



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

ANNUAL REPORT

OCTOBER 2014 – DECEMBER 2015

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

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LIST OF ACRONYMS

AEO	Authorized Economic Operators
AEP	Agency for Entrepreneurship Promotion
BA	Business Association
B-REDI	Balkan Regional Economic Development Initiative
CoC(s)	Chamber(s) of Commerce
CDS	Center for Business Cooperation
CEFTA	Central European Free Trade Agreement
CIA	Council of Inspection Authorities
CIPE	Center for International Private Enterprise
CoP	Chief of Party
COR	Contracting Officer Representative
CSO	Civil Society Organizations
CSR	Corporate Social Responsibility
DI	Domestic Investments
DOC	Development Outreach and Communications
DPMEA	Deputy Prime Minister for Economic Affairs
DQA	Data Quality Assessment
EG	Economic Growth
ENER (EHEP)	Unique National Electronic Register of Regulations
EU	European Union
FB	Facebook
FDI	Foreign Direct Investment
FIC	Foreign Investors' Council
FY	Fiscal Year
GIZ	Gesellschaft für Internationale Zusammenarbeit
GoM	Government of Macedonia
IC	Inspection Council
ICT	Information and Communications Technology
IDEAS	Investment Development and Export Advancement Support
IDEAS DePo	Center for Development Policy
IFC	International Finance Corporation
IGD	Inclusive Growth Diagnostic
IIEP	Interethnic Integration in Education Project
InvestMacedonia	Agency for Foreign Investments and Export Promotion
IPA	Instrument for Pre-Accession

IPR	Intellectual Property Rights
ISO	International Organization for Standardization
ITC	International Trade Commission
LGBTI	Lesbian, Gay, Bisexual, Transgender, Intersex
LoP	Life of Project
MCA	Macedonian Customs Administration
MISA	Ministry of Information Society and Administration
MLSP	Ministry of Labor and Social Policy
MoE	Ministry of Economy
MoU	Memorandum of Understanding
M&E	Monitoring and Evaluation
MYLA	Macedonian Young Lawyers Association
NALED	National Alliance for Local Economic Development
NCTS	New Computerized Transit System
NECC	National Entrepreneurship and Competitiveness Council
NGO	Non-Governmental Organization
NTB	Non-Tariff Barriers
NTFC	National Trade Facilitation Committee
OECD	Organization for Economic Cooperation and Development
OPIP	Organizational Performance Improvement Project
PADOR	Potential Applicant Data On-Line Registration
PESTLE	Political, Economic, Social, Technological, Legal, Environmental
PMP	Performance and Monitoring Plan
PPD	Public-Private Dialogue
PPR	Performance Plan Reporting
PR	Public Relations
PWDs	Persons with Disabilities
RIA	Regulatory Impact Assessment
RFP	Request for Proposals
RM	Republic of Macedonia
SEE	South-East Europe
SLI	State Labor Inspectorate
SoW	Scope of Work
SME	Small and Medium Enterprises
SMI	State Market Inspectorate
SP	Special Project

SPS	Sanitary and Phytosanitary Measures
SWOT	Strengths, Weaknesses, Opportunities, Threats
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TIDZ	Technological Investment Development Zones
TRS	Time Release Study
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USG	United States Government
YES	Youth Employability Skills Network Project
Y4	Year4
Y5	Year 5
WB	World Bank
WP	Work Plan
WCO	World Customs Organization
WTO	World Trade Organization

EXECUTIVE SUMMARY

This document represents the USAID Investment Development and Export Advancement Support (IDEAS) Project Annual Report for the period October 1, 2014 – December 27, 2015. In the fifth year of implementation, the IDEAS Project (referred to hereinafter as the “Project”), worked on developing a new Work Plan to cover the extension period January 2015 – December 2015, as well as the three months in the previous year - October – December 2014, or in total a Work Plan for 15 months. In November 2014, the Project was officially extended (under Contract Modification #12) by USAID for a final year of implementation –to last through 2015 (January – December 2015). The Project obtained approval of its Year 5 Work Plan from USAID on December 5, 2014 and started to design and implement new special projects.

