



USAID
FROM THE AMERICAN PEOPLE



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

**SMALL BUSINESS
EXPANSION PROJECT**

SMALL BUSINESS EXPANSION PROJECT

Quarterly Report 4 — FY2015

July 1 – September 30, 2015

Contract No: I65-C-12-00101

SUBMITTED:

November 16, 2015

TO:

Ms. TATJANA MARKOVSKA
Contracting Officer's Representative
USAID MACEDONIA

Ms. ANETA DAMJANOVSKA
National Programme Officer
Embassy of Switzerland in the Republic of Macedonia

Carl Larkins
Chief of Party
USAID MACEDONIA
SMALL BUSINESS EXPANSION PROJECT

Debarca #3, 1000 Skopje
Ilindenska #170, 1200 Tetovo
Republic of Macedonia
clarkins@carana.com

Eduardo Tugendhat
Project Manager
CARANA Corporation
4350 N. Fairfax Drive #900 Arlington, VA 22203
etugendhat@carana.com

MACEDONIA ADVENTURE TRAVEL	3
GROW MORE CORN	7
EU LEADER	10
WILD-GATHERED PRODUCTS	13
LIGHT MANUFACTURING	15
WOMEN'S ENTREPRENEURSHIP	17
MONITORING AND EVALUATION	18
ANNEXES.....	18

TABLE OF CONTENTS

During the last quarter of FY 2015, SBEP continued its activities towards promoting Macedonia as an adventure travel destination, both through supporting events in the country, and helping in the planning and publicizing its offerings abroad and in the international media.

This quarter, there were quite a number of activities related to the inclusion of Macedonia in the Via Dinarica trail: Thierry Joubert, who is the owner of Green Visions tour operator from Bosnia and founder of the Via Dinarica Alliance visited Macedonia in July and walked the trail with the support and cooperation of the local mountaineers. In his capacity as consultant, the purpose of Mr. Joubert's first visit was to assess the trail's strengths and weaknesses and produce a report which would include the next steps that need to be taken in order to include the Macedonian portion in the Via Dinarica.

Recommendations include the development of a marking plan using the Via Dinarica trail marking standards; analysis of all the potential access points and trails in Macedonia, Albania and Kosovo; on-site mapping and resource inventory as basis for further development activities and investment in the promotion of the entire Via Dinarica corridor.

For the implementation of the recommendations, SBEP will cooperate with local partners, including the Macedonian Tourism Agency and the Mountaineering Federation, as well as local tour operators. One of the first activities was to work on promotional materials that would help publicize the



The Via Dinarica trails start from Slovenia, runs through Croatia, Bosnia, Montenegro, and Kosovo to Macedonia



Stills from the video footage for the promotion of the Via Dinarica



Signage of the Macedonian part of the Via Dinarica trail

IN A NUTSHELL

More SBEP-sponsored adventure sports events took place this quarter:

- ➔ The Shara Mountain Sky Race — on August 2;
- ➔ The Popova Shapka Mountain Festival — on August 28-30;
- ➔ The Krali Marko Trails — trail running near Prilep — 26-27 September;
- ➔ Discover Pelagonija events — in September and October;
- ➔ The article on paragliding in Macedonia appeared in Cross Country Magazine;
- ➔ The first group of bikers as a result of the familiarization trip AdventureWeek that SBEP organized last year;
- ➔ A team from the Via Dinarica Alliance was in Macedonia twice—the first time they walked the trail, the second time they shot promotional video materials;
- ➔ Macedonia was promoted as a biking destination at Eurobike in Germany.

MACEDONIA ADVENTURE TRAVEL

trail. In that direction, Mr. Joubert returned to Macedonia in September together with storyteller Alex Crevar, who had also visited Macedonia earlier in the year, and a video crew to film parts of the Macedonian part of the trail, which would be included in the promotional video. The first showing of the footage will be during next month's adventure travel summit in

Chile, organized by ATTA. The promotion of the trail is also in line with activities leading up to **AdventureNEXT** – the first adventure travel conference in the Western Balkans, to be held in Ohrid in May 2016.

Another highlight of this quarter was the arrival of the first group of bikers in Macedonia, as a

result of last year's AdventureWeek familiarization tour. The US tour-operator *Bike Tours Direct* organized the first 9-day biking trip for a group of 15, which started on August 26. Jim Johnson, owner and president of *Bike Tours Direct*, joined the first group of travelers and in a piece on the tour published by The New York Times, he said:



Bike Tours Direct President Jim Johnson joined the first group of travelers who came to Macedonia as a result of the AdventureWeek



“ Because it’s an emerging country and still very foreign, me being there is a way to give our customers a peace of mind. But also I can’t wait to do it myself. ”

Cycling in Macedonia was also promoted at *Eurobike*, one of the biggest global bike fairs, which is held in Germany. SBEP was among the 1.300 exhibitors from the bicycle trade, and used the opportunity to promote Macedonia's potential as a biking destination. Videos and brochures showcasing the competitive advantages of Macedonia were on display for the estimated 20.000 visitors on the day the fair was open to the public. Participating in the fair offered the chance to gauge competition as well as fine-tune the approach used to promote adventure travel in Macedonia in future events and publications.

