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ECONOMIC SECURITY PROGRAM

# WORK PLAN FY 2012/2013

**October 28, 2011**

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# Economic Security Program

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### **DISCLAIMER**

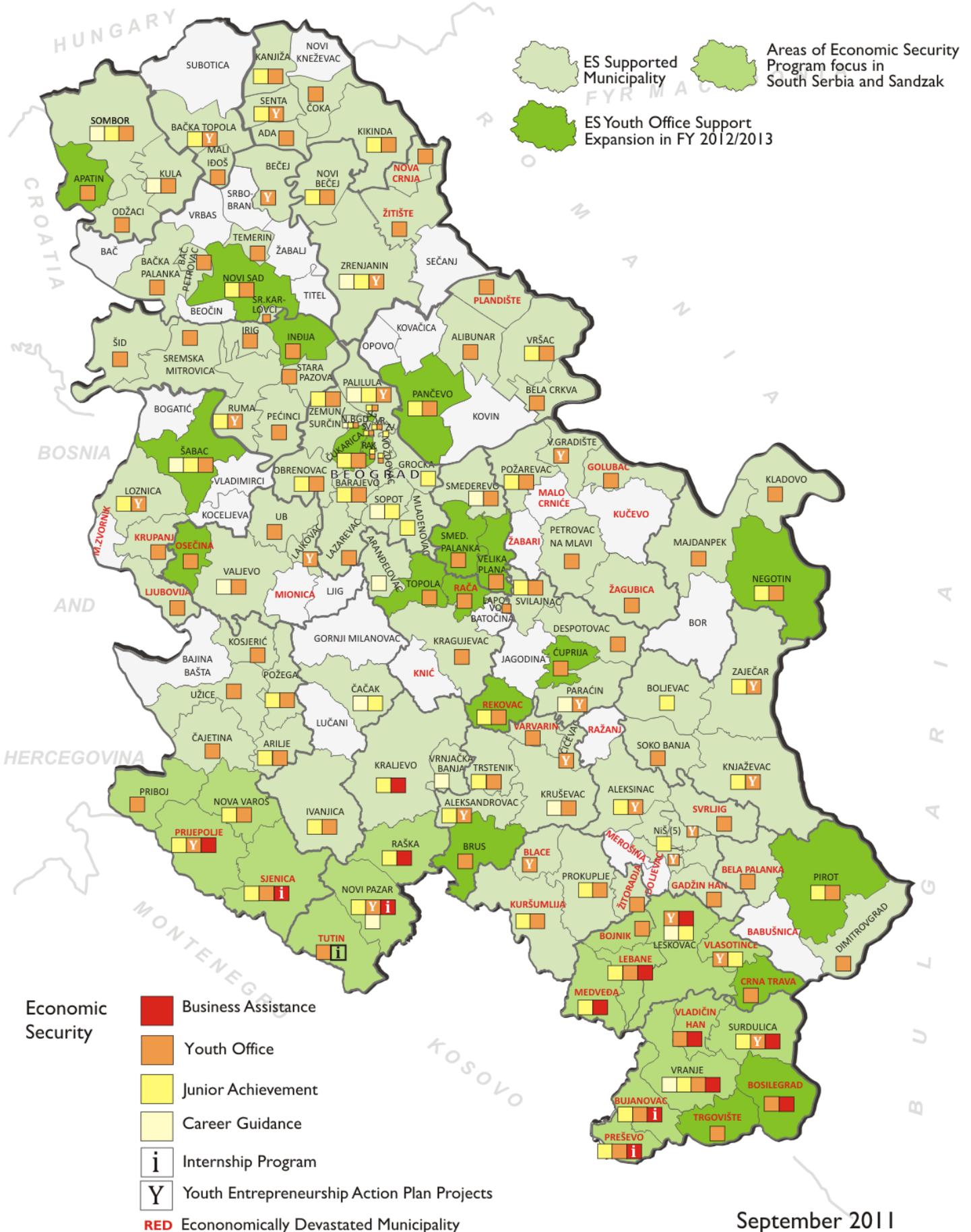
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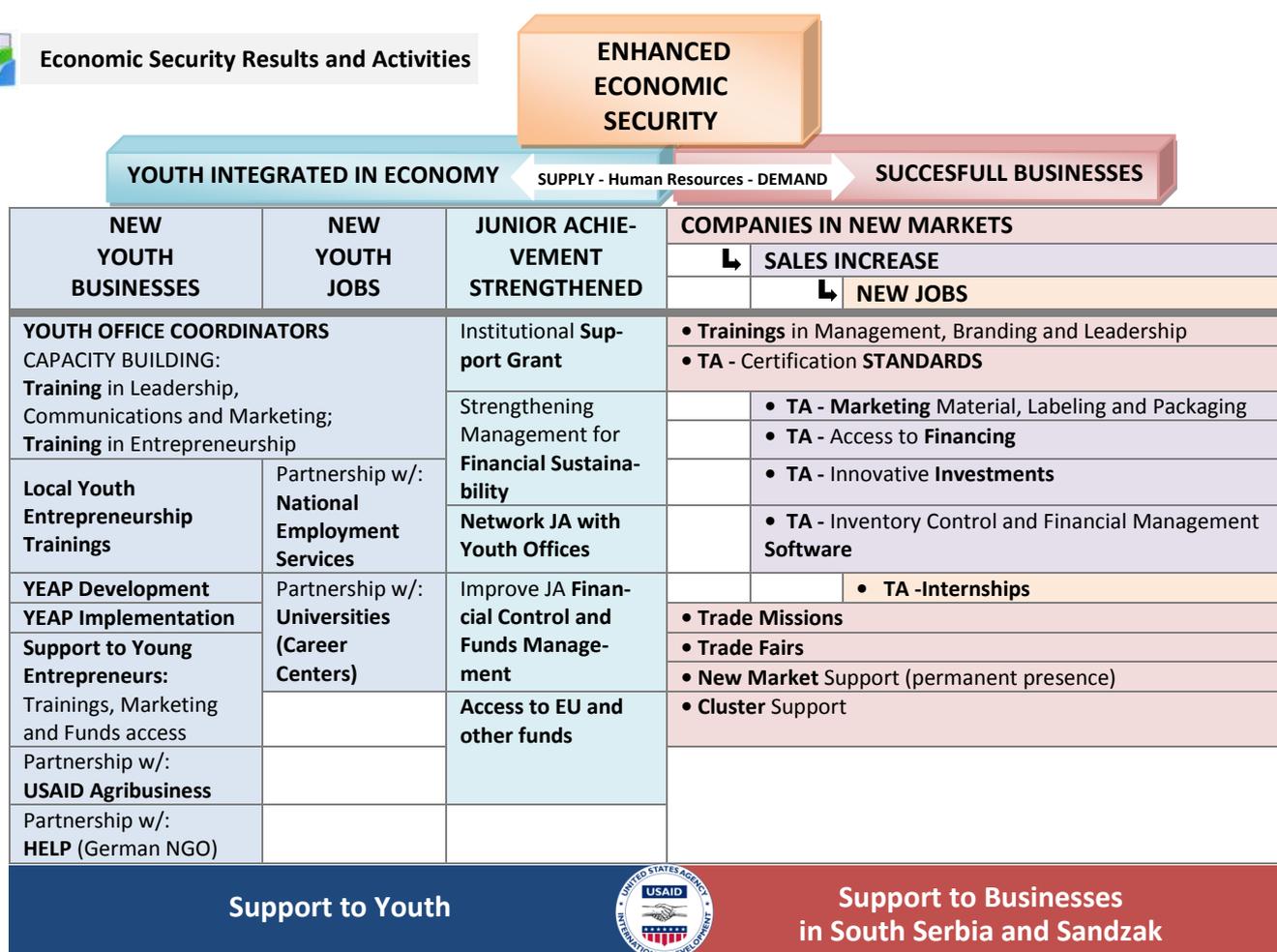
# INTRODUCTION

Serbia continues to struggle with its transition to a market economy. Only when faced with borrowing conditions set by the International Monetary Fund (IMF) and the World Bank could the government pass laws to rein in pension plans, balance budgets and manage debt. The devastating effects of a 4 percent contraction in 2009 GDP continued through the fourth quarter of 2010<sup>1</sup> and hit hardest in Serbia's two most economically challenged regions –South Serbia and Sandzak<sup>2</sup>. Kosovo's recent decision to prevent the free movement of goods across the border directly impacts Economic Security program-supported companies that have significant business relationships and strong financial returns with that market as it further complicates the region's delicate social issues.

It is precisely this economic and social vulnerability that led the Economic Security program to concentrate its efforts here. Its mission to enhance economic security in the country suggested that (a) strengthening the economies of regions most weakened by past policies would make the whole economy more secure and (b) establishing conditions for individual economic opportunity and security would lessen the threat of the area's social issues, thereby improving overall security.



Economic Security Results and Activities



Thus, the program set four conditions as necessary for the regions' enhanced economic security:

<sup>1</sup> Serbian Chamber of Commerce.

<sup>2</sup> The Ministry of Economic and Rural Development has four categories of underdeveloped communities compared to Serbia's average development. All of the Economic Security program's communities are underdeveloped; more than 75 % qualify as devastated, or having less than 50% of the country's average development.

1. Integrate the businesses in South Serbia and Sandzak into the whole of country's economy.
2. Expand existing local business sales, production capacity and ability to hire new employees.
3. Strengthen the culture of entrepreneurship and encourage young people to choose business start-up as a professional path.
4. Provide opportunities and skills for youth so staying in the region is more attractive than leaving.

### **Program Methodology**

The Economic Security program took both a near-term and long-term approach. It carefully selected 137 of the most-promising companies in the regions and invested in aggressively pursuing new markets. The activities were supported with long-term investments in competitiveness and youth entrepreneurship. Thus, the program simultaneously laid the groundwork for developing area businesses into firms that employ best business practices, modern technology and entrepreneurial thinking while developing youth into employable men and women who possess in-demand job skills plus the mindset to innovate in their workplace, explore career options and even start businesses in their hometowns to create quality jobs for others.

The Program used innovative activities and partnered with national and local government, other USAID projects and international donors and key stakeholders to leverage resources to ensure sustainable efforts.

### **Program Results**

Most notably, the program's business partners can boast of an overall sales growth from 2007 to 2010 of 57 percent; between 2009 and 2010, in the midst of the economic crisis, the program's companies still achieved a sales growth of 17 percent. The trade fairs have generated more than \$11 million in new sales and helped revive Sandzak's textile industry, a sector in which the government just invested \$240,000 to help open a permanent distribution center in Moscow. More importantly, as companies' sales have grown and proven to be sustainable, new jobs have followed.

More than 1,500 youth have been trained in entrepreneurship during 153 seminars; follow-up with participants show that 9 percent have found jobs and 8 percent have started a new business<sup>3</sup>. Twenty-three communities have adopted Youth Entrepreneurship Action Plans that provided skills development, career guidance or internships for another 1,500 youth. Most recently, YEAP partner Silver Lake Resort in Veliko Gradiste trained 30 youth in tourism and hired the top 13, in Novi Pazar internships exposed 50 youth to their first full-time work experience, and in Ruma, 10 young entrepreneurs received technical assistance to improve their existing businesses.

### **FY 2012-2013 Work Plan**

This year's work plan covers the 18-month period from October 1, 2011 to March 26, 2013. The program will continue to focus on South Serbia and Sandzak. Business support activities will center on: (1) replicating the apparel industry success of company and sector development through clusters, (2) maintaining its relationship with the 137 companies served to date while adding 43 middle- and 20 base-tier companies to business support activities and (3) intensifying capital funding efforts with innovative financing activities and expanded access to information about how to find and apply for capital.

The unemployment rate in the two regions stubbornly remains above the national average. Despite the program's success in South and Southwest Serbia the problem of youth unemployment and limited opportunity persists. Thus, the program will continue to focus on these two regions and intensify its youth entrepreneurship and employment activities there.

The program also proposes more intensive collaboration with other USAID projects with common interests; specifically Agribusiness, Sustainable Local Economic Development (SLED) and Business Enabling Projects (BEP) on concrete activities designed to enhance and expand opportunities for program beneficiaries.

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<sup>3</sup> Most of the other participants were already business owners or were still in school, and thus not yet entered the job market.

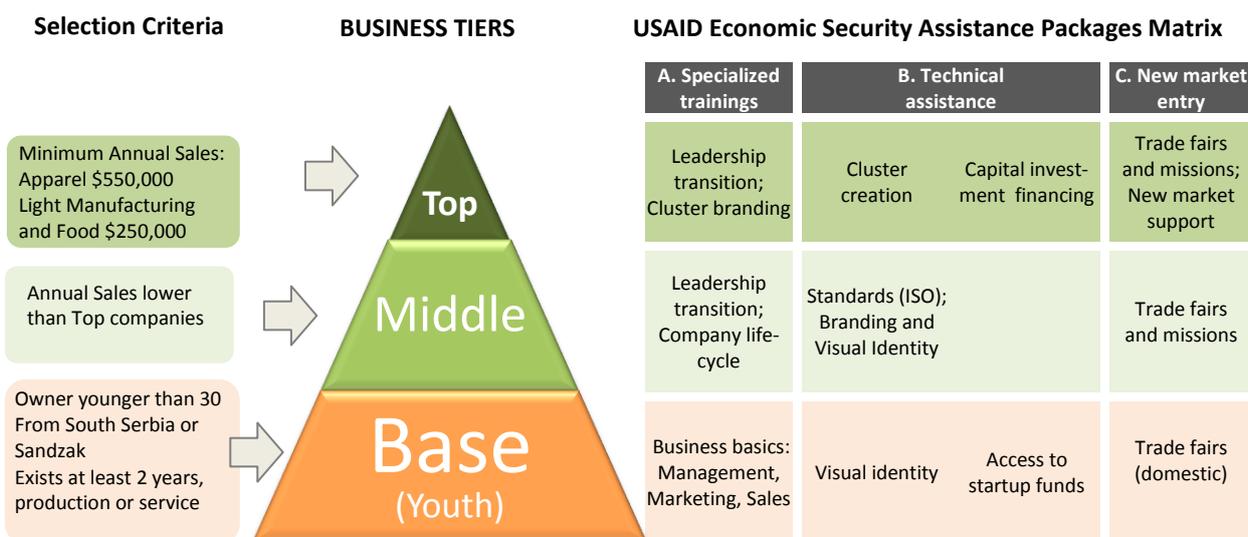
# I. SUPPORT TO BUSINESSES

The Economic Security Project in FY 12 will build on the strategy that has helped supported companies achieve a cumulative sales growth of 57 percent between 2007 and 2010. The unique assistance packages that drive these results consider the potential of each business as they differentiate size and stage of development. The trainings and technical assistance support were designed to accommodate the businesses needs based on industry sectors and recognizes that growth depends on the companies' ability to open new markets. Supported companies will be divided into three tiers: top, middle and base. The tiers are defined according to gross annual revenues (at the top and the middle) and the age of owner and company (at the base). More complete definitions of each tier are provided in Figure 2, below.



**Selection criteria and Assistance Packages for three tiers of businesses**

2



**Top-Tier Partners:** The 48 largest companies that worked with the project in FY11 are included in this tier. Assistance will continue to involve new market entry and production expansion that results in increased sales and new jobs. The activities are designed to help each business attain new export markets. The team also plans to replicate the ASSTEX apparel industry model to help as many as three additional business groups organize and brand as clusters in order to locate and permanently expand into new markets in the way that ASSTEX has opened Russia, Belarus, Poland and Albania to Serbian textiles and apparel<sup>4</sup>.



**Regions and Targeted Business Sectors – Top-tier companies**

1

Region	# Top-tier business (FY 2007-2013)		
	Food	Apparel	LM
Sandzak	5	15	0
South Serbia	12	0	16
<b>Total</b>	<b>48 companies</b>		

**Middle-Tier Partners:** 43 new middle-tier companies will be added to an existing set of 89 for a total of 132 targeted companies for FY12-FY13 activities. The companies will come exclusively from the core sectors of food production, apparel and light manufacturing. Table 2 illustrates the

<sup>44</sup> The Textile Association of Sandzak (ASSTEX) was founded in 2008 with the support of PPES and is in the process of opening permanent showrooms in Europe, Russia and the region.

number of companies the team hopes to add following an assessment and how many will come from each geographic region and the targeted business sectors.



**Regions and Targeted Business Sectors – Middle-tier companies**

2

Region	# Middle-tier business (FY 2012-2013)			# Middle-tier business (FY 2007-2013)			
	Food	Apparel <sup>5</sup>	LM	Food	Apparel	LM	Tourism & Services
Sandzak	5	12	2	11	16	4	31
South Serbia	5	4	15	7	0	17	3
<b>Total</b>	<b>43 new companies</b>			<b>89 old companies</b>			

These middle-tier companies will be supported in their efforts to open new domestic or export markets based on their current market position: regional companies will be helped to expand within Serbia while those selling domestically only will be supported in their efforts to become exporters. Additionally in FY 12 the program companies from this tier will participate with their larger counterparts to create industry sector clusters to further support the growth of the individual companies as well as the sector. These companies will be provided training and technical assistance to improve management and production capacity to support increased sales. Note that all such training and TA is provided by existing local organizations (for-profit consulting firms, NGOs and regional development agencies) that provide such services to a variety of clients on the open market at market rates. The project believes that its procurement of services from these organizations represents a very small portion of their total revenue and, as such, we have not distorted the market with our procurements or made of any of these organizations dependent on the project’s procurements and that these service providers will continue to exist and continue to offer services to the business community after the project ends.