Upon USAID’s recommendations and requirements, and based on USAID/Macedonia Inclusive Growth Diagnostic (IGD) and the submitted Scope of Work for the extension period, two new areas of intervention were identified by USAID as well as continuation of support in the Public-Private Dialogue (PPD) component. Therefore, the Components *Implementation of the new GOM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and aftercare*, and the Component *Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports* were archived. The new activities undertaken during the extension period are divided through the following areas of intervention: *Component 1 - Enhanced international trade integration and trade facilitation*; *Component 2 - Streamlined business enabling environment for inspections* and *Component 3 – Strengthened Institutionalized Public – Private Dialogue*.

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

General

- A work plan working session was organized in the period between November 6-8, during which time the Project staff had the opportunity to present and discuss proposed initiatives with the COR. As a result of this working meeting, the work plan, covering the period between November 1, 2014 until the completion of the Project on December 27, 2015, was finalized and submitted to USAID for approval.
- In order to explore regional experiences on the new components- *Enhanced international trade integration and trade facilitation*, and the - *Streamlined business enabling environment for inspections*, the Project organized field trips to Belgrade, Serbia on December 1-3, and Tirana, Albania on December 10-12. The Project representatives and the COR met with relevant stakeholders, USAID, other projects, and NGOs, such as: 1) Ministry of Innovation and Public Administration (in charge of E-Government, Inspections oversight, Regulatory reform and Regulatory transparency), 2) Central Inspectorate Authority, 3) Chamber of Commerce and Industry, 4) Conflindustria (Business confederation) in Albania; 5) NALED/Serbia- National Alliance for Local Economic Development (as positive example of sustainable NGO), and 6) Partners Albania (NGO working on assessments of national agencies and policy implementation). Two meetings with the EG department of USAID in Tirana were also held to discuss and identify fields of joint action in the region. The project submitted draft trip reports to USAID.
- Met with the COR and USAID Project Development and M&E Specialist. Completed Data Quality Assessment for the Project’s PPR indicator (Number of days of USG-funded technical assistance

in business enabling environment provided to counterparts or stakeholders); reviewed the draft Performance Monitoring Plan for Year 5 and discussed the proposed B-REDI indicators.

- During the reporting period, new Special Projects (SPs) were approved by USAID. Namely, SP-Y5-PPD-#1 – Establishing of the NECC Executive Office was approved on November 6, SP-Y5-Trade-#1 – Organization of CEFTA Week 2014 was approved on November 12, and SP-Y5-PPD-#2 – Training for Heads of departments and sectors in the public administration on Regulatory Impact Assessment and use of the Unique National Electronic Regulation System was approved on December 15, 2014. In addition: Development of methodologies and techniques for conducting uniformed inspection supervision (SP-Y5-IC-#1), Development of a new e-Gov solution for the Inspections Council (SP-Y5-IC-#2) and Participation at the annual PPD World Bank Workshop (SP-Y5-PPD-#3).
- An additional new SP included: (SP-Y5-IC-#3)-Exchange of Experience in Inspections Area. The main objective of this activity was to provide practical knowledge in the area of inspection supervision reform for representatives from the Council of Inspection Authorities (the Council), the State Market Inspectorate (SMI) and the State Labor Inspectorate (SLI) through a study tour to the Netherlands' Inspection Council and the relevant counterparts.
- Another SP was developed and approved by USAID: (SP-Y5-Trade-#2) –Translation of the WTO Agreement on Trade Facilitation. The objective was to facilitate the process of ratification of the WTO Agreement on Trade Facilitation thus incorporating it into the legal framework that governs the Macedonian international trade regime and to provide the institutions and traders in the country with a reliable legal text for future trade facilitation references. The project contracted two translators who have in the past translated all other WTO agreements. In order to provide consistency of the translation, translators and the Project legal advisor prepared a glossary of key terms that appear in the TFA text and agreed on their most appropriate Macedonian equivalents. The translation process took place during the second half of January and the translated text then underwent legal editing.
- Also approved was (SP-Y5-Trade-#4)-Implementation of Internationally Recognized Methodology for Measuring the Time for Release of Goods. The main objective of this activity was to assist the Macedonian Customs Administration (MCA) and other government agencies responsible for regulating cross-border procedures to enhance the quality of trade facilitation reforms by implementing one of the internationally recognized methodologies for measuring the time needed for release of goods during imports and exports. (SP-Y5-Legacy-#1)- IDEAS DePo Capacity Building was also approved. The purpose of this activity was to facilitate the process of institutional and organizational development of IDEAS DePo through a series of activities that defined the organization's goals, areas of interest, operational environment and competition, and staff competencies, among others.
- The process of legal establishment of the project legacy local organization was completed. During that process, founding members of the organization were identified and IDEAS's PPD Component lead Goran Lazarevski was registered as the President of the organization. The process was completed when the formal registration document was issued by the Central Registry of the Republic of Macedonia. The name of the local organization is: Center for Development Policy - IDEAS DePo. As of April, IDEAS DePo became a fully functional organization, with registered legal status and financial capacity of a local association of citizens. Three staff members from the IDEAS Project team were transferred to IDEAS DePo as full time employees. The procedure for the initiation of performance under the Booz Allen Hamilton rules of operation was successfully

