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INVESTMENT DEVELOPMENT AND EXPORT ADVANCEMENT SUPPORT PROJECT

IDEAS PROJECT YEAR IV WORK PLAN
OCTOBER 1, 2013–DECEMBER 28, 2014

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DISCLAIMER

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Investment Development and Export Advancement Support Project
YEAR IV WORK PLAN (October 1, 2013–December 28, 2014)

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LIST OF ACRONYMS

AEP	Agency for Entrepreneurship Promotion
BA	Business Association
BAH	Booz Allen Hamilton
B2B	Business to Business
CoC(s)	Chamber(s) of Commerce
COR	Contracting Officer Representative
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
ENER (EHEP)	Unique National Electronic Register of Regulations
EU	European Union
FDI	Foreign Direct Investment
FY	Fiscal Year
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (The German Society for International Cooperation)
GoM	Government of Macedonia
ICT	Information and Communications Technology
IDEAS	Investment Development and Export Advancement Support
IGD	Inclusive Growth Diagnostic
ILO	International Labor Organization
InvestMacedonia	Agency for Foreign Investments and Export Promotion
IPA	Instrument for Pre-Accession Assistance
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
M&E	Monitoring and Evaluation
NECC	National Entrepreneurship and Competitiveness Council
NGO	Non-Governmental Organization
PA	Public Administration
PAIIZ	Polish Foreign Investment Agency
PMP	Performance and Monitoring Plan
PPB	Public Procurement Bureau

PPD	Public-Private Dialogue
PR	Public Relations
RCI	Regional Competitiveness Initiative
RIA	Regulatory Impact Assessment
SEE ICT	South East Europe ICT Companies
SEEITA	South East Europe ICT Associations
SoW	Scope of Work
SIPPO	Swiss Import Promotion Programme
SME	Small and Medium Enterprises
TTA	Textile Association
TIDZ	Technological Investment Development Zones
USAID	United States Agency for International Development
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
USG	United States Government
Y4	Year 4
WEF	World Economic Forum

EXECUTIVE SUMMARY

This document represents the Work Plan for the Investment Development and Export Advancement Support (IDEAS) project (referred to hereinafter as the “project”) for the fourth and final year of its implementation. This Work Plan covers a period of 15 (fifteen) months, since the IDEAS project is scheduled to end in December 2014. Therefore, in consultation with USAID/Macedonia, it was agreed to incorporate the three months that immediately follow the completion of USAID’s fiscal year (September 30, 2014) into this Work Plan in order to maintain momentum and assure appropriate implementation and finalization of all planned activities.

Year 3 implementation - The project has finished implementation of the third year Work Plan (covering January 1, 2013, through September 30, 2013), with only some minor technical aspects remaining to be implemented/finalized, after their being postponed due to objective stakeholder needs and requirements. All of the remaining activities are addressed in this Work Plan.

All of the implemented activities were in-line with USAID’s Mid-Term Assessment recommendations and the project’s scope of work. The project has undertaken various activities in all of the three components aimed at establishing the foundations for future growth in investment and export initiatives, as well as strengthening the mechanisms for public-private dialogue in Macedonia. The focus has been on operational implementation of the economic development policies and high-level directions driven by the GoM. Generally, the implemented activities and project achievements during the third year can be divided in three areas/levels:

- **Strategic Support** - The project supported its stakeholders in creation of relevant, strategic documents, action plans, programs and other official papers that serve or will serve as efficient implementation tools, roadmaps and operative guidelines to the institutions during their work and implementation of activities assigned to them by the GoM and/or created by other relevant bodies. These include: Sectorial/Vertical Export Curricula; Aftercare Services Manual; Policy Paper Creation Toolkit; etc.
- **Implementation Support** – The project provided support to the stakeholders in implementation of governmental and other counterpart institutions’ programs, plans and action packages through organization of numerous workshops, round tables and implementation of specially tailored activities pursuant to the Work Plan and in-line with the stakeholders’ needs.
- **Capacity Building Support** – The project provided capacity building support to the stakeholders through a variety of activities. The stakeholders/implementing institutions of the abovementioned strategic documents, based on their needs for capacity building, were supported through organization of specific trainings, delivered both by project staff and engaged professionals, as well as organization of study tours and creation of other tailored programs to ensure capacity enhancement in order to prepare officials to best fulfill their responsibilities. Some of the activities/trainings undertaken were: Study Tour(s); Project Management Professional Training (PMI); Export Readiness Training; Management Trainings (time, cost, pricing management); etc.

Preparation of the Year IV Work Plan - The IDEAS staff went through an intensive and comprehensive process during the preparation period, in order to create a Work Plan covering the 15-month period that will conclude the project’s efforts over the previous three years. Namely, the project undertook serious analyses of several documents in order to insure inclusiveness and meet the requirements of all relevant politics and recommendations specified by USAID and Booz Allen Hamilton. To this end, the following documents have been reviewed: The *Booz Allen Technical Proposal*, ensuring that the project follows the specified initial activities and fulfills the project’s scope; USAID’s *Mid-Term Assessment* of the IDEAS project, with an accent on implementation of the recommendations set forth with this document, as a continuation of last year’s efforts; the *Inclusive Growth Diagnostics (IGD)* document, a comprehensive document that provides guidelines crucial for

the future development of the business sector in Macedonia. Having in mind the depth and wide range of the latter document, the project, to an extent feasible given its capacities, budget and scope, will make an attempt to address or at least contribute to a few policy areas identified by the USAID Inclusive Growth Diagnostic (IGD). In addition to these “internal” analyses and reviews, the project’s staff maintained intensive communications with counterpart institutions, both on an operational and an official level, in order to conceive the activities to be undertaken, determine their extent and detail and secure buy-in and commitment for their implementation. These activities have been discussed during numerous meetings during this period; stakeholders’ specific needs as well as their annual programs and other relevant documents were taken into serious consideration while defining the activities under this Work Plan. This resulted in a Work Plan that is in line both with the project’s scope of work and the governments’/stakeholders’ programs and action plans, as well as with their budget capacity.

All of the abovementioned project efforts were concluded with a final presentation to USAID (the USAID Mission Director; the Economic Growth Office Director and representatives), together with the 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), once again confirming their commitment, as well as the strong links and cooperation the project has established.

I. COMPONENT A–FOREIGN DIRECT INVESTMENT (FDI) / DOMESTIC INVESTMENT (DI) / EXPORT FACILITATION AND INVESTMENT AFTERCARE IMPROVED

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

I. Current Situation

The IDEAS project's assistance efforts under Component A, Theme I follow the structure designed in the previous three years by classifying all activities into two sub-components: Activity 1, focusing on the development of efficient and effective aftercare services; and Activity 2, supporting the implementation of GoM industrial policy. (Note: Due to reasons elaborated below, the two activities are presented in this work plan in a reverse order).

As clearly recommended in the mid-term external evaluation of the project work completed in December 2012, this component continues to focus largely on assistance in the area of aftercare, limiting industrial policy support only to those specific training activities for Macedonian companies that have the potential to grow and establish linkages with foreign investors. This is due to the fact that the Government of Macedonia expects to launch a new three-year IPA project solely devoted to capacity building in the area of industrial policy implementation during the first half of 2014. (The project was originally set to start in 2013 but its commencement was postponed due to delays in the procurement process.)

The chronically low level of private investment in Macedonia still represents one of the main problems faced by the Macedonian economy. This fact has lately been reaffirmed by the Inclusive Growth Diagnostic (IGD), prepared by USAID during the course of 2013, which found that Macedonia underperforms in several key indicators:

- Macedonia's ratio of private investment to GDP is considerably lower than expected for a country of its income level (for the period 2005 – 2011 Macedonia's private fixed investment averaged 13.6% of GDP, which is far less than the 17.5% expected for a country of its income level);
- Macedonia records low participation of private investment in overall investments. From 1999 through 2010, this ratio for Macedonia averaged 68%, which is significantly less than the 81% in other countries of similar income level. The situation improved in 2011, with the share of private investment in total investments rising to 84%. It remains to be seen whether this was just a one-time success or a start of a trend.
- Last but not least, Macedonia's levels of FDI are fairly low, equaling 5.4% of GDP for the period 2006 – 2011. According to the UNCTAD World Investment Report prepared in 2013, the trend of low levels of FDI in Macedonia continues in 2012, depriving its small economy of an important source of investment financing and reducing the opportunities for Macedonian companies to benefit from potential FDI spillover effects.

The IGD complements the Macedonia's investment numbers with relevant findings on the poor performance of Macedonian institutions and policy makers to transfer the positive effects of numerous business environment reforms to the company level, thus indirectly calling for more work

on strengthening the capacity of institutions to implement policies aimed at stimulating and encouraging domestic and foreign investments and in supporting the competitiveness efforts of the micro sector.

The above IGD findings fully comply with the overall objective of this component, as defined at the beginning of the project: to assist the Government of Macedonia to address the issue of weak competitiveness of the Macedonian economy by contributing to the efforts for increasing the level of private investments in the country. The specific objectives for each of the two activities are elaborated below.

II. Planned Activities

ACTIVITY I – Support GoM in establishing efficient and effective aftercare services

Assistance designed under this sub-component is targeted at strengthening the institutional and human capacity of InvestMacedonia and the TIDZ Directorate, as the 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.

Project assistance in this area significantly increased over the course of FY 3 through implementation of a number of activities aimed at establishing the fundamentals that present the key preconditions for future development of specific aftercare services. These activities include relevant aftercare trainings, study visit to the Polish foreign investment agency PAIilZ, reestablishment of links between InvestMacedonia and other relevant government institutions, initiation of the establishment of the database of major foreign investors and development of the aftercare manual. In Y4, the project plans to mainly focus on assisting InvestMacedonia and the TIDZ Directorate to develop and start implementation of specific aftercare services.

Given the different assistance needs of the two institutions, the project has designed a separate set of activities for each of them (the main implementing partner for each activity is referenced in brackets). However, many of the activities will still be implemented in close cooperation with both InvestMacedonia and the TIDZ Directorate, as well as other relevant institutions, such are the ministers in charge of investment promotion, the Deputy Prime Minister for Economic Affairs (DPMEA) and the Ministry of Economy (implementing partners for each activity are identified in the respective column of the below table).

I. Annual program for implementation of aftercare services in 2014 (InvestMacedonia)

At the end of FY 2013 the project completed the drafting of 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, i.e. to give InvestMacedonia background information on every potential aftercare service, thus facilitating the focused planning process based on its own available capacities and resources. However, given the agency's modest resources and implementing capacity, during the next year it will have to be selective and focus only on a limited number of aftercare services.

Thus, under this work plan the project will support and facilitate the process of preparing InvestMacedonia's annual program for the implementation of aftercare activities. The program will identify a list of aftercare services that will be implemented by the agency in 2014, elaborating for each service the modes of implementation, implementing partners, necessary resources and performance indicators.

The planning process will include consultations within InvestMacedonia and within its Aftercare Department to discuss their potential and needs in the area of aftercare, as well as the identification of specific services that can realistically be implemented in 2014 based on the agency's implementing capacity and drafting of the annual program. The program will be completed by the end of this calendar year; the project will support the implementation of some of the activities contained therein (items 2 – 5 below).

2. Mechanisms for regular collection of information from foreign investors (InvestMacedonia)

One of the main functions of every agency that provides aftercare services is to survey, on an ongoing basis, all foreign investors. This serves to gather their opinions and assess their satisfaction with the overall operating conditions in the country. InvestMacedonia needs assistance in improving the quality of its communication with foreign investors and expanding the quantity of data on their satisfaction with the investment climate and any provided aftercare services.

In line with this need, the project plans to assist InvestMacedonia to develop mechanisms for the regular collection of information from foreign investors that operate in Macedonia. This information should detail their level of satisfaction with the investment climate and the quality of aftercare services provided by the agency.

This will be achieved through two actions: development of specifically tailored questionnaire(s) that will serve as instruments for the collection of information and addition of a separate IT module to the InvestMacedonia website that will enable the simple and efficient electronic surveying of investors.

3. Database of major foreign investors (InvestMacedonia)

Maintaining a database of major foreign investors is one of the key preconditions for effective provision of many 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.

