



USAID | **MACEDONIA**
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INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT PROJECT

FISCAL YEAR 2011 ANNUAL REPORT
DECEMBER 2010–SEPTEMBER 2011

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Macedonia Investment Development and Export Advancement Support

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DISCLAIMER

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

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LIST OF ACRONYMS

CA	Contracting Authorities
CBI	Dutch Centre for the Promotion of Imports from Developing Countries
CCOM	Competitiveness Committee of Ministers
CoC	Chamber of Commerce
COTR	Contracting Officer's Technical Representative
CSEND	Center for Socio-Economic Development
DI	Domestic Investment
DOC	Development Outreach and Communications
DPMEA	Deputy Prime Minister for Economic Affairs
EG	Economic Growth
EU	European Union
ENER* (EHEP)	Unique National Electronic Register of Regulations
ESC	Economic–Social Council
FDI	Foreign Direct Investment
FY	Fiscal Year
GoM	Government of Macedonia
IDEAS	Investment Development and Export Advancement Support
IMEG	Inter-Ministerial Expert Group
Invest Macedonia	Agency for Foreign Investments and Export Promotion
IP	Industrial Policy
IR	Intermediate Result
IT	Information Technology
LOE	Level of Effort
MAP	Macedonian Association of Processors
MASIT	ICT Chamber of Commerce
MCP	Macedonia Competitiveness Project
MISA	Ministry of Information Society and Administration
MoE	Ministry of Economy
MoE IPCD	Industrial Policy and Competitiveness Department in the Ministry of Economy
M&E	Monitoring and Evaluation
NECC	National Entrepreneurship and Competitiveness Council
OSCE	Organization for Security and Cooperation in Europe
OSS	One Stop Shop
PP	Public Procurement
PMP	Performance and Monitoring Plan

PPB	Public Procurement Bureau
PPD	Public-Private Dialogue
PR	Press Release
RCI	Regional Competitiveness Initiative
RIA	Regulatory Impact Assessment
SP	Special Project
TIDZ	Technological Investment Development Zone
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
USG	United States Government
WEF	World Economic Forum
WG	Working Group
WP	Work Plan

EXECUTIVE SUMMARY

The Investment Development and Export Advancement Support (IDEAS) Project (referred to hereinafter as the “Project”) in the first year of implementation, has undertaken a series of activities in the four components, aimed to establish the foundations for future growth in investment and export initiatives in Macedonia.

As the project was launched on December 28, 2011, during the first few months, the team worked on preparing the work plan for the first fiscal year (FY), with extensive participation by the Government of Macedonia (GoM). The FY 2011 (FY11) work plan (WP) was approved in April 2011, about the time that the team had already started implementing urgent activities that the United States Agency for International Development (USAID) approved before the official WP was approved. With this in mind, the first year was shortened into actual 8 months for implementation.

During June 2011, Macedonia had parliamentary elections. The project’s main partners—government institutions—underwent changes in management, staff, and reorganization of responsibilities; thus, this situation contributed to slower dynamics for realization of the planned activities. Some activities were postponed for the Project’s second year. However, besides these constraints, during the FY11, the Project focused on initial launching of key initiatives that will serve as the groundwork for the activities planned for the following years.

During the reported period, the USAID IDEAS Project implemented the following key achievements:

- Introduced and increased awareness of the Project as a USAID-funded project among current stakeholders: government institutions and the private sector.
- Organized a “workshop on developing a consistent approach in the preparation of competitiveness programs” and “workshop on creation of a monitoring and evaluation framework for industrial policy implementation.” The outputs of these events have set the basis for all future activities of the Inter-Ministerial Expert Group (IMEG) and the project in the field of Industrial Policy (IP) implementation.
- Conducted a cost-benefit analysis of the benefits available to Technological Industrial Development Zones (TIDZ) investors.
- Held a “workshop on building team cohesion, increasing industrial policy awareness and strengthening the basic outreach skills” among IMEG members, the Ministry of Economy Industrial Policy and Competitiveness Department, and the Cabinet of the Deputy Prime Minister for Economic Affairs (DPMEA).
- Worked on the Strategic Framework and Business Model for the Agency for Foreign Investments and Export Promotion, which is extended in three phases. In the completed Phase I, the project prepared a baseline analysis of Invest Macedonia, recommending a new organizational structure and mechanisms for coordination with other government agencies. This initiative consists of two more phases: Phase II, Sector Selection and Typology of Firms, and Phase III, Service Offerings and Support for Exporters. Both phases have been launched during the reported period and will be completed by the end of October.
- Organized Export Promotion Training for economic promoters of the Republic of Macedonia, as a joint effort with other donors present in the country. The main objective of this activity was to introduce the economic promoters with their new responsibilities in the area of export promotion and to transfer knowledge and best practices from implemented donor programs.
- In the field of Continued Professionalization of the Public Procurement System, the Project drafted the Catalogue of Competencies for the Public Procurement Officers, which is planned to be encompassed in the Overall Catalogue of Competencies for Civil Servants. The Public Procurement Bureau PPB officials finalized the Catalogue and submitted it to the GoM for review.

- Organized a study tour in Belgrade, Serbia, for PPB representatives to gain knowledge on the practices related to the public procurement (PP) system, or more precisely, exchange experiences about the legal status of the PP authority.
- Drafted an action plan for further development of the eProcurement system for 2011–2012.
- Assisted the four national chambers of commerce in the process of building capacities to become a relevant counterpart of the GoM by creating elaborated policy papers.
- Launched the project’s website www.ideas.org.mk.
- Initiated collaboration with the business media outlet “Kapital” on publicizing project-related articles aimed at increasing the public’s awareness of the Project’s successes and efforts given in the direction of creating a good institutional environment for investment and export facilitation.
- Engaged four interns with various academic backgrounds to be a part of the project’s Internship Program.

1. FY11 COMPONENT SUMMARY RESULTS

1.1 COMPONENT A—Foreign Direct Investment (FDI)/Domestic Investment (DI)/Export Facilitation and Investment Aftercare Improved

1.1.1 Theme 1: Implementation of the new GoM industrial policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and aftercare

In fiscal year 2011 (FY11), the project planned to undertake a set of activities for Industrial Policy (IP) implementation and for streamlining domestic investment (DI), foreign direct investment (FDI), and investment aftercare. These activities were planned to be implemented through five special projects. Based on reasons mentioned in the Executive Summary to this report, the project managed to successfully implement three out of the five planned special projects. The main accomplishments were achieved in the following special projects:

SP-YI-IP1 No. 1

- **Hold a workshop on developing a consistent approach in preparing competitiveness programs**
- **Create a monitoring and evaluation framework for industrial policy implementation**

In May and June 2011, the project held two workshops, which Slovenian consultant Mateja Mesl delivered. The participants—members of the Inter-Ministerial Expert Group (IMEG) for Industrial Policy Implementation—obtained information and knowledge about various aspects and stages of the industrial policy implementation process. Based on the work carried out at the events (i.e., input that participating IMEG members provided and statistical data collected thereafter) during July and August, the consultant prepared two reports containing two key documents for establishing a more efficient and effective industrial policy: (1) Action Plan for Industrial Policy Implementation, 2012–2013, and (2) Monitoring and Evaluation (M&E) Framework for industrial policy implementation.