**Base Company Partners:** 20 businesses will be targeted for this level of support. In FY 11, the program broadened its scope of business support to young entrepreneurs in South Serbia and Sandzak. The primary goal last year was to help these young owners register their companies and access start-up or expansion capital. In the coming year, the project again will target up to 20 new, qualifying companies. In addition to access to start-up and capital funds, the assistance package will be expanded to provide training in business fundamentals and development of marketing materials. Within this tier, the Economic Security team will include companies from either the production or service sectors. The needs of these young companies and owners are so basic that the assistance packages are applicable regardless of sector, making possible collective trainings, which are more cost effective.

Note that wherever possible, the team will target entrepreneurs who could become service providers or sub-contractors for its top- and middle-tier companies. A more complete description of all base-of-the-pyramid support will be provided in the Youth Chapter.

Year 6 will emphasize planned activities to existing program companies that will position supported companies for domestic and international market expansion through new marketing opportunities and technical support to help them develop operational capacity to produce and serve new contracts. Technical assistance for young entrepreneurs will tackle the challenges of start-ups: the basic business knowledge to manage operations while delivering products and services

<sup>5</sup> The addition of 12 new apparel companies is needed to solidify recent gains made in achieving new export markets and expand the cluster’s ability to service new, larger orders by piecing orders out to a larger base of companies that are capable of meeting the same production quality standards.

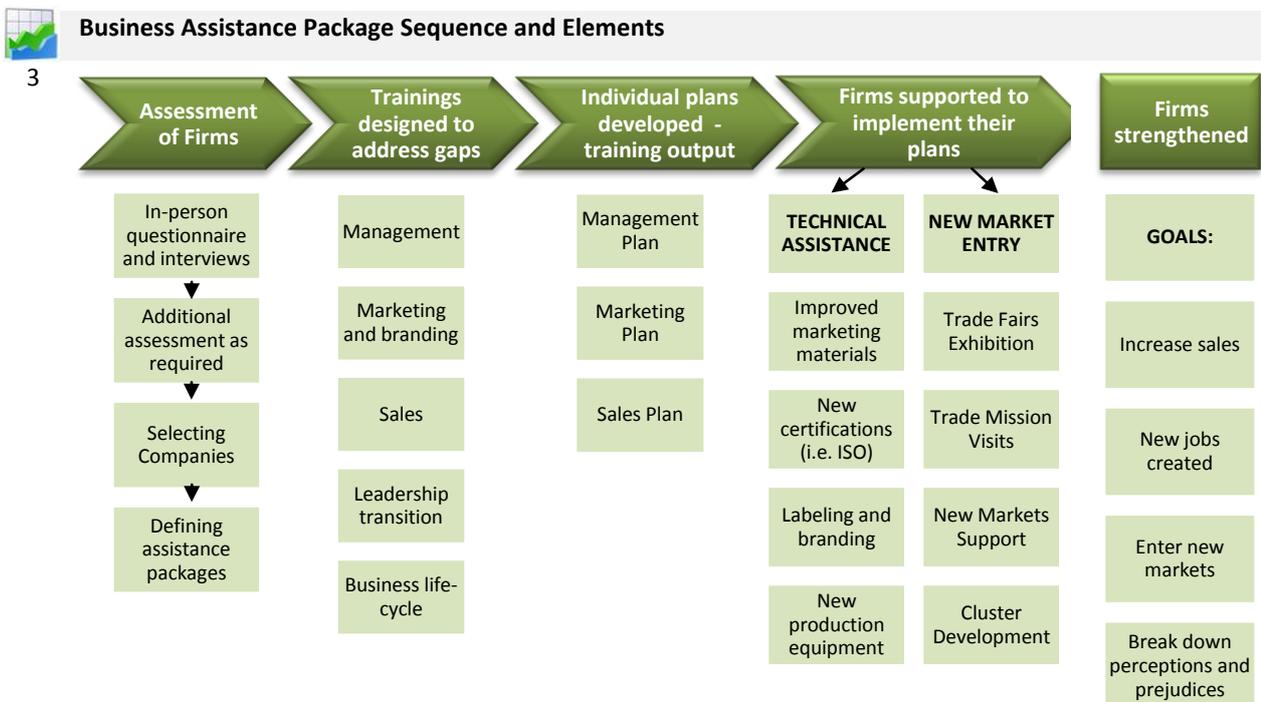
to clients, marketing tools to compete for new customers and information to secure capital investment and cash flow funding.

### Geographic Targeting

The program focuses its work on two of the most economically challenged areas of the country -- South Serbia and Sandzak. They are the country's most economically disadvantaged, suffer from the highest unemployment rates, have the highest concentrations of ethnically mixed populations and both have been centers of past (and current) political and social instability. The geographic coverage of business support will remain the same in the year ahead: Southern Serbia south of the City of Nis (Jablanica and, primarily, Pcinja districts)<sup>6</sup> and the Sandzak region (the municipalities of Nova Varos, Novi Pazar, Priboj, Prijepolje, Sjenica and Tutin) and Raska.<sup>7</sup>

### Business Assistance Packages - Introduction

The Economy Security program designed business assistance elements to build upon one another: training leads to improved management, operations and sales; technical assistance in marketing and meeting international standards leads to preparation for new markets; trade fairs and missions lead to increased sales and growth in operations; and that leads to companies growing from tier to tier in the team's business support pyramid. Top and middle companies in FY 2012 will receive more specialized technical support than base companies, especially in the preparation for trade fairs and missions; base companies' packages focus on strengthening core business functions and securing the longevity of the companies' future. The business assistance activities for the next 18 months are described in detail in the following sections.



<sup>6</sup> Selected companies from Jablanica district have been included as potential partners, cluster members or mentors to companies in Pcinja. These relationships have proven valuable in the past in helping the companies in the deep South expand market presence beyond the South and thus integrate more fully into the broader Serbian economy.

<sup>7</sup> In Sandzak, Raska is included for a similar reason – the Raska and Novi Pazar economies are closely linked and Raska is an important source of employees, subcontractors, potential cluster partners and source material for companies in Sandzak.

## A. TRAININGS

Early in the program, the Economic Security team identified internal management capacity as a hindrance to the development of many companies in South Serbia and Sandzak. Trainings to improve technical skills in critical business functions – management, marketing and sales – became a foundation of the business support package. In FY12, the core training has been adapted to reflect the evolving challenges of companies in the region and among the team’s business partners. The ultimate goal for all program training is to support the companies’ sustained growth.

- 1) **Management and Adaptation to Company’s Growth Life Cycle** is designed to help company management adjust to continuously evolving structural and market changes. As companies age and expand, internal structures also expand and change and that alters the expectations of owners, employees and customers alike. Rapid changes in the market demands rapid response from companies; again, the management structure, technology and human resource systems used in one phase of the company’s life cycle must adapt to accommodate the needs of the new stage of business development and operations. *The training’s goal is to teach the business leaders to implement effective managerial solutions to problems and obstacles that arise as the company’s market position changes over time and as the natural life-cycle stage of a company progresses.*

**Training participants include:** All new companies joining the program in FY12. Most of these firms are founder-managed and have never considered the significance of the cycles common to business growth and the organizational challenges they present. The team will help each new company define its current position within the business cycle and use the information to organize support based on these results.

**Follow-up action:** Companies are expected to prepare Management Action Plans for improving the organizational structure of their businesses.

- 2) **Branding Training** will demonstrate how a cluster brands and delivers a single message to create an identity and demand for the general product made in Serbia, like the “Jeans from Serbia” brand for Sandzak’s denim fashion manufacturers. The cluster branding benefits individual producers with supportive marketing and by creating demand. *The session will focus on creating brand strategy, brand identity, brand management and brand experience.*

**Training participants include:** Companies of one business sector that want to unite and organize themselves as a cluster.

**Follow-up action:** Clusters are expected to prepare a brand personality, name, logo and tagline, and establish operations. This branding process will be supported with technical assistance from the team; the entire activity supports the work plan’s goals for participation in trade fairs and missions, especially in new markets.

- 3) **Leadership Transition** acknowledges that a vast majority of the program’s partners are family-owned businesses. Many of them have experienced significant growth and expansion while working with the team and many will encounter, at some point, the unique challenges of transitioning from family management to alternate business structures. None of these companies has a prepared leadership transition plan or a program for building new leadership within their companies. *The training will help these companies identify their leadership structure needs, identify the qualities needed to assume lea-*

**dership positions, and understand the impact of transitioning on operations, human resources and customers.**

**Training participants include:** All top- and middle-tier companies from South Serbia and Sandzak will be invited to participate.

**Follow-up action:** Interested companies will prepare a Transition Action Plan including a strategy for the development of leadership within their companies.

The table below details the training to be offered during FY 2012.



3

### Firm Level Training Assistance FY 2012

Implementa- tion period:	Training Course (provider)	Proposed Training Subjects	Target Sectors (region)	Number of Participants	Duration
November 2011	Management and Life Cycle of Companies (RfA)	Management Life Cycle of Companies	<b>2 training courses:</b> - Fashion & Food Sector (Sandzak) - LM / Food Sector (South Serbia)	10 to 15 (x 2 courses)	2 days
December 2011	Branding Training (RfA)	Creating Brand, Essence of Brands and Branding our sector clusters	<b>2 training courses:</b> - Food Sector (Sandzak) - LM sector (shoes cluster) (South Serbia)	10 to 15 (x 2 courses)	2 days
February 2012	Leadership Transition (RfA)	Transition of the power in family businesses	<b>2 training courses:</b> - Fashion & Food Sector (Sandzak) - LM / Food Sector (South Serbia)	10 to 15 (x 2 courses)	2 days

## B. TECHNICAL ASSISTANCE

Based on the plans developed by individual companies through the training process, the team will tailor technical assistance and deliver it either individually or through small groups. The types of technical assistance that companies may receive will enable them to:

1. Improve Marketing Material, Labeling and Packaging;
2. Adopt Certification Standards (i.e. ISO standards);
3. Implement Product Differentiation;
4. Access Capital Funds and Innovative Investment Funds;
5. Introduce Business Management and Financial Software; and
6. Encourage the use of Internships.

A detailed description of each technical assistance activity follows.

### 1) Marketing Material, Labeling and Packaging

Marketing and sales are linked; positive product awareness through marketing stimulates sales. Investing in professionally prepared materials has provided strong returns for the team in its first three years. One company experienced a 25 percent sales increase within two months of introducing its new brand and visual identity and another company owner credited his new marketing materials for a 35 percent increase in sales.



Investing in professionally prepared materials boosts company image and increases sales.

Thus, the program will continue this technical support and offer it to qualified, newly added top- and middle-tier companies. The team, together with selected short-term consultants, will determine which of the companies are best positioned to leverage professionally designed marketing, labeling and packaging materials into new sales and market expansion. Companies will be selected for the activity based on an evaluation of the potential return on investment, the company's capacity to engage in the activity, and its ability to use the new materials for maximum benefit well into the future.

Once selected, the businesses will work with consultants to improve and develop new marketing materials targeted to customers and markets identified in their marketing plan. A few of the selected companies will be given additional support to develop new company websites which not only improve overall design and quality but also support multi-lingual content.

## Outputs

- **Marketing Materials:** *The desired output from this assistance is the development of marketing concepts, visual identities and marketing material designs ready to go to print for **15 to 20** of the top- and middle-tier companies. An initial run of the new marketing material will be printed in quantities to be decided among the program team, the targeted companies and the marketing agency providing the technical assistance.*
- **Websites:** *The desired output is newly developed company websites that appropriately reflects the products and services of these businesses. From **10 to 15** companies will be assisted in this area.*
- **Labeling:** *The program's goal is to educate processors about the benefits and savings of making products in line with customer needs (i.e. larger-sized containers). Assistance under this area is limited to advice and not support for the actual production of new packaging. The goal is to provide input for minor modifications to existing products that will generate additional interest from customers and result in increased company sales. Under this task, the team plans to assist **10 to 15 firms** from all three business tiers, top, middle and base, in South Serbia and Sandzak.*

## Results

- *This activity relates most directly to PMP impact indicator #3 – New Market Expansion.*

## 2) Certification Standards

Supported companies aspiring to enter new markets must meet product quality assurance standards as a precondition for exporting to regional and European countries. The project will provide technical assistance to companies to achieve one or more of three basic certifications: ISO, HACCP and Halal. Companies to receive this assistance will be selected through a two-step process:

1. The team will conduct an initial assessment to determine a company's level of interest in this type of assistance and their willingness to incur the costs associated with certification.
2. External consultants then will provide professional input into whether a company has the capacity to make the necessary changes in the near term in order to benefit from certification assistance.

These certifications can require significant financial commitment from the participating companies; the selection process ensures that the companies are both capable and prepared to implement the changes and upgrading of operations needed to earn certification.

The activity's technical assistance will be delivered in two phases:

1. Company managers will be trained in the administrative and operational processes to be changed and improved in order to comply with new certification standards.
2. The certification process in which a certifying institution determines whether production process and final products are compliant with the qualifying standards.

The Economic Security program will provide training and technical assistance (phase one) to businesses selected for this activity while the cost of the official certification (phase two) will be conditional on the company's commitment and effort to make the necessary changes. The changes necessary for certification can be expensive. Firms unwilling to invest company resources to upgrade facilities will not receive project assistance in the certification process.

### Outputs

- *The expected outcomes from this technical assistance are that the targeted companies complete the first part of the training and initiate the proposed changes. Following the changes needed for certification, these businesses are expected to move forward with the certification process and acquire the appropriate standards/certifications needed to access new markets. Based on the planned assessments, the project plans to assist from **5 to 10** newly added top-tier companies (up to five from South Serbia and five from Sandzak). The plan is to select companies from the clusters to be formed, as described in section C-4. In doing so, the program supports the development of both the companies and the sector.*

### Results

- *This activity relates most directly to PMP impact indicator #3 – New Market Expansion.*

## 3) Product Differentiation

Businesses in South Serbia and Sandzak offer products similar to those of their direct competitors. When these companies were small, family-owned businesses with a set group of loyal customers, such overlap was of little importance. With the focus on increasing market share, new market entry, and increased exports, positioning and differentiation are survival factors. The team will engage consultants to help program businesses improve, change or expand product lines to either target new customers or create greater distinction between their products and those offered by local and regional competitors.



Apparel manufacturer Denistar was visited last year by a group of 10 ambassadors and the then-Minister of Economy. One of the region's most successful SMEs, it is one of 10 Sandzak apparel companies working with PPES to earn ISO certification – a critical step in accessing export markets.



Minex company from Vranje recently started manufacturing shoes for Italian fashion design house Moschino.

## Outputs

- *The expected outcome from this technical assistance is that supported companies will modify and adjust existing products in order to attract new customers. Under this task, the program plans to assist from **three to five** companies from Sandzak and South Serbia from top- and middle-level companies.*

## Results

- *This activity relates most directly to PMP impact indicator #3 – New Market Expansion.*

## 4) Access to Financing

*Start-up funding:* In FY11, the program helped nine companies (six from South Serbia and three from Sandzak) to understand and access funds available to the private sector through the Development Fund of the Republic of Serbia, a start-up assistance program managed by the Ministry of Economy and Regional Development. In addition, there are still a number of donor programs in the ES project's area of operation (such as that run by the German NGO, HELP) that provide start-up capital assistance for new businesses. In

the short to medium term, until the regulatory environment for micro-finance in Serbia is changed, such programs offer the most easily accessible sources of external assistance for start-up businesses. In FY12, the ES project will continue to help link start-up businesses to such sources.



A loan from the Development Fund of the Republic of Serbia has helped Presevo-based scaffolding company Tobler Skele grow and expand into a multi-national business.

*Expansion Financing:* For established companies, the picture is different. Such companies would best be served by moving away from government programs (which are subject to political influence and burdensome procedures and lengthy administrative delays) towards commercial financing. South Serbia and Sandzak companies made the fewest applications for expansion or infrastructure investments than any other region in the country, limiting their potential growth<sup>8</sup>. ES Project targeted businesses face significant obstacles in accessing financing, including, but not limited to: high levels of required collateral, short loan repayment periods, required bank guarantees for Development Fund loans, long loan approval periods, lack of understanding of business specifics from the banks' side, and problems with cash flow created by VAT, social contributions, and problems in collecting accounts receivables (all of which combine to impact companies' ability to make regular, even loan repayments). In addition, many of the regions' businesses operate on thin margins making borrowing at any price a challenge. Nevertheless, credit remains an essential tool needed to help fund companies' expansion, investment in new capital and technology and ability to establish permanent presence in new export markets.