MACEDONIA ADVENTURE TRAVEL



The start of one of the Krali Marko Ultra Trail races near Prilep

A number of SBEP supported adventure sports events took place during the quarter: the Shara Mountain Sky Race, which attracted some 70 competitors from the region, the two-day Popova Shapka Mountain Festival, with hiking and biking, with over 250 participants and 500



The Krali Marko Ultra Trail races take place near Treskavec Monastery

visitors, the Krali Marko Trails – trail running near Prilep with more than 120 participants. In addition, a number of events were held in September and are lined up for October within the Discover Pelagonija initiative, launched and implemented by SBEP's partner, the Pelagonija RDC.

The Krali Marko Trails (KMT), which is a trail running race, has slowly been establishing itself as one of the premier outdoor events in Macedonia. This year in its fifth edition, a total of 122 runners finished the races. They could choose between three different tracks, all of them differing in length and skill level required to run them:

ranging from 16 to 65 kilometers in length and from 800 to 3100 meters in vertical distance. Those who finished the longest and most difficult trail – which is verified by the International Trail Running Association – were also awarded qualifying points for the Ultra Trail du Mont Blanc races.

Supporting events like the Krali Marko Trails is in SBEP's strategy which aims to promote them to both domestic and

foreign tourists, and at the same time motivate the organizers to build their capacities so as to reach international standards and cope with the increased demand.

Promotion-wise, September saw the publishing of the article on paragliding in Macedonia in Cross Country magazine, one of the prime publications for air sports in the world. The 7-page story was written by journalist and paragliding pilot Marcus King after his visit to Macedonia this summer, and provides information about paragliding sites and tourism opportunities in the country.



The winners in the Women's Category of the 65 km long race of the Krali Marko Trails 2015

MACEDONIA ADVENTURE TRAVEL

“

With mountains everywhere the possibilities in this small country are seemingly endless. You can expect a friendly welcome wherever you land out, and I for one will be back to explore more of the country by air,

says pilot and journalist Marcus King at the end of his article in the September issue of Cross Country Magazine, after visiting Macedonia and checking out the paragliding sites across the country.

”



▲ CRUISING
High above the plain of Pelagonia

▲ TRAVEL
The Linden monument above Krusevo

Monk in residence at Tisodane; monastery near Prilep

Take-off at Gostivar

▲ CLOUD DODGING
Avoiding the clouds above the city of Krusevo, nestled in a natural bowl high on a ridge

All photos: Marcus King

I walked out into the early morning air of Skopje, the capital city of the Republic of Macedonia. As I entered the main square the small reminded me of morning walks in Asian cities, conjuring up new possibilities and that feeling of a city moving forward, with construction everywhere.

I took myself to the Old Bazaar, but as it was Ramadan the streets were unusually quiet, a far cry from the night before when banging beats competed with the calls to prayer from the mosques.

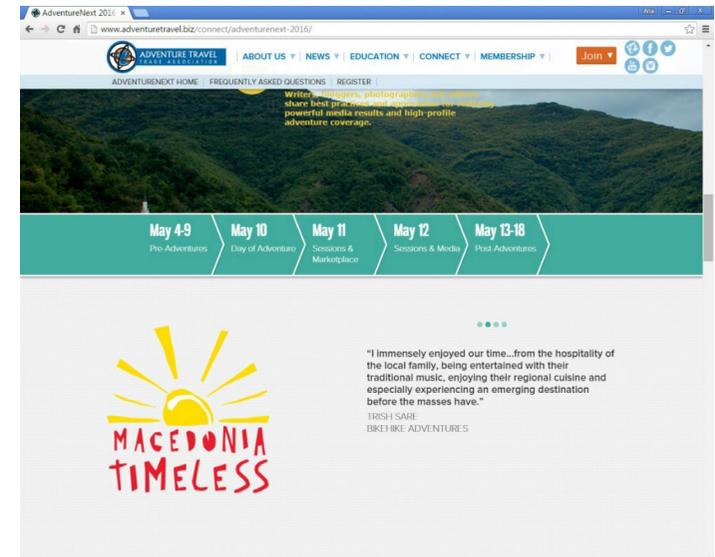
It was quiet as I wandered the streets, looking in the windows of the shops yet to open, and I found a local cafe for a breakfast of pastry and yoghurt. Before I travelled to Macedonia I'd heard various grave warnings from some about the political situation in the country, the country was on the brink of civil war in 2001. But closer reading of the various travel advice pages online showed not much difference when compared with other major

European countries. In this square at least, there was normality.