completed with the signing and full execution of the Subcontract as planned. Booz Allen was also able to advance funds to IDEAS DePo for implementation of activities. A series of activities were realized in regard to the harmonization of the daily operations of IDEAS DePo; visual identity of the legacy organization was defined; as well series of coordinative meetings with IDEAS staff members and stakeholder representatives were held to prepare and arrange the further realization of activities.

- IDEAS DePo began implementation of activities agreed in the Subcontract. The activities were related to: organizing training for heads of departments and sectors in the public administration on regulatory impact assessment and use of the Unique National Electronic Regulation System (ENER); developing a profile with areas of expertise and capacities of IDEAS DePo; performing ongoing market analysis and creating potential client lists; organizing training for IDEAS DePo Staff members and IDEAS team members on the business model and processes; organizing a three-day study visit to Austria for the Inspection Council, the Ministry of Labor and Social Policy, the State Market, and the State Labor Inspectorates of the Republic of Macedonia in the period September 7 - 9, 2015; finalizing the new e-Gov Solution for the Inspections Council, and organizing a promotional event for the relevant authorities, as well as the broader public; and initiating the PADOR EU-funding-system-registration procedure for IDEAS DePo. A meeting was organized with the team of Segura Consulting in Skopje along with Meri Cuculoska from USAID on activities planned for FY2016 in Macedonia and the region, in the field of Trade facilitation, RIA/PPD and other fields of expertise of IDEAS DePo. Opportunities for collaboration were identified and active communication was established to achieve optimal outcomes. In September, a series of meetings were held with potential future partners, including the Center for International Private Enterprise (CIPE) from USA, to discuss plans and opportunities for engagement of IDEAS DePo in activities relating to strengthening business advocacy organizations, dialogue, economic and democratic growth etc. In addition, an IDEAS DePo representative participated at the Regional Economic Growth Project's Coordination meeting on Trade Facilitation, in Belgrade, Serbia from 29 September-3 October, 2015. In addition, IDEAS DePo representatives participated in the Corporate Social Responsibility (CSR) Conference organized on October 21, and the Fourth International Legal Risk Management Conference: "Legal Ethics and Aesthetics", organized between 27-28 October, both in Skopje.

Aftercare

- The new design of the upgraded web page of the TIDZ Directorate was approved by the Director of the TIDZ Directorate, enabling the IT company to continue the development and programming of all website segments.

Export

- The final version of the guide for "Successful Participation at Trade Fairs" was submitted to InvestMacedonia.