While a comprehensive solution to this problem will take a number of years and will go beyond the remaining time available on the ES project, the project will take an incremental approach to addressing some of the constraints to accessing financing. Specifically, the project will:

1. Work collaboratively with other USAID projects (such as the Business Enabling Project) to increase the awareness of businesses to alternative financing opportunities;
2. Compile a synthesis report on past studies of access to financing in Serbia, current regulatory analysis and possible innovative solutions;

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<sup>8</sup> June 2010. Ministry of Economy and Regional Development, *Fond za razvoj Republike Srbije*: of 1,579 approved applications in 2009, only 73 (less than 5%) were from South Serbia or Sandzak region businesses (<http://www.fondzarazvoj.gov.rs>).

3. Help companies look for innovative forms of financing, possibly those involving public-private partnerships (an approach ASSTEX is using to help offset the cost of needed environmental compliance investment).
4. Include in its APS a call for proposals from applicants that help address the aforementioned constraints. The overall objective is to improve access to commercial sources of credit on market-based terms, broadly, and more specifically, to expand credit to SME project beneficiaries across South Serbia and Sandzak. Priority consideration will be given to proposals that are innovative and have the potential to be scaled-up in a cost effective way.

## Outputs

- *The program will target from [10 to 30] companies for start-up support.*
- *The program will host or co-host **two** events (one in each of the two regions) about access to financing.*
- *The program will compile a synthesis report of past studies on access to financing in Serbia.*
- *The program will fund from **one to three** innovative proposals that help move businesses in the targeted geographic areas in the direction of sustainable access to commercial financing.*

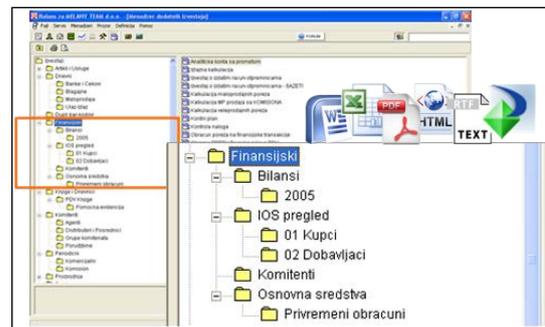
## Results

- *This activity relates most directly to PMP impact indicator #2 – New Jobs Created.*

## 5) Inventory Control and Financial Management Software

The software for this activity has been customized for the program’s businesses and for the first time links inventory control with the companies’ financial information. Most impressive is the “real-time” feature that allows a company’s retail outlets to communicate directly with the warehouse to ship replacement stock or allow multiple sales people to work in the field to negotiate deals using up-to-the-minute inventory information on raw materials as well as in-house stock.

Tracking inventory and sales gives companies month-to-month and year-on-year sales trends that support more efficient production planning. At the same time, the software improves decision making for individual retail outlets or wholesale markets. The software also makes companies more competitive during trade fairs and mission visits as they can reliably make successful bids and more accurately project delivery times.



Twelve program-supported companies from Sandzak and South Serbia are using new management software supplied by through the Economic Security project in 2011.

All 12 companies that started the activity in FY11 (six from each region) have completed their training. One started using the software in August; the remaining 11 companies are to complete installation and testing in September. For some, this system upgrade is critical for the companies’ efforts to meet international ISO standards.

In FY12, the program will include newly added companies from the top-tier firms in the activity. Companies selected for this assistance must have the capacity to successfully integrate the software into its day-to-day functions. Selected companies will receive training and technical assistance from the team’s training partners to ensure the software works and all appropriate personnel are trained in its applications. The software is more than an IT solution; it fosters a structural change in how the company and its management plan, organize and control production and other business operations.

## Outputs

- *The expected outcome from this technical assistance is to prepare from 7 to 10 newly added top-tier companies to implement this software in their production process and employ it during upcoming trade fairs and missions and other business-to-business (B2B) meetings.*

## Results

- *This activity relates most directly to PMP impact indicator #1 – Increased Sales.*

## 6) Workforce Development

In each of the past three years, the Economic Security Project has successfully used internships to provide new opportunities for young people to gain much-needed experience and position them for future jobs. Throughout this activity, the team linked the needs of regional businesses to the education, professional development and potential for employment for the area's youth.

In FY12, the team plans to take this activity to the next level. In Year 6 the program will facilitate an activity that brings together five companies from the light manufacturing sector and the Technical High School Presevo. The goal is to create a sustainable link between businesses in one of the program's sector clusters with the school to offer, on a continuous basis, students specialized internship opportunities. The activity will give students real-world experience and allow companies to develop

the practical human resource skills most needed for their growth and development. Through the facilitated partnership between the region's public school and employers, the program creates the opportunity for the school to find new ways to align its academic programs to the business skills and industry technological needs to better prepare its students for jobs after graduation.

Since the activity will require commitments from all sides, a Memorandum of Understand (MoU) will be developed among the parties: the Technical High School Presevo, the LM companies and USAID's-Economic Security project. Since the focus in the coming year shifts from the project to local partners, the project will not provide direct funding to the partners or stipends to the interns, a further step towards the activity's sustainability.

## Outputs

- *The expected outcome from this activity is for the Technical High School of Presevo to set up a laboratory equipped with machinery used by local businesses and for up to five local businesses from the LM sector to place 30 students per year from the Technical High School Presevo into internships.*

## Results

- *This activity relates most directly to PMP impact indicator #2 – New Jobs Created.*



Three Novi Pazar students proudly display their certificates for completing a successful internship. Internships have given students in South Serbia and Sandzak their first job experience and helped close the gap between the current education and the job skills needed by the regions' businesses.

## C. NEW MARKET ENTRY – INTERNATIONAL AND DOMESTIC

Trade fairs have proven to be integral to new market entry and new market entry has underpinned the program's efforts to help its companies expand, grow and hire new employees. At the end of each fiscal year, the team performs a lessons-learned analysis of the trade fair activities and uses the findings to make annual adjustments. Each year, the program has helped its companies become more effective at trade fairs. The impact has proven greater than the rush of immediate after-fair sales; three- and six-month sales data show that repeat sales with the new customers from the fairs are common. In the cases of Poland and Russia, sales and distribution centers are opening to establish a more permanent footprint in the market.

Since 2007, approximately 120 supported companies have entered at least one new market<sup>9</sup> meaning that the company has created new sales in a city or country in which it had not previously been present. If Serbian companies are to provide adequate jobs for its adult population growth in exporting is essential; in the past four years, the program's companies have opened 17 new export markets.<sup>10</sup>

In FY12-13, the program's approach to trade fairs and missions will be to (1) introduce companies to one new domestic or international market depending on their stage of development and (2) focus on the clusters to be created. As it did with Sandzak's textile association ASSTEX, the Economic Security team will help the companies organize the cluster and set its goals. Companies then will prepare for and travel together on trade mission visits; at trade fairs, the companies will brand as a cluster to improve opportunities for all cluster members.

A further consideration in this fiscal year is to broaden the reach of Serbia's exports by tar-

### ECONOMIC SECURITY CLUSTER DEVELOPMENT

The Economic Security team recognized early that economic growth and unemployment reduction in the two regions would occur through clustering industry sectors. As clusters developed individual businesses benefit as do regional suppliers of the goods and services needed to support the growth.

Industry clusters also rely on educational institutions to provide a steady stream of skilled workers and research support. This element links the program's goals for youth employment and the need to close gaps between current educational approaches and the needs of modern industry.

The Sandzak textile association ASSTEX, the country's first apparel cluster, has been a driving force in transforming Sandzak's moribund apparel industry. In addition to the well-documented marketing success, the ASSTEX model's strength is its advocacy that helps local and national officials maximize the sector's economic development potential.

Clusters offer officials concrete ideas for support to boost industry performance and regional economic impact. ASSTEX has drawn national and international attention to its industry by bringing together Serbian government officials and international economic development experts in Belgrade. The financial support from SIEPA for the Moscow showroom and distribution center is a direct result of those efforts.

New clustering will help sustain economy development. The existing networks will be formalized, encourage ongoing innovation, knowledge sharing and the advocacy necessary for long-term, sustainable economic development that will enhance the regions' economic security.

<sup>9</sup> A new market is a different measure than "new sales." New sales could come from a new market, or by increasing market share in existing markets or by offering new products to existing customers, for example.

<sup>10</sup> The countries include: Albania, Austria, Belarus, Belgium, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Italy, Kosovo, Macedonia, Montenegro, Poland, Russia, Slovenia and Turkey.

getting more European Union markets. As more of its companies complete the program's technical assistance and earn their international standards certification, EU markets entry becomes more accessible.

## 1) Trade Missions – Pre-fair market research and relationship development

This activity has helped the program increase immediate after-fair sales; more importantly, it is helping companies establish a long-term permanent presence in these new markets before the trade fair takes place.

The team uses regional trade missions to take small groups of companies to meet potential business partners and buyers from the European Union (EU) and CEFTA countries. These visits are built around upcoming trade fairs, which themselves are an efficient opportunity for supported companies to meet numerous buyers from multiple markets in a single location.

The trade mission visits have turned exhibitions at trade fairs from an opportunity for superficial introductions to potential new buyers to meeting sites where concrete negotiations for market partnerships are finalized.

The Economic Security team will again engage short-term consultants to perform market research, a critical element in the success of the visits. In FY12 mission visits are planned for Poland, Russia, Albania, Germany and Italy. Upon completion of the research, the program team will coordinate visits for management teams of selected companies. Meetings with the Serbian Economic Attaché stationed in the country, industry trade associations and chambers of commerce as well as industry wholesalers are arranged to establish personal contact and open sales conversations with potential business partners in the targeted countries. Table 4 lists the trade missions planned for FY12.



4

Support to Business, Trade Mission Trips FY 2012/2013				
No	Month	Trade Mission to	Country	Sector
<u>FY12</u>				
1	October 2011	Tirana	Albania	Apparel & LM
2	December 2011	Poznan	Poland	Apparel + LM (Shoes cluster)
3	March 2012	Milan	Italy	LM (Shoes cluster)
4	August 2012	Moscow	Russia	Apparel + LM (Shoes cluster)
5	August 2012	Düsseldorf	Germany	LM (Shoes cluster)
<u>FY13</u>				
6	December 2012	Verona	Italy	LM (Shoes cluster)

### Outputs

- *Pre-trade fair missions help establish contacts and improve market intelligence prior to attending a fair. The expected outcome from this activity is that selected PPES-supported company representatives can negotiate and follow up with contacts made during the visits resulting in more successful entry into new markets. Six trade missions are planned for FY12.*

### Results

- *This activity relates most directly to PMP impact indicator #1 – Increased Sales.*

## 2) Trade Fairs

The Economic Security Team has taken 237 companies to trade fairs over the past four years helping to generate \$11.7 million in new revenues. The program's support will help businesses prepare for trade fairs by developing a strategic approach and enabling companies to utilize the opportunity more efficiently. In addition to the technical support, including training in marketing and promotion, and pre-exhibition technical meetings, the team in FY12 has selected trade fairs for its top- and middle-tier companies to introduce all the businesses to new markets.



The 2011 Poznan Fashion Fair in Poland helped seven ASSTEX textile association companies generate more than \$100,000 of new revenue and, more importantly, establish a permanent presence in Poland.

**Top-Tier partners:** All 48 companies in this tier will have the opportunity to participate in up to six international trade fairs. The goal is to select trade fairs that give each participating company a new international market. For example, companies with regional trade partners can be taken into other European markets, Russia or other former Soviet nations. Those top-tier companies without strong CEFTA trading partners will be targeted for regional fairs.

**Middle-Tier partners:** Companies prepared to manage the challenges of export sales will be given the chance to attend international trade fairs outside of Serbia. Those not quite ready for export will focus on fairs that encourage expansion in the domestic market.

A list of trade fairs where company attendance will be supported during FY 2012 and FY 2013 is provided in Table 5 below.



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### Support to Business, Trade Fairs in FY 2012/2013

No.	Date of event	Name of the Event	City/ Country	Sector
<b>FY12</b>				
1	November 2011	Panair -General Fair	Tirana, Albania	<b>Apparel &amp; LM</b>
2	March 2012	CPM Poznan	Warsaw, Poland	<b>Apparel</b>
3	April 2012	Belgrade Construction Fair	Belgrade, Serbia	<b>Light Manufacturing</b>
4	May 2012	Agriculture Fair	N. Sad, Serbia	<b>Food</b>
5	May 2012	Shoes Around the World	Lodz, Poland	<b>LM (Shoes cluster)</b>
6	September 2012	Fashion Fair	Moscow, Russia	<b>Apparel</b>
7	September 2012	GDS Event	Düsseldorf, Germany	<b>LM (Shoes cluster)</b>
<b>FY13</b>				
8	January 2013	MOSSHOES	Moscow, Russia	<b>LM (Shoes cluster)</b>

### Trade Fair Selection Process

The team will analyze existing sales and marketing plans to select the most-prepared companies for trade fairs and trade missions. Most firms will have these basic planning documents either as part of their prior project assistance, as a result of their own investment or through the support of another donor. A full list of criteria follows.



## Trade Fair Company Selection Criteria

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1. Has **potential to grow, capacities** to accept and fulfill new orders and compete in an open market ✓
2. Has **already invested in** company **advertisement and marketing** (either internationally or within the country where fair is to be held) ✓
3. Has a **minimum of one or more products to display** ✓
4. Is **oriented to market expansion** -- domestic or international -- and has capacity to meet requirements and demands of new markets ✓
5. Has **developed marketing and sales plans** which include concretely targeted regions (to apply, one of the target markets must be the country in which the specific fair is organized) ✓
6. **Possesses HACCP, ISO or other international standards certificate** ✓
7. Shows **interest in** meeting and exceeding current **industry trends** ✓
8. Is **ready, motivated and able to financially contribute** for participation at the fair ✓

### Outputs

- *All 48 top-tier companies will be offered an opportunity to attend at least one fair based on the sectoral focus of the specific fair (textile, food and beverage or construction and so forth) and the company's ability to meet the selection criteria.*
- *The project will target the sectors of food, apparel and light manufacturing for trade fairs for middle-tier companies. The final number of companies from the planned 98 in the middle tier to be invited to a trade fair will be determined following the team's selection assessment.*

### Results

- *This activity relates most directly to PMP impact indicator #1 – Increased Sales. Participating companies increase sales through finding new buyers at a rate consistent with or better than achieved over the project's last three years.*

## 3) New Market Support

After five years of continuous support to 137 companies, the Economic Security team has helped elevate a cadre of companies to a growth curve that would have taken years longer without the business assistance packages. These select companies have invested the resources to expand operations, improve human resources and introduce more competitive marketing strategies. The team will work with 10 of the highest-performing companies, either individually or in groups, to help them establish a permanent presence in key new markets.

Using the team's technical assistance, the right market will be identified, strategic partners located and support provided to establish the necessary resources to set up show rooms, sales offices or distribution centers depending on the type of company or companies selected for this activity.

## Result

- *This activity relates most directly to PMP impact indicator #3 – New Market Expansion. A total of **10 companies** with permanent locations in a major international market and the capacity to maintain the business relationships for years into the future.*

## 4) New Market Entry through Clusters

The goal is to catalyze the development of new clusters among top-tier companies and to promote cooperative regional branding among middle-tier companies so each group can benefit from the strength of collective marketing and branding to open new domestic and international markets.

**Clusters for top-tier companies:** The team will target from one to three new clusters focusing on the shoe and wood manufacturing companies from South Serbia and food processors sectors from both regions for cluster development. Like the textile and apparel clusters, Serbia has had a prior reputation for quality in each of these sectors that will expedite the collective marketing. It is anticipated that different clusters will be at different levels of development by the end of the project. The goal of working with the shoe cluster in South Serbia is to see the cluster formally register as an association, for the cluster to create a joint branding strategy for use at international trade fairs and to for the cluster to create a permanent presence in at least one new market as the ASSTEX cluster has done in Poland. The expectations of a possible food cluster from Sandzak, because of the diversity of the companies involved, are much lower. Our expectation is that this cluster would develop a marketing campaign together emphasizing geographic origin. The project would spend time assisting a third cluster based on wood companies from South Serbia, only if an opportunity presented itself. Most of the assistance under this activity will be provided by full-time ES project staff.

**Branding and cluster development for middle-tier companies:** The “Jeans from Serbia” brand has benefited each of the five companies that participated in the single brand. The program’s team wants to replicate that model for up to five middle-tier companies. The clustering of these companies can be either by business sector or by geographic regions such as leather goods from South Serbia or food specialties from Sandzak. The goal is to establish collaboration among companies so they can continue to collectively market and attend trade fairs together well into the future.

