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INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT PROJECT

ANNUAL REPORT
OCTOBER 2013 – SEPTEMBER 2014

October 2014

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TABLE OF CONTENTS

LIST OF ACRONYMS	II
EXECUTIVE SUMMARY.....	4
I. COMPONENT LEVEL ACCOMPLISHMENTS.....	9
Component A, Theme 1: Implementation of the new GOM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and aftercare	9
Component A, Theme 2: Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports.....	19
Component B: Public-Private Dialogue (PPD) Enhanced.....	29
II. COMMUNICATIONS, PR AND OUTREACH	37
III. INCLUSIVE DEVELOPMENT	43
IV. PERFORMANCE MONITORING PLAN (PMP)	44
V. FINANCIAL SUMMARY	50

LIST OF ACRONYMS

AEP	Agency for Entrepreneurship Promotion
AmCham	American Chamber of Commerce
BA	Business Association
BEO	Bureau Environmental Officer
BC	Business Community
B2B	Business to Business
CoC(s)	Chamber(s) of Commerce
COR	Contracting Officer Representative
CEED	Center for entrepreneurship, education and development
CEFTA	Central European Free Trade Agreement
CIFF	Copenhagen International Fashion Fair
CRM	Customer Relationship Management
DI	Domestic Investments
DOC	Development Outreach and Communications
DPMEA	Deputy Prime Minister for Economic Affairs
DTIDZ	Directorate for Technological Industrial Development Zones
DQA	Data Quality Assessment
EG	Economic Growth
ENER (EHEP)	Unique National Electronic Register of Regulations
EP	Export Promotion
EU	European Union
E&E	Europe & Eurasia
FDI	Foreign Direct Investment
FIC	Foreign Investors' Council
FY	Fiscal Year
GIZ	Gesellschaft für Internationale Zusammenarbeit
GoM	Government of Macedonia
ICT	Information and Communications Technology
IDEAS	Investment Development and Export Advancement Support
IGD	Inclusive Growth Diagnostic
InvestMacedonia	Agency for Foreign Investments and Export Promotion
IP	Investment Promotion
IT	Information Technology
MASIT	ICT Chamber of Commerce
MISA	Ministry of Information Society and Administration
MLSP	Ministry of Labor and Social Policy
MoE	Ministry of Economy

MoU	Memorandum of Understanding
MEO	Mission Environmental Officer
M&E	Monitoring and Evaluation
NECC	National Entrepreneurship and Competitiveness Council
NGO	Non-Governmental Organization
PAO	Public Affairs Officer
PA	Public Administration
POC	Point of Contact
PMP	Performance and Monitoring Plan
PP	Public Procurement
PPB	Public Procurement Bureau
PPD	Public-Private Dialogue
PPP	Public Private Partnership
PR	Public Relations
RIA	Regulatory Impact Assessment
RFP	Request for Proposals
RM	Republic of Macedonia
SEE	South-East Europe
SEEITA	South East Europe ICT Associations
SoW	Scope of Work
SME	Small and Medium Enterprises
TCB	Trade Capacity Building
TIDZ	Technological Investment Development Zones
TTA	Textile Trade Association
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USG	United States Government
Y3	Year 3
Y4	Year4
WB	World Bank
WEF	World Economic Forum
WP	Work Plan
WTO	World Trade Organization

EXECUTIVE SUMMARY

This document represents the USAID Investment Development and Export Advancement Support (IDEAS) Project Annual Report for the period October 1st, 2013 – September 30th, 2014. In the fourth year of implementation, the IDEAS Project (referred to hereinafter as the “Project”), focused on activities designed to enhance investment and export initiatives in Macedonia and develop mechanisms to ensure sustainable public-private dialogue in the country.

The initially prepared Work Plan (WP) for FY’14 was foreseen to cover a period of 15 months, including an additional three- month period (October – December 2014), when the Project was scheduled to be completed. In the meantime, after the completion of the USAID/Macedonia Inclusive Growth Diagnostic (IGD), USAID Macedonia requested from Booz Allen Hamilton a proposal for an extension period for IDEAS (Jan 2015 – Dec 2015). The Project is currently in process of modifying the contract to extend the Period of Performance with an appropriately modified Scope of Work. In addition, in order to advance one of the objectives of the USAID Forward strategy, to “Promote sustainable development through high-impact partnerships and local solutions,” during this period of potential extension, IDEAS intends to support the establishment of a local organization. The intention is to represent the legacy of the Project, with an organization formed by representatives from the IDEAS Project local staff, and build its institutional capacity during the remaining life of the IDEAS Project (2015). This will assist USAID in achieving long-term sustainable development, by strengthening local partners and organizations that will serve as engines of growth and progress. This process shall also be a component of the approved extension

Because of the above-mentioned situation, in order to follow the guidance provided by USAID, the Project agreed to complete the activities foreseen in the Y4 WP by September 30th, 2014. During this period, the Project undertook activities to help implement economic development policies, build institutional capacity of Project partner organizations, and promote the public-private dialogue in the country. The activities were discussed and agreed upon with Project stakeholders from the public and private sectors (Deputy Prime Minister for Economic Affairs, Ministry of Economy, InvestMacedonia, Directorate for Technological Industrial Development Zones, Ministry of Information Society and Administration and all four Chambers of Commerce).

The key achievements of the Project, during the reporting period, are presented below. They are presented by component/type of activity, and not in chronological order.

General

- A presentation and discussion of the draft Y4 WP was organized on September 11, 2013. All of the planned activities, previously set to be compliant with partner organizations’ Annual Work Plans, were presented to USAID (the USAID Mission Director; the Economic Growth Office Director and representatives), together with the representatives of Project’s main stakeholders (Cabinet of the Deputy Prime Minister for Economic Affairs – DPMEA; Ministry of Economy – MoE; Ministry of Information Society and Administration – MISA; Agency for Foreign Investments and Export Promotion – InvestMacedonia; Directorate for Technological Industrial Development Zones – DTIDZ; Agency for Entrepreneurship Promotion – AEP; National Entrepreneurship and Competitiveness Council – NECC). At this event, the commitment of the stakeholders to achieve the planned goals was once again confirmed. Based on this, USAID approved the WP on October 9, 2013 and the Project started with its implementation.

Aftercare

- In order to assist the aftercare process, and to facilitate short-term planning of aftercare services within InvestMacedonia and DTIDZ, the Project developed and printed two Aftercare Manuals – for the needs of both institutions. The Manuals are designed to serve as

a framework for the annual planning of aftercare activities and are expected to give the institutions background information on every potential aftercare service and facilitate the process of their implementation.

- In the beginning of Y4, the Project assisted InvestMacedonia to complete the establishment of a database of major foreign investors, an activity initiated during Y3. This activity is expected to significantly improve InvestMacedonia's performance in the area of aftercare by enabling the agency and other GoM institutions to reach out to, and communicate with all relevant foreign investors and distribute them relevant information in a more efficient and comprehensive manner.
- The Project helped establish a database of potential domestic suppliers in the sector of light manufacturing that have potential to collaborate with larger investors in the country. A specially tailored questionnaire was developed for data collection for the database. The outcome was a spreadsheet of 160 companies including all relevant company data – contact information, number of employees, turnover, capacity, references etc.; a set of individual profiles of the companies; as well as a spreadsheet of the development needs of the companies. All of these documents were shared with the representatives of the TIDZ Directorate and InvestMacedonia on June 12, 2013.
- In order to assist InvestMacedonia to improve the quality of communication with foreign investors, the Project developed for the agency two interactive questionnaires that will be used for regular collection of information from foreign investors – Questionnaire for the Investment Climate and Legislation Survey for InvestMacedonia and Questionnaire for the Aftercare Services Satisfaction Survey for InvestMacedonia.
- To enable online submission of data and compose forms needed for entry of domestic goods into the technological industrial development zones (required from companies which deliver goods to the foreign investors located in the zones), IDEAS contracted a local IT company to develop two new software modules to enable online submission of data prior to arrival of goods in the zones.
- Initiated the process of upgrading the website of the TIDZ Directorate. A list of technical and functional requirements was prepared by the TIDZ Directorate, and following the procurement procedures, an IT company was selected to undertake this activity. The TIDZ Directorate representatives met with the IT company representatives and agreed on new design and functionalities, thus the process is still ongoing.
- In order to assist the TIDZ Directorate to improve the quality of communication with foreign investors located in the zones and expand the quantity of data related to their satisfaction with the investment climate and aftercare services, the Project developed two questionnaires that will be used for regular collection of information from foreign investors – Questionnaire for the Investment Climate Survey for InvestMacedonia and Questionnaire for the Aftercare Services Satisfaction for InvestMacedonia.
- IDEAS prepared a detailed concept for the publication of a TIDZ Directorate newsletter, describing all characteristics of potential chapters of the publication and its articles, as well as determining all steps of its preparation.
- To assist the Ministry of Information Society and Administration and GoM identify and design specific measures to further enhance the electronic trade in the country, the Project helped prepare an Analysis of the current situation in the implementation and use of e-commerce in economic activities in Macedonia.

- The Project was engaged in the organization of the Macedonia Trade-Facilitation Self-Assessment Workshop. The five-day event was co-organized with the Ministry of Economy and its purpose was to assess the country's current compliance and capacity – building needs in regard to the implementation of the Trade Facilitation Agreement adopted by the WTO at the last Ministerial conference held last year. Thirty five (35) representatives of government agencies responsible for regulating various aspects of cross- border trade and private sector association representatives took part at the workshop.

Export

- To build on the efforts in the area of export promotion in the IT sector, the Project supported the organization of B2B meetings and a matchmaking event in Skopje, part of MASIT's "E-Government and SEEITA Open Days Conference", which was organized on October 24-25, 2013 by MASIT, MISA and the French Embassy. More than 20 companies attended the event.
- The Project supported the organization of a trade mission for seven Macedonian companies from the ICT sector, which had the opportunity to attend the CeBIT Broadcast Cable & Satellite Eurasia, one of the most influential fairs for the ICT industry for Eastern Europe, Central Asia and Middle East markets. The fair took place on September 11 – 14, 2014. The objective of this activity was to contribute to an increase in exports of ICT, as well as build the capacity of, and transfer knowledge to InvestMacedonia in the area of export promotion.
- In collaboration with InvestMacedonia, SIPPO and the Textile Trade Association, IDEAS helped organize an apparel trade promotion B2B event in Copenhagen, Denmark. The event held on January 29, 2014, was an excellent opportunity for eight reliable suppliers from Macedonia to be presented to visiting companies at the B2B event.
- In the period from May 20 – 26, 2014, the International Agricultural Fair 2014 was held in Novi Sad, Serbia. To promote Macedonian exporting companies in the agribusiness and food sector and establish new business leads with potential buyers from the region, the Project together with InvestMacedonia helped ten Macedonian export – oriented companies participate at this event. By undergoing a "learning-by-doing" process, the organization of such an event contributes to the human and institutional development of InvestMacedonia in the area of export promotion.
- In order to help the improvement of the knowledge and skills of both export-oriented companies and InvestMacedonia in terms of new methods and techniques for approaching foreign markets, the Project helped develop a Market Intelligence Report, export readiness assessment methodology and tool and survey for identifying bottlenecks for exports at the company level.
- To contribute to the improvement of companies' knowledge and skills regarding entering foreign markets and to increase the export potential for their products/services, distribution and placement, a training curriculum for best practices in the service sector was developed with the Project's support. Using this curriculum, two trainings of export – oriented providers were organized in collaboration with InvestMacedonia – the first for companies from the apparel sector, held on September 12, 2014, and the second for the service sector, held on September 26, 2014.
- As a continuation of activities from Y3, during the reporting period four new issues of the electronic newsletter "Exporter" were edited and published on the InvestMacedonia website.
- On December 5, 2013, a one – day training on "The use of social media in Export Marketing", was organized in collaboration with AEP and InvestMacedonia. The event was attended by representatives of 28 private companies and associations.

- On March 27, 2014, a training on “Branding and Export Marketing”, was organized in cooperation with AEP and InvestMacedonia, covering the importance of branding and marketing in the internationalization of businesses. It was attended by 45 participants, representing 20 private companies. Additionally, a Manual for creation of a branding strategy was created and published, wrapping up activities in the export education area.
- The Project helped upgrade the web portal and CRM system linkages of the InvestMacedonia, enhancing its functionality.