As I sat watching the world go by I mused over the flying I'd experienced in this country. I had already been there for over a week, flying in the British Open at the well-known site of Krusevo. The venue has already been used for PVCs and will host the European Championships for both paragliding and hang gliding next year. It offers mountain and flatland flying in a safe arena. We enjoyed five tasks out of a possible seven. Stronger winds towards the end of the week meant zig-zag tasks down the valley towards the border with Greece, which proved challenging with the lower than normal cloudbase. Despite not having the best of weather everyone seemed to have had a great time, with some varied flying and a strong competition. By the end of the week the winner, Alex Coltman, had managed to grab and maintain a small lead over his nearest rival, Guy Anderson. It had been a good comp.

In addition to these activities, SBEP and its partners continue to work on preparations for next year's conference in Ohrid. To date, Kosovo has confirmed sponsorship of the conference, as has Croatia. From the commercial sponsors, Turkish Airlines is the airline partner to the event. The event will be officially promoted during ATTA's annual adventure summit, which this year will take place in Chile.

On the ground, the National Tourism Agency, the Swiss supported IME (Increasing Market Employability) Project and local tourism stakeholders are working on developing trips and itineraries which will take place before and after the two-day conference, which will include sessions for networking, B2B meetings, and other educational and media content.



ATA's website about next year's travel adventure conference in Ohrid

<http://www.adventuretravel.biz/connect/adventurenext-2016/>

The September 2015 issue of Cross Country Magazine features an article about paragliding in Macedonia

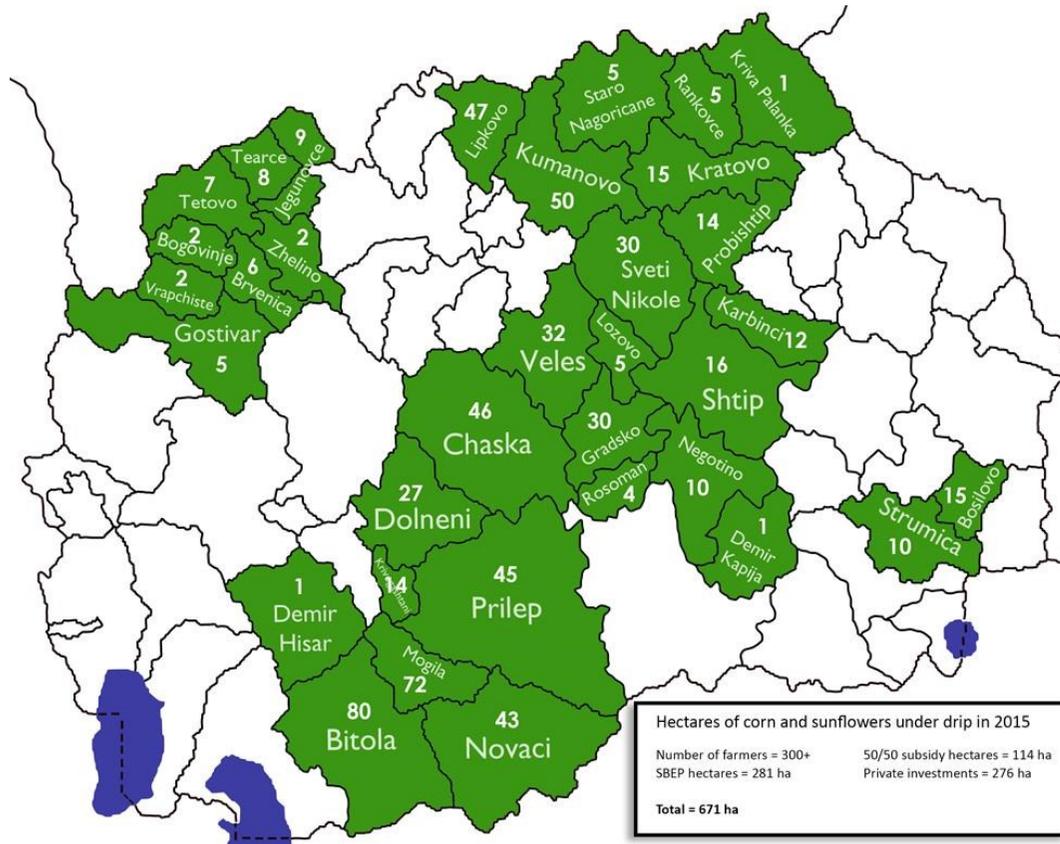
MACEDONIA ADVENTURE TRAVEL

This quarter, the farmers who planted corn for silage harvested their crop. The preliminary summings-up show that the average yield of the farmers who used drip irrigation for the first time this year is 60 tons per hectare, which is around 60% bigger than the yield of those growing the crop the traditional way, who only produced 38 tons per hectare. The figure is slightly lower than the previous two years, but this is attributable to the unfavorable weather conditions, which had delayed the planting and continued to have an adverse influence on the development of the crop. The farmers who are growing corn for grain still have to harvest, and will do so in the coming period, depending on the weather.