## Outputs

- *Create from **one to three** new clusters among program-supported top-tier companies and deliver the technical assistance that helps them establish permanent presence in at least one new market for each cluster.*
- *Create from **one to five** new brands among groups of middle-tier companies, working where possible to create a business sector or regional clusters to market the new brand.*

## Results

- *This activity relates most directly to PMP impact indicator #3 – New Market Expansion.*



## Building the Base

### II. SUPPORT TO YOUTH IN SERBIA

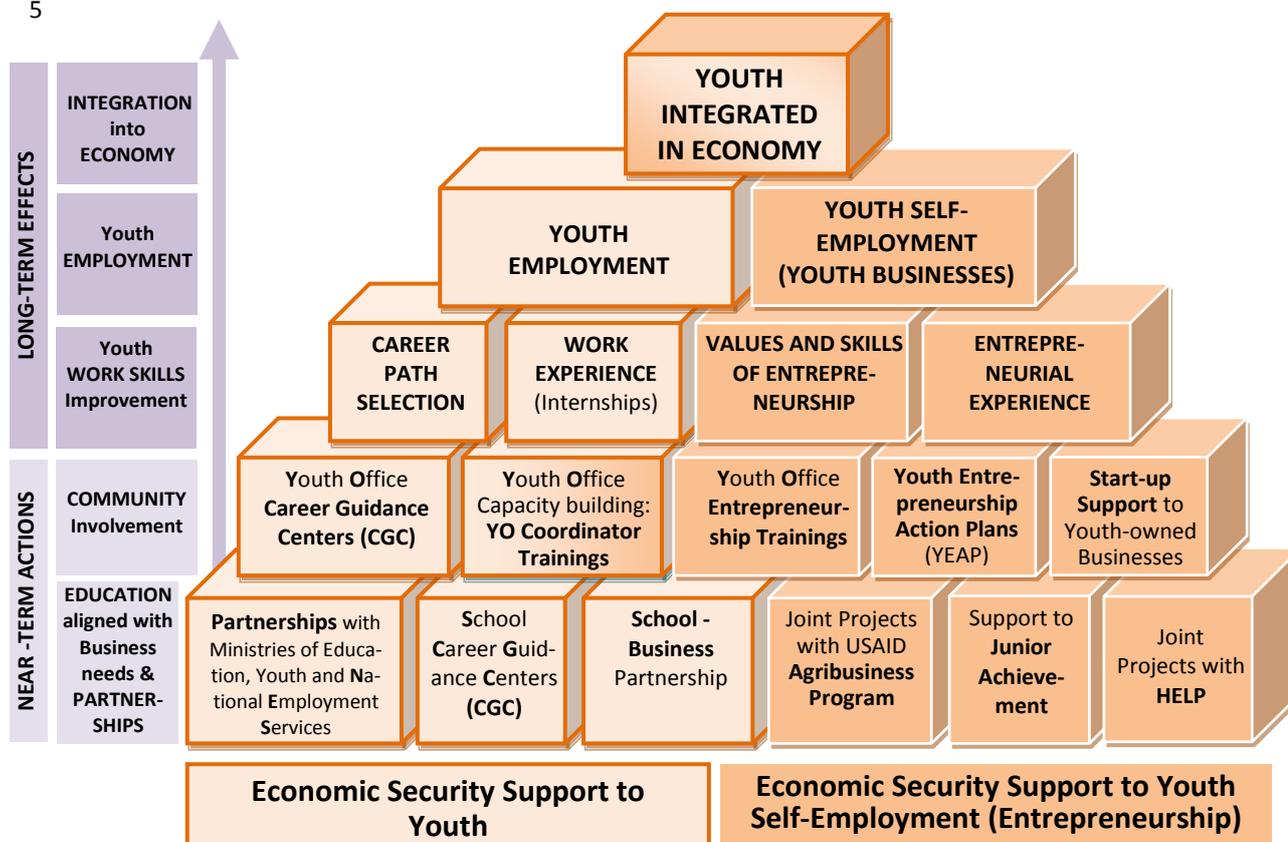
Youth remains a primary target group for the Economic Security project. Years of high unemployment among youth and a formal education system that is lagging behind its European peers have deprived them of the opportunity to develop modern job skills and professional and economic development<sup>11</sup>. Just as important, rather than becoming a driving force in the development of Serbia’s economy and institutions integral to a market economy, many young people are migrating out of the country or are at risk of falling behind their European counterparts in the education required in the current labor market. The focus for youth needs to be on education and access to the new ideas and behaviors that support Serbia’s transition into an EU-oriented, market driven, competitive country.

The program’s Youth Support activities intersect with and directly contribute to the goals of the project’s Business Support activities by addressing the needs for better workplace performance: greater human resource capacity and more leadership skills.



Building Youth human resource capacity and leadership skills to Integrate them into Economy

5



<sup>11</sup> Youth unemployment in Serbia is 48.5% among 15- to 24-year-olds, more than double the European average of 20.4% for the same age group.

## Economic Security Support to Youth Partners

To achieve these objectives, the Economic Security program has targeted key groups of young people to serve as a base that can lead and implement permanent change for Serbia's youth. The services provided to them include:

- **Youth Office Coordinators:** Capacity building and program development
- **Students:** Junior Achievement, Internships, Career Guidance
- **Unemployed Youth:** Entrepreneurship trainings, Internships, Career Guidance
- **Young Entrepreneurs:** Technical Assistance in business start-up, marketing, access to funds, business plans.

### SUPPORT TO YOUTH OBJECTIVES

- Increase the competitiveness of youth to access jobs or start a new business and
- Help youth gain skills and knowledge necessary for success in a market economy.

The Economic Security project's efforts are closely linked with those of the Serbian Government. All activities align with major national strategies especially the Strategy on Youth and the Strategy for Career Guidance and Counseling. Working in partnership with national and local government leaders, the team has introduced new knowledge, skills and values to Serbia's youth and leaders that have permanently transformed both the institutions serving youth and young people themselves. The project's closest partners at the national and local level are:

- **The Ministry of Youth and Sports**
- **Local Governments and their Youth Offices**
- **The National Employment Service**
- **Schools and Universities**
- **Other USAID-funded projects (Agribusiness, SLED, ISC)**

In addition, the project is regularly in contact with other international organizations working on similar issues (such as GIZ, HELP, ILO and UNICEF) and chairs periodic international agency coordination meetings on youth employment and entrepreneurship. These relationships groomed over the past five years are a key to the program's ability to continuously expand its activities and add beneficiaries. This year's proposed activities build on these partnerships and the project's results from earlier years. Each is described in detail below.

## A. INSTITUTIONAL SUPPORT TO YOUTH

### A.1. Support to Youth Offices

Youth Offices (YO) are local government departments with close ties to the Ministry of Youth and Sport and are the primary vehicle for reaching youth at the local level. Additionally, they play a key role in the implementation of the National Strategy for Youth and the team's activities are specifically targeted to the Strategy's focus on youth unemployment.

The Economic Security team has worked continuously with Youth Offices for the past three years; to date, the program has provided communications and leadership training to 98 Youth Offices which resulted in 87 of those offices implementing youth entrepreneurship training for more than 1,500 young people – many of whom have gone on to start their own business or find their first job. In addition, 23 Youth Offices have written Youth Entrepreneurship Action Plans (YEAP), a

community-wide, strategic approach to reducing youth unemployment and increasing youth entrepreneurship.

Youth Offices have proven to be effective mechanism to reach youth at the local level. In partnership with the ES project, Youth Offices have reached over 7,500 youth, while more than an additional 7,000 youth have benefited from the activities implemented independently by YOs or with other partners, all in the area of youth entrepreneurship and employment, based on ES project developed tools or methodologies (such as the YEAPs).

During FY12-13, in addition to providing assistance to selected Youth Offices already in the program, the team will provide assistance to 18 new Youth Offices that met selection criteria<sup>12</sup>. This will ensure that all functional YOs in the country will have received capacity building assistance by the end of the project.

The methodology for assistance to Youth Offices is summarized in Figure 6, below:



Depending on the year in which program's assistance began, Youth Offices are separated into four cohorts. Consequently, each cohort is in a different phase of program assistance; Table 6 outlines the cohorts and their assistance phase.

**Cohorts and phases of assistance**

6

Cohort	FY09	FY10	FY11	FY12-13
<b>Cohort Four</b> (23 municipalities) assistance to begin in FY12				<ul style="list-style-type: none"> <li>Assessment</li> <li>Capacity building trainings</li> <li>Entrepreneurship trainings</li> </ul>
<b>Cohort Three</b> (38 municipalities) assistance began in FY11			<ul style="list-style-type: none"> <li>Assessment</li> <li>Capacity building trainings</li> <li>Entrepreneurship trainings</li> </ul>	<b>Youth Entrepreneurship Action Plan (South Serbia and Sandzak)</b> <ul style="list-style-type: none"> <li>Selection</li> <li>Development</li> <li>Implementation</li> </ul>
<b>Cohort Two</b> (30 municipalities) assistance began in FY10		<ul style="list-style-type: none"> <li>Assessment</li> <li>Capacity building trainings</li> <li>Entrepreneurship trainings</li> </ul>	<b>Youth Entrepreneurship Action Plan</b> <ul style="list-style-type: none"> <li>Selection</li> <li>Development</li> <li>Implementation</li> </ul>	<b>Youth Entrepreneurship Action Plan (South Serbia and Sandzak)</b> <ul style="list-style-type: none"> <li>Implementation</li> </ul>
<b>Cohort One</b> (30 municipalities) assistance began in FY09	<ul style="list-style-type: none"> <li>Assessment</li> <li>Capacity building trainings</li> <li>Entrepreneurship trainings</li> </ul>	<b>Youth Entrepreneurship Action Plan</b> <ul style="list-style-type: none"> <li>Selection</li> <li>Development</li> <li>Implementation</li> </ul>	Monitoring	Monitoring

<sup>12</sup> The selection process was conducted in September and October 2011 by ES team members. 18 out of 24 assessed YOs successfully met the selection criteria.

Activities planned for FY12-13 are built on the lessons learned since FY09 and will target the current needs of young people in each municipality. The FY12-13 activities focus on:

1. Shifting the geographical focus of intensive work (YEAP planning and implementation) with Cohort Two and Three youth offices to the two regions covered by the Business Support activities -- South Serbia and Sandzak;
2. Completing of basic capacity building for youth offices by including a final 24 "Cohort Four" municipalities in project training;
3. Continued results monitoring of past activities (especially post-training surveys of past training participants to determine employment status).

This approach to strengthening Youth Offices is endorsed by the project's major stakeholders – the Ministry of Youth and Sport and local government officials. Throughout FY12-13, the team will continue its close cooperation and coordination with its government partners.

Details regarding Youth Office support activities are summarized below. The activities are presented by the cohorts described in Table 7, above.

### **Cohort Four: Capacity building for new municipalities joining the Economic Security Project in FY12-13**

An annual assessment of Youth Office needs and capabilities conducted each of the past three years finds that Youth Offices continue to view unemployment as the biggest challenge confronting Serbian youth. These assessments and the program's experience suggested that Youth Offices and their coordinators lack the professional skills and leadership to tackle the difficult issues surrounding youth unemployment. The assessment conducted this year among newly established Youth Offices confirms this. In fact, before the team's support, Youth Offices' capacity could be so limited that most never sought out or organized information to support youth's efforts to find jobs, especially basic entrepreneurial information, which is in high demand among Serbian youth.

Consequently, for Youth Offices and their coordinators (YOC) to be the vehicle to lead and manage activities to reduce youth unemployment, it was necessary to develop the needed skills. The program implemented a two-step training process that culminates in the delivery of an intensive entrepreneurial workshop for young business owners or those interested in becoming one.

#### **STEP ONE: Professional Development of YOCs**

Youth Office Coordinators received training in leadership, communications and marketing to expand their professional expertise. This seminar provides the skills to understand, organize, and provide logistical support for and deliver trainings to youth. The sessions have been successfully implemented for Youth Coordinators of Cohorts One, Two and Three; the team will offer the same training to the 18 new Cohort Four municipalities. Additionally, YO Coordinators from ES priority regions that have not participated in the capacity building activity in previous years will have the opportunity to join the program this year. This will further help strengthen capacities in some of the most vulnerable places in Serbia and among the ES project's closest strategic partners and beneficiaries.



Youth Office Coordinators trainings in Communication and Entrepreneurship have increased their capacity to promote and organize Youth Entrepreneurship training in their communities.

The second professional development training for the coordinators is an introduction to entrepreneurial basics. The goal is to introduce the YOCs to the role business ownership plays in unemployment reduction and the development of local economies. Additionally, it promotes the importance to using the local Youth Offices as a resource center for business start-up information the community's youth.

Results from previous trainings show that they:

- Increase professional capacity of Youth Office Coordinators and staff;
- Increase the level of knowledge and understanding of entrepreneurship among local Youth Office Coordinators;
- Encourage and guide actions to target issues of sustainability for youth entrepreneurship, such as long-term action planning;
- Strengthen cooperation among Youth Offices around Serbia.

### **STEP TWO: Knowledge of Entrepreneurship**

Following their entrepreneurship seminar, the program offers the trained coordinators an opportunity to host and manage a community-wide promotion to identify 10 to 30 young people who have a business or who are serious in their desire to start one to attend an intensive workshop in the fundamentals of business planning and finance. The "Business Planning and Financial Opportunities" seminar is a two-day training that helps young people with a quality business idea to evaluate it and develop it into a proper business plan. To date, more than 1,500 youth attended these trainings; another 350 will be trained with the addition of Cohort Four municipalities.

Municipal Youth Offices benefit from sponsoring and organizing the entrepreneurship training. Experience gained from the organization and logistical management of the training tests their new skills and provides much-needed practical experience. Additionally, Youth Office visibility increases through the municipalities, especially among local government officials and the young people it serves.

Both positively impact the communities' understanding of the role Youth Offices play and have been a factor in Youth Offices becoming part of municipal budgets. The program's research demonstrates its offices have seen their appropriations increase an average of 22 percent between 2009 and 2011.

#### **Assessment and Selection – Cohort Four**

During September and October 2011, the project conducted assessment among 24 newly established Youth Offices to determine their capacities and interest to join the program.

The process of selecting the final cohort of Youth Offices was as follows:

#### **Entrepreneurship training successfully:**

**1. Provides direct assistance to young people** from across Serbia who already started a business or who are seriously interested in business ownership. These participants are introduced to the basics of entrepreneurship, provided skills to evaluate their business idea and become acquainted with personal attitudes and values common to successful entrepreneurs.

**2. Motivates participants to search out capital.** Those who attend the sessions have proven to be more likely to apply for and receive business start-up or development financing through government or other sources. The sessions' content is specifically designed to overcome what current research says are two of the most important obstacles youth confront when thinking about accessing business resources: lack of information and the motivation to go through the process.

- Visit and assess Youth Offices' status, level of interest and needs (completed);
- Select Youth Offices for capacity-building activities (completed using criteria, Figure 7 – Proposed Youth Offices – below);
- Review and update training curriculum (to be completed by October 2011);
- Implement training modules for selected offices (November and December 2011).



#### Youth Office capacity building - selection criteria

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Youth Office must **be officially recognized** by local government 

Youth Office must **have basic conditions for work** (office space, telephone line, IT equipment) 

**Employment status of Youth Office Coordinator** must be formally regulated or in procedure 

Youth Office **Coordinator must be dedicated** to the YO activities, as evidenced by the quantity and quality of past implemented activities 

**Support to entrepreneurship recognized as a priority** for local youth, as evidenced by inclusion of issue in local Youth Office's activity plan 



#### List of 24 new Youth Offices assessed FY12-13

7

##### New YO that will join program in 2011: Cohort 4

1	Apatin	✓
2	Beograd City	✓
3	Beograd Čukarica	✓
4	Beograd Stari Grad	✓
5	Bor	✓
6	Brus	✓
7	Čuprija	✓
8	Negotin	✓
9	Novi Sad	✓
10	Osečina	✓
11	Pirot	✓
12	Rača	✓
13	Rekovac	✓
14	Svrljig	✓
15	Šabac	✓
16	Topola	✓
17	Trgovište	✓
18	Velika Plana	✓

##### Municipalities that did not meet criteria

1	Beograd Rakovica	YO Coordinator is on maternity leave, replacement not very active
2	Smederevska Palanka	YO Coordinator showed lack interest
3	Bosilegrad	YO Coordinator showed lack of interest
4	Pančevo	YO Coordinator not very active
5	Arandelovac	YO Coordinator is not officially appointed
6	Crna Trava	YO is recently closed

## Output

- A total of **18** new Youth Offices trained to provide entrepreneurship-related services to youth in their municipalities and to carry out advocacy initiatives for support of entrepreneurship at the local level. At least one group of youth in each municipality will participate in entrepreneurship training with the aim to recognize entrepreneurship as a viable employment option. The program plans to train **350** youth.

## Result

- This activity relates most directly to PMP indicators #4 and #5 – New Youth Jobs and New Youth Businesses. Of the 350 new youth trained, a minimum of 5% will start a business and 10% will find a job, within six months after the training.

## Cooperation with Civil Society Advocacy Initiative (CSAI)

To advance further capacities of Youth Offices in priority regions, the program will cooperate with CSAI to expand its training program on the use of social networks and alternative media to reach various vulnerable groups or advocate for important issues. The goal is work with CSAI to shape its curriculum to address the needs of Youth Office Coordinators and their volunteers and train them in these new communications, networking and marketing channels. This training will build on the program's capacity building program and help Youth Office Coordinators reach young people on the local level.