Photo credit: Project staff member

Mateja Mesl, the consultant, provides an introduction on how to develop a consistent approach for preparing the competitiveness programs for IMEG members.

These two reports were submitted to the USAID Mission, Ministry of Economy (MoE), and Cabinet of the Deputy Prime Minister for Economic Affairs (DPMEA).

As final outputs for this activity, the Action Plan and M&E Framework set the grounds for all future activities of the Macedonian institutions and the project in industrial policy implementation. The former identifies not only concrete activities that responsible institutions need to implement in all five IP areas of intervention but also a large number of actions aimed at improving the overall industrial policy implementation structure. The latter contains the M&E methodology and structure, as well as a list of indicators against which the IP implementation should be monitored in the future. Both documents offer recommendations on the steps that the GoM should undertake in the near future to establish a viable, sustainable, and efficient system for IP implementation. In the coming period, the Action Plan and the M&E Framework will be aligned with the economic program of the new Government for 2011–2015 and subsequently submitted to IMEG and Competitiveness

Committee of Ministers (CCOM) for approval. Significant assistance will be provided by the Project to the MoE and the Cabinet of the DPMEA to successfully complete these processes.

Deliverables:

- Action Plan for Industrial Policy Implementation, 2012–2013
- Monitoring and Evaluation Framework for Industrial Policy Implementation

SP-YI-IPi No. 2

- **Conduct a cost-benefit analysis of the benefits available to Technological Industrial Development Zones (TIDZ) investors**

The project engaged Raphael Aldrete to conduct an analysis of costs and benefits of two existing investments in TIDZ Bunardzik (i.e., Johnson Controls and Johnson Matthey) in context of the amount of incentives they received from the Government of Macedonia (GoM) and the effects they produced for the Macedonian economy. The consultant spent a week in Skopje at the end of June on a fact-finding mission. The project staff, local consultant Marjan Nikolov from the Center for Economic Analysis, and Invest Macedonia staff assisted on the Project. The data collection included information about the system of benefits and incentives available to foreign investors in Macedonia, related legislation, and other investor-specific data (e.g., amounts of duties forgone, incentives actually received, and statistical indications of the impact that these two investments had on the Macedonian economy regarding employment, foreign trade balance, engagement of the local supply base, and other factors).

The outputs of this activity are two deliverables: (1) Report on the Cost-Benefit Analysis of the Incentives Available to TIDZ Investors, which provides an ex-post analysis of the two existing investments; and (2) tailored Excel spreadsheet that will enable Invest Macedonia to carry out ex-ante analyses of potential investment deals by running various incentive scenarios. Both documents will be submitted to USAID in October.

These documents will increase the capacity and competence of Invest Macedonia to engage in negotiations on the commercial terms of all future investments in Macedonia, whether located inside or outside the TIDZ. By enabling Invest Macedonia to make competent investment deals supported by sound and measurable arguments that will subsequently be proposed to GoM for a final decision, this special project (SP) will directly influence the effectiveness and efficiency of the FDI process.

Deliverables:

- Report on the Cost-Benefit Analysis of the Incentives Available to TIDZ Investors
- Tailored Excel spreadsheet that will enable Invest Macedonia to carry out ex-ante analyses of potential investment deals by running various incentive scenarios

SP-YI-IPi No. 3

- **Hold an event to build team cohesion, increase industrial policy awareness, and strengthen basic outreach skills among IMEG members, MoE IPCD, and the DPMEA Cabinet**

The project organized a 3-day seminar with an objective of building team cohesion, increasing industrial policy awareness, and strengthening the basic outreach skills of IMEG members, the Ministry of Economy Industrial Policy and Competitiveness Department, and the Cabinet of DPMEA. To extend stakeholder diversity, the Project also invited representatives of the most relevant CoCs in Macedonia.

The seminar took place in hotel Montana, Krusevo, from 21–23 September. Prof. Dr. Raymond Saner and his organization Center for Socio–Economic Development (CSEND) designed and led the seminar. CSEND has impressive experience in designing and implementing comprehensive institutional development and capacity-building programs leading to the adoption of best managerial practices in the public sector. One of CSEND’s main objectives is to enhance effective interfacing

among various social, economic, and political actors and to strengthen better governance through multi-stakeholder dialogue and free exchange of information. CSEND focuses primarily on developing the learning capacity of institutions through human resources development and management system reform. A United Nations Industrial Development Organization (UNIDO) representative also participated.

The seminar offered participants an opportunity to learn more about IP and the importance of the coordination and collaboration in its context through use of various didactic methods (e.g., stakeholder mapping, analysis of case studies, and simulation exercises).

The UNIDO representative Manuel Albaladejo presented to the participants solid evidence of a link among economic growth, industrialization, and structural changes, along with information about UNIDO work in helping countries collect industrial intelligence. He emphasized providing participants with information about Macedonia's position on industry development compared with other countries in the region and the European Union (EU).

The seminar's principal accomplishments were that it increased participants' knowledge about IP issues and strengthened the links among the IP implementing institutions, which are expected to result in more efficient and effective coordination and collaboration in the future.



Photo credit: Project staff member

Members of the IMEG are working on an exercise on better governance through exchange of information and dialogue.

SP-YI-IPI No. 4

- **Design and draft functional requirements for a web solution that will offer comprehensive and organized information about industrial policy competitiveness programs**

Because of the short duration of Project Year I and the extended efforts invested in implementing other industrial policy initiatives, the project moved this activity to the second year of implementation. This activity will be included in a comprehensive SP, which will include not only the design but also the development and implementation of the web solution that should improve the level of information that the business community receives on IP measures and the access of individual companies to specific incentives.

SP-YI-IPI No. 5

- **Conduct a comprehensive baseline assessment of the current system for foreign investment facilitation and aftercare**
- **Research and document international best practices for FDI facilitation and aftercare**
- **Develop and design options that are the most suitable for Macedonia, which will be presented to GoM**

In September 2011, the Project and USAID mission revisited this SP in light of new developments that occurred after June 2011 parliamentary elections in Macedonia—namely, in establishing the institutional structure for the next 4-year period, the Government confirmed its determination to maintain the existing model of multi-institutional treatment of the FDI issues, which includes the Agency for Foreign Investments, FDI ministers, and Directorate for Technological Industrial Development Zones. It also appointed a second minister for FDI.