The project assistance for establishment of the database of major foreign investors was launched FY 3 and the process of collection of information is currently well underway. Data are being collected through a detailed registration form developed in English and Macedonian by the project in close cooperation with InvestMacedonia. Over the course of the next year, i.e. under this work plan, the project plans to carry out the following activities:

- Complete the process of collection of data in cooperation with relevant government institutions active in the area of investment promotion and all business associations that have foreign investors among their members.
- Define the structure of the database and all data categories under which the information contained therein will be classified.
- Introduce IT modification to the InvestMacedonia CRM system to incorporate the database of major foreign investors.

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 to them relevant information in a more efficient and comprehensive manner.

4. Database of potential domestic suppliers – first phase (InvestMacedonia)

The aggressive GoM efforts to promote Macedonia as an investment destination along with numerous road shows and direct contacts with potential investors from across the globe have resulted in several very important greenfield investments made by multinational companies, predominantly from the automotive industry. Some of these investments have not reached their originally planned capacities while others are fully operational and even expanding.

However, all these investments share one general characteristic: They are poorly linked to the Macedonian economy, i.e. their business operations do not or only to a very limited extent include cooperation with Macedonian companies. As such a situation seriously deprives the domestic economic environment of any of the well-known FDI spillover effects, there is an urgent need for proactive action to improve this situation.

The main precondition for the promotion of linkages between FDI and local companies is the existence of viable information on the characteristics and the capacity of the latter.

Under this activity, the project plans to assist InvestMacedonia in developing the first segment of the database of domestic companies that have the potential to supply products/services to foreign investors in Macedonia. The implementation steps will include the following:

- Consultations with select foreign investors in one or few similar industry sectors, for which this segment of the database is being developed, to discuss their needs and their potential to source locally, including descriptions and specifications of individual products/services.
- Based on the information on the needs of foreign investors, establish the criteria for entry of Macedonian companies in the database, i.e. determine the minimum capacity, standards and references that they should satisfy to become part of it.
- Identify local companies that meet the set criteria, collect their basic information and complete the first list of potential suppliers.
- Introduce IT modification to the InvestMacedonia CRM system to incorporate the database of local suppliers.

5. Event for promotion of linkages between FDI and local SMEs (InvestMacedonia)

Under this activity, the project plans to support InvestMacedonia's efforts to enhance the exchange of opinions and synergies among current foreign investors in the country, other foreign companies they cooperate with and Macedonian companies in order to stimulate and facilitate business linkages, new investments and reinvestments.

As part of its overall policies for encouraging stronger integration of FDI with the local economy, the Government of Macedonia assigned InvestMacedonia to organize event(s) in several key industries that will serve as forums for discussing the opportunities for cooperation among foreign investors and Macedonian SMEs, and eventually lead to more concrete action on the establishment of various forms of collaboration.

The organization of one such event will be supported by the project and will include assistance in planning of the concept of the event, logistic preparations and covering of related expenses.

The assistance provided under this activity is closely linked with the project's support to the establishment of the first phase of the domestic suppliers database, since the latter will be used as a source of information on those local companies that should participate in the event.

6. List of core aftercare services (TIDZ Directorate)

The main objective of this activity is to facilitate the design and implementation of realistic and feasible aftercare activities to foreign investors in the zones based on the TIDZ Directorate's actual capacities and its available resources.

The objective will be achieved by provision of assistance to the TIDZ Directorate in defining a list of core aftercare services to be provided to foreign investors located in the zones. The process is planned to include the following stages:

- Identification of the services in close consultation with the TIDZ Directorate and based on its institutional and human capacities.
- Elaboration of the implementing steps for each service and the needed resources.
- Determination of realistic performance indicators for each service.
- Preparation of the forms for recording the regular communications between TIDZ Directorate employees and foreign investors.

7. Procedure for entry into TIDZs (TIDZ Directorate)

The activity is aimed at streamlining and expediting the movement of foreign investors and their suppliers in and out of the technological industrial development zones (TIDZs) by providing clear and transparent information on the relevant entry procedures.

Along these lines, the project will provide assistance to the TIDZ Directorate in drafting the procedural guidelines for entry into TIDZs that will provide detailed information on all steps, documents and costs that companies operating in the zones or cooperating with companies in the zones encounter in order to be admitted into the zone territory. Guidelines will be posted on the TIDZ Directorate website.

8. Newsletter (TIDZ Directorate)

The main objective of this activity is to assist the TIDZ Directorate in establishing a regular channel for the dissemination of relevant information to, and communication with, investors located in the zones.

The newsletter will be developed as a publication that will be electronically distributed to the foreign investors working in the TIDZs. It will contain information of relevance for their every-day operations, experiences of mutual benefit, success stories, as well as other news and materials relevant to their work.

In order to facilitate a sustainable process for the preparation of the newsletter, the project will carry out the following activities:

- Initiate the establishment of an internal board that will be in charge of designing and drafting the newsletter.
- In consultation with the board, create the concept and structure of the newsletter.

- Assist the TIDZ Directorate in drafting and editing the first issue of the newsletter.

9. Mechanisms for regular collection of information from foreign investors located in TIDZs (TIDZ Directorate)

As an institution that services foreign investors, the TIDZ Directorate, just like InvestMacedonia, needs to regularly survey the users of its services in two respects: 1. Their opinion of the investment climate in Macedonia and the operating conditions in the zones; and 2. Satisfaction with the services provided by the TIDZ Directorate.

In line with this, the project will assist the TIDZ Directorate to develop mechanisms for the regular collection of information from foreign investors that operate in Macedonia on their satisfaction with the investment climate and the quality of aftercare services provided by the agency. Specific activities will include the following:

- Development in consultation with TIDZ Directorate staff of specifically tailored questionnaire(s) that will serve as instruments for the collection of information from foreign investors; and
- Introduction of a separate IT module to the TIDZ Directorate website that will enable the simple and efficient electronic surveying of selected investors.

ACTIVITY 2 – Industrial Policy Implementation Support to GoM

In light of the significant reduction of project assistance under this sub-component (the reasons for the reduction have been elaborated in more detail in the work plan for FY 3), this work plan envisages the implementation of only one activity aimed at assisting the Ministry of Economy in its ongoing efforts to increase the competitiveness of Macedonian companies in line with its Industrial Policy 2009-2020.

10. Trainings for improving key competitiveness aspects of selected Macedonian companies

The implementation of this activity is aimed at achieving two goals: 1. Enable continuation, though with lower intensity, of project assistance to the strengthening of the competitiveness of Macedonian companies, provided to the Ministry of Economy over the previous three years as part of the industrial policy implementation support; and 2. Complement some of the assistance activities planned under the aftercare sub-component, such as the establishment of the first phase of the database of domestic suppliers and the event for promotion of linkages between FDI and local SMEs.

More specifically, the project plans to support the organization of two targeted trainings for Macedonian companies in selected sectors aimed at improving their capacities to invest/innovate/grow. Implementation steps will include the following:

- Identification of sectors in which trainings will be provided and the specific areas of knowledge in cooperation with the Ministry of Economy and in line with its strategic priorities.
- Selection of appropriate training provider(s).
- Organization of training logistics.

As elaborated below, an effort will be made to link the organization of these trainings to the project's aftercare activities, i.e. the selection of sectors, companies and training topics will to the greatest extent possible be based on the needs of foreign investors as identified through the database of local suppliers and the linkages event.

III. Expected Results

The successful implementation of the activities elaborated under Component A, Theme I is expected to deliver the following results:

- Identified and elaborated lists of aftercare services that InvestMacedonia and the TIDZ Directorate will deliver to foreign investors in line with their respective responsibilities over the next three years.
- Established database of major foreign investors that will enable InvestMacedonia to target various categories of clients of their aftercare services.
- Developed first phase of the database of local suppliers as a solid foundation for development of additional segments in other relevant industry sectors.
- Continued active participation of InvestMacedonia in the GoM efforts for enhancing linkages between foreign investors and local SMEs in the country.
- Developed mechanisms for InvestMacedonia and the TIDZ Directorate for the collection of information from foreign investors on their satisfaction with the investment climate and their respective aftercare services.
- Regular publishing of the TIDZ Directorate newsletter as an instrument for the distribution of relevant information to foreign investors operating in TIDZs.
- Improved access to information by foreign investors located in TIDZs on the conditions and costs for entry into the zones.

Component A, Theme I—Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
Activity I - Support GoM in establishing efficient and effective aftercare services					
Assist InvestMacedonia to further strengthen its capacity for performance of the aftercare function and support the implementation of specific aftercare activities.					
1.	<p>Assist InvestMacedonia in preparing the annual program for implementation of aftercare services for 2014, based on the Aftercare Manual prepared by IDEAS in 2013:</p> <ul style="list-style-type: none"> - Organize consultations within InvestMacedonia and within its Aftercare Department to discuss the potential and plans in the area of aftercare. - Identify feasible list of services that can realistically be implemented in 2014 based on InvestMacedonia's implementing capacity. - Draft the annual work program to include description of each activity, relevant performance indicators and needed recourses. 	Facilitate focused and feasible planning of Agency's aftercare activities based on its actual capacities and the available resources.	October – December 2013	InvestMacedonia	n/a
2.	<p>Assist InvestMacedonia in setting up mechanisms for regular collection of information from foreign investors on their satisfaction with the investment climate in Macedonia and the quality of aftercare services provided by the agency:</p> <ul style="list-style-type: none"> - Draft questionnaires that should be used as instruments for collection of information. - Introduce the IT modifications to the InvestMacedonia website to enable the electronic surveying of investors. 	Increase the quality of communication between InvestMacedonia and foreign investors and the quantity of data on their satisfaction with the investment climate and the provided aftercare services.	April - June 2014	InvestMacedonia	Total budget: \$ 5,000.00 - IT services
3.	<p>Assist InvestMacedonia to complete the establishment of the database of major foreign investors begun in 2013:</p> <ul style="list-style-type: none"> - Collect data on foreign investors that operate in Macedonia using the registration form prepared by InvestMacedonia and IDEAS in 2013. - Define the structure of the database. - Introduce IT modification to the InvestMacedonia CRM system to incorporate the database of foreign investors. 	Establish a credible database of foreign investors that will enable InvestMacedonia and other institutions to reach out to relevant investors and distribute to them various information in a more efficient and comprehensive manner.	October 2013 – March 2014	<ul style="list-style-type: none"> - InvestMacedonia - TIDZ Directorate - Ministers in charge of investment promotion - Investor associations 	Total: \$5,000.00 - IT services

Component A, Theme I—Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
4.	<p>Assist InvestMacedonia in developing the first segment of the database of domestic companies that have the potential to supply products/services to foreign investors in Macedonia:</p> <ul style="list-style-type: none"> - Organize consultations with select foreign investors in one or few similar industry sectors to discuss their needs and potential to source locally, including description and specifications of individual products/services. - Based on the information on the needs of foreign investors, establish the criteria for the entry of Macedonian companies in the database, i.e. determine the minimum capacity, standards and references that they should satisfy to become part of it. - Identify local companies that meet the set criteria, collect their basic information and complete the first list of potential suppliers. - Introduce IT modification to the InvestMacedonia CRM system to incorporate the database of local suppliers. 	Support and facilitate GoM efforts in establishing and strengthening the linkages between Macedonian companies and the foreign investors in the country.	October 2013 – March 2014	<ul style="list-style-type: none"> - InvestMacedonia - TIDZ Directorate - Ministry of Economy - Ministers in charge of investment promotion 	<p>Total budget: \$17,000.00</p> <ul style="list-style-type: none"> - Local consultant - IT services*
5.	Assist InvestMacedonia in organizing an event that will enable the exchange of experiences between existing and potential foreign investors in Macedonia and promote and facilitate linkages between them and local companies.	Enhance exchange of opinion and synergies between current foreign investors in the country, other foreign companies they cooperate with and Macedonian companies in order to stimulate and facilitate business linkages, new investments and reinvestments.	April - June 2014	<ul style="list-style-type: none"> - InvestMacedonia - DPMEA - TIDZ Directorate - Ministers in charge of investment promotion 	Total budget: \$19,000.00

