



USAID | **MACEDONIA**
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AGBIZ PROGRAM

(Macedonia Agribusiness Activity)

FINAL REPORT

JUNE 2013

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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.

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ACRONYMS AND ABBREVIATIONS

AD	Activity Description
AH&SP	Asbestos Health and Safety Plan
AFSARD	Agency for Financial Support of the Agriculture and the Rural Development
AgBiz	Macedonia Agribusiness Activity
AIDAR	USAID Acquisition Regulation
AO	Assistance Objective
AtF	Access to Finance
B2B	Business to Business
BEO	Bureau Environmental Officer
BiH	Bosnia and Herzegovina
BSP	Business Service Provider
CAP	Common Agricultural Policy
CBI	Dutch Centre for the Promotion of Imports from Developing Countries
CeProSARD	Center for Promotion of Sustainable Agriculture and Rural Development
CFR	Code of Federal Regulations
CIPOZ	Center for Applied Research and Permanent Education in Agriculture
CoP	Chief of Party
COR	Contracting Officer's Representative
COTR	Contracting Officer's Technical Representative
CPA	Cleaner Production Assessments
CRM	Customer Relationship Management
CY	Calendar Year
DCA	Development Credit Authority
DOC	Development Outreach and Communication
E&E	Europe & Eurasia
EC	European Commission
EDD	Environment Due Diligence
EG	Economic Growth
ELSA	Expedited Local Short-term Technical Assistance
EU	European Union
EUR	Euros
EPICentar	Economy, Planning, Innovation Centar
EPA	Environmental Protection Agency
F&V	Fruits and Vegetables
FACE	Foundation Agro-Center for Education
FAO	Food and Agriculture Organization

FAR	Federal Acquisition Regulations
FDI	Foreign Direct Investment
FF	Financial Facilitators
FF&V	Fresh Fruits and Vegetables
FFRM	Federation of Farmers of the Republic of Macedonia
FG	Focus Group
FTE	Full-Time Equivalent
FY	Fiscal Year
GAP	Good Agricultural Practice
GDP	Gross Domestic Product
GLOBALG.A.P.	GLOBAL Good Agricultural Practice
GoM	Government of Macedonia
HACCP	Hazard Analyses and Critical Control Points
hl	hectoliters
HORECA	Hotel, Restaurant and Catering
HR	Human Resources
IDEAS	Investment Development and Export Advancement Support/USAID funded
IEE	Initial Environmental Evaluation
IFAD	International Fund for Agricultural Development
IFS	International Food Standards
IM	Invest Macedonia (Agency for Foreign Investment and Export Promotion of the Republic of Macedonia)
IPA	Instrument for Pre-Accession
IPARD	Instrument for Pre-Accession Assistance for Rural Development
IPM	Integrated Pest Management
IR	Intermediate Result
ISA	Insurance Supervision Agency
ISC	Integrated Supply Chain
ISO	International Organization for Standardization
IT	Information Technology
LA	Lead Actor
LF	Lead Facilitator
LoP	Life of Program
LPIS	Land Parcel Identification System
M&E	Monitoring and Evaluation
MAASP	Macedonian Agricultural Advisory Support Programme
MAEA	Macedonia Agro Exporters Association
MAFWE	Ministry of Agriculture, Forestry and Water Economy
MAP	Macedonian Association of Processors
MASIT	Macedonian Chamber of Information and Communication Technologies
MBDP	Macedonian Bank for Development Promotion
MAC	Macedonia Competitiveness Activity (USAID)
MCG	Macedonian Consulting Group

MEO	Mission Environmental Officer
MEPP	Ministry for Environment and Physical Planning
MoE	Ministry of Economy
MoU	Memorandum of Understanding
MP	Monitoring Plan
MSME	Micro, Small and Medium-sized Enterprises
MTV	National Public TV station
N/A	Not Applicable
NCPC	National Cleaner Production Centre
NEA	National Extension Agency
NGO	Non-Governmental Organization
NSARD	National Strategy for Agriculture and Rural Development
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PDO	Protected Designation Origin
PF&V	Processed Fruits and Vegetables
PG	Producer Group
PGI	Protected Geographic Indication
PHH	Post-Harvest Handling
PIRN	Policy and Institutional Reform Need
PO	Producer Organization
PPA	Pollution Prevention Assessment
PPD	Public Private Dialogue
PSO	Pursuing New Opportunities Netherlands and Macedonia (PSO project)
PV	Processed Vegetables
RCI	Regional Competitiveness Initiative
RDN	Rural Development Network
RfP	Request for Proposal
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEMP	Sector Export Marketing Plan
SDC	Swiss Development Cooperation
S-FARM	Support to Farmers Associations in the Republic of Macedonia
SIPPO	Swiss Import Promotion Programme
SIDA	Swedish International Development Cooperation Agency
SME	Small and Medium Enterprise
SNV	Netherlands Development Organization
SOF	Special Opportunity Fund
SoW	Statement of Work
SSG	Sub-sector Standing Group
STA/M	Senior Technical Advisor/Manager
STTA	Short-Term Technical Assistance
TIDZ	Technological Industrial Development Zones
ToR	Terms of Reference
ULO	Ultra-Low Oxygen

UNDP	United Nations Development Programme
US	United States
USAID	United States Agency for International Development
USG	United States Government
VC	Value Chain
VCLF	Value Chain Lead Facilitator
WGP	Wild Gathered Products
WTO	World Trade Organization
WoM	Wines of Macedonia

DEFINITIONS

Each of the following sections defines key terms used in this report.

Activity – An event or action designed to help achieve one or more AgBiz Extension objectives. A value chain competitiveness enhancement event that is designed for multiple customers in one or more value chains, and includes trade fairs, study tours, human capacity enhancement/training, value chain profiles, assessments, policy reform evaluations, and business to business (B2B) meetings. AgBiz usually supports activities by direct payments to service providers.

Project – A set of business expansion interventions designed by AgBiz to increase the competitiveness and export sales of the customer and jointly funded by a single customer. Typical project expenditures are to construct new facilities or buy new equipment; to design new packaging or brochures; to enter a new market via paying for slotting allowances, in-store demonstrations, or advertising/promotion programs; or to provide technical assistance. AgBiz contributions to a project are supplied via a grant

AgBiz Extension – The two-year, \$2.44 million extension of United States Agency for International Development (USAID)/Macedonia's AgBiz Program.

Business Services Provider (BSP) – An entity that provides business-related services to agribusinesses, most often a private sector firm such as a consulting company or an individual consultant. In some cases, public sector entities can be BSPs if the services they provide are for commercial business development purposes.

Embedded Services – 1) Additional inputs or services provided by a vendor in addition to the main items or services the vendor is selling that help the vendor to make the sale and provide the buyer with added value. 2) Inputs or services provided by a raw materials buyer to increase the quality, lower the cost, or improve delivery timing of the raw materials the buyer is purchasing from a grower. This second type of embedded service is often included in formal or informal production/delivery contracts wherein the buyer will deduct most of the buyer's out-of-pocket costs advanced to the grower from the price of the raw materials the buyer purchases.

Fresh Fruits and Vegetables (FF&V) – One of the two value chains to be supported by AgBiz.

Integrated Supply Chain (ISC) – A sustainably linked, market-focused, and effectively integrated set of participants who provide inputs or services to a single final seller (or coordinated group of final sellers) who work together to enhance the competitiveness of the end products sold by the last links in the supply chain. A supply chain is composed of participants of an ongoing set of vertical linkages that is much smaller and has fewer participants than a value chain.

Invest Macedonia (IM) – The newly formed Macedonian export promotion department of the Agency for Foreign Investment and Export Promotion.

Lead Actor (LA) – A private sector legal entity that plays a major role in the implementation of an integrated supply chain competitiveness enhancement plan (i.e., set of AgBiz-supported activities). LAs are often consolidators, packers, or processors, but can also be input suppliers, financial entities, or occasionally a trade association.

Lead Facilitator (LF) – A firm (most often a BSP) that takes majority responsibility for the planning and implementation of a significant part of an AgBiz component. An LF will be a subproject manager and will need to comply with all relevant United States Government (USG), USAID, and Tetra Tech ARD regulations.

Package – A set of activities designed by an LF, with input from key LAs, to enhance the competitiveness of a specific value chain.

Partner – An entity with whom AgBiz will work to achieve the objectives of the extension. In this context, *partner* is a generic term.

Processed Vegetables (PV) – One of the two value chains to be supported by AgBiz.

Public Private Dialogue – Effective discussions between public and private sector entities that has the goal of achieving a better understanding and consensus on issues that involve both parties—usually policy and public institution reforms.

Value Chain (VC) – The firms and individuals participating in related value-adding activities that convert inputs and services supply into outputs for a given set of commodities and products. Most USAID-related value chain development work stops at the importer or wholesale buyer, but includes inputs and services suppliers.

EXECUTIVE SUMMARY

Agriculture and food processing are important sectors of Macedonia's economy. They hold great potential for both export expansion through establishment of regional and European Union (EU) trade linkages, and for significant benefits to the economy as a whole. Approximately 19% of the Macedonian workforce is involved in agriculture and agribusiness, which account for nearly 10% of the Gross Domestic Product (GDP) and almost €469 million in exports. The export success of Macedonian agribusiness is therefore vital to improved livelihoods for a large portion of the Macedonia population. Past growth of the sectors has been inhibited by limited domestic production of internationally competitive, higher value-added products that are marketable outside of Macedonia, limited exposure of Macedonian food producers and processors to international markets, and products that have intrinsic export potential but do not meet international standards.

The United States Agency for International Development (USAID) supports economic growth in Macedonia through programs that strengthen and improve competitiveness of Macedonian businesses, improve the business environment, and encourage local economic development. In 2007, USAID/Macedonia awarded Tetra Tech ARD the RAISE Plus task order for the Macedonia Agribusiness Activity (AgBiz). AgBiz focused on enabling agribusinesses to identify, understand, and enter export markets for value added food products; enhancing market linkages between producers, processors, and traders; improving business management and operations throughout agribusiness value chains; producing greater incomes for agricultural producers and processors, and creating new employment opportunities.

AgBiz played a major role in supporting the USAID's Strategic Objective 1.3: Accelerated Development and Growth of the Private Sector, and contributed to Intermediate Result (IR) 1.3.2: Private Sector Firms Become More Competitive. An important objective of AgBiz was to draw upon prior USAID work in private sector competitiveness and agricultural sector productivity enhancement by utilizing lessons learned from those activities, and continuing to build upon their successes in a manner consistent with AgBiz' objectives.

Tetra Tech ARD successfully implemented USAID's AgBiz Program in Macedonia for more than six years. Phase one extended from March 18, 2007 until June 2011. In June 2011, due to highly satisfactory implementation and the outstanding results achieved over the course of the prior four years, USAID awarded Tetra Tech ARD a two-year AgBiz Extension (Phase II) based on a revised Scope of Work. The resulting two-year cost extension established a new Program end date of June 18, 2013.

AgBiz successfully implemented 20 Business Expansion Projects that significantly contributed to increased producer, processor and agribusiness competitiveness and capacity to meet export market demand for value-added, agriculture-based products. The Program contributed less than \$470,000 to business expansion projects, while customers contributed \$7,931,943, for an excellent USAID/AgBiz resource leveraging of 1:16.8. For smaller projects that included only short-term technical assistance (STTA) intervention, AgBiz utilized Expedited Local Short-term Technical Assistance (ELSA) to support the provision of technical assistance by Macedonian consultants and consulting firms to Macedonian agribusinesses on at least a 50% cost sharing basis with AgBiz customers.

Other types of support were provided through numerous activities targeting multiple value chain customers. These included technical assistance and training conducted by local or international experts, marketing activities (exhibition at trade fairs, Business to Business [B2B] meetings, promotional events), workshops and conferences, value chain profiles, assessments, surveys and other activities. These Activities had a total cost of almost US\$5 million to which AgBiz contributed 39.4%. Participants gave these Activities an average level of satisfaction score of 4.8 out of 5.0.

Under AgBiz Phase II, in line with USAID's FORWARD concept, Activities implemented were almost exclusively carried out by Lead Facilitators (local subcontractors responsible for large components of the project) and other local Business Service Providers. In October 2011, annual contracts to implement

component activities under the guidance of AgBiz staff were signed with four Lead Facilitators (LFs): Economy, Planning, Innovation Center (EPI Center) for Fresh Fruits and Vegetables (FF&V) Value Chain (VC) and Macedonian Consulting Group (MCG) for PV VC, to implement activities to enhance productivity and competitiveness of integrated supply chains and to increase domestic and export sales; Center for Promotion of Sustainable Agriculture and Rural Development (CeProSARD) to stimulate public-private dialogue and build organizational capacity to advocate for needed reforms; and with Innovation Center to enhance access to finance. In addition, a Memorandum of Understanding (MoU) was signed with the Ministry of Agriculture, Forestry and Water Economy (MAFWE) to support activities under a Special Opportunity Fund (SOF) designed to support the MAFWE in strategic planning and policy making. AgBiz also signed a subcontract with Macedonia Export LF on Developing Sector Export Marketing Plans for both the fresh and processed fruits and vegetables value chains. Based on the successful and effective implementation of their first year contracts, AgBiz extended the subcontracts with Lead Facilitators through the end of AgBiz Program implementation.

Under AgBiz Phase II, the Program supported achievement of the Mission's Economic Growth Assistance Objective (AO) 3: Increasing Job Creating Private Sector Growth in Targeted Sectors and the Intermediate Results 3.1: Improved Business Environment in Critical Areas and 3.2: Key Private Sector Capacities Strengthened. By developing effective support systems for both producers and processors/marketers and by strengthening the linkages among these actors, AgBiz enabled Macedonian agribusinesses to locate and respond to market demand. Market linkages achieved by AgBiz effectively reduced transaction costs and increased producers' and processors' capacity to understand and meet customer demand.

Over the course of the AgBiz Program, the value of purchased raw materials from smallholder producers increased by US\$9 million, the value of exports increased by US\$14.2 million, and total sales increased by almost US\$19.2 million. Approximately 42,460 rural households directly benefited from AgBiz interventions and 637 new full-time equivalent (FTE) jobs were created (on average 41% more than the baseline). Direct access to finance assistance was provided to 43 micro, small and medium enterprises and farmers, helping them to obtain over \$9.1 million in loans. Over 370 agribusinesses and 34 producers' organizations received direct technical assistance. AgBiz increased the institutional and advocacy capacity of five trade and business associations, and stimulated the establishment of and developed strategic documents to provide operational guidance for three new associations. Nearly 7,700 individuals received United States Government (USG) -supported short-term agricultural training building their capacity in agriculture-related technologies, cultivation techniques and innovations, marketing, processing, and improved sorting, grading, packaging and branding. The capacity of local business service providers was developed by providing assistance to and/or subcontracting 129 Macedonian professionals.

AgBiz supported domestic production of high-quality certified planting material and the introduction of market demanded varieties of apples and pepper. To showcase new or improved varieties and best practices and to further build the capacity of producers, the program supported the establishment of demonstration plots, trained over 540 producers on proper agricultural practices including agro-environment measures and spread Good Agricultural Practice (GAP). Fourteen companies and more than 70 integrated farmers implemented Global Good Agricultural Practices (GLOBALG.A.P.) and certified production on an area covering 2,000 hectares. AgBiz provided significant support to customers' efforts to implement and certify other quality and safety standards such as Hazard Analyses and Critical Control Points (HACCP), International Organization for Standardization (ISO) and IFS. In addition, the program encouraged diversification of fresh and processed products by supporting scientific research and direct technical assistance in introducing and/or developing 35 new varieties and processed products. This has further expanded companies' product range, and attracted additional customers for targeted companies.

Implementation of an Integrated Supply Chain concept improved backward linkages and enhanced utilization and promotion of the Contract farming model that resulted in increased vertical cooperation and trust between processors and their supplying farmers. Over 1,180 farmers learned how to improve quality of production and secured better and steady buyout and prices. Value chain participants adopted over 110 improved technologies and management practices ranging from grape trellising, plot preparation, planting and fertilization, post-harvest handling including the use of cold storage with Smartfresh and Ultra Low Oxygen, food safety, environment compliance standards, utilization of

Instrument for Pre-Accession Assistance for Rural Development (IPARD), financial management, strategic planning and marketing.

Farmers, traders, processors, exporters and wineries had a chance to observe latest trends, share experiences and learn from advanced Agribusiness companies, institutes and operators abroad through 38 Study Tours to Croatia, Italy, Poland, the Netherlands, Germany, Portugal, Austria, Switzerland, Czech Republic, Germany, Sweden, Lithuania, Ukraine, Turkey, Israel, Russian Federation, South Africa; Australia, Canada, and the United States of America.

AgBiz significantly improved market linkages and customers' awareness of specific market requirements and (in coordination with the MAFWE, Invest Macedonia and other donor sponsored projects) helped Macedonian fresh produce, processed vegetables, wild gathered products and wine dealers exhibit at the most relevant trade fairs: Fruit Logistica (2008 – 2013), Anuga (2007 – 2011), ProWein (2008 – 2010) in Germany; World Food Moscow (2009 – 2012) and Russian Wine Fair (2009) in Russian Federation; Fancy Food Show (2008) in USA; Private Label Manufacturers Association (2008) in the Netherlands; London Wine and Spirits Fair (2009) in United Kingdom; International Agricultural Fair (2008 – 2012) in Serbia and others. To boost business cooperation and demonstrate potential within the supported industries in terms of capacity, technology, quality and volumes available, AgBiz facilitated inbound buying missions for importers from the Russian Federation, Switzerland, Germany, the Netherlands, Hungary, Poland, Slovakia, Montenegro and Bosnia and Herzegovina.

All these activities resulted in receiving orders and signing export deals worth over \$33.9 million and the identification of over 550 new customers, including large wholesale and retail chains; Hotel, Restaurant and Catering (HORECA) customers; and other relevant buyers.

AgBiz worked with MAFWE and other Government of Macedonia (GoM) Agencies to enhance the capacity of government employees to offer agricultural services and to make the policy and regulatory environment more conducive to private-sector initiatives. Intensive work with customers, trade associations and other stakeholders resulted in identifying 59 policy and institutional constraints impeding competitiveness of the AgBiz-supported value chains. By prioritizing and addressing 24 (or 41%) of them, AgBiz improved the business environment and strengthened strategic planning and policy making of GoM and private sector partners. MAFWE's long term capacity for strategic planning and policy making was also strengthened through AgBiz support to the preparation of six strategies and plans, including the Strategy for monitoring and improvement of milk quality for 2014-2020 and the Multi-Annual National Program for Agriculture and Rural Development 2013-2015.

Through trainings and direct involvement in designing and implementing export enhancement activities such as trade fairs, specialized promotions, B2Bs and buying missions in Macedonia, AgBiz built Invest Macedonia's capacity to support the private sector and fulfill their intended export promotion function.

AgBiz helped Subsector Standing Groups for Fruit and Vegetables, officially established under MAFWE, to become fully operational as a formal platform for public-private dialogue, thus enhancing communications between the public and private sectors when modifying or establishing new policies or regulations. AgBiz assisted the development of Subsector Standing Groups' Mission, Vision, Strategic Plan and Operational Programs and built the skills and capacity of more than 530 MAFWE and value chain representatives to advocate for necessary reforms and effectively engage in public-private dialog.

AgBiz enhanced horizontal linkages by establishing new (and supporting existing) trade associations that represent the common interests of their members and by building their capacity to continue AgBiz-type work as legacy institutions. Significant assistance was provided to the Macedonian Association of Processors' (MAP) to build their sustainability and give them more responsibility for coordinating AgBiz work in the processed vegetables value chain, and to Macedonian Agro Exporters Association's (MAEA) to define its mission and vision, and develop a Five Year Strategy and Action Plan for Year One. AgBiz supported the establishment of "Shumski Plod", a wild gathered products trade association comprised of the ten largest exporters of WG products in Macedonia, and helped them become an industry advocate before the GoM and other relevant institutions; and assisted Wines of Macedonia (WoM) Association to increase its capacity to develop the wine and viticulture industry, increase exports of bottled vs. bulk wines and build general recognition of Macedonian wines on regional and international markets.

In total, USAID/AgBiz resources were leveraged by a ratio of approximately 1:8 by stimulating private sector participants to share the cost of Activities, invest in equipment, technology research, product development and the implementation of food safety standards totaling \$US18.6 million. The positive profile of USAID/AgBiz Program and awareness of USG assistance was stimulated by 63 success stories and over 540 media exposures.

1.0 MACEDONIA AND AGRICULTURE SECTOR BACKGROUND

Agriculture is a traditional sector of the Macedonian economy, because of its favorable climatic conditions, rich natural resources, and established production experience. As a key sector of the Macedonian economy, agricultural production contributes around 11% to the national GDP. Roughly two thirds of this contribution is from crop production and one third is from livestock production. Food-processing activities are also significant. Together, agriculture and agribusiness contribute 16% to GDP. The real importance for the local economy is evidenced by the fact that more than 80,000 families are engaged in agricultural production, or 44% of the total population, and contribute 20% of the labor force. More than 80% of land belongs to private farms. In total, there are approximately 192,000 individual farms on roughly 320,000 hectares. Approximately 40% of private farms are smaller than two hectares. These small family-based farms, existing since the time of the Former Yugoslavia, are the basis of Macedonian agricultural production.