Public-Private Dialogue

- Assisted the operational performance of the National Entrepreneurship and Competitiveness Council in its second year in order to build a sustainable model for the period after the Project completion.
- On March 27-28, IDEAS delivered the second module of the Policy Paper Trainings for NECC members, held in Ohrid. This activity should help NECC members to define policy proposals based on research, evidence and analysis and become a relevant partner to the GoM.
- The PPD Component leader, together with two members from the DPMEA Cabinet, participated in the annual World Bank Workshop for Public – Private Dialogue in cooperation with GIZ which took place in Frankfurt, Germany.
- Supported the Public – Private Partnership (PPP) dialogue campaign, held by the Ministry of Economy, delivering 9 trainings throughout the country in the following cities: Skopje (2 trainings), Stip, Bitola, Ohrid, Gevgelija, Gostivar and Kumanovo. More than 200 participants from the respective institutions attended the trainings. The purpose of this activity was to raise awareness and educate a wide public sector audience on PPP.
- Assisted the establishment of an independent executive office of the National Entrepreneurship and Competitiveness Council, to help build it into a sustainable model for the period after project completion.
- In collaboration with the Ministry of Economy, AmCham and NECC organized a one-day training on Public – Private Partnerships, held on May 27, in Skopje. The purpose of this event was to raise awareness and educate the business community on PPP and business opportunities, central, regional and local. The objective was to strengthen the capacity of NECC and its role and relevance in the private sector in the area of PPP.
- The Unique National Electronic Regulations (ENER) System was promoted at the Macedonian Lawyers’ Association (MLA) Conference, held on October 24 – 26, 2013; which resulted in increased usage of ENER and involvement of lawyers from all segments of the society in the PPD process by actively contributing to better legislation.
- In collaboration with the Ministry of Information Society and Administration (MISA), organized 9 training sessions on November 14, 18, 19, and 22, 2013, for the public administration and business community to use the ENER System. A total of 121 representatives from 16 ministries, public institutions and business community were trained.
- Delivered a two-day consultative session for state secretaries on the importance of RIA/ENER. The event organized in cooperation with the MISA, took place on February 7-9 in Popova Shapka, Tetovo, and gathered in one place more than 20 representatives from relevant institutions.
- Completed the upgrading of the ENER System, resulting in a completely new improved solution to serve the business community and to enable the private sector to become engaged in the policy-making process.

- The Project organized three two-day trainings on Regulatory Impact Assessment (RIA) and the use of ENER for Heads of Departments and sectors in the public administration. The events held on May 26-27, 29-30 and on June 2-3, in cooperation with the MISA should increase the mid-level servants' ability to engage in RIA and use ENER as a PPD tool.
- The Project organized three workshops on Mentoring and Developing Policy Papers for the NECC business community, held on July 17-18 in Ohrid, on July 31 in Skopje and on September 2-3 in Skopje. The team of experts engaged for this activity coached and mentored participants on the process of creating three policy papers, which after the final session were presented to the GoM for further processing into specific measures to the benefit of the competitiveness of the domestic economy.

Other

- On April 10-11, 2014, the Project organized a training on business, diplomatic etiquette and protocol attended by 19 representatives from the MoE, MISA, InvestMacedonia, AEP, TIDZ Directorate and representatives of Chambers of Commerce and the NECC, held in Skopje. The same training was organized for Project staff on May 24-25, 2014 in Bitola.
- In collaboration with NECC, the Project organized a Follow up Workshop on "The role of the Business Community in the inclusion of people with disabilities". The event was held on April 24, 2014, and its general objective was to identify specific measures to improve inclusion of people with disabilities in the private sector. A total of 20 participants from relevant organizations participated.
- Developed Press releases, monitored media, managed media coverage and promoted project results and activities. Updated Project's website www.ideas.org.mk

I. COMPONENT LEVEL ACCOMPLISHMENTS

Component A, Theme I: Implementation of the new GOM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and aftercare

The assistance provided by this component in year 4 was dominantly targeted at strengthening the institutional and human capacity of InvestMacedonia and the TIDZ Directorate as two main government agencies for promotion of FDI and servicing of foreign investors to perform, within their respective responsibilities, efficient and focused aftercare services thus encouraging foreign investors in Macedonia to make new investments and reinvestments and motivating them to intensify and increase supply linkages with local SMEs.

Given the different assistance needs of the two institutions, the Project has implemented tailored sets of activities for each of them (the main implementing partner for each activity is usually referenced in the title). However, some of the activities were implemented for mutual benefit of both InvestMacedonia and the TIDZ Directorate.

Of all activities included in the Project Y4 work plan for this component, two were cancelled due to changed circumstances and in close consultations with USAID. The organization of the event for promotion of linkages between FDI and local SMEs was cancelled because GoM independently organized two similar events within a very short period of time thus rendering the Project idea for another such event exhausted. The two trainings for improving the competitiveness of selected Macedonian companies were not organized because by the time of their implementation, following the main USAID priorities the Project shifted the assistance focus towards the area of trade facilitation.

All funds released from the two cancelled activities were used for additional assistance efforts identified and implemented in close consultations with USAID and the main beneficiary institutions, namely:

- Organization of the WTO Trade Facilitation Self-Assessment Workshop in cooperation with USAID Washington.
- Development of a new modern website for the TIDZ Directorate that will significantly increase the quality of their services provided to the investors.

All activities implemented in the course of this year have been successfully completed, with the exception of the TIDZ Directorate website, the implementation of which has been somewhat delayed – it has started and is expected to complete by the end of November at the latest.

Finally, though without additional financial implications so far, from June to date the Project devoted significant amounts of time to the organization of the CEFTA Week 2014, as part of the trade integration and facilitation assistance to the Ministry of Economy planned for next year. CEFTA Week is scheduled to take place on November 19 – 20, 2014. The details of these efforts are provided under the respective title below.

SP-Y4-IPI-#1 – Printing of aftercare manuals for InvestMacedonia and the TIDZ Directorate

The Project developed and printed the Aftercare Manual for InvestMacedonia – a document identifying and elaborating all potential aftercare services that should be provided to foreign investors by the agency in the future. The Manual was designed to serve as a framework for the annual planning of aftercare activities and was expected to give InvestMacedonia background information on every potential aftercare service and facilitate the process of planning their implementation.

During January, the Project worked on preparing the text of the Manual for printing, as elaborated in SP-Y4-IPI-#1 – Printing of Aftercare Manuals for InvestMacedonia and the TIDZ Directorate that was approved by USAID on December 19, 2013. The printing process was completed and forty copies of the Manual were delivered to InvestMacedonia on February 5 for use by agency's aftercare employees.

As the main objective of the Manual was to facilitate the process of short-term planning of aftercare services, in the course of the first quarter in 2014 InvestMacedonia proceeded with the development of an annual aftercare program for 2014 based on the procedural and substantive guidelines provided in the Manual.

The annual program prepared by InvestMacedonia identified all activities to be implemented by the agency in the area of aftercare - both interventions for strengthening of the overall aftercare system and for implementation of specific aftercare services. For each activity, the program elaborated implementing steps, implementing partners, necessary resources and performance indicators. Implementation of some of the activities identified in the program was supported by the Project in the course of 2014 and they are elaborated in respective parts of this report.

As part of the assistance for establishing more structured and efficient aftercare services, the Project also prepared two types of forms for InvestMacedonia that the agency will use for recording its activities, both at an individual and organizational unit level. Regular entry of data in these forms will provide the agency the information and data necessary to permanently monitor aftercare outputs and employee performance.

Deliverables:

- Aftercare Manual for InvestMacedonia
- Forms for recording aftercare activities of InvestMacedonia at an employee and sector level.

Database of major foreign investors (InvestMacedonia)

Maintaining a database of major foreign investors is one of the key preconditions for effective provision of aftercare services. A structured and organized set of information on the major foreign



investors operating in Macedonia will provide InvestMacedonia with valuable information on the potential clients of its aftercare services and significantly facilitate the delivery of those services.

During the second half of Year 3, the Project assisted InvestMacedonia in defining the questions and drafting the form (in English and Macedonian) needed for registration of foreign investors in the database. In the course of September and October, the form was submitted to ten foreign investor associations with an agreement that they forward it to their members to complete it and return to InvestMacedonia.

In November 2013, InvestMacedonia continued to contact foreign investor associations and individual foreign investors in an attempt to increase the number of entries into the database. Along these lines, agency representatives attended the last meeting of the assembly and the management board of the Foreign Investors Council (FIC) and once again called upon its members to complete the database entry form. Upon request by InvestMacedonia and in order to further support the process of data collection, the Project also undertook to directly reach out to some investors on behalf of the agency. As result of these activities, many responses to the questionnaire were submitted in a timely manner; however, the collection of data for the database of foreign investors and its updating will be an ongoing process that will be taking place in the coming years.

InvestMacedonia has developed a separate spreadsheet where it enters all data received from foreign investors. The spreadsheet has been developed to easily enable export of the data into the agency's CRM.

The establishment of a credible database of foreign investors is expected to significantly improve InvestMacedonia's performance in the area of aftercare by enabling the agency and other government institutions to reach out to, and communicate with, all relevant foreign investors and distribute relevant information to them in a more efficient and comprehensive manner.

Deliverables:

- Database of major foreign investors in Macedonia.

SP-Y4-IPI-#2 – Establishing database of potential domestic suppliers – first phase

The scope of work for this activity was approved by USAID on December 27, 2013 and implementation began in February 2014. Under the scope of work, two consultants were contracted by the Project to collect and verify information on Macedonian companies from the light manufacturing sector that have the potential to cooperate with larger investors in the country. In cooperation with beneficiary institutions and the Project, consultants developed a specially-tailored two-part questionnaire for collection of data for the database: 1. Information on the sector, size and capacity of each company, and 2. Companies' development needs, i.e. what type of support the respective company needs to improve its efficiency and productivity (technical upgrading, standard certification, training, access to markets, etc.).

The collection of data began in March and was completed at the end of May. The consultants submitted the final report to the Project for review and comment at the beginning of June. The report described the work carried out by the consultants, explained the methodology used for collection of data and presented a brief statistical analysis of the information entered in the database. The total number of companies included in the database was 160, all operating in the light manufacturing sector.

In addition to the report, the consultants delivered to the Project the key deliverables agreed in the respective scope of work and contract.

- Spreadsheet table of 160 Macedonian companies from the light manufacturing sector, including all relevant company data (contact information, number of employees, turnover and export values, technical capacity, certifications, past experience, references). The Spreadsheet form of the database will enable InvestMacedonia and the TIDZ Directorate to search through the data and categorize companies based different criteria (geographical location, product/service, size, etc.)
- Set of individual profiles of each company in pdf form. Profiles will be used to present individual companies to interested investors.
- Spreadsheet table of the development needs of all companies that provided data in this part of the questionnaire. Data on needs for assistance in technical upgrading, standard certification, training, access to markets, etc. is expected to be a valuable source of information to relevant government institutions that are working on supporting the competitiveness of Macedonian companies.

The database and related information were presented to the representatives of InvestMacedonia and the TIDZ Directorate on June 12. At the presentation, the consultants and the Project discussed with the beneficiary institutions the types of collected data and how they could use it for further promoting the development of business linkages between foreign investors and Macedonian companies. The need for further expansion and regular updating of the database was specifically emphasized. On June 13, the database and relevant documents were officially delivered on a digital video disc to the directors of InvestMacedonia and the TIDZ Directorate.

Deliverables:

- Database of potential domestic light manufacturing suppliers
- Macedonian Light Manufacturing Database Report

Questionnaires for regular collection of information from foreign investors for InvestMacedonia

The main objective of this activity was to assist InvestMacedonia to improve the quality of its communication with foreign investors and expand the quantity of data related to their satisfaction with the investment climate and the provided aftercare services. To achieve this, the Project developed two questionnaires for the agency that will be used for regular collection of information from foreign investors. The first questionnaire will be used to assess the satisfaction of foreign investors who use InvestMacedonia's aftercare assistance with the quality and efficiency of the provided services. The second will evaluate the opinion of investors on the overall investment climate in Macedonia.