In discussions with USAID, it was determined that it would not be productive for the Project to initiate an assessment of the institutional FDI set up that GoM has just re-enforced. The Project will thus modify its activities in this area in next year's WP and will focus instead on the system of aftercare activities that Invest Macedonia (or more correctly, should be) implemented but are currently very weak.

Other Component Activities

- Assess the current functioning of the system for industrial policy implementation to identify potential areas of assistance
- Based on the assessment, propose actions aimed at strengthening the role and the capacity of **MOE** IPCD to perform its responsibility related to industrial policy implementation
- Based on the assessment, develop charter and work program for IMEG, including clear operating rules and procedures, efficient internal structure, and specific roles and responsibilities.

The above three activities are linked closely to the work that took place under SP-YI-IPI No. 1, and the implementation was occurring concurrently. In fact, the assessment of the existing system for industrial policy implementation was carried out as part of the process of identifying the organizational structure necessary for implementing the Action Plan for 2012–2013 and the Monitoring and Evaluation Framework for Industrial Policy Implementation.

In extensive discussions about the project, the consultant contracted for implementing SP-YI-IPI No. 1, MoE IPCD, and the DPMEA Cabinet. This implementation was carried out while drafting the Action Plan and M&E Framework. It was determined that the implementation structure provided in the Industrial Policy document—although very advanced in terms of coordinating the large number of involved institutions—still lacks a strong institution to direct the overall coordination and operative management of the implementation process. The shortcomings of the existing system, as well as the recommendations for its improvement (i.e., strengthening the MoE's role in the overall process for implementation, monitoring, and evaluation) are included in the Action Plan for Industrial Policy Implementation, 2012–2013, which is expected to be finalized and submitted to the CCOM and GoM for adoption in November 2011. In the second year of implementation, the Project plans to support the preparation of comprehensive rules and procedures for industrial policy implementation, which will include and be based on action plan recommendations.

The action plan also will include useful information that will help the project identify potential areas of assistance in context of industrial policy to be supported in year 2.

- Actively participate in planning a one-stop-shop (OSS) for investment licenses and permits by advising the WG that DPMEA established for this purpose, and closely collaborate with EU advisors assigned to design the OSS concept.

The launch of the EU project on the OSS was delayed significantly for technical and procedural reasons. Thus, their mission started as late as September 2011. The project met with EU advisors and the DPMEA Cabinet representative and was informed of its plans for the next period, which are still only generally defined. At the meeting, the Project offered to participate in the working group's work, which is (should be) established for designing the OSS concept and thus will contribute to the process with its past expertise and experience. It also asked to be updated regularly on the developments.

The project will continue to closely follow all activities in the area of OSS development to gain enough information to determine the type and extent of its future assistance.

1.1.2 Theme 2: Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports

During the reporting period, activities focused on not only defining the strategic framework and description of the services that Invest Macedonia would offer in the area of export promotion but

also designing the export promotion and export readiness programs for MoE. The following main accomplishments were achieved: (1) creation of a strategic document, *Organizational and Strategic Design for the Agency for Foreign Investments and Export Promotion (Invest Macedonia)*; (2) organization of training tailored to economic promoters, with an emphasis on the export promotion services they should provide; and (3) analysis on export-ready companies and on companies with export potential in various sectors, and design of the action plan and measures for the GoM programs for export readiness and export promotion programs.

SP-YI-Export No. 1

- **Develop a strategic framework and business model for the Agency for Foreign Investments and Export Promotion (Invest Macedonia)**

This activity consisted of three phases:

Phase 1: Organizational and Strategic Design. The objective Phase 1 was to complete a baseline analysis of Invest Macedonia, propose how the organization should carry out its mission, recommend its organizational structure and mechanisms for coordinating with other government agencies, prepare an action plan for implementation, and advise on export promotion metrics. Phase 1 was completed in June.

Phase 2: Sector Selection and Typology of Firms. Objectives of Phase 2 are to recommend the sectors that have the greatest ability to increase exports, drive production, and increase jobs and to identify types of enterprises in these key sectors that have the highest potential for export growth. During Phase 2, an analysis will be conducted that will cover two main vantage points:

- **Quantitative Analysis**—filter sectors and products based on metrics such as addressable market demand and growth trends
- **Qualitative Analysis**—incorporate development-objectives and consider nuanced sector constraints that may not be apparent in the quantitative analysis

Phase 3: Service Offerings and Support for Exporters. Objectives of Phase 3 are as follows:

- Describe products and service development programs that the Agency offers to exporting companies. Recommendations will include business processes that will ensure organizational effectiveness of the key departments in Invest Macedonia (e.g., setting specific work activities, including times and places, a beginning and an end, and clearly defined inputs and outputs).
- Review the cost-sharing grant schemes that MoE administered, as well as international best practices and a description of the proposed grant scheme or other co-financing arrangements for the exporters. This description will include key characteristics of selection criteria, how the grant or co-financing application will be managed, and eligibility and evaluation criteria.

Phases 2 and 3 will be completed by the end of October 2011.

Deliverables:

- Strategic Framework and Business Model Project for Invest Macedonia: Organization and Strategic Design
- Sector Selection and Typology of Firm Analysis
- Invest Macedonia Service Offerings

SP-YI-Export No. 2

- **Export promotion training for the economic promoters of the Republic of Macedonia**

A training and panel discussion about export promotion was held from 6–7 July 2011 at the Parliamentarians Club in Skopje. The objective of the training activity was to introduce economic promoters to their new responsibilities in export promotion and to transfer knowledge and best

practices from implemented donor programs. The training was attended by 40 participants, economic promoters, and MoE, Invest Macedonia representatives.

The first day of training included a program overview introduction of the promoters' new responsibilities; a presentation on Macro Environment for Export Promotion; and presentations on the various subjects (e.g., USAID IDEAS project, AgBiz Program and the Macedonian Competitiveness project [MCP], Macedonian Association of Processors [MAP] and Wine Association presentations, Private Agribusiness Exporting Company presentation); and a general discussion.

The second day of training included a presentation about Market Research Methods and Data Mining by a Dutch Centre for Promotion of Imports from Developing Countries (CBI) representative; followed by a panel discussion; and then presentations by GIZ, SIPPO, and USAID's MCP representatives.

The training event was important from the perspective of the donor coordination, keeping in mind that it was implemented as a joint effort for all donors involved in the export promotion activities. Beside USAID Investment Development and Export Advancement Support (IDEAS) Project, other stakeholders participated to the activity, including the USAID AgBiz Program and USAID Macedonian Competitiveness Project (MCP), the Swiss Import Promotion Program (SIPPO), the German International Cooperation (GIZ) and the Centre for Promotion of Imports from Developing Countries (CBI).

Deliverables:

- Final written report about export promotion training

SP-YI-Export No. 3

- **Develop CRM and Training Activities for Promoters**

This activity was postponed for FY12.