1.1 GOVERNMENT OF MACEDONIA STRATEGY AND POLICIES REGARDING THE AGRICULTURE SECTOR

As part of its preparations for future EU membership, the GOM has adopted the National Strategy for Agriculture and Rural Development (NSARD) 2007-2013 which serves as a basis for any national policy and defines measures in support of the agricultural sector. With AgBiz support in 2012, the Strategy was reviewed to integrate the latest changes under the European Common Agricultural Policy (CAP) and extended for the period 2013-2014. In 2013, the MAFWE developed the Strategic Framework Document for drafting the new NSARD for the period 2014-2020. In order to support the implementation of the “NSARD” and improve the competitiveness of the agricultural and food industry sectors, during the last seven years the GOM dramatically increased its subsidy program for primary production. Since 2006, the total value of subsidies has increased from 14.1 million Euros (EUR) in 2007 to 86.6 million EUR in 2010, 100 in 2011, 120 in 2012 and 130 million in 2013.

In addition, the GOM also implements a substantially comprehensive “Rural development program” as a pre-IPARD measure, in line with the rural policy of the country. This measure targets investments for improvement of agribusinesses competitiveness, rehabilitation of irrigation systems and water economy communities; promotional activities for the development of rural tourism; improvement of knowledge and promotion of the human potential of the agricultural producers, and support for organization of production in agricultural holdings. The rural development program started in 2006 with an amount of around 700,000 EUR and reached 19 million EUR in 2013. The program was modified several times in the last five years to better accommodate the needs of the farming community. For 2013, the MAFWE started integrating a certain level of productivity and/or quality standards into the eligibility criteria for receiving funds from the Rural Development Program. In most cases the program covers at least 50 percent of the investment costs in each of the measures, and has a competitive character, as applicants are granted a certain number of points under different criteria.

As a fifth component under Instruments for Pre-Accession Assistance (IPA), the IPARD Program 2007-2013 was designed to assist the agriculture industry under *Priority 1: Improving market efficiency and implementation of Community standards* Measure 101: Investments in agricultural holdings to restructure and to upgrade to Community standards, and Measure 103: Investments in processing and marketing agriculture products to restructure and to upgrade to Community standards and *Priority 3: Development of rural economy*, Measure 302: Diversification and development of rural economic activities and, since 2012,

Measure 501: Technical Assistance was included. The estimated value of the support through the IPARD program for the period 2007-2013 is 31.5 million EUR. So far there have been seven “Calls for application” under IPARD and the Agency for Financial Support of the Agriculture and Rural Development (AFSARD) has received 538 applications (from the first 6 calls only) for a total value of investment of 61.879.449 €. Thus far, the IPARD Agency has approved 167 projects in total value of 15.378.827 € of which 7.784.052 € will be reimbursed (5.838.039 € from EU funds). Despite extensive efforts by the GoM to promote this instrument, especially at the primary production level, it is considerably underutilized. Besides significant lack of capacity within the agro-industry to apply for IPARD funds, the main obstacles for wider utilization is that the IPARD payment mechanisms require agribusinesses and farmers to pre-finance 100% of the investment and to provide evidence of complete implementation of the project before they get reimbursed by the Agency. In many instances, agribusinesses and especially small scale farmers do not qualify for bank loans due to the fact that they have inadequate collateral. Thus, these potential IPARD beneficiaries are not able to secure sufficient funding for full (advance) implementation of the projects.

1.2 TARGETED SUB-SECTOR SITUATION ANALYSES

The below profiles of the Fresh Fruits and Vegetables, Processed Fruits and Vegetables, Wine and Wild Gathered Products Industries describe the past and present situation regarding each of these subsectors (or value chains). The AgBiz program has helped to address many of the challenges discussed below and contributed significantly to developments within these subsectors over the Life of the Program (LoP).

The Fresh Fruit and Vegetables (FF&V) Industry is the single largest value chain in Macedonia after Tobacco and with over 357,791 tons of exported FF&V, it is one of the most important sub-sectors accounting for 3.5% of the overall annual export value¹ of 115.4 mil US\$ (Y2012). Ex-Yugoslav markets are still the main destination for most of fresh fruit and vegetables exports from Macedonia. The value chain is not particularly organized and most of the buyout is not coordinated. There are around 20 large producing and exporting companies and around 100 trading and exporting companies that supply products from small holder farmers. There are a limited number of companies that have the capacity for proper post-harvest handling. For most, sorting, grading, packing and pre-cooling is done under relatively basic conditions. Modern technologies are applied primarily by glasshouses that cooperate with input suppliers from Israel and Holland. Most producers are not professionalized, lack formal agricultural education and work part time in agricultural production. They do not have proper farm accounting; don't follow GAPs that comply with environmental regulations, and a very small number applies new technologies such as drip irrigation, new varieties, certified seeds and plants. Around 60% of the buyout of fresh fruit and vegetable is organized through traders and agents but many of them lack modern post-harvest storage facilities, calibration and packaging technology, which results in high post-harvest losses, and an inability to meet the quality and packaging standards of the EU market. Although in the last several years there is good progress in strengthening supply chain integration and establishing mutual trust and long term planning, the Macedonian farmers have limited confidence in contract farming and are prone to ignore commitments in spite of a national law that requires it. Some leading processors and progressive traders, their farmers and suppliers are introducing the concept through advanced payment, seed and other inputs and technical assistance, but again these services are not comprehensive, systematic or coordinated and are limited in scope and depth. This affects the productivity of both the fresh and processed F&V industries.

The Processed F&V (PF&V) Industry plays an important role in Macedonian agribusiness. The industry is very export oriented, has continuously improved its performance in terms of increases in production and value of exports over the last decade and is very labor demanding. According to the last industry performance survey for 2012 the industry consists of 43 active processing capacities, the majority of which are micro or small enterprises, and predominantly involved in the production of pepper-based products. Almost all of them have implemented basic food safety standards such as HACCP and some adopted ISO 22000 whereas only a few companies have recently implemented IFS. Many of these companies have limited financing for research, new technologies, market testing, staff training and

¹Total export value Y2010 according SSO, US\$3.301.829.120

improving basic management systems. The industry is very seasonal, export oriented and products enjoy a high reputation on regional and international markets. Overall, export of processed products increased in 2012 reaching 40,500 tons valued at 46.1 million Euros. The industry employs 1,108 full time employees and 3,364 seasonal employees, mostly from rural areas.

High import tariffs and complicated procedures for imports of fresh produce for processing purposes leaves the industry to rely almost exclusively on arrangements with domestic suppliers. As a result, on-the-spot buying of raw materials is predominant and prices vary heavily depending on the demand for fresh produce in the region and over- or under-production in the country. Demand/supply uncertainty prevents the industry from reaching its full potential and does not allow companies to conclude larger export contracts. The processed vegetable processing industry is represented by MAP, a trade association established in March 2002 to represent processors' interests and develop the fruit and vegetable processing industry in the Republic of Macedonia.

The Wine Industry is one of the largest agribusiness sub-sectors in Macedonia, and one of the most export-oriented. It is represented by 77 officially registered wineries in 2012 (28 in 2003). The majority (90%) of the wineries has a capacity of up to 50,000 hectoliters (hl), five have a capacity between 51,000 and 150,000 hl, and four have a capacity between 150,000 and 500,000 hl. Approximately 60% of the capacity is utilized for the production of red wines, whereas 40% is used for white wines, partly because white wine is used for the production of rakija (*grape brandy*). According to State Statistical Office data, in 2012, Macedonian wine production reached 120 mil liters. Total exports rose slightly above 115 mil liters worth \$71.3 million, of which only 15% was sold as bottled wine, while 85% was sold as bulk wine. Due to the negative effects of the global economic slowdown, export sales of wine in the last couple of years increased in volume but decreased in average price from €1.47 to €1.15 Euro per liter of bottled wine and €0.44 to €0.39 for bulk. Thus, the wineries faced a serious challenge to identify sufficient markets for their wine and had to trade down to secure sufficient sales volumes. Serbia is the top export destination for bottled Macedonian wine and sales to Serbia, Croatia and Bosnia and Herzegovina represent 83% of total bottled wine exports. Germany accounts for 55% of bulk wine exports.

For years, Macedonian wineries have been exporting small quantities of wine primarily in bulk that has created a bad image and low appreciation for Macedonian wines. In the last decade that trend has changed, wineries are now striving to improve wine production and shift from bulk to bottle. This requires the identification of new markets and developing awareness for high quality Macedonian wines.

Wild Gathered Products (WGP). The collection of wild gathered products, even though it is a traditional activity of the people living in under-developed areas of the country, was never considered a significant commercial activity in Macedonia. For a long time, it was perceived as a sector that provided supplemental income to vulnerable groups. In general, there are four main groups of wild gathered products: wild mushrooms, medicinal and aromatic plants, lichens, and berries. In the last decade, the WGP sector has developed quickly and proven its relevance to the overall Macedonian economy and its contribution to exports. The existence of one of the largest pharmacological companies, Alkaloid –Skopje (having a special section for medicinal and aromatic plants) and the emergence of several smaller companies has expanded collection. The more formal collection of wild mushrooms, lichens and mosses, and berries, started to develop in the early 90's when private-owned companies from Macedonia established direct relations with Italian businesses, overcoming the prior intermediation of Serbian companies. Today, only a few companies have well-organized collection centers and facilities that enable them to do any high-level value addition to WGP. Most of these products are mixed with lower quality products and exported in bulk, sorted and packed in high end packaging and re-exported to western EU markets. Collection of WGP continues to increase in response to market demand and requirements, and the availability of the workforce. The market demands much more than the current supply is. Collection is seasonal, starting in the early spring, and finishes in late autumn.

1.3 RECENT DONOR SUPPORT TO THE AGRICULTURE SECTOR

Several donors have supported agricultural development in Macedonia in recent years. Since 1993, USAID has successfully contributed to development of the agricultural sector in Macedonia through activities such as the Macedonia Agribusiness Marketing Activity and the Macedonia Agricultural Association Support Program. USAID's Macedonia Competitiveness Activity (MCA) project supported

the wine, cheese, and lamb subsectors. Additionally, USAID's Seal of Quality (SOQ) and Agribusiness Assistance Program assisted several agricultural subsectors; however, both MCA and the SOQ activities ended in 2007. It was important for the AgBiz Program to build on these earlier USAID successes.

Within the IPA support, the EU led several technical assistance projects that supported the Ministry of Agriculture, Forestry and Water Economy including a functional Integrated Administration and Control System and associated institutional capacity, Adoption and implementation of the *acquis vis-a-vis* the Common Agricultural Policy, specifically Common Market Organization establishment, and Support to the development and implementation of agri-environment measures, upgrading of the Land Parcel Identification System (LPIS), and Organic production and quality of agricultural products.

The Netherlands Development Organization (SNV) has focused on strengthening the capacity of the MAFWE to comply with the EU, enhancing private forest owners' initiatives, cooperation between Dutch and Macedonian agricultural educational institutions, development of cooperatives, and the development of the Agro Business Development Center in Strumica. In 2012, SNV ceased its activities in Macedonia. Dutch Assistance was also provided by the Dutch Centre for the Promotion of Imports from Developing Countries (CBI) that supported export promotion in the wine sector and later in fruit and vegetables. Through the PSO project the Dutch Embassy is promoting bilateral trade and investments between the Netherlands and Macedonia.

The Swedish International Development Cooperation Agency (SIDA) Programs included long term financial and technical support to the Federation of Farmers (FFRM), a Project for Macedonian Agricultural Advisory Support (MAASP) and advisory support to the MAFWE cabinet on EU integration. SIDA ceased activities in Macedonia in 2010. Support to FFRM is ending in June 2013.

The Swiss Agency for Development and Cooperation (SDC) supports the Swiss Import Promotion Program (SIPPO) for agribusiness and agriculture development which has helped Small and Medium Enterprises (SMEs) participate in international trade fairs in the fruits and vegetables (and organic) sectors. Other active SDC programs are tackling rural development such as water and infrastructural problems, but not directly agriculture.

The World Bank's assistance has focused on improving the capacity of the GOM to fulfill EU pre-accession requirements. WB support focuses on strengthening the GOM's administrative and management capacity; capacity to disburse EU Rural Development funds; developing an effective veterinary service; and helping complete reforms and restructuring of the irrigation sector. These ended in December 2012. Currently, the WB is conducting policy dialogues, analytical work and socio-economic analyses of subsidy effects, and assisting the MAFWE to create an effective basis for future support programs.

2.0 PHASE ONE: 2007 - 2011

2.1 PROGRAM OBJECTIVES

The goal of AgBiz Phase I was to increase economic growth in Macedonia through expanded, environmentally sustainable production and sales of value-added agricultural products by enhancing producers and processors' ability to compete regionally and globally. This would produce greater incomes for agricultural processors and producers, and ultimately higher revenues for government. Overall, AgBiz was designed to contribute to growth in the Macedonian economy by:

- Enabling agribusinesses to understand, identify and enter new export food and beverage markets;
- Increasing producers' and processors' capacity to understand and meet market demand for value added food products;
- Enhancing market linkages between producers, processors, and traders;
- Improving business management and operations in the selected agribusiness value chains; and
- Raising incomes for agricultural producers and processors.

Potential accession of Macedonia to the EU created the need to help Macedonian agribusinesses become more competitive to successfully compete in regional and local markets and to capitalize on enhanced access to EU markets brought about by membership in the EU. AgBiz was therefore, also mandated to focus on EU accession-related competitiveness enhancement. In addition, since AgBiz was likely USAID's last agriculture-related program in Macedonia, the program also emphasized creating legacy institutions that can carry on agribusiness growth stimulation activities post-AgBiz.

2.2 TECHNICAL APPROACH

To address challenges described in section 1.2 above, AgBiz focused on a basic approach which consisted of “*Broad-based, Increased Agribusiness Sales and Earnings via the Enhanced and Sustainable Competitiveness of Selected Value Chains.*” This approach emphasized selecting key value chains and implementing activities within them that would: 1) have a positive impact on a large number of beneficiaries, 2) significantly increase the sales and earnings of Macedonian producers and agribusinesses; 3) achieve increased sales and earnings via enhancing the competitiveness of agriculture-based individual firms and value chains; 4) optimize the return on USAID resources by concentrating efforts on a limited number of value chains and agribusinesses with the best potential to be competitive, and 5) ensure supported projects had good potential to become sustainable from managerial, social, economic and environmental perspectives.

Value Chain Development. Our technical approach focused on value chain development encompassing all activities that take place from the production of agricultural products and service inputs to food and beverage retailing. Value chains can be conceptually divided into two major segments: pre-farm gate and post-farm gate. While it is essential that the value chain is viewed as a market-led whole, there are different skills involved at the pre-farm gate and post farm gate levels that AgBiz built among value chain actors (legally registered private producers, processors, and marketers). Aiming to stimulate a significant increase in the number and average value of private sector transactions utilizing Macedonian agricultural raw materials and labor, AgBiz-supported firms engaged in the production of value added products so as to utilize Macedonian labor and retain a large portion of the value of the finished product in-country.

Policy and Institutional Reform. AgBiz supported producer and trade associations as they are instrumental to achieving priority policy and institutional reforms that support competitiveness of AgBiz-targeted value chains. The Program focused on identifying and prioritizing policy and institutional reform needs and, for the highest priority needs, assisting private sector representatives in further exploring and communicating policy issues through the most appropriate and effective channels.

Access to finance. The lack of access to favorable financial resources to support agricultural activities has always been one of the most important challenges for the sector. Securing sufficient investment and/or working capital is a significant problem that hinders growth of agribusiness, companies and farms. Tetra Tech ARD and its subcontractor, Crimson Capital, assisted various actors along the targeted value chains in securing needed financing.

Collaboration with other relevant projects. AgBiz's cooperation with other relevant projects was extensive. Other USAID projects provided possible follow-on activities, and AgBiz staff worked closely with donors such as SIDA Support to Farmers Associations in the Republic of Macedonia (S-FARM) and MAASP, International Fund for Agricultural Development (IFAD), GTZ and SIPPO to ensure that duplication of effort was avoided, complementarity across activities was maximized and collaboration was consistent with AgBiz objectives. AgBiz also coordinated closely with the GoM to ensure the program contributed to government objectives regarding private sector development.

2.3 PROBLEM STATEMENTS AND IMPLEMENTATION METHODOLOGIES

Tetra Tech ARD employed a range of methodologies and tools during AgBiz Phase I to address issues or problems affecting value chain competitiveness, policy and institutional reform and access to finance. The main issues/problems in each of these areas and how AgBiz addressed them are described below:

2.3.1 Value Chain Competitiveness Enhancement

At the beginning of the Program, Tetra Tech ARD coordinated a thorough process for selecting the value chains that had the greatest potential for improved VC competitiveness within the life of the Program and given available resources. The process was implemented in two phases. The first phase was completed in cooperation with a local consulting company that engaged 10 technical experts in 9 agricultural product groups, covering a total of 40 agricultural products. Based on predetermined criteria in accordance with the Program's goals, 21 agricultural products were pre-selected. These criteria covered export market opportunities; potential for new job creation; potential for positive impact in four years; extent to which entrepreneurs were interested in expanding the product group; potential for leveraging AgBiz resources; and positive past experience and commercial success. The second phase included a deeper analysis of each pre-selected product based on its potential to increase exports; potential to increase competitiveness through technology and management improvements; potential benefits for rural households; potential for increased value addition; potential to decrease imports and increase production; potential to raise farm gate returns; level of commitment of entrepreneurs to increase competitiveness; potential for creation and improvement of producer organizations involved; time required for significant competitiveness improvement; value of capital investments necessary for improvement; availability of support programs; and consistency with governmental priorities. Based on compiled ratings on these criteria, the second phase of the process ended with the selection of 10 product groups.

Final value chain selection was based on detailed field research and analysis of statistical data on all 10 products and input from more than 36 interviews with relevant stakeholders. Ultimately, the following 5 VCs were selected: *Table Grapes*, *Fresh Vegetables*, *Processed Vegetables*, *Wild Gathered Products* and *Bottled Wine*. Given that fresh vegetables are handled similarly to table grapes, it was decided that Fresh Vegetables and Table Grapes would be merged into one "Fresh Fruits and Vegetables" Value Chain.

2.3.1.1 Value Chain Competitiveness Enhancement Problem Statement

At the outset of the AgBiz program, the major challenges in the selected value chains included low productivity, a sizable trade imbalance for agriculture products, and lack of supportive agricultural policies. Limited use of certified planting material significantly affected productivity and quality. At the same time, fresh produce was produced on small plots using outdated varieties, and obsolete production technology. Adoption of modern production and post-harvest technologies was crucial for improving quality and thus the competitiveness of Macedonian fresh produce. Meanwhile, private, market-oriented farmers had limited long-term access to publicly owned agricultural land, such as through open, transparent leasing arrangements. Many small farmers had not achieved efficient scale of operations, adequate quality standards, or the necessary production volume to satisfy buyer requirements. As a result,

farmers were limited in their options to expand their production, thus constraining their ability to become more competitive. A low level of vertical and horizontal integration and lack of producer organizations and cooperation among producers and buyers also impeded increased productivity, export competitiveness and improvements to value chain performance.

When AgBiz began, many agricultural enterprises still suffered from the transition to a market economy and producers and processors were challenged to find markets for their goods and compete effectively in the global marketplace. Ex-Yugoslav markets were the main export destinations of FF&V products, thus creating dependency on a small number of export markets. The management capacity of many agricultural enterprises was limited and there was a general lack of marketing expertise among them. Some farmers and enterprises did participate in cooperatives or associations, but these groups often had very limited capacity and were usually weak in lobbying for or supplying commercial services on behalf of their members. Limited access to favorable finance also significantly hindered value chain development.

2.3.1.2 Value Chain Competitiveness Enhancement Methodology

To address the above challenges, AgBiz Program designed two primary types of interventions: 1) Business Expansion Projects to help individual firms capitalize on identified opportunities and overcome constraints, and 2) Competitive enhancement activities targeting multiple firms or producers, to increase their capacity for improved productivity and/or export competitiveness. Additional technical assistance was provided via Expedited Local Short-term Assistance (ELSAs described below). Environmental Compliance activities were an important part of the Business Expansion Projects to ensure that all AgBiz supported activities were implemented in full compliance with USAID and GOM environmental rules and regulations. Although discussed in more detail under Sections 2.3.2 and 2.3.3 below, it is important to note here that the identification of policy reforms needed to improve the enabling environment, and assistance to customers to secure needed financing for their businesses were not treated independently but rather as integral parts of our value chain competitiveness enhancement approach.

Business Expansion Projects

AgBiz developed a process for business expansion project proposal development and implementation. First, an AgBiz Request for Proposals was issued to publicize the availability of AgBiz support. On March 31, 2008, 75 proposals had been received. After proposals were received, they were screened by AgBiz staff to determine project viability. Proposals were presented to the AgBiz Internal Review Committee where they were evaluated using pre-established screening criteria and the best among them were recommended for deeper AgBiz Assessment. During Assessment, AgBiz worked with a local subcontractor to gather additional information on the proposal to better assess the project's potential sustainability. Proposals that had good potential for success were again presented to the AgBiz Internal Review Committee and approved or rejected based on a second round of pre-established criteria that included strategic fit (e.g., increased exports, return on investment, increased employment, cost sharing), technical approach (e.g., competitive advantages, availability viable markets, technology utilization, sustainability), organizational capability, gender considerations and cost effectiveness. Successful projects (proposals) then underwent an independent environmental review including Environmental Due Diligence (EDD) and a Pollution Prevention Assessment (PPA) prior to final approval.