By the beginning of summer, in close consultation with InvestMacedonia Aftercare Department representatives, the text of the first questionnaire on the satisfaction of the foreign investors with the aftercare services provided by InvestMacedonia was finalized. The same procedure was followed with the development of the questionnaire on investment climate in the course of the summer. Upon finalizing the texts of both questionnaires, the Project procured IT services for development of interactive versions of the questionnaires that will enable the agency to distribute them and collect information exclusively in electronic form. By the end of September the interactive versions of the questionnaires were finalized and submitted to InvestMacedonia.

Deliverables:

- Questionnaire for the Investment Climate and Legislation Survey for InvestMacedonia
- Questionnaire for the Aftercare Services Satisfaction Survey for InvestMacedonia

SP-Y4-IPI-#3 - Aftercare Assistance to the TIDZ Directorate

The comprehensive package of assistance activities for development of the aftercare function was agreed between the Project and the Directorate for Technological-Industrial Development Zones (TIDZ Directorate) in January 2014.

For the purpose of efficiency, all identified and agreed activities to be provided to the TIDZ Directorate in 2014 were elaborated in a single scope of work with a reference number SP-Y4-IPI-#3. The scope of work was approved by USAID on February 19, 2014.

The only two assistance activities for the TIDZ Directorate that were implemented outside SP-Y4-IPI-#3 were:

- Drafting and printing of the Aftercare Manual for the TIDZ Directorate implemented under SP-Y4-IPI-#1. Although part of SP-Y4-IPI-#1, this activity is reported below, as part of the overall Project assistance to the TIDZ Directorate.
- Establishment of the first segment of the database of domestic suppliers implemented under SP-Y4-IPI-#2. Although the database was developed for the benefit of both InvestMacedonia and the TIDZ Directorate, activities are reported only once, under SP-Y4-IPI-#2.

Drafting and printing of the Aftercare Manual for the TIDZ Directorate

As provided in SP-Y4-IPI-#1, in January the Project completed the draft of the Aftercare Manual for the TIDZ Directorate. The document was based on the text of the manual prepared for InvestMacedonia, but it reflected the specific needs and responsibilities of the TIDZ Directorate in the area of aftercare. The draft text was submitted to the TIDZ Directorate for comments and possible modifications, and their feedback was received and implemented during the first half of February. Once completed, the Aftercare Manual for the TIDZ Directorate was printed and 40 copies were officially delivered to the TIDZ Directorate in March 2014.

As part of the assistance for establishing more structured and efficient aftercare services, upon their specific request the Project prepared two forms that the directorate will use for recording its activities at individual and organizational unit levels. Regular entry of data in these forms will provide the TIDZ Directorate the information and data necessary to permanently monitor outputs, results and employee performance in the area of aftercare.

Deliverables:

- Aftercare Manual for TIDZ Directorate
- Forms for recording aftercare activities of the TIDZ Directorate at an employee and sector level.

Software module for electronic announcement of arrival of goods to TIDZs

The main objective for developing the module was to enable online submission of the data and composition of forms needed for entry of domestic goods into the technological industrial development zones. The forms are required from the companies that are delivering goods to foreign investors located in the zones. Prior to delivery of the goods, the companies will need to register online through the website of the TIDZ Directorate and complete the necessary forms with all legally required information on the shipment. Once the goods arrive at the zone entrance, the zone employee and the customs officer will already have the data in the system and will simply need to print the forms out and properly stamp them thus allowing entry. This process is expected to

significantly shorten the time needed for release of shipments and save time and costs both for the companies and the respective authorities.

In the first half of May, the Project completed the procurement procedure and drafted the contract for engagement of the IT company I-DEX selected to work on the implementation of the software. Immediately after the signing of the contract, the Project, I-DEX and the TIDZ Directorate agreed the specific timeline for implementation. As articulated in the implementation plan, the development of the software modules, which included functional assessment, database design, web interfaces design, software development, testing, debugging and training was completed by June 27.

Upon the finalization of the modules at the end of June 2014, the Project requested that the TIDZ Directorate officially confirm that the modules are operational and that they fully comply with the initial functional requirements. An official letter confirming that “the IT company I-DEX satisfactorily completed the work under the contract and that the software modules are implemented and fully functional and operational” was submitted by the Director of the TIDZ Directorate to the Project on July 17 enabling formal completion of this activity.

Deliverables:

- Module on the TIDZ Directorate website that enables online submission of data prior to arrival of goods in the zones.

Upgrades to the TIDZ Directorate website

As agreed in the first discussions that took place in April, the TIDZ Directorate prepared a list of functional and technical requirements for the upgrades on their website and submitted them to the Project on May 30. The Project held a second meeting with the TIDZ Directorate to clarify some of the items included in the list.

Once the functional and technical requirements document was completed, the Project sent a request for proposals to seven IT companies asking them to submit their proposals by June 24. As part of the procurement procedure and in order to provide the prospective bidders with an additional opportunity to ask clarification questions related to the RFP, on June 17 the Project organized a meeting for all seven companies with the representatives of the TIDZ Directorate.

By the June 24 deadline, five IT companies submitted proposals for upgrading the TIDZ Directorate website. On June 30, the Project met with the representatives of the marketing and IT departments of the TIDZ Directorate to jointly discuss the bids submitted to the Project by five IT companies within the deadline set in the request for proposals. In preparation for this meeting, the Project shared with the TIDZ Directorate the functional and technical parts of the five bids while withholding the respective financial details. The purpose of the meeting was to consult with the TIDZ Directorate on the substance of the bids and their opinion with regard to which one would best meet their needs. Based on these discussions and in compliance with the applicable procurement rules, in the first week of July the Project’s procurement committee decided to select the IT company Infinite Solutions to implement the upgrade.

The procurement procedure proceeded with drafting the contract and obtaining the necessary approvals. Upon signing the contract with Infinite Solutions, at a meeting held on August 11, the representatives of the three parties (Project, TIDZ Directorate, Infinite Solutions) discussed specific guidelines regarding the functional and creative aspects of the upgrade. As a result of the discussions, Infinite Solutions designed and submitted to the TIDZ Directorate three different draft versions of the new user interface for the website. The latter is currently reviewing them and will follow-up with comments and suggestions.

According to the agreed deadline, the upgraded website was expected to be launched and fully functional by the end of September. However, the TIDZ Directorate's preference to have the design approved by their highest management has resulted in a delay of the planned timetable for implementation of activities. Development work will continue as soon as the TIDZ Directorate provides the necessary input with regard to the discussed design and functionalities.

Questionnaires for regular collection of information from foreign investors for the TIDZ Directorate

The main objective of this activity was to assist the TIDZ Directorate to improve the quality of its communication with foreign investors located in the zones and expand the quantity of data related to their satisfaction with the investment climate and the provided aftercare services. To achieve this, the Project developed two interactive questionnaires that will be used by the Directorate for regular collection of information from foreign investors - questionnaire for assessing the satisfaction of the foreign investors in the zones with the quality and efficiency of the aftercare services provided by the TIDZ Directorate and questionnaire for evaluating the opinion of investors on the overall investment climate in Macedonia.

The first draft of the questionnaire on the quality of aftercare services was submitted to the Aftercare Department of the TIDZ Directorate for review on June 17. The Project received their comments and suggestions by July and then followed the same procedure with the development of the questionnaire on investment climate. Upon finalizing the texts of both questionnaires by the beginning of September, the Project procured IT services for development of interactive versions of the questionnaires to enable the Directorate to distribute them and collect information in an electronic form only. By the end of September the interactive versions of the questionnaires for were finalized and submitted to the TIDZ Directorate.

Deliverables:

- Questionnaire for the Investment Climate Survey for the TIDZ Directorate
- Questionnaire for the Aftercare Services Satisfaction Survey for the TIDZ Directorate

Newsletter

The discussions regarding the development of the TIDZ Directorate newsletter started in early September due to the summer vacations. In these discussions, the directorate voiced concerns regarding their current capacities and resources for starting to publish such a publication immediately and expressed preference to postpone the process for a month or two.

As the Project was bound by the work plan timetable and yet wanted to assist with this activity, it was mutually agreed that it would be highly beneficial for the TIDZ Directorate to develop a detailed concept of the newsletter that would not only describe and elaborate the characteristics of all potential segments (chapters) of the publication and the concrete articles, but also determine the steps of the procedure for its preparation - establishment of an editing board, design of each issue, identification of contributors, coordination assignments, design, etc.

The newsletter concept document was completed and submitted to the TIDZ Directorate at the end of September.

Deliverables:

- Concept document for preparation of a newsletter for TIDZ Directorate

SP-Y4-IPI-#4 - Analysis of the Implementation of e-Commerce in the Republic of Macedonia

Assistance for the preparation of the Analysis of the Implementation of e-Commerce in the Republic of Macedonia was requested by the Ministry of Information Society and Administration (MISA) in April 2014. The main objective was to provide to the Ministry and GoM information on the current state of affairs in the implementation and use of e-commerce in economic activities in Macedonia, thus assisting them to identify policies and design specific measures to further enhance electronic trade in the country. The scope of work for this activity was approved by USAID on May 12, 2014.

In the course of July and August, activities under this scope of work took place in accordance with the implementation plan developed by the consultant. These two summer months were primarily used to carry out desk research on legislation and other documents and data relevant for the analysis. During the first half of September, the consultant met with all necessary stakeholders, including government institutions, international organizations and representatives of companies that are operating or setting up businesses based on e-commerce.

As soon as the first draft of the analysis was completed, it was presented to the core working group on the implementation of e-commerce in Macedonia consisting of representatives of MISA, Ministry of Finance, National Bank of RM, Customs Administration and the Agency for Posts. Based on the input provided by the most relevant stakeholders after the presentation, the Analysis on the Implementation of e-Commerce in the Republic of Macedonia was finalized and submitted to MISA at the end of September. The Ministry plans to organize an official presentation of the main findings of the analysis in October.

Deliverables:

- Analysis on the Implementation of e-Commerce in the Republic of Macedonia

Trade Facilitation Self-Assessment Workshop

As part of its regional trade assistance efforts, USAID assisted Macedonia to organize a trade facilitation self-assessment workshop. The workshop represented a joint endeavor of the Agency staff in Washington and Macedonia, as well as two of its projects – the Regional Economic Growth Project and IDEAS. The latter was invited to take part in this activity due to the extensive experience that some of its employees possess in the area of international trade regulation, WTO rules and procedures, and the local aspects of this issue in Macedonia. The engagement of the Project was approved by USAID Macedonia on February 21, 2014 and included in the Project's Component A1 portfolio. The objective of the five-day workshop was to assist Macedonia to assess its current compliance and capacity-building needs related to the implementation of the Trade Facilitation Agreement adopted by the WTO at its last Ministerial Conference held in Bali in December 2013. The assessment was organized in close cooperation with the Macedonian Ministry of Economy and included participation of more than 35 representatives of government agencies responsible for regulating various aspects of cross-border trade, as well as representatives of the relevant private sector associations.

The MoU between USAID and the Ministry of Economy regarding organization of the workshop was signed on March 11, 2014. The event took place on March 24 – 28, 2014.

The workshop was facilitated by three facilitators: Paul Fekete from USAID Washington, Donatas Tamualitis and Gordana Toseva. The facilitators worked with three working groups established based on specific issues contained in the WTO Agreement on Trade Facilitation and consisting of government and private sector representatives relevant for its subject matter. Guided by the facilitators, the working groups carried out a thorough self-assessment of the current situation in

Macedonia in areas relevant for the implementation of the Agreement and identified issues that require further attention in order to achieve full compliance.



**Trade Facilitation Self-Assessment Workshop
Opening Day, March 24, 2014**



The working group-atmosphere

The self-assessment findings were recorded in a comprehensive document (table) which represented the basis for recommendations from participants and was presented to their senior officials on the last day of the workshop. As result of this exercise, Macedonia gained a clear idea of what actions must be undertaken to meet the Agreement requirements and create the conditions for its ratification. In the workshop conclusions, the Ministry of Economy committed to coordinate the process of implementation of all recommendations.

Deliverables:

- WTO Trade Facilitation Self-Assessment Workshop: Final Results for Macedonia

Organization of CEFTA Week 2014

According to the rotational chairing schedule, in January 2014 Macedonia assumed the chairmanship with the Central European Free Trade Agreement - CEFTA for the calendar year 2014. The organization of the CEFTA Week, the main annual event in CEFTA is among the many responsibilities of the Chair in Office.