## Output

- A communication through social networks curriculum and training offered to Youth Office Coordinators in South Serbia and Sandzak. Youth Offices are using social networks to advocate for youth issues.

## Cohort Three: Youth Entrepreneurship Action Plans for South Serbia and Sandzak Municipalities that joined the program in FY11

These Youth Offices have completed capacity building in strategic planning, communications and marketing as well as led entrepreneurship training for young people in their area. In FY12-13, selected Youth Offices from this cohort will develop and implement a municipal YEAP. Like their counterparts in Cohorts One and Two, these strategic plans are developed with the support of national and local stakeholders and are unique to the circumstances of each community.

### Selection of Youth Offices:

In FY12-13, the program will select up to 10 municipalities from Cohort Three, in South Serbia and Sandzak, to facilitate the development of a YEAP. The selection process is as follows:

- 1) A call for application will be sent to all Cohort Three Youth Offices in South Serbia and Sandzak;



YEAP Implementation in Blace in 2011: Greenhouse agriculture production is taught while visiting a farm in Prokuplje.

2) The applications are screened by project staff and Youth Offices are selected according to the criteria outlined in Figure 8.

Applications from Youth Offices to receive support in creating a Youth Entrepreneurship Action Plan will be evaluated by mid-October 2011.



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#### Youth Entrepreneurship Action Plans (YEAP) support to Youth Offices - selection criteria

**Application** must be submitted **by end of September 2011**; late applications will not be considered



**Quality and relevance** of presented information and submitted application



**Performance** of Youth Office during FY11 the youth entrepreneurship training program



**Demonstrated involvement and commitment** to entrepreneurship by other stakeholders, as evidenced through submitted documents and previous activities



#### **YEAPs: A Strategy for Concrete Action and Results**

The purpose of the YEAP is to create a tailored community-wide strategy to promote youth entrepreneurship and reduce youth unemployment. The development requires that municipal leaders focus their attention and resources on tackling youth unemployment and its root causes. In the public discussion phase, the entire community is engaged to provide input and support in the solution. And, the implementation of activities requires young people, and specifically the Youth Offices, to accept greater responsibility for their professional future.

Overall, the objectives for the development of YEAPs are as follows:

- Increase awareness of what entrepreneurship is and why such programs managed through Youth Offices are important to municipalities' overall economic development plans;
- Foster youth entrepreneurship through the facilitation of Youth Entrepreneurship Action Plans in selected municipalities;
- Help Youth Offices define future activities and identify sources for financial support; and
- Mobilize local stakeholders to confront and participate in solutions to increase youth employment.

#### **The YEAP Process**

The YEAP is unique because the process is as important as the implementation of activities. The strategy that results from the process is not a document that pays lip service to a serious problem; it is a road map with concrete directions for changing how the community acts toward youth and their short- and long-term need for jobs and experience. The six-step process requires commitment from municipalities at the beginning and the end of the process as outlined in Figure 9.

The program starts by engaging a service provider to help municipalities during the development of the strategic document. Service partners are also engaged during the implementation phase to design and deliver activities prescribed in the YEAP. A Request for Proposal and Selection Committee process is used to solicit quality proposals and select the most qualified candidates. Criteria for this competitive process are as follows:

- Demonstrated experience in the process of creating similar strategic documents;
- Experience and understanding in the area of entrepreneurship;
- Good knowledge in public administration processes and procedures for adopting planning documents at the local level;
- Familiarity with government activities related to local economic development; and
- Internal capacity to implement the proposed activities.



### Youth Entrepreneurship Action Plans development process

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#### ASSEMBLY SUPPORT:

Participation in YEAP activities requires the local government to make an official decision to participate in the activity; part of the decision requires the commitment of financial resources to match the program's grant. An MoU is signed between the program and the municipality to formalize the partnership.

#### WORKING GROUP:

This group completes a needs assessment and drafts the plan. It includes officials, stakeholders including representatives from the National Employment Service, regional development agencies, chambers of commerce, SME Centers, young entrepreneurs and NGOs.

#### PUBLIC HEARINGS:

The draft plan is publicized and discussed in an open forum. All groups and organizations that focus on youth activities are recruited to participate to ensure a broad base of input and feedback.

#### LOCAL PARLIAMENT ADOPTION:

Formal government adoption of the plan again commits the municipality to use the YEAP as its public policy toward youth employment activities.

### From Planning to Implementation

Following adoption by municipal assemblies of the YEAPs for FY 2012/2013, the project will provide an incentive for the municipality to move immediately from the adoption of the plans to implementation of the plans through the provision of a matching grant to support some initial, high-priority activities defined in the plans. As it has done in previous years, the project will continue to seek matching funds from the municipality of at least 1-to-1.

This direct assistance to breathe life into the YEAP not only ensures that immediate action follows the planning process but also provides experience for Youth Offices and local government leaders to implement YEAP actions in the future. To help Youth Offices implement specific actions and gain experience in project management, the team leads a process to secure technical support:

- The program and local government representatives will identify specific elements of the action plan for immediate implementation.
- An RFP will be prepared (with timeframe, budgets, etc.). Concurrently, eligible service providers will be defined.
- The municipal council will formally adopt a decision to announce the RFP; it also will be advertised through municipal and project websites. The Youth Offices, too, will promote the RFP.
- A selection committee of staff from the project and local government will evaluate applications based on pre-established criteria.
- Selected applicants will implement projects in close collaboration with the Youth Office.
- The project will monitor implementation and assess results.

In order to provide more direct impact to youth in areas of interest to the project and based on the experience from previous years, most of the YEAP implementation activities will be focused

on improving employability among youth (through internships, apprenticeships, etc.), providing direct assistance to business start-ups and promotion of entrepreneurship through entrepreneurial trainings. YEAP implementation provides opportunities for cooperation between the public and private sectors, therefore, in addition to being involved in the YEAP development process, representatives of the private sector will be invited to take a more active role in the implementation of the YEAPs (through PPPs, internships, mentoring and employment).

As a mechanism to use the synergy between the programs, ES will link the program's YEAP activities for rural youth with Agribusiness' efforts in the same region.

Selection of service providers is to be completed during October 2011; the YEAP process is expected to start in November 2011.

### Output

- *Up to 10 Youth Offices from South Serbia and Sandzak will write, adopt and implement YEAPs in their municipalities. The action plans should be used to guide and support entrepreneurship activities in municipalities. At least one YEAP priority action is to be defined and implemented in each municipality,*

### Result

- *This activity relates most directly to PMP indicators #4 and #5 – New Youth Jobs and New Youth Businesses. At least 200 youth will obtain employment, participate in internship programs or start or advance a new business.*



A trainer uses a temporary lobby to teach prospective customer service representatives while the Silver Lake hotel is under construction. The new Veliko Gradiste resort hired 13 of the 30 local youth who participated in this past summer job skills training.

## Cohort Two: Implementation of Youth Entrepreneurship Action Plans in South Serbian and Sandzak municipalities that joined the program in FY10

These Youth Offices have completed the capacity building in strategic planning, communications and marketing as well as led entrepreneurship training for young people in their area. Youth Offices selected from this Cohort to participate in the YEAP activity have developed and implemented priority activities defined in their YEAPs. The program spurs the implementation of YEAPs through grants that municipalities must match. Numerous municipalities demonstrated their growing commitment to the community YEAP and its significance in taking on youth unemployment by increasing their grants by several thousand dollars.

In FY12-13, the team will work with between five and eight municipalities from South Serbia and Sandzak (selected among Surdulica, Vlasotince, Leskovac, Blace, Aleksinac, Aleksandrovac, Knjazevac, Novi Pazar, Nis Palilula, Nis Pantelej and Prijepolje) to help them expand the implementation of their YEAPs. Following agreement with local authorities, grants from the program and local governments will support the launch of one or more key YEAP initiatives. The team will assist Youth Office Coordinators and municipal officials in conducting a transparent process for the selection of projects, beneficiaries and service providers. The same process as described above in the previous section will be followed in the selection of activities and implementers.

### Output

- *A minimum of five Youth Offices from South Serbia and Sandzak will implement youth entrepreneurship activities outlined in their existing YEAPs,*

## **Result**

- *This activity relates most directly to PMP indicators #4 and #5 – New Youth Jobs and New Youth Businesses. At least 100 youth will obtain employment, participate in internship programs or start or advance a new business.*

## **Cohort One: Monitoring assisted Youth Offices that joined the program in FY09**

The program has developed a monitoring process for all Youth Offices that entered the program in FY09. No further direct program assistance is anticipated for Cohort One or municipalities from Cohort Two or Three that are outside South Serbia and Sandzak. The project will, however, continue to search for opportunities to connect these Youth Offices with other donors, or advocate on their behalf to government institutions at all levels, and keep them updated with information and management guidance. As Youth Offices and their young leaders grow and evolve in their leadership and management abilities, such assistance sustains the offices' expanding value to local government officials. Additionally, the team offers information and guidance helps the offices provide input on and influence government decisions related to youth. It also helps them achieve greater participation through better services for young people in their communities.

We also will monitor the following to assess the impact of the project's past involvement with the Youth Offices:

- Sustainability of Youth Office;
- Change in YO budget;
- Replacement of YO Coordinators;
- Implementation of youth entrepreneurship programs; and
- Employment status of past entrepreneurship training beneficiaries.

The Economic Security Program targeted Youth Offices' capacity development as fundamental to the larger goal of reducing youth unemployment, which was an approach agreed to by its partner, the Ministry of Youth and Sport. As the professionalism and capabilities of Coordinators expanded to manage the youth employment activities, their importance to municipal leadership grew as well. Through monitoring, the program has found that even as local governments were forced to reduce spending in FY 2010 due to the economic crisis, the overall funding for Youth Offices has grown by more than 40 percent between 2009 and 2011 – a strong measure of sustainability.

Overall, monitoring and tracking builds a body of knowledge and observes trends that can be shared across all Youth Offices to identify and solve problems. For example, Youth Offices have experience increased stability in the employment of Youth Coordinators and many YOs have been able to expand staff. Entrepreneurship programs are increasingly innovative and more concrete in job creation; the program has observed that once tried, successful ideas are quickly replicated in other municipalities.

Through testing the strengths and weaknesses of activities, the team makes improvements to boost and track impact. Between 2009 and 2010, 9 percent of the entrepreneurship participants found full-time employment and 8 percent started a business. This is an impressive result, as it came during a period of economic crisis and increasing unemployment within Serbia as a whole.<sup>13</sup> Of the survey respondents, 33 report having started a new business since completing the training.

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<sup>13</sup> The rate of unemployment among participants attending program training (43%) is higher than the national average for youth ages 19 to 29 (36%) based on fourth quarter 2010 figures from the Bureau of Statistics because the program targets disadvantaged communities and unemployed youth. For example,

By aligning its activities with the National Strategy on Youth, the Economic Security program has helped build the infrastructure – Youth Offices – for managing local youth policy. Most recently, the Government of Serbia affirmed this role for Youth Offices by specifying their responsibility to youth in the recently passed Law on Youth.

### **Result**

- *Data gathered on past activities will be incorporated into future Semi-Annual Reports.*

## **Cooperation with National Employment Service (NES)**

The Economic Security program plans to establish partnerships with local National Employment Service branches to facilitate relationships between NES and their main target groups: the unemployed and employers. The team plans to work with the local NES offices in municipalities where the team is providing intensive support to help build links among NES, program-supported companies and Youth Offices. In addition to having NES representatives actively participating in YEAP development, the program will look to support activities and will reserve funds to target the following activities:

1. **First Chance program:** NES is subsidizing companies that provide first jobs to young unemployed people. The team plans to promote this program through Youth Offices and its partner businesses. Where needed, the Economic Security team will organize capacity building training for young people to help them get into the program and increase their chances to find and keep the first job.
2. **Business start-up program:** NES is providing start-up capital to people who are registered in their directory and have decided to start their own business. The team will seek to promote this program through Youth Offices and assist eligible and interested youth in applying for the funds.

The final selection of activities will depend on business needs and NES funding and programming for 2012.

The Economic Security program will share information related to its partnership with USAID's SLED project, which plans to collaborate with NES' national office in monitoring and assessing labor markets.

### **Outcome**

- *Increased participation of local businesses and youth in NES programs at the local level. Improved performance of youth in the First Chance program, resulting in permanent employment.*

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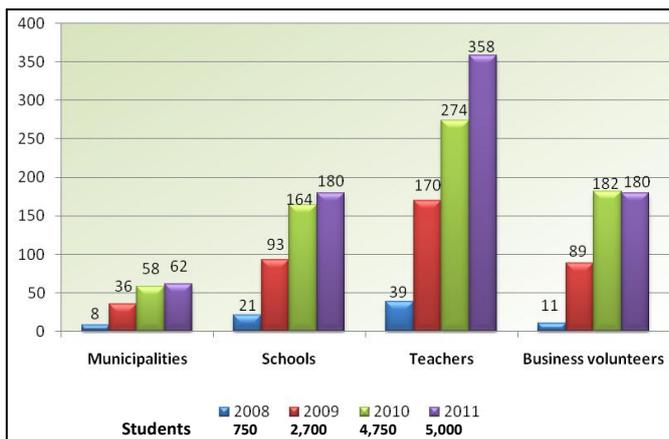
many of the trainings were conducted in South Serbia and Sandzak, where youth unemployment reaches 40 percent or more, according to the Serbian Bureau of Statistics.

## A.2. Support to Junior Achievement Serbia

The Economic Security program will continue its support for Junior Achievement Serbia's (JAS) efforts to become a nationwide entrepreneurship education program for Serbian students. The JA program directly contributes to the program's goal of providing the youth of Serbia with the skills and knowledge to develop Serbia's economy. While Serbia tackles the challenges of realigning its public school curriculum to reflect the changing needs of the country's businesses as well as the need for entrepreneurship education as an important part of the country's economic development strategy, JA is successfully filling the gap. Figure 9, portrays the extraordinary growth of JA in Serbia in just the past three years.



**Growth of JAS between 2008 and 2011**  
Participation in JAS has expanded rapidly.  
Stable funding has come more slowly.



JAS has also made strides raising private sector funds the past three years. In 2008, the organization relied exclusively on donor funding; in 2010, 45 percent of its budget came from non-USAID sources. A significant portion of the funds, however, was earmarked for special events and did not cover the organization's core operating costs. To be able to sustain its activities in business and entrepreneurial education for youth at its current level, JA focused its efforts in FY11 on diversifying funding streams and creating long-term partnerships with the private sector. Figure 10 illustrates the organization's success over the past three year in attracting non-USAID funding.

The project proposes to continue its support for JAS over the coming year to improve its fundraising capacities and help it to develop more unrestricted resources like corporate sponsorships, rather than those earmarked for specific competitions or other highly visible events.



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JA Serbia funding	School Year		
	08/09	09/10	three quarters of 10/11
Type of funding <sup>14</sup>			
Non-USAID funding	\$56,090	\$98,926	\$88,791
% unrestricted	0%	21%	34%

Specifically in FY12-13, the program will provide direct assistance to Junior Achievement through grants and Short-Term Technical Assistance (STTA) to strengthen business and financial management functions as well as help JAS locate and secure long-term funding streams.

This will allow JAS to maintain its current quality and reach as it works to strengthen its own organization and continue to diversify funding streams.

By focusing on financial sustainability and organizational capacity in FY12, JAS can maintain its role as the lead provider of youth entrepreneurship education and an important change agent through its inclusion in Serbian schools.

<sup>14</sup> Based on a current exchange rate, September 2011

## Result

- *This activity is most closely related to PMP indicator #7 – Diversification of JA Funding. Junior Achievement is sustainable at its current level of activity, has more diversified funding sources, covers its entire core operating cost through non-USAID assistance (**\$120,000 by 2012 and \$200,000 by 2013**), has a strong and committed board, and is delivering quality programming to youth. It is recognized as the leader in youth entrepreneurship education and is supported by the Ministry of Education.*

Each activity planned for the grants or STTAs is described in more detail, below.

### a) Provide institutional support grant

Junior Achievement Serbia has taken great strides in its internal systems and infrastructure. In the past two years, the JAS Board underwent a substantial transformation to build a more dynamic and involved board of directors; it has prepared a new mission, vision and strategy. JAS continued to work with the team to improve its organizational functions: strategic planning, financial management and organizational infrastructure. With program support in 2011, JAS established a robust and transparent financial management system. The new system allows JA to be open and accountable in its use of funds and improve financial planning. As evaluated using the OCAT<sup>15</sup> tool to monitor its progress, Junior Achievement doubled its score between 2009 and 2010 and the most recent results show continued incremental improvements.<sup>16</sup>

JAS also experienced a greatly expanded level of fundraising success and corporate commitment, especially over the past year. The private sector funding numbers for FY10, however, were somewhat deceptive as a significant portion of this funding was earmarked for special events (such as competitions). This funding, while extremely valuable as it contributed significantly to JAS' ability to broaden its menu of activities and competitions for students, *did not fund core operational costs*.<sup>17</sup>



Mr. Zdravko Krunic from JAS partner Societe Generale Bank acted as one of 10 jury members at the European Best Student Company of the Year Competition, held in Oslo, Norway, August 2011

Thus, the Economic Security program extended institutional support in FY11 to help the organization offset its core operational costs. The grant and STTA fundraising support helped JAS develop a three-year fundraising plan with the goals of:

1. Decreasing reliance on USAID funding by school year 2012/2013
2. Eliminating need for USAID funding by school year 2013/2014, and
3. Creating a sustainable stream of unrestricted support.