Component A, Theme I—Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
Assist the Directorate for Technological Industrial Development Zones (TIDZ Directorate) to further strengthen its capacity for performance of the aftercare function and support the implementation of specific aftercare services.					
6.	Assist the TIDZ Directorate in defining a list of core aftercare services to be provided to foreign investors located in the zones: <ul style="list-style-type: none"> - Identify the services based on the capacity of the TIDZ Directorate for their provision. - Elaborate the implementing steps and the resources needed for their implementation. - Set realistic performance indicators for each service. - Prepare forms for tracking the regular communication between the TIDZ Directorate employees and foreign investors. 	Facilitate the design and implementation of realistic and feasible aftercare activities to foreign investors in the zones based on the TIDZ Directorate's actual capacity and the available resources.	October – December 2013	TIDZ Directorate	n/a
7.	Assist the TIDZ Directorate in drafting the procedural guidelines for entry in TIDZs that will provide detailed information on all steps, documents and costs that companies operating in the zones or cooperating with companies in the zones encounter in order to be admitted into the zone territory. Guidelines should be posted on the DTIDZ website.	Streamline and expedite the movement of foreign investors and their suppliers in and out of the zones by providing straightforward and transparent information on the relevant entry procedures.	January – March 2014	TIDZ Directorate	n/a
8.	Assist the TIDZ Directorate in developing a newsletter for electronic distribution of information to companies operating in the zones: <ul style="list-style-type: none"> - Support the establishment of an internal board that will be in charge of preparation of the newsletter. - In consultation with the board, create a concept for the newsletter. - Assist the TIDZ Directorate in drafting and editing the first issue of the newsletter. 	Establish a regular channel for the dissemination of relevant information to, and communication with, investors located in the zones.	May - July 2014	TIDZ Directorate	Total budget: \$1,000.00 - Design services
9.	Assist the TIDZ Directorate in setting up mechanisms for the regular collection of information from foreign investors on their satisfaction with the investment climate in Macedonia and the quality of provided aftercare services: <ul style="list-style-type: none"> - Draft questionnaires to be used as instruments for the collection of information. - Introduce IT modifications to the TIDZ Directorate website to enable the electronic surveying of investors. 	Increase the quality of communications between the TIDZ Directorate and foreign investors in the zones and provide data on their satisfaction with the investment climate and the aftercare services provided by this institution.	April - June 2014	TIDZ Directorate	Total budget: \$5,000.00 - IT services*

Component A, Theme I–Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI and Aftercare					
	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
Activity 2 - Industrial Policy implementation support to the GoM					
Assist Ministry of Economy in their ongoing efforts to increase the competitiveness of Macedonian companies in line with its Industrial Policy 2009-2020.					
10.	Support the organization of two targeted trainings for Macedonian companies in selected sectors aimed at improving their capacities to invest/innovate/grow: <ul style="list-style-type: none"> - Assist in the process of identification of sectors in which trainings will be provided and the specific areas of knowledge in cooperation with the Ministry of Economy and in line with its strategic priorities. - Select training provider(s). - Organize the logistics and deliver trainings. 	Increase the awareness of the selected companies on the need to invest in their competitiveness and offer to them information on the opportunities and sources for growth.	August – November 2014	<ul style="list-style-type: none"> - Ministry of Economy - Relevant business associations 	Total budget: \$8,000.00 <ul style="list-style-type: none"> - Local consultant(s) - Organization costs
TOTAL BUDGET FOR COMPONENT A I - \$60,000.00					

* All IT modifications to the InvestMacedonia’s electronic system mentioned in this section of the work plan will be carried out in a package with similar interventions identified under the IDEAS Export Promotion Component.

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

I. Current Situation

Sustaining faster growth and reducing unemployment in a small, open economy like Macedonia's depends on improving export performance. Improving export performance can also help preserve macroeconomic stability by closing the current account gap, avoiding the draining of reserves and containing the growth in external debt.

Since independence in 1991, Macedonia has experienced negative trends in its international trade. Based on the statistical information collected over the past decade, the coverage of imports with exports in the country averaged approximately 60%. The economy is characterized by a heavy dependence on metals and petroleum products; exports are dominated by labor and capital-intensive industries, such as textiles and manufacturing. Any prolonged concentration of exports in a few comparatively "unsophisticated" sectors will increase the vulnerability of the economy to external shocks.

These findings have been confirmed by the recently published Growth Diagnostic Study for Macedonia, prepared by USAID, which identifies various critical issues, including the low level of export sophistication; and the negative trend in the evolution of the country's export basket contrary to structural changes in worldwide export demand, with a growing market share for Macedonia in sectors of declining importance in world trade. These critical issues will need, accordingly, an adequate economic approach.

Without significant improvements to the competitiveness and innovation of the products and services offered by Macedonian companies, it will be difficult to increase their presence on the international markets. Such a situation requires simultaneous efforts in the economy to increase the productivity and efficiency of existing exporters, through innovation and improved export promotion services, as well as the diversification of those exports, with increased focus on higher-value and higher-margin products. Along with searching for the right international customers for Macedonian products and services, one of the main challenges will remain developing the right products for customers on international markets.

In this context, the project has supported the Ministry of Economy to create export promotion policies, as well as supporting the newly created Export Promotion Agency (InvestMacedonia) in carrying out its pro-export mandate.

Our approach during the first three years was concentrated on building the processes and mechanisms for InvestMacedonia to provide relevant services to export-oriented companies, while focusing on key sectors with the highest potential that also are in alignment with the national Export Promotion Strategy. The focus during project activities was on setting up the organization, strengthening the capabilities of InvestMacedonia through training and hands-on coaching, and coordination of InvestMacedonia efforts with the business and donor community at large to extend its outreach and impact.

Using this approach, we have combined horizontal activities that set the framework and apparatus of InvestMacedonia (i.e., vision, mission, organizational structure, business model) with vertical activities that will root the framework in the realities of the current environment (i.e., implementation). Such an approach enabled us to accomplish two objectives: (1) define the long-term concept of the agency; and (2) create immediate and visible results.

Most of the accomplishments during the first three years may be divided among three categories: strategic, implementation and capacity-building activities.

- At the **strategic level**, the comprehensive Strategic Framework for InvestMacedonia was developed, covering organizational aspects, sector selection, and services, based on research on global best practices for the implementation of state-supported export promotion activities;
- At the **implementation level**, the export-promotion function was introduced in the InvestMacedonia, development and market information functions. With support from the project, 15 export-promotion trade events (B2B, trade fairs, trade missions), domestically and abroad, took place, with the participation of more than 100 companies. These created new business opportunities and new export value for the country. Also, 15 market entry report and editions of the electronic newsletter “Exporter” were created, contributing to creation of an information-rich environment for exporters and increasing company awareness of exports.
- In the area of **capacity building**, the IT infrastructure for InvestMacedonia was improved, creating an export web portal that serves as a virtual matching platform for domestic exporters and potential clients abroad. To this end, a study tour to the Czech Republic and Slovakia and their relevant Export Promotion agencies was supported by project, as well as several trainings for export departments and economic promoters.
- Also, in the area of export readiness, the project supported the implementation of the governmental measure “We are Learning Export” and establishment of the first general export curriculum in the country, as well the first sectorial export curriculum for the apparel sector.

The Strategic Framework for InvestMacedonia that has been developed for the past three years, remains the main roadmap in the design of project activities for Y4, where the main focus will be 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, 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.

II. Planned Activities

The main emphasis of the planned activities for Y4 will be on the further implementation of export-promotion and export-readiness activities, along with the human and institutional development of InvestMacedonia. This effort is divided into five categories: (1) Export Promotion Support (2) Export Analysis Support, (3) Export Readiness Support, (4) Export Education and Awareness and (5) Institutional Development of InvestMacedonia.

ACTIVITY I - Export Promotion Support

In order to support private companies in their internationalization efforts, many countries around the world have established public agencies to promote exports. The economic rationale for these activities relies on the fact that there are significant costs associated with the acquisition of information on foreign markets; private firms will be reluctant to incur these costs, to the extent that competitors can benefit from their experience through information spillover. Such externalities result in market failures, which in turn establish the basis for public-sector involvement.

In particular, export-promotion agencies are very effective in supporting small- and medium-sized companies (SMEs) in their attempts to access international markets, through training and coaching programs for export-oriented companies, support for trade fair and trade mission participation, as well as providing market information and market intelligence for international markets. This is very

important in the Macedonian context, keeping in mind its small number of exporters, when compared to the total number of officially registered companies in the country.

In this vein, over the last three years the project has supported the establishment of several functions, across the spectrum of traditional export promotion, within InvestMacedonia. These include business development functions, i.e. trade fair participation, B2B events and business leads. 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.

Most of the export-promotion activities, such as trade fair participation, B2B, business forums and trade missions organized by InvestMacedonia, were implemented in the selected sectors with the highest export potential, such as the food, ICT and automotive sectors. Starting in 2013, most of the export-promotion activities in the agro sector have been funded and managed by the Ministry of Agriculture; therefore the focus of the newly designed activities for Y4 will be on other sectors.

ICT

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 from 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 Y4, the project will support the organization of B2B meetings and a matchmaking event in Skopje that will be part of MASIT's "E-Government and SEEITA Open Days Conference," which will be held in October 2013. MASIT, the Ministry of Information Society and Administration and the French Embassy are co-organizers of the event.

The B2B and matchmaking event will be an opportunity to connect businesses from Macedonia, France and from the region. Expectations are that at least 40 companies will attend the event.

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

Apparel

Apparel represents a very important segment of the Macedonian economy, encompassing 1,500 registered enterprises currently employing 40,000 people. The apparel sector creates exports worth 400 million Euros, representing 17% of total exports and about 2.4% of GDP. For all these reasons the apparel sector was selected in the Export Strategy as key for Macedonia's exports. In general, support for improvement of the competitiveness of the apparel sector has been provided by various donor programs funded by USAID, SIPPO, GIZ and CBI.

In the course of supporting activities related to economic promotion in the apparel sector during Y4, the project together with SIPPO, InvestMacedonia and textile association (TTA) will work to implement the market research for four prospective EU markets (Germany, Denmark, Sweden and

France) for export. Information gathered during market research will include: customer profiles; types of products and services required by buyers; factors that influence decisions for cooperation; competitive sector information: production, exports, imports, advantages, supply chain; etc. The second stage of the process will include: selection of one target market; familiarizing Macedonian companies with the target market; and establishing contacts with potential buyers. The activity will be completed prior to the two promotional matchmaking B2B events with the objective of presenting the possibilities within the Macedonian apparel industry.

Depending on available project funds and resources, as well external factors (InvestMacedonia priorities, commitment of the private sector, available matching funds from the other donors) additional export-promotion activities could be initiated and supported during Y4; these include Regional Cross Sectorial Business forums on exports, aiming to improve regional cooperation and to boost regional trade.

ACTIVITY 2 – Export Analysis Support

Relevant, accurate and timely information is a key input to effective marketing decisions. Given the diversity of business environments, a multiplicity of factors should be considered when companies are selling abroad, keeping in mind that they must deal with elements that are not necessarily present in the domestic market. Accordingly, the lack of information is one of the most significant export barriers both in terms of frequency and degree of severity.

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.

Smaller firms face greater limitations than larger firms in trading across borders. More concretely, gathering information about, and communicating with, foreign markets seems to stand as a greater obstacle for smaller firms than for larger firms. (This is because the work requires performing market studies, which entail fixed costs. Larger firms are in a better position to absorb these costs because they can distribute them over a greater number of units sold; as well, they are better able to absorb the information from such studies and to use it to formulate an effective export market strategy).

In order to address the issues related to the shortfall of market information, the project has 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.

Within the market information service line, InvestMacedonia should provide three types of products: market entry reports, market intelligence reports and specialized research.

Market entry reports, which are general reports for identified markets, include information on market potential, market access and an assessment of transportation and distribution methods. Market intelligence reports draw together more specific market information, ranging from statistics to competitive analyses. Specialized research reports cover advanced topics and needs that cannot be addressed by InvestMacedonia or local counterpart capacity; vendors usually complete these reports.

The newly created web portal is powerful tool for information-sharing on foreign markets, market entry criteria, distribution channels and consumer behavior.

Assistance to InvestMacedonia in implementation of the market information function will be to:

- train the InvestMacedonia staff in trade analysis methods and techniques,

- Support the Export Department in InvestMacedonia to develop the methodology and tools for assessment of the export-readiness potential of export-oriented companies.
- Conduct a survey for identifying the bottlenecks for exports at the company level; and
- Assist in creation of five market intelligence reports with more specific market information, ranging from statistical to competitive analyses, on five potential markets that will be published on the InvestMacedonia web portal.

Development of the market analysis tools will be very valuable, both from the perspective of the private sector and InvestMacedonia. For private companies, these tools will help in identifying their main weaknesses and obstacles for exports (management, design, labeling, marketing strategy, quality etc.), while for InvestMacedonia, it will enable the agency to focus its efforts and funds on export-ready companies.