1.1.3 Theme 3: Continued Professionalization of the Public Procurement system

Booz Allen Hamilton engaged and subcontracted the Center for Solutions and Reforms REFORMIKO to implement activities in the Public Procurement (PP) area in conjunction with relevant stakeholders, as a professional organization with recognized expertise in this area. Since the end of July 2011, REFORMIKO has been implementing various activities oriented toward (1) improving the status and capacity of the Public Procurement Bureau (PPB) and public procurement profession, and (2) increasing the usage and promotion of the eProcurement system. For this report, the activities undertaken and completed up to 30 September 2011, as well as activities that are to be undertaken up to 31 December 2011 (as per the subcontract), will be presented. By 30 September 2011, the following activities were undertaken and completed.

SP-YI-PP No. 1

- **Improving the status and capacity of the PPB and public procurement profession**



Photo credit: Project staff member

Opening session of the two-day training/panel discussion on Export Promotion

Catalogue of Competencies for the Public Procurement Officers

The REFORMIKO team worked on drafting the Catalogue of Competencies for the PP Officers. For this purpose, the team worked closely with PPB staff, but it also had meetings and communication with the Ministry of Information Society and Administration (MISA), as institution responsible for professional and educational development of the civil servants (including PP officers) and for development of the Overall Catalogue of Competencies for Civil Servants. The Catalogue is now finalized and endorsed by PPB officials, and the IDEAS Team will launch activities to promote the Catalogue among the contracting authorities (CA). Having this document makes it easier for the CA to appoint competent and qualified staff to work on public procurements and will contribute toward developing and strengthening the PP profession.

Study Tour to Belgrade, Serbia

To collect information about other countries' experiences relating to the PP system—especially the legal status of the PP authority, training system (providers, curriculum, software tool), and certification of the PP officers—the five-member delegation, consisting of Macedonian PPB representatives (i.e., Mr. Aleksandar Argirovski and Mr. Kiril Karanfilov) and the REFORMIKO team (i.e., Elena Stamoska, Samir Latif, and Darko Janevski), travelled to Belgrade, Serbia. During their 2-day stay in Belgrade, the delegation attended several meetings with relevant public authorities and private companies.

During these meetings, topics such as the following were discussed in detail: legal status of public procurement authority and the contracting authorities in general, legal provisions relating to the training process and certification of public procurement officers, along with their practical implementation, using software tools to conduct training and examination; and eProcurement system specifics. The knowledge acquired from this study tour will be used and reflected adequately in several upcoming deliverables, including the Comparative Study (Analysis), Report on the Assessment of the Training Program, and Technical Specification for Training Software.

Technical Specification for Training Software

The specialized and continuous PP training program so far has been conducted without much use of information technology (IT), except for routine email communication with the program's trainers and trainees. Because at least two training sessions are organized each month (attended by roughly 40 participants), it was necessary for PPB staff involved in organizing the trainings and examination to use an IT tool to facilitate the entire process. Based on the needs described by PPB staff and the similar software applications that were reviewed (including the Serbian experience), REFORMIKO experts drafted a technical specification. This specification was shared with relevant PPB staff who offered useful suggestions, which were incorporated into the final version. The PPB will use the technical specification in the upcoming tendering process (i.e., based on this specification, the selected software company will develop the functionalities).

Internship Program

Two young people were engaged through the project to work as interns within PPB for 6 months. The PPB staff and REFORMIKO team trained these interns and provided them with continuous instruction so that they could better understand their tasks and fulfill their roles. According to PPB management, the interns already are providing valuable assistance.

Deliverables:

- **Catalogue of competencies.** A catalogue of competencies for officials involved in the PP, which will be included in the Overall Catalogue of Civil Servants
- **Training (software) needs.** Consultants developed technical specification for specialized software for conducting the training (e.g., registration of candidates, test generator, training calendar, training evaluation).

SP-Y1-PP-#2

- **Increase usage and promotion of the eProcurement system**

Action Plan for further development of the eProcurement system, 2011–2012

The REFORMIKO team drafted an action plan for further development of the eProcurement system for 2011–2012. The action plan encompassed the latest developments, particularly requests and/or government conclusions in relation to the eProcurements, such as the need to procure new hardware, introduction of electronic tools for low-value procurements, and the need for legislative modifications. All these novelties are aligned with the broader goals of the public procurement policy. The PPB Director endorsed the final version at the end of August 2011. The action plan will be used as guidelines to PPB and in general to creators of the Government policy as to what/when/how should be undertaken in the upcoming period to achieve the eProcurement goals promptly and efficiently.

Model contract for procurement of software application development

REFORMIKO experts drafted the model contract and incorporated the comments and proposals that PPB and MISA provided during the drafting process. REFORMIKO experts also composed an explanatory note to help users better understand the goal, specifics, and manner of usage of this contract. REFORMIKO and PPB plan to organize a broader presentation of the model contract. REFORMIKO experts are ready to help those contracting authorities that will use (and adapt) the contract for procuring specific software application.

Deliverables:

- Action plan for further enhancement of the eProcurement system developed
- Model contract for procuring software development finalized and promoted

Ongoing work

The following ongoing activities will result in improved capacity of the PPB and public procurement profession and in increased usage and promotion of the eProcurement system: (1) conduct comparative analysis regarding PPB status, specialized training, and mandatory certification, (2) review current eProcurement system, (3) provide technical support for upgrading and proper functioning of the e-procurement system, and (4) facilitate process of issuing bank guarantees in electronic form. In the next reporting period, these and other activities to be undertaken, along with end-of-year outcomes, will be presented.

1.2 COMPONENT B—PUBLIC-PRIVATE DIALOGUE (PPD) ENHANCED

After a series of consultation sessions with all stakeholders, the project managed to create the necessary conditions for creating a sustainable public-private dialogue (PPD) process. The four national chambers of commerce (CoC) were assisted in the process of building capacities to become a relevant counterpart of the GoM by creating policy papers. The CoCs selected and supported four policy papers on various issues. The CoCs also accepted our proposal to not only formalize a team consisting of professionals within their structure who specialize in policy papers but also establish a requirement that this team will review all proposals and initiatives before they are publicized. This represents the key improvement of the private sector's position as a stakeholder in the PPD process and offers a lasting and sustainable solution.

With GoM counterparts, the project was able to identify roles and assistance opportunities for the main PPD mechanisms: the NECC, the Economic–Social Council (ESC), and the Regulatory Impact Assessment (RIA)/ENER [i.e., Unique National Electronic Register of Regulations] process, as well as intensified consultations with several media institutions regarding improving awareness and knowledge on PPD in the society. As result of these activities, we determined the priorities to be addressed in our assistance in Year 2 of the Project, in complete synchronization with our counterparts' needs and interests.