The plan was formally adopted by the board in November 2010 and between December and July 2011, JAS has successfully raised nearly \$90,000 from private sector sources with more than

<sup>15</sup> The OCAT – the Organizational Capacity Assessment Tool – is a widely accepted standard in organizational capacity assessment for nonprofit organizations that was originally prepared for Venture Philanthropy Partners (VPP) by McKinsey & Company.

<sup>16</sup> JAS OCAT scores: 1.3 in 2009; 2.7 in 2010; 2.9 in 2011 (on a scale of 0 to 4).

<sup>17</sup> With two notable exceptions – in 2010, JAS received important unrestricted donations from British Council and Erste Bank.

\$31,000 in unrestricted funds; this is triple the \$10,800 in unrestricted funds it raised in FY10. The program will continue to provide an institutional support grant to help offset salaries for key JA staff vital to the overall goal for sustainability and to continue to reach school children with youth entrepreneurship programs at the current level of activity.

**b) Provide strategic guidance and development**

The second half of the program’s assistance package is to support the long-term viability of JAS by providing strategic guidance and development through short-term technical assistance. Four experts will be engaged to improve the productivity of key institutional functions.



**Short-term technical experts to be engaged to strengthen JAS in FY 12**

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ASSISTANCE TOPIC (Level Of Effort)	KEY RESPONSIBILITIES
<p style="text-align: center;"><b>Strategic Management</b></p> <p>(Total 20 days)</p>	<p><b>STTA Purpose:</b> Financial sustainability is a major JAS goals; it can be achieved only through the involvement of local partners in giving and the diversification of funding streams. Strengthening internal JAS’ management capacities is key in establishing and maintaining on-going, long-term positive relationships with a broad donor base.</p> <p>The consultant will facilitate and support the development of strategic management systems, strengthen the capacity of JAS’ Board to raise money and build relationships with other donors. The consultant will monitor and evaluate implementation of the fundraising program.</p> <p><b>Tasks:</b></p> <ul style="list-style-type: none"> <li>• Mentor JAS board, organization and Executive Director on effective fundraising and lobbying strategies and tools.</li> <li>• Train Board for fundraising issues and other direct Board work</li> <li>• Assist in executing the development plan</li> <li>• Evaluate implementation of the fundraising plan</li> <li>• Mentor all staff in effective program delivery.</li> <li>• Support skill development and strategic management of JA staff.</li> <li>• Assist the Executive Director in coordination and facilitation of board’s tasks relating to fundraising and lobbying activities.</li> </ul>

ASSISTANCE TOPIC (Level Of Effort)	KEY RESPONSIBILITIES
<p data-bbox="252 510 395 566"><b>Institutional Network</b></p> <p data-bbox="240 607 406 633">(Total 20 days)</p>	<p data-bbox="483 271 596 297"><b>Purpose:</b></p> <p data-bbox="483 300 1390 607">During the last school year, JA began working with municipal Youth Offices to help implement its programs. The initial results were highly successful and in school year, 2012/13, JA seeks to expand this cooperation and formalize the partnership. JAS plans to delegate specific responsibilities to YOs in particular to serve as a communication link for JA between local governments and program teachers. They also will support quality control activities for JAS programs. To better prepare YO Coordinators, they be included in JA events (conferences, competitions, fairs, etc). The role of the STTA will be to explore opportunities for formal cooperation between YOs and JAS, propose the model for official cooperation, and design specific roles and responsibilities.</p> <p data-bbox="483 645 555 672"><b>Tasks:</b></p> <ul data-bbox="483 678 1342 875" style="list-style-type: none"> <li data-bbox="483 678 1166 705">• Develop a structure for JAS cooperation with Youth Offices</li> <li data-bbox="483 712 938 739">• Develop a plan with goals and bylaws.</li> <li data-bbox="483 745 826 772">• Prepare a lobbying strategy</li> <li data-bbox="483 779 1198 806">• Build political awareness and support for Junior Achievement.</li> <li data-bbox="483 813 1342 875">• Strengthen relationships with Ministry of Education, Ministry of Youth and other relevant government institutions</li> </ul>
<p data-bbox="228 1104 419 1131"><b>Audit Consultant</b></p> <p data-bbox="248 1171 399 1198">(Total 5 days)</p>	<p data-bbox="483 913 596 940"><b>Purpose:</b></p> <p data-bbox="483 943 1390 1160">JAS has been improving its financial management systems to create to transparency as well as a strong reputation within the donor community. Routine independent audits advance these goals. The role of this STTA is to evaluate JAS' current internal controls, help create internal financial controls and funds management procedures and support the development of the professional skills to sustain these systems as well as conduct financial analysis, prepare reports and meet all accounting standards required for financial statements.</p> <p data-bbox="483 1167 555 1193"><b>Tasks:</b></p> <ul data-bbox="483 1200 1390 1391" style="list-style-type: none"> <li data-bbox="483 1200 1390 1263">• Review the legal documentation and provide inputs and comments on the adjustments and amendments needed</li> <li data-bbox="483 1270 1091 1296">• Develop accounting and accounting policies manual</li> <li data-bbox="483 1303 1390 1364">• Provide guidelines on creation of necessary supporting bookkeeping documentation</li> <li data-bbox="483 1370 919 1397">• Provide report on JA auditing needs</li> </ul>

ASSISTANCE TOPIC (Level Of Effort)	KEY RESPONSIBILITIES
<p data-bbox="233 831 416 925"><b>Access to Funds, (EU-IPA funds, other)</b></p> <p data-bbox="244 958 405 987">(Total 20 days)</p>	<p data-bbox="485 271 596 300"><b>Purpose:</b></p> <p data-bbox="485 302 1394 421">As stated in the JA Serbia Strategic Plan, the organization recognizes the need to diversify its funding stream and to begin to leverage available EU funds <i>“JA Serbia Strategic Plan Goal 3: JAS is a viable, self-sustaining organization built on operational excellence”</i></p> <p data-bbox="485 443 1394 562"><i>“Objective 3.3: Increase the amount of funds raised so that by 2012, 50% of the total JAS budget will come from the Serbian public and private sectors as well as via EU funding mechanisms and international donors new to JAS”</i></p> <p data-bbox="485 584 1394 1077">EU funds play an important role in the financial sustainability of JA Serbia as well as being supportive of better integration in the JA-YE Europe network and other European activities. By the end of FY2011, JA Serbia will have experienced three successive years with financial turnover of 100,000 Euros: a fundamental <i>Financial Health</i> requirement to access EU funds. With its newly acquired eligibility to apply for EU Instrument for Pre-Accession Assistance (IPA), a need exists for project writing, development and reporting skills. The JAS team will train in these specialty writing skills as well as gain a thorough understanding of EU requirements and guidelines for application. In 2011, the organization did register in PADOR (The Potential Data On-Line Registration) which allows it access to EU <i>Call for Proposals</i> for the grant over 25,000 EUR. Currently, JAS is not in a position to leverage funding opportunities as the primary grantee; it must create strategic relationships with other organizations to take the lead role in a funding proposal. The role of the STTA is to prepare JAS to develop proposal ideas, write high-quality proposals and apply for EU funds independently.</p> <p data-bbox="485 1122 555 1151"><b>Tasks:</b></p> <ul data-bbox="485 1153 1394 1547" style="list-style-type: none"> <li>• Introduction in EU Structural Funds and the Instrument for Pre-Accession</li> <li>• Absorption capacity and capacity building</li> <li>• Project pipeline generation, communication and guidance to potential applications</li> <li>• Project preparation and the IPA Application Form</li> <li>• Cost Estimation and Financing of projects</li> <li>• Project appraisal and selection</li> <li>• Feasibility Study and Cost Benefit Analysis for major projects</li> <li>• Public Procurement and PRAG</li> <li>• Grant Scheme Management and financial Management and Auditing</li> <li>• Monitoring and evaluation of programs and projects</li> <li>• Project Implementation and Risk Management</li> </ul>

**Cooperation with Agribusiness Project, Serbia Local Economy Development (SLED) and Civil Society Advocacy Initiative (CSAI)**

The program will partner with all USAID projects to support Junior Achievement programs. Cooperation between the projects is already established and will be continued in the future in order to maximize results from the assistance to JAS.

### A.3. Support to Educational Institutions

Novi Pazar has one of the highest concentrations of young people of any city in the country. The region's vulnerable economic conditions make it difficult for youth to afford and access education. Coupled with the lack of opportunity to receive hands-on experience or experience modern career choices, the young people of the region risk falling behind not just their European peers but their Serbian ones as well. The Economic Security program has built partnerships with the region's two universities to tie the human resource needs of its businesses with activities that can improve the professional development and preparation of its future workforce.

#### a) State University in Novi Pazar



New audio-visual laboratory at the State University in Novi Pazar opened in May is awaiting students of academic year 2011-2012.

In FY11, the Economic Security program supported the State University in Novi Pazar in creating an audio-video laboratory that not only adds to students' educational opportunities but provides practical, hands-on experience through the cooperation with ASSTEX, the Sandzak textile association. Through the new laboratory, students will train in modern production techniques as they work with ASSTEX association members to develop marketing materials and programming.

In FY12-13, the program will work with the State University to establish a career guidance and information center that will provide valuable services to its students, including internships and placements. Career guidance centers have been proven valuable in connecting students with the private sector and represents an important tool in increasing employability among youth.

Additionally, in partnership with the Agribusiness project, the program will work with the State University's Agricultural Faculty to help them modernize the curriculum and develop community outreach services that offer the region's food and agricultural production sector information and technical assistance in food safety, international standards and certifications to help better link the University's Agriculture Faculty to local businesses.

#### Output

- *The State University of Novi Pazar has a well-established career center that is offering quality services to its students and serving the needs of the private sector. Agricultural faculty provides services and information to local businesses.*

#### Result

- *This activity relates most directly to PMP indicators #4 – New Youth Jobs.*

#### b) International University in Novi Pazar

The International University in Novi Pazar (IUNP) has used its modern job placement and career counseling center to add internship placement as an experience every student is to receive before graduation. Opened in the spring of 2010 with equipment and training support from the Economic Security program the center represented the region's first university-based career center. Since its opening, the center has established partnerships with 29 public and private businesses, provided internships for 332 students and trained 1,746 students in job search skills.

In 2012 the project will continue to monitor the results of its past cooperation with the University -- especially in the areas of career counseling and job search skills classes held, internship placements and job placement rates following graduation. No new activities with the University are currently planned, however, if an opportunity presents itself that: a) greatly enhances the effectiveness of another project activity in Novi Pazar; b) consolidates or augments the effectiveness of the project's past investment in the University; and / or c) is in the best interest of USAID/Serbia in meeting some other objective, then additional engagement with IUNP will be considered. The project will coordinate closely with USAID on any activity related to the University and will seek USAID permission prior to engaging in discussions with the University on any new activity.

### **c) Bujanovac Faculty Career Center**

If a faculty is established in Bujanovac within the next year, the Economic Security program will seek to replicate the successful Career Center model demonstrated in Novi Pazar. This will strengthen the offerings of the new educational institutions and allow student access to private sector firms.

#### **Output**

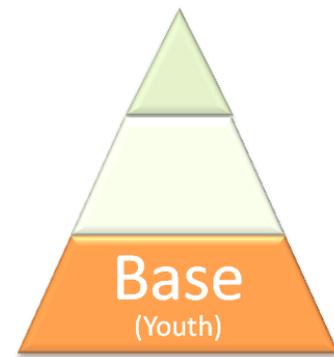
- *The newly established faculty in Bujanovac has a well-established career center that is offering quality services to its students and serving the needs of the private sector.*

#### **Result**

- *This activity relates most directly to PMP indicators #4 – New Youth Jobs.*

## B. SUPPORT TO YOUNG ENTREPRENEURS

The Economic Security program will continue to provide assistance to “base of the pyramid” businesses, an activity initiated last year. *Base Tier* companies are start-up businesses new to the program’s business activities; they will be identified in early FY12. Selection criteria will be based on companies’ total revenues and human resource and operational capacity that suggest they can benefit and grow through the business support assistance package offered by the Economic Security team. The companies are to have started within the past two years, have owners who are 30 or younger and agree to cooperate with the program’s existing supported firms.



In FY12-13, the goal is to identify 20 companies from South Serbia and Sandzak and help expand their sales and performance to help bring them to the next tier of the pyramid. The Economic Security team has developed a package of technical services to be offered to the Base businesses that includes:

- 1) Marketing, Management and Sales Trainings
- 2) Improving Marketing Material, Labeling and Packaging
- 3) Access to Start-up/Capital Funds

A detailed description of each follows.

### 1) Marketing, Management and Sales Trainings

Many Serbian businesses do not have a strategic approach to marketing and do not understand the basic concepts of product, price, promotion, and place (distribution). Education in how to research and understand the market, their competition, modern material design, and effective distribution channels for products and services will enable these young Serbian businesses to strengthen their marketing. The Economic Security program not only will train the selected youth businesses but also coach them in the development of a strategic marketing plan. Additionally, the program will focus on improving management capacity of the young business owners to help their companies achieve year-to-year growth in profits. The use of technology-based communications (i.e. email, Internet) will be emphasized as an efficient customer service tool and a way to monitor and evaluate competition or research new market opportunities. For example, small businesses typically do not have a database that tracks their customers or potential leads. Simple technology such as Microsoft Excel would allow them to more efficiently analyze their customers, their needs, buying patterns, payment history, and other data that will make their businesses more efficient.

#### Output

- **Marketing, Management and Sales Trainings:** *Young business owners in South Serbia and Sandzak have improved their management skills and developed marketing and sales strategies, resulting in connection with new buyers and improved sales. Under this task, the program plans to assist up to 20 young companies from Sandzak and South Serbia.*

#### Results

- *New markets achieved and increased sales.*

## 2) Improving Marketing Material, Labeling and Packaging

New businesses often exhibit extremes in marketing or packaging materials. Either they overspend without testing the needs or final composition before going to press or they underspend and fail to produce marketing products that help establish their brand value. Marketing and sales cannot be separated, especially for a new business; potential customers need quality information and professional presentation for positive product awareness to stimulate sales. Consequently, investing in professionally prepared materials can provide strong returns. The team, together with the service provider, will determine which of the companies are eligible and will benefit from the improved marketing materials.

Once selected, the businesses will work with consultants to improve and develop new marketing materials targeted to customers and markets identified in their marketing plans. For a few of the selected companies, the program will provide additional support to develop new company web-sites to improve overall design and quality and add multi-lingual content.

### Output

- **Marketing Materials:** *The desired output from this assistance should include fully developed and prepared marketing material ready to go to print. This will include development of web-sites and a complete visual identity, resulting in reaching out to new buyers and improved sales. Under this task, the program plans to assist up to 20 companies from Sandzak and South Serbia.*

### Results

- *New markets achieved and increased sales.*

## 3) Access to Start-up/ Capital Funds

Just like their more mature and larger business counterparts benefiting from the program's business support packages the past four years, Base Tier companies can face limited potential growth because they lack information and knowledge about the procedures and application processes to access start-up and capital financing. To address this problem, the program will help the Base Tier startups and existing firms apply for funds available to the private sector through the Development Fund of the Republic of Serbia (a start-up assistance program managed by the Ministry of Economy and Regional Development)<sup>18</sup>.

Additional Government of Serbia resources are available for South Serbia and Sandzak as a majority of the regions' communities fall under one of the four officially designated "underdeveloped municipalities" regions. Companies in these municipalities may be eligible for low-interest loans with favorable repayment terms. The Economic Security program plans to contract a company or consultants to reach out to interested entrepreneurs. Following the visits, the vendor(s) will prepare an analysis of the businesses' eligibility for government resources. Companies most likely to apply successfully for the loans will be contacted and offered support in the application process.

### Outcome

- *More existing businesses and start-ups from Sandzak and South Serbia will receive business loans through the Development Fund. Under this task, the program plans to assist up to 20 companies from Sandzak and South Serbia,*

### Result

- *At least five approved loans.*

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<sup>18</sup> The Development Fund of the Republic of Serbia gives loans to stimulate the development and growth of small and medium-sized enterprises. The fund started first in 1992; the current fund is managed through the Ministry of Economy and Rural Development. It is slated to distribute 131 million Euros in 2011. Currently, the Economic Security team is working with five of its companies to access those funds.