Competitiveness Enhancement Activities

After selection of targeted Value Chains, an assessment was carried out to identify the most important capacity building needs of the VCs firms that, if fulfilled, would significantly improve their competitiveness. The assessment included conducting a survey of customers' needs in the area of inputs, production practices and technology, processing, business management and marketing. Based on the assessment, AgBiz envisioned interventions defined as Value Chain Competitiveness Enhancement Activities that contributed towards the overall development of the selected value chains. Designing of an "Activity" for multiple customers in one or more value chains went through a process of identification, development of an Activity Concept, evaluation and prioritization. The two key considerations for selecting and developing a certain activity included expected impact and benefit for VC participants as well as contribution to program indicators and return on AgBiz resources. If a proposed "Activity Concept" met these criteria, a more detailed Activity Description (AD) was developed, including Activity background, specific objectives, implementation timeframe, expected outcome and results, list of

participants, a detailed budget, and a follow-up plan. The AD was then formally submitted for approval to the Contracting Officer's Representative (COR), and implementation was initiated and regularly monitored. An Activity was completed when all the payments were finalized and an Activity Result Report was prepared.

AgBiz supported the following types of activities to assist multiple value chain customers in enhancing competitiveness on targeted domestic and export markets:

- Technical Assistance;
- Training (with the trainers being either local or international experts, depending on the type of training needed, and/or organization of study tours for know-how and technology transfer);
- Marketing Activities (including exhibition at trade fairs, B2B meetings or promotional events);
- Workshops and Conferences (for current or potential AgBiz customers to discuss and learn about a competitiveness enhancement subject or discuss particular opportunities or constraints); and
- Other types of support (including VC profiles, assessments and surveys).

ELSA

In early Fiscal Year (FY) '09, AgBiz developed a simplified and effective mechanism for supporting STTA delivery, similar to a voucher system, called ELSA. Through ELSA, technical assistance activities were accomplished by local consultants on at least a 50% cost sharing basis with an AgBiz customer. The maximum value of AgBiz support to an ELSA was \$4,000. Examples of this type of local STTA Activity included support for GLOBALG.A.P. or HACCP implementation and/or certification or various types of ISO standards, the development of business and marketing plans, TA in new product development, and adopting new technologies. Thirty-one (31) ELSA applications were received and 17 were approved at a total projected cost of \$115,967 and an AgBiz cost of \$51,553 for an AgBiz cost share of 44%. AgBiz support was provided in accordance with a tri-party agreement with the customer, the selected services provider and AgBiz, whereby the customer and AgBiz each directly paid the service provider (its respective percentage) upon successful completion of the work.

Environmental Compliance Activities

To ensure that the goals of AgBiz were met, and implementation of Projects were in accordance with the Initial Environmental Evaluation (IEE) and environmental requirements on European markets, AgBiz engaged an International expert to conduct in-country field work and prepare summaries and recommendations regarding the **Environmental Due Diligence (EDD) and Pollution Prevention Assessment (PPA)** checklists. This included preparing summary reports identifying pollution prevention methods and management practices at no cost, and recommendations on low cost production improvements. Recommended Business Expansion Projects and EDD and PPA reports were submitted for Mission Environmental Officer (MEO) and Bureau Environmental Officer (BEO) approval in accordance with the IEE. AgBiz regularly monitored the implementation of mitigation measures recommended within EDD/PPAs. Following the Monitoring and Mitigations Recommendations within the EDD/PPA Summary Reports, **Cleaner Production Assessments (CPA)** for optimization of production processes to create less or no waste, and consequently reducing the cost and environmental pollution, was required for eight of the projects. These assessments were conducted by the National Cleaner Production Centre (NCPC) of Macedonia operating under the Department of Mechanical Engineering at the University of St. Cyril and Methodius in Skopje.

Some of the businesses expansion projects necessitated removal of asbestos-containing materials. A required mitigation measure detailed the development and implementation of an **Asbestos Health and Safety Plan (AH&SP)**. The Model Plan developed complied with all asbestos-related Macedonian regulations, and was consistent with EU asbestos-related Directives and recommended Best Practices. The Model Plan addressed worker exposure, safety, training, packaging, labeling and temporary storage of asbestos waste on site, during transport and final disposal of the waste, and other requirements of Macedonian and EU asbestos Directives and recommended Best Practices.

In order to comply with the requirements of 22 Code of Federal Regulations (CFR) 216 as prescribed in the project's environmental documentation, AgBiz engaged a Pesticide Management Specialist and Local Consultant to develop a **PERSUAP (Pesticide Evaluation Report and Safer Use Action Plan)**. The AgBiz PERSUAP evaluated 173 pesticide active ingredients (AIs) included on the Macedonia 2005-2008 registered pesticides list. All of the pesticides registered for use in Macedonia for 2008 were a subset of the pesticides permitted for use by the EU/European Commission (EC). Thus, by default all of them had been evaluated by the EU systems to determine associated risks. The consultant transformed conclusions and recommendations for mitigation measures into an action plan that assigned certain compliance responsibilities to appropriate parties connected with the pesticide program.

2.3.2 Policy and Institutional Reforms Needs

Policy and Institutional Constraints. Prior to AgBiz, Macedonia's entry into the World Trade Organization (WTO) and the country's progress toward EU accession provided little leeway for government support (e.g., import duties, etc.) to the agricultural sector. Trade liberalization continued with an updated Central European Free Trade Agreement effective on May 1, 2007. In this increasingly competitive environment, it was clear that Macedonia must strive to establish a more vibrant agricultural and agribusiness sector unencumbered by unfavorable government regulations. A business environment had to be established that encourages the formation of business linkages that build on Macedonia's many natural advantages, such as a warm climate, proximity to the EU market, and productive land. However, very often, both the private sector and the GoM were reactive rather than proactive in dealing with issues that impede agriculture/agribusiness competitiveness. Farmers, processors and traders complained about "burning" issues that were not properly explored or articulated. At the same time, the relevant GoM institutions did not have the capacity to counter the problems and effectively intervene through the modification of policies and procedures that could create a better business environment for the sector.

Policy and Institutional Reform Methodology. Under AgBiz Phase I, advocacy for policy reform to address priority constraints were implemented by the most relevant Macedonian associations and other private sector representatives, not directly by AgBiz. The AgBiz Program worked with associations and members of the targeted value chains to identify and prioritize the underlying policies and regulations that inhibited targeted value chain development and limited VC actors' capacity to successfully complete transactions and sales contracts. Once high priority policy and/or institutional constraints were identified, AgBiz worked on stimulating reform through open dialogue between the Government of Macedonia, business associations and other VC actors. The Program strengthened the capacity of local associations to lobby government officials, and to advocate for an enabling environment that supports competitive and sustainable legitimate transactions. In so doing, AgBiz coordinated closely with USAID's Business Environment Activity on several key policy and institutional reform activities.

2.3.3 Access to Finance for Customers

A Lack of Access to Finance: In 2007, banks in Macedonia perceived Agriculture as a high risk sector. They were reluctant to finance the sector and imposed high collateral requirements, which were usually over twice that of the loan amount. The lack of land and property titles in rural areas hindered many farmers', traders' and processors' access to financial support they needed to invest in new technology, improve processing, upgrade machinery, expand facilities or pay for raw materials. This problem was transferred down the value chain, causing delayed payments and, on occasion, non-payment to farmers. As a result, there was a significant lack of trust between farmers, processors and traders.

Access to Finance Methodology. Working in concert with our partner Crimson Capital, AgBiz helped customers in the selected value chains secure financing for their projects, i.e., competitiveness enhancement activities, business expansion projects and sales contracts. In addition to assisting with the development of business plans and credit applications from agribusiness companies and farms, AgBiz established a collaborative relationship with a range of alternative sources of financing to understand their requirements for financing, and the comparative advantages and disadvantages of these alternative sources. This enabled AgBiz to influence banks and other financial service providers, and to inform them of the technical merit and ability of AgBiz customers to repay their loans. In addition to bank financing, the Program explored and promoted trade financing, leasing, equity and other financial products, loan

guarantee programs such as USAID's Development Credit Authority, and innovative public-private partnerships related to USAID's Global Development Alliance. The Program placed greatest emphasis on sources that offer sustainable financing mechanisms needed by the selected value chains.

2.4 RESULTS, IMPACT AND MAJOR SUCCESS

2.4.1 Program's Contribution to Increased Domestic and Export Sales and Improved Competitiveness and Productivity

Following is a snapshot of the effects of AgBiz support to both producers and processors/marketers in the selected VCs. AgBiz has enabled Macedonian agribusinesses to locate and sustainably respond to market demand and market linkages achieved, effectively reduced transaction costs and increased producers' and processors' capacity to understand and meet the demands of customers. Detailed results of the AgBiz Program (Phases I and II) are presented in Annex I.

2.4.1.1 Fresh Fruits and Vegetables Value Chain

The FF&V VC has a significant impact on Macedonian export sales, and huge potential to increase exports through value addition. AgBiz customers in the FF&V VC were primarily agribusinesses involved in the production and sale of table grapes and apples (fresh fruit), and peppers, tomatoes, cabbage, cucumbers and melons as the top five exported vegetables.

AgBiz implemented a set of activities to enhance customers' traditional production practices and improve post-harvest handling operations. Eighteen producers visited modern table grapes facilities, especially high-tech pack-house centers in South Africa and California, USA. AgBiz coordinated participation to an extensive training on production and applicable post harvest handling technologies at the University of California – Davis. Participants received comprehensive handout materials and significantly enhanced their knowledge and understanding of Post-Harvest Handling (PHH) operations which, if properly applied, will improve their output and quality of the final product. Macedonia's largest table grape exporters had the unique opportunity to visit one of the largest wholesale produce markets in Los Angeles, as well as table grape operations in Palm Springs and Bakersfield, well-known for their high standard of table grape production. AgBiz customers observed the application of modern table grape production methods with an accent on green pruning techniques. The group recognized these measures as being especially important for application in Macedonia as they would increase grape quality, and thus improve competitiveness and achieve better prices on export markets.

Based on the knowledge gained through the above study tour, AgBiz engaged a STTA that introduced a set of the new agro-technical operations for improving Victoria table grapes at Agrolozar's vineyards, one of the leading producers of table grapes in the country. These measures made table grapes more standardized, equal in size, shape, quality and color and increased yield for over 30% compared to the previous seasons. As a result, almost 95% of the 450 tons harvested table grapes were of consistent and high quality, and met European standards. Beside the qualitative and quantitative positive results, the general conditions of the areas planted with table grapes were also improved. By putting in place hail protection nets as one of the recommended measures, more favorable conditions for both ripening and harvest handling were achieved. Another contemporary technology introduced during the study tours, "Y" trellis system was applied for the Cardinal grapes variety at Alijansa's vineyards. Later, this demonstration plot served as a "venue" for gathering producers from the region, presentation of the trial results and transfer of the recommendations and lessons learned during the visits to South Africa and USA. In addition, all the knowledge on pre and postharvest technologies and management practices accumulated during the study tours was integrated into a practical Pre & Post Harvest Handling technology Manual for horticultural crops. Brochures for ten selected commodities were also produced and disseminated as inserts into the monthly edition of "Moja Zemja" agriculture magazine to further stimulate Macedonian FF&V producers and exporters to apply recommendations given in the brochures.

Along with the introduction of advanced technologies for increasing fresh produce's quality and yields, and improving post-harvest handling techniques, twenty-one fresh producers were also supported to visit and learn about production in greenhouses, harvesting, cooling, storing, grading, and packing techniques applied in Israel, Poland, the Netherlands, Croatia and Slovenia. Participation of Peca Comerc in the

supported activities helped the company to reorganize its buyout operations. AgBiz also awarded Peca Comerc a grant for establishing a modern and fully equipped packing center. When fully operational it allowed the company to purchase and properly pack additional quantities of table grapes and other fresh vegetables from over 1,200 local producers in the Tikves region. The advanced post-harvest techniques enabled Peca Komerc to become more competitive, expand its business thus creating seven new jobs. It also resulted in increased export of table grapes to large supermarket chains in the region and a new entrance into the French market.

AgBiz engaged qualified international and local experts that provided high level technical assistance on the most appropriate postharvest technologies to twelve AgBiz fresh produce exporter. Applied knowledge allowed them to optimize the quality of their crops according to specific market requirements. Over 120 individual producers, producer organizations and agribusinesses attended two regional conferences on proper storage, prevention of damaging and transport of FF&V hosted by AgBiz.

AgBiz also improved customers' awareness on the requirements of potential new buyers' in the most advanced export markets. Nineteen customers exhibited at the Fruit Logistica Fair in Berlin (2008 – 2011), Germany and World Food Trade Fair Moscow in Russia (2009 – 2010), as leading Trade fairs for the produce industry in Europe. B2Bs helped those customers obtain over US\$13.2 million in new orders.

Program support assisted FF&V VC producers and exporters to increase the shelf life and quality of products, ensure that final products meet EU standards and organize trade fair presentations and B2B meetings with the most relevant buyers. It has resulted in more value added product offers, increased customer exports and upgraded overall performance of the VC.

2.4.1.2 Processed Vegetables Value Chain

AgBiz addressed PV value chain participants' lack of modern equipment and inadequate level of technical knowledge in regards to new processing technology. Study visits to "Food-Tech Fair" and "Bigtem," leaders in food processing engineering in Turkey, exposed participants' to advanced processing systems and increased their knowledge and understanding of how modern technology affects competitiveness.

AgBiz facilitated and cost shared investments of 5 PV companies in business expansion projects. In order to maintain and further upgrade its position as a leading producer, marketer, and supplier of dehydrated products to international food processing clients, AgBiz assisted Lars to secure additional equipment, including a centrifuge for pre-drying of vegetables. The centrifuge increased productivity by 25%, reduced production costs by 20%, assured environmentally friendly production and enabled the company to expand its export activities on both regional and international markets. Based on previously established contacts during the AgBiz supported participation at Chicago Fancy Foods Show, Lars concluded negotiations with a buyer from the USA for exporting preserved and dried vegetables products.

Avto Ria was supported to establish a new fresh onion sorting, peeling and packing system, a freezer and a freezing chamber. Through a small grant and technical assistance, AgBiz helped the company to enlarge its product range and introduce into the market new value-added products. Less than six months after the equipment was installed, Avto Ria successfully exported to Iraq peeled raw onions worth over \$28,400.

AgBiz assisted PV VC participants in identifying new market entry possibilities through numerous study tours, B2B meetings and promotional events in Sweden, Czech Republic, Germany, Croatia, Ukraine and Canada. As a result of a six-day sales and marketing mission in Toronto, orders were received for US\$320,000 worth of Macedonian pepper-based products such as roasted pepper, lutenica and ajvar.

AgBiz Program supported value chain participants to develop and implement sustainable export marketing strategies through facilitating exhibition at international trade fairs. Thirty-four customers were supported to participate in Chicago Fancy Food Show (USA), IndAgra Fair (Bucharest, Romania), Tutto-Food (Milan, Italy) and Anuga (Cologne, Germany). Exhibiting at Anuga Trade Fair in 2007 and 2009 as the main meeting point for food companies in Europe represented a major opportunity for Macedonian vegetable processors to market their products to respective international buyers. It resulted in orders from 24 new customers in Romania, Sweden, Germany, Belgium, Hungary, the Netherlands, Croatia, and Slovenia worth of more than US\$3.1 million.

These export enhancement activities complimented the five PV customers' export expansion Projects supported by AgBiz and helped customers become more competitive. That in turn resulted in increasing their market share on regional and EU markets and enabled a few of them to start exporting to large wholesale and retail chains such as Kaufland and the Merkator Group.

2.4.1.3 Wine Value Chain

AgBiz Program supported numerous activities from participation in various fairs, B2B meetings, to technical training, HACCP and IPARD trainings, aimed at increasing bottled wine exports and increased competitiveness and profitability of value chain participants.

Organizing training on the introduction of alternative methods for maturing wine and adding the toasted wood (vanilla) flavor and on-site technical assistance by a proven international expert winemaker led to positive feedback from the wineries. Twenty-three oenologists from Macedonian wineries participated in the training for Improving Oak Aging Technology, exchanged their experience about oak aging and learned about the latest trends in oenology and wine making from the experts, with special emphasis on barrique (barrel aged) techniques. Aiming to enhance its image and product range, Bovin (the first private-owned winery in Macedonia), recognized the relevance of this type of assistance and adopted the technology. AgBiz further supported the winery's objectives by awarding a grant to support construction of oak aging and tasting rooms. These investments created better conditions for further development of wine tourism surrounding Bovin wines. Barrique wines enabled Bovin to maintain its competitiveness, open new export market possibilities and ultimately increase total sales by approximately 10%.

Jointly with the CBI, AgBiz supported the participation of representatives from eight export-oriented wineries in Export Promotion and Management Training. Beside the intensive overview of the EU market, and relevant data regarding its market size and selected potential markets, participants highly appreciated the expertise and assistance provided in developing their individual Export Marketing Plans. Committed to developing the export competitiveness of Macedonian wineries and enhancing sustainable export sales, AgBiz, in collaboration with CBI, facilitated the process of developing a Wine Sector Export Marketing Plan (SEMP). The SEMP allowed the private sector as well as the respective Ministries and other GoM institutions to jointly establish a Strategy and a clear set of actions for enhancing Macedonian bottled wine exports.

AgBiz helped Popova Kula penetrate the Polish market, working with them to develop and implement a comprehensive marketing program. Just seven months after launching the market entry, Popova Kula wines were on the shelves of the largest leading retail chains throughout Poland. Shortly after the in-store promotional campaign in selected supermarket chains, Popova Kula exported an additional 6,000 bottles.

Other export related activities, including participation on international trade fairs, study tours and promotional events proved to be efficient tool for capturing the attention of potential buyers and positioning on selected markets. Support was provided to over 120 wineries' representatives to exhibit their wines at London Wine and Spirits Trade Fair, Moscow Wine Fair, ProWein 2008 – 2010 (Dusseldorf, Germany) and Interfest in Novi Sad (Serbia). The Macedonian National pavilion at ProWein 2010 was without a doubt, the best joint presentation of Macedonian wineries to date. All wineries had many prearranged meetings and managed to attract additional wine merchants and wine critics interested in the development of the Macedonian wine industry. Several buyers expressed strong interest in including Macedonian wines in their product portfolios. Initial contracts were signed with 9 new customers for high quality bottled wine from Macedonia, reaching a value of over 50,000 Euro.

Macedonian wines were also promoted during the Road-show presentations in Poland, the Czech Republic and the Netherlands, successfully attracting the attention of the most relevant wine importers and experts. More than 300 guests attended various promotions, official seminars and wine tastings. Macedonian export-oriented wineries organized a joint presentation before eminent Swedish importers and SystemBolaget, the national monopoly for trading wine and spirits. Impressed by the Macedonian wines, in their 2012 tender, SystemBolaget included a demand for 20,000 bottles of Macedonian Vranec at an expected shelf price of 7 to 8.5 Euros, thus opening the door for Macedonian wines in Sweden.

In their efforts to enter new (and sustain existing) markets, Macedonian wineries needed higher visibility on foreign markets. AgBiz invited and encouraged respected and well known international wine writers

to come to Macedonia, explore new indigenous varieties and publish articles on the uniqueness of our wines. “Although it is a small country, Republic of Macedonia is beginning to make ‘noise’ about its wines”, Darrel Joseph wrote in his article about Macedonian wines in the United Kingdom’s “Harpers” wine magazine, “When it comes to quality, size doesn’t matter”. These activities helped Macedonian wineries gain recognition, optimize the results of their marketing and promotional activities, and achieve their goal to expand access to regional and world markets.

2.4.1.4 Wild Gathered Products Value Chain

At the outset of AgBiz, USAID was the only donor in Macedonia that supported WGP companies. AgBiz conducted a number of WGP export competitiveness enhancement activities including the introduction and implementation of food safety standards such as HACCP, organic and Fair-Wild certifications that assure traceability, transparency and increased safety of products and offer additional value to buyers. AgBiz supported a training to enhance the capacity of WGP company managers to prepare for organic certification. Participants, representatives from fourteen companies, expressed great satisfaction with the information provided during the training. An international expert provided additional technical assistance leading toward organic certification of the collection areas of four WGP companies. AgBiz helped one of these companies, Koro, enhance its competitiveness and enter EU markets by awarding them a grant to adopt organic production standards and enhance the visibility of the Koro brand through the design and implementation of export marketing activities, re-designing their packaging and the creation of new promotional materials for targeted export markets. Successful completion of this business expansion project (grant) allowed Koro to expand its market share in Albania, Serbia, Bosnia and Herzegovina and Kosovo and enter new EU markets. By supplying organic certified herbal teas to its customers, Koro increased sales by more than 80 percent.

AgBiz supported WGP company participation in relevant industry trade fairs: Biofach in Germany and Alimentaria in Portugal. The lessons learned, information gathered and business developed at both fairs was very substantial. More specifically Biofach, the largest trade fair in the EU dealing with organic products, was a new experience for Macedonian companies, and a great opportunity to understand new trends in global organic markets such as size, demand, and product specifications.

AgBiz supported the implementation of the Day of the Organic Production in Macedonia organized by MAFWE and the Macedonian Federation of Organic Producers. The event raised public awareness about value-added products and organic certification, and encouraged producer and trade associations dealing with organic products to expand production and offer more and better organic products on the market.

2.4.2 Program’s Contribution to Enhanced Business Environment

2.4.2.1 Policy and Institutional Reform (PIRN) Needs Identification, Prioritization, and Analyses

Soon after the start of the program, AgBiz clients reported several issues that were adversely affecting competitiveness, profitability and access to necessary funds. These centered around delays regarding IPARD support, withholding personal income tax of producers by processors and consolidators, time requirements for HACCP certification, extreme taxes hikes for collectors of wild gathered products, unclear procedures for acquiring wine export documentation and many other issues that hindered targeted VC competitiveness.