SP-YI-PPD No.1

- **Help CoCs create policy papers focused on export and investment.**

As result of our efforts, the four national CoCs decided to improve their current setting. They accepted our proposal to assign a team of professionals within their structure, working on producing policy papers based on analysis and elaboration. The team will communicate regularly and directly with their counterparts at public institutions, thereby providing the most efficient way to perform PPD. The team will be officialized in its legal acts, making it their obligation to review all proposals and ideas before being publicized. These CoCs worked with our experts to create policy papers addressing various issues focusing on export and investment, while learning from the process and strengthening their internal capacities. After the process was completed, four policy papers were developed, as listed below.

Deliverables:

After the process was completed, the following deliverables were created:

- 1) Two policy papers (i.e., policy memorandum and background document) were created:
 - **Macedonian Chambers of Commerce:** policy paper focused on export and investment in the field of development of rural tourism in Macedonia. (Expert: Rozalija Karcicka-Vasilevska)
 - **Economic Chamber of North-West Macedonia:** policy paper focused on export and investment in the field of wood and furniture industry in Polog region. (Expert: Nebi Jusufi)
- 2) Two policy memorandums were completed in accordance with the TOR:
 - **Economic Chamber of Macedonia:** Policy paper focused on boosting of export through the application of autonomous measures in the food industry (background document ongoing, expected November 2011)
 - **Macedonian ICT Chamber (MASIT):** Policy paper for unique value proposition for the Macedonian software and IT services industry (background document ongoing, expected December 2011)

SP-YI-PPD No. 2

- **Training with the public and private sector on the RIA mechanism and the benefits of the ENER system, and review and identification of possible improvements.**

A series of coordination meetings and consultations was held with a team of officials from the Cabinet of the Vice-Prime-Minister for economic issues, led by Mrs. Popovic-Trajkova, Head of the Department for Economic Policies and Regulatory Reforms. The approach and the specific activities in this area were determined, resulting in a scope of work planned to be submitted for approval. We jointly analyzed the strategic documents and the review analysis that the GoM and its experts performed, identifying weak points and issues to be solved and thereby defining the need of support. However, because of changes in the personnel structure of the Cabinet of the Vice-Prime-minister for Economic Affairs and the ongoing review of the GoM's plans in the field of RIA and PPD, at request of the Cabinet, the scope of work will be submitted for approval at the beginning of November instead, including amendments in the GoM procedures for an institutionalized and sustainable PPD.

We agreed to build on the achievements made so far and coordinate our efforts with various projects performed and still ongoing in PPD (Organization for Security and Cooperation in Europe [OSCE], British program) and to provide our support in accordance with the needs that the Cabinet of the Vice-Prime-minister emphasized for economic issues as the national coordinating point for PPD.

SP-YI-PPD No. 3

- **Workshop with the media on PPD and its various mechanisms and advocacy approaches**

The activities with the media, including the workshop on PPD, were delayed for year 2 of the Project as result of the delayed preparation phase of the public administration for the initiation of NECC, ESC, and RIA/ENER activities and the ongoing promoting of policy papers in the public. Moreover, USAID's policy of low media visibility during elections was key for the Project's decision to postpone this event.

In the past period, arrangements were agreed on with the media regarding the event, and we expect it to be realized no later than December 2011, in complete coordination with our stakeholders in the public and private sector regarding the contents to be presented.

SP-YI-PPD No. 4

- **Provide advocacy for best practices, knowledge sharing, and training for Macedonian CoCs**

In collaboration with the CoCs, our focus in FY11 was in line with creating new teams of professionals responsible for policy paper creation, RIA/ENER, and the PPD process as a whole, and working directly on their status in the institution and their ability to create relevant policy documents. These two are the main preconditions for any other activities.

The activities connected to education sessions about knowledge sharing, best practice presentation, and specific training for CoC staff were delayed for year 2 because the existent human resources of the CoCs were insufficient for such a systematic approach. As soon as these teams are operational (by December 2011), we expect the series of seminars and education sessions to be realized, as planned, addressing the right people and thereby achieving maximum effect.

Other Component Activities

In addition to specified activities, under the planned support of the National Entrepreneurship and Competitiveness Council (NECC), in FY11, we supported the realization of the annual national survey on competitiveness for the Republic of Macedonia, as part of the annual report of the World

Economic Forum (WEF), thereby making it possible for Macedonia to remain listed in this very significant report and provide its position on the global competitiveness review. This activity was realized at the request of the GoM and is expected to arise again in FY12.

I.3 ISSUES

- The Project initially consisted of three components, instead of the current two. The Component C: Legal Framework on Planning and Permitting of Construction Land is Improved and Government Capacity to Implement New Laws is Enhanced, which was originally included in the Project's Request for Proposal and Booz Allen's proposal, has been removed from the Y1 Workplan, in agreement with USAID's letter dated April 27, 2011. Considering that the GoM has been proactive in reforming the legal framework for land management, and other USAID projects have provided substantial assistance to the government in terms of IT support, capacity building, and legal implementation, USAID has decided to reevaluate the relevance of the Project's Land Component until further notice.
- As stated in the Executive Summary, because the FY11 Work Plan was approved in April 2011, the implementation period of foreseen activities during the Project's Year I was shortened. In the meantime, in June 2011, parliamentary elections were held in the country, which contributed to shifts in counterpart institutions' staff and new management. All of this resulted in a slower tempo for realization of the foreseen Special Projects. Besides the successfully completed Special Projects, some foreseen component activities were postponed for FY2012.
- The elections that occurred 5 June 2011 affected the frequency of meetings of the Competitiveness Committee of Ministers (CCOM) that usually met twice a year. Understandably, all ministerial activities were put on hold pre- and post- elections; consequently, CCOM did not hold its June meeting. The elections also moved the process of planning and budgeting of competitiveness programs from June (as it was previously planned) to autumn.
- The Government's post-election actions confirmed its determination to maintain the existing model of multi-institutional treatment of FDI. Therefore, the Project decided to modify its activities in this area and shift its focus to specific activities for streamlining investment procedures, such as the support to the one-stop-shop for investment licenses and permits and development of aftercare services.
- The early Parliamentary Elections and changes in the management structure in the Invest Macedonia have influenced the dynamic of implementation of activities related to establishing the export promotion function and IT infrastructure in the Invest Macedonia. Those activities were postponed for implementation for the beginning of the Y2 of the project.
- The initial idea of establishing the Invest Macedonia as an umbrella institution that will integrated all export readiness and export promotion activity was dissolved, and the main focus of Invest Macedonia will remain traditional export promotion.
- The realization of the planned activities of Component B-PPD is connected closely to the resources of our counterparts, available for support and cooperation. In that sense, despite the strong support and interest for our assistance, the efforts for creating professionalized teams within in the field of RIA and policy papers within the COCs lasted longer than anticipated initially. The internal procedures that the COCs were facing while designating employees to work with the Project and choosing the subject on which policy papers should focus, resulted in a slight delay of the actual implementation of the activities. This ongoing process will be completed by the beginning of FY2.