Trade

- The Project and USAID provided comprehensive technical and logistical support for the organization of CEFTA Week 2014. The event, which took place on November 19-20, at the Holiday Inn in Skopje, gathered together 158 representatives from various public institutions, chambers of commerce, international and donor organizations and academia from all CEFTA countries. Overall, CEFTA Week 2014 included official participation of 31 speakers who delivered 27 presentations during four separate sessions.

- The CEFTA Week 2014 Final Report was completed. The Project drafted a summary of every presentation and captured the key recommendations drawn by the moderators. The draft report was submitted to the CEFTA Secretariat and the Macedonian Ministry of Economy for approval and formatted for printing. The Project printed 200 copies of the report – 100 were for the CEFTA Secretariat, while the remaining copies were distributed by the Ministry of Economy to a variety of national and international stakeholders.
- The Project engaged in consultations with the Customs Administration on the best way for strengthening the capacity of transit coordinators. At these meetings, two models of assistance were discussed – a study visit to the customs authorities of a member of the EU Common Transit Convention or practical training organized in Macedonia. Both parties agreed that a study visit would be more beneficial for Macedonian transit coordinators, as it would enable them to see how their peers perform transit-related coordination responsibilities. The Project and counterparts carried out extensive activities to organize the study visit. The Macedonian Customs Administration contacted their Slovenian colleagues and discussed the possible dates for the trip, while the Project embarked on arranging the logistical details as well as the work program. The study visit took place on April 14 – 19, 2015 with the participation of six transit coordinators from the Macedonian Customs Administration and one Project representative.
- IDEAS organized a five-day study visit to Slovenia for the transit coordinators from the Customs Administration of the Republic of Macedonia. The trip included visits to the Slovenian Customs Headquarters in Ljubljana, the Central Transit Office in Nova Gorica and the Port of Koper. The main objective of the visit was to support the implementation of the EU Convention on Common Transit Procedures and the integration of the Republic of Macedonia into the EU common transit area. More specifically, it aimed at strengthening the capacity of Macedonian transit coordinators to perform their role for facilitating transit operations in a more efficient and effective manner.
- Concerning the implementation of an internationally-recognized methodology for measuring time for release of goods, the Project senior advisor contacted USAID/Georgia which is implementing a similar activity. Counterparts in Georgia described the main aspects of the assistance that was provided to Georgian Customs, such as the level of assistance, the expertise and the resources employed for successful implementation.
- Upon request from the Ministry of Economy, IDEAS provided translation of the Protocol for Amending the Marrakesh Agreement on Establishing the World Trade Organization, which was needed for the ratification of the WTO Agreement on Trade Facilitation.
- Completed the translation of the World Trade Organization (WTO) Agreement on Trade Facilitation (TF). Once completed, the Macedonian translation of TFA was officially submitted to the Ministry of Economy. They have committed to immediately initiate the procedure for ratification of the Agreement.
- Continued with the extensive preparations for implementation of the World Customs Organization (WCO) Time Release Study (TRS) in Macedonia. After intensive communication and correspondence, IDEAS and Macedonian Customs Administration (MCA) agreed upon all the details of the WCO mission to Macedonia. The mission was carried out by two experts. They were able to elaborate the TRS methodology and present the WCO experience with TRS implementation in other countries.

- Completed the WCO mission in Macedonia, organized between 14 – 18 September. The visit of two experts included: meeting with MCA officials; visit to the border crossing Tabanovce on the northern border with Serbia; three-day TRS workshop for the members of the TRS Working Group and other stakeholders. The Workshop included participation of 16 representatives of Customs Administration, Border Police, Food and Veterinary Administration, Inspectorate for Agriculture, Macedonian Chamber of Commerce, Association of Freight Forwarders and Logistic Operators and Associations of Transporters Makamtrans and Amerit. Participants were provided detailed information on the TRS methodology, as well as the steps and the procedure for planning and organizing the collection of data.
- In October, the MCA and IDEAS continued with preparations for the TRS. MCA drafted three different forms for collection of data for the three customs offices that were selected to participate in the TRS. The main purpose of this exercise was to test the quality of the forms, the efficiency of the procedure for data collection and the capacity of the involved institutions to carry out the process in an organized and effective manner. After the testing process, MCA made minor adjustments in the data forms and submitted them to IDEAS for printing. They were printed and distributed on time for the actual TRS, which took place during the first half of November 2015. The Macedonian Customs Administration and IDEAS worked on entering the data from the 10,000 forms into the WCO TRS software.