Partners in implementing this activity will be InvestMacedonia, business associations, chambers, other USAID projects, donors and GoM agencies.

ACTIVITY 3 – Export Readiness Support

As a country, Macedonia's economic development and prosperity is directly correlated with its ability to create competitive exportable products and higher value-added services. According to the State Statistical Office, only 3% to 5% of all officially registered companies are export-oriented. Given the size limitations of the domestic market, as well as the fact that the Macedonian economy is defined as a small and open economy, increasing the number of Macedonian export-oriented companies is one of the top economic priorities.

In order to improve export knowledge, the program created the first training curriculum for exports, in cooperation with the Dutch program for export support CBI, Ministry of Economy, InvestMacedonia and the Agency for Entrepreneurship. Private-sector associations and chambers were also included in the program. The general export curricula established a solid base and sustainable concept for the export education of companies. More than 150 private and public sector representatives were trained using this methodology.

During Y3, the project supported the creation of the first sectorial export curriculum, focusing on the apparel sector. This activity was implemented in cooperation with the Swiss program SIPPO, Textile Association and InvestMacedonia. Some of the topics included in the curriculum are: 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. This activity will continue in Y4, with activities for training of companies in the apparel sector.

Export-readiness activities will continue with development of the second sectorial curriculum for export promotion, targeting the service sector. Currently, the service sector contributes 10.7% of the total value of all exports, showing ample room for further growth. The process for implementation of the educational activities in the service sector will follow the approach previously used by the project in developing the general and apparel sector export curriculums (training of trainers and training workshops for companies).

With the purpose of establishing a sustainable platform for spreading export knowledge, the project will work on the concept of establishing a **Center for Export Development**, which will offer market research services, export training and coaching programs, assistance on regulatory and customs issues, linkages between exporters and financing programs, business development services, assistance with dispute resolution in export markets, etc. This Center will be part of the legacy of the IDEAS project.

ACTIVITY 4 - Export Education and Export Awareness

With the objective of increasing public awareness of export promotion activities and export knowledge, InvestMacedonia, supported by the project, began in January 2013 to publish an electronic newsletter, "Exporter." The newsletter is 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. Given the positive feedback from the business community on the content of "Exporter," the project will continue to support publishing of four additional numbers of the electronic newsletter.

In the area of export education, the component, together with the Agency for Entrepreneurship Promotion and InvestMacedonia, will organize two additional training events with current and potential exporters, addressing topics important for exporters to demanding and sophisticated markets, such as: importance of the branding and marketing aspects in the internationalization of the 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.") At least 50 companies will be included in these training workshops.

ACTIVITY 5 - Institutional Development of InvestMacedonia

The objective of the 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 will be focused in several ways:

- Train the InvestMacedonia Export Department staff and economic promoters on the methods and techniques used to support exports;
- Upgrade the web portal and CRM of InvestMacedonia with new functionalities that will create a user-friendly environment and increase the number of site visitors; and
- Support InvestMacedonia in strengthening the capacity of its staff to implement efficient and effective export services by organizing a study visit/training to a trade and investment promotion agency with an advanced export support system. This activity is already approved with the SP-Y3-Export # 5 and it will take place during Y4.

III. Expected Results

The general objective of the component is the development and implementation of a comprehensive export promotion strategy and trade policies to support exports. The final outcome of the implementation of export promotion policies and activities should be increased exports, increased job creation and higher economic growth of the country.

In this regard, activities implemented in Y4 could contribute to achieving the following results:

- Three export promotional events (trade fairs, B2B, trade missions) in the selected sectors implemented, developed PPD coordination mechanisms for efficient planning,
- Improved efficiency and quality of the implemented export promotion activities;

- Developed market intelligence reports and capacities/systems for export market analysis to guide exporters' decision-making process on entering and maintaining export markets;
- Knowledge and skills for exports improved, through new sectorial export curriculum for service sector;
- The sustainable platform for spreading the export knowledge established;
- Increased understanding and knowledge of the private sector related to exports; and
- Increased understanding and knowledge of InvestMacedonia staff of the concept of efficient exports and the capacities and skills needed for implementation of high-quality export services.

The final outcome of the activities to be implemented will be that within a four-year period, InvestMacedonia will be capable of providing professional export promotion assistance resulting in increased exports. Comprehensive export promotion policies and activities will be in place and will be in the implementation process. Increases in new DI, FDI, exports, and jobs are realized and tracked by the Ministry of Economy and InvestMacedonia. The number of exporters is increased, as well as the value of the products/services with higher value-added. The country brand Macedonia and the brands of Macedonian companies exporting products/services are more recognizable, in a positive way, to international customers.

Component A, Theme 2–Development and Implementation of a comprehensive export-promotion strategy and trade policies to support exports					
	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
Activity I - Export Promotion Support					
	<p>Implementation of the business development export promotion activities:</p> <ul style="list-style-type: none"> - Assist InvestMacedonia in organizing trade fairs, trade missions and lead generations activities aiming to increase and diversify exports - Implement three export-promotion events (trade fair, B2B, trade mission) in the sectors identified in the National Export Promotion strategy <p>Some of the potential activities that should be additionally confirmed are:</p> <ul style="list-style-type: none"> - Organization of the Match-matching B2B Apparel Event in EU in cooperation with SIPPO based on the results from the Market Research performed for prospective export markets in EU - Organization of the B2B ICT event in Skopje, in cooperation with MASIT - Coach InvestMacedonia and private sector in implementation of export-promotion activities in order to increase the impact and generate better results (learning by doing) - Develop an efficient PPD coordination mechanism for planning, implementation and assessment of the export-promotion activities 	<p>Improve the efficiency and quality of the implemented export promotion activities.</p>	<p>October 2013 – December 2014</p>	<p>InvestMacedonia Ministry of Economy SIPPO NECC, Private sector associations and Chambers</p>	<p>Total budget: \$19,000.00</p>

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

	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
Activity 2 Export Analysis Support					
	<p>Assist InvestMacedonia in implementation of the market information function aiming to provide companies with information that will give guidance and help drive decisions on entering and maintaining export markets:</p> <ul style="list-style-type: none"> - Train and coach InvestMacedonia in trade analysis methods and techniques - Develop the methodology and tool for assessment of the export readiness potential of the export-oriented companies; conducting the survey for identifying the bottlenecks for exports on the company level; - Development of more specific market information, ranging from statistical to competitive analyses, for five international markets that will be published on the InvestMacedonia web portal 	Develop capacities/systems for export market analysis	October 2013 – December 2014	InvestMacedonia Agency for Entrepreneurship Promotion Ministry of economy Private sector associations and Chambers, NECC, Donors	Total budget: \$7,000.00 - Local consultant(s)
Activity 3 Export Readiness Support					
	<p>Develop the export-readiness programs:</p> <ul style="list-style-type: none"> - Train potentially and currently exporting companies from the apparel sector based on the methodology of apparel sector vertical export curriculum, covering the topics of market analysis, business development, export marketing plan, export pricing, export offer, export contracts, etc. - Develop one sectorial (vertical) curriculum for export promotion for the service sector - Organize a training workshop for trainers from the public and private sectors and for service sector companies - Establish a sustainable platform (Center for Export Development) for spreading export knowledge, through the training of public institutions and private sector associations and chambers 	Improve the knowledge and skills for exporting	October 2013 – December 2014	Agency for Entrepreneurship Promotion, InvestMacedonia, Ministry of Economy, Private sector business associations and Chambers, NECC Donors (SIPPO)	Total budget: \$16,500.00 - Local consultant(s)

Component A, Theme 2–Development and Implementation of a comprehensive export-promotion strategy and trade policies to support exports					
	Initiative	Objective	Timeline	Partners	Budget and Additional Local/Foreign Experts
Activity 4 Export Education and Export Awareness					
	<p>Improvement of the private sector awareness for the export:</p> <ul style="list-style-type: none"> - Support InvestMacedonia in publishing the electronic newsletter “Exporter,” aiming to inform companies about public and private sector activities and best practices, export trend analysis, as well as to educate the private sector about exporting - Organize Workshop on importance of branding and marketing in the internationalization of business (Developing overall brand strategy, including manuals, toolkits, advertisements, campaigns) - Organize Workshop on the internationalization challenges of SMEs - “Taking advantage of social technologies” 	Increase the understanding and knowledge in the private sector for exporting	October 2013 – December 2014	InvestMacedonia Ministry of Economy Agency for Entrepreneurship Promotion NECC, Private sector associations and Chambers USAID projects, Donors	Total budget: \$ 7,500.00 - Local consultant(s)
Activity 5 Institutional Development of InvestMacedonia					
	<p>Capacity building for efficient exporting:</p> <ul style="list-style-type: none"> - Train the InvestMacedonia Export Department staff and economic promoters for the methods and techniques for support of exporting; - Support InvestMacedonia in strengthening the capacity of their staff for implementation of efficient and effective export services by organizing a study visit to a trade and investment promotion agency with advanced export support system; Activity approved in the Y3, under the SP Number: SP-Y2-Export # 5 on the amount of 17,700 USD - Upgrade of the web portal and CRM of the InvestMacedonia with the new functionalities. 	Increase the understanding and knowledge of the InvestMacedonia on the concept of efficient exporting and the capacities and skills needed for implementation of high-quality export services.	October 2013 – December 2014	InvestMacedonia, Private sector associations and chambers, USAID projects, Donors	Total budget: \$10,000.00 - Local consultant(s) - IT services
TOTAL BUDGET FOR COMPONENT A2 - \$60,000.00					

II. COMPONENT B – PUBLIC-PRIVATE DIALOGUE (PPD) ENHANCED

I. Current Situation

Our efforts over the past three years, carried out with political support and the commitment of the business community, have significantly changed and improved the situation with PPD in Macedonia. The NECC as a new national dialogue platform was established, introduced and strengthened to become what it is today: the recognized voice of the business community in its relation to the GoM and the civil sector.

In addition, strengthened capacities of the chambers of commerce (CoC) and business associations (BA) increased their readiness to participate in the decision-making process to create a better and more competitive business environment.

This is not only visible in their new approach toward dialogue through evidence-based policy papers providing better visibility and effects, but also in their participation in the policy-making process, through consultations using the ENER system. Namely, the number of times the system was used in the first six months of 2013 was higher than it was over the previous four years, illustrating the increased awareness and acceptance of this new and improved PPD mechanism.

A strong recognition of our efforts was also given in the 2012 competitiveness report from the World Economic Forum. Macedonia's strongest achievements and progress were noted also in the field of transparency in policy making related to business. This is by definition strongly connected to our efforts and results in the past years.

Established relations ensure the further commitment of the GoM and the public administration to continue building sustainable PPD with the businesses and other stakeholders. In that sense, our counterparts remain committed to collaborating on our activities to provide assistance to build capacities in the PPD process. The position of the GoM, to build an institutionalized approach, defined by official mechanisms, for best results in mutual coordination, has not changed and will be of key importance for our team in the coming year as well.

The main challenge for the PPD team ahead is to ensure our mechanisms and instruments remain sustainable in the long run, after the project ends. Having a strong and lasting impact on society at large, by enabling a permanent and effective dialogue and better policies, is the best legacy we can provide.

The NECC is consensually recognized by all stakeholders as the key institutional PPD mechanism. The ENER portal and policy-papers are the national instruments for PPD as part of the Regulatory Impact Assessment (RIA) process. This mechanism and the instruments are in line with the goals of the IDEAS project, with a focus on export and investment as a crosscutting commitment.

a. National Entrepreneurship and Competitiveness Council (NECC)

After having established the NECC, our efforts over the course of FY2013 were focused on two main issues:

- Building a recognized position as the joint PPD voice of the business community, and
- Establishing phase 2 of the long-term self-sustainability model.

Positioning NECC as national and recognized PPD platform:

The NECC has gained in recognition and position. It now includes 17 chambers of commerce, business associations and clusters, and academic institutions. The working committees include more than 120 professionals from member-institutions and companies, all investing their time to help define decisions and proposals of interest to the business community.

