developing and implementing export competitiveness enhancement support programs and general business environment enhancement for participants in agriculture and agribusiness is split between the Ministry for Economy (MoE) and MAFWE. While production agriculture is under the auspices of MAFWE, food processing industry promotion and competitiveness enhancement is the responsibility of the MoE. Lack of close coordination between these policy making institutions reduces the effectiveness of the overall support provided by the GoM and the donor community. For example, some of the time AgBiz goes to MAFWE for a partnership in organizing trade fairs and occasionally study tours, and some of the time to MoE. AgBiz is pursuing a full value chain competitiveness enhancement approach, but MAFWE seems to be almost exclusively interested in production agriculture.

Recommendation: Better coordination approach by the Ministry of Economy (MoE) and MAFWE in competitiveness enhancement of Macedonian agriculture and agribusiness. In reality, structural changes to MAFWE are needed. Include processing and marketing sectors in MAFWE and transform it into the Ministry of Agriculture, Food and Consumer Protection to strengthen the entire Macedonian agribusiness sector.

Improve controls over seasonal traders who do not follow the requirement to pay farmers via their bank accounts, but buy for cash

Seasonal traders who buy for cash, especially as related to the purchase of peppers for processing, put domestic vegetable processing companies at a disadvantage because farmers would rather not have their sales proceeds deposited in their bank account due to income tax implications. This means that seasonal cash buyers are able to illegally acquire a significant portion of the domestic pepper crop and cause domestic processing companies to be short of raw material. Improved control of export documentation by Customs is also needed to reduce significant undervaluation of exports.

Recommendation: Cause police to control seasonal traders that pay in cash. Offer a greater subsidy to producers who sell to domestic processors and marketers, or distribute all subsidies for fresh produce through permanent domestic traders/processors.

Establish a well coordinated export promotion entity as a public private partnership, starting with bottled wine

Although export subsidies for agricultural and food products are not allowed by World Trade Organization (WTO) rules, alternative types of support need to be considered. Government support to marketing and promotional activities of domestic producers and exporters is allowed and limitless. These activities, if carefully plan and implemented, could significantly enhance the export success of agribusiness processing and marketing companies. Currently there is no government agency specialized in export promotion of Macedonian agribusiness products. Experience from EU and other countries, e.g., SOPEXA from France, Food from Britain from the United Kingdom (UK), CMA from Germany and AMC from Hungary, verifies that there is a need for a fully functional national agency responsible for the development and implementation of export promotion activities in close cooperation with the private sector.

Wine exports are at least \$57 million and are in danger of decreasing unless awareness of Macedonian bottled wine is enhanced and a shift from 85% bulk to a significantly larger share of bottled wine takes place. Bottled wine has a much higher return per liter and uses significantly more local labor. Macedonian wine is not well known in markets outside the Balkans and needs an export promotion entity to compete with other countries origin promotion entities. This entity needs to be a public private partnership to make sure promotional activities are commercially grounded and that the entity can become self sustaining in the intermediate to long term. MAFWE is not the best home for such an entity since they are overly produce oriented. The entity should be positioned under the Deputy Prime Minister (DPM) but the Board should include representatives from both MAEWE and the Ministry of Economy. Initially the Board should be chaired by the DPM, and be composed of an equal number of public and private sector members. Funding should be predominately public at the beginning, but a plan should be implemented for funding to shift over to majority private support sector based on a set aside from export sales.

Recommendation: Conduct a feasibility and structure recommendation assessment of a private public partnership export promotion entity, starting with bottled wine. One aspect would be an assessment of how other wine exporting countries promote and support their bottled wine exports.

Enhance the MAFWE direct subsidy scheme

To overcome the frequent shortages of raw materials (fresh agricultural products) needed for export-focused processing and marketing activities, changes should be initiated in the program for direct support to agricultural production.

Recommendation: Fruit and vegetable producers that deliver their produce to export-focused processors and marketers should be subsidized by 2 denars/kg., the same as wine grape growers that sell their grapes to local wineries. This measure will encourage primary producers to increase their cooperation with domestic export-focused processors and marketers, and will minimize the outflows of zero value added fresh produce from the country (often paid for via illegal cash transactions), thus allowing processing and pack house capacity utilization to increase and improve processors and marketers ability for fill orders.