As for the sunflower producers, the introduction of drip irrigation has doubled their production: from an average yield of 1,2 tons per hectare in previous years, farmers are reporting 2,4 tons per hectare this season.

SBEP is continuously gathering information from the ground, both from the

farmers who are part of the Grow More Corn initiative, as well as from those who have learned about this new technology through their fellow-farmers and have decided to invest in it themselves. In addition to the 281 drip irrigation systems (DIS) that have been disseminated through SBEP's program since 2013, farmers across the country bought equipment for an additional 276 hectares, and co-financed the purchase of DIS for 114 more hectares. To date, nearly 700 hectares have been



IN A NUTSHELL

- ➔ Farmers who are growing corn for silage have completed the harvest, while those who are growing it for grain still have to do so.
- ➔ USAID Macedonia and the Ministry of Agriculture held a joint press conference to announce the DCA Guarantee Fund, which will help farmers to access funding through the commercial banks, where 50% of the loan will be guaranteed by the Fund.
- ➔ Of the 39 farmers that SBEP assisted in applying for subsidies for growing corn and sunflower with drip irrigation under the so-called 50/50 measure, a total of 28 have succeeded in receiving the subsidies, for a combined 103.9 hectares, amounting to a total investment of 9.224.951 MKD, i.e. US\$ 163.273.
- ➔ Since the beginning of SBEP's Grow More Corn initiative, more than 300 farmers across Macedonia have started using drip irrigation for corn, sunflower and other forage cultures, on nearly 700 hectares.

GROW MORE CORN INITIATIVE



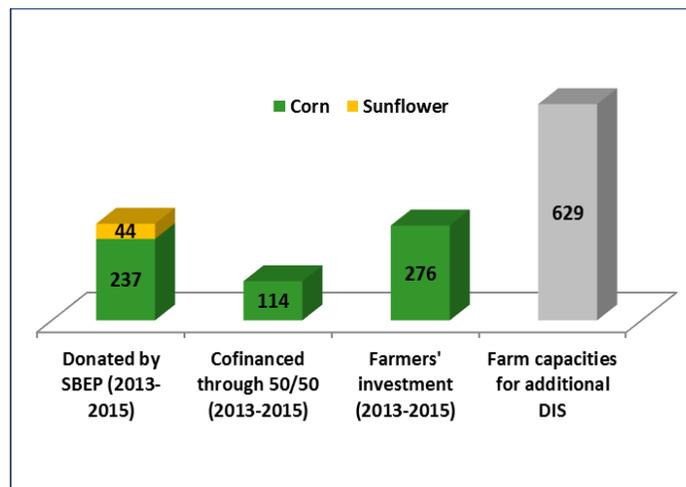
A farmer signing the Agreement for subsidies for purchasing drip irrigation systems

equipped with drip irrigation systems, the majority of which are used for growing corn.

In addition to the National Program for Financial Support of Rural Development, which thanks to SBEP's efforts, has included in its so-called 50/50 subsidy measure the purchase of DIS for corn and other forage crops, the farmers will be able to access funding through the commercial

banks, with the help of the DCA (Development Credit Authority) Fund. It's a result of USAID's and SBEP's efforts in the past two years, which have brought about the establishment of a Loan Guarantee Fund to help farmers access finance needed to invest in expanding their businesses. This quarter, the Loan Guarantee Fund was officially announced at a joint press conference between USAID Macedonia and the Ministry of Agriculture.

Initially, there were four commercial banks that were interested in participating, before one of them decided to withdraw, leaving Komercijalna, ProCredit and Stopanska banka Bitola, to offer such loans to the farmers. When applying, the farmer will only need to provide coverage for 50% of the total value of the loan, while the other 50% will be guaranteed by the Fund. The banks are planning to launch this product in October.



Farmer Gorancho Pavlovski from the village of Karamani near Bitola is a two-time record-holder: for silage in 2014 (126 t/ha) and for grain in 2015 (18 t/ha)

With the Ministry having signaled that it will allocate over US\$ 1M for next year for the 50/50 subsidy measure, SBEP has prepared a 2-minute TV advertisement, which will be aired towards the end of the year, i.e. before January 2016, when the Ministry is expected to open the call for subsidies.