Inspections

- In this period IDEAS and the Inspection Council (IC) continued with planning future activities. Based on the IDEAS Work Plan's defined activities and approach, the IC submitted a list of prioritized activities to be implemented with IDEAS' support.
- In the area of inspections, during the reporting period, IDEAS staff members reviewed and analyzed in-country legislation. On November 27, 2014 IDEAS staff held a meeting with the IC Director and members in order to formally initiate collaboration and begin the process of definition and realization of activities to be undertaken.
- With regard to providing support to the IC, the Project developed Scopes of Work, outlining the requirements and scope of the engagement, and identified an expert that worked on development of methodologies and techniques for conducting inspection supervision of the Market and in the Labor Market areas and focused on the process of defining the technical specifications for the IC web site. The SoWs were prepared for each of the activities respectively and were submitted to USAID for approval.
- The project and the Council of Inspection Authorities signed a Memorandum of Understanding on their cooperation in organizing and implementing a set of activities aimed at improvement of the inspection supervision system in Macedonia.
- Identified a local expert to develop a comprehensive report on the technical specifications and requirements for the subject e-Gov solution. Representatives of the project and the expert met with the President of the Inspection Council to discuss the engagement and report. The draft-technical specification for the e-government solution for the IC was prepared by the expert and shared with the IDEAS Project in April. It was reviewed by the Inspections Council. In May, a joint meeting between the Project, IDEAS DePo, the IC and the expert was held in order to incorporate potential comments and requests by the IC and finalize the technical specification. The overall process of preparation of the technical specification was concluded with a joint

meeting between the Project, IDEAS DePo, the IC and the expert, at which the comments and requests by the IC were defined and incorporated into the final version of the technical specification. IDEAS DePo initiated a tendering process to select an IT company to build the specified solution. Three offers were received and evaluated by the Project. The Project completed procurement procedures and later signed a contract with Nextsense. After delivery of all static content by the vendor, the web platform was set in the second half of September.

- Contacted Albanian peers regarding their inspection surveillance and coordination system. On March 5, project representatives, joined by the President of the Inspection Council of Republic of Macedonia, met with the General Director at the Central Inspectorate of Albania. The purpose of this visit was to introduce the system of inspection surveillance and coordination in the Republics of Macedonia and Albania; share experiences between the relevant institutions; and identify opportunities for mutual cooperation in the area of inspection supervision between the two countries.
- Project representatives and the COR met with Valbona Morina-Maksut, the Chief of Party of USAID's Organizational Performance Improvement Project, and discussed mutual cooperation in the area of capacity building of the Inspection Council. Following this meeting, an introductory meeting was also held with the President of the Inspection Council where USAID OPIP Project began discussions on potential cooperation with the Council.
- Identified an international consultant for development of methodologies and techniques for conducting uniformed inspection supervision. Chris Thompson, international consultant for development of methodologies and techniques for conducting uniformed inspection supervision traveled to Macedonia twice. During his visits, Mr. Thompson had numerous meetings with all relevant stakeholders and counterparts in order to determine their needs and expectations from the development of methodologies for performing inspection supervision. He developed a Manual of Inspection Methodology. The Manual was submitted to the Inspections Council and the State Market and State Labor Inspectorates (SMI and SLI) for review and comments. On June 3, a workshop with all relevant counterparts was organized. The objective of this workshop was to present the Manual to the leading officials of the abovementioned institutions and train them for further transfer of the Inspection Methodologies into their institutions. The finalized Manual was distributed to stakeholders. It provides a framework for organizing and conducting onsite inspections of businesses. The Project translated the Manual into Macedonian.
- IDEAS contacted the Netherlands Inspection Council and discussed the issues Macedonia is facing and the need for exchange of experience related to the overall system of inspection supervision implemented in the Netherlands. The Netherlands Inspection Council agreed to receive the Macedonian delegation, hence two possible visit dates were proposed – the first half of July and the first half of September. Due to scheduling conflicts, this trip would have a change of venue. After systematic research done by the Project and the Inspection Council, the State Market, and the State Labor Inspectorates, it was decided that the next most appropriate study visit destination for exchange of experience in the inspections area was Austria. The Project obtained an international travel approval from USAID and made all necessary preparations for travel to Vienna. A group of 9 people traveled to Austria in September. The trip included meetings with Austrian Supervision and Regulatory Authorities and organizations in the area of labor market, product safety and consumer protection.