Establish a single, fully competent food safety assurance authority

Achieving high food safety standards is a major prerequisite for the competitiveness Macedonian food exporters. There is no single, independent and fully competent food safety assurance authority in Macedonia. The present split of authority between the Ministry of Health (Food Directorate) and MAFWE (Veterinary Service) reduces the ability of the GoM to establish clear systems and functionalities in food safety assurance and control. It is also the case that responsibility for laboratory testing is spread among several different agencies and some tests required by importers cannot be performed in Macedonia.

Recommendation: Accelerate the process of coordination, organizational strengthening and functional consistency of food safety assurance authorities. (And no further delays should be approved regarding the time when all companies handling food must be implementing HACCP.)

6.0 FY '10 BUDGET

Table 11 shows the projected FY '10 AgBiz budget, assuming incremental funding of at least \$350,000 is received from USAID before the end of the second fiscal quarter. As can be seen in this table, budget expenditures in FY '10 are projected to be similar to FY '09 - .

Also, it is important to note that by the end of FY '10 the Program term as currently contracted will be 88.5% complete, but more than 94% of the budget will have been expended. Therefore, unless the total budget is increased, activities will need to be significantly curtailed in the last few months of the Program.

This FY '10 Annual Work Plan and the FY '10 budget shown below are based on the assumptions that a) the additional \$350,000 in Program funding requested in December of 2008 and approved by USAID / Macedonia in January of 2009 will be provided to AgBiz and b) USAID approves a Budget mod to reallocate total available funds into different budget line items based on experience to date and the budget utilization required to implement this Plan. Without the additional \$350,000 in funding the Program will need to start shutting down in mid-calendar 2010.

TABLE 11. FY'10 AGBIZ BUDGET

Project Name	Macedonia AgBiz					
Contractor	ARD, Inc.					
Prime Contract Reference	IQC No. EDH-I-00-05-00006-00, T.O. No. 3					
Date	September 30, 2009					
Time Spent	100%	13.5%	25%	25%	25%	11.5%
Time months	48	6.5	12	12	12	5.5
Budget Spent	100%	9%	36%	25%	24%	6%
Average Monthly Burn Rate	\$121,874	\$84,377	\$176,060	\$120,372	\$116,895	\$62,108
Budget Category	Total	Year 1	Year 2	Year 3	Year 4	Year 5
		3/19/07 - 9/30/07	10/1/07 - 9/30/08	10/1/08 - 9/30/09	10/1/09 - 9/30/10	10/1/10 - 3/18/11
LABOR	\$1,378,211	\$161,852	\$471,391	\$345,350	\$296,515	\$103,102
FRINGE	\$561,913	\$59,389	\$178,849	\$137,919	\$130,243	\$55,513
OVERHEAD	\$393,123	\$58,239	\$121,297	\$96,609	\$88,216	\$28,762
TRAVEL, TRANSPORTATION & PER DIEM	\$159,961	\$34,436	\$58,417	\$33,690	\$21,600	\$11,818
ALLOWANCES	\$307,249	\$68,515	\$143,890	\$61,651	\$33,193	\$0
EQUIPMENT	\$61,402	\$18,327	\$29,170	\$9,905	\$4,000	\$0
OTHER DIRECT COSTS	\$306,739	\$42,297	\$133,161	\$15,155	\$74,007	\$42,119
ACTIVITY COSTS	\$1,027,980	\$4,316	\$405,847	\$247,324	\$337,725	\$32,768
SUBCONTRACTS	\$383,444	\$30,009	\$180,982	\$63,845	\$91,686	\$16,922
GRANTS	\$479,000	\$0	\$104,513	\$252,988	\$121,499	\$0
INDIRECT COSTS (G&A/MHO)	\$550,319	\$56,657	\$198,668	\$120,875	\$135,610	\$38,510
SUB-TOTAL	\$5,609,340	\$534,037	\$2,026,185	\$1,385,311	\$1,334,294	\$329,512
FEE	\$240,620	\$14,411	\$86,531	\$59,153	\$68,447	\$12,079
TOTAL	\$5,849,960	\$548,448	\$2,112,717	\$1,444,464	\$1,402,740	\$341,591

7.0 FY '10 AND LOP INDICATORS PROJECTION

Table 12 below shows the indicator projections for FY '10 and Life of Program (LoP).