In the first phase of AgBiz until the end FY ‘09, PIRNs were identified, prioritized, reported and shared with relevant institutions, and awareness about them was raised through certain events with private and public stakeholders. A very small portion of the AgBiz budget was dedicated to this component which made it difficult to proceed towards proposing legislative and other solutions. The lack of trade associations in most of the AgBiz-supported value chains limited our ability to stimulate the needed reforms or enhance dialogue between value chain participants and the GoM.

During FY ‘10, AgBiz began developing and implementing activities to resolve specific policy and institutional constraints regarding highly prioritized PIRNs. Accordingly, AgBiz managed to increase the portion of the activity budget dedicated to the PIRN component to 8%. This allowed a more serious approach to addressing the PIR needs by engaging appropriate experts to conduct analyses of the problem, propose solutions, explain the benefits of the proposed solution for both sides (private sector

and GoM) and use their own and AgBiz connections to lobby for reform. One of the most important outcomes that can be emphasized for this period is adoption of AgBiz recommendations for improving the MAFWE model of contracts for buyout of fresh fruits and vegetables. For a detailed review of identified and addressed PIRNs please see the Appendix II.

2.4.2.2 Association Development

AgBiz made significant progress in developing sustainable trade associations that can continue AgBiz-type work even after the close of the AgBiz Program. To further enhance the export competitiveness of the WGP value chain, and overcome the lack of cooperation between participants, AgBiz initiated the establishment of the Shumski Plod Association. Only few weeks into its existence, the Association realized its very first success. The Ministry for Environment and Physical Planning's (MEPP) ban on exports of Morchela mushrooms was lifted following a meeting with Association representatives and MEPP where members jointly presented the reasons why the ban was an inefficient way to achieve the desired protection of forest products. In a short period of time, Shumski Plod positioned itself as a legitimate representative of WGP actors and demonstrated its ability to negotiate with GoM officials in support of this important industry. Another success of the Association was the adoption of the Law on Forests amended with the modifications proposed by Shumski Plod members. Shumski Plod thus demonstrated unity in addressing competitiveness constraints to their value chain that negatively impacted member businesses. To further create a favorable competitive environment for value chain participants, AgBiz supported the Association to address other policy issues, built Shumski Plod members' capacity by facilitating the development of their five-year strategy and Annual Work Plan and launched a web site promoting the WGP Companies.

AgBiz also supported MAEA involving 13 major FF&V companies that recognized the benefit of joining forces at the national level to make fresh produce exports more competitive. AgBiz helped the newly established association build its capacity by supporting the development of its Five Year Strategy and Action Plan. AgBiz supported a five-day study tour for MAEA members to more advanced FF&V associations in Bulgaria. MAEA members learned about organizing sustainable FF&V-related associations, sustainable management practices, advocating with Government, and the range of services offered to members of Bulgarian associations.

AgBiz also stimulated the development of WoM and played an essential role in establishing the WoM structure; internal procedures, an operational plan and programs for improvements in backward linkages with grape producers and coordinating with relevant GoM institutions.

By supporting the formation of these national trade Associations and strengthening the capacity of existing ones (VegaMak, an association of fresh exporters and primary producers, and MAP), AgBiz significantly improved horizontal coordination within VCs, built the capacity of VCs to upgrade overall performance standards, helped organize joint export presentations and successfully developed public-private dialogue with relevant GoM institutions.

2.4.2.3 Food Safety

Food safety is a global concern, not only because of the importance for public health, but also because of its impact on international trade. Globalization of food production and procurement makes food chains longer and more complex and increases the risk of food safety incidents. Effective and harmonized food safety systems manage and ensure the safety and suitability of food in each link of the supply chain. In addition to their importance as a value adding tool and sales prerequisite, implementation of food safety assurance systems based on HACCP principles was made mandatory by the GoM from 1 January 2009. AgBiz estimated that only 10-15% of Macedonian food businesses were able to meet the requirement at that time. This was a serious constraint to agribusiness due to the investment needed to comply with the requirements and the limited local and affordable expertise for implementing the more advanced food safety & quality assurance systems.

Assisting VC participants to address these constraints, AgBiz supported the introduction of quality and food safety standards and increased the capacity of Local Service Providers and customers' level of awareness of the importance of implementing food safety systems and quality standards. With AgBiz support, quality standards were improved through more than 50 customers by facilitating HACCP

implementation for 30 AgBiz targeted facilities, GLOBALG.A.P. for 14 producers covering 2,000 hectares and organic certification for 5 customers covering more than 50,000 hectares. In addition, AgBiz supported Bonum Plus to implement and obtain ISO 22000 certification. Given its importance for new market entrance and building stronger links with international partners and supermarkets throughout the EU, AgBiz facilitated the Training in Requirements for International Food Safety (IFS) standard for five customers and two local BSPs who became certified consultants for implementation of the IFS standard.

2.4.3 Enhanced Access to Finance

Access to finance assistance helped 52 companies identify more than \$7.4 million in financing. Assistance was provided in analyzing companies' financial statements, collateral issues, and financial projections, developing business plans and credit applications, provision of training to producers, processors and SMEs on how to assess their capital needs, working capital requirements, long-term financing, and equity investment. AgBiz developed a collaborative relationship with a range of alternative sources of financing to understand their requirements for financing AgBiz customers, and the comparative advantages and disadvantages of these alternative sources. In addition to bank financing, AgBiz explored and promoted trade financing, leasing, equity and other financial products.

AgBiz authored and published an Agribusiness Finance Manual that summarized important information on institutions, donors, and agencies that lend to, or invest in agribusinesses. This manual was presented and distributed to over 120 customers. Presentations were made to more than 90 participants, introducing them to relevant sources of financing and government programs described in the Manual. The Manual was a useful tool that helped Macedonian agribusinesses understand financial institutions' requirements, conditions, and the range of products and services available. AgBiz maintained a close financing facilitation relationship with the private sector and financial institutions. Training on Finance for Non-financial Managers, Workshops on Innovative Ways of Financing to Wineries and "Green" loans related to investments in environmental protection and energy saving were attended by over 40 customers.

As part of its Access to Finance activities, in 2008 AgBiz organized a workshop involving case studies on how Bulgarian and Romanian companies used Special Accession Programme for Agriculture and Rural Development (SAPARD) funds. This helped Macedonian agribusinesses learn from the experience of neighboring countries in accessing EU funds. In mid-2009, AgBiz organized three successful IPARD training sessions attended by 53 companies' representatives. These trainings were designed to help customers and their consultants become acquainted with the processes, role and responsibilities of applicants, qualifications for approval, eligible and non-eligible costs, financing considerations and reimbursement, and the criteria for project evaluation. This enabled companies to be ready for the call for IPARD applications, and improved their ability to submit winning applications.

Although available for Macedonia from the end of 2007, due to late accreditation of the payment Agency, the first call for applications under the IPARD was announced in March 2010. But to obtain these funds, applicants had to have viable projects, go through a very stringent application process and pre-finance 100% of the investment. Only after full compliance with the IPARD procedures was confirmed, would they be reimbursed for eligible costs. Bulgaria was granted the third largest annual allocation after Poland and Romania so Bulgaria's experience in utilizing SAPARD funds was a very important source of lessons learned because their funds were used for modernization of manufacturing, strengthening agricultural support institutions and the development of rural regions. Therefore, AgBiz coordinated a Study Tour to Bulgaria for the members of Macedonian commercial banks to get to know the services provided by commercial banks in Bulgaria regarding EU funding programs and to gain experience related to extension support they offered to their customers regarding the efficient use of available European funds and programs. The participants in the study tour received firsthand experience on interaction of financial institutions in Bulgaria with the managing authorities of the EU programs and beneficiaries. They've learned from practical experience of banks in providing specialized SAPARD tailored services to clients. The participants got familiar with all project implementation stages and the potential risks related to each of them.

3.0 PHASE TWO: 2011 - 2013

3.1 PROGRAM EXTENSION OBJECTIVES

In May 2011, USAID/Macedonia asked Tetra Tech ARD to respond to a Statement of Work (SoW) for a two-year extension of AgBiz. Modification of the SoW included a) Focus on two value chains—fresh fruits and vegetables; b) Emphasis on the lower levels of the value chains, and c) Increased use of service providers for the development of sustainable services.

The overall objective of the AgBiz Two-Year Cost Extension was to increase incomes for participants in selected agricultural value chains in Macedonia by increasing sales (domestic and exports), improving productivity, enhancing the agricultural business environment and increasing access to finance. The project was to build off of the existing capacity and expertise of Macedonian professionals, lead firms and farms and create a new understanding of imbedded services and fee-based service delivery. The provision of services was to be delivered by local partners and would sustainably continue well beyond AgBiz completion. Implementation contributed to the achievement of the Mission's Economic Growth Assistance Objective Three: *Increasing Job Creating Private Sector Growth in Targeted Sectors* and the Intermediate Results 3.1: *Improved Business Environment in Critical Areas* and 3.2: *Key Private Sector Capacities Strengthened*. AgBiz Extension (or Phase II) was a two-year, \$2.34 million extension starting June 18, 2011.

Generally, the primary modifications from the previous AgBiz scope of work to the scope for the two-year cost extension period were:

- 1) Focus only on the fresh fruits, fresh vegetables, and processed vegetables value chains;
- 2) Augmented emphasis on lower levels within the value chains to increase the quality and quantity of production to satisfy current and anticipated demand; include a greater number of participants in the targeted value chains; and
- 3) Increase the use of local agricultural development service providers rather than direct provision of technical assistance by project staff.

Particular emphasis was to be placed on developing more comprehensive services packages that can be provided on a more sustainable basis by existing VC actors or by other public, private or non-governmental organization (NGO) providers. The benefits of the AgBiz Extension were expected to be inclusive and broad-based with positive results at all levels of the value chain, from producers at the bottom, to processors/aggregators in the middle, to exporters at the top. The guiding principles of AgBiz Extension were to: 1) Use *lead actors* as catalysts to increase value chain competitiveness; 2) *Facilitate* rather than directly provide technical assistance; and 3) Ensure the *sustainability* of project benefits.

3.2 TECHNICAL APPROACH (EXTENSION)

Five of the AgBiz components were implemented through subcontracts with BSPs defined as Lead Facilitators. These components were:

- a. Increased Productivity, Competitiveness, and Sales for FF&V; (LF - EpiCentar)
- b. Increased Productivity, Competitiveness, and Sales for PV; (LF - MCG)
- c. Development of Value Chain Export Strategies and Plans; (LF - Macedonia Export)
- d. Organizational Capacity Building for Advocacy; (LF - CeProSARD) and
- e. Enhanced Access to Finance. (LF - Innovation Center)

Lead Facilitators were responsible for developing specific Requests for Proposal (RfPs) and Terms of Reference (ToRs) for each activity that was outsourced. The selection and recruitment process of services

and expertise was solicited on a competitive basis. AgBiz made sure that all subcontracting by the VC LFs were in full compliance with USAID, USG, and Tetra Tech Procurement Procedures. Implementation of the activities by the partners and subcontractors were managed by the LF Project Manager. Communication and reporting plans for each of the activities were agreed upon to suit the needs of the overall project reporting system. LFs designed a Monitoring Plan (MP) in line with anticipated targets and indicators and defined the expected results of each of their proposed activities. The MP was a results-oriented system for planning and managing the process of assessing and reporting progress towards achieving the project's objectives. It also secured monitoring of specific control points throughout the selected ISCs that allowed complete overview of the VC performance. AgBiz employed a mechanism for assuring proper and accurate data collection through guided interviews, data collection questionnaires and regular data quality spot checks.

The remaining three components of AgBiz Phase II were managed by AgBiz staff. Some activities under these components were subcontracted out to local BSPs:

- f. Support for Invest Macedonia;
- g. Policy and Institutional Reform Needs (PIRNs) Identification, Prioritization, and Development; and
- h. Strengthened MAFWE Strategic Planning and Policy Making through a Special Opportunity Fund

Implementation of approved activity packages under each subcontracted component as well as for the three components implemented by AgBiz staff using BSPs, were not conducted independently. Rather, AgBiz employed the value chain competitiveness enhancement approach that integrates all eight of these areas into a single strategy.

3.3 PROGRAM EXTENSION IMPLEMENTATION METHODOLOGY

During the Extension, AgBiz focused on facilitating linkages between value chain stakeholders and BSPs, resulting in more sustainable business relationships. AgBiz staff provided minimal direct technical assistance and refrained from becoming a stakeholder in either of the targeted value chains. LFs were the main implementers of AgBiz value chain development work, and AgBiz worked through LFs to promote the development and implementation of a comprehensive package of services to upgrade the value chains. LFs were competitively selected from the population of BSPs available in Macedonia. As a result, value chain upgrading services were provided primarily by BSPs, and AgBiz cost-shared these activities, resulting in more leveraging and sustainable business relationships.

During the Extension, AgBiz undertook an extensive procurement and purchasing process to subcontract Lead Facilitators to implement AgBiz Activities for FF&V VC and PV VC, Enhanced Access to Finance for participants in the Fresh Fruit & Vegetables and Processed Vegetables Value Chains, Enhanced Global Market Presence by developing Export Marketing Plans and Strengthening Public Private Dialogue through the Increased Utilization of Effective Advocacy. This process is described below.

3.3.1 Subcontracting Lead Facilitators

3.3.1.1 Subcontracting Value Chain Lead Facilitators

AgBiz publicly announced a pre-RfP solicitation and, based on Capability Statements and Basic Approach documents submitted, preselected a short list of qualified potential bidders. AgBiz staff held a workshop with only the shortlisted bidders to explain the required content of potential bidders' Value Chain Lead Facilitator (VCLF) proposals. A detailed RfP was then sent to those shortlisted.

The Proposal Evaluation Committee consisting of 3 AgBiz key personnel, the Senior Technical Advisor/Manager (STA/M) and the Contracting Officer's Technical Representative (COTR) thoroughly reviewed the technical proposals submitted that met the minimum qualifications, and the technical and cost scoring was done according to established selection criteria agreed to by USAID.

The Proposal Evaluation Committee negotiated with the top-ranked firms, interviewed the technical specialists proposed, and reviewed reference checks. The Committee ensured that the proposed budgets were reasonable and that costs were allowable under USAID regulations.

The final selection was determined based on initial rankings and follow-on revisions. In the final analysis, selection was based on which offeror provided the best overall value. Thereafter, the Tetra Tech ARD home office reviewed the final unsigned subcontracts, included any applicable USAID Acquisition Regulations (AIDAR) and Federal Acquisition Regulations (FAR), incorporated necessary clauses and language from the prime contract, and USAID approval was requested. After approvals from both the home office and USAID were obtained, the Chief of Party (CoP) and an authorized officer of the winning Business Service Provider (BSP) signed the subcontract.

3.3.1.2 Capacity Building Workshop and Handbook

Immediately after signing the contracts, AgBiz conducted a two-day workshop and a one-day training in order to equip key staff of the LFs with the knowledge, skills, and templates/forms needed to properly implement USAID subcontracts, and follow established procurement procedures. Tetra Tech ARD sent its Contracts Manager, Ms. Pam Doran to provide presentations and training on Procurement and Contracting Compliance. At this workshop, LF staff was equipped to achieve the subcontracts' goals in full compliance with USAID and USG regulations; conduct efficient and timely financial management including procurement procedures and VAT reimbursement, allowable and disallowable costs, reporting subcontract cost-sharing, staffing policies, etc.; prepare performance review plans including objectives, indicators, baselines and targets, establish a monitoring and evaluation system that ensures data quality; and understand outreach requirements and reporting. In addition to the Capacity Building Workshop, AgBiz developed a "Handbook" and designed a guide to Local Business Service Providers (BSPs) and AgBiz LFs to help them establish and follow standardized management practices in line with USAID rules and regulations.

3.3.1.3 Subcontracting Non-VC Lead Facilitators

In addition to the VCLF subcontracts, AgBiz publicly announced an RfP solicitation to potential qualified local BSPs to implement activities for Access to Finance (1.4), FF&V and PV Value Chain Export Marketing Plans (1.1.2.4), and Advocacy Organizational Capacity Building (1.3.2.2). For these subcontracts, the same procurement, implementation, and monitoring procedures were applied as with the VCLFs, but without necessitating the pre-RfP Capability Statement, short listing, and pre-solicitation workshop. The process included a capacity building and conformance session with each winning bidder.

3.3.1.4 Subcontracting other Qualified Local Business Service Providers

Numerous qualified local BSPs were engaged to implement singular activities developed by AgBiz and *not* managed by LFs. A USAID-compliant process for procuring services from qualified local BSPs was implemented that utilizes an open and competitive bidding process.

3.3.2 Value Chain Development Work

Approximately 60% of AgBiz resources were utilized for work on value chain productivity, competitiveness and linkages, with approximately one half going to each value chain (fresh and processed fruits and vegetables). AgBiz value chain upgrading work was focused on supporting selected VCLFs to implement activity packages that lead to the development of highly productive and competitive Integrated Supply Chains and thus the anticipated achievement of Sub-Intermediate Result (Sub-IR) 1.1.1 and IR 1.2 objectives. Project implementation methodology included identifying relevant FF&V and PV companies, LAs - early innovators including lead firms, processors, consolidators, packers, and input suppliers as the initial points of entry in each of the two value chains - and their supply chain farmers.

The selected LAs covered a wide geographical area that was particularly important for involvement of many potential primary producers from various locations. Supply chains providing raw materials to targeted companies varied in their development from solid backward linkages and cooperation with farmers (verified by the existence of written contracts for raw materials) to companies that purchased raw materials from intermediary consolidators/traders rather than directly from individual farmers.

VCLFs conducted mapping of the sub sectors and conducted VC analysis that accurately depicted the current situation and identified existing constraints and possibilities for VC growth. Activities and interventions focused on enhancing supply chain integration for improved performance of all value chain

actors, shared ownership, continuous exchange of ideas and discussions, and the transfer of skills and competency through extensive dissemination of activity results, outcomes and lessons learned to all VC actors and their organizations. Special emphasis was placed on imbedding services and ensuring their continuous provision after the Life of Project to various direct beneficiaries and VC actors.

In implementing the activity packages, VCLFs combined their internal capacities and experience gained as a result of long-term involvement in the development of the Macedonian agribusiness sector with the knowledge and expertise of other implementing partners and sub-contractors. Implementation of some activities was outsourced to specialized implementing partners such as Foundation Agro-Centre for Education (FACE), Center for Applied Research and Permanent Education in Agriculture (CIPOZ) (operating under the umbrella of the Faculty of Agricultural Sciences and Food from Skopje). A number of technical experts (STTAs) supported activities and played a crucial role in promoting application of the latest scientific achievements in terms of seeds, varieties, planting materials, post-harvest handling practices, storage of fruits and vegetables, and transferring knowledge to VCs lead actors and farmers.

FFRM was included in the implementation, dissemination and promotion of findings, lessons learned, and technical information through its magazine and web site to ensure replication and sustainability of project activities among small farmers and, whenever possible, to create linkages between the LAs and small farmers. FFRM played an important role in representing the farmer's needs and interests and addressing their problems, and increased its own capacity to coordinate round table discussions as a platform for continuous VC dialogue.

3.3.3 Non-Value Chain Development Work

Approximately 40% of AgBiz resources were utilized for indirect support to targeted value chains. For the enhanced access to finance component AgBiz utilized the Financial Platform as a proven mechanism previously developed by the Competitiveness Project. Through LF, Innovation Center, the Program managed a pool of financial experts called "Financial Facilitators" to assist Agribusiness companies and farmers in accessing adequate finance. They advised beneficiaries of available financial products and helped them, based on their specific need for investment or working capital, to select the best option and complete the application process in order to receive necessary loans. To address some of the major issues in the sector i.e. poor flow of information and insufficient knowledge of financing possibilities, the LF educated companies and farmers about available financial products through the development and dissemination of information brochures and by organizing matchmaking and educational events in different municipalities in order to reach more beneficiaries.

The program utilized Value Chain LFs, Lead Actors, AgBiz staff and government representatives involved in the Agribusiness sector as direct sources of information to identify PIRNs. Under the special Opportunity Fund, AgBiz, in cooperation with MAFWE, prioritized and selected the most important interventions to support Strategic Planning and Policy Making at the MAFWE. AgBiz engaged various experts and worked in direct collaboration with GoM scientific institutions to help the MAFWE develop several strategic documents.

AgBiz supported Invest Macedonia to build its export promotion capacity and develop export promotion programs for AgBiz-targeted value chains. Working closely with Invest Macedonia (IM) as a key counterpart, the Program supported several activities that provided them with practical experience in organizing trade missions abroad, business to business meetings, trade fair participation and buying missions in Macedonia - some of the key export promotion functions IM must fulfill in the years to come. All these activities contributed to institutional development and improved organizational efficiency of the Agency for Foreign Direct Investment and Export Promotion of the Republic of Macedonia.

AgBiz in coordination with the Dutch CBI, established a process and developed Export Marketing Plans for both FF&V and PV VCs that will enable a more coordinated approach to export promotion and will enhance the capacity of Invest Macedonia to facilitate and gradually take over export promotion. This was done by involving the PV and FF&V value chain stakeholders, Invest Macedonia, the MAFWE, the Ministry of Economy, other government bodies, chambers of commerce and relevant entities.

All Program activities for strengthening advocacy and public dialogue were developed and implemented to support establishment of the Subsector Standing Groups as an official structure for Public Private Dialogue (PPD) focusing on the agriculture sector. Tailored training packages resulting from the training needs assessment were developed for PV and FF&V participants (industry associations), umbrella producer associations and relevant GoM representatives. The aim was to build the capacity of each of the stakeholders to identify and address Policy, Regulatory and Administrative Reform needs. All project participants were trained to identify such needs and engage in effective PPD to ensure they are adequately addressed. In addition, an on-line tool was developed and handed over to the MAFWE for future use as a PPD platform.