#### **4) Support to start-ups through cooperation with HELP**

The Economic Security Program and the German aid organization HELP will continue its cooperation in the training and financial support of South Serbian entrepreneurs. The partners also plan to expand this cooperation into Sandzak. Together the two organizations will help young entrepreneurs develop their start-up business through trainings and technical assistance. The partnership will target municipalities where the program currently implements its intensive business support activities. Additionally, the team will support Youth Offices in these municipalities to identify aspiring young entrepreneurs and motivate and gather them to apply for assistance in raising capital.

The partnership between HELP and the program began in March 2011 with the signing of a Memorandum of Understanding among the Economic Security Program, HELP and the municipalities of Vranje, Bujanovac and Presevo. The activity included nine business education sessions for 163 aspiring entrepreneurs from the three South Serbian communities. The entrepreneurs were selected by HELP to receive business start-up funds; upon completion of the training, participants received \$3,000 each in start-up capital provided through HELP and their municipality.

The exact numbers of participants and geographic coverage for this activity in FY112 is dependent on available funds for the start-ups, which currently is being negotiated between HELP and its donors.

##### **Outcome**

- *Partnership established, expanding the available resources to young entrepreneurs in the program's targeted communities*

# ANNEXES



## Business Support Gantt Chart

ACTIVITIES October 2011 – March 2013	Oct	Nov	Dec	Jan 12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 13	Feb	Mar
<b>TRAININGS</b>																		
Management and Life Cycle of Companies		x																
Branding Training			x															
Leadership Transition					x	x												
<b>TECHNICAL ASSISTANCE</b>																		
Marketing Material, Labeling and Packaging					x	x	x	x	x	x	x							
Certification Standards						x	x	x	x	x	x	x						
Product Differentiation						x	x	x	x	x	x	x	x	x				
Access to Financing						x	x	x	x	x	x							
Inventory Control and Financial Management Software						x	x	x	x	x	x							
Workforce Development					x	x	x	x	x									
<b>NEW MARKET ENTRY</b>																		
<b>Trade Missions</b>																		
Tirana TM, Albania	x																	

ACTIVITIES October 2011 – March 2013																		
	Oct	Nov	Dec	Jan 12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 13	Feb	Mar
Milano TM, Italy						x												
Poznan TM, Poland			x															
Moscow TM, Russia											x							
Düsseldorf TM, Germany											x							
Verona TM, Italy															x			
<b>Trade Fairs</b>																		
General (Panairi) TF in Tirana, Albania		x																
Construction TF in Belgrade, Serbia							x											
Agriculture TF in Novi Sad, Serbia								x										
Shoes TF in Lodz, Poland								x										
GDS Event in Düsseldorf, Germany												x						
Fashion TF in Moscow, Russia												x						
CPM Poznan TF, Poland						x												
MOSSHOES, Moscow, Russia																x		
<b>New Markets Support</b>																		
New Market Support and New Market Entry through Clusters			x	x	x	x	x	x	x	x	x	x	x	x	x			

## Youth Support Gantt Chart

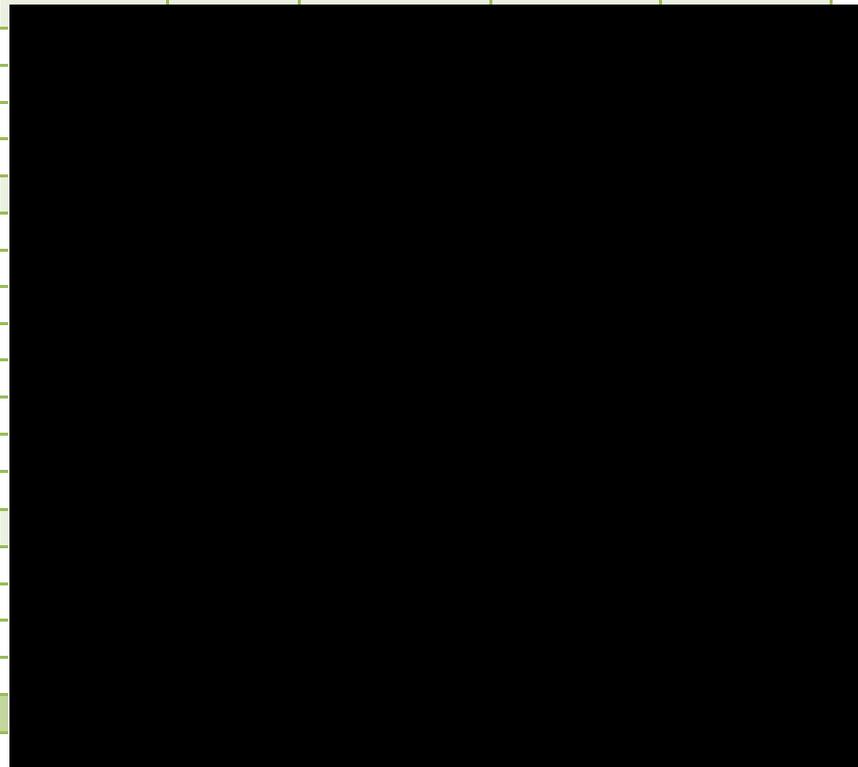
ACTIVITIES October 2011 – March 2013	Oct	Nov	Dec	Jan 12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 13	Feb	Mar
<b>A. INSTITUTIONAL SUPPORT TO YOUTH</b>																		
<b>A.1 LOCAL-LEVEL YOUTH OFFICES</b>																		
<b>1a. Capacity Building for new Youth Offices Cohort 3</b>																		
Key Objective: <i>Increase capacities of local Youth Office Coordinator to successfully implement youth entrepreneurship program</i>																		
Assessment of new YO	x																	
Procurement of service providers for basic trainings in Communication and Entrepreneurship	x																	
Implementation of Communication and Entrepreneurship trainings for YO Coordinators	x	x	x															
Guidelines for implementation of trainings on local level			x		x													
<b>1b. Entrepreneurship trainings in new Youth Offices Cohort 4</b>																		
Key Objective: <i>Provide information and education to youth interested in starting their own business</i>																		
Procurement of service providers for youth entrepreneurship trainings	x	x																
Implementation of youth entrepreneurship trainings					x	x	x											
Evaluation of results							x	x										
<b>2a. Youth entrepreneurship plans for Youth Offices Cohort 3</b>																		
Key Objective: <i>Provide selected municipality with a tool to strategically target issues of youth unemployment</i>																		
Invitation for application (Sep '10)	x																	
Selection of municipalities	x																	

ACTIVITIES October 2011 – March 2013																		
	Oct	Nov	Dec	Jan 12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 13	Feb	Mar
Procurement of service providers for development of YEAPs	x																	
Development of YEAPs		x	x	x	x	x	x											
<b>2b. Implementation of adopted YEAPs Cohort 3</b>																		
<i>Key objective: Establish model for implementation, Achieve first successes in implementation of YEAPs and target priority issues preventing development of youth entrepreneurship</i>																		
Joint call for proposals with local governments							x	x										
Selection of proposals									x	x								
Implementation										x	x	x	x	x	x		x	
<b>3. Implementation of adopted YEAPs Cohort 2</b>																		
<i>Key objective: Establish model for implementation, Achieve first successes in implementation of YEAPs and target priority issues preventing development of youth entrepreneurship</i>																		
Joint call for proposals with local governments	x	x																
Selection of proposals			x	x														
Implementation					x	x	x	x	x	x	x	x						
<b>A.2. SUPPORT TO JUNIOR ACHIEVEMENT SERBIA</b>																		
STTAs to provide strategic guidance in the following areas:																		
Grant	x	x	x	x	x	x	x	x	x	x	x	x	x					
Strategic Management		x	x															
Institutional Network (LSSTA)				x	x													
Access to Funds (LSSTA)						x	x											

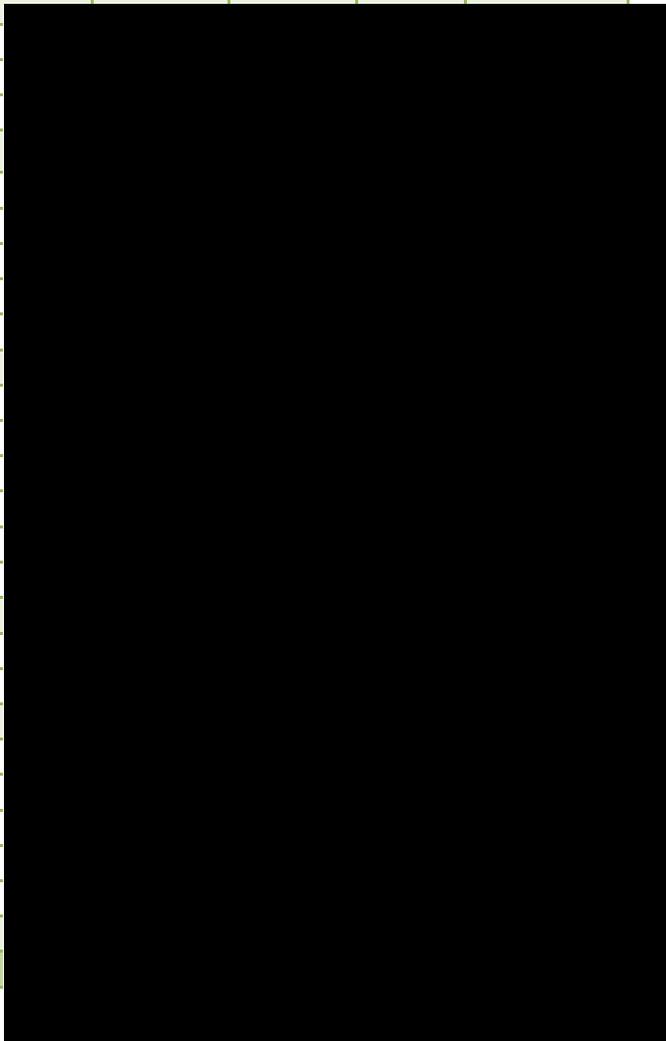
ACTIVITIES October 2011 – March 2013		Oct	Nov	Dec	Jan 12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 13	Feb	Mar
<b>A.3. SUPPORT TO EDUCATIONAL INSTITUTIONS</b>																			
<b>a) State University in Novi Pazar</b>																			
Develop a project proposal	x																		
Sign MOU with the University/Faculty		x																	
Obtain project approval			x																
Implement the project				x	x	x													
<b>B. SUPPORT TO YOUNG ENTREPRENEURS</b>																			
Selection	x	x																	
Marketing and Sales Trainings			x	x	x														
Improving Marketing Material						x	x	x	x	x	x	x	x	x					
Assistance in access to funds					x	x	x	x	x	x	x	x	x	x					



Resource Request Table – Business Support							
FY12 ACTIVITIES:	Unit	# of units	Cost per unit:	Total cost:	Grant	ODC	STTA
<b>I. SUPPORT TO BUSINESSES:</b>							
<b>A) Trainings</b>							
1 Management and Life Cycle of Companies	Company	43					
2 Branding Training	Company	20					
3 Leadership Transition	Company	48					
<i>Sum Trainings</i>							
<b>B) Technical Assistance</b>							
1 Marketing Material, Labeling and Packaging	Company	30					
2 Certification Standards (ISO)	Company	10					
3 Product Differentiation and productivity support	Company	5					
4 Access to Financing	Company	10					
5 Inventory Control and Financial Management Software	Company	10					
6 Workforce Development	School	1					
& Cluster support	Cluster	3					
<i>Sum TA</i>							
<b>C) New Market Entries</b>							
1 Trade Mission	TM	6					
2 Trade Fairs	Fair	8					
3 New Market Penetration	Fair	10					
<i>Sum New Market Entries</i>							
<b>TOTAL:</b>							



<b>Resource Request Table – Youth Support</b>							
<b>FY12 ACTIVITIES:</b>	<b>Unit</b>	<b># of units</b>	<b>Cost per unit:</b>	<b>Total cost:</b>	<b>Grant</b>	<b>ODC</b>	<b>STTA</b>
<b>II. Building the Base</b>							
<b>A1 a) Capacity building for new Youth Offices</b>							
1. Capacity building trainings	training	2					
2. Entrepreneurship trainings in municipalities	municipality	24					
<i>Sum Capacity building for new Youth Offices</i>							
<b>A1 b) Support Youth Offices in developing and implementing Youth Entrepreneurship Action Plans (YEAP)</b>							
1. Development and implementation of action plans	municipality	10					
2. Implementation of action plans	municipality	5					
3. Joint trainings with CSAI	training	4					
4. Promotion of NES programs	region	2					
<i>Sum YEAP</i>							
<b>A2) Support Youth Offices in developing and implementing Youth Entrepreneurship Action Plans (YEAP)</b>							
1. Junior Achievement Program	grant	1					
1.a. Strategic Management STTA	day	20					
1.b. Institutional Network STTA	day	20					
1.c. Audit STTA	day	5					
1.d. Access to funds STTA	day	20					
<i>Sum Junior Achievement Program</i>							
<b>A3) Support to Educational Institutions</b>							
1. University in Novi Pazar and Bujanovac	University	3					
<i>Sum Support to Educational Institutions</i>							
<b>B) Support to young entrepreneurs</b>							
1. Marketing, management and sales trainings	training	4					
2. Improving marketing material, labeling and packaging	company	20					
3. Access to start-up/ capital funds	company	20					
4. Support start-ups in cooperation with HELP	region	2					
<i>Sum Support to young entrepreneurs</i>							
<b>Special initiatives</b>	Event	4					
<b>TOTAL:</b>							



**PERFORMANCE MONITORING PLAN - ECONOMIC SECURITY- FY 2012/2013**

The Economic Security project currently has nearly 30 indicators that it tracks and reports on semi annually. Most of these indicators are “monitoring” indicators (tracking numbers of inputs or outputs) or indicators that were defined very early in the program’s life before the current implementation strategy was fully formed. Not surprisingly, most say little about the real cumulative impact of the project in its current form. DAI proposes to fix this by eliminating all but seven of the most germane impact indicators that the team believes are most closely attributable to the project’s past and proposed activities. These seven are detailed below.

#	Indicator	Unit		2006	2007	2008	2009	2010	2011	2012	2013
1	<b>Increase in sales among top and middle-tier companies assisted.</b>	Percent	Target Actual			5% 18%	10% 19%	10% 12%	10% <sup>19</sup> <b>2.9%</b>	10%	
<p><i>How data is collected?</i> By phone or in person from each company’s owner / primary manager.  <i>How often?</i> Once per year (January / February) after the company has filed financial returns for the previous year.  <i>How exactly is it defined?</i> Universe of companies – all top and middle-tier companies that have been working with the program at least a year. Starting this year, excluded from the analysis will be those companies that <i>only</i> worked with the project in Year 1 (as Business Plan Competition winners) or were private accommodation owners assisted in Year 2. Baseline – Annual sales the year before the project started working with the company. Calculation – weighted average (not arithmetic average) of year-year growth and cumulative growth over life of project.  <i>How is it verified?</i> Field Office Manager site visits.</p>											
2	<b>Number of jobs created in all companies assisted.</b>	Number of employees	Target Actual		150 114	150 126	170 135	157 157	177 <b>195</b>	245	
<p><i>How data is collected?</i> By phone or in person from each company’s owner / primary manager.  <i>How often?</i> Quarterly (entered into TAMIS)  <i>How exactly is it defined?</i> Universe of companies – all top, middle and base-tier companies that have been working with the program at least a year. Starting this year, excluded from the analysis will be those companies that <i>only</i> worked with the project in Year 1 (as Business Plan Competition winners) or were private accommodation owners assisted in Year 2. Baseline – Number of employees the year before the project started working with the company. Calculation – Difference in total number of employees currently compared with the baseline year.  <i>How is it verified?</i> Field Office Manager site visits.</p>											
3	<b>Number of companies assisted entering new markets</b>	Number of companies	Target Actual						66 <b>69</b>	88	88
<p><i>How data is collected?</i> By phone or in person from each company’s owner / primary manager.  <i>How often?</i> Semi-annually (entered into TAMIS)  <i>How exactly is it defined?</i> Universe of companies – all top and middle-tier companies that have been working with the program at least a year. Starting this year, excluded from the analysis will be those companies that <i>only</i> worked with the project in Year 1 (as Business Plan Competition winners) or were</p>											

<sup>19</sup> Based on partial year data (9 months). Full year data for 2011 will be reported in SA#12

#	Indicator	Unit		2006	2007	2008	2009	2010	2011	2012	2013
	private accommodation owners assisted in Year 2. Baseline is zero. A “new market” is defined as a new, sustained sale to a new buyer or buyers in domestic or foreign geographical location(s) outside the company’s home municipality that it wasn’t previously selling into. <i>How is it verified?</i> Field Office Manager site visits. <i>Possible alternative (for discussion):</i> Exports as a % of total company sales.										
4	<b>Number of assisted youth who have found jobs.</b>	Number of Youth	Target Actual				N/A 129	N/A 36	N/A <b>90</b>	60	30
	<i>How data is collected?</i> Through an ES-led survey conducted in collaboration with all municipal Youth Offices. <i>How often?</i> Annually. <i>How exactly is it defined?</i> Number of young people who have found employment after receiving assistance through one of two Youth Office support activities – entrepreneurship training or a YEAP (Youth Entrepreneurship Action Plan) implementation activity. <i>How is it verified?</i> Statistically valid sample size. Spot checks of employed youth in program municipalities.								255 cumulative		
5	<b>Number of assisted youth who have started a new business.</b>	Number of Youth	Target Actual				25 69	25 35	25 <b>31</b>	25	15
	<i>How data is collected?</i> Through an ES-led survey conducted in collaboration with all municipal Youth Offices. <i>How often?</i> Annually. <i>How exactly is it defined?</i> Number of young people who have started their own business after receiving assistance through one of two Youth Office support activities – entrepreneurship training or a YEAP (Youth Entrepreneurship Action Plan) implementation activity. The business must be legally registered and not working in the gray economy. <i>How is it verified?</i> Statistically valid sample size. Spot checks of new youth-run businesses in program municipalities.								135 cumulative		
6	<b>Junior Achievement’s OCAT score.</b>	Index score	Target Actual				N/A 1.3	2.0 2.7	2.8 <b>2.9</b>	3.1	3.3
	<i>How data is collected?</i> Through the application of the standard OCAT questionnaire. <i>How often?</i> Annually. <i>How exactly is it defined?</i> Index capacity score on a scale of 0 to 4. <i>How is it verified?</i> Answers verified by Economic Security staff visits to JAS offices and review of claimed policies, processes and procedures.										
7	<b>Amount of funds raised by Junior Achievement from non-USAID sources.</b>	US Dollars	Target Actual				N/A \$56,090	\$100,000 \$98,926	\$100,000 <b>\$88,791</b>	\$120,000	\$200,000
	<i>How data is collected?</i> From financial reports required by grant agreement. <i>How often?</i> Quarterly. <i>How exactly is it defined?</i> US Dollar value of all in-kind, cash, restricted and non-restricted support received by JAS through all non-USAID sources. <i>How is it verified?</i> Verified by Economic Security staff examination of JAS financial records. Independent audit report.										