For some indicators the data presented are for the reporting period (FY or quarter) only, e.g., the period data for indicators 2.1, 2.3, 2.4, and 3.1 and 3.2 represent the number of POs, agribusinesses and trade associations receiving assistance and individuals receiving training during the period being reported. These are additional POs, trade associations, agribusinesses versus previous reporting periods. The MIS does not count the same PO, trade association or agribusiness twice, but it is not able to omit duplicate trainees. So these quarterly indicators can be accumulated for FY or LoP totals.

As previously mentioned indicators 1.1 through 1.10 and 2.2 require comparable period data in order to be calculated. The first time we were able to calculate any increase data from grantees, the only source for these indicators, was for the fourth fiscal quarter of 2009, but even then we had data for only the first nine grantees, and for quarter to quarter comparisons only. We did not report these data since they were considered to be partial. The first time we will be able to report quantity and percentage increase data for the grantee-sourced indicators will be in early (February/March) 2010.

LoP projections for grantee derived indicators (1.1- through 1.10 and 2.2) were done at two different times. The first set of projections was made based on the results of the assessments completed by consultants when the 20 originally selected companies were applying for a grant. These projections were very optimistic due to the applicants wanting to show good potential - to increase their chances of being awarded a grant. Such projections were reported in our early communications to USAID, and included Ohrid Winery. After having worked with the grantees for a while we discovered the overly optimistic projections, and asked grantees to redo their indicator projections. At that time we also decided that Ohrid Winery would not be able to implement the project they proposed to us and dropped them from the indicator data, but we had not yet signed the Agrolozar/Dalvina grant, so Dalvina indicator projections were not yet available. This reassessment resulted in downward adjustments to grantee-derived indicator projections 1.1 and 1.7, i.e., the revised projections decreased the optimism of the grantees and reduced the number of grantees covered from 20 to 19.

TABLE 12. FY '10 AND LOP PROJECTIONS

INDICATORS	Fiscal Year 2010 Projection	LoP Projection
1. Increased Production and Marketing		
1.1. Increased value (in 000 Euros) of purchases of raw materials made from small holder producers	3,676.0	10,266.6
1.2 Percentage increase in the value of purchases of raw materials made from small holders producers	25%	29%
1.3. Increased value (in 000 Euros) of sales into national market by customers	1,375.7	2,909.5
1.4 Percentage increase of sales into national market	26%	20%
1.5. Increased value (in 000 Euros) of intra-regional exports by customers	4,307.4	10,276.6
1.6 Percentage increase of intra-regional exports by customers	29%	27%
1.7. Increased value (in 000 Euros) of international exports	2,614.9	9,605.68
1.8 Percentage increase of international exports by customers	18%	32%
1.9 Increased value (in 000 Euros) of total sales by assisted customers	8,298.07	22,791.82
1.10 Percentage increase of (over previous year) of total sales	24%	27%
1.11 Value of new orders (in 000 Euros) from Trade Fairs, B2B, and Fast Track (FT) Projects	700,000	6,600
1.12 Number of new customers from Trade Fairs, B2B, and FT Projects	24	250
2. Increased Coverage of AgBiz Customers		
2.1. Number of Producer Organizations receiving assistance	5	28
2.2 Number of rural households directly benefiting from interventions	777	8,000
2.3 Number of Agriculture-related Firms receiving assistance	76	243
2.4 Number of Trade and Business Associations receiving assistance	4	7
3. Building Human Capacity		
3.1 Number of male individuals who have received short-term agriculture or agribusiness productivity enhancement training	93	829
3.1 Number of female individuals who have received short-term agriculture or agribusiness productivity enhancement training	47	258
4. Value of Investment Stimulated		
4.1 Value of customer investment stimulated (000 US\$)	\$2,213.5	\$8,347.5
4.2 Value of third party domestic investment stimulated (000 US\$)	0	0
4.3 Value of total domestic investment stimulated (000 US \$)	\$2,213.5	\$8,347.5
4.4 Value of Foreign Direct Investment stimulated (000 US\$)	0	0
4.5 Leveraging Achieved by AgBiz (%)	36%	32%
5. Increased Access to Finance		
5.1. Value of customer financing identified (potential loans) (000 US\$)	\$610	\$7,057
5.2. Number of customers provided access to finance assistance	11	40
7. Increased Employment		
7.1 Number of equivalent male jobs created by supported customers	135	642
7.2 Number of equivalent female jobs created by supported customers	46	483
7.3 Percentage increase in full time equivalent (FTE) jobs by supported customers	13.5%	64.6%
8. Policy and Institutional Reform		
8.1 Policy and Institutional Constraints Identified	7	20
9. Outreach		
9.1 Number of produced success stories	13	42
9.2 Number of media exposures (TV, Radio & Newspapers)	34	121