- On the public administration side, several issues were influencing the dynamics of PPD activities in FY11:
 - The planned establishing of the NECC was delayed because of parliamentary elections held in June and will be finalized late October instead of May 2011. This action had a limiting impact on our scope of activities, making it possible for us to assist the preparations on technical level, but delaying the high-level support that we had planned.
 - The extraordinary election also influenced the Economic-Social Council (ESC) and social dialogue because the Minister of Labor by law is presiding the ESC, and its sessions were delayed from May to September 2011. The ESC is effectively working since September 2011, giving us just enough time to initiate and agree to our cooperation for FY 2012, instead of FY11.
 - At the GoM's request, our assistance in implementing RIA was prolonged to give enough space for the ongoing analysis and reviews supported by OSCE and the British embassy to determine the current condition; provide recommendations; and in coordination with the GoM, define the next steps in this field. These documents were finalized in October 2011, giving us just enough time to initiate and agree to our cooperation for FY 2012, instead of FY11.
 - As a result of the elections process, the Department in charge of RIA undertook a series of personnel rotations, designating the current, newly appointed person in early October 2011. We are now working with this person on the issue. The RIA/ENER also was transferred to another Ministry (i.e., Ministry of Information Society and Public Administration) in late September 2011, and we are currently coordinating our activities with this new counterpart. All these changes imposed an adjustment process that resulted in delaying most activities.
- Our presence in the media and the awareness raising and education of media professionals, along with the "sensibilization" of the broader public, was related closely to the delay of specific activities in various fields as well as the period of elections, requesting a lower visibility approach in the period late April-late August 2011, until the counterpart structure was defined as result of the new distribution of officials on all levels in the administration.

During 2011, in regard to the mentioned issues, we were able to work closely with our counterparts, providing support as requested and agreed with their potentials and circumstances, but especially in building the necessary environment for the FY 2012, toward an efficient and fruitful realization of all present and future planned activities.

2. PUBLIC RELATIONS (PR) AND INFORMATION

The results achieved in Public Relations (PR) and Information for FY11 are described below.

- **Developed Comprehensive Project Communications Strategy**

The primary objective of the communication strategy is to increase public awareness of the USAID-funded IDEAS Project. This strategy includes the following sections: Background and Introduction; Project Objectives; Communication Strategy: Objectives and Purpose; Messages; Target Audiences; Communication Tools; Coordination with Home Office and USAID Mission; Components' Communication Requirements; and Planning Schedule for High-Visibility Event.

Sharing information about the goals, objectives, and scope of work of the IDEAS Project is critical to the project's success in its current and subsequent phases. The project strategy has been designed in such a manner that it cuts across the project's areas of work and partner organizations to provide a holistic view of all communications requirements dealing with such aspects as awareness, communication, capacity building, and promotion.

The Communication Strategy is an internal document whose purpose is to be used as a guideline and a roadmap for project staff when they are organizing public events and/or promoting project and release outreach products. While developing the Communication Strategy, component leaders and their support staff took an active role and contributed especially to identifying components' communication requirements, including Audience, Key Messages, Communication Tools and Responsible Person. For more details, see *Communication Strategy* on the CD-ROM version of this report.

- **Identify project activities to which the project should give PR priorities**

In coordination with component leaders, the Project activity that needs to receive priority for PR activities was identified. To maintain proactive media relations, a few meetings were organized with the Executive Director and Editor in Chief of the business outlet "KAPITAL" for presenting the project and identifying opportunities for promoting the project's work activities. Considering that the media outlet expressed interest for the project's work, we took one step forward: we asked responsible officials from KAPITAL to provide us with a rough budget for preparing and publishing articles in the weekly edition of KAPITAL. The proposal that the magazine submitted for our project is 4,940 Euro for publishing eight articles, two for each project component for one calendar year. These two-page articles would be in color in A4 format. The proposed cost, which includes a 35-percent discount, is only for our Project (regular price is 7,600 Euro). The offer includes journalist(s) level of effort (LOE) "pro bono" for preparing the articles.

The proposed budget is a subject for negotiation between the project and magazine. If we can come to a mutual understanding in the next FY, we will develop a scope of work or/and SP, stating the way of cooperation and listing expected deliverables for promoting Components Results and Achievements.

- **Develop communication tools**

As part of the communication strategy implementation, four communications tools were completed: (1) two *project banners* were developed, the Development Outreach and Communications (DOC) approved the branding, and banners were printed; (2) local vendor 4Virtus Company developed the *Project's website*; (3) the project's *Pager* (one-page document) was written; and (4) *component factsheets* were developed. The factsheets were printed and posted on our website, along with a handout to each component leader for further dissemination. The printed



communication tools are disseminated at the Project's supported events and meetings. While developing all the above-mentioned tools, Project Branding and Marking Plans, which comply with USAID's ADS Chapter 320 Branding and Marking, were implemented.

Project Banners. We developed two project banners and began displaying them at all relevant special events.

Project's website (www.ideas.org.mk). We developed an appealing, relevant, dynamic, and informative website for our target audiences. We update the website monthly and pay special attention to the quality of visual content. All pages are updated in a consistent format, with a focus on concrete achievements and impacts. We will track monthly hits to our website and specific pages (sections).

This bilingual (i.e., English and Macedonian Languages) website has eight tabs: (1) Home Page; (2) About the Project; (3) News and Events; (4) Photo Galleries; (5) Success Stories; (6) Publications; (Links); and (8) Contacts.

Project's One Pager. The Pager includes basic information about the project's objective, areas of work, project activities, expected results, and contact information. The Contracting Officer's Technical Representative (COTR) and DOC approved the Pager and translated it into Macedonian. For more details, see *Project One Pager* on the CD-ROM version of this report.

Conference and Training Calendar. We provided monthly input to the project's activities for USAID's Office of Economic Growth (EG) Event Calendar. Subsequently, all events stated in the Calendar are posted on the project's website.

Component Factsheets. To introduce our audiences to project components and its objectives, we initiated and developed four factsheets. Every factsheet includes an overview of the component, planned activities, expected results, and communication key message, which will be disseminated to the public, along with contact information. The previews of factsheets are presented in the text box below. For more details, see *Fact Sheets* on the CD-ROM version of this report.



Preview of the Home Page



Project One Pager



Public-Private Dialogue

Export Promotion

Industrial Policy

Public Procurement Implementation

- **Media Exposures**

Press Release. We prepared a press release, “Increasing Domestic Industry’s Competitiveness through Team Work,” in cooperation with MoE, and cleared by USAID/DOC. It was released to the media. This press release was intended for the SP Number: SP-YI-IPi-#3, Event for IMEG, Industrial Policy and Competitiveness Department in the Ministry of Economy (MoE IPCD), and DPMEA Cabinet, to build team cohesion, increase awareness on the importance of industrial policy, and develop basic outreach skills. The press release was posted on USAID/Macedonia, on the project’s website, and on the MoE website. For more details, see *Press Release* on the CD-ROM version of this report.