CEFTA Week takes place during the last quarter of the year and it features a series of panel discussions/workshops in the course of two days leading to the annual meeting of the CEFTA Joint Committee (committee of ministers of trade/economy of CEFTA Parties - Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Moldova, Montenegro and Serbia). The event provides a forum for discussion and exchange of opinion on trade-related topics among various stakeholders from all CEFTA Parties, such as government officials, international and donor organizations, private sector representatives and academia.

As the organization of such a complex event was seen as highly challenging for the Macedonian Ministry of Economy, they asked for support from USAID and the Project. In consultations with the USAID Mission in Skopje and in line with the plans for intensification of Project activities relating to Macedonia's international trade integration, USAID agreed that the Project could provide the needed technical assistance.

Initial activities for the organization of CEFTA Week 2014 in Skopje started in June. The Project and MoE met with Ms. Renata Vitez, the Director of the Brussels-based CEFTA Secretariat to discuss the format of the event and the schedule of main actions that should take place in the following four months.

The date for the event was set at November 19 – 21, 2014. The Project began drafting a list of invitees and contacting professionals and experts who can contribute to the program. The Project will be providing support to the Ministry of Economy in every aspect of the organization of the CEFTA Week, including but not limited to, design of the program, identification of participants, identification of speakers and panelists, logistics and organization costs.

By September, the Project developed the concept of the program for the event, identifying the main topics that will be addressed, their distribution into segments and sessions/panels and potential participants – institutions and/or individuals. The program concept was fully approved by the Ministry of Economy and sent to the CEFTA Secretariat for their review and input. The Project contacted the majority of already-identified potential participants to discuss their participation in CEFTA Week. The Project was also involved in preparing the first draft of the list of institutions and persons to be invited to the event, booking appropriate conference halls for all segments of the event and also began collecting information related to other logistical and organizational aspects of the event, including but not limited to, design and preparation of conference materials, food and refreshments, procurement of the necessary technical services, and interpreting.

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

The Strategic Framework for InvestMacedonia that was developed in the first year of the Project and was implemented for the past three years, remained the main roadmap for application of Project activities in the fourth year, where the main focus was put on: further institutional development of InvestMacedonia and its export-promotion function, development of new tools for market analyses and export readiness assessments, and activities for building of the export-awareness and export-readiness potential of the private sector. From the perspective of the sustainability of the project's efforts, the export function has already been introduced to InvestMacedonia and it will continue to be performed by the Agency as a part of its regular mandate in the future. The Component's activities were divided in five main groups, as follows: (1) Export Promotion Support (2) Export Analysis Support, (3) Export Readiness Support, (4) Export Education and Awareness and (5) Institutional Development of InvestMacedonia.

InvestMacedonia remained the main counterpart of the Project in implementation of all five groups of activities. In the area of Export Readiness and Export Education Support, the Agency for Entrepreneurship Promotion (AEP) was also included and consulted in the implementation of the activities, which are described in more detail in this section.

The main objective of each of the five groups was:

Export Promotion Support – providing support to both InvestMacedonia and the private sector (export oriented companies) to organize and attend trade missions (B2B meetings, fairs, etc.) The economic rationale for these activities relies on the fact that there are significant costs for the companies associated with the implementation of such missions, which sets up the basis for public-sector involvement. The main objective of these efforts was to open new markets, grow the pool of business partners and increase the volume of exports made by Macedonian companies. All of the export-promotion activities, such as trade fair participation, B2B, business forums and trade missions organized by InvestMacedonia, were implemented in the sectors selected in the National Strategy for Export.

Export Analysis Support - In order to successfully enter foreign markets, companies need to learn about foreign business practices and foreign consumer preferences; identify business opportunities abroad; contact and communicate with overseas customers; and access appropriate distribution and advertising channels. In order to address the issues related to the shortfall of market information, the Project supported InvestMacedonia to establish its market information function. The main objective of the market information function is to provide information to drive decisions on entering and maintaining export markets, information on how to enter a specific market and information on industry-specific market opportunities, along with publications, checklists and international trade analyses.

Export Readiness Support – the Project continued the efforts in providing trainings and guidance for small and medium sized companies that are export oriented or are potential exporters. To this end, the project continued with the development of sector specific export curricula and organization of trainings and workshops. These activities were mainly focused on: assessment of the company/product export potential; market analysis; development of the market-entry strategy; development of the export marketing plan; development of distribution channels; international contracts; and after sales.

Export Education and Export Awareness - With the objective of increasing public awareness of export promotion activities and export knowledge, InvestMacedonia, supported by the project, continued to publish the electronic newsletter, "Exporter." The newsletter was produced quarterly by InvestMacedonia, covering export news and providing information about the activities of InvestMacedonia, Ministry of Economy, other ministries and public institutions; information about private sector chambers and business; best practices from successful exporting companies; a section

for donor-funded export activities; a section for export education and information on forthcoming international trade fairs. In the area of export education, the Project organized training events with current and potential exporters, addressing topics important for exporters to demanding and sophisticated markets, such as: importance of branding and marketing in the internationalization of business (brand strategy, including manuals, toolkits, advertisements, campaigns); and internationalization challenges of SMEs from the perspective of use of social media in export marketing (“Taking advantage of social technologies.”)

Institutional Development of InvestMacedonia - The objective of Institutional Development activities is to increase the understanding and knowledge of InvestMacedonia related to the concept of efficient exports, and the capacities and skills needed for implementation of high-quality export services. Capacity-building efforts to establish an efficient export promotion function and efficient business processes were focused on training InvestMacedonia Export Department staff and economic promoters on the methods and techniques used to support exports; and upgrading the web portal and CRM of InvestMacedonia with new functionalities that will create a user-friendly environment and increase the number of site visitors.

ACTIVITY I - Export Promotion Support

ICT

SP-Y4-Export-#1- Export Promotion Support - SEEITA B2B Meetings

In recent years, the software industry has emerged as one of the most dynamic sectors of the Macedonian economy. An analysis of exports of Macedonian software and IT services demonstrates a trend of positive growth in exports through the years. Like several other countries in transition in South East Europe, Macedonia has discovered the strategic importance of the software industry and its enormous potential for exports.

The Project recently and successfully supported several export promotion activities in this sector (B2B events in Albania and Serbia, visit to Gartner Outsourcing Summit with B2B event in London, UK and organization of the B2B match-making event in Dusseldorf, Germany).

The implemented export-promotion activities had a positive impact on establishing new business leads, closing export deals and developing the country/industry branding for Macedonia as a sourcing destination for ICT products and services.

To build on these efforts during the Project supported the organization of B2B meetings and a matchmaking event in Skopje that was a part of MASIT’s “E-Government and SEEITA Open Days Conference,” which was organized on 24-25 October, 2013. MASIT, the Ministry of Information Society and Administration and the French Embassy were co-organizers of the event. The scope of work was approved by USAID on October 15, 2013.



B2B meetings

More than 20 companies from Macedonia, France and from the region attended the B2B and matchmaking event.

Taking into consideration the regional character of SEEITA (South East Europe ICT Associations) as part of this conference, a special emphasis was given to regional cooperation between the SEE ICT companies in developing export capacities and synergies for outsourcing projects.



**Second day of the SEEITA Conference
Presentation by IDEAS representative(second from right)**

Deliverables:

- Portfolio of MASIT services expanded with export promotion services;
- Matchmaking between company participants in the B2B event established;
- Awareness on the EU and regional markets of export-oriented IT products and services offered by Macedonian IT sector improved;

SP-Y4-Export-#9 - Export Promotion Support – Organization of trade mission for Macedonian companies from the ICT sector

The main objective of the activities was to contribute to increasing exports of ICT, as well as the knowledge transfer for the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia (InvestMacedonia) in the area of export promotion. The ICT sector was identified as a priority in the National Export Promotion Strategy of Macedonia. To build upon previous successful efforts of the USAID IDEAS Project in the area of export promotion (visit of Gartner Fair in London in 2012, trade mission in Germany for MASIT members, regional B2B meetings in Skopje and Sofia, etc), the Project organized the visit to the CEBIT Fair in Istanbul from 11 – 14 September, 2014.



Preparations for the beginning of the CeBIT event

CeBIT Broadcast Cable & Satellite Eurasia is one of the most influential fairs for the ICT industry for the Eastern Europe, Central Asia and Middle East markets. It provides the latest information on information technology, telecommunications, software and ICT-related services. Over 1066 companies contribute to the event with their projects, and provoke great discussion on developments in the ICT industry. Approximately 131,000 visitors make the event and its goals complete.

The activity was implemented through the NGO, Change Management Association in close cooperation with InvestMacedonia, Macedonian ICT Chamber (MASIT) and Chamber of Commerce. Seven companies attended the event: Infinite Solutions, Artisoft, ASI, Aspekt, CodeIT, Simt and ITgma.

During the trade fair visit, the meeting with the Turkish ICT Association TUBISAD was organized, where opportunities for mutual cooperation between Macedonian and Turkish ICT companies were discussed. The respective parties agreed upon a follow-up meeting and a visit from Turkish representatives to occur by the end of 2014. This will also be an opportunity for both Associations to sign a Memorandum of Understanding and commence their cooperation.

Deliverables:

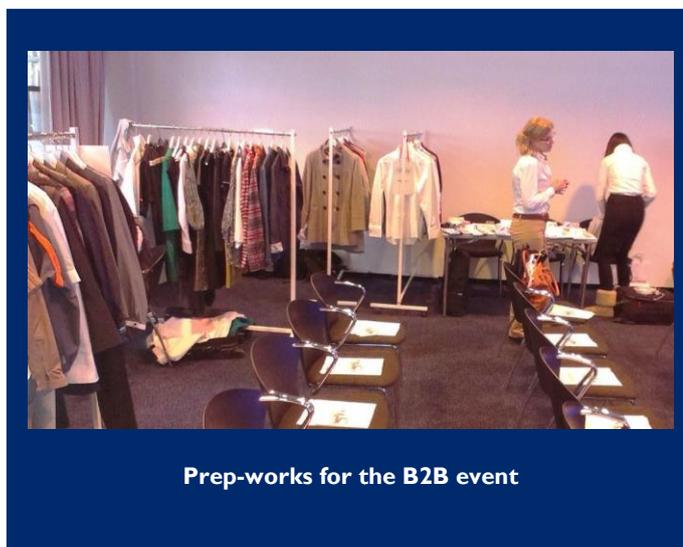
- Created contacts with potential buyers and an ICT Association that might result in developing strategic partnerships, and firm-level growth, in the future
- An experience exchange in ICT marketing with more experienced companies from Turkey
- Contributed to building the knowledge base and staff capacity of both InvestMacedonia and MASIT to perform business development functions.

Apparel

SP-Y4-Export # 6- Apparel trade promotion B2B event in Copenhagen, Denmark

The SoW for this activity was approved on November 27, 2013. The B2B event in Copenhagen was held on January 29, 2014. Prior to the implementation of the event, InvestMacedonia, SIPPO and the Textile Trade Association (TTA) engaged in preparatory activities in order to ensure quality representation of the companies and facilitate the planned meetings with potential buyers.

Eight reliable suppliers (Albatros; Eurosolid; Viemi, Aleks; Veramond; Alzama, Linea; ASM) from Macedonia had individual presentations in front of visiting companies at the B2B event, after which separate meetings were held with one Swedish and six Danish companies. In addition, four foreign companies invited the Macedonian companies to visit their stands at the Copenhagen Fair (CIFF) the next day and present their capacities and products.



The next day, a follow up and evaluation meeting was held with the companies. The general conclusions were:

- The event was very well organized, including logistics;
- The companies acknowledged this initial effort towards the Scandinavian market and are willing to increase and intensify their activities in the future (it was suggested to once again visit the CIFF in August, since the Fair is organized on a semi-annual basis);
- The company selection for matchmaking at the B2B event was well-executed and mutually beneficial.

One of the Macedonian companies started negotiations and will hopefully sign an order with one of the visiting companies.

The next day, January 30, at the opening day of the Copenhagen International Fashion Fair (CIFF) the companies had the opportunity to visit the Fair, do an on-sight survey, conduct research, and create even more leads and contacts.