GROW MORE CORN INITIATIVE



Stills from the TV advertisement, which includes testimonials from egg-producer Sasho Pivkovski, dairy farmer Haris Fijuljanin and sunflower producer Hristijan Daskalovski

“ *I bought drip irrigation system for five hectares of corn through the 50/50 program, so that I could produce cheaper feed for my chicken farm. I am very satisfied with the results. My yields have doubled in comparison to previous years, which means I spend half the money I used to, to feed the chickens,* said egg-producer Sasho Pivkovski from Mogila. ”



Haris Fijuljanin is a dairy farmer in the Vardar region



Hristijan Daskalovski produces sunflower in the village of Malo Konjari near Pilep

GROW MORE CORN INITIATIVE

IN A NUTSHELL

- In the North-East region, the two pre-LAGs were officially registered this quarter. *Osogovski Lisec* covers the municipalities of Kratovo, Kriva Palanka and Rankovce, while *Aber 2015* includes the municipalities of Kumanovo, Lipkovo and Staro Nagorichane.
- In the Vardar region, the three pre-LAG groups have started discussing the structure of each of their public-private partnerships, their respective Statutes and chose the name of the LAG.
- In the Polog region, workshops continue with representatives from the three pre-LAGs.
- In Pelagonija, the Regional Development Center (RDC) is preparing an open competition for the pre-LAGs to apply with pilot projects, so as to build their capacities in preparing and implementing activities.

NORTH-EAST

This quarter, the two pre-LAGs in the North-East region were officially registered at the Central Register of the Republic of Macedonia: on September 17, the one covering the municipalities of Kratovo, Kriva Palanka and Rankovce, under the name *Osogovski Lisec*, and on September 22, the one in which representatives from the municipalities of Kumanovo, Lipkovo and Staro Nagorichane participate, under the name *Aber 2015*.

The founding assemblies of both pre-LAGs took place earlier in the quarter - in July - during which the participating pre-LAG members discussed and adopted their respective pre-LAG Statutes and Operating Programs, as well as elected members to the pre-LAG bodies. Each of the pre-LAGs has a Management Board, a Committee for Evaluation and Approval of Projects and a Supervisory Board.

The situation with the LAG *Aber 2015*, where the Municipality of Staro Nagorichane decided not to be one of the founders of the pre-LAG was resolved: the Museum of Kumanovo

stepped in and joined the other founders of the pre-LAG. The list of founders of this pre-LAG includes the municipalities of Kumanovo and Lipkovo, the Kumanovo Museum, a local farmers' association, a local mountaineering and environmental organization, and a local company. The pre-LAG already has a pilot project lined up on which it will focus in the coming period. The project concerns the promotion of the archeo-astronomical site Kokino, one of the oldest megalithic observatories in the world according to NASA. Increasing the visibility of this major touristic site in the region will lead to its inclusion in the itineraries of adventure travelers and thus contribute to the development of tourism.



The members of the pre-LAG *Aber 2015* during one of the workshops

EU LEADER

The founders of the pre-LAG *Osogovski lisec* are the municipalities of Kratovo, Kriva Palanka, Rankovce, the Kratovo and Kriva Palanka museums, three citizens' organizations, and a couple of local companies.

In September, the members of both pre-LAGs attended workshops on writing project proposals and Project Cycle Management (PCM) with a view to strengthening their skills in these areas and prepare them for future activities.

VARDAR

In the Vardar region, the series of LEADER workshops and meetings continued in all three micro-regions. The fourth round of trainings on the principles of the LEADER approach was completed in July, and the first two rounds of meetings intended to start the process of actually establishing the pre- Local Action Groups (pre-LAGs) were also organized. At



From a pre-LAG meeting in Kavadarci

these meetings, the groups discussed the composition of the pre-LAGs, their managing bodies and pertaining documents, such as the organizations' Statutes. Each group brainstormed and identified the vision of the public-private partnership, and decided upon the name of their pre-LAG. When reviewing the Memorandum of Understanding between the stakeholders, special attention was paid to the number and composition of the founders of the pre-LAGs. As the partnership needs to be established by at least 51% stakeholders from the private and civil sector, i.e. there should be fewer representatives from public institutions, the groups recognized gaps in their potential structure, and will work on identifying additional stakeholders to reach the proportional models. Another pending decision is the

Vardar region		Topic	Number of participants		
			Total	Men	Women
July 10, 2015 Sveti Nikole	Pre-LAG 1	Skills for Making a Territory Analysis	19	5	14
August 20, 2015 Sveti Nikole	Pre-LAG 1	First meeting to start the process of establishing the LAG	21	7	14
September 22, 2015 Sveti Nikole	Pre-LAG 1	Second meeting to continue the process of establishing the LAG	22	7	15
July 7, 2015 Kavadarci	Pre-LAG 2	Skills for Making a Territory Analysis	22	9	13
August 18, 2015 Negotino	Pre-LAG 2	First meeting to start the process of establishing the LAG	23	13	10
September 24, 2015 Kavadarci	Pre-LAG 2	Second meeting to continue the process of establishing the LAG	20	8	12
July 14, 2015 Veles	Pre-LAG 3	Skills for Making a Territory Analysis	20	3	17
September 2, 2015 Veles	Pre-LAG 3	First meeting to start the process of establishing the LAG	15	6	9
September 28, 2015 Veles	Pre-LAG 3	Second meeting to continue the process of establishing the LAG	14	6	8
			176	64	112

PRE-LAGS in the VARDAR Region, to be registered by the end of 2015

- ➔ Pre - LAG **Probaton**: Sveti Nikole and Lozovo
- ➔ Pre - LAG **Tikveshka Vinska Dolina**: Rosoman, Kavadarci, Negotino and Demir Kapija
- ➔ Pre - LAG **Vardar Leader**: Veles, Chashka and Gradsko

EU LEADER

seat of each of the pre-LAGs: if it is located in a rural community, the organization will receive more points when it registers with the Ministry.