3.4 IMPACT AND MAJOR SUCCESS

3.4.1 Program' Contribution to Increased Domestic and Export Sales and Improved Competitiveness and Productivity

3.4.1.1 Fresh Fruits and Vegetables value chain

Under this component, VC participants increased productivity and export competitiveness through a significant number of trainings, study trips, demonstration plots, and on-field instruction by local and international experts. The FF&V VC LF EpiCentar assisted in improving the productivity and quality of three of the highest-potential VC products in Macedonia, namely apple, pepper, and table grapes. Comprehensive on-field technical assistance focusing on the introduction of modern production technology resulted in quality improvements in the production of Victoria table grape at two LAs. Installation of a new vineyard support structure and anti-hail net coverage improved protection and the harvesting efficiency, thus improving the health and appearance of the grapes. An organized study tour to Italy and Croatia for table grape and fruit producers and nurseries allowed LAs to learn **new and modern production technologies** both for fruit production (intensive apple orchards with high density, UV and hail protection nets/covers, use of overhead vineyard trellising system, various packaging types, hydro-cooling, cooling, grading, storing, packaging, etc.) and planting material production (Integrated Pest Management [IPM] system as an environmentally conscious method to control pests, micro propagation and nursery-based production of certified planting material). In addition, the study tour to Croatia increased LA's awareness of post harvesting technology of fresh fruits with an accent on Smartfresh and Ultra-Low Oxygen (ULO) systems used for apple storage under controlled atmosphere and other post harvesting techniques. Smaller-scale producers received assistance in soil analysis before establishing orchards, the selection of first class planting material, preparation for planting, planting and maintenance of the plants, pruning, etc.

Low quality of planting material, one of the major obstacles for improved quality of produce, was addressed by assisting LAs in the procurement of mother plant materials in order to produce high quality certified planting material, and through the provision of intensive technical assistance and trainings. Technical experts provided on-site guidance to selected registered nurseries during the production of domestic certified planting material and practical written guidelines were developed to serve as a resource supporting the production of certified planting material. Mother plants introduced included new varieties of apple (6 varieties), pear (4 varieties), sweet cheery (6 varieties) and quince (1 variety), resulting in greater diversification of fruit production in the future.

New varieties of apples and new apple production techniques were introduced through the establishment of an intensive apple orchard demonstration plot in the Prespa region (in cooperation with the United Nations Development Programme [UNDP]). Four varieties were introduced: (1) Golden Delicious clone Reinders (2) Red Chief Campbell (3) Fuji Ki-Ku 8 and (4) Breaburn.

Farmers were also educated regarding compliance with EU production and market requirements for vegetables. LAs pepper-producing farmers were trained in implementing agricultural practices: mulching, pruning on two stems, removal of the first fruits and use of shading nets for improved final product. Guidelines on post-harvesting techniques and the use of environmentally-friendly technologies for pepper production were published and distributed among primary producers through the FFRM.

LAs and primary producers were trained through workshops and trainings on improved post-harvesting techniques. Apple producers were trained in Smartfresh post harvesting technology. The effects of various techniques commonly used to store apples were tested through a trial including three apple varieties and different harvesting periods, preservation in plastic bags, preservation in vacuum bags, and disinfection through immersion in warm water vs. immersion in calcium chloride solution. Results and recommendations were presented to a significant number of producers through presentations and published through the Moja Zemja magazine and within the detailed guideline for production in intensive apple orchards. Local STTAs and other BSPs engaged in these activities as counterparts to international consultants and others who participated during study tours also increased their knowledge and capacity.

Trade Fair visits to Fruitlogistica in Berlin, Moscow World Food, Interpoma in Bozano, Italy were very beneficial for establishing potential contacts with the most relevant players on the market, expanding opportunities for export sales, gathering knowledge on new trends in developed markets, and learning about competitor markets. AgBiz supported Macedonian FF&V companies to visit and/or exhibit at Fruitlogistica in Berlin, one of the most prominent and relevant FF&V fairs in Europe. In 2013, a Macedonian exhibition at Fruitlogistica was organized in cooperation with the MAWFE. Ten FF&V companies exhibiting at a National stand under the tagline “Taste of Macedonia” reported over 120 meetings resulting in potential new contracts for export of fresh fruits and vegetables, and received orders in the amount of 4,67 mil. Euros. Thirty-one new customers from the Netherlands, Russia, Slovakia, Italy, Ukraine, France, and Hungary placed orders to buy fresh produce from Macedonia.

Six of the largest fresh produce export companies exhibited together with several PF&V companies at the World Food Moscow trade fair. The fair was very useful in that it allowed LAs to learn how the market operates, meet present and potential customers, renew contacts and make pre-arrangements for the upcoming production season. Immediately after the fair, two of the participants reported orders for fresh fruit and vegetables valued at 330,000 Euro.

Participation at the International Agriculture Fair in Novi Sad Serbia in May 2012, allowed FF&V LAs and primary producers to assess regional competitors supplying produce to wholesale markets and retail chains and witness the latest developments regarding inputs, agriculture mechanization, irrigation systems, post-harvest handling, and new concepts for glass house production. In addition, the fair presented LAs the opportunity to strengthen existing and establish new linkages to potential regional buyers.

In November 2012 at Interpoma in Bolzano Italy, participants observed latest trends in apple production and post-harvesting practices, established contacts with input providers, research centers, planting material producers, and other suppliers and established possibilities for further collaboration. Participants obtained new information on market demand and product characteristics requested by customers from Italy and other EU countries.

Trade fairs helped companies and farmers learn many novelties like innovative systems for multi packaging, automatic packing of fruits, systems for automatic cleaning and selection of dirty and/or broken boxes with folding sides, fruits and vegetable sorting technologies, Integrated Crop Management, beneficial insects and crop protection solutions, software packages for production monitoring and many other technologies and practices that could be adopted to improve productivity and enable farmers and companies to reach the required market standards.

EpiCentar facilitated activities for enhanced export sales through buyers’ missions in Macedonia and B2B meetings. During the extension, EpiCentar organized three buyers’ missions and B2B meetings for selected companies from Bosnia and Herzegovina for apples, from Montenegro for peppers and from Slovakia for table grapes. Based on input from stakeholders in the VC and scoring of prospects using market analysis and a set of relevant criteria, these markets were selected as priority non-traditional markets for each of the main products mentioned. A buyers’ mission of importers from Montenegro and B2B with Macedonian producers/exporters focusing on fresh pepper resulted in pre-contracts and orders of around 600t of peppers and other fresh produce (apples, watermelon, grapes, rice). Importers from Bosnia and Herzegovina visited apple producers in Resen and had follow-up B2B with Macedonian producers/exporters and importers. B2Bs and later negotiations led to exports of around 650t of fresh produce (mainly apples).

As part of AgBiz assistance to Invest Macedonia, FF&V companies participated in a Study Tour and B2B meetings in Poland where they met key importers, distributors and wholesalers. The group also met with the purchasing Director of Metro Cash and Carry Poland. Participants learned about specific market segments in Poland and the tender procedures and requirements for supplying fresh produce to Metro.

3.4.1.2 Processed Vegetables Value Chain

During FY'12 and FY'13 MCG as PVVC LF implemented a set of value chain development activities that achieved considerable related to strengthening the PV value chain at all levels and improving the overall competitiveness of the VC, thereby also improving income generation among primary producers. Implementation of contract farming accelerated vertical integration of the VC and began to address distrust among PV VC members. More than 983 farmers in 2012 and an additional 205 farmers in 2013 received technical support, through MCG and FFRM personnel, to improve production practices and sign and fulfill formal contracts for production and buyout of vegetables with 8 selected processing companies. The existence of formally signed contracts incentivized planned production and resulted in secured buyout of raw materials of higher quality and consistency. This led to higher income for farmers. Contract farming also supported training on production guidelines including selection of seed, production of seedlings, plant protection and environmentally sound production and protection technologies.

Twelve new technologies or management practices were introduced through various activities. The implementation of GLOBALG.A.P. to two groups of LA farmers enabled effective and efficient traceability of pepper delivered for processing. This improved quality management practices of the targeted LAs and added value to farmers' products. A total of 181 integrated supply chain farmers supplying LAs Vori, Altra, Dentina, Trgoprodukt, Bonum Plus, Univerzal Promet, Lars and Greenprodukt were trained in advanced production technology and new varieties. Trainings included planting of pepper plants on selected locations, application of liquid mineral fertilizers, and the production of seedlings using inert substrates in floating containers which results in better root development and significantly higher yields.

Facilitation and implementation of contract farming, the introduction of new varieties and new vegetable production technologies and implementation of GLOBALG.A.P noticeably addressed distrust between producers and processors. Farmers are now better equipped to meet the needs of the processing industry including volumes and varieties, and processors are more aware of projected yields and the availability of raw materials. Based on enhanced joint cooperation between farmers and processors, many processors started to provide continuous provision of technical assistance to farmers to improve productivity, thus securing required volumes and consistency of raw materials.

CIPOZ helped farmers from Vege Fresh cooperative to introduce a new pepper variety - yellow pepper for processing,

thus increasing their yields, diversifying their production and increasing their incomes in addition to strengthening capacity and improving collaboration within the LAs supply chains. This has expanded PV VC LAs product range, improved food quality practices and attracted additional customers for existing and new products. Moreover, the results proved that early and late varieties of peppers could be produced in the country. In return, the primary producers could supply the industry with more raw materials, extend the processing season and improve overall production capacity of the processing companies. At the Study Tour to Hungary farmers, FFRM and MAFWE exchanged experiences on establishing and managing successful PGs and POs in the horticulture sector.

Four PV LAs, Bonum Plus, Altra, Trgoprodukt and Rudine finalized the process of implementation of IFS standard and achieved compliance with IFS requirements. Implementation of IFS helped these LAs improve food safety and food quality practices and deploy a traceability system within their current business operations, thus complying with the requirements of the foreign buyers. A study was conducted to analyze potential for increased security for packaging material supply and improved bargaining power of PV VC members. The most suitable model for joint supply of glass jars was identified and legal and financial scenarios were prepared. The joint supply of glass jars eliminates some of the existing impediments and contributes to increased reliability of supplies. The model gives additional buying power

to the group and allows them to discuss the purchasing terms and conditions with other interested producers of glass jars.

PVVC LAs were supported in their continued efforts to expand current market presence and to diversify market opportunities. A visit to Anuga in 2011 and contacts with export buyers contributed significantly to increasing LAs' knowledge regarding the German market for processed vegetables, strengthened existing relationships with established buyers and identified potential new importers and distributors. That resulted in US\$1.261.000 worth of new orders. A later buying mission of German Importers to Macedonia led to an additional US\$400.000 worth of orders placed. A study tour to Australia enhanced the knowledge of PV VC Lead Actors regarding the Australian market for processed vegetables. PV companies presented their capacity to supply finished products and explored export sales opportunities. In less than three months following the trip, participating companies reported US\$910,000 worth of export sales to Australia.

As a follow up to a coordinated buying mission of Russian Importers to Macedonia and participation at the World Food Moscow Fair, LAs continued intensive negotiation that resulted in two new export contracts worth of US\$61.000. Five LAs participated in the Study tour to Sweden and Lithuania, had specialized presentations and B2B meetings with interested buyers and distributors on these markets and received orders for exporting PV products valued at US\$117.000. The study tour and B2B in Austria opened new perspectives for export sales of canned vegetables in 5kg packaging for restaurants but also for the export of higher value-added products such as lutenica, and homemade traditional style ajvar.

Access to Euromonitor international market data "Passport" enabled companies' easier and more efficient communication with potential foreign buyers and expanded possibilities for export sales. Three processors improved their productivity and efficiency through the development and implementation of Integrated Information Technology (IT) solution for enterprises. Business consultants developed comprehensive technical reports including evaluation of resources and control structure, business processes mapping and identified existing shortcomings, management processes and obstacles within work flows of the three PV VCLAs. Based on these reports Lars, Rudine and Altra will each engage an IT business service provider to develop appropriate enterprise resource planning software.

All of the above activities contributed to the inclusion of an additional 594 farmers into LAs' integrated supply chains, increased productivity and improved the welfare of primary producers and processors.

Participating farmers, National Extension Agency (NEA), FFRM, and participants from selected BSPs visited the International Agri-Food Fair "Agrotica" in Thessaloniki and the International Agricultural Fair and Institute of Field and Vegetable Crops in Novi Sad. Through these visits, participants learned (and many adopted) agricultural techniques for improving productivity and upgrading standardization of products. Participants observed a trend for higher automation in vegetable production and processing and learned about the latest innovations including new varieties with improved pericarp thickness and dry matter content, cultivation techniques and advance farm accounting software, sorting and grading, improved warehouse management and cold storage, more efficient technologies or high speed processing and filling lines for the processing of gherkins in glass jars, cans and barrels, improved packaging and branding. Automatic trimming and coring of peppers is a considerable advancement in processing since it reduces/eliminates the need to engage direct labor for the extraction of seeds after roasting. It also enables a continuous production process and hence increases efficiency of the processing facilities.

Other trainings were implemented for farmers, focusing on the adoption of EU requirements; different forms of farmer organizations such as cooperatives, producer groups and producer organizations; Agri Environment and GAP practices; requirements for vegetable production; National and EU marketing standards for fresh and processed vegetables; and IPARD modifications and new requirements.

Acquiring and dissemination of Euromonitor international market information, the development of an interactive web portal for MAP, and a Survey of raw material supply, employment and sales performance of PV VC for 2011 and 2012 supported the process of strengthening the capacity of MAP. These activities resulted in the development of new services for association members and non-members and increased the capacity of PV VC members to effectively plan and execute joint marketing and promotional activities. MAP was a reliable partner in implementing competitiveness enhancement

activities that resulted in further strengthening of the capacity of MAP and enhanced recognition of MAP as a leading organization in the horticulture sector in RM.

3.4.1.3 Support for Invest Macedonia

This component was designed to assist Invest Macedonia to build its export promotion capacity and develop export promotion programs for the AgBiz supported value chains. As a result of internal reconstruction and delayed employment of export promotion staff, IM was not in position to act as a counterpart and absorb the offered assistance. Therefore commencement of component implementation was put on hold. Nevertheless, in the first six months of FY12, AgBiz in coordination with the USAID Mission held several meetings with IM management and confirmed the commitment of the Agency to cooperate and be directly involved in joint activities. In synergy with USAID Investment Development and Export Advancement Support (IDEAS) Project, AgBiz coordinated training for Invest Macedonia Export Promoters to acquaint them with the FF&V and PV VCs specifics and enhance their capacity for Foreign Direct Investment (FDI) and Export promotion of agricultural products.

AgBiz supported Invest Macedonia to successfully implement a Study Tour and B2B event between fourteen export companies from Macedonia producing FF&V and PV and potential buyers in Poland. In addition, from May 28th to June 6th 2012, AgBiz together with IDEAS supported Invest Macedonia to successfully coordinate “road show” presentations of Macedonian Wineries in the US. Three promotional events were organized in Washington DC on May 30th, hosted by the Embassy of the Republic of Macedonia, on May 31st in Chicago, including wine tasting and B2B meetings with importers and distributors and a promotional event on June 5th in New York City for the most relevant wine media and critics, sommeliers and wine merchants. These events contributed considerably in gaining practical experience in organizing trade missions abroad, one of the key functionalities in the area of export promotion that shall be provided by IM to the private sector. Both Programs organized a visit to well established Export Promotion Agencies in Slovakia and Czech Republic that play an important role in export promotion. AgBiz contributed to the development of Invest Macedonia’s Customer Relationship Management (CRM) system by collecting and uploading a directory of export companies working in the main Agribusiness sub-sectors: Fresh Fruit and Vegetables, Processed Fruit and Vegetables, Wine, Meat and Dairy. Based on the contract signed with Euromonitor, AgBiz helped Invest Macedonia to successfully obtain access to advanced Market Information Data including more specific market information ranging from statistical to competitive analyses of the four sectors identified as having the greatest potential to achieve export targets.

With AgBiz support, IM together with MAFWE organized a business forum where Macedonian companies from the Agro sector met with potential Hungarian partners and discussed possibilities for trade. AgBiz organized training for IM Export Promoters and presented an overview for 2012 of FF&V and PV value chains and export promotion activities that should be organized with direct involvement of IM staff. In synergy with IDEAS Project, AgBiz organized capacity building training for the employees of Invest Macedonia and the Technical Industrial Development Zones (TIDZ) Directorate for promoting Macedonian exporters at targeted markets, and supporting foreign investors that have established operations in the country. The Program also presented the process for Developing Sector Export Marketing Plans for FF&V and PF&V and selected target markets, an activity implemented in partnership with IM and the Dutch CBI. Invest Macedonia prepared and issued a three-page article prepared by AgBiz, on AgBiz goals, achievements, and activities implemented together with IM. This was included in IM’s first electronic Newsletter called “Exporter”.

All these activities contributed to institutional development and overall organizational efficiency of the Agency for Foreign Direct Investment and Export Promotion of the Republic of Macedonia. Invest Macedonia Agency was also a key counterpart in a Regional Agribusiness Forum organized by AgBiz and Regional Competitiveness Initiative (RCI) on 29th May 2013 in Skopje.

3.4.2 Program’s Contribution to Enhanced Business Environment

3.4.2.1 Strategic Planning and Policy Making at MAFWE and Special Opportunity Fund

The MAFWE is faced with many challenges for approximation of Macedonian policy and legislative framework with the European Union, especially aspects to comply with directions under the CAP and to

fulfill the criteria from utilizing the support programs by the WB, EC, Food and Agriculture Organization (FAO), and others. Therefore, USAID agreed to allow AgBiz to include a SOF to support MAFWE with a flexible set of jointly designed and agreed upon activities. Through the Special Opportunity Fund, AgBiz supported MAFWE's work on important multiannual strategies and programs that needed to be drafted and adopted according to the EU approximation process. Support was provided by short term technical experts hired by AgBiz to assist the MAFWE in completing these documents in timely manner including presentations to the public and/or parliament. Besides the direct intervention to help prepare national strategies and laws for the upcoming period, the engaged experts helped MAFWE draft numerous regulations, secondary legislations and annual agricultural reports, and built internal MAFWE capacity through trainings on EU integration and negotiation processes. The latest was done by engaging the most prominent experts from Slovenia and Croatia. For the first time, according to the adopted EU methodology, the process of Protected Designation Origin (PDO)/ Protected Geographic Indication (PGI) registration was initiated for three Macedonian products. AgBiz flexibility created opportunities to work on several alternative documents that were particular priorities for the GoM.

The completion of the following documents and activities constitute major accomplishments achieved through the component on Strategic Planning and Policy Making at MAFWE:

- National Program for Agriculture and Rural Development 2013-2015 (Multi annual subsidy program)
- Multi annual strategy for improvement and monitoring of milk quality 2014-2020
- Building Human Resources (HR) capacities – Training for EU negotiation process
- Strategic Framework Document for drafting new NSARD

3.4.2.2 Advocacy & Public Private Dialogue

Although in the last decade farmers and industry representatives have created various initiatives for forming producer associations, cooperatives, trade associations and even umbrella organizations, attempts to properly articulate common interests and to communicate with government structures yielded only periodic and unsustainable results. MAFWE recognized the importance of formal and continuous public-private dialogue and, in the Law on Agriculture and Rural Development from 2010, included a directive for the formation of Subsector Standing Groups (SSG). However, for more than one and a half years, those groups were not structured. Hence, AgBiz designed this component to support the structuring of Subsector Standing Groups for Fruits and Vegetables and to develop preconditions for them to become fully operational.

Through the LF CeProSARD AgBiz developed necessary criteria for membership, internal documents and a rulebook, developed the mission and vision of the SSG and coordinated 12 training sessions for representatives from the private sector, farmers, industry associations representatives and MAFWE staff. Trainings were attended by 534 representatives from both target groups and included modules on strengthening the skill set of members needed for identifying, prioritizing, analyzing and articulating specific issues and for developing, reviewing and providing comments and recommendations regarding government legislative documents, policies and strategies. During the program, the SSGs reviewed and recommended certain modifications to the National Programs for subsidies and rural development that were publicly presented and shared with the Minister.

3.4.2.3 Development of VC Export Strategies and Plans

The overall objective of this AgBiz component was to establish a process and develop Export Marketing Plans for both VCs that will enable a more coordinated approach to export promotion and will enhance the capacity of Invest Macedonia to facilitate and gradually its role in supporting Export promotion. AgBiz coordinated with the Dutch CBI which agreed to provide international experts on FF&V and PF&V to facilitate the work. AgBiz contracted Macedonia Export as a Lead Facilitator to work with CBI experts and IM, liaise with other stakeholders including MAFWE, the Ministry of Economy (MoE), Chambers of Commerce, Faculty of Food and Science, FFRM, main exporters and farmers and coordinate all logistics for working sessions to develop Sector Export Marketing Plans for the PV VC and for FF&V VC.

AgBiz coordinated a two-day Kick-off meeting and presented the concept for developing SEMP's to all FF&V and PF&V value chains stakeholders as a model for defining a concrete vision and encouraging commitment to a joint approach to export promotion. The meeting also outlined the steps needed to develop SEMP's. For the next ten months five one-day workshops were coordinated for each of the VCs. The stakeholders working in groups conducted Internal Analysis of the Macedonian PF&V and FF&V industries including the composition of the sub-sectors, size and growth, trade structure, demand and supply side analysis, risk of new entrants and substitutes, related legislation and institutional framework and External Analysis comprising key opportunities and threats, export objectives, market segments and unique selling proposition that Macedonian FF&V and PF&V companies can claim when entering new and/or expanding current export markets. The process was followed by a Confrontation workshop i.e. matching internal capacity (strength and weaknesses) with possibilities and threats to expanding sales on the selected, most prospective markets. Five countries (Serbia, Czech Republic, Russia, Bulgaria and Bosnia and Herzegovina) for FF&V and five countries (Serbia, Russia, Slovenia, Germany and Canada) for the PF&V sector were selected through a process of in-depth qualitative and quantitative market analysis, indicating those markets offered the greatest potential for new entry or extending the current market share.