Deliverables:

- Companies introduced to the Scandinavian and Western European apparel markets; created initial contacts that are expected to lead to cooperation and sales

Agribusiness

SP-Y4-Export-#8 – Export Promotion Support – support InvestMacedonia in organizing trade missions (fair visit and B2B meetings) for companies from the agribusiness and food sector

The scope of work was approved by USAID on May 6, 2014. The Project, in cooperation with InvestMacedonia organized a trade mission including a visit and B2B meetings in Novi Sad (Republic of Serbia) at the International Agricultural Fair, 2014. The activity was implemented from May 20 until May 26, 2014. Ten Macedonian export-oriented companies participated in the event. The purpose of this activity was to promote Macedonian exporting companies in the agribusiness and food sector and establish new business leads with potential buyers from the region. In addition, this activity contributed to increasing operational efficiency through a “learning-by-doing” process, by exchanging practical knowledge and know-how during the organizational and implementation process. This provided a step-by-step depiction of all necessary stages required for organization of such an event; all of this contributes to the human and institutional development process in the area of export promotion for representatives of InvestMacedonia.

The main counterparts for organizing this activity were the Chambers of Commerce, agribusiness and food companies, and a local NGO specialized in the field of agribusiness- AgBiz Macedonia. The companies were greeted and hosted by the Macedonian Ambassador in Serbia and the economic promoter from InvestMacedonia. They all had the opportunity to give presentations of their company and products. Also, the president of the Macedonian Business Association in Serbia addressed the audience, presented his own personal experience and encouraged companies from both countries to expand business relations and offered assistance to Macedonian companies in establishing business relations with Serbian companies. The companies evaluated this event as very useful and beneficial. Direct meetings; establishing new prospect contacts with potential importers, supermarket chains and distributors; the opportunity to talk with appropriate people; and presenting and negotiating product offers were evaluated as most valuable. All companies expressed interest to participate on similar trade fairs, presentations and B2B meetings in the future.

To conclude, trade missions have proven to be a very concrete and productive way to assist Macedonian agribusiness and food companies to identify new export markets. Pre-arranged direct business meetings with the most relevant importers and supermarket chains allow companies to better understand the market preferences, competitors, sales channels and recognize certain product gaps. Direct talks with purchasing or category managers and traders leads to concrete negotiations on prices, product quality, delivery dynamics, discounts based on sales volumes, new product introduction etc.

Deliverables:

- Direct meetings, establishment of new prospect contacts with potential importers, supermarket chains and distributors and the opportunity to talk with appropriate, managing people to present and negotiate product offers

ACTIVITY 2 – Export Analysis Support

SP-Y4-Export # 2- Export Analysis Support

The scope of work was approved by USAID on December 19, 2013.

- The final version of the methodology and tools for assessment of the export-readiness potential of export-oriented companies is complete and was submitted to InvestMacedonia; it was accepted and uploaded on InvestMacedonia web site, free for use by the companies.
- The survey for identifying bottlenecks for exports at the company level was completed. The methodology included InvestMacedonia distributing surveys to companies in their database. Primary results from this survey were submitted to InvestMacedonia (May 15, 2014) for further analysis and planning of future steps and measures for the export department in InvestMacedonia.
- The two market intelligence reports, selected by companies from the agribusiness sector and InvestMacedonia, were finalized and submitted to InvestMacedonia. The expert, EpiCentar, in conjunction with InvestMacedonia and the relevant associations of producers identified Germany and Slovakia as destination markets to be evaluated, since these countries are estimated as potential export markets for Macedonian fresh fruits. More precisely, the German market was evaluated for export and distribution of peaches, plums and sour cherries. The Slovakian market was evaluated for export and distribution of table grapes. The final reports were submitted on May 15, 2014.

The implementation of this activity will contribute to improvement of the knowledge and skills of both export-oriented companies and InvestMacedonia in terms of new methods and techniques for approaching foreign markets, evaluating company competitiveness and focusing the support.

Deliverables:

- Market Intelligence Report: Macedonian Fresh Fruits for the German market and Macedonian Table Grapes for the Slovak market
- Export readiness assessment methodology and tool
- Survey for identifying the bottlenecks for exports at the company level

ACTIVITY 3- Export Readiness

SP-Y4-Export-#7 - Export Readiness Support – development of training curriculum for export of services and training of export-oriented service providers based on the curriculum methodology

This scope of work was approved by USAID on May 30. The main objective of the activity was to develop training curriculum for best practices in export in the service sector including IT, logistics, and creative industries and to train export-oriented service-sector companies using the export curriculum's methodology. During Year 3, the export curriculum for the apparel sector was developed in close coordination with the Agency for Entrepreneurship Promotion, the textile cluster, and InvestMacedonia. In order to keep the focus on both curriculums, the Project and InvestMacedonia agreed to organize two presentations of the curriculums consecutively during FY2014. In order to achieve the objective of this activity, the local NGO, Change Management Association was engaged for the following activities:

- Development of the training agenda and workshop for export promotion in the apparel sector

- Development of the training curriculum for export in the service sector and deliver the training for the selected trainers and export-oriented companies using the previously-developed methodology by the IDEAS Project.

The training workshop for companies from the apparel sector (potential and current exporters), including representatives from the Ministry of Economy, textile cluster, and InvestMacedonia was organized on 12 September, 2014. Twenty attendees participated in the workshop. Feedback from the companies regarding the workshop was very positive.

In the second stage of the activity, the export curriculum for the service sector was developed covering the following export topics:

- Assessment of company/product export potential;
- Market analysis;
- Development of a market-entry strategy;
- Development of an export marketing plan;
- Development of distribution channels;
- International contracts;
- Methods of payment and payment instruments;
- After-sales strategies.

Based on the developed export curriculum for the service sector, the training workshop was organized on 26 September, 2014. Twenty representatives of companies from the service sector (primarily ICT, graphic design, and marketing), representatives from InvestMacedonia and representatives from the Ministry of Economy attended the workshop. In addition, the Project prepared an electronic brochure- a guide for exporting in the service sector.

The Agency for Entrepreneurship Promotion was the co-organizer of the event. Implementation of the above-mentioned activities contributed to improving companies' knowledge and skills regarding entering foreign markets, and to increasing the export potential, distribution, and placement for their products and services.

Deliverables:

- Sector specific export curriculum created for export of services
- Companies trained in methodologies and specifics of export in the areas of apparel and services

ACTIVITY 4- Export Education and Export Awareness

SP-Y4-Export # 3 - Editing and Publishing of the electronic newsletter "Exporter"

Given the objective of increasing public awareness of export promotion activities and export knowledge, InvestMacedonia, supported by the Project, began publishing the electronic newsletter "Exporter" in January 2013 under SP-Y3-Export-#2. This scope of work (SP-Y4-Export-#3) provides for continuation of the Project support to the publishing of "Exporter" in 2014. The scope of work was approved by USAID on December 27, 2013.

The newsletter is produced quarterly by InvestMacedonia, covering export news and providing information on the activities of InvestMacedonia, the Ministry of Economy, other ministries and public institutions; information on private sector chambers and other business associations; best practices from successful exporting companies; donor-funded export activities; a section for export education and information on forthcoming international trade fairs.

The first issue of “Exporter” for 2014 was published on the InvestMacedonia website in January and the second issue in April.

The third issue of the electronic newsletter for 2014 was published in July, covering the actualities in Macedonian and regional export and trade and also gives insight into the recently-developed sectorial export curriculum for the apparel sector (developed by and with support of the IDEAS Project).

The fourth and final issue for this year was submitted to InvestMacedonia on October 1, 2014.

Deliverables:

- 4 quarterly issues of the electronic newsletter for exports – “Exporter”



Cover page of the third issue of the newsletter “Exporter”

SP-Y4-Export # 4- Export Education and Export Awareness- Training for the companies

The scope of work was approved by USAID on November 18, 2013. The Project in cooperation with the Agency for Entrepreneurship Promotion and InvestMacedonia organized a one-day training on the topic “The use of Social Media in Export Marketing” on December 5, 2013, in Skopje. The overall objective of the training was to increase the knowledge of export-oriented companies on the benefits of using social media in their export marketing activities.

The IDEAS Project, together with its partner organizations organized the training which was attended by representatives of 28 private companies and associations. This training was the first of two trainings to be implemented under this SoW.

The second training was organized on March 27 and covered the importance of branding and marketing in the internationalization of businesses (brand strategy, including manuals, toolkits, advertisements, campaigns). The Agency for Entrepreneurship Promotion (AEP) in collaboration with the IDEAS Project made all necessary logistical preparations for this training.

The training entitled: “Branding and Export Marketing”, was attended by 45 participants, representing around 20 private companies (members of the AEP); officials from InvestMacedonia; Ministry of Economy and USAID Micro & Small Enterprises Project, implemented by CEED Macedonia. Both AEP and the companies were highly satisfied with the delivery of the trainings,



Cover page of the Manual for creation of a branding strategy



The “Branding and Export Marketing” Training Atmosphere

extending a request for continuation of trainings on similar topics, since they find them very beneficial, especially for small and medium sized companies.

The Agency for Entrepreneurship Promotion, based on the companies’ needs, extended an additional request to IDEAS for preparation of a “manual for creation of a branding strategy”, as a wrap-up of the activities undertaken in the export education area. This additional activity was approved by USAID and the Manual was finalized by the end of June.

Deliverables:

- Manual for creation of a branding strategy
- Organized export-related workshops, attended by representatives of thirty companies from across Macedonia,
- Improved companies’ knowledge and skills required to create, organize and implement their marketing strategy

ACTIVITY 5 - Institutional Development of InvestMacedonia

SP-Y4-Export # 5- Upgrade of the web portal and CRM system linkages of the Agency for Foreign Investments and Export Promotion

The scope of work was approved by USAID on November 18, 2013, and implementation of the Project commenced on February 11, 2014. InvestMacedonia representatives were involved in providing input and supervising activities undertaken by the IT Company that implemented the upgrades.

The following activities were completed:

- Structure and design of the web portal;
- Development from design to solution;
- Presentation of the final design to InvestMacedonia representatives was held on March 11, 2014;
- Adjustment and fine-tuning of the design;
- Upgrade of the basic menu;

- Initial information and content upload finalized.

The final acceptance of the delivered work was issued by InvestMacedonia on April 25, 2014, signed and approved by the Director of the Agency.

Deliverables:

- Upgraded and improved InvestMacedonia webpage with enhanced functionality

Component B: Public-Private Dialogue (PPD) Enhanced

The main focus for activities in Year Four of the project was on providing continuous operational support to the National Entrepreneurship and Competitiveness Council (NECC); capacity building for the Ministry of Information Society and Administration on RIA/ENER; and capacity building for the Business Associations in advocacy and public-private dialogue.

In the field of NECC, a series of additional activities to those planned were held, resulting in NECC becoming a member of the World Bank PPD initiative, having co-hosted 48 forums with businesses in municipalities throughout the country, with our partners: the MLSP, the Employment agency and UNDP Macedonia. The national PPD Forum as the highest dialogue event is rescheduled to take place by the end of 2014 due to the delayed professionalization of the executive office, finalized in September. The executive office includes two professionals, enabled to immediately face the challenges of providing financial sustainability and building the contents and position of NECC in the society as the leading voice of the business community and a counterpart to the public sector.

The new public consultation instrument, ENER in combination with the newly prepared and adopted RIA regulations by the GoM comes as result of the strengthened political will in different levels of the administration. For that purpose, the high-level seminar for State Secretaries on RIA/ENER was of crucial importance, providing their awareness and support to the process. The regional conference on RIA and public consultation is rescheduled for 2015, at request of MISA.

Activities implemented during Year Four, under this component, were grouped in three categories:

Activity 1– Support to the NECC, Activity 2- Support to implementation of Regulatory Impact Assessment (RIA), and Activity 3- Strengthening capacities of CoC/BA to engage in PPD. These activities were implemented within the framework of twelve special projects, resulting in the outcomes presented below. Note: The Special Projects are presented by activity group in which they belong, and not by order of the numbers.

ACTIVITY I – Supporting the NECC

SP-Y4-PPD-#3- Operational support to the NECC

The scope of work was approved by USAID on December 3, 2013. The main objective of this activity was to assist the operational performance of the National Entrepreneurship and Competitiveness Council of RM (NECC) in its second year with the objective of building a sustainable model for the period after the Project completion.