POLOG

The LEADER process in the Polog region has picked up after the standstill over the summer, due to the unresponsiveness of some of the local municipalities and the lack of efficiency of the local implementing partner. After terminating the contract with the implementer, SBEP has realigned its resources and resumed activities on the ground. Several meetings were held with local officials – especially the municipality of Tetovo - to investigate the reasons for their lack of cooperation on this matter. It seems that the lack of capacity and internal coordination is impeding their full engagement. Nevertheless, SBEP remains ready and open to provide support in including all Polog municipalities in the LEADER process, if they can pull together their resources and demonstrate a concerted effort.

Despite of these challenges, SBEP has resumed activities with the three pre-LAG groups. One pre-LAG consists of the municipalities Bogovinje and Brvenica, one covers the municipalities of Jegunovce and Tearce, and the third one encompasses the municipalities of Gostivar, Vrapchishte and Mavrovo and Rostushe.



Members of the pre-LAG covering the municipalities of Bogovinje and Brvenica

In September two workshops were held: one in Gostivar for the Gostivar, Vrapchishte and Mavrovo and Rostushe pre-LAG, which is lagging behind the two others and still has one more workshop to do before starting with the strategic planning. The other workshop was held in Sirichino, with representatives from the municipalities of Jegunovce and Tearce.

In the coming period, all three pre-LAGs will continue with a series of workshops on strategic planning, i.e. on laying the groundwork for the actual establishment of the pre-LAGs.

PELAGONIJA

In Pelagonija, where the first three pre-LAGs were registered as a result of SBEP's LEADER initiative, the Regional Development Center (RDC) is working on building their capacities to write project proposals and subsequently implement them, so as to ready them for when additional funding becomes available. To that end, the RDC is preparing an open call for project proposals for the pre-LAGs to apply. It is expected for the call to be open in October, and it will be a competition where the best project proposal will receive up to US\$ 4.500, the second up to US\$ 3.500, and the third one up to US\$ 2.700. These small projects will have to be of interest to the communities of the pre-LAG's micro-region and in accordance with their strategies.



The pre-LAGs in Pelagonija will be able to apply for funding for small projects

EU LEADER

Trainings on sustainable wild herbs and mushroom collection continued this quarter. A total of 103 new collectors, of whom 13 women, in five training sessions were trained in the National Park Mavrovo, the North-East and Vardar regions. Demand for the workshops is still high, especially in the Vardar region, and SBEP plans to organize more sessions in the coming period. Special attention will be paid to motivating more women to participate in the trainings.

In July, the National Park Mavrovo opened a call for companies to apply for concessions to purchase wild-gathered products on its territory. Three companies applied and all three were awarded two-year contracts. The National Park has also carried out its plan to open additional collection centers, which would be located closer to trained and certified collectors, thus enabling them to earn their livelihood using the resources of the mountain while safeguarding it. The official launch of the two new collection centers took place in September – one is



Juniper berries (*Juniperus Communis*) are common in the National Park Mavrovo



Mountain Tea (*Sideritis Scardica*) is endemic to the Balkan Peninsula

IN A NUTSHELL

- Five new trainings on sustainable wild herbs and mushrooms collection were organized, which were attended by 103 new collectors.
- Since the beginning of the initiative, a total of 1.629 collectors in 67 training sessions have been trained in all of the regions where SBEP operates.
- Two new collection centers were opened in the National Park Mavrovo.
- Three companies signed two-year agreements with the National Park Mavrovo to purchase wild-gathered products from its territory.

WILD-GATHERED PRODUCTS

situated in the locality called Pilana and one is in the village of Janche. The companies which received concessions to work in the Park, each base their operations in one of the collection centers: Igor-Komerc from Gostivar in the village of Vrben, Flores from Skopje works in Pilana and Eko-Jasmina is located in Janche. At the same time, they cooperate between each other in terms of purchasing

products from the collectors on behalf of the other company when necessary.

Awarding licenses to the companies and opening of collection centers on the Park's territory is in line with the Park's strategy, which SBEP helped develop and focuses on regulating this sphere of economic activities on its territory.