In the past year, recognition came on several levels, among which,

- NECC has a member in the national working group at the Ministry of Labor and Social Policy (MLSP), annually defining the operational plan for employment-support measures and monitoring the implementation through the state employment agency;
- The NECC human resources committee actively participates in the defining of the national brain-drain strategy with the Ministry of Education and Science, as a document that will define ways to keep Macedonia's young intellectual potential in the country;
- A task-force of several ministries and institutions was formed by the GoM to work with the NECC textile committee on developing solutions to the challenges in this industry;
- NECC is leading an ongoing effort of a joint working group with the MLSP and six agencies and institutions to include the business community in the area of social welfare, child care and care for older persons and people with disabilities;
- NECC is the sole partner on behalf of the business community in a successfully completed project carried out with the MLSP, employment agency and 28 municipalities, having hosted forums with employers in 28 municipalities in Macedonia, with more than 600 companies attending;
- NECC spoke on behalf of the business community at a conference of NGOs on how to approach businesses as donors and build financial support partnerships;
- NECC is in process of being appointed a national partner for the preparation of the WEF Competitiveness report for 2013;
- NECC established cooperation with the regional ILO and UNIDO offices and is working on the next steps on issues; and
- More than 20 working sessions, roundtables and seminars were organized by the NECC and IDEAS for NECC member companies in FY2013 on different issues and with strong attendance in Skopje, Prilep, Kumanovo, Stip, Tetovo and Bitola.

These activities were realized with the efforts of the IDEAS PPD team, acting as the executive office of NECC with the inclusion of all members, as well as taking care of its administrative duties.

Establishing phase 2 of the long-term self-sustainability model

In the past year, all legal and operational processes were completed and all necessary documents produced by IDEAS to get NECC up and running as an NGO.

Over the course of FY2013, the main priority was to provide operational sustainability and legal round-up of the NECC. This means that the registration and all therewith connected acts and documents needed to be defined and passed at the assembly. The NECC is now completely covered with registration, books of rules, statute and all other acts enabling it to function properly.

Its founding members were assisted in defining fields of common interest in which they can work together, in a way that is clearly distinct from their regular work as CoC/BA and the autonomy. In regard to the autonomy of the CoC/BA, it is important to stress that the NECC does not aim to do what the CoC's have done so far and become their competition. On the contrary, the NECC will only deal with the issues all CoC's agree to work together on, when they need a nation-wide action, without jeopardizing the autonomy of the CoC's in their fields of authority. This is a very important distinction for the NECC's sustainability in order to ensure the support of its members on the long-term.

This included a series of organizational activities, two assembly sessions and regular sessions of the NECC, 17 committee meetings and other tasks.

However, in order to provide long-term success, moving on to the phase that will secure NECC's long-term sustainability poses several challenges:

- Though reduced in relation to last year, the skepticism previously present among stakeholders, especially the CoCs, about the success of yet another initiative to restore the NECC remains alive and must be overcome by short-term results, as well as the political will of the GoM and our efforts.
- The need for education and best-practice exchange is still very much needed. Though our efforts changed the picture in a positive sense, some stakeholders remain insufficiently educated and aware of many aspects of PPD and the NECC initiative. This issue can only be solved by continuing to work on education and the sharing of positive experiences with comparable economies.
- The impact of the financial crisis continues, and the CoCs are suffering its effects in their budgets, which influenced the level of their financial commitment in regard to membership fees and other contribution readiness.
- The NECC's authority and trust remains closely tied to the level of professionalism of the executive office. For that reason, we continue to prepare the NECC for the process of establishing an executive office as an independent entity, with external assistance from donors.

After having anticipated these challenges, we accordingly focused our plan activities on three main fields: operational support, capacity building and education and awareness.

b. ENER as a PPD instrument and RIA (Regulatory Impact Assessment)

Our ongoing assistance, carried out in coordination with other donor organizations, enabled us to provide solutions to requests from the Ministry of Information Society and Administration (MISA) as the institution in charge of ENER/RIA. This is the most efficient way to increase the understanding that ENER is the best tool for the business community to access and actively participate in the policy-creation process and should therefore be considered an integral part of the PPD national process.

The consultative sessions with ENER users emphasized the need for further improvements to the web portal. The significantly increased use of ENER by a much wider community of users brought more quantity and quality in the suggestions and requests for improvements. Building on that achievement, it became necessary to provide expert assistance and invest in awareness among the broader public, as well as in promotional activities to achieve stronger acceptance. In addition, it proved to be necessary to invest in the education of the public administration, both as users or administrators of the system.

This approach yielded very good results, providing MISA with:

- Final document by the hired expert, as a detailed analysis of the current ENER/RIA model and a technical specification for the steps to follow, creating solid ground to continue with the software upgrade and implementation of the final recommendations;
- Stronger awareness among the general public of ENER and of policy-consultation processes; and
- An improved commitment of the public administration based on its improved knowledge and understanding of the benefits that this model offers them and society.

Our events brought the public, private and civil sector together and helped build an inter-sectorial team of professionals collaborating in the field of ENER/RIA and PPD and helping each other in the process. This form of cooperation is of critical importance for the success of this process.

We will continue our efforts in coordinating with the GoM in meeting its needs, having in mind the main priorities: further improvement to the ENER instrument, and working with the CoCs and BA, which remain weak links in the PPD process from the aspect of RIA/ENER.

There are challenges ahead, as follows:

- Despite the progress achieved and the improved use of the system, there is still an insufficient knowledge base among stakeholders and little awareness of the advantages offered by RIA and ENER or the methods to implement them.
- There is still much room for improvement in the effort to make the public administration more efficient in its use of RIA. Though mandatory, it is still not consistently used in practice, mainly because GoM ministries fail to upload their plans for using RIA onto their and the ENER (www.ener.gov.mk) websites. However, this trend remains positive.

The measures undertaken by the GoM to put more pressure on the ministries to practice RIA remain ongoing and persistent, resulting in a notably higher commitment in FY2013. We will continue to support this trend as the only model providing sustainability.

c. Chambers of Commerce (CoC)/Business associations (BA)

The CoCs and BAs have improved their capacities and approach to dialogue, moving from a passive to an active position commensurate with the position of a contributing party to the process. Yet, a lot remains to be done to reach the needed level of knowledge and expertise, to make them a completely relevant counterpart of the GoM in offering solutions to problems, based on facts and systematic research and reports.

The business community, amid its improved competitiveness and long-term sustainability, is our key stakeholder and plays a leading role in the process. The serious challenges identified in FY2013 continue to influence the situation in the current year as well:

- CoCs and BAs do not communicate effectively with each other and have difficulties in defining a joint strategy and/or concrete requests from other stakeholders, thus limiting their capability to become a relevant counterpart in the process. This has partially changed with NECC but it's still too early to consider this problem solved;
- Despite the efforts made in FY2013, there is still the need and the room to improve knowledge among CoCs and BAs to define and issue economic policy documents as a key condition for successful dialogue with the public sector. There is a high turnover among staff and the need for education is constant. Much was achieved in FY13 with the CoCs and BAs and we will continue to build on our achievements; and
- In PPD, there is no alternative to producing high-quality policy papers. We will continue these efforts in FY 2014, by using the NECC as a joint platform for the CoCs and BAs. The ability to

present and advocate the business community interests is of utmost importance and will remain our focus in the year to come.

With an increased budget support planned for the FY2014, a special emphasis will be given to this segment of our assistance. All events and activities provided are to the benefit of the business community, and are directly connected to those planned in part by a) NECC; and b) RIA/ENER since they all serve the same audience: the business community.

II. Planned Activities

In FY 2014, the IDEAS project will continue to establish and improve PPD instruments and mechanisms, focusing on their post-project sustainability; introduce new procedures; initiate research and experience exchange on the best practice model; track the progress of issues; help stakeholders achieve resolution; and expand the use of e-applications for communications.

We will provide training and mentoring on various advocacy approaches for national instruments for PPD, BA and CoCs on diverse approaches, such as sharing best practices, research, policy papers and staging conferences, public debates and other events.

In accordance with our already-realized activities from FY 2013, we will perform all of these activities by providing mentoring and capacity-building for private sector, government and civil society partners to ensure their sustainability beyond the project's end.

ACTIVITY I – Support to the NECC

As previously elaborated, in FY2014 we will build on the achievements from last year, providing three pillars of assistance to the NECC:

I. Assistance to the NECC in operational issues

I.I. Assist NECC in providing post-project sustainability

At the request of the GoM and the business community, the IDEAS project will support NECC's executive office performance to reach a sustainable level that would make it feasible to continue with the professionalization of the staff and the separation of the executive office from the IDEAS project. In order to achieve that level, a series of activities will have to be performed, to a large extent included in the next point (I.II).

I.II. Assist NECC as executive office in operational issues until operational self-sustainability is provided

This set of efforts includes: establishing and functioning of the executive office; logistical support with project resources: staff, facilities, equipment; coordinating the working committees; preparing the action plan of NECC and its committees for 2014; drafting the budgeting and financing system of NECC, rules of conduct, reporting and monitoring system; upgrading the website to an interactive web portal and other activities, according to the operational plan.

2. Support the National PPD Forum/Conference hosted by NECC

This new PPD mechanism will bring the PPD process to a new, more effective level. This high-level PPD mechanism is expected to become an annual event, presenting the improved ability of the business community to actively participate in the process of building a better business environment and better conditions for exports and investments.

3. Education assistance

This task continues after the needed preconditions, in terms of NECC readiness, were met. The training department of NECC should, over the years, develop into a competitiveness center of excellence providing knowledge on a national and regional level.

We will further strengthen the capacities of NECC members and support staff to increase knowledge, best practices, advocacy and ability to use sophisticated methods of PPD and create policy papers with the proven methods: The committees will identify priorities for policy solutions and three issues will be selected for policy paper creation. Experts will work with the committees on the policy paper to be presented to the NECC when final. In the process, staff from the CoCs and BA will work on the document and learn from the expert. Members of the committees will also be included and consulted. The CoCs and BA professionals will continue to present (and advocate for) the policy papers and relevant research and analysis data to pertinent forums and conferences to achieve wider acceptance.

IDEAS will organize seminars, workshops, round-tables in coordination and with involvement of NECC members and support staff. IDEAS will include NECC staff at conferences and events where appropriate. We will also organize a seminar for committee chairpersons, deputies and staff from the CoCs and BA on different issues, including creating policy paper analysis and policy proposals.

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

2.1. Assistance to MISA to improve the RIA system and the ENER PPD mechanism

After having identified and verified the needed improvements to the ENER portal with expert assistance and following the consultative sessions with all stakeholders on the expert's recommendations, we will finalize the process of selection of a local IT service provider and perform the upgrade. In order to provide a sustainable instrument that enables continuous improvement, an inter-sectorial team of representatives from the public, private and civil sector will be established, as a review committee authorized to review the system annually and produce recommendations for improvement. This is of the utmost importance to ensure that all stakeholders stay active and committed to using and influencing the system in the post-project period. The NECC as a crosscutting section of this activity will represent the business community in future annual review meetings.

2.2. Continue the campaign to improve public awareness about the ENER in the business and civil community

In this group of activities, we will support the organization of a regional conference on RIA/ENER PPD instruments hosted by MISA and the NECC, in order to provide an experience-sharing event

and emphasize the achievements in Macedonia on a regional level. This event will strongly improve the awareness in the Macedonian business community and result in better acceptance.

In addition, our promotion efforts throughout the country will continue, by bringing this PPD instrument closer to those for whom it was made: businesses. Previous experiences with such events yielded positive results and a strong interest to join the initiative.

All these events and new developments will be promoted in the relevant media and at all relevant events with an aim to reach a strongly diversified audience.

2.3. Improve knowledge of the public sector on ENER use

A completely successful system is only possible if all stakeholders have the needed capacities.

In order to provide these capacities, the IDEAS project will help organize trainings for the public administration (PA) on the practical use of ENER and the new procedures introduced by the GoM. We will also assist in organizing a consultative session for state secretaries on RIA/ENER to ensure higher-level commitment in the PA; this is something that has been identified as an issue in the past.

Jointly with the NECC, we will support the organizing of a two-day seminar for public administration, on the legislative-drafting process and their role, with an accent on RIA/ENER and their participation in improving legislation on exports and investments.

2.4. Capacity building for MISA professionals

The role of MISA as the implementing state administration agency is of specific importance. This makes it necessary to assist in strengthening its capacities in sponsoring different relevant events and trainings, and to provide a model of sustainable relations between well-educated professionals from all stakeholder groups. We will therefore continue to invest in its further development.