The fourth workshop was organized to develop the Action Plans for implementation of the strategic objectives defined for FF&V and PF&V. Action Plans laid out concrete export activities that should be completed in the coming 12 months, expected results, a timetable for implementation and responsible parties. After final review meetings with representatives from Ministries/Agencies (MAFWE, IM, MoE), Donors, Private Sector, University of Agriculture, Chamber of Commerce to present and gain acceptance of the SEMP's, AgBiz, through Macedonia Export LF, organized a final Wrap Up workshop to present the final SEMP's to the GoM and private sector. The Minister of Economy, Deputy Minister of Agriculture, USAID Economic Growth (EG) Director, Dutch Ambassador in Macedonia and CBI Program Manager made remarks, recognizing the importance of the process and expressed appreciation and the value of the final strategic documents. Invest Macedonia management confirmed that the Activities included in the Action Plan will become integral parts of Invest Macedonia's future work plan guiding export promotion support to FF&V and PF&V value chains.

3.4.2.4 Policy and Institutional Reform Needs Identification, Prioritization and Analyses

Through this component, AgBiz managed to identify, analyze and propose or develop interventions to properly address ten PIRNs. Besides the value chains actors as a source of PIR needs, AgBiz received requests for assistance in improving legislation, increasing capacities of GoM representatives and/or developing relevant assessments to improve policy planning or resolving issues that impede VC export competitiveness. In close coordination with MAFWE, AgBiz engaged experts to develop Codes for GAP as a set of practices for urgent adjustment of the farmers towards the new mandatory requirements for a direct payment scheme by 2013.

AgBiz assessed the "GoM Subsidies and their impact on the export competitiveness of AgBiz-supported VCs", "Potential and challenges for developing Producer Organizations (POs) in Macedonia with Recommendations for AgBiz support", "Impact of Government Legislation regarding mandatory buyout contracting for FF&V products" and organized a public debate to address the findings identified. In addition, an expert was engaged to assess the "Correlation between the productivity of primary producers and agribusiness export performance." This study covered broad aspects of primary agricultural production and proposed specific interventions that small scale farmers can implement to achieve an optimal role in enhancing the export competitiveness of tomatoes and peppers (both for fresh consumption and the processing industry) and table grapes.

Based on identified need to support MAFWE's structure, AgBiz contracted a BSP to develop operational manual and working procedures for the subsector groups (SSG) in the MAFWE. This document defined the framework for regular private-public dialogue based on legally adopted procedures detailing the rights and responsibilities of the president and other stakeholders of the SSGs.

3.4.3 Program's Contribution to Enhanced Access to Finance

Activities under the Access to Finance component were implemented by LF, Innovation Center. Through these activities, AgBiz helped 56 companies and individual farmers in the process of accessing finance. Agribusiness Companies and farmers were taught how to do financial planning, and identify and apply for additional funding sources. A total number of 43 beneficiaries successfully accessed finance totaling over US\$ 9.1 million to support investments and working capital that is projected to result in additional exports sales and 116 full time and 395 seasonal workers hired.

Beneficiaries of this type of AgBiz support were obliged to cost-share the fee for Financial Facilitators (FFs), which increased the likelihood that these services will continue after the life of the program. At the same time by sharing the risk, AgBiz boosted the trust between the FFs and the beneficiaries, thus supporting the sustainability of this service. In addition, financial institutions increased their understanding of the needs of agribusiness/agriculture clients, issues regarding availability of fix assets, seasonality of needed finance, acceptable interest rates and grace periods and other important conditions they need to provide in order to successfully serve this sector.

Educational and matchmaking events enhanced the financial literacy of beneficiaries and brought them closer to the FI's, thus building long-term business relationships. The major issues identified through the Financial Platform i.e. poor information flow and lack of knowledge about lending options, were appropriately addressed by organizing matchmaking events with banks and saving institutions in different municipalities. The educational events also covered topics related to available financial instruments, conditions, processes, access mechanisms, state subsidies and crop insurance policies.

In order to optimize the results and achieve much wider coverage, a brochure was developed on the innovative financial resources available on the market and a study was completed which included recommendations for developing a more useful insurance scheme that will benefit all stakeholders.

4.0 CROSS CUTTING

4.1 GENDER CONSIDERATION

Implementation of all program activities followed USAID recommendations in regards to gender integration and non-discrimination. AgBiz considered the approach of equal opportunity for women and gender integration at all levels of the VCs to be crucial for further development and strengthening the horizontal and vertical linkages among VC players. AgBiz paid special attention to the inclusion of women in all of the implemented activities.

Out of total number of almost 7,700 individuals who have received USG-supported short-term agricultural training 1,819 or 24% were women. AgBiz has made a significant contribution toward increasing both full-time and seasonal jobs resulting in 186 new females employed. AgBiz LFs together with FFRM involved representatives of the Rural Women Network and stimulated their active participation in activities. Women were also included in all activities related to strengthening public private dialogue, women experts were hired to provide short term technical assistance and provide expertise in developing strategic documents for the MAFWE. During the implementation of trainings and on-site technical workshops AgBiz motivated LFs and STTAs to pay specific attention to female farmers and make sure they are adequately interacting and completely absorb transferred knowledge.

It was noted that although men dominate in the decision making processes regarding agricultural practices and mechanization, women contribute to the management of rural households. The involvement of women employed in processing companies is considerable as they handle the products with great care and are more skillful in certain operations than men. However, at the business management and decision-making levels, there is still need for greater involvement of women.

4.2 ENVIRONMENT COMPLIANCE

All activities implemented by VCLFs were in compliance with environmental regulations and legislation. Moreover, some of them were designed to increase awareness in regards to agri-environmental concerns. Special emphasis was placed on issues such as adoption of national requirements for GAP and agri-environmental measures that became compulsory under Macedonian laws and recommended by CAP policies for all farming operations during 2012/13.

In order to comply with the requirements of 22 CFR 216 as prescribed in the project's environmental documentation, IEE AMD No. 2 dated 05/10/2011 and USAID Recommended Environmental Threshold Decision, the AgBiz Program updated the Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) to ensure Program compliance with USAID environmental rules and regulations.

AgBiz engaged a proven international expert to update the PERSUAP in 2011, and integrate Macedonia, United States (US) and European regulations for efficient, sustainable use of pesticides and preservatives. The expert reviewed all VC activities, identified the likelihood of having potential negative effect on the environment and proposed strict mitigation measures that farmers and LAs had to follow. VC LFs, representatives of involved LAs, selected leading integrated farmers, suppliers of raw material and representatives of FFRM received training on safe use of pesticides and directions on how to make sure that all Subcontractor trainers, field extension staff and staff who interact with farmers will recommend PERSUAP conditions. All Subcontractor trainers, field extension staff and staff who interact with farmers followed PERSUAP conditions:

- Do not use pesticides containing Active Ingredients that are not Macedonia, EU, Environmental Protection Agency (EPA) or PERSUAP approved.
- Use pesticide safe use practices, training and safety equipment following GLOBALG.A.P.
- Produce pest management plans for each AgBiz target crop.

AgBiz LFs fully respected the procedures in regards to US Federal regulations that ensure that environmental consequences of USAID-financed activities are identified and considered prior to a final decision to proceed, and that appropriate environmental safeguards are adopted. In addition to the regulations and requirements from the PERSUAP developed by the expert and the guidelines for use of chemicals, both VC LFs EpiCentar and MCG engaged production specialists as consultants to assist farmers and LAs in the application of production techniques in accordance with PERSUAP and mitigation measures. PV VCLF MCG coordinated a training dealing with national agri-environmental and EU requirements as well as GAP for vegetable production. Activities on implementation of food safety and quality standards (GLOBALG.A.P. and IFS) directly contributed to an environmental-friendly approach. Pesticides containing any of the Active Ingredients forbidden in the PERSUAP were NOT promoted or used with USAID resources.

4.3 MONITORING AND EVALUATION

The PMP was a critical tool for planning, managing, and documenting progress towards achieving the goals of the AgBiz Program. It was essential to AgBiz' performance-based management approach, as the data collected and reported for each indicator provided USAID/Macedonia with detailed information regarding program impact by describing progress achieved according to the assigned indicators. It also contributed to the effectiveness of the Monitoring and Evaluation (M&E) system by assuring that comparable, quality performance data were collected.

The AgBiz PMP provided the data required in order to identify performance gaps and reassess performance targets, better perform management decisions and make changes for improvement. As a dynamic document, in collaboration with the USAID COR, it was updated periodically to reflect current conditions that affected Program implementation.

The performance monitoring system and selected performance indicators were designed to measure progress toward each result included in the Program's Results Framework. Specifically, AgBiz aimed to achieve results that move from outputs to outcomes and progress towards achieving Intermediate Results (IR). The performance indicators under each IR provided cumulative results from the implemented value chain competitiveness enhancement interventions including Activities, business expansion Projects and the Integrated Supply Chain assistance. As the indicators measured the impact of the Program's interventions, baseline values were established for a set of indicators, particularly those that measured progress towards increases in raw material purchases, product marketing and employment.

The PMP also employed a participatory approach and disaggregated information by gender, where appropriate, to examine the impact of AgBiz activities on women. The data collection process was an ongoing effort, as numerous sources were used to gather the information needed to provide AgBiz management and the USAID Mission with high quality and reliable data on Program impact. Data quality was verified by conducting annual assessments and random field visits to assess whether reports accurately reflected results in the field, and through regular meetings with customers and subcontracted LFs. The findings and lessons learned through the conducted analysis were further used to improve performance and as a basis for planning, decision-making and promotion of learning within the Program. (Details on indicator achievements are presented in Appendix I of this report).

4.4 COST SHARE

Making optimal use of AgBiz/USAID resources was of paramount importance. Due to relatively limited resources and aggressive objectives, AgBiz leveraged its technical expertise by concentrating on a limited number of value chains and agribusinesses and making sure all training, technical assistance and other support is complementary to and did not duplicate technical assistance being provided by other USAID projects, other donors or the GoM. Resource leveraging was achieved by requiring a high level of cost sharing from all customers, especially post-farm gate entities, and the use of external consultants versus staff wherever possible. AgBiz aggressively sought out alternative sources of financing for its customers as opposed to directly financing a high percentage of project or activity costs.

During the six-year period, as a result of exposure to innovative technologies, management practices and trade opportunities created, AgBiz customers were stimulated to invest their own funds. The

comprehensive process of upgrading companies' product assortment and quality assurance capacity inevitably led to restructuring of existing production processes or plant facilities. Introduction of new improved technologies decreased production cost thus increasing profits, but at the same time required introduction of new, up-dated equipment. Many processing companies, particularly those implementing internationally recognized standards, had to renovate production plants and purchase additional equipment to be able to comply with standards requirements. Other incentives for investing additional funds were commitments to meet the requirements of international buyers and realize the contracts made during participation in supported trade fairs and B2B meetings.

In addition, direct access to finance assistance provided to SMEs and farmers encouraged beneficiaries' own investments for equipment for land cultivation and irrigation, the establishment of new nurseries for plants and seeding material, cold storage facilities, new production lines and working capital.

This approach resulted in excellent leveraging of USAID resources of almost 1:8. AgBiz has contributed \$2.4 million to Activities and Projects and private sector participants, other donors and Government of Macedonia's institutions have contributed over \$18.6 million.

4.5 EXTERNAL COLLABORATION AND SYNERGY

In order to optimize the impact on increasing incomes for all participants in the two targeted value chains, by increasing exports, improving productivity, enhancing the agricultural business environment and increasing access to finance, AgBiz and its subcontracted LFs had comprehensive and continuous cooperation and coordination with private sector entities, donor projects, Chambers of Commerce as well as relevant GoM institutions.

During the life of Program AgBiz established and maintained excellent coordination with the USAID Mission in Macedonia. Through its day to day work AgBiz had highly professional and constructive communication with the AgBiz Program COR/Project Management Specialist that significantly contributed to timely approval and successful implementation of all program activities. AgBiz had exceptional support from and coordination with the USAID EG Director that participated at almost all annual planning workshops, quarterly review meetings and important high-level official meetings and events organized by AgBiz. The Program coordinated more than fifteen field visits for US Ambassadors in the Republic of Macedonia, USAID Macedonia's Mission Directors, the EG Office Director, Washington DC Desk Officers, USAID Europe & Eurasia (E&E) and Bureau Environmental Compliance Unit representative, Regional Environmental Officer, other USAID officials and their guests to present Program achievements and deliver and even stronger message concerning USAID's contribution to Macedonian agribusiness.

MAFWE considers AgBiz one of its most relevant partners in facilitating farmers, farmers associations and VCs companies to enhance their productivity and ability to compete on domestic and export markets and to build their capacity to properly articulate their interests and partake in effective public-private dialogue. Fruitful and productive cooperation with the MAFWE was established from the very beginning of the AgBiz Program and continued throughout the AgBiz extension when, in fact, collaboration was deepened by effective use of the Special Opportunity Fund and Subsector Standing Groups.

AgBiz fully coordinated the input of the Wine industry to the new Wine Law in 2009, worked closely with the Shumski Plod Association to present the negative impact of multiple taxation of WGP's and to develop and refine proposals to be incorporated in the new Law on Forests, implemented an Assessment of Regulations and Practices Regarding Seasonal Employment in Agriculture, initiated an Assessment of the GoM Agricultural Subsidy Scheme and its impact on the export competitiveness of Macedonian agribusiness, contributed to the new law on agricultural cooperatives, contributed to the workshop on protocols for vegetable seed production participated at the standing working group meeting for vegetable organized by MAFWE, and provided its input to the work of the Fruit and Vegetable (F&V) sub sector working group in regards to finalization of the buyout of fresh F&V rulebooks organized by MAFWE. MAFWE representatives participated at many trade fairs and promotional events. The Ministry provided direct financial support to an exhibition at a national stand for FF&V at Fruitlogistica 2013 coordinated by FF&V LF, participated and fully contributed to the work of developing Sector Export Marketing Plans Focus Group (FG) discussions for FF&V, and participated in many National exhibitions at trade fairs.

Through VCLFs, AgBiz worked with the Payment Agency on marketing support for PV exporters and contributed to mechanisms for payment of additional subsidies for farmers that cooperate with the PV industry; participated and co-organized several initiatives with the cabinet of the Deputy Prime Minister in regards to Seasonal labor, a new 5 year national program for agricultural and rural development 2013 – 2017 and presented performance of the processing industry 2011 report at the International symposium for agriculture and food organized by the Faculty of Agriculture and food science.

The Program leveraged its support through all participants in the FF&V and PV VCs, shared experiences, promoted learning from each other and jointly support activities. During the extension, AgBiz and LFs cooperated with many other entities. AgBiz encouraged Lead Facilitators to collaborate among themselves, across components, with other USAID projects, and with external stakeholders interested in the agribusiness sector to leverage the impact of AgBiz activities.

The AgBiz CoP regularly participated on RCI Project Meetings and contributed to regional initiatives and opportunities. AgBiz and RCI collaborated in organizing various Ag related trainings such as the one on Post Harvesting Technology in Sarajevo, Bosnia and Herzegovina (BiH) managed by experts from UC DAVIS and another on packaging for FF&V products according to the EU standards in Tirana, Albania. AgBiz management participated at a full-day Regional Agricultural Market Information Systems Workshop and Regional Policy Forum in Skopje. Both Programs jointly coordinated the Regional Agribusiness Forum in Skopje on regional export promotion and cross border value chains as well as challenges on EU approximation process.

Most of the activities supporting the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia - Invest Macedonia, were implemented in synergy with the USAID Investment Development and Export Advancement Support (IDEAS) Project. The AgBiz LF for FF&V cooperated on a training session for apple producers with the USAID project on Adaptation to Climate Change implemented by the Rural Development Network (RDN) organization.

The Macedonian Chamber of Commerce was AgBiz's partner in co-organizing a promotional event and B2B between the Macedonian producers/exporters and importers from Slovakia and through its association of glasshouse producers co-organized the discussion and presentation of the first draft of the cost benefit analysis of energy efficiency. The Macedonian Russian Chamber assisted the organization of the World Food Moscow exhibition of Macedonian FF&V and PF&V companies.

FFRM, the largest umbrella organization of primary producers of Macedonia and its member associations in the fresh produce sector were partners in implementing most of the activities of the program. Their capacity building and effective utilization of their network to disseminate critical information and knowledge was one of the objectives of the program. The capacity of the FFRM as an organization has been significantly increased in terms of organizational skills, production of technical materials, data collection, research and analysis.

AgBiz intensively cooperated with CBI throughout development of the Sector Export Marketing Plans for FF&V and for PF&V. FF&V LF signed MoUs with the UNDP Project in Prespa Region and High School Car Samuil Resen for implementation of the activity supporting intensive apple orchard establishment and technical assistance.

PV LF held several joint events with the Macedonian Bank for Development Promotion (MBRP) to discuss issues related to easier access to finance for PV VC members. A memorandum for cooperation between MAP and MBPR regarding easier access to finance for PV VC members was signed in May 2012. MCG coordinated with the Macedonian Chamber of Information and Communication Technologies (MASIT) on the activity involving the development of a tailor made enterprise resource planning system for three PV companies; with USAID's project for SMEs, Industrial Management Project in regards to potential involvement of PV VC members in project activities related to energy efficiency; and with an international expert engaged by SDC to discuss SDC strategy development for Macedonia.

VC Lead Facilitators held regular cooperation meetings and synergized their efforts with many other organizations active in VC development such as the MAP, Alliance of Cooperative, MAEA, Macedonian Association of Agricultural Cooperatives, Union of Chamber of Commerce and others.

Under the Access to Finance (AtF) component LF Innovation Center successfully collaborated with MAFWE, Insurance Supervision Agency (ISA), Insurance companies, MBPR and other relevant institutions that contributed significantly to the organization of the events and the development of the materials for organizations such as FFRM and others. A MoU was signed with FFRM to jointly continue to work on the financial platform, which will enhance sustainability of AtF assistance.

4.6 OUTREACH

It is an important USAID and USG objective that the people of Macedonia are aware and have a positive impression of the support USAID and the USG are providing to Macedonia. Therefore, AgBiz utilized consistent messages and techniques to make sure beneficiaries and other stakeholders are well aware that AgBiz support is “From the American People” and is viewed very positively. The AgBiz Branding Strategy for all outreach activities was in line with USAID’s outreach objectives.

During the life of the Program, the Outreach and Communication component was focused on effective communication of USAID AgBiz work, results, and impact primarily with the supported value chain stakeholders, GoM and the general public. Although the majority of implemented activities were directed to LAs and their integrated farmers as direct beneficiaries, comprehensive communication of activity results, key lessons learned and recommendations ensured that the effects and broad based impact of USAID’s AgBiz Program were widely visible.

- The broader public awareness of AgBiz achievements and impact as a USAID funded project was effectively reached through 547 media exposures. All relevant print and electronic media in Macedonia published AgBiz work related articles and stories. AgBiz CoP participated as a guest in debates, programs and gave interviews on National TV stations MTV, Alfa and Nasa.
- The positive profile of the AgBiz Program, USAID and selected value chains was raised by developing 63 success stories.
- All AgBiz events (conferences, trainings, workshops and meetings) and publications (studies, presentations, brochures, training and promotional materials) were visibly marked with USAID identity in compliance with USAID branding and marking procedures;
- Awareness of and appreciation for US Government’s assistance programs in Macedonia were also increased by placing Marking Plaques on grant recipients’ facilities. These plaques were symbols of the successful cooperation between USAID, via AgBiz, and the supported customers for the effective implementation of their export focused business expansion Projects;
- Media tours were organized to promote the achievements of the wild gathered products, table grapes and wine value chains introducing the media representatives to the types of support AgBiz was providing to improve the competitiveness of its customers;
- In partnership with National Public TV station (MTV) and USAID/Development Outreach and Communication (DOC), ten individual promotional videos for “Wines from Macedonia” were produced; and
- During the extension, AgBiz accomplishments were highlighted 7 times on USAID/Macedonia’s website and 13 times on USAID/Macedonia’s Face Book page.

In addition, AgBiz built the outreach and communication capacities of the Lead Facilitators – as the new originators of USAID’s messages, primarily by leading the process of identification of the significant results and assisting the development of the required outreach and communication activities and outputs. AgBiz ensured that outreach conducted through each LF-led activity was coordinated with the AgBiz outreach specialist. All events including trainings, workshops, B2B, and specialized promotions were adequately branded with USAID/AgBiz banners and other materials in order to increase the visibility of the program in accordance with the communication strategy and branding procedures.

Activities that were implemented in close collaboration with the MAFWE such as Contract Farming and training for farmers on EU requirements were followed by final presentations of results at which the

Minister, Deputy Minister or other high officials from MAFWE attended, thus increasing the relevance of the activities and encouraging media to record and further promote most significant accomplishments. LFs used FFRM as a counterpart in some of their activities and promoted results through Moja Zemja magazine and FFRM's web site. This way, all results from activities were available to all farmers in the FFRM network. USAID AgBiz logo is posted on the web sites of MAP, EpiCentar and CeProSARD. As a result, all direct and indirect beneficiaries and other VC stakeholders highly recognize USAID AgBiz assistance for strengthening productivity and export competitiveness of supported value chains.