Press Clippings

During FY11, we started to track news articles related to “investments”; “export promotion”; “public-private dialogue” to monitor all developments related to the Project’s area of work. Interns prepare this type of press clipping weekly and share them among Project personnel.

However, because the project-funded activities started becoming more visible to our counterparts (e.g., Invest Macedonia, MoE, CoC, etc.; then, a few news articles were published in relevant media [e.g., KAPITAL], in which the project was mentioned in a positive context), the press clipping was prepared and shared with COTR and DOC. After providing translation in English, it will be posted on the IDEAS’s website under *Media Coverage*. For more details, see *Press Clippings, June–September 2011*, on the CD-ROM version of this report.

3. INTERNSHIP

The USAID IDEAS Project, with the beginning of its activities, has initiated the internship program. The purpose for implementing this program was to present an opportunity to young people, usually university students and/or recent graduates, to receive on-the-job training (i.e., practice and experience). These young people were given a unique opportunity to receive practice at a project that USAID financed and Booz Allen Hamilton implemented. This opportunity provided these youth with not only significant knowledge about international/U.S. procedures and rules but also an ability to work and communicate with other international, governmental, and private and business institutions. Furthermore, they also received advice and gained experience from local experts with substantial knowledge and expertise. Working in an environment that is different from that in the Macedonian public and private sector presents diverse opportunities in gaining experience, developing professional behavior and communication, and creating a network of contacts, communications, and specific specialization in the interns' areas of interest, which is an invaluable asset for every young person who has just started to build his/her professional career.

This effort meant direct involvement in preparations for events (e.g., conferences, seminars, workshops), activities in various working groups, important high-level meetings, providing logistics and support, working with other project team members on the development, production, and dissemination of project publications (print and online media), assisting with developing presentations, lectures, and translations.

The Internship Program is expected to continue to enable interns to gain experience and develop contacts in the public and private sectors, which ultimately will enhance their skills and help them become more competitive in the labor market when they begin searching for employment.

Keeping in mind the valuable experience that the IDEAS Project has had in regard to the interns and their performance, the Internship Program is planned to continue, taking into consideration the mutual benefit: interns gain enormous practical experience and knowledge and receive valuable assistance and support from the project's senior leadership, which in return makes this project effective and efficient.

A. FY11 INDICATORS

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 st Jan–30 Sep		1 Oct–30 Sep		1 Oct–30 Sep		1 Oct–30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
Intermediate Result 3.1 : Improved Business Environment in Critical Areas												
Sub IR 3.1.1 Strengthened Government Capacity to Implement Economic Policies and Programs												
Indicators under 1.1., 2.1., 2.2., and 5.1.												
IDEAS Project Result: Improved Foreign Direct Investment (FDI) and Domestic Investments (DI)												
1.1.	Number of new competitiveness policies, programs, action plans related to industrial policy being implemented	Being implemented means that decisions from the Competitiveness Committee of Ministers are inclusive of the private sector comments and are being implemented by the implementing agencies at the national and/or local level.	Internal project reports/annually	0	3	0*	8		16		24	
IDEAS Project Result: Improved Export Facilitation and Investment Aftercare												
2.1.*	Volume of exports from targeted sectors facilitated by Invest Macedonia through USG assistance (in MKD)	The value of exports in a given year in targeted sectors, facilitated by the Invest Macedonia.	State Statistical Office/annually	TBD	By 5%	0**	By 15%		By 30%		-	
2.2.	Number of new policies/measures/sub-legislation that facilitate export are adopted	Policies/measures/sub-legislations are defined as any reform programs that affect the legislative and/or policy framework.	Project reports, implementing partners/annually	0	1	1 Strategic Framework for Invest Macedonia	3		5		-	
IDEAS Project Result: Improved Public Procurement Legal Framework												
3.1.	Number of new policies and/or regulations submitted to GoM for review and adoption, as a result of USG assistance	Number of new policies and/or regulations related to public procurement submitted to GoM for review and adoption, in cooperation with Public Procurement Bureau (PPB).	Implementing partners/annually	0	1	1 Catalogue of competencies for the officials involved in the PP	2		3		0	

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY I (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 st Jan-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
Intermediate Result 3.1 : Improved Business Environment in Critical Areas												
Sub IR 3.1.2 Public-Private Dialogue Improved												
Indicators under: 4.1. and 4.2.												
IDEAS Project Result: Enhanced Public Private Dialogue												
4.1. (PPR)	Percentage of issues resolved, as a result of dialogue efforts supported by USG assistance	The number of new issues resolved by the GoM, against the number of issues that were raised before the government by the private sector organizations, firms and individuals using acceptable advocacy approaches (e.g., policy papers, public debates, and conferences).	Project reports, Implementing partners/annually	0	50%	0***	54%		59%		63%	
4.2. **	Number of new public- private dialogue mechanisms institutionalized by GoM, as a result of USG assistance	Dialogue mechanisms means entities and regulations used by private sector organizations (firms and individuals) to raise issues with the government that the GoM turns into permanent channels of private sector input into policy making.	Project reports, Implementing partners/annually	0	0	-	1		2		3	
IDEAS Project Result: Enhanced Government Capacity to implement new Policies												
6.1.	Number of people trained as a result of USG assistance (disaggregated by gender and areas)	Trained is defined as acquired skills to be able to independently support the implementation of the policies/disaggregated by gender and areas. Areas are industrial policy, export promotion, public procurement, and public private dialogue	Project reports, Implementing partners/annually	0	155	77 Female-39 Male-38 IP-47 EP-30	202		462		582	

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY I (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 st Jan-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep		1 Oct-30 Sep	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual
6.2.** (PPR)	Number of institutions/organizations undertaking capacity/competency strengthening as result of USG assistance (disaggregated by area of institutional/organizational competency)	Number of institutions/organizations undertaking capacity/competency strengthening in one or more of the six areas of institutional/organizational competency: (1) governance (e.g., board, mission/goal/ constituency, leadership, legal status); (2) management practices (e.g., organizational structure, information management, administration procedures, personnel, planning, program development, program reporting); (3) human resources (e.g., human resources development, staff roles, work organization, diversity issues, supervisory practices, salary and benefits); (4) financial resources (e.g., accounting, budgeting, financial/inventory controls, financial reporting); (5) service delivery (e.g., sectoral expertise, constituency, impact assessment); (6) external relations (e.g., constituency relations, collaboration, public relations, local resources, media).	Project reports, Implementing partners/Annually	0	5	10 12-MP; HR 13-Gov; MP; HR 1-SD 1-SD; MP; ER	10 3-MP; SD; Gov 4-SD, MP 1-MP, HR 1- Gov; HR 1-MP. SD, ER; HR	0			13	

* All GoM programs and strategies aimed at improving the competitiveness of the Macedonian industry in the coming period (annual for longer periods of implementation) are still in process of adoption. Because the implementation for most of them starts in 2012, the adoption procedures will need to be finalized by December 2011. Relevant Information will be included in the PMP as programs are adopted.