ACTIVITY 3 – Strengthening capacities of CoCs and BAs to engage in PPD

This segment includes a wide variety of possibilities for assistance to significantly influence the ability of business community representatives to engage more effectively in PPD.

We have identified those possibilities that can be envisioned at this point, but we will have to leave an open door to ideas and requests coming from our beneficiaries, in order to give the maximum contribution to developing the CoCs and BAs into a specialized and valuable counterpart with the needed level of self-esteem and relevance for their membership and wider society.

In that sense, we will develop additional forms of assistance, beyond those already included in this work plan, such as the seminars for CoC and business association staff on policy paper creation (Module 2 and 3), the legislative drafting process and their role with an accent on RIA/ENER and their participation in improving legislation, education on priority issues, such as: project management, presentation skills, marketing, planning etc., and support the participation in relevant seminars, workshops, round-tables and conferences.

For that purpose, the PPD team will actively communicate and coordinate with the business community, the CoCs and BAs, the other components of the project, as well as with relevant partners from the public and civil sector and the donor community.

III. Expected Results

The activities planned for this year aim to round up the expected results on a project-level in the field of PPD:

- A fully professionalized and self-sustainable NECC, with the necessary funding and contents, as the ultimate national platform and mechanism for continuous and effective PPD;
- A widely accepted and used ENER system, providing a transparent policy-making process on national level, with a strong and decisive involvement of the business community; and
- A community of business representatives (CoCs and BAs) as most relevant, educated and specialized institutions to lead and realize the national PPD, by using the most effective mechanisms and instruments, as mentioned above.

The combination of these three segments of this component, in conjunction with the efforts undertaken in past years, will bring us to the expected result of the whole component: a new, better system of performing PPD in Macedonia as a sustainable way to achieve a constantly improving and competitive business environment on the long-term.

Component B: Public-Private Dialogue (PPD) Enhanced - Establishing sustainable and equitable public-private dialogue mechanisms

	Initiative	Objective	Timeline	Partners	Budget and additional Local/Foreign Experts
Activity I - Support to the NECC					
I.	<p>Assist NECC in providing post-project sustainability:</p> <ul style="list-style-type: none"> - Assist the process of completing a professional executive office and effort to build their capacities to continue sustainably after FY4 - Assist NECC as executive office in operational issues until operational self-sustainability is achieved: - Coordinating the working committees; - Reviewing procedures and defining goals and action plans, preparing the action plan of NECC and its committees for 2014; - Administrative and operational assistance, realization of activities and coordination with GoM; - Drafting the budgeting and financing system of NECC, rules of conduct, reporting and monitoring system; - Establish an NECC quarterly E-newsletter; and - Upgrade of the website to an interactive web portal to be used by the business community. 	<p>NECC is ready to continue its work by opening the executive office and build the needed team.</p>	<p>Oct 2013 – Mar 2014</p>	<ul style="list-style-type: none"> - DPMEA - Business community 	<p>Total budget: \$17,000.00</p>

Component B: Public-Private Dialogue (PPD) Enhanced - Establishing sustainable and equitable public-private dialogue mechanisms

	Initiative	Objective	Timeline	Partners	Budget and additional Local/Foreign Experts
2.	<p>Support to the NECC role in PPD through education with expert support on policy paper and research abilities. Strengthen capacities of members and support staff and DPMEA cabinet to increase knowledge, share best practices, advocacy and ability to create policy papers:</p> <p>Creation of three policy papers: The committees identify priorities for policy solution with three issues to be selected for policy paper creation. An expert will work with the committee on the policy paper to be presented to the NECC when final. In the process, staff from the CoCs and business associations will work on the document and learn from the expert. Members of the committees will also be included and consulted.</p> <p>Research on different issues: The NECC committees will determine priority issues in need of research to be conducted by IDEAS staff and experts.</p>	<p>NECC is ready to create policy papers without assistance and voice its opinion in a structured and efficient way.</p>	<p>Oct 2013 – Sep 2014</p>	<ul style="list-style-type: none"> - DPMEA - Business community 	<p>Total budget: \$ 12,000.00</p> <ul style="list-style-type: none"> - Local consultant(s)
3.	<p>Support the National PPD Forum/Conference hosted by NECC Assist the organization of a national conference of the public, private and civil sector, where the private sector would present policy-papers on specific issues and the PPD process would be evaluated on annual level. This high-level PPD mechanism is expected to become an annual event presenting the improved ability of the business community to actively participate in the process of building better business environment and conditions for export and investment.</p>	<p>A new high-level PPD mechanism is established, with the needed relevance and sustainability to grow to be the most important PPD event every year, providing solutions to challenges.</p>	<p>November 2013 - April 2014</p>	<ul style="list-style-type: none"> - DPMEA - Business community 	<p>Total budget: \$ 8,000.00</p> <ul style="list-style-type: none"> - Local consultant(s)

Component B: Public-Private Dialogue (PPD) Enhanced - Establishing sustainable and equitable public-private dialogue mechanisms					
	Initiative	Objective	Timeline	Partners	Budget and additional Local/Foreign Experts
4.	Education assistance: IDEAS will support the establishing of a training department by organizing seminars and workshops in coordination and with involvement of NECC members and support staff. IDEAS will include NECC staff at conferences and events where adequate Organize a seminar for committee chairpersons, deputies and staff from the CoCs and business associations on creating policy paper analysis and policy proposals.	NECC has educated members and staff with the necessary knowledge on policy creation, RIA, ENER and other issues.	October 2013 – September 2014	- DPMEA - Business community	Total budget: \$ 1,000.00 - Local consultant(s)
5.	Assistance in strengthening the role as PPD mechanism: IDEAS will organize round-tables on different issues in coordination and with involvement of NECC members and support staff. IDEAS will include NECC member representatives and staff at relevant conferences and B2B events where adequate.	NECC is profiled as a promoter of different initiatives of interest to the business community and a relevant counterpart to the public and civil sector.	October 2013 – September 2014	- DPMEA - Business community	Total budget: \$ 3,500.00 - Local consultant(s)
Activity 2– Support to the implementation of the Regulatory Impact Assessment (RIA) and ENER as a PPD instrument					
I.	Assistance to MISA to improve the existing RIA system and the ENER mechanism: - Perform the ENER upgrade process based on expert recommendations for improvement from FY13; and - Organize an annual reviewing session for further improvement of the solution.	The IT solution is improved as defined adequate by the expert and users. The annual review session defines next steps for improvement.	October 2013 – June 2014	- MISA - Business community - Civil society	Total budget: \$ 19,000.00 - IT services

Component B: Public-Private Dialogue (PPD) Enhanced - Establishing sustainable and equitable public-private dialogue mechanisms					
	Initiative	Objective	Timeline	Partners	Budget and additional Local/Foreign Experts
2.	Continue the campaign to improve public awareness about the ENER in the business and civil community; Support the organization of a regional conference on RIA/ENER PPD instruments with MISA; Organize promotional road-shows in three Macedonian regional centers to promote the improved ENER portal; and Support media presence and promotion of ENER on different relevant events addressing diversified audience.	ENER is well-known to the broader public and is being used by a larger number of businesses and NGOs.	November 2013 – September 2014	- MISA - Business community - Civil society	Total budget: \$ 6,000.00
3.	Improve knowledge of the public sector on ENER use: Organize trainings for the public administration on practical use of ENER and new procedures; Organize a consultative session for state secretaries on RIA/ENER to ensure higher-level commitment in the PA; and Organize a two-day seminar for public administration, jointly with CoC and business association staff, on the legislative-drafting process and their role with an accent on RIA/ENER and their participation in improving legislation on export and investment.	The public, private and civil sector are able to contribute to an improved legislative process on export and investment.	November 2013 – March 2014	- MISA - Business community - Civil society	Total budget: \$ 4,000.00 - Local consultant(s)
4.	Capacity building for MISA professionals: IDEAS will support the participation of relevant MISA professionals on seminars, workshops, round-tables and conferences. Support to the promotion of the RIA and ENER model abroad and provide RIA professionals an opportunity to share their experiences with other countries and models on relevant events, regional meetings, etc.	MISA professionals in charge of RIA/ENER gain relevant knowledge and share experiences with comparable models.	October 2013 – September 2014	MISA	Total budget: \$ 3,000.00 - Local consultant(s)
Activity 3–Strengthening capacities of CoCs to engage in PPD					
1.	Organize two seminars for CoC and business association staff on policy paper creation (Module 2 and 3) as continuation of the training held in FY13 (Module 1)	CoC and business association staff is enabled to produce relevant policy papers on different issues.	December 2013 – June 2014	- CoCs - Business community	Total budget: \$ 8,000.00 - Local consultant(s)

Component B: Public-Private Dialogue (PPD) Enhanced - Establishing sustainable and equitable public-private dialogue mechanisms					
	Initiative	Objective	Timeline	Partners	Budget and additional Local/Foreign Experts
2.	Organize a two-day seminar for CoC and business association staff on the Legislative drafting process and their role with an accent on RIA/ENER and their participation in improving legislation.	CoC and business association staff is educated and capable to contribute to an improved legislative process on different issues.	December 2013 – June 2014	- CoCs - Business community	Total budget: \$ 3,500.00 - Local consultant(s)
3.	Organize a two-day seminar for CoC and business association staff on priority issues, such as: project management, presentation skills, marketing, planning	COC and business association staff in enabled to improve their performance in PPD.	December 2013 – June 2014	- CoCs - Business community	Total budget: \$ 15,000.00 - Local consultant(s)
4.	Capacity building for CoC and business association professionals: IDEAS will support the participation on relevant seminars, workshops, round-tables and conferences.	CoC and business association professionals gain relevant knowledge and are capable to engage in the PPD process.	December 2013 – June 2014	- CoCs - Business community	Total budget: \$ 10,000.00 - Local consultant(s)
TOTAL BUDGET FOR COMPONENT B – 110,000.00 \$					

III. PROJECT LEGACY

IDEAS project legacy: Added value and long-term sustainability for the Macedonian society

The achievements of the IDEAS project in the past years in all three components build a solid base and provide an opportunity to conclude the project with introduced improvements and new tools, instruments and mechanisms which will last many years after the project has ended.

Namely, the project, together with its relevant stakeholders, successfully developed and implemented several policies, procedures, mechanisms and tools, including provision of relevant capacity building and training in order to secure the continuing process of existence and further development of these instruments and tools beyond the lifetime of the project. Sustainable project achievements of long-term interest to the Macedonian society are, among others, the National Entrepreneurship and Competitiveness Council (NECC) and the completely new PPD instrument - the portal ENER -, the strengthened coordination capacity for industrial policy implementation and the web portal Konkurentnost.MK as an important vehicle for dissemination of information to the private sector, the developed export promotion support function and department of InvestMacedonia along with the export web portal for the business community, as well as the aftercare function and departments of InvestMacedonia and the Directorate for technology and industry development zones (DTIRZ), with the services they have learned to provide to the businesses and the capacities we helped build.

With NECC as the relevant national platform for PPD and policy influence as advocate of the shared interests of the business community, accepted by all stakeholders from the public, private and civil sector, we have the most adequate asset to incorporate the achievements and goals of the three components mentioned above and define a new inclusive approach.

In this final year of the project, we will analyze the position and expectations of the policy makers and the business community as our joint main focus and define solutions providing long-term benefits and sustainable models/local organizations for the society after project completion. Based on the acquired data, we will be able to decide which activities would be most adequate. Possible activities could include:

- an annual National Competitiveness Forum hosted by the NECC as a 3-day high-level summit to include the export conference, the foreign investor conference including InvestMacedonia and DTIRZ, the annual debate on prepared policy papers on priority issues, the regional approach, a discussion on strategic documents of the state in the field of economy and competitiveness, labor etc. This event would be the key instrument for PPD, enabling NECC to sustainably realize its role as a PPD mechanism and maintain its relevance on a long-term, securing its position as the main counterpart of the GoM in the field of PPD.