## Data Tables

DAI will continue to provide basic data about the number of activities and beneficiaries so that USAID can continue to monitor the project's reach. The most significant data to continue to be regularly presented in the project's semi annual reports are as follows:

#	Data
	<b>Business Support:</b>
	<ul style="list-style-type: none"><li>• Number of businesses supported disaggregated by region, sector and size.</li></ul>
#	<ul style="list-style-type: none"><li>• Trade fair data disaggregated by fiscal year, fair and 0, 3 and 6 months following fair.</li><li>• Trainings – number of trainings, number of participants, average evaluation scores</li></ul>
	<b>Youth Employment and Entrepreneurship:</b>
#	<ul style="list-style-type: none"><li>• Number of youth reached disaggregated by region and type of activity.</li><li>• Number of trainings and average evaluation scores</li></ul>
	<b>Youth Employment and Entrepreneurship (Junior Achievement)</b>
#	<ul style="list-style-type: none"><li>• Number of municipalities, schools, teachers and students participating in JAS.</li></ul>



## Communications Plan FY 12-13

Program's sixth year will be the culmination of all previous activities to enhance economic recovery in Serbia and tackle some of the most difficult social and economic challenges facing the country -- youth unemployment and underdevelopment of small and medium enterprises being key -- as it transforms into a functioning market economy. During the reporting period (FY12) the Communications Office will communicate the Program's achievements to its stakeholders through conventional and new communications channels to allow maximum message penetration.

The Economic Security team effort for the past six years only focused on helping businesses develop, strengthen and grow; it was designed to make the businesses sustainable and create partnerships to enable them to be more successful long after the program closes. The Communications Office will make this effort clearly visible and easily understandable to its audiences by carefully crafting messages and message delivery vehicles to suit the respective target audience.

The strategic approach to communications developed in 2010 and 2011 has shown its value; it allowed the CO to secure quality and in-depth exposure of the program's achievements, such as through specialized articles or by increasing the number of visitors to the Web page through direct communications. The CO will continue this approach in FY12.

### A. Message Delivery Tools

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In FY12 most of the Program's internal stakeholders will be the young and business owners – audiences inclined to communicate and look for information through new media. The CO will build on this communications opportunity to expand its use of the Internet and social networks sites. Of course, these new directions will be complements to tradition communication tools – e.g. press releases, news advisories, Web site updates etc.

**Web Site – The website** remains a powerful message dissemination tool and will continue to be the primary method of the CO's direct communications delivery tools. In FY12 the CO plans a new visual identity for the Web site and to implement technical changes to make it easier to access. The Web site updates will include video taken by the CO staff at Program events to promote program activities as it demonstrates to citizens the impact of the program's work in their communities. We want make the program's positive impact personal for the public while showing the partnership

**Direct Communications (DC)** – The strategic value of direct communications strengthens relationships with stakeholders as motivates them to feel a greater part of the activities and their goals. Presently, database developed by the CO has more than 1,500 direct beneficiaries, stakeholders, journalists and editors and will be updated regularly throughout the period of this work plan. In FY12 the CO will put additional emphasis on direct communications as it has shown to not only allow dissemination of tailor made messages to increase the level of understanding of the program's impact but also to help drive visitors to the Program's Web site to increases message penetration.

**Press releases** – Press releases are basic communication tools and will continue to be used as needed to promote the program’s activities. They will be delivered to relevant local, regional, national and international media outlets, the program’s web site; and USAID Serbia Development, Outreach and Communications Office.

**Specialty (feature) Articles and Interviews** – The CO will continue to work directly with media representatives to arrange specialty articles and provide in-depth coverage of cumulative achievements to mass audiences and opinion leaders. This type of delivery channel supports successful advocacy efforts, fundraising, and change management activities.

## **B. Messages**

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The messages delivered to the Program stakeholders by the Communications Office will be built to: 1) show how the activities help meet the overarching goals of USAID activities in Serbia; and 2) help audiences easily understand how Serbia and its citizens benefit from the Program’s activities.

The activities are leaving a permanent imprint on Serbia while confronting existing cultural norms to offer alternative solutions. Acting as partners with its beneficiaries, the program been a catalyst for local government officials, business owners and young people who are not practicing the principles the program introduced; they also are leading change in their community through new, innovative approaches of their own. The Program’s business training and hands-on support has enhanced Serbia’s regional and economic competitiveness, especially in the country’s most economically vulnerable regions.

Building on these main themes, the CO will shape targeted messages for the segmented internal and external audience to achieve the results planned.

An overview of activities planned by the CO in relation the Program components can be found in the following table:

Activity	Timeline	Anticipated # of events	Visibility Level	Message Delivery Tools:					Cross-cutting Communications Legend:
				1. Internal Reporting Documents	2. Direct Communication with Stakeholders	3. Public Relations and Media	4. Events	5. Website	
<b>Business Support</b>									
<b>General Business Support</b>									
Top, Medium and Base Tier Companies	Nov 2011 – Dec 2012		<b>MEDIUM</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>☛ Results to Program-supported companies</li> <li>☐ Report results to partners and stakeholders including National and Regional Chambers of Commerce, economic development agencies such as PBDA, SEDA etc.</li> <li>🗣️ Communicate continued progress updates of results and achievements to the Program stakeholders</li> <li>🌐 Major event to support achieving buy-in</li> <li>🌐 Develop individual web profiles of top tier companies for the program web page</li> <li>📰 Arrange two feature articles in national media on the topic of SME influence on economic security in local communities</li> <li>📰 Arrange electronic media visit to a supported company</li> </ul>
<b>Business Support Trainings</b>									
Management and Life Cycle of Companies	Nov 2011		<b>LOW</b>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
Branding Training	Dec 2011		<b>LOW</b>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>🗣️ Public presentation of new marketing materials</li> <li>📰 Feature article in specialized media on the importance of clusters</li> </ul>
Leadership Transition	Feb-Mar 2012		<b>LOW</b>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>	
<b>Technical Assistance</b>									
Marketing Material, Labeling, Packaging	Feb – Jul 2012		<b>HIGH</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>🗣️ 2xDC: 1) Activity Results to stakeholders; and, 2) Results of the activity to National and Regional Chambers of Commerce, economic development agencies such as PBDA, SEDA etc.</li> <li>🌐 Two events in regional centers to feature results</li> <li>☐ Web profiles on each of the participating companies</li> <li>📰 Feature articles in specialized marketing media</li> </ul>

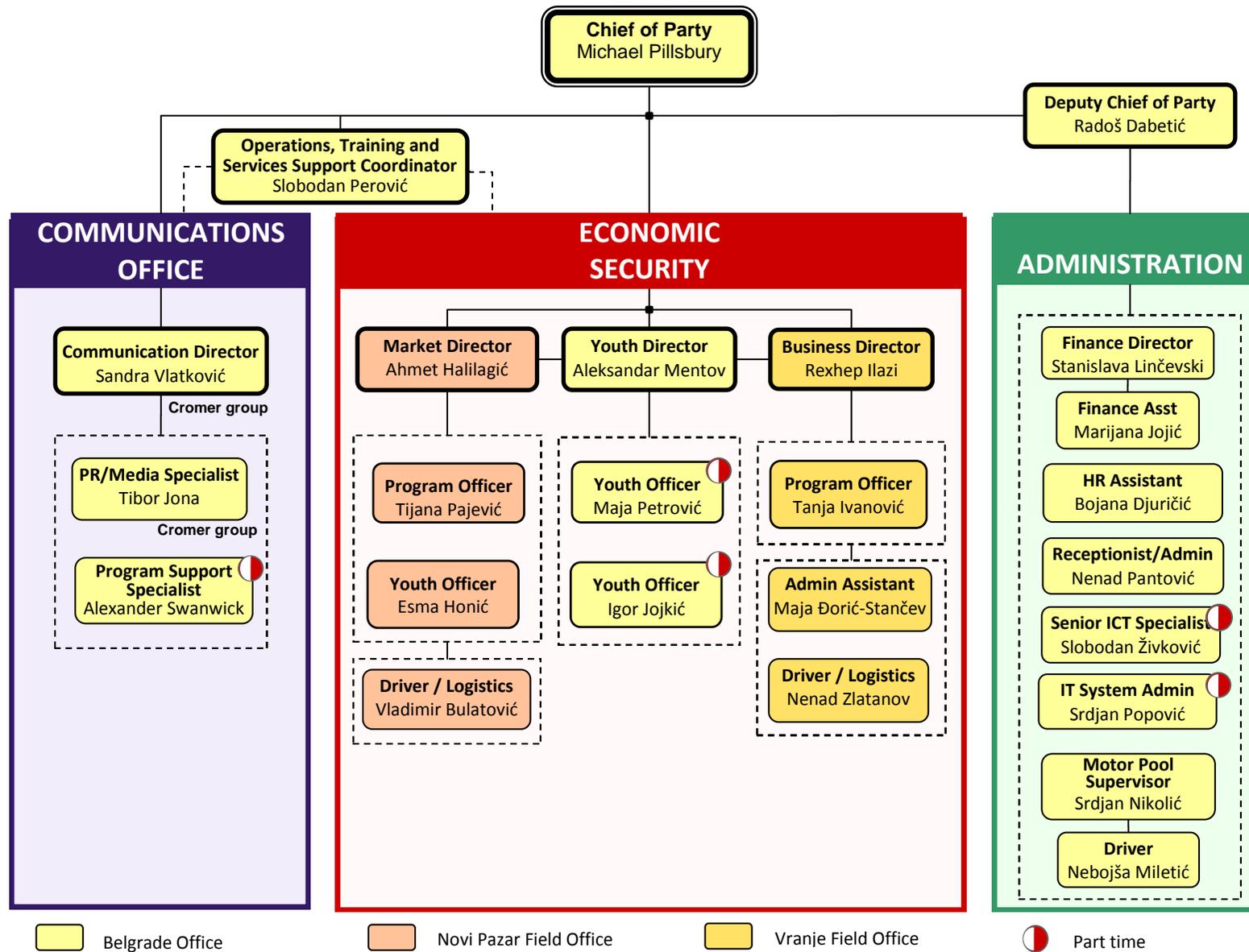
Certification	Mar – Sep 2012		<b>HIGH</b>	☑	☑	☑	☑	☑	☑	<ul style="list-style-type: none"> <li>☐ Report on the results to National and Regional Chambers of Commerce, development agencies such as PBDA, SEDA etc.</li> <li>☞ Communicate the results of the activity to program stakeholders</li> <li>☞ Regional certification events</li> <li>☑ Placement of feature articles in specialized economic media</li> <li>☑ Placement of feature articles in local media / one per region</li> </ul>
Implement Product Differentiation	Mar – Nov 20 12		<b>LOW</b>	☑					☑	
Access Capital Funds	Mar – Aug 2012		<b>LOW</b>	☑					☑	
Business Management and Financial Software	Mar – Aug 2012	1	<b>MEDIUM</b>	☑	☑	☑			☑	<ul style="list-style-type: none"> <li>☞ Results of the activity to program stakeholders</li> <li>☞ An event to members of the local businesses and media</li> <li>☑ Feature articles in local media / one per region</li> </ul>
<b>Support for New Market Entry</b>										
Trade Missions	Oct 2011 – Dec 20 12	6	<b>HIGH</b>	☑	☑	☑			☑	<ul style="list-style-type: none"> <li>☞ Report on: 1) Trade Mission visits to stakeholders; and, 2) Program activity results to National and Regional Chambers of Commerce, development agencies such as PBDA, SEDA, among others.</li> <li>☞ 3 promotional events</li> <li>☑ 2 feature articles in national media</li> </ul>
Trade Fairs	Nov 2011 – Jan 2013	8	<b>HIGH</b>	☑	☑	☑			☑	
Promotion of new Clusters	TBD	3	<b>HIGH</b>	☑	☑	☑	☑	☑		
<b>Internal Reporting Documents</b>										
Client Reports	weekly	50	<b>HIGH</b>	☑	☑					Weekly Highlights, Semi-annual Report, Annual Workplan, Program materials

Youth Support										
A. Youth Unemployment Reduction										
Youth Office-based Career Centers	TBD		<b>MEDIUM</b>	☑	☑	☑	☑	☑	☑	<ul style="list-style-type: none"> <li>☞ 2xDC: 1) Opening, role and importance of the Youth Office-based career centers in reduction of youth unemployment; and, 2) results and effects of the activity</li> <li>☞ Career Center opening events</li> </ul>
Youth Office Coordinators Capacity Building Training	Oct 2011 – Feb 2012		<b>LOW</b>	☑					☑	
School-based Career Centers	TBD		<b>MEDIUM</b>	☑	☑	☑	☑	☑	☑	☞ 2xDC: 1) Opening, role and importance of the school based career centers and 2) results and effects of the activity

									<ul style="list-style-type: none"> <li>☸ School Career Center opening events</li> </ul>
Internships	Feb 2011 – Jun 2012		MEDIUM	☑	☑		☑	☑	<ul style="list-style-type: none"> <li>☞ DC: Results of internship activity</li> <li>☸ Internship certificate award ceremony</li> <li>📰 2 feature articles in local media</li> </ul>
Youth Entrepreneurship Training	Oct 2011 – May 2012		LOW	☑		☑		☑	<ul style="list-style-type: none"> <li>☐ Best success stories from the activity</li> <li>📰 A feature articles on the participants in national media</li> </ul>
Youth Entrepreneurship Action Plans	Oct 2011 – Dec 2013		HIGH	☑	☑	☑	☑	☑	<ul style="list-style-type: none"> <li>☞ DC: Results of YEAP projects from 2010/2011</li> <li>☸ Three public events for YEAP</li> <li>☐ Web overview of the YEAP activity and its accomplishments</li> <li>📰 Feature article on in national media; and a visit from local electronic media to a successful YEAP beneficiary</li> </ul>
Start-up Support for youth-owned enterprises	Oct 2011 – Oct 2012		HIGH	☑	☑	☑	☑	☑	<ul style="list-style-type: none"> <li>☞ DC: Introduce the selected start-up companies to stakeholders</li> <li>☸ Build a major communications event to attract government and embassy officials</li> <li>☐ Web profiles of the supported companies</li> <li>📰 A feature article in national media</li> </ul>
Joint Projects – USAID Agribusiness – Training for agro-entrepreneurs in South Serbia and Sandzak	TBD		LOW	☑	☑		☑	☑	<ul style="list-style-type: none"> <li>☞ Communicate results and achievements to stakeholders</li> <li>☸ Organize training certificate award ceremony</li> <li>📰 A feature article in local media and a feature article/TV report in specialized agro-media</li> </ul>
Joint Projects – HELP – Support for Youth Start-ups in Vranje, Bujanovac and Presevo	Oct 2011 – Jun 2012		LOW	☑	☑		☑	☑	<ul style="list-style-type: none"> <li>☞ Communicate activity results and achievements to the Program stakeholders</li> <li>☸ Organize funds award ceremony</li> <li>📰 Arrange a feature article in local media on the topic</li> </ul>



# USAID ECONOMIC SECURITY PROJECT ORGANIZATIONAL CHART, OCTOBER 2011



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