** The Export Promotion Programs have been designed; the implementation has not started yet.

*** In FY11, the process of creating policy papers as the most adequate instrument for PPD was initiated, the Policy paper creation was supported, and the documents are currently subject of public debates, review, and approval on different levels. This process requests additional time to involve all relevant stakeholders and is expected to be completed early in FY12, when we expect to have the issues raised on various mechanisms and report of the index of resolved issues.

B. BUDGET

The table below is a summary of recorded charges in the Booz Allen's accounting system, as well as pending expenses for the month of September. Pending expenses are charges that have occurred during the reported period but have not been billed yet. As such, CSEND's expenses for completing the three day workshop with IMEG in September are reported although not expensed yet. Similarly, REFORMIKO's expenses incurred in September but not reported yet in our accounting system are accounted for. However, REFORMIKO's remaining activities to be performed in October are not reported in the table. Similarly, any remaining labor charges to be used by the Export Promotion expert team to finalize the scope of work in October are not reported either.

Additionally, the YI budget from the original Cost Proposal is being used as a baseline. Such budget totals \$1.29M and runs until December 2011.

Budget Summary (January 2011-September 2011)

	Y1 Obligated Budget	Spent as of 09/30/11	Pending September expenses	Total Spent - 09/30/11	Balance as of 10/01/2011
BAH Labor (Management)	\$ 66,334.69	\$ 64,666.97	\$ -	\$ 64,666.97	\$ 1,667.72
Local Staff Labor	\$ 291,545.71	\$ 251,324.58	\$ -	\$ 251,324.58	\$ 40,221.13
Travel and Allowances (BAH Management)	\$ 86,942.40	\$ 7,813.09	\$ -	\$ 7,813.09	\$ 79,129.31
Office Expenses and Local Travel	\$ 181,503.77	\$ 80,200.05	\$ -	\$ 80,200.05	\$ 101,303.72
Special Projects (ICs+BAH+ ODCs)/PR Marketing & Comm	\$ -				\$ -
Component A (FDI/DI/Aftercare)	\$ 20,000.00	\$ 12,385.30	\$ -	\$ 12,385.30	\$ 7,614.70
Component A (IP Implementation)	\$ 55,000.00	\$ 28,534.70	\$ 25,268.00	\$ 53,802.70	\$ 1,197.30
Component A (Export Promotion)	\$ 80,000.00	\$ 50,646.00	\$ 42,000.00	\$ 92,646.00	\$ (12,646.00)
Component A (Public Procurement)	\$ 42,200.00	\$ 12,444.00	\$ 35,895.41	\$ 48,339.41	\$ (6,139.41)
Component B (PPD)	\$ 28,000.00	\$ 7,409.00	\$ 6,000.00	\$ 13,409.00	\$ 14,591.00
Component C (Land/ME&A)	\$ 15,000.00	\$ 7,084.00	\$ -	\$ 7,084.00	\$ 7,916.00
E-Gov/ICT Tools	\$ -			\$ -	\$ -
FDI/DI/Aftercare	\$ -	\$ -	\$ -	\$ -	\$ -
Export Promotion	\$ -	\$ -	\$ -	\$ -	\$ -
PPD	\$ -	\$ -	\$ -	\$ -	\$ -
Cushion	\$ 23,500.00	\$ -	\$ -	\$ -	\$ 23,500.00
Internships	\$ 3,698.00	\$ 8,600.90	\$ -	\$ 8,600.90	\$ (4,902.90)
Commodities	\$ 44,194.00	\$ 44,194.00	\$ -	\$ 44,194.00	\$ -
Burden	\$ 163,371.73	\$ 158,078.70	\$ 9,824.71	\$ 167,903.41	\$ (4,531.68)
Fee	\$ 77,058.64	\$ 55,255.12	\$ 8,329.17	\$ 63,584.29	\$ 13,474.35
Write Downs	\$ -	\$ (1,960.41)	\$ -	\$ (1,960.41)	\$ (1,960.41)
TOTAL	\$ 1,178,348.94	\$ 786,676.00	\$ 127,317.29	\$ 913,993.29	\$ 264,355.65

C. LIST OF DELIVERABLES PRODUCED IN FY11

This section lists deliverables that IDEAS produced in FY11. Because of the total size of these deliverables, they are presented in a separate CD-ROM.

I.1.1 Outreach Releases

- Communication Strategy
- Press Clippings, Jun–Sep 2011
- Press Release
- Factsheets
- Project One Pager

I.1.2 Technical Materials

- Action Plan for Industrial Policy Implementation, 2012–2013
- Monitoring and Evaluation Framework for Industrial Policy Implementation
- Report on the Cost-Benefit Analysis of the Incentives Available to TIDZ Investors
- Tailored Excel spreadsheet that will enable Invest Macedonia to carry out ex-ante analysis of potential future investment deals by running various incentive scenarios
- Report on Seminar for Macedonian Institutions Involved in Industrial Policy Implementation—“Working as a Team for Industrial Policy”—prepared by CSEND
- Strategic Framework and Business Model Project for Invest Macedonia: Organization and Strategic Design
- Sector Selection and Typology of Firm Analysis (to be submitted by the end of October 2011)
- Invest Macedonia Service Offerings—in final draft preparation phase (to be submitted by the end of October 2011)
- Final written report about Export Promotion Training
- Catalogue of Competencies—catalogue of competencies for the officials involved in the PP that will be included in the Overall Catalogue of Civil Servants
- Training (software) needs—consultants developed technical specification for specialized software for conducting the training (e.g., registration of candidates, test generator, training calendar, training evaluation)
- Action plan for further enhancement of the eProcurement system developed
- Model contract for procurement of software development finalized and promoted
- Macedonian Chambers of Commerce: policy paper focused on export and investment in the field of development of rural tourism in Macedonia. (Expert: Rozalija Karcicka-Vasilevska)
- Economic Chamber of North-West Macedonia: policy paper focused on export and investment in the field of wood and furniture industry in Polog region. (Expert: Nebi Jusufi)
- Economic Chamber of Macedonia: policy paper focused on boosting export through the application of autonomous measures in the food industry (background document ongoing, expected November 2011)
- Macedonian ICT chamber (MASIT): policy paper for unique value proposition for the Macedonian software and IT services industry (background document ongoing; expected December 2011)

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