The mayor of the municipality of Mavrovo and Rostushe, Mr. Mukrem Mehmedi (left), and the National Park Mavrovo Director, Mr. Oner Jakuposki (right), cut the ribbon of one of the new Collection Centers together with Ms. Jennifer Connoly, USAID Macedonia representative (middle)



Porcini mushrooms (*Boletus Edulis*) are well sought-after



The third Collection Center in the National Park Mavrovo is in the village of Janche

WILD-GATHERED PRODUCTS

LOCAL SUPPLY CHAIN DEVELOPMENT

This quarter, SBEP's supply chain consultants continued following up on the leads they had identified earlier. These include the FDI Amphenol – one of the largest manufacturers of interconnect products in the world, which opened a plant in Kocani in 2014. The consultants are helping them with identifying local suppliers and after proposing two local companies, Amphenol has started a more detailed discussion with Procompo – an Italian FDI planning to start operations in the Tetovo TIDZ. Once the two companies reach an agreement on the price, Procompo is ready to start producing the necessary product, first in Italy and then in the Tetovo plant.

The consultants also discussed other points of interest with Procompo, such as their need for consulting services regarding access to finance so as to expand their facilities for producing small parts made of composite materials, which would entail additional jobs. The consultants linked Procompo to Pointpro and they are now looking at the alternatives which would best suit Procompo's needs.

The consultants have also facilitated communication between Procompo and Indbus – another investor in the Tetovo TIDZ. Indbus is a Macedonian bus producer that is expanding into additional facilities and requires composite materials for its production, such as those produced by Procompo. At the same time, Procompo is interested in Indbus' capacity to provide the metal construction for their new facility in the TIDZ. As a result, the parties have started discussing cooperation opportunities.

Also during this quarter, the consultants approached a few local producers in order to understand their operations and gauge the opportunities and potential for linking them in supply chains. They visited Agrobar in Vinica, a spin-off of the ex-Yugoslav huge machine industry complex. They produce and sell agricultural equipment and are willing and able to invest in new production lines, as currently they operate at 60%.

The consultants also visited Koper, a company in Negotino producing different kind of wood and pellet furnaces, as well as stoves that run on gas or electricity. They have been working since the early 1990's and are constantly upgrading their production and are on the lookout for new technologies. The consultants proposed that they apply to the state Innovation Fund, for which they will provide additional information. Another opportunity for Koper is to consider including the Macedonian produced stove controller. The consultants will look into providing a prototype for Koper to test on its products.

The consultants met with another company from Negotino – Horvat Tehnika – a family owned business that specializes in the production of wood furnaces and pellet heaters. They are not interested in the stove controller as they do not use it in their products, but they have welding and sheet metal treatment capacities in terms of technology. They would be willing to take on work in this area.

IN A NUTSHELL

- SBEP's light manufacturing consultants continue providing support to local companies: linking domestic suppliers with potential domestic as well as foreign buyers, providing consulting services regarding access to finance, etc. This quarter, they worked with 15 local companies.
- The government institutions responsible for attracting foreign investment continue to approach the consultants with requests for information about local suppliers.
- Under preparation is an online software solution – a database of companies from the light manufacturing sector in the country. It will feature automated company profile creation, easy and fast search option and overview of the industry's supply chain.

LIGHT MANUFACTURING

COOPERATION WITH GOVERNMENTAL INSTITUTIONS

Another significant aspect of the consultants' work is their communication with the government institutions responsible for attracting foreign investments. These government officials have approached the consultants a number of times in the past period with requests for information and facilitation of communication with local suppliers. During this quarter, the direct communication with Macedonia's Economic Promoters abroad has intensified. The consultants have organized a joint on-line meeting between the Economic Promoters of Macedonia and the domestic industry, with a focus on Light Manufacturing. The purpose was to improve the sharing of information and thus facilitate the connection of Macedonian suppliers to companies from abroad. MAMEI (The Macedonian Association of Metal and Electrical Industry) was a partner in organizing this meeting, which the Economic Promoters found extremely useful.

Examples of the leads that the consultants are working on together with the Economic Promoters, include German companies interested in serial production of pressure vessels for fire extinguishers and for Polypropylene (PP) and High Density Polypropylene (HDPP) for railways; Dutch companies looking for stainless steel testing and lab equipment, piping and equipment for power stations, with a potential to expand to Germany; Danish companies in search of suppliers of composite materials for special use, such as composite tapes (fiber glass with other com-

ponents) for special usage in the chemical, petro, and oil industry. The consultants are identifying local companies and putting them in touch with the potential buyers, assisting in the back-and-forth between the parties. While the aforementioned leads have been conducted online, a German company representative seeking suppliers in Macedonia for the ship industry, household products and surgical instruments will come to Macedonia to discuss possible cooperation in identifying local suppliers.

Also this quarter, the consultants have started communication with Scoutbee (<https://scoutbee.com/>), a global platform for connect-

The screenshot shows a web browser window with the URL <https://scoutbee.com>. The page title is "HOW SCOUTBEE CAN HELP YOUR INDUSTRIAL B2B BUSINESS". There are three circular images representing different user roles: a man looking at a laptop, two men shaking hands, and a group of people in a meeting. Below each image is a text block and a button.