- On November 16, the final certification process of the SMI commenced. Based on the request for support of this process received by the SMI, the Project supported the initial certification process and obtaining of the ISO mark, while the inspectorate will be responsible for maintaining the standard and cover the costs for control audits. The certification process was completed in the beginning of December.
- On December 4, the Project in partnership with the Inspections Council organized a promotional event in order to promote the newly developed tools and methodologies directly aimed at improvement of the inspection system in Macedonia. At the event over a hundred (100) representatives of relevant inspectorates and USAID Mission representatives participated, including the Mission Director Jim Stain who provided opening remarks.

Public-Private Dialogue

- IDEAS organized the partnership status and high visibility and promotion of National Entrepreneurship and Competitiveness Council (NECC) at the International Conference “CSR as a condition for competitiveness of businesses” on October 28 in Skopje.
- On October 29, our Project organized the participation of NECC at the “European Entrepreneurship Week” Conference in Skopje with a business community speaker and a visible promotion of NECC and attendance of the NECC staff and member-companies.
- In order to build the capacity of the NECC as a sustainable model for the period after the project completion, IDEAS undertook a series of activities supporting the establishment of the executive office of the NECC. This included hiring two professional staff members and identifying facilities for the NECC.
- The Project was actively engaged in assisting the NECC staff and the DPMEA cabinet in the organization of the regular session of the NECC and the Annual Assembly. The joint session of the Management Board and the Assembly was successfully held on February 26, and the executive office was given a mandate to continue working on the Activities plan for 2015. At this session, the executive office of NECC was handed over from the IDEAS Project to the members. Also provided assistance to the NECC staff for preparation of the Assembly scheduled for September 2, at which significant decisions were made and implemented that are expected to influence NECC’s sustainability over a longer period of time. Continued to assist the process of collection of membership fees which resulted in the successful collection of 70% of membership fees from the NECC membership.
- The IDEAS DePo Public Private Dialogue (PPD) professionals were actively engaged in assisting the NECC staff and the Deputy Prime Minister for Economic Affairs (DPMEA) Cabinet in the organization of the working session of the NECC on April 8, where the Vice-Prime Minister presided over the discussion of the realization of the competitiveness measures package proposed to the Government by the NECC.
- Progress was made on designing the training and mentoring assistance for the staff and business members of the National Entrepreneurship and Competitiveness Council. On September 15, the first (out of two) session with the NECC staff members on operational efficiency and advocacy was held as an in-house training session. At the mentoring session 18 representatives from the private, public and civil sector, worked on Policy creation, research and analysis. An additional

issue of the “Policy paper creation manual for the business community” was prepared and printed, at the request of the business community representatives.