The SEMP's development process was followed by a media event to introduce the new approach and achievements to date. The LF leading SEMP development used selected media as main channels for distribution of component news and established partnership with the leading business newspaper Kapital to convey full coverage of the SEMP's development process. Two public events organized, including the kick off meeting and the final Wrap Up presentation, were attended by high-level GoM officials and were covered by national media thus enhancing awareness of the targeted audience and the general public of USAID AgBiz assistance and achievements. The LF gave several interviews for national and local media (Nasa TV, Dnevnik, Tea Moderna, Kapital, Utrinski, etc.) in order to communicate the importance of the SEMP development process and benefits for the value chains.

4.7 INCLUSIVE DEVELOPMENT

USAID is committed to the inclusion of people who have physical and cognitive disabilities and those who advocate and offer services on behalf of people with disabilities. In order to promote inclusion and build commitment and capacity to address issues regarding persons with disabilities, USAID Macedonia conducted Inclusive Development Training for AgBiz representatives including the Chief of Party, Finance and Outreach Specialist and Monitoring and Evaluation Manager.

In compliance with the USAID's new guidance and requirements, starting in the third quarter of FY'12, AgBiz Program incorporated an Inclusive Development Section in its Quarterly Reports where disability inclusion efforts and actions were reported. In addition, AgBiz web site and all Program reporting documents were adjusted to comply with all requirements of the Section 508 amendments to the Rehabilitation Act.

During the fourth quarter of the FY'12 AgBiz conducted Inclusive Development Training for all staff members and lead facilitators in order to promote and ensure awareness and disability inclusion activities within local implementing partners. The training focused on following topics: USAID and GoM policy on disability; common misconceptions; physical, communication and social barriers to inclusion and possible strategies for increasing inclusiveness. Whenever possible, AgBiz held trainings and events in venues accessible to people with disabilities.

5.0 LESSONS LEARNED, RECOMMENDATIONS FOR SUSTAINABILITY

5.1 PROGRAM LEVEL

5.1.1 Value Chain Approach

For a donor project with limited financial resources and staff to address each and every single participant in selected sub-sectors, the value chain approach and strengthening supply chain integration proved to be very effective models. Implementation of an Integrated Supply Chain concept assisted farmers and companies in creating a new understanding of their interdependence and capacity to work together to optimize processes and increase effectiveness and competitiveness of supply chains. In order to achieve sustainable results it was essential to establish direct cooperation with the leading actors (LAs), companies and producers from the sub-sector that play the role of integrators or serve as an excellent mechanism to transfer know-how and practices to a large number of producers and other VC members. Companies and leading individual producers represented the prime target of any intervention designed to support the Agricultural sector. This led to desired change and improved performance of the FF&V value chain.

The method that AgBiz utilized for Value Chain selection should be followed by the national policy and strategy creators, and those that support the agribusiness sector in the country. A considerable amount of open questions, limited resources, and weak capacities in the agribusiness sector are all reasons why the Government should consider focusing on sectors that have evident potential for future growth and development of the agriculture sector. The AgBiz experience regarding the selection of different VCs based on predefined criteria, the design of interventions within the selected VCs, and the availability of resources and identified gaps, are all experiences that should be considered by the Government when developing the future National Strategy for Agriculture and Rural Development. All donors in Macedonia should consider providing support to elements of a Strategy developed in such a manner.

5.1.2 Grant Program for supporting Business Expansion Projects

The AgBiz Grant Program for supporting business expansion Projects made a significant contribution toward increased producer and processor/marketer competitiveness to meet export market demand for value-added, agriculture-based products. AgBiz intervention through financial and technical support was focused on risk reducing and a valuable incentive to encourage companies to take bolder and more proficient steps toward upgrading their operations and standards, and improving efficiency and marketing. These Projects encouraged significant private sector investment in a range of physical facilities and sales and marketing capacity enhancements. Over the LoP, AgBiz contributed less than \$470,000 to Projects while customers contributed over \$7.9 million, for an excellent USAID/AgBiz resources leveraging of 1:16.8. STTA and guidance by Program staff and/or external consultants provided along with the grants was one of the key elements to secure successful implementation, and build trust for full data disclosure. Implementation of projects increased the awareness and knowledge of environmental compliance for customers' through program-supported environmental compliance work. Local consulting companies' capacity to deliver services to agribusinesses was enhanced through hands-on experience with AgBiz procurement procedures and business professionals. Through one-time assistance (or costs) rather than subsidizing ongoing operations, AgBiz-supported projects achieved long-term benefits. Overall, projects implementation improved managerial sustainability, i.e., the ability of managers in the supported company to continue to successfully operate and adjust to changing market conditions, and stimulated commercial, environmental and social sustainability.

5.1.3 Development of Producer's Groups/Agricultural Cooperatives as a Most Competitive Form for Increasing Competitiveness of Small Farmers

The agricultural value chain participants are organized in various forms of producer's associations/cooperatives, trade associations and umbrella organizations. The formation of cooperatives provides vast opportunities to standardize the production of the members, jointly implement safety and quality standards, consolidate input orders and contract their production in advance. Unfortunately, the cooperative movement has not taken hold in the agricultural sector in Macedonia due to lack of organizational and marketing skills of the main stakeholders and the fear of sharing investments and risks. In addition, MAFWE completed the process of development of the national strategy for producer groups and organizations, but no producer groups (PGs) or POs are recognized in the RM yet. This currently limits the ability of small farmers to participate in profitable value chains and inhibits the broad distribution of market information and best practices that would increase production and quality to meet market demand. Furthermore, the use of cooperatives and producer groups to obtain discounts on inputs or obtain large quantity sales contracts is also infrequent. The turning point towards supporting the cooperative movement was the new law on Agricultural Cooperatives and establishment of the national Agricultural Cooperative Union. Future GoM and donor support should involve: training of members on managing and coordinating post-harvest operations, helping to establish commercial partnerships and joint ventures with private enterprises, the development of long term planning and production of export oriented crops through contract farming.

5.1.4 Support Adoption of New More Advanced Agricultural Practices and Production Technologies

Production technology is still among the most significant impediments to successful production of fresh fruits and vegetables for both fresh markets and the processing industry. There is still considerable reluctance among the farming community to adopt new production technologies and introduce new products and varieties.

Wider introduction of new varieties with more favorable characteristics demanded by the market are necessary for higher efficiency and competitiveness of Macedonian products. Model farms and demonstration plots, on-site direct technical assistance and in-field training proved to be the best methods for "convincing" primary producers to change their traditional and unproductive practices. In this regard, much stronger cooperation is needed between the science and adoption of applicable research facilitated by extension services. The initiative of MAFWE to modify the structure of the current NEA and inclusion of additional certified agriculture business service providers to assist farmers should be further developed and supported.

5.2 BUSINESS ENABLING ENVIRONMENT

5.2.1 Public Private Dialogue to Address Policy and Institutional Reform Needs

The weak or total absence of business associations at the beginning of the AgBiz program made difficult to receive commonly identified and agreed issues with proper articulation of their negative consequences for the industry. However, as the program evolved and started assisting the industry association and other VC actors, the PIRNs started to be more clearly defined and regularly received. That helped AgBiz evaluate and prioritize further steps to address the most burning issues through engaging appropriate experts who worked together with the industry representatives on proposing solutions. The sustainability of this process and strong lobbying to negotiate for change was evident in actions taken by SSGs officially established within the MAFWE. All activities through the Advocacy and PPD component were developed and implemented using a participatory approach, thereby maximizing ownership of the component's outputs and outcomes. By supporting and establishing the functioning of the FF&V SSGs, a solid basis for sustainable PPD was created. Through the work of the SSGs, MAFWE representatives had an opportunity to directly hear the voice of the farmers, their problems and challenges, to articulate the needs, and try to resolve issues through changes made to relevant support measures and mechanisms. On the other hand, the farmers receive direct and prompt answers regarding GoM policies, and MAFWE plans and procedures regarding programs that support agribusiness development.

5.2.2 Strengthen MAFWE's Strategic Planning and Policy Making Capacities

Macedonia as a candidate EU country is constantly adjusting its laws and regulations in accordance with the dynamic changes of the EU CAP and is closely following the novelties in the new CAP 2014-2020. AgBiz helped the GOM and particularly the MAFWE to adopt relevant policies and strategies needed for enhancing the competitiveness of the sector. This was done by strengthening their capacities through collaboration with the scientific and research institutions as well as other international experts. MAFWE employees utilized additional knowledge and expertise, learned from each other, and had a close working relationship with AgBiz experts supporting additional modifications as was frequently needed. This was a major contribution of the AgBiz program towards sustainability of the process of strategic planning and policy making within the GOM and MAFWE. The development of such working relationships is recommended for the future as they bring practical and scientific expertise to government entities and enable the development of viable solutions and recommendations for an improved enabling environment for business.

5.2.3 Access to Finance

Access to low cost financing is one of the most crucial issues in the agribusiness sector, as financing can be very limited. Although AgBiz activities had greater impact than initially expected, management of this kind of service will be still needed on the market. As in any economy, the agriculture and the banking sectors are dynamic and continuously changing, thus approach for exchange of information through match making and updating events need to continue regardless of the availability of supporting donors and projects. Assisting agriculture firms and farms in preparing bankable projects improved access to finance, encouraged business investments and enhanced the profitability of agribusinesses. The specific platform of FFs has proved to be a very appropriate instrument to bring closer the FFs and their clients. This led to sustainable relationships based on common trust. Also, managing a pool of FFs trained/informed on specific agricultural finance products, gives an opportunity to quickly offer services by answering numerous requests.

5.2.4 Support Implementation of Sector Export Marketing Plans for Fresh and Processed Fruits and Vegetables and for Wine

Along with the one on Wine developed in 2011, recently promoted Sector Export Marketing Plans for fresh and processed fruits and vegetables will strengthen public-private dialogue in the country and identify marketing actions needed for improved penetration of Macedonian products on selected international markets. This was the first time that the Macedonian FF&V and PF&V sectors were engaged in such a comprehensive strategic planning effort. The need for this effort was recognized by all participants and in particular by primary producers/traders and MAP. The result of a participatory stakeholder process of this nature is not just the report containing the strategy and action plan. Equally important was the sense of ownership of the results among the stakeholders, which will greatly help during implementation of the strategy and actions. The experience and the methodology applied should result in an update of the strategic planning process in two or three years. Both sectors and Invest Macedonia in close coordination with MAFWE, MoE and other stakeholders should be instrumental in organizing such an update.

Invest Macedonia as the primary government institution in charge for promoting Macedonian companies on foreign markets and supporting them in the process of increasing their exports abroad, agreed to take the ownership of implementation and to integrate certain parts of the SEMP into its future work Plan for Export promotion support.

5.3 DEVELOPMENT OF LEGACY INSTITUTIONS

AgBiz placed considerable importance on leaving behind entities and institutions that can carry on value chain competitiveness enhancement work even after USAID and other donors have left the country. Value chain competitiveness enhancement was the primary focus of AgBiz, and was achieved by building the capacity of local service providers and consultants through learning by doing, i.e., receiving AgBiz support to increase their capacity to provide effective competitiveness enhancement services through

working with the AgBiz team. During the extension, AgBiz built off of the existing capacity and expertise of Macedonian professionals, lead firms and farms and created a new understanding in the market for embedded services and fee-based service delivery. Managing the implementation of an entire component for LFs was an excellent opportunity to get fully acquainted with USAID rules and regulations and to build credibility and capacity for designing and implementing larger and more complex programs. Macedonian service providers will continue to provide valuable business expansion services, especially in the areas of productivity and export competitiveness enhancement on a commercial basis well beyond the anticipated graduation of the USAID Macedonia program. By encouraging the use of embedded services, AgBiz helped to permanently link BSPs and other service providers to stakeholders in the value chains, thus building a critical mass of trust and confidence.

AgBiz made significant progress towards the development of sustainable trade associations that can continue AgBiz-type work as legacy institutions. FFRM was an important partner in representing the interest of smaller farmers in Macedonia and in implementing many AgBiz supported activities for improvement of the primary agricultural sector. Their participation in the Project helped disseminate Project findings, and built the capacity of primary producers. MAP, as the most relevant representing entity of processors, will continue with strong promotion and support of contract farming, further assist the development of preconditions for long term planning within the industry and will share responsibility for the availability and buyout of raw materials for processing. Direct involvement of MAP in AgBiz activities supporting the PV industry in Macedonia improved the level of services that the association will continue to sustainably provide to its members. Creation of the MAP interactive web site and market analysis on Euromonitor's data strengthened the capacity of the association to expand assistance and work in the best interest of its members. AgBiz also stimulated the development of WoM that plays an essential role in the process of further development of the wine industry including improvements in backward linkages with grape producers and coordinating with relevant GoM institutions.

ANNEX I: PERFORMANCE INDICATORS

The table on the following page presents the results achieved during the implementation of the AgBiz Extension period. The first column presents the baseline data (2010). The following four (4) columns present the results achieved on Indicators that are reported on both Calendar Year and Fiscal Quarterly basis. The last columns presents the cumulative results achieved thru June 18, 2013 compared to the AgBiz Extension's LoP Targets.

TABLE I. RESULTS ACHIEVED IN CALENDAR YEAR (CY)'11/FY'12, CY'12/FY'13 AND LOP PERFORMANCE									
Performance Indicator		CY'10	CY'11	FY'12	CY'12	FY'13	LoP		PERFORMANCE (in %)
		(Jan 1-Dec 31, 2010)	(Jan 1-Dec 31, 2011)	(Oct 1, 2011 - Sep 30, 2012)	(Jan 1-Dec 31, 2012)	(Oct 1, 2012-Jun 18, 2013)	TARGET	RESULT	
		BASELINE	RESULT	RESULT	RESULT	RESULT			
Overall Objective: Increased incomes for all types of participants in selected agricultural value chains									
Indicator Number	Indicator Title								
Indicator 1.	Value of incremental sales (collected at farm-level) attributed to USG assistance (in USD)	\$16.051.035	\$1.221.754	N/A	\$2.231.596	N/A	\$3.210.243	\$3.453.350	108%
Indicator 2.	Percent change in value of total sales of targeted agricultural commodities	N/A	7%	N/A	20%	N/A	12%	14%	113%
IR 1.1	Increased domestic and export sales resulting from the activities of local partners								
Indicator 1.1.1	Value of sales of targeted agricultural commodities as a result of USG assistance (in USD)*	\$33.257.142	\$35.688.747	N/A	\$40.035.017	N/A	\$5.800.205	\$6.777.875	117%
1.1.1 a	Value of sales to domestic market	\$8.690.182	\$8.726.509	N/A	\$10.140.074	N/A	\$1.203.353	\$1.449.892	120%
1.1.1 b	Value of sales to the regional market	\$11.933.675	\$13.611.111	N/A	\$14.700.079	N/A	\$2.071.308	\$2.766.404	134%
1.1.1 c	Value of sales to international market	\$12.493.732	\$13.168.127	N/A	\$14.963.727	N/A	\$2.431.318	\$2.469.995	102%
1.1.1 d	Value of sales to domestic market(planting material)	\$139.553	\$183.000	N/A	\$231.137	N/A	\$94.225	\$91.584	97%
Indicator 1.1.2	Volume of sales of targeted agricultural commodities as a result of USG assistance (in MT)**	36.167	39.718	N/A	46.628	N/A	8.413	10.461	124%
1.1.2 a	Volume of sales to domestic market (in MT)	11.230	12.085	N/A	14.218	N/A	2.350	2.988	127%
1.1.2 b	Volume of sales to the regional market (in MT)	13.110	14.408	N/A	17.087	N/A	2.840	3.977	140%
1.1.2 c	Volume of sales to international market (in MT)	11.827	13.225	N/A	15.323	N/A	3.223	3.496	108%
Output Level Indicators									
Indicator 1.1.1.1	Number of new varieties and products from the supported VCs developed	0	N/A	27	N/A	8	32	35	109%
Indicator 1.1.1.2	Number of new exporters and new participants in the supported value chains	0	276	N/A	129	N/A	398	405	102%
Indicator 1.1.1.3	Number of export capacity enhancement activities for Invest Macedonia	0	N/A	8	N/A	4	11	12	109%
IR 1.2	Improved competitiveness and productivity of targeted value chain participants resulting from the activities of local partners								
Indicator 1.2.1	Number of private sector firms that have improved management practices as a result of USG assistance***	0	N/A	1.568	N/A	340	1.893	1.908	101%
Indicator 1.2.2	Number of new technologies or management practices introduced	0	N/A	80	N/A	29	99	109	110%
Output Level Indicators									
Indicator 1.2.1.1	Number of formal delivery contracts made by supported VC participants****	738	433	N/A	374	N/A	762	807	106%
Indicator 1.2.1.2	Total number of individuals who have received USG supported short-term agricultural training	0	N/A	3.754	N/A	1.441	4.810	5.195	108%
Indicator 1.2.1.2 a	Number of male individuals who have received USG supported short-term agricultural training	0	N/A	2.932	N/A	1.082	3.741	4.014	107%
Indicator 1.2.1.2 b	Number of female individuals who have received USG supported short-term agricultural training	0	N/A	822	N/A	359	1.069	1.181	110%

TABLE I. RESULTS ACHIEVED IN CALENDAR YEAR (CY)'11/FY'12, CY'12/FY'13 AND LOP PERFORMANCE									
Indicator	Performance Indicator	CY'10	CY'11	FY'12	CY'12	FY'13	LoP		PERFORMANCE (in %)
		(Jan 1-Dec 31, 2010)	(Jan 1-Dec 31, 2011)	(Oct 1, 2011 - Sep 30, 2012)	(Jan 1-Dec 31, 2012)	(Oct 1, 2012-Jun 18, 2013)	TARGET	RESULT	
		BASELINE	RESULT	RESULT	RESULT	RESULT			
Indicator 1.2.1.3	Number of capacity-building service providers receiving USG assistance	0	N/A	95	N/A	34	122	129	106%
IR 1.3	Strengthened strategic planning and policy making of GoM and private sector partners								
Indicator 1.3.1	Number of policy reforms / regulations / administrative procedures drafted and presented for public / stakeholder consultation as a result of USG assistance	0	N/A	4	N/A	2	6	6	100%
Output Level Indicators									
Indicator 1.3.1.1	Number of strategies, plans and assessments for enhancing the competitiveness of the AgBiz-supported value chains developed	0	N/A	7	N/A	8	15	15	100%
Indicator 1.3.1.1a	Number of policy reform needs identified	0	N/A	16	N/A	9	22	25	114%
Indicator 1.3.1.2	Number of Sector Export Promotion Strategies developed	0	N/A	In Progress	N/A	2	2	2	100%
Indicator 1.3.1.3	Number of advocacy capacity building activities implemented	0	N/A	9	N/A	6	15	15	100%
Indicator 1.3.1.4	Number of VC entities who have received advocacy capacity building training	0	N/A	36	N/A	23	82	59	72%
Indicator 1.3.1.5	Number of individuals who have received advocacy capacity building training	0	N/A	256	N/A	278	473	534	113%
IR 1.4	Increased access to finance in the agriculture sector resulting from the activities of local partners								
Indicator 1.4.1	Value of loans facilitated from non-DCA and DCA-supported finance institutions (in 000 USD)	0	N/A	\$4,456,10	N/A	\$4,653,97	\$7,956	9,110	115%
Output Level Indicators									
Indicator 1.4.1.1	Number of MSMEs receiving USG assistance to access bank loans or private equity	0	N/A	22	N/A	21	40	43	108%
Indicator 1.4.1.2	Value of customer financing need identified (in 000 USD)	0	N/A	4,090	N/A	4,133	4,360	4,503	103%
Indicator 1.4.1.3	Value of value chain participants investment stimulated (in 000 USD)	0	N/A	1,798	N/A	565	2,170	2,363	109%
* The LoP Value of sales is a sum of the increased/decreased values achieved in CY2011 compared to the baseline (CY2010: \$33,257,142) and the increased/decreased value achieved in CY2012 compared to sales realized in CY2011									
**The LoP Volume of sales is a sum of the increased/decreased volume achieved in CY2011 compared to the baseline (CY2010: 36,167MT) and the increased/decreased volume achieved in CY2012 compared to sales realized in CY2011									
***This Standard Indicator is for USAID/Macedonia reporting purposes through annual Operational Plans and Performance Reports under Program Element 4.6.2 Private Sector Productive Capacity									
****The LoP Number of formal delivery contracts is a sum of increased/decreased number of formal delivery contracts made in CY2011 compared to the baseline (CY2010: 738) and the increased/decreased number of contracts made in CY2012 compared to number of contracts made in CY2011									

The following table presents the progress in achieving set targets on the Indicator “Number of private sector firms that have improved management practices as a result of USG assistance”.

This Standard Indicator was for USAID/Macedonia reporting purposes through annual Operational Plans and Performance Reports under Program Element 4.6.2 Private Sector Productive Capacity.

It measured the number of firms receiving USG assistance that improved their management practices (financial management, strategic planning, marketing, or sales) the past year. Private sector firms include: AgBiz supported FF&V and PV LA, including participants in their Integrated Supply Chain concept (producers/farmers as micro entrepreneurs, input suppliers, traders, etc. with whom LAs make formal contracts), AgBiz subcontracted Lead Facilitators and firms facilitated in accessing to sources of financing. Data source for setting the target for this indicator were VC participants participating in the Integrated Supply Chain Concept and AgBiz supported Activities. The target is an aggregated amount set during the process of extending the AgBiz Lead Facilitators’ subcontracts via utilization of a previously established survey document. The progress towards achieving the target was measured based on the data obtained by utilizing standardized data collection and reporting forms (Quarterly Progress Report Form; Customer Access to Finance Facilitated Form).