During the reporting period, the support as executive office continued as planned:

- Coordination with NECC members was performed for professionalization of the executive office, finalized in September;
- The Partnership agreement harmonization with the GoM continued to be finalized by the end of 2014. Meetings with different agencies and institutions continued with direct participation of IDEAS representatives;
- The sustainability efforts of the PPD team continued with stakeholders;
- Ongoing assistance on meetings, coordination and administration for NECC needs.

Deliverables:

- Action plan / Budget 2014, Performance program, Annual performance report
- Set of Assembly decisions/authorizations

SP-Y4-PPD-#5- Policy paper trainings for NECC members

The scope of work was approved by USAID on December 27, 2013. The main objective of this activity was to assist the members of NECC in their capacity to define policy proposals based on research, evidence and analysis and become a relevant partner of the GoM.

The expert continued her work on the curriculum for Module II of the training, in communication with the IDEAS PPD team and the NECC members to identify priority areas of focus. The curriculum was finalized in February. The training was held on March 27-28 in Ohrid, with 15 participants from 8 CoCs/business associations as well as three GoM representatives. At this training, three policy proposal analyses were performed and policy options were identified and prioritized, strengthening the capacities of the business community to actively contribute to the process.



Policy paper trainings for NECC members

Deliverables:

- Training curriculum
- Research and analysis documents prepared by the attendees
- Policy proposal conclusions

SP-Y4-PPD-#6- Participation at the annual PPD World Bank Workshop

The scope of work was approved by USAID on January 27, 2014. The main objective of this activity was to position NECC in the World Bank PPD community, strengthen the capacities of the GoM team responsible for PPD on the national level and promote NECC as a success story of the project's joint effort with the GoM to a community of over 150 PPD practitioners from different countries.

During the reporting period, the communication with the World Bank regarding their invitation and logistical issues was completed, successfully enabling a group of three PPD professionals (the IDEAS PPD Lead and two GoM representatives) to present NECC as a success story and attend this workshop. For that purpose, video material and a case-



PPD Component Leader presents the Macedonian experiences to world peers

analysis document were produced by the Project. At special invitation of the WB and based on the achievement in PPD, members of the team were invited to attend the separate “Training of trainers” session, held on March 6 (invitation only).

From March 3rd -6th, 2014, the PPD Component Leader and two members of the Deputy Prime Minister for Economic Affairs Cabinet (DPMEA) participated in the annual World Bank Workshop on Public-Private Dialogue in cooperation with GIZ, which took place in Frankfurt, Germany. For that purpose, a 4-page success story document was prepared by the Project and presented to all participants and accepted by the World Bank team.

At the workshop, the IDEAS PPD Component Lead gave three 20-minute-presentations on PPD in Macedonia, including a 3-minute video focusing on NECC achievements and improvements made in the PPD process in the country. The PPD presentation included results accomplished in the field of public consultations in the legislative process with Regulatory Impact Assessment (RIA) and the ENER-public consultation portal, developed by USAID’s IDEAS. The participants at this event received access to a wide base of expertise and literature on PPD of the World Bank. In addition, this presentation enabled the GoM PPD officers to learn and share experiences at the most relevant PPD forum in the world.

The PPD Component Leader also attended the specialized certified one-day PPD training for practitioners which provided our team an opportunity to benefit from the newly acquired knowledge and practices.

Deliverables:

- “PPD in Macedonia-The success story of NECC” (a 4-page success story document)
- World Bank Handbook for PPD Practitioners
- Training of trainers for PPD practitioners: Set of tools and training materials

SP-Y4-PPD-#7- Public-Private Partnership (PPP) training and dialogue campaign

The SoW for this activity was approved on February 3, 2014. The purpose of this activity was to promote NECC in this field and assist the GoM in its efforts to strengthen the capacities of the public and private sector in the area of PPPs, through the Ministry of Economy as the responsible authority for this process in Macedonia. The MoE organized a campaign to raise awareness and educate a wide public sector audience on PPP, the regulatory framework, examples and success stories, with a focus on all public sector levels: ministries, municipalities, public enterprises, agencies, public institutions, directorates as well as the business community. A total of 9 trainings were held in the following cities: Skopje (two trainings), Strumica, Stip, Bitola, Ohrid, Gevgelija, Gostivar and Kumanovo. More than 200 participants from the respective institutions attended the trainings. The activity was completed on April 29, 2014.

Deliverables:

- Training curriculum: Economic aspect of PPP by Marjan Nikolov
- Training curriculum: Legal aspect of PPP by Miroslav Trajanovski

SP-Y4-PPD-#8- Establishing of the NECC executive office

The scope of work was approved by USAID on May 22, 2014. The purpose of this activity was to assist the establishment of an independent executive office of the National Entrepreneurship and Competitiveness Council of RM (NECC) with the objective of building a sustainable model for the period after the project completion.

The process of search, selection and verification of the candidate to be named Executive Director of the NECC executive office was successfully completed in June, by identifying adequate candidates. The process of approving candidates was finished in September, to be followed by further steps of operational assistance.

Deliverables:

- Set of decisions/authorizations regarding the selection process of NECC staff
- Specification of required qualifications and skills for the NECC staff
- Analysis of received applications of candidates and recommendation

SP-Y4-PPD-#10- Support to NECC for a Public-private partnership dialogue training for the business community

The scope of work was approved by USAID on May 22, 2014. The Project, in cooperation with the NECC and in participation with the Ministry of Economy (MoE) and AmCham organized a one-day training on May 27 in Skopje. Its purpose was to raise awareness and educate the business community on: Public Private Partnerships (PPP) as business opportunities; the regulatory framework; and PPP examples and success stories, with a focus on all levels of business opportunities, central, regional and local. AmCham Macedonia supported this activity by providing a guest speaker from the United States, an expert on PPP, Mr. Richard Norment from the U.S. National Council for PPP. In context of NECC, this activity aimed to strengthen its capacity, relevance and role in the private sector in the area of PPP, in coordination with the MoE as the responsible authority.

In July, the expert submitted a report on the successful completion of the training which was approved by the MoE.

Deliverables:

- Curriculum: Seven keys to a successful PPP by Richard Norment
- Training curriculum: Economic aspect of PPP by Marjan Nikolov
- Training curriculum: Legal aspect of PPP by Miroslav Trajanovski

ACTIVITY 2 – Support to the implementation of the Regulatory Impact Assessment (RIA) and the Unique National Electronic Register of regulations (ENER) as a PPD instrument

SP-Y4-PPD-#1 – Participation and support of the promotion of the Unique National Electronic Regulations (ENER) system at the Macedonian Lawyers Association Conference

The overall objective of this activity was to ensure increased acceptance in the public, private and civil sectors for ENER as a significant instrument for sustainable public-private dialogue (PPD) by influencing legislative quality. The purpose of this activity was to ensure stronger involvement of

lawyers from companies, Chambers of Commerce, think tanks, business associations, NGOs and independent consultancy groups to intensify the use of this instrument to interact with the public sector in formulating economic policies. The scope of work for this activity was approved by USAID on October 10, 2013. As planned, the Project PPD Component Leader prepared a paper on Public consultation/PPD, and it was published in the conference journal “*Delovno pravo*” (Business law). The journal was appropriately branded (project identifier and disclaimer) as per USAID’s Branding and Marking procedures. Achievements:



Public consultation in creating laws and the specific role of lawyers in the process- presentation given by the PPD Component Leader (first from left and Gordana Gapik-Dimitrovska from MISA (second from left)

- Successful promotion of ENER, PPD and RIA for a wide audience of dedicated professionals and future agents of change-public, private and civil sector representatives;
- Increased ability of the private sector to participate in the policy-making process by building its knowledge and expertise in the domain of law and legislation with the legal community;
- Significantly increased use of ENER and involvement of lawyers from all segments of society in the PPD process by actively contributing to better legislation with this mechanism. In the period 2009-2012 there were 33,046 visits to ENER and on December 31, 2013, a total of 99,012 visits registered, with 65,966 visits in only one year and continuing.

Deliverables:

- “Public consultations in legislation drafting and the specific role of lawyers in this process”, published in the conference journal “*Delovno pravo*” (Business law)

SP-Y4-PPD-#2- Organizing training for the public administration (PA) and the business community (BC) to use the Unique National Electronic Regulation (ENER) System

The overall objective of this activity was to increase the public and private sector’s ability to use ENER as a tool for sustainable public-private dialogue (PPD). The purpose of this activity is to ensure that ENER is recognized and used by public administration (PA), Chambers of Commerce (CoC’s), think tanks, and business associations as the best instrument to interact with the public sector when making economic policies. In order to establish the link to the business community (BC) and leverage other IDEAS activities, the participation of the private sector is being realized in cooperation with the NECC.



Training for the public administration and the business community to use ENER

The scope of work was approved by USAID on October 18, 2013. During November, IDEAS, in a period of 4 days, organized 9 training sessions.

The trainings were organized on November 14, 18, 19 and 22, for the public administration and the business community to use the Unique National Electronic Regulation (ENER) System

(www.ener.gov.mk) that was developed with the Project's support. The ENER is a web portal created by the Ministry of Information Society and Administration with the aim of enabling the business sector, civil society and general public to participate in the law drafting processes in partnership with the public sector.

The trainings were organized by the Project in coordination with the Ministry of Information Society and Administration. In total 121 representatives (75 females and 46 males) from 16 Ministries, public institutions and the business community were trained. In addition to improving knowledge and learning how to use the system, the participants from different organizations had an opportunity to build a stronger partnership and collaboration among themselves, based on shared knowledge and trust, creating a sustainable model for their future joint efforts to create better legislation.

Deliverables:

- Training curriculum and Power Point Presentation for participants with exercises

SP-Y4-PPD-#4- Consultative session for state secretaries on RIA / ENER

The Project in cooperation with the Ministry of Information Society and Administration (MISA) developed a two-day consultative session for state secretaries on RIA/ENER, designed for state secretaries and other relevant representatives of the ministries. The SoW was approved on December 2, 2013.

In February, the IDEAS PPD team, in joint effort with the MISA staff successfully organized this high-level event which took place on February 7-9, in Popova Shapka, Tetovo, with more than 20 institution representatives participating. This event strengthened the commitment and coordination among the ministries in the field of RIA/ENER and issued important conclusions and defined next steps to enhance the process on a national level and the partnership relation with the private sector.



Deliverables:

- Training curriculum and Power Point Presentation for participants with exercises
- Findings of the group on possible improvement of the RIA and public consultation procedures

SP-Y4-PPD-#13 – Upgrade of the Unique National Electronic Regulation (ENER) system

After having successfully completed the assignment in Y3, the performed expert analysis of RIA and ENER in Macedonia was approved by the Minister of Information Society and Administration for the next phase of the upgrade and further steps were agreed upon. These efforts continued as planned.

The 7-member ENER upgrade working group continuously worked on defining the task dynamics for 2014, to result in a completely improved solution in the best interest of the business community, and a tool to enable the private sector to become engaged in the policy-making process.

The scope of work was approved by USAID on July 2, 2014. The Project, in cooperation with the MISA and the selected expert developed a 57-page technical specification in the form of a list of requirements for the needed improvement of the solution.

The process was realized as planned under constant monitoring and full involvement of the PPD team in the process. The upgrade was completed in September resulting in a completely new ENER, to the satisfaction of the MISA and the wider community of users.

Deliverables:

- Analysis of the existent ENER portal functionalities with recommendations for improvement by Darko Janevski
- Technical specification document issued by the MISA team and Darko Janevski
- Provisional acceptance protocol signed by the beneficiary

SP-Y4-PPD-#9- Training for heads of departments and sectors in the public administration on RIA and use of the ENER

The scope of work was approved by USAID on May 22, 2014. IDEAS organized two trainings on Regulatory Impact Assessment (RIA) and use of the Unique National Electronic Regulation System, for 28 heads of departments and sectors in the public administration, representing 17 Ministries and public institutions. These sessions were held on May 26-27 and 29-30; and June 2-3 in Skopje with the Ministry of Information Society and Administration and the relevant civil servants in charge of RIA/ENER implementation. The purpose of this activity was to increase the mid-level civil servants' ability to engage in RIA and use ENER as a consultative and PPD tool, ensuring that heads of departments and sectors in the public sector and other mid-level public servants are acquainted with the concept and duties defined in the legislation.