FY '10 Projections

Indicator 2.3 Number of (additional) Agriculture-related firms receiving assistance – lowered from 180 to 76; 180 was not a realistic projection for additional agribusiness customers; and

Indicator 2.4 Number of (additional) Trade and Business Associations and indicator 2.1 Number of POs receiving assistance – 2.4 lowered from eight to four and 2.1 raised from four to five. Eight Trade Associations is not a realistic projection for additional trade association customers given the very small number of existing trade associations and the time it takes to develop new ones, and we have identified one additional PO we can support during FY '10.

LoP Projections

Indicator 2.2 Number of rural households benefiting from interventions – raise from 3,279 to 8,000; initial indications are that the LoP to date number is 5,567 households, so the LoP total should be increased;

Indicator 2.3 Number of (additional) Agriculture-related firms receiving assistance – increase from 180 to 244; LoP to date number of agribusinesses receiving assistance is already 168 - plus 76 new firms in FY '10 equals 244; and

Indicator 2.4 Number of (additional) Trade and Business Associations – lower from eight to seven based on LoP to date serving three associations plus the FY '10 projection noted above of four additional associations.

As previously noted, we will be adjusting the indicators, especially those in Section 1. Increased Production and Marketing, late in the second quarter of FY '10, after 2009 calendar year data become available from grantees. These adjustments will take into account the impact of the global financial crisis on our grantees businesses. This reassessment will enable us to report and project more realistic indicators.

8.0 ONGOING PLANS

The following are AgBiz key ongoing plans for FY '10.

8.1 PROGRAM DEVELOPMENT ACTIVITIES

The following chart shows key ongoing Program Development activities and the expected result.

Activity	Expected Result
Staff Evaluations	Staff evaluations and salary adjustments due are completed
Success Stories	Monthly stories developed and published
Facilitate Mission Director visits to customers	Demonstrate effectiveness of USAID assistance provided through the AgBiz Program
M&E Data Input	All data input current, including history
M&E Information Technology (IT) System	System fully functional
Incremental Funding	Incremental Funding Approved by 1 March
Revised Budget	Mod to reallocate budget approved by 1 March
PMP	Revised PMP Approved by USAID by mid-March

8.2 VALUE CHAIN COMPETITIVENESS ENHANCEMENT ACTIVITIES

The following chart shows key ongoing Value Chain Competitiveness Enhancement activities planned for FY '10 and the expected result.

Activity	Expected Result
Effectively implement the Activities development and implementation process; utilize Activities checklists to monitor the process and progress	Effective and in compliance VC competitiveness enhancement activities identification, prioritization, development, and implementation system in use
Develop, review and make decisions on value chain enhancement Activities as planned or close to plan	Effectively expedite the development, approval, and implementation of Activities
ELSAs	All ELSAs completed or cancelled

8.3 PROJECT IMPLEMENTATION

The following chart shows key ongoing Project implementation work and the expected results.

Project	Expected Result
Grant-related Procurement Procedures	Staff and grantees properly utilizing checklists
Quarterly Reports	Quarterly report received and information entered in MIS/M&E system
FY '10 and LoP indicators	Projections secured from 20 grantees and information entered into the Management Information System (MIS)/M&E system
Environment Due Diligence (EDD)/Pollution Prevention Assessment (PPA) Mitigation Measures Compliance Monitoring	Mitigation measures implemented by grantees as schedule
Grant Expenditures	Reimbursement and Direct Procurement proceeds smoothly, in compliance and as projected
Project Implementation Monitoring & Support	Project Coordinators (PCs) closely monitor Project implementation to help keep them on schedule and achieve projected results
Grants Close Out	19 grants successfully closed out

U.S. Agency for International Development
Macedonia
Samoilova, 21
1000 Skopje, Macedonia
Tel: (+389 2) 310-2000; Fax: (+389 2) 310-2463
<http://macedonia.usaid.gov>