The project could assist in the concept definition, setting priorities and coordination with different stakeholders from the private, public, civil and donor community as well as in the organizational aspects of this event;

- IDEAS will support the post-project sustainability of NECC, as a training center for the business community, providing knowledge to the professionals advocating for the business community as well as the civil and public sector. For that purpose, the project will: 1) transfer curriculums and products we have built and will continue building in Y4; 2) continue building the education portfolio of NECC with the events we already organize in behalf of NECC, and 3) train NECC staff to be able to continue with this activity. This training function of the NECC is of significance as its income pillar for future self-sustainability and service-providing;

- With the purpose of establishing a sustainable platform for spreading export knowledge, the project will work on the concept of establishing a Center for Export Development, which will offer market research services, export training and coaching programs, assistance on regulatory and customs issues, linkages between exporters and financing programs, business development services, assistance with dispute resolution in export markets, etc.
- Contribute to new or existing grant initiatives aimed at improving the competitiveness of Macedonian companies and/or improve their access to finance by increasing their awareness on available sources of finance and related information on available financing. This may include a set of instruments of financial support for the business community, whether in the form of a grant scheme, a voucher system, research assistance, or other options,

All these options, as well as others that will arise as result of the performed research, will have to be conducted in joint effort of the three project components, in close collaboration of the project with the business community representatives (the NECC or other relevant institutions, as the conditions will define) with visible results in a better economy and investment climate.

IDEAS Project Legacy					
	Initiative	Objective	Timeline	Partners	Budget and additional Local/Foreign Experts
Activity – Added value and long-term sustainability for the Macedonian society					
I.	Analyze the position and expectations of policy makers and the business community and define solutions providing long-term benefits and sustainable models/local organizations for Macedonian society after project completion. Based on the acquired data, we will be able to decide which activities would be most appropriate.	Established self-sustainable mechanisms in the field of PPD, export and investment to outlast the project as its legacy with strengthened local capacities and expertise.	October 2013 – December 2014	<ul style="list-style-type: none"> - Public/civil stakeholders - Business community 	Total budget: \$ 35,000.00
TOTAL BUDGET FOR PROJECT LEGACY - \$35,000.00					

IV. PR / COMMUNICATION / PUBLIC EDUCATION / INCLUSIVE DEVELOPMENT

I. Current Situation

During Y3 of operations, the IDEAS project, under Public Relations, completed the following activities:

- Enhanced regional media relations through developing and disseminating professional, relevant and up-to-date information related to project-funded activities.
- Improved knowledge, tools and skills for communications, presentations and public performances by the project and its stakeholders.
- Accomplished coordinated, timely and effective communication with key audiences, leading to a better understanding, coordination and appreciation of the role of IDEAS as a USAID-funded project.
- Promoted the project's areas of work – public-private dialogue, industrial policy implementation and export promotion – through prominent trade magazines, done without compensation.
- Prepared and released six Media Advisories/Press Releases and gained vast media coverage in national (public and private media), with 44 positive articles published, and five TV appearances.
- Identified, prepared and released two success stories. All were developed in conjunction with project partners, and shared with USAID/COR, the Regional Competitiveness Initiative (RCI) project and DOC, as well as posted on the web.
- Identified the need for improvement of the knowledge and capacity of project staff and partners regarding inclusive development.

II. Planned Activities

The activities under Public Relations/Communication/Public Education/Inclusive Development for Y4 are organized in two groups. The first group (as presented in the table below) is for budget-related activities and the second is for activities that the Communication Manager performs on regular and daily basis.

ACTIVITY I - Capacity building trainings for project stakeholders and project staff members – “business protocol”

During Y4, the IDEAS project will continue to work on developing local professional capacity and empower local professionals to strive for quality performance and the provision of technical assistance beyond the life of the project. Therefore, the IDEAS project plans to continue in the organization and provision of capacity-building activities for stakeholders at the staff and institution levels.

The project in Y4 will organize trainings on business protocol, but not limited to business matters; it also will include diplomatic etiquette and protocol, subjects that remain very important for government professionals. The substances of the training will be laid out in a separate SoW. Training participants will include representatives of project stakeholders, other

relevant institutions and project staff. Following the training methodology established in Y3, the project will organize this training in two separate two-day sessions; one for partner institutions and the other for project staff members.

In today's global economy, international corporate and diplomatic protocol has assumed an increasingly important role. Protocol means knowing how to be comfortable and at ease, empowered with confidence and authority in order to make someone feel truly welcomed. Furthermore, protocol is the art of creating the right environment, so that business and diplomacy can be conducted. Recognizing the importance of performing business protocol professionally, the project in coordination with stakeholders, will identify experienced, well-known business and diplomacy protocol experts to deliver this training in a highly professional manner.

The purpose of this activity is to:

- Master international protocol and personal diplomacy;
- Gain proficiency in the preparation for business meetings and protocols for conducting effective meetings;
- Understand rules governing seating arrangements at meetings, negotiations or conferences;
- Understand international rules applicable in the business world, in Europe and the world;
- Learn formal social etiquette, including the fine points of dining etiquette;
- Increase self-confidence in official, formal and informal contacts and confidence in public relations; and
- Understand correct formal and informal dress, including evening attire.

ACTIVITY II - Organize follow up on “The role of the business community in the inclusion of people with disabilities” – roundtable

This activity relates directly to the U.S. Agency for International Development official Disability Policy, which states, as adapted for use by the local Mission:

“To avoid discrimination against people with disabilities in programs which USAID funds and to stimulate an engagement of host country counterparts, governments, implementing organizations and other donors in promoting a climate of nondiscrimination against and equal opportunity for people with disabilities. USAID Mission in Macedonia is to *not* discriminate against people with disabilities, and also to *ensure their inclusion* in our programs and activities.”

In Y4, the project is planning to organize a follow up to the roundtable on the “Role of the Business Community in Inclusion of People with Disability,” organized in Y3. This will increase the awareness of project partners regarding inclusive development. The project and the National Entrepreneurship and Competitiveness Council, with the support of local NGOs, will organize a follow-up meeting inviting an even larger number of responsible institutions to discuss the progress toward the inclusion of people with disabilities in the private sector.

ACTIVITY III - Organize “off-the-record” networking event for journalists, and core representatives of project counterpart institutions and their Public Relation departments

In Y4, the project is planning to organize an innovative networking and informal event for journalists, representatives of partner institutions, their Public Relations departments and project staff. The event will be called “Off the Record” and it will be a get-together and networking event with the representatives of the stakeholders and media. The goal of this activity is to:

- Improve the trust and cooperation between the media and project counterpart institutions;
- Develop mutually beneficial relationships between project stakeholders and media; and

- Help the media report accurately and provide an unbiased perspective on issues raised by the private sector and the government’s response.

The project staff aims to sustain relations with the media in order to provide accurate and timely information, thus enabling the publication of worthwhile news. Therefore, the need to improve communication channels among public institutions, the private sector and the media was identified in order to establish trust and mutual cooperation in the first place, and then assure the mutual and smooth flow of information among the involved parties.

ACTIVITY IV - Organize IDEAS Closeout Ceremony

By end of the Y4, the project is planning to organize a half-day IDEAS Closeout Ceremony. The event will include formal presentation of the project’s four-plus years of achievements with high-level officials addressing the audience. Invitees will include officials from: USAID/Mission; Booz Allen office; GoM institutions; agencies; private-sector associations; civil sector representatives and media.

PR / Communication / Public Education/Inclusive Development					
Initiative	Objective	Timeline	Partners	Budget	
1.	Organize “Business Protocol” capacity-building training sessions for the project stakeholders, other relevant institutions and project staff members.	Develop local professional capacity and empower the local professionals to deliver quality performance and provide quality technical assistance beyond the life of the project.	October 2013- May, 2014	Business & diplomacy protocol credential	Total budget: \$ 10,000.00
2.	Organize follow up on “The role of the business community in the inclusion of people with disabilities” -roundtable.	Create a more sensitive climate within the business sector for the inclusion of people with disabilities in the community.	April - June, 2014	NGO Open the Windows	Total budget: \$ 2,500.00
3.	Develop and publish interview with CoP related to LoP results and accomplishments	Present the achievements of the project in a prominent economic magazine	May-July, 2014	Kapital, Outlet	Total budget: \$1,500.00
4.	Electronic Newsletter Focused on Project Achievements.	Promote results and achievements on project website, via publishing professionally designed electronic newsletter	July-October, 2014	Outsourcing professional designer	Total budget: \$ 200.00
5.	Organize “off the record” networking event for journalists, and core representatives of project counterpart institutions and their Public Relation departments.	Improve the trust and cooperation among the media and project counterpart institutions in order to report accurately on issues raised by the private sector and the government’s response.	August - September 2014		Total budget: \$ 1,500

6.	In-country participation on relevant and specific events by counterpart representatives and project staff	Gain insights, share experiences and learn about specific strategies or actions relevant to project activities and future plans	October 2013-December 2014		Total budget: \$ 11,300
7.	Organize a close – out event (develop & print event related materials; develop media product; renting space & equipment and foods)	Present and celebrate four-year Project achievements to representatives of the GoM, private sector and media.	December 2014		Total budget: \$ 8,000.00
TOTAL BUDGET FOR PR / COMMUNICATION / PUBLIC EDUCATION/INCLUSIVE DEVELOPMENT					- \$35,000.00

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

In Y3, the project cooperated with InStore Macedonia on efforts such as publishing the KonkurentnostMK portal that provides market information and the benefits of the National Entrepreneurship and Competitiveness Council. These articles were published in InStore at no cost. The project is planning to continue to cooperate with the magazine and therefore to expand its regional media relations efforts by developing and disseminating professional, relevant and up-to-date information related to project-funded activities.

The magazine is part of the regional (former Yugoslavia) “InStore” monthly trade magazine for consumer goods. “InStore Macedonia” has more than 4,000 institutional subscribers, of which 95% are companies, and the rest are Chambers of Commerce, banks and academia. It covers industry in general, from organized and traditional commerce, through manufacturers, distributors and logistics to other related activities. Recently, the magazine created its own web portal <http://www.instore.mk/>, which makes IDEAS-related articles available to a broader audience.

Regionally, the magazine is distributed free of charge by mail to more than 45,000 independent dealers, retailers, wholesalers, manufacturers, specialty shops, as well as ministries, agencies and academic institutions in Serbia, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Kosovo and Macedonia.

Develop and Release Project Success Stories

The Communications Manager will identify and develop multiple success stories about concrete and tangible project results, accompanied by colorful images, which will be disseminated through all project communications channels, such as press releases, media alerts, project website, and others. This will ensure a steady and effective flow of positive news to the media, and can be redirected for use in presentations and reports. A new focus will be to present these success stories visually, through the use of video.

Develop and Release Media Advisories and/or Press Releases

In cooperation with component leaders, the IDEAS project will identify specific project activities that should receive priority for PR activities. Following this process, the Communications Manager will prepare, obtain clearance and disseminate media advisories and/or press releases to the project media distribution list, post them on the website, and post them on the USAID Mission Facebook page.

Track Published Articles in Media and Develop Quarterly Press Clippings for the DOC Office

After releasing media advisories and/or press releases, project interns will be responsible for tracking published articles in the media, developing press clippings, and translating them into English. The press clippings will be shared with the COR and with the Development Outreach and Communications (DOC) personnel. Press clippings also will be posted on the project website under “IDEAS in the Media.”

Provide Regular Updates to the IDEAS Website

The Communications Manager will continue to develop customized web-based information and keep the project website updated, paying special attention to the quality of the visual content.

Develop IDEAS Conference and Training Calendar

The Communications Manager will continue to prepare this calendar in cooperation with component leaders and will provide monthly input on this calendar. Subsequently, all events shown on the calendar will be posted on the IDEAS project website.

Information Sharing with Similar Regional Projects

In continuation from the previous year, the Communications Manager will customize its releases using RCI's criteria for developing its newsletter. To capitalize on the previously established cooperation, the project will continue to share its outreach releases with RCI's quarterly newsletter, which has been recognized as an excellent vehicle for raising awareness of the IDEAS project's goals and achievements and, at the same time, for enabling information sharing among USAID projects in the region.

III. Expected Results

By successfully implementing the planned activities, the IDEAS project expects to achieve the following under Public Relations/Communication/Public Education/Inclusive Development:

- Increase the capacity of representatives from public and private organizations in adopting and using professional business skills;
- Maintain positive cooperation with media and regularly showcase project and partner successes;
- Increase visibility of the project-funded activities to the general public in Macedonia; and
- Improve the knowledge and capacity of project staff and partners regarding inclusive development.

V. INTERNSHIP

The project's Internship Program provides undergraduates or recent graduates with an exclusive opportunity to be a part of the project's activities, through part-time or full-time engagements. During this period, they have a chance to strengthen their skills in various areas, learn from project staff, and practice their abilities on a daily basis. The internship program is a unique opportunity for interns to communicate and work with other international, governmental and private institutions and organizations as well as with international and local experts engaged by the project.