- On September 30, a Competitiveness conference was hosted by NECC in Skopje, with assistance of the IDEAS Project realized by IDEAS DePo, with over 160 representatives from the business, public and civil sector as well as the donor community in Macedonia. At the event, the role of the business community in articulating the voice of the businesses through NECC was emphasized while over 90 businesses, part of the NECC founding members had an opportunity to learn about the manners and instruments of influencing public policies to create more favorable business environment.
- The PPD Component Leader attended the national “Business plan 2014 award” ceremony which was held on November 26, after successfully completing his participation in the MoE’s committee on behalf of NECC.
- Organized an interview for the PPD Component Leader on private TV station ALSAT. The purpose of the interview was the use and functionality of Unique National Electronic Regulation System (ENER) as an institutionalized public consultation mechanism.
- The project organized training on Regulatory Impact Assessment (RIA) and use of ENER, for the Heads of departments and sectors in the public administration, representing 17 Ministries and public institutions. The session was held on December 18-22 in Skopje with the Ministry of Information Society and Administration, and the relevant representatives (91 in total) of public administration who are in charge of RIA/ENER implementation.
- A second series of trainings for the heads of departments and sectors in the public administration on Regulatory Impact Assessment (RIA) and use of the Unique National Electronic Regulation System (ENER) were held.
- Goran Lazarevski, the PPD Component Lead and Gordana Dimitrovska on behalf of Macedonia’s Ministry of Information Society and Administration, participated in the 8th Annual World Bank Public Private Dialogue Workshop in Copenhagen, Denmark. The event was organized by the World Bank, the Confederation of Danish Industry, and the Danish Ministry of Foreign Affairs with attendance of more than 170 PPD practitioners from 54 countries.
- As a result of continued PPD support to the NECC, the EU through the Instrument for Pre-Accession (IPA) program, confirmed its commitment of 2.5 million Euros for the period 2017-2020 to the NECC as the institution in charge of strengthening the national PPD. This recommendation comes as a strong recognition of the Project’s efforts in the past years and a confirmation that the IDEAS approach was the most adequate and sustainable one.

Other

- Project representatives participated in several events including Promotion of the FIC White Book; the RCC Strategy 2020 event; and CSR Project Design & Management Workshop, organized by Am Cham. All events were organized in Skopje.
- Updated the Project’s One Pager, translated it into the Macedonian language, printed copies of it, and posted its electronic version on the project website.

- Developed Web/FB based information regarding the project's completed activities. Those were shared with DOC, USAID's FB profile and project website.
- Developed Press releases, monitored media, managed media coverage and promoted project results and activities. Updated the Project's website: www.ideas.org.mk
- Drafted IDEAS's FY 2015 Strategic Level Portfolio Review.
- On September 17, the Communication Manager participated at the half day LGBTI training and Social Inclusion organized by USAID Mission, and on the Toastmaster session held on September 29th, organized also by USAID.
- On December 11, the IDEAS project organized its close-out event and presented the main project achievements, completed in close co-operation with project counterparts, the Government of Macedonia, and members of the private sector. About 180 representatives from the international donor community, project counterparts, and the U.S. Embassy attended the event. At the event, the U.S. Ambassador, the IDEAS project chief of party, Booz Allen Hamilton's DC-based project manager, and the State Advisor from the DPM Peshevski's Cabinet provided remarks. The US Ambassador and USAID's Mission Director handed out plaques of appreciation to representatives from each of the 11 IDEAS project counterparts.

I. COMPONENT LEVEL ACCOMPLISHMENTS

Component A, Theme I: Implementation of the new GOM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and aftercare (2014)

The assistance provided for this component in Year 5 was targeted at completing efforts to strengthen 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, efficient and focused aftercare services encourage foreign investors in Macedonia to make new investments and reinvestments and motivates them to intensify and increase supply linkages with local SMEs.

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

All activities implemented in the course of this year have been successfully completed. The TIDZ Directorate website, although delayed, was completed in December. This then fell under the new Component I of the Year 5 Work Plan.

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

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

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

The following activities were foreseen under this SoW:

- An Aftercare Manual for the TIDZ Directorate - developed and printed;
- A software module for electronic announcement of goods to TIDZ – developed and installed in the existing software;
- Questionnaire for regular collection of information from foreign investors from the TIDZ Directorate –developed and submitted to TIDZ Directorate;
- Concept document for preparation of a newsletter - completed and submitted to the TIDZ Directorate.
- Upgrades to the TIDZ Directorate website – completed.