Deliverables:

- Training curriculum and Power Point Presentation for participants with exercises

SP-Y4-PPD-#12 – Mentor and Develop Policy Papers for the NECC Business Community

The scope of work was approved by USAID on June 24, 2014. The Project, in cooperation with the NECC, aims to increase the quality and effectiveness of PPD by strengthening capacities for the development of policy papers by the business community. Despite the notable improvement in this process following previous trainings and the creation and distribution of the Guide for Policy Paper Creation, still the policy papers produced were of poor quality. The selected expert team developed the mentoring-concept and held a series of workshops for NECC member-institutions staff who will work on policy proposals together, under the guidance of three experts in the field. On July 17-18, 2014 the first session in Ohrid was held, followed by a working session in Skopje, on July 31, 2014. The team of experts coached and mentored participants on the process of creating three policy papers, with efforts focused on conducting research, defining the priority issues, identifying policy

measures, generating conclusions, and making recommendations for priority issues identified as impediments to the economy's competitiveness.

The third and final workshop was held on September 2-3, 2014 in Dojran, followed by a closing session to review and discuss the draft-documents held in Skopje, on September 17, after which the draft-documents created were presented to the GoM for further processing into specific measures to the benefit of the competitiveness of the domestic economy.

Deliverables:

- Training and Mentoring materials delivered to representatives of beneficiary organizations and IDEAS.
- Three completed policy paper proposals on different priority issues delivered to IDEAS.
- A final report describing the activity, process adopted and conclusion, delivered to IDEAS.

II. COMMUNICATIONS, PR AND OUTREACH

During Year 4 of its operation, the IDEAS Project completed two special projects: Business, Diplomacy Etiquette and Protocol Training (SP-Y4-Media-#1) and Follow up Workshop on The Role of the Business Community in Inclusion of People with Disabilities (SP-Y4-Media/PPD-#2). While developing the Work Plan for Y4, IDEAS planned to undertake three more communication-related activities as follows: publish an interview on LoP accomplishments with the IDEAS CoP in the economic media outlet “Kapital”, organize an off-the record event for journalists and counterparts, as well as organize project close-out ceremony. Because of the new developments announced by USAID for a possible extension of the project, the procedure being currently ongoing, it was a logical step to postpone these activities to 2015.

SP-Y4-Media#1 - Business, Diplomacy Etiquette & Protocol Training

The scope of work was approved by USAID on January 29, 2014. The general objective of this activity was to train representatives of government institutions, chambers of commerce and the Project staff in comprehensive professional skills in business, diplomatic etiquette and protocol.

The first training session was organized on April 10-11, in Skopje, at the Aleksandar Palace hotel. The topics of the training were: Personal Diplomacy, Principals and Procedures of the Protocol, Events Management Entertaining, Communication Excellence, Modern Communication & Diplomatic Skills, Visiting Protocol, Ceremonial & Diplomacy, Cross-Cultural Communication Skills. All nineteen (19) representatives of the Project’s partner institutions, whose profession requires communicating and socializing in diplomacy and the global marketplace, attended the training: Ministry of Economy, Ministry of Information Society and Administration, Agency for Foreign Investments and Export Promotion (InvestMacedonia), Agency for Entrepreneurship Promotion, Technological Investment Development Zones (TIDZ) Directorate and representatives of the chambers of commerce as members of the National Entrepreneurship and Competitiveness Council (NECC).



Following the same format of the training that was organized for 19 representatives of the GoM and Business Associations in April 2014, IDEAS organized training on business, diplomatic etiquette, and protocol for its staff members and a USAID representative from May 14 through May 15, in Bitola.

Provide PR and communications support to MASIT regarding the B2B event (branding, visibility, press releases, pre-event activities)

In October, the ICT Chamber of Commerce –MASIT asked the Project to provide PR and communications support for promoting the two day international conference “E - Government and Open Days SEEITA” conference (www.seeita.org), as one of the most significant events in the field of ICT in Southeast Europe. The Project agreed to provide this type of support in addition to organizing the B2B meetings (as reported under the SP-Y4-Export-#1). After the approval of the SP and signing the MoU with MASIT, the project’s Communication Manager arranged exposures on national (public and private) TV stations, such: MTV and ALFA and on radio. These exposures were done before the conference began.

MASIT in cooperation with the Ministry of Information Society and Administration of the Republic of Macedonia, Embassy of France in Macedonia, Agency of international Technical cooperation of the French ministries-ADETEF and the French agency for the promotion of export-UBIFRANCE organized the conference.

Since the conference was international and involved high-level officials, a press release was prepared and disseminated before the event to all media, including those recommended by MASIT in line with their PR strategy.

The conference gained vast media coverage on TV, but also in electronic news in total reaching 21 articles (not including those on TV). Subsequently, press clippings were compiled and shared with MASIT. All PR information related to this activity was posted on MASIT’s

website <http://www.masit.org.mk/index.php/en/menu-title-4/246-2013-10-29-15-25-35>; and shared with USAID/COR and DOC office.



Exposure on private TV station-ALFA



Minister Ivo Ivanovski interviewed by media just before conference starts

Identify, develop and disseminate specific and targeted market information in InStore Macedonia

As in the previous year, the successful collaboration with the economic magazine InStore continued throughout FY'14.

InStore asked the Project to provide testimonial for “Told about us” section, where the Project had the opportunity to express its level of satisfaction with its mutual cooperation. The Project prepared the input, featuring the Chief of Party. The input was published in the December edition of the Magazine.

An article related to social entrepreneurship, a theme that was discussed at an event organized by the Project on April 24, 2014, “Follow up Workshop on the Role of the Business Community in Inclusion of People with Disabilities” was published in the July/August, 2014 edition of InStore.

Develop and Release Media Advisories and/or Press Releases

During FY'14, three press releases were developed in coordination with Component Leaders and project stakeholders. The first was for the E - Government and Open Days SEEITA” conference developed in coordination with MASIT; the second for the “WEF Global Competitiveness Report – working session”, developed in coordination with PPD and NECC, and the third for the NECC’s working session, held on December 18, 2013.

Provide Regular Updates to the IDEAS Website

During the reporting period (October 2013– September 2014), the Communications Manager developed web-based information related to Project-led activities and those led by NECC. Sixteen (16) articles were published in the “News” section of the webpage, as follows:

- The Role of the Business Community in People with Disability Inclusion –roundtable;
- Recommendations for Improvements of the Current ENER solution and the RIA Model - second Coordinative Meeting;
- Training on creating policy papers for the business community;
- Use of Social Media in Export Marketing Training;
- Regulatory Impact Assessment (RIA) – possibilities and challenges for successful utilization;
- Participation at the annual World Bank’s Workshop on Public – Private Dialogue;
- Training for heads of departments and sectors in the public administration on Regulatory; Impact Assessment and use of the Unique National Electronic Regulation System;
- Public-private partnership dialogue training for the business community;
- Trade mission and B2B meeting for companies from the agribusiness and food sector;
- Development of a database of potential domestic suppliers;
- Manual for creation of a branding strategy developed with IDEAS support;
- 3rd issue for 2014 of Exporter published;
- Workshop on Policy Paper Creation Mentoring;
- Two new software modules to be used by the TIDZ Directorate;
- Third session of the workshop on Policy Paper creation mentoring process held in Dojran; and
- With our support, 7 Macedonian companies participated at the CeBIT Bilişim Eurasia in Istanbul.

NECC-related web-based information:

During the reported period, the NECC web site was launched (www.necc.mk), and the PPD team with the Communication Manager continued to develop and post information related to NECC-led activities and results. Hence eight articles were developed related to the following activities:

- The Role of the Business Community in People with Disability Inclusion –roundtable;
- Training on creating policy papers for the business community;
- NECC partner in implementation the Project - Forums with the employers;
- Private Sector and the Government Working on Improving Macedonian Competitiveness;
- Announcement for organizing the training for using the Unique National Electronic Regulation (ENER) System, published on NECC’s website;
- Training for the Public Administration and the Business Community to Use the Unique National Electronic Regulation (ENER) System;
- Workshop on Policy Paper Creation Mentoring;
- Third session of the workshop on Policy Paper creation mentoring process held in Dojran.

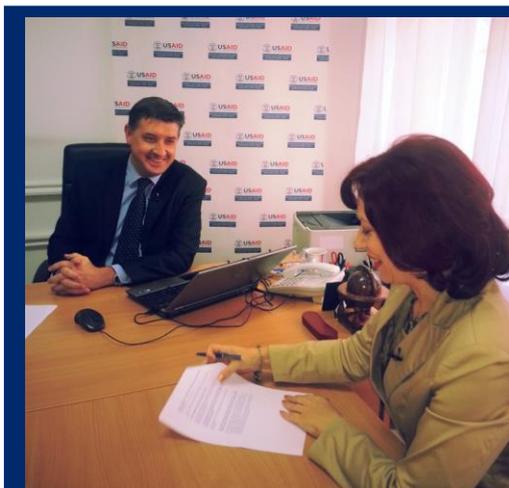
In addition to these, as part of the operational support to the NECC, a One Pager was developed by the Communication Manager (in Macedonian and English).

Develop IDEAS Conference and Training Calendar

Throughout FY'14, the Communications Manager prepared and submitted inputs for the EG Conference /Training Calendar as well for the USAID DOC Calendar of Public Events.

Promoting Project activities and Results

During the reporting period, the PPD Component Leader was approached by the private TV station “Nasha-TV”, to be a guest on their business show “Profit” and present Project activities and share cooperation with Project stakeholders such as NECC and InvestMacedonia and the private sector. The interview was held on June 3, 2014 at the IDEAS premises, and it was broadcast on June 6 at 20:30 pm.



Preparing for the interview



Interview broadcasted on the National Private TV Station – Nasha TV

DOC writing workshop

On December 23, 2013 USAID’s DOC office with Valery Colby, the U.S. Embassy’s PAO organized a two-hour writing workshop for all information Officers of USAID-funded projects. IDEAS Communication Manager participated in the training held in U.S. Embassy premises.

Environmental Compliance Training

The Communications Manager participated in the half day “Environmental Compliance & Sustainability Training” organized by the USAID Mission on March 20, 2014 in the Multipurpose Room of the U.S. Embassy.

The training was conducted by Ivica Vasev, USAID/Macedonia MEO; Mark Kamiya, USAID/E&E BEO and Will Gibson, USAID E&E Regional Environmental and Climate Change Advisor.

The following topics were discussed at the event:

- Background and Legal Basis for Environmental Requirements;
- Complying with 22 CFR 216 Requirements;
- Roles and Responsibilities for Environmental Compliance within USAID, and
- Mitigation and Monitoring.

III. INCLUSIVE DEVELOPMENT

SP-Y4-Media/PPD #2 - Follow up Workshop on the Role of the Business Community in Inclusion of People with Disabilities

During the reporting period, as planned in the work plan for Year 4, the Project implemented the SP-Y4-Media/PPD#2 - “Follow Up Workshop on the Role of the Business Community in Inclusion of People with Disabilities”.

The scope of work was approved by USAID on March 28, 2014. The general objective was to identify specific measures to improve inclusion of people with disabilities in the private sector. The goal was to help employers hire people based on merit.

The workshop took place on April 24, and it was organized by the Project in cooperation with NECC. Workshop participants included: representatives of the Ministry of Labor and Social Policy, the Association for Protection of Economic Interests of Protective Associations in Macedonia – ZAPOVIM, representatives of relevant chambers of commerce, UNDP, NGO My Career, NGO Open the Windows and USAID’s Youth Employability Skills Network Project, totaling 20 participants.

In order to develop a set of specific, sustainable and realistic measures that will help the process of employment of people with disabilities, all the attendees at the event had the opportunity to propose a set of measures, based on their experience with people with disabilities.

USAID Inclusive Development Meeting

The Communication Manager, acting as the Project’s Inclusive Development Point of Contact, attended the annual USAID Inclusive Development meeting held on June 11, 2014 at the U.S. Embassy in Skopje. Representatives from all USAID-funded projects in the country participated in the meeting, and presented their activities they have organized related to inclusiveness. The IDEAS representative shared the experiences from the follow-up workshop on the role of the business community in inclusion of people with disabilities and the next steps that the Project, in cooperation with NECC, will take to improve the employability of people with disabilities in the private sector.