The project, based on the positive experience in this program over the past three years, plans to continue engaging interns on the project during Y4. There also is a possibility that the project might hire these interns to work in the IDEAS project's counterpart institutions. The technical personnel within the project act as mentors and help interns advance their goals with the knowledge earned through experience.

The project staff will also benefit from the Internship Program, because interns will help the office implement project activities and help the organization to accomplish its goals.

Interns will be involved in everyday activities, attend meetings, remain on top of new developments through trade websites and journals, participate in internal and external communications activities, filing, provide administrative support and assist in event management. They also will work with other project team members to develop, produce and disseminate materials and information, to develop presentations and lectures, to translate legislation and regulations, monitor media and compile articles related to the IDEAS project by collecting press clippings.

It is expected that the Internship Program will enable the interns to gain experience and develop contacts in both the public and private sectors, which ultimately will enhance their soft skills and make them more competitive in the labor market when they begin their search for employment.

VI. PERFORMANCE MONITORING PLAN (PMP)

The following section describes the main objectives and activities for project monitoring and evaluation (M&E).

The Y4 M&E objectives are as follows:

- Ensure proper implementation of the data collection methodology, including data quality assessments and reporting on accomplishments through established methods;
- Maintain the internal MS Excel spreadsheets to support archiving and reporting of performance data; and
- Consolidate and distribute on-time standardized information on the performance of targeted indicators.

The Y4 M&E-related activities are as follows:

- Coordinate data collection and monitor the achievements of project operations;
- Analyze performance information to track progress toward planned results;
- Manage monthly/quarterly/annual/ambassador/report development;
- Develop communication-related special project result reports;
- Provide assistance to support staff in developing special project result reports after completion of each Special Project;
- Maintain a filing system to facilitate managing and documenting performance data; and
- Communicating results achieved in order to tell the success story.

PMP TABLE

USAID's Macedonia Investment Development and Export Advancement Support Performance Monitoring Plan (up to September 30, 2013)

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- 28 Dec,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)												
Archived I.1.	Number of new competitiveness policies, programs, action plans related to industrial policy being implemented	Being implemented means that decisions from the Competitiveness Committee of Ministers include the private sector comments and are being put into practice by the implementing agencies at the national and/or local level.	Internal Project reports/Annually	0	3	0	8	7	16	15*	Archived 2013	
** NEW I.2	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	

IDEAS Project Result: Improved Export Facilitation and Investment Aftercare												
Archived 2.1.	Volume of exports from targeted sectors facilitated by InvestMacedonia through USG assistance (in \$)	The value of exports in a given year in targeted sectors, facilitated by InvestMacedonia.	State Statistical Office/Annually	576.9 45.58 1	By 5%	0	By 15%	614.417.6 34	798.7 42.92 4	616.824. 990	Archived 2013	
2.2.	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	
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	9****	0	0	0	
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% 35/67	59% 50/84	61% 54/89 *****	63%	

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 2 (Update of Unique National Electronic Register of Regulations)	3	
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	1368(cumulative) Fem-677 Mal-691 IP-149 (M-65; F-84) EP-321 (M-189;F-132) PP-420 (M-190;F-230) PPD-478 (M-247;F-231)	1618	

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
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Notes:

*** Indicator under I.1. ARCHIVED in Sept. 2013-** List of competitiveness initiatives that have been adopted and implemented by GoM in industrial policy-related areas by Sep., 30, 2013.

1. Action Plan for Industrial Policy Implementation for 2012 – 2013. Adopted by GoM on August 21, 2012 (Action Plans are not published in Official Gazette).
2. Program for Industrial Policy Implementation 2012 (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
3. Program for Support and Development of Clusters (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
4. Program for Development of Entrepreneurship, Competitiveness and Innovation of SMEs (Official Gazette 12/2012). Implementing institution: Ministry of Economy.
5. Program for Support of Entrepreneurship, Competitiveness and Innovation of SMEs (Official Gazette 12/2012). Implementing institution: Agency for Promotion of Entrepreneurship.
6. Program for Scientific Research and Technology Development (Official Gazette 8/2012). Implementing institution: Ministry of Education and Science.
7. Web portal www.konkurentnost.mk (Competitiveness.mk) – is hosted by the Ministry of Economy, and the portal is giving the business sector access to information on all available government support related to implementation of the Industrial Policy.
8. Program for Competitiveness, Innovations and Entrepreneurship for 2013 (Official Gazette 4/2013), implemented by the Ministry of Economy – set of measures for development of new products and services and market development.
9. Program for Competitiveness, Innovations and Entrepreneurship for 2013 (Official Gazette 4/2013), implemented by the Ministry of Economy – set of measures for developing the entrepreneurship, competitiveness and innovativeness of SMEs.
10. Program for Competitiveness, Innovations and Entrepreneurship for 2013 (Official Gazette 4/2013), implemented by the Ministry of Economy – set of measures for supporting and developing clusters.
11. Program for Performing Scientific and Research Activities and Technological Development (Official Gazette 4/2013), implemented by the Ministry for Education and Science.
12. Program for Investing in the Environment – Project for development of ecologically-marked products and services (Official Gazette 4/2013), implemented by the Ministry of environment and Spatial Planning.
13. Program for Supporting the Entrepreneurship, Competitiveness and Innovativeness of SMEs for 2013 (Official Gazette 4/2013), implemented by the Agency for Promotion of Entrepreneurship.

14. Program for Promoting and Supporting Tourism (Official Gazette 11/2013), implemented by the Agency for Promoting and Supporting Tourism.
15. Top Management – Project implemented by the Government of Macedonia for improving the management skills and knowledge of Macedonian managers.

Note: Starting from 2013, the Ministry of Economy integrated three programs into one. Since this single integrated program named Program for Competitiveness, Innovations and Entrepreneurship for 2013 includes measures from all three previous programs, they have been separately listed under 8, 9 and 10.

The rational for changing the I.I. Indicator with new one- The Project started to reduce its assistance efforts in the area of industrial policy implementation and to increase activities for support of the development of aftercare services. The main reasons for this shift were the following:

- The mid-term external evaluation of the work of the IDEAS Project completed in December 2012 strongly recommended intensification of the assistance efforts in the area of aftercare support.
- A new industrial policy support project funded through the EU IPA (Instrument for Pre-Accession) is expected to start in the course of 2014 bringing into the process additional donor resources. The new project will represent a next generation of industrial policy assistance and will continue the IDEAS work on strengthening coordination and capacity of government institutions to design and implement competitiveness programs and measures that will significantly impact the economic growth and job creation in Macedonia.
- Last but not least, the Project carried out a survey among the largest foreign investors in the country and discussed the issue of the current aftercare system with all relevant government institutions. The findings of the report unequivocally diagnosed weaknesses in the institutional and human capacity for provision of aftercare services and recommended urgent set of actions for improvements in this area.

**** NEW indicator: I.2 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.

Indicator under 2.1. ARCHIVED The source of information for this indicator is State Statistical Office (SSO), annually. Having in mind that calendar and the fiscal year in Macedonia are from January until December relevant statistical information for the annual export per sector are published in March-April the following year, therefore more accurate information could be provided in April 2013, when the percentage of change in the export could be calculated with the annual export data for whole 2012.

When the baseline for this indicator was identified, the Project took the total export for calendar year 2011 (USD 960.845.885), since the targeted sectors that the Project will support were not yet determined. Having in mind that the Project by end of 2012, obtained the data (from SSO) for calendar 2011, the Project calculated the baseline for volume of exports from targeted sectors, which was \$ 576.945.581, 24 USD. And is worth to be noted that the SSO has own methodology of tracking volume of exports, and that is not by sectors as the Project defines them.

For calculating the actual volume of export for the three targeted sectors (\$ 614.417.633,79) for 2012, were taken the available SSO export information for the period of eight months (January until August, 2012). The projected target for the 2013 is \$ 798.742.923,92 USD (or up to 30% from the baseline).

The actual volume of export for the targeted sector for first six months of 2013 (Jan-July), according to SSO is \$ 2.407.356 USD. Therefore, the total (cumulative) volume of export by the end of July 2013 (data for August and September'13 are not available, yet) is \$ 616.824.990 USD. The projected target for the last year (which includes 15 months of Project's operation, October 1, 2013 –December 28, 2014) is \$ 740.189.988 USD (or up to 20% from the indicator's baseline).

The rational for dropping the 2.1. indicator- In accordance with the Law on the Agency for Foreign Investment and Export Promotion, the main functions of the Agency related to exports are:

- To provide market information for Macedonian companies;
- Business development- which includes participation on international trade fairs; organizing trade missions and B2B events and generating contact/leads from foreign companies;
- Increase the awareness of Macedonian export companies by issuing publications and organization of educational events, and
- Country/Industry branding.

The Project proposed to USAID, this indicator to be archived from the following reasons:

The source of information for this indicator is SSO, where the information is categorized differently than in the definition of the sector as per Export Strategy, adopted by the Government in 2011. (The approach from the Export Strategy was accepted by the InvestMacedonia and by the Project and included in our reporting system).

In the Key Performance Indicators (KPI) defined for InvestMacedonia that were defined in the Strategic Framework for the period of 2011-2014, the measurement of volume of export was not included. Therefore the main export performance indicators are: number of business leads, number of the trade events organized, number of company involved in the trade events, number of prepared market entry reports, etc. Volume of the export as a part of the KPI's for InvestMacedonia will be included after 2014.

***** Indicator under 2.2.** List of 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 will enable to develop sample reports in a selected number of industries to serve as a template for market entry reports.

The Export Web Portal, Learning export and Market Information are measures identified under the Strategic Framework for InvestMacedonia. The Project in cooperation with other donors is assisting InvestMacedonia to implement these measures.

5. Creation of the Market Entry Report as a part of the process for establishing the market information function of the InvestMacedonia- completed in 2013.

By the end of the next year 2014, the Project under the EP component, aims to introduce and establish one new measure that facilitate export, and that is the export readiness assessment tool for InvestMacedonia.

****** 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 September'13, cumulatively 89 issues were raised by the four chambers of commerce (CoC): Economic Chamber of North-West Macedonia (ECNWM)-19; Macedonian Chambers of Commerce (MCC)-38; Economic Chamber of Macedonia (ECM)-25; and ICT Chamber of Commerce (MASIT)-7. Out of raised issues, 53 were resolved (or 61%) as a result of Project's supported activities under the PPD implemented together with the respective CoCs .The breakdown of the issue resolved is as following: ECM-15; MCC-25; ECNWM-10; MASIT-4.

Indicator under 4.2. By September'13, were established two mechanisms 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 next year (2014) is to establish 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. This high-level PPD mechanism is expected to become an annual event presenting the improved ability of the business community to actively participate in the process of building better business environment and conditions for export and investment.

Indicator under 5.1. By September'13, in total 1,368 people were trained. Out of which were 677 female and 691 male. The structure of the trained people according to gender balance is as follows:

- In IP were trained 149 individuals, from which 84 were females and 65 males.
- In EP were trained 321 individuals, from which 132 were females and 189 males.
- Under PP were trained 420, out of which 230 were females and 190 males and
- In PPD were trained in total 478 people, from which 231 were female and 247 males.

The target for the next year (2014) is to train additional 250 people, and cumulatively to achieve 1,618 trained people which have acquired skills to be able to independently support the implementation of the policies in the relevant sectors.

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.

During the reported period, in total 1378 days were spent for providing assistance to Project counterparts and stakeholders. In 2013, the Project has used in most cases own resources and technical staff to provide assistance to the Project counterparts or stakeholders; compared with previous year when foreign and/or local consultants were outsourced to provide specific deliverables.

VII. BUDGET FOR IDEAS YEAR IV

TOTAL BUDGET FOR THE PERIOD OCTOBER 01, 2013 – DECEMBER 28, 2014	
BAH Labor (Home Office and local Staff)	\$786,225.00
ODCs (operational costs)	\$122,500.00
Special Projects	\$300,000.00
Component A (FDI/DI/Aftercare)	\$60,000.00
Component A (Export Promotion)	\$60,000.00
Component B (PPD)	\$110,000.00
Project Legacy	\$35,000.00
PR / Communication / Public Education/Inclusive Development	\$35,000.00
Burdens, Fees, Overheads	\$317,607.00
TOTAL	\$1,526,332.00

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