Role	Description	Action
I'm a Purchaser	Find new suppliers, partners or the latest industry news on scoutbee with our B2B search engine. Are you interested in Digital Global Sourcing?	LEARN MORE
I'm in Sales	Get found by purchasers and potential partners by setting up your company profile including all the products or services you offer. If you want to present your company, then...	START HERE
I'm a Marketer	scoutbee offers you state-of-the-art marketing services, that can maximize your companies online visibility. Get your company to the top of buyers search results.	SEE HOW

SCOUTBEE – SUPPORTING THE FUTURE OF B2B PURCHASING

ing suppliers and buyers from across the world. Scoutbee is looking for partners from South-East Europe, platforms with which they can establish long term cooperation. Through MAMEI, the consultants sent a Letter of Intent, and discussions on the details of the future cooperation are scheduled for October. In the meantime, the consultants have started working on two leads that came through Scoutbee – for precision metal parts and for plastic parts.

SUSTAINABILITY MODEL FOR THE INITIATIVE

The increasing interest in the services provided by the consultants and the necessity to maintain up-to-date information about potential suppliers to both local and foreign companies, has led towards the development of a sustainable solution for the activities currently conducted under SBEP. To that end, the consultants are working on developing an online software solution and a data base of companies in the light manufacturing sector in the country. It will be housed within MAMEI, and it will include automated company profile creation, fast search options and overview of the industry's supply chain. It is designed in a way that can be upgraded easily.

LIGHT MANUFACTURING

This quarter, the Women in Business initiative saw a development towards sustainability in institutional terms. Namely, early in the quarter, SBEP decided to terminate the agreement with the Association for Local Rural Development (ALRD), as the restructuring of the organization and the changes in its staff had ceased yielding the expected level of results. At the same time, the municipalities of Bogovinje and Brvenica expressed their readiness to establish a Foundation, which would continue the work of the Fund for the Support of Women and Youth Entrepreneurship. The initiative was translated promptly into action and before the end of the quarter the Foundation was officially registered with the Central Register.

A full-fledged legal entity, named *Egalite*, the Foundation will continue with the implementation of the same services as the Fund, which used to be embedded in ALRD. Its seat is within the Rural Business Incubator in the village of Kamenjane, which provides for synergies when it comes to offering services to young businesses from the region.

The Foundation has its own Managing Board, consisting of municipal representatives from both municipalities as well as business sector members. The Women Advisory Board will continue with its advisory role, promoting the Foundation, identifying businesses to receive support, as well as participating in fundraising activities.

The executive office of the Foundation will start off with Ms. Sanela Shkrijelj as the coordinator, and an intern, who will be implementing the activities. A few potential women and youth owned businesses have already been lined up for review at the next Advisory Board meeting, which has been scheduled for mid-October.



The mayors of the municipalities of Bogovinje (right) and Brvenica (middle) are the founders of the Foundation

IN A NUTSHELL

- The Municipalities of Bogovinje and Brvenica are the founders of *Egalite*, the Foundation for the Support of Women and Youth Entrepreneurship, which was established this quarter in the Polog region.
- The Foundation has its own Managing Board, and the Women Advisory Board will continue with its advisory role.
- A few potential women and youth owned businesses have been lined up for review at the next meeting, scheduled for mid-October.

WOMEN'S ENTREPRENEURSHIP

An integral part of SBEP's strategy is the continuous monitoring of the implementation of its activities, with the purpose of gathering relevant data that are compiled in the Performance Monitoring Plan (PMP), and at the same time serve to analyze what has been done and plan further actions.

In parallel, SBEP staff maintains regular communication with partners and beneficiaries on the ground, making sure to assess their experiences related to SBEP's support and capture anecdotal evidence of the impact the Project is making.

Having completed FY2015, following are a few highlights of the PMPs illustrating some of the achievements for this fiscal year. For further details, please refer to the complete PMP table, which is attached in Annex I to this report.

→ **781** retained or new jobs, **272** of which (**35%**) are occupied by women. Most of these jobs were created or retained on the 160 farms participating in the Grow More Corn initiative.

→ **US\$ 23.276.558** of new revenues facilitated through SBEP activities. The bulk of this figure — almost US\$ 14 M — represents the revenues of all SBEP supported dairy farmers from selling milk.

→ **US\$ 6.842.789** worth of combined investment facilitated through SBEP's activities. More than half of this figure, around US\$ 4,5 M, comes from the investment of corn/sunflower farmers in drip irrigation equipment, farm modernization, purchase of new dairy cows, as well as the combined investment of farmers through the Government's 50/50 measure.

In addition, SBEP estimated approximately US\$ 1.602.207 worth of media exposure (online and print, calculated as advertising value equivalency).

Annex I:

SBEP Performance Monitoring Plan table for current reporting period

Annex II:

SBEP Activities and Events Calendar for current reporting period

MONITORING AND EVALUATION