The meeting participants were welcomed by Aleksandar Jovanovic (USAID Incl. Dev. POC) and Natasha Buleska (Alt. Incl. Dev. POC). USAID’s Mission Director James Stein addressed the participants, emphasizing the importance of the subject for the USAID Mission, and encouraging all USAID projects to provide assistance based on their resources to increase inclusion/ outreach to people with disabilities.

The next USAID Inclusive Development meeting will take place in December 2014.

IV. PERFORMANCE MONITORING PLAN (PMP)

FY 2013 Trade Capacity Building Survey

In November, the Project provided input for the FY 2013 Trade Capacity Building Survey. Namely, the Project contributed to three TCB Categories for Portion of Activity with Funding from Assistance for Europe, Eurasia and Central Asia and Implementing Agency of USAID/Macedonia, and those are: 1). Trade Promotion with \$19,254, 2). Enterprise Development with \$68,708 and Other Trade Capacity Building with \$114,998 (Public Private Dialogue; Communications; Inclusive Development; Professional Development).

Data Quality Assessment

On December 11, 2013, the Monitoring and Evaluation Manager along with the Public Private Dialogue Component Leader met with Ivica Vasev, USAID's Project Development and M&E Specialist to discuss USAID's Performance Plan and Report (PPR) on the indicator 4.6.1-C1: "Number of public private dialogues mechanisms utilized as a result of USG assistance." Namely, USAID regulations require a Data Quality Assessment (DQA) to be conducted for the indicators reported in the PPR every three years and the last one for this indicator was done in 2010. During the meeting, IDEAS completed the Data Quality Assessment (DQA) Checklist.

The aim of the checklist was to assist in assessing each of the five (validity, reliability, timeliness, precision, integrity) aspects of data quality and provide a convenient manner in which to document the DQA findings. After the meeting, the completed Data Quality Assessment (DQA) Checklist for this indicator was reviewed and cleared by the Monitoring and Evaluation Manager.

USAID Implementing Partner Performance Monitoring Workshop

On September 16 – 17, 2014, the Project CoP, DCoP and Support Officer (on behalf of the M&E Manager), attended a two-day workshop organized by USAID Macedonia. The aim of the workshop was to build the capacity of implementing partners (IP) with respect to the design, collection, storage, analysis, and use of performance monitoring data within USAID's program cycle. The ultimate goal was to increase partner understanding of their roles and contributions to USAID's monitoring framework and reporting.

The workshop facilitated by Elizabeth Roen and Mark Skeith, from USAID Washington was an excellent opportunity, through practical examples, to enhance the knowledge on Monitoring and Evaluation procedures, novelties and recent developments in program monitoring and guidance at USAID as well as to receive answers for any challenges or issues regarding data collection and reporting.

**USAID's Macedonia Investment Development and Export Advancement Support
Performance Monitoring Plan (reporting period Oct 1, 2013- September 30, 2014)**

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Base line	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					I Jan-30 Sep		I Oct'11-30 Dec'12		I Oct-30 Sep		I Oct,13-30 Sept,14	
					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 & Programs												
Indicators under 1.1; 2.1; 2.2;												
IDEAS Project Result: Improved Foreign Direct Investment (FDI) and Domestic Investments (DI)												
** NEW 1.1	Number of new aftercare services being offered to foreign investors by InvestMacedonia and TIRZD as main aftercare services providers	New aftercare services developed as a result of USG assistance, and being implemented by InvestMacedonia and the Technological Investment Development Zones Directorate (TIRZD) in an efficient, focused and transparent manner.	Internal Project reports/Annually	0	-	-	-	-	-	-	6	6
IDEAS Project Result: Improved Export Facilitation and Investment Aftercare												
2.1.	Number of new policies, measures, and sub-legislation that facilitate export are adopted	Policies, measures, and sub- legislations are defined as any reform programs that affect the legislative and/or policy framework. The entity that is expected to adopt them is InvestMacedonia.	Project reports, Implementing partners/Annually	0	1	1	3	4	5	5***	6	8
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	2	g****	0	0	0	n/a

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Base line	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4-LoP (2014)	
					1 Jan-30 Sep		1 Oct'11-30 Dec'12		1 Oct-30 Sep		1 Oct,13-30 Sept,14	
					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 raised before the government by the private sector organizations, firms, and individuals using acceptable advocacy approaches such as policy papers, public debates, conferences, and others.	Project reports, Implementing partners/Annually	0	50%	0	54%	52%	59%	61%	63%	63%
								35/67	50/84	54/89 *****		86/137
4.2.	Number of new public-private dialogue mechanisms institutionalized by GoM as a result of USG assistance	Dialogue mechanisms and means used by entities and the 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	1 National Entrepreneurship and Competitiveness Council (NECC)	2	2 (Update of Unique National Electronic Register of Regulations)	3	2 (NECC and ENER)

IDEAS Project Result: Enhanced Government Capacity to implement new Policies												
5.1.	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; public-private dialogue.	Project reports, Implementing partners/Annually	0	155	77 Female-39 Male-38 IP-47 EP-30	202	995 Fem- 494 ; Mal- 501; IP-112 EP-300 PP-420 PPD-163	1240	1,393 Fem-695 Mal-698 IP-149 (M-65; F-84) EP-321 (M-189;F-132) PP-420 (M-190;F-230) PPD-503 (M-254;F-249)	1643	1,877 Fem-963 Mal- 914 IP-186 (M-79;F-107) EP-469 (M-261;F-208) PP-420 PPD-764 (M-370;F-394) Media – 38 (M-14;F-24)
5.2 (PPR)	Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders	The provision of goods or services to developing countries and other USAID recipients in direct support of a development objective-as opposed to the internal management of the foreign assistance program. Services could include the transfer of knowledge and/or expertise by way of staff, skills training, research work and financing to support quality of program implementation and impact, support administration, management, representation, publicity, policy development and capacity building. Technical assistance includes both human and institutional resources. Technical assistance does not include financial assistance. Business enabling environment is defined as improving policies, laws, regulations, and administrative practices affecting the private sector.	Implementing partners/Annually	1218	N/A	1218	1585	1610	1633	1378 *****	1578	1611

Notes:

**** NEW indicator: 1.1 NEW- Number of aftercare services being offered to foreign investors by InvestMacedonia and TIRZD as main aftercare services providers.** This indicator in best manner will measure the assistance Project is providing to the responsible institutions as main aftercare services providers. By end of September 30, 2014 this is the list of the new aftercare services being offered to foreign investors by InvestMacedonia and TIRZD as main aftercare services providers:

1. Database of major foreign investors developed and being permanently updated by InvestMacedonia. The database presents a main pre-condition for communication and interaction between the Agency and the foreign investors in the aftercare process.
2. Database of potential local suppliers in the sector of light manufacturing developed, and delivered to InvestMacedonia and TIRZD. Data will be used by both institutions for developing linkages between foreign direct investors in R.M and local industry.
3. Questionnaires for evaluating the satisfaction of foreign investors with the quality of investment climate and the quality of aftercare services provided by InvestMacedonia and the TIDZ Directorate.
4. Module for online announcement of the arrival of goods supplied by local companies to investors located in the technological zones,
5. More friendly website of the TIDZ Directorate and
6. Concept and guidelines for development of TIDZ Directorate newsletter.

***** Indicator under 2.1.** By the end of September 30, 2014, this is the list of the new adopted policies, measures, and sub-legislation that facilitate export are:

1. Strategic Framework for InvestMacedonia;
2. Export Web Portal- The development of the IT solution for export promotion portal of InvestMacedonia. The web platform will include the company profiles of current and potential exporters, as well as the market information for the specific sectors;
3. Learning exports- Government of Macedonia initiated a new export support measure— “We are Learning Export”—with two main objectives: (1) provide individual assistance to companies for increasing their exports and (2) increase the general export awareness through publications and seminars;
4. Market information -the Project has supported the access for InvestMacedonia to the Euromonitor database. This enabled IM to develop sample reports in a selected number of industries to serve as a template for market entry reports;
5. Creation of the Market Entry Report as a part of the process for establishing the market information function of the InvestMacedonia;
6. Project developed the export readiness assessment tool for InvestMacedonia;
7. Company Trade Mission Assessment Tool; and
8. Sectorial Specific Export Curriculums (for apparel and services sector).

****** Indicator under 3.1.** List of new policies and/or regulations submitted to GoM for review and adoption as a result of USG assistance. The source of this information is Center for Solutions and Reforms REFORMIKO, which has been subcontracted to implement activities in the Public Procurement (PP).

1. Catalogue of Competencies for the Public Procurement Officers
2. Action Plan for further development of the e-Procurement system 2011-2012
3. Model contract for procurement of software application development
4. Amendments to the Law on Public Procurements
5. Rulebook on Training Program, Manner of Implementation of the Training, Fees, as well as the Form and Content of the Certificate
6. Instruction on organization and implementation of the public procurement trainings
7. Trainers' Guidelines
8. Action Plan for Gradual introduction of mandatory certification
9. Instructions for issuing bank guarantees in electronic form

***** **Indicator under 4.1.** By end of September 30, 2014, cumulatively 137 issues were raised. Out of raised issues, 86 were resolved (or 63%) as a result of Project's supported activities under the PPD implemented together with the NECC. The issues raised in this reporting period (October 2013-September 2014) to a large extent originated from the NECC as result of the working groups on specific priority topics. In addition, initiatives were submitted by the NECC member organizations (CoC's and BAs) and partially accepted, but always in coordination and communication with NECC and its involvement in the process.

Indicator under 4.2. By September 30, 2014, two mechanisms were established used by entities and the 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. The first one was the establishment of the National Entrepreneurship and Competitiveness Council (NECC) achieved in 2012, and the second was upgrading Unique National Electronic Register of Regulations (ENER) www.ener.gov.mk, completed in 2013. The target, for 2014 was to establish third PPP mechanism, the Annual PPD Forum that will be hosted by the NECC, where the private sector would present policy-papers on specific issues and the PPD process would be evaluated on annual level. The establishment of the new national PPD mechanism in the form of a 2-day Annual PPD Forum was planned for September 2014, during Y4 of the Project. This forum is to include representatives of the business community and the public sector, by presenting a series of policy papers and measure proposals prepared by the NECC for the GoM. This complex approach will also include a debate on specific documents on highest level as well as operational working groups of the ministries. However due to the early parliamentary elections in April and the fact that the new Government was formed on June 20th, followed by the summer holiday season, it was communicated with the Project that the public sector will not be ready for a forum of this kind in September. In order to secure an adequate participation of the public sector and positive impact of NECC's activities, we accepted the request to delay this event for the last quarter of 2014 and continue to work on the preparations for the PPD forum.

Indicator under 5.1. By September 30, 2014, in total 1,877 people were trained. Out of which were 963 female and 914 male. The structure of the trained people according to gender balance is as follows:

- In IP were trained 190 individuals.
- In EP were trained 420 individuals.
- Under PP were trained 420 individuals and
- In PPD were trained in total 743 people.

Standard indicators under the USAID Foreign Assistance Framework Program Elements: Private Sector Productivity and Business Enabling Environment.

4.1. (PPR) Percentage of issues resolved, as a result of dialogue efforts supported by USG assistance. Indicator will be used for USAID/Macedonia Performance Plan Reporting purposes.

***** **5.2** (PPR) Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders. Indicator is used for USAID/Macedonia Performance Plan reporting purposes starting from the beginning of FY2012. The baseline reflects the actual result of FY2011. The targets and actuals for each year are separate, not cumulative.

From Oct 1, 2013- September 30, 2014, in total 1611 days were spent for providing assistance to Project counterparts and stakeholders. It should be noted that, starting from November 1, 2013, Kiril Minoski, the Export Promotion Senior Advisor is no longer with the Project, and Voislav Ilievski, the assigned Support Officer is performing this position since then. This personnel change however, did not reflect in major misbalance in regard to the targets and actuals for this indicator.

V. FINANCIAL SUMMARY

Annual Report Financial Summary (Oct 2013 – Sep 2014)	
	Total
Labor (US Expatriates and CCNs)	\$374,208.66
Other Direct Costs	\$178,067.08
Special Projects	
Component A1 (FDI/DI/Aftercare)	\$22,740.48
Component A2 (Export Promotion)	\$66,524.11
Component B (PPD)	\$82,326.82
Component C (Media)	\$18,086.68
Burdens (Labor, ODCs, Special Projects)	\$82,452.31
Fees	\$58,150.54
TOTAL	\$882,556.68

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