TABLE 1a. Standard Indicator for USAID/Macedonia reporting purposes through annual Operational Plans and Performance Reports under Program Element 4.6.2 Private Sector Productive Capacity								
	Performance Indicator	BASELINE	FY'12		FY'13 Oct 1, 2012-Jun 18, 2013)		LoP	
			TARGET	RESULT	TARGET	RESULT	TARGET	RESULT
Indicator 4.6.2 - 9	Number of private sector firms that have improved management practices as a result of USG assistance	0	1.293	1.568	325	340	1.893	1.908
(Disaggregate Title)	Number of private sector firms that have improved management practices as a result of USG assistance (owned by male)	0	N/P	1.309	276	297	1.585	1.606
(Disaggregate Title)	Number of private sector firms that have improved management practices as a result of USG assistance (owned by female)	0	N/P	259	49	43	308	302

The standard result-oriented Indicators that were reported on a Calendar Year basis are shown in Table 2 below. The first column presents the baseline data (CY 2007), while the following three columns present the cumulative results achieved till the end of CY '10 (December, 31, 2010) and the additional results achieved during the period from January to March, 2011. The following columns summarize the cumulative results achieved during the AgBiz implementation period (thru June, 18, 2011), compared to the LoP Objectives.

TABLE 2. CALENDAR YEAR '08, '09, '10 and CY '11 FIRST QUARTER (Jan - Mar) and LoP RESULTS

INDICATORS	CY'07	CY'08 CUMULATIVE RESULTS	CY'09 CUMULATIVE RESULTS	CY'10 CUMULATIVE RESULTS	CY'11 ADDITIONAL RESULTS	CUMULATIVE LoP TARGET	CUMULATIVE LoP RESULTS	PERFORMANCE
	BASELINE	(thru Dec. 31, 2008)	(thru Dec. 31, 2009)	(thru Dec. 31, 2010)	(Achieved Jan - Mar, 2011)	(thru Program End June 18, 2011)	(thru Mar. 31, 2011)	(in %)
1. Increased Production and Marketing								
1.1. Increased value (in Euro) of purchases of raw materials made from small holder producers	7.964.689	4.068.597	4.365.801	4,379,684	-57,991	4,020,021	4.321.693	108%
1.2. Percentage increase in the value of purchases of raw materials made from small holders producers	N/A	51%	55%	54%	-6%	44%	48%	109%
1.3. Increased value (in Euro) of sales into national market by customers	3.815.495	1.189.424	1.864.892	2,704,065	-111,674	2,559,580	2.592.391	101%
1.4. Percentage increase of sales into national market	N/A	31%	40%	50%	-9%	47%	44%	94%
1.5. Increased value (in Euro) of intra-regional exports by customers	9.638.354	1.830.961	2.338.952	3,811,191	-16,407	5,125,395	3.794.784	74%
1.6. Percentage increase of intra-regional exports by customers	N/A	19%	22%	28%	-1%	32%	25%	78%
1.7. Increased value (in Euro) of international exports	7.619.976	- 298.347	791.052	2,808,209	363,936	539,807	3.172.146	588%
1.8. Percentage increase of international exports by customers	N/A	-4%	3%	14%	42%	5%	26%	520%
1.9. Increased value (in Euro) of total sales by assisted customers	21.073.823	2.722.039	4.976.896	9.323.466	235,856	8,224,782	9.559.322	116%
1.10. Percentage increase of total sales by assisted customers	N/A	13%	18%	27%	7%	25%	27%	108%
2. Increased Coverage of AgBiz Customers								
2.2. Number of rural households directly benefiting from interventions	6.850	1.960	28.405	40,538	1,920	39,907	42,458	106%
6. Increased Employment								
6.1. Number of equivalent male jobs created by supported customers	332	166	417	412	39	403	451	112%
6.2. Number of equivalent female jobs created by supported customers	111	68	144	177	9	137	186	136%
6.3. Percentage increase in full time equivalent (FTE) jobs by supported customers	N/A	22%	37%	43%	5%	39%	41%	105%

Table 3 lists the quarterly output indicators achieved from Activities for the Program LoP, i.e., to the end of FY '11

TABLE 3. FY'07 - FY'11 and LoP INDICATOR ACHIEVEMENTS								
INDICATORS	FY'07	FY'08	FY'09	FY'10	FY'11 RESULTS	LOP TARGETS	LoP RESULTS	PERFORMANCE
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	(Achieved through June 18, 2011)	(Through June 18, 2011)	(Achieved through June 18, 2011)	(in %)
1. Increased Raw Material Production and Products Marketing								
1.11 Value of new orders (in 000 Euros) from Trade Fairs, B2B Meetings and Fast Track Projects	2.951.496	1.320.600	2.610.104	8.483.270	2,951,500	15,223,970	15,365,470	101%
1.12 Number of new customers from Trade Fairs, B2B Meetings and Fast Track Projects	2	42	158	186	43	419	431	103%
2. Increased Coverage and Assistance to Value Chain Participants								
2.1 Number of Producer Organizations receiving assistance	N/A	1	24	1	8	34	34	100%
2.3 Number of Agriculture-related Firms receiving assistance	N/A	0	130	91	109	338	330	98%
2.4 Number of Trade and Business Associations receiving assistance	N/A	1	2	1	1	6	5	83%
3. Building Human Capacity								
3.1 Number of male individuals who have received short-term agriculture or agribusiness productivity enhancement training	N/A	272	437	458	688	1,963	1,855	94%
3.2 Number of female individuals who have received short-term agriculture or agribusiness productivity enhancement training	N/A	90	107	143	298	590	638	108%
4. Value of Investment Stimulated and Leveraging Achieved								
4.1 Value of customer investment stimulated (000US\$)	N/A	-	7.816.438	1.651.220	28.309	9,699,658	9,795,967	101%
4.2 Value of third party domestic investment stimulated (000US\$)	N/A	0	0	0	0	0	0	N/A
4.3 Value of total domestic investment stimulated (000US\$)	N/A	0	7.816.438	1.651.220	328.309	9,699,658	9,795,967	101%
4.4 Value of foreign direct investment stimulated (000US\$)	N/A	0	0	0	0	0	0	N/A
4.5 Leveraging Achieved by AgBiz (%)	N/A	0%	14%	18%	27%	15%	15%	100%
5. Increased Access to Finance								
5.1. Value of customer financing (potential loans) identified (000US\$)	N/A	3.206.850	3.240.630	736.240	271.000	7,433,720	7,454,720	100%

TABLE 3. FY'07 - FY'11 and LoP INDICATOR ACHIEVEMENTS

INDICATORS	FY'07	FY'08	FY'09	FY'10	FY'11 RESULTS	LOP TARGETS	LoP RESULTS	PERFORMANCE
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	(Achieved through June 18, 2011)	(Through June 18, 2011)	(Achieved through June 18, 2011)	(in %)
5.2. Number of new customers provided access to finance assistance	N/A	7	22	11	12	51	52	102%
7. Policy and Institutional Reform								
7.1. Number of policy and institutional constraints identified and prioritized	N/A	7	6	9	12	43	34	79%
8. Outreach								
8.1. Number of Success Stories produced and published	N/A	15	12	11	10	52	48	92%
8.2. Number of media exposures (TV, Radio and Newspaper)	N/A	29	55	59	30	165	173	105%

ANNEX II: PIRNS IDENTIFIED AND ADDRESSED

LIST OF POLICY AND INSTITUTIONAL REFORM NEED IDENTIFIED (in the period from FY'07 - FY'13)	
1	Low Awareness of Available EU Funds Timing of IPARD Availability
2	Producers' Personal Income Tax Withholding
3	Impact of regional trade agreements on Macedonian agriculture-based exports
4	HACCP Implementation Timing
5	Weak Coordination of and Support for Export Promotion
6	Pesticide Packaging Disposal
7	Food Directorate to Resolve the RAPEX issue
8	Ban on Exports of Morchela Mushrooms
9	Complicated and Lengthy Procedures for Issuing WGP Export Licenses
10	Unclear Procedure for Acquiring Wine Export Documentation
11	HACCP Implementation assistance provided only by Food Directorate Employees
12	New Law on Forests
13	Reduction of Import Duties for Off Season Imports of Fresh Produce for Processing
14	Uncoordinated GoM Approach to Competitiveness Enhancement of Agribusiness Products
15	Weak Control over Seasonal Traders
16	Weak Coordination of and Support for Export Promotion
17	MAFWE Direct Subsidy Scheme Weaknesses
18	Unclear Conditions for Seasonal Labor in Agriculture
19	Multiple Taxation of WGP Exports
20	Reduction of Import Duties for Off Season Imports of Fresh Produce for Processing
21	Private Sector Input into the Draft Wine Law
22	Intergovernmental Agreement between Albania and Macedonia on Custom Duties for Macedonian Apple Exports to Albania
23	Law on Agriculture about the Terms and Conditions for Contract Farming
24	Implementation of a Special Green Line for Transit of Fresh Products at the Border
25	Law on Agriculture Terms and Conditions for Contract Farming
26	Establishing an Agricultural and Rural Development Council
27	Insufficient Law Enforcement of Illegal Buy-out of Fresh Products
28	Discrepancy in the Demand and Supply of Grapes
29	Reactions on the Name "Macedonia" Already Registered as Protected Geographic Indication by Greece
30	Scientific Evidence and Confirmation of the Genetic Potential and Genesis of Vranec vs. Kratoshia
31	Lack of Awareness among Producers about the Progress in Establishing POs
32	Need for Revision in the Law on Cooperatives
33	Lack of Strategic Crop Planning Resulting in Throwing Away Products
34	Low Yields Due to Import of Inappropriate Seeds and Seedlings
35	Health Certificate Issued by the Agency for Food and Veterinary
36	Payment for Collection of Wild Gathered Products in National Forests
37	Financial burden of VAT to the vegetable processing companies applicants for IPARD when importing inputs for their facilities
38	Lack of capacity for strategic planning in agriculture within the Government of Macedonia
39	Creation of a conditions for a long-term policy for replacement of the old varieties
40	Lack of marketing support from GoM to PV VC members
41	Lack of Confirmed Products and Selected Producer's Groups as Applicants for PDO and PGI Registration of Products
42	Lack of Working Procedures and Operating Manual for Sub-sector Standing Groups for fruits and vegetables
43	Lack of Development Effects in the Agricultural Sector from the National Subsidies Program within the Period from 2005 to 2011
44	Support to the Government of R. Macedonia on Strengthening the Institutional Capacity for Policy Making in the Agricultural Sector
45	High Import Duties for Off-Season Import of Fresh Produce for Processing
46	Payment of Additional Subsidies for Farmers that Contract with the Industry
47	Need of Research Study to identify the Reasons for not Functioning of the Agriculture Cooperatives
48	Implications on the Primary Sector with Potential Lifting of Import Barriers on Main Agricultural Products

LIST OF POLICY AND INSTITUTIONAL REFORM NEED IDENTIFIED (in the period from FY'07 - FY'13)	
49	Lack of Knowledge and Information at Macedonian Bank for Development Promotion (MBDP) about the Specific Needs of PV VC Members for Working Capital
50	Delay of the application of the legal requirements for use of certified planting material to 2015
51	Lack of awareness and information among food processors about hygienic engineering
52	Regulation of buyout of fresh products for processing
53	Development of implementing procedures of Good agricultural and hygiene practices as precondition for future State support policy
54	Creating a functional scheme for using the agricultural insurance as a product for farmers
55	Phyosanitary registration of processing companies
56	National campaign for promotion of Agri-food products
57	Design of a subsidy system for the use of heavy oil during the winter season
58	Alteration of the criteria for the direct payments measure (subsidies) for fruits sold for processing capacities
59	Review on the new legislation enforcement for production of certified planting material

ANNEX III: TECHNICAL MATERIALS, BROCHURES, RELEVANT REPORTS

LIST OF TECHNICAL MATERIALS AND BROCHURES (produced in the period from FY'07 - FY'13)

		AUTHOR	PRIMARY SUBJECT MATTER	YEAR & MONTH, PREPARED
1	Farm business management training	CDS (Center for Business Cooperation)	Comparison of education provision and education needs of public and private agricultural advisory services	2007, April
2	Technical Communication Dissemination Plan	AgBiz	Approach and tools for raising awareness of the AgBiz Program's technical achievements and the outcomes from the knowledge transferred	2009, October
3	Agribusiness Finance Manual	AgBiz	The purpose of this Manual is to provide a simple, straightforward explanation of the range of financing products and services available to Macedonian Agribusinesses	2010, January
4	Assessments of regulations and practices regarding seasonal employment in agribusiness in R.Macedonia	CERM (Confederation of Employers of Republic of Macedonia)	Detailed assessment and analysis of seasonal labor in agribusiness, with a focus on the export competitiveness and sustainability of agribusinesses	2010, August
5	Integrated strategy to accelerate the development of the processed vegetables value chain	MAP	This strategy puts focus on creating a prosperous future for all stakeholders in the value chain of F&V processing	2010
6	Post-Harvest handling Guidebooks	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2010, December
7	Pre and post harvest handling technology manual	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	This manual contains the experiences and knowledge gained from study visits in South Africa, California, Poland, Hungary and Croatia	2011
8	Feasibility Study and Business Plan for an Association Producer Organization Management Entity	AgBiz	The purpose of the study is to determine the feasibility of an AMC in the Macedonian agro sector	2011
9	Assessment of the potential and challenges for developing producer organisation in Macedonia with recommendations for AgBiz support	IDEA O.K.	Information on potentials for development of producer organizations in Macedonia	2011, March
10	Survey on the Performance of the Fruit and vegetable processing industry 2010	MAP	Detailed and updated information on the performance of the industry	2011, May
11	Assessment of correlation between the agricultural productivity of the primary producers and the agribusiness export performance	Epi Centar	Assessment of the interdependence of the productivity of the primary producers and the export performance of the three most significant products supported by the AgBiz Program, used as an input in the agribusiness sector	2011
12	Technology Guidebook - Grapes	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, July

LIST OF TECHNICAL MATERIALS AND BROCHURES (produced in the period from FY'07 - FY'13)

		AUTHOR	PRIMARY SUBJECT MATTER	YEAR & MONTH, PREPARED
13	Technology Guidebook - Apple	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, July
14	Technology Guidebook - Cherry	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, April
15	Technology Guidebook - Cucumber	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, April
16	Technology Guidebook - Onion	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, July
17	Technology Guidebook - Peach	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, April
18	Technology Guidebook - Pepper	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, January
19	Technology Guidebook - Plum	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, April
20	Technology Guidebook - Potato	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, July
21	Technology Guidebook - Tomato	Prof. d-r Krum Boshkov, Faculty of Agriculture and food	Harvesting, packing and storage of FF&V	2011, July
22	A handbook for AgBiz Lead Facilitators	AgBiz	Manual for Local Business Service Providers and AgBiz Lead Facilitators to help them establish and follow standardized management practices in line with USAID rules and regulations	2011, December
23	Annual agricultural report for 2010	Ministry for agriculture, forestry and water economy	Publication that looks at the achievements of agri-food sector of the R.Macedonia and activities of the Ministry in 2010	2011
24	Apple and fresh fruits value chain baseline screening	Epi Centar	preparation of FF&V VC Baseline Screening and setting up a mechanism for regular discussion and information exchange between LAs and their farmers on the performance progress on the primary production level through established Focus Groups.	2012, January

LIST OF TECHNICAL MATERIALS AND BROCHURES (produced in the period from FY'07 - FY'13)

		AUTHOR	PRIMARY SUBJECT MATTER	YEAR & MONTH, PREPARED
25	Brochure on innovative financial products available in Macedonia	Innovation Centar	The purpose of this brochure is to inform businesses, farmers and all other participants in the value chain for fresh fruits and vegetables and processed vegetables for innovative products that are available in the financial market in Macedonia	2012
26	Fresh Vegetables Value Chain Baseline Screening	Epi Centar	This VC Baseline Screening is a product of the detailed analysis based on relevant desk and field research data received and discussed with all the relevant VC players.	2012, January
27	Integrated pest management of apple	AgBiz	Methods for protection against diseases and pests	2012
28	Integrated pest management of paprika	AgBiz	Methods for protection against diseases and pests	2012
29	Integrated pest management of table grapes	AgBiz	Methods for protection against diseases and pests	2012
30	Integrated pest management of tomato in glass houses	AgBiz	Methods for protection against diseases and pests	2012
31	Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP)	AgBiz	Systems analysis of the country's pesticide system from import to ultimate disposal, addressing the 12 informational elements required in the Agency's Pesticide Procedures and a Safer Use Action Plan (SUAP) for implementing recommendations reached in the PER into a plan of action, including assignment of responsibility to appropriate parties connected with the pesticide program	2012, January
32	Table grapes value chain baseline screening	Epi Centar	Findings from the regular discussions and information exchange between traders and their farmers on the performance progress on the primary production level through established Focus Groups	2012, January
33	Assessment of the potential products and entities applying for PDO/PGI registration for specific Macedonian agriculture products	Integrated Quality Systems	Detailed assessment of potential products for further protection as geographical indication of agricultural products that are produced on a specific way in a certain geographical area and to conduct in dept analysis of the current situation of the proposed products.	2012, April
34	Impact assessment study on the effects from the national subsidies program	Epi Centar	Improvement of measures to support the agricultural sub-sectors by creating effective mechanisms aimed at development, i.e. improve competitiveness of Macedonian agriculture	2012, May
35	Operating manual and working procedures for the sub-sector standing groups	AgBiz	Manual on working procedures for the Subsector Standing Groups for Fruit and Vegetables based on the needs of the groups and in accordance with Law on Agriculture and Rural development	2012, July
36	Survey on the Performance of the Fruit and vegetable processing industry 2011	MAP	The overall objective of the "Survey on Performances of Fruit and Vegetable processing industry 2011" project is to provide detailed and updated information on the performances of the industry	2012, June
37	Training program for farmers for adoption of EU requirements Brochure I	MCG	Quality standards in the purchase of vegetables for processing	2012, October

LIST OF TECHNICAL MATERIALS AND BROCHURES (produced in the period from FY'07 - FY'13)

		AUTHOR	PRIMARY SUBJECT MATTER	YEAR & MONTH, PREPARED
38	Training program for farmers for adoption of EU requirements Brochure 2	MCG	Agri-ecological measures	2012, October
39	Training program for farmers for adoption of EU requirements Brochure 3	MCG	Forms of farmers association-cooperatives, group producers and organizations manufacturers	2012, October
40	Training program for farmers for adoption of EU requirements Brochure 4	MCG	Market standards for fresh tomato and pepper	2012, October
41	Brochure on contract farming	MCG	Contract farming guidebook	2012, October
42	Multi-annual strategy for improvement and monitoring of milk quality	Ministry for agriculture, forestry and water economy	Planning document for the implementation of measures and programs for the development of the milk sector in the country	2012
43	Resen/Prespa apple quality management report	Slaven Aljinovic "Knowledge Power"	The main objective of this activity was to support the small apple producers in the main production region Resen/Prespa area.	2012, July
44	Survey on specific finance needs for PV VC members	MAP	Assessment of the needs for short term borrowing need of the PV VC members and recommendations for increased access to finance by the industry members	2012, August
45	Annual agricultural report for 2011	Ministry for agriculture, forestry and water economy	Annual report of the Agricultural Ministry of Agriculture, Forestry and Water Management is a publication that looks at the achievements of agri-food sector of the Republic and the activities of the Ministry in 2011.	2012
46	Guidelines for PDO_PGI Registration Belo zimsko	IQS	Elaborate for PDOs - Belo zimsko	2012, October
47	Guidelines for PDO_PGI Registration Ohridska cresha	IQS	Elaborate for PDOs - Ohridska cresha	2012, October
48	Guidelines for PDO_PGI Registration Stanushina	IQS	Elaborate for PDOs - Stanushina	2012, October
49	Strategic framework document for the national strategy for agriculture and rural development	Ministry for agriculture, forestry and water economy	Establishment and implementation of goals, policies and policy measures for agriculture and rural areas in the country.	2012, November
50	Brochure on pepper greenhouse production	CIPOZ	need, feasibility and technology of production of peppers in greenhouses	2013, March
51	Guidelines on post harvesting management practices	Prof. d-r Gordana Popsimonova	Guidebook on post harvesting practices -FF&V	2013
52	Apple VC baseline screening	Epi Centar	Preparation of FF&V VC baseline screening and setting	2013, April
53	Cost Benefit Analysis of the use of alternative heating systems	Epi Centar	Recommendations for the value chain participants for the most cost efficient systems and opportunities for energy saving through the implementation of environmentally friendly technology.	2013, April
54	Development of agricultural insurance scheme	Macedonia Innovation Center	Component's main objective being to ease the access to finance for the lead actors in the Fresh Fruits and Vegetables and Processed Vegetables value chains, it tackles the main issues that hinder the access to finance.	2013, January

LIST OF TECHNICAL MATERIALS AND BROCHURES (produced in the period from FY'07 - FY'13)

		AUTHOR	PRIMARY SUBJECT MATTER	YEAR & MONTH, PREPARED
55	Fresh Vegetables VC Baseline Screening	Epi Center	Findings from the regular discussion and information exchange between traders and their farmers on the VC performance progress at the primary production level through established Focus Group	2013, April
56	Survey on the Performance of the Fruit and Vegetable Processing Industry	MAP	Detailed and updated information on the performances of the industry	2013, April
57	Table grapes value chain baseline screening	Epi Center	Findings from the regular discussion and information exchange between traders and their farmers on the VC performance progress at the primary production level through established Focus Group	2013, April

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