The first four above-mentioned activities were successfully completed and reported on in the IDEAS Annual Report October 2013 – September 2014. The status of implementation of the last activity is reported below.

Upgrades to the TIDZ Directorate website

Results achieved: Completed

According to the agreed-upon deadline, the upgraded website was expected to be launched and fully functional by the end of September 2014. However, the TIDZ Directorate's preference to have the design approved by their highest management resulted in a delay of the planned timetable for implementation of activities.

At the beginning of October, the Director of the TIDZ Directorate reviewed and approved the new design and Infinite Solutions proceeded with development and programming of all website segments. During the process, the TIDZ Directorate continuously provided the IT Company with necessary input and materials for the new design and functionalities.

Upon completion of the process of software development, Infinite Solutions held a meeting to discuss the final product, next steps and information that should be uploaded on the new website. Participants at the meeting discussed the remaining activities that led to finalization of the work and launch of the new website.

Organization of CEFTA Week 2014

Results achieved: Completed

According to the rotational chair schedule, in January 2014 Macedonia assumed the chairmanship with the Central European Free Trade Agreement - CEFTA for the calendar year 2014. The organization of CEFTA Week, the main annual event of CEFTA was among the many responsibilities of the Chair in Office. As the organization of such a complex event was seen as highly challenging for the Macedonian Ministry of Economy, they requested support from USAID and the Project. In consultation with the USAID Mission in Skopje and in line with the plans for intensification of Project activities related to Macedonia's international trade integration, USAID agreed that the Project could provide the needed technical assistance.

Initial activities for the organization of CEFTA Week 2014 in Skopje began in June. By the end of October, the Project developed the concept of the program for the event, identifying the main topics to be addressed, their distribution into segments and sessions/panels and potential participants – institutions and/or individuals. The program concept was fully approved by the Ministry of Economy and received input from the CEFTA Secretariat. The Project was also involved in logistical and organizational aspects of the event, including but not limited to, planning of protocol aspects, media attendance, design and preparation of conference materials, food and refreshments, procurement of necessary technical services and interpreting.

CEFTA Week 2014 took place on November 19-20 at the Holiday Inn in Skopje under the Macedonian Chairmanship of the Central European Free Trade Agreement - CEFTA. The event was opened by Bekim Neziri, Macedonian Minister of Economy, Barton Putney, U.S. Embassy Deputy Chief of Mission and Jaromir Levicek from the EU Delegation in Macedonia. It gathered together 158 representatives from various public institutions, chambers of commerce, international and donor organizations and academia from all CEFTA countries. Overall, CEFTA Week 2014 included official participation of 31 speakers who delivered 27 presentations addressing the issues included in the agenda.

Discussions and presentations that took place as part of CEFTA Week 2014 addressed topics crucial for future trade and economic integration in the SEE region under the auspices of the CEFTA Agreement. Topics were organized in four sessions and discussed by stakeholders from all CEFTA countries and their partners from international organizations.

The first session addressed the issue of increasing investment levels in the region. Presentations and discussions focused on the most apparent obstacles to inward investments and how the region plans to deal with them as part of the SEE Strategy 2020, steps to promote the region as a single destination and the characteristics of existing investment policies in CEFTA countries. In the second part of the session, Macedonia shared with participants its policies for attracting and servicing foreign investors which are beginning to yield positive results.

The second session dealt with the issue of development of CEFTA regional value chains in industry sectors that have the potential to be competitive on a global level. Following the priorities determined by the SEE Strategy 2020, this session focused on the food processing industry and tourism. Within the two sub-sessions, presenters and the audience discussed the existing challenges and the policy measures needed to stimulate cross-country cooperation among companies from the identified sectors.

As part of the session on trade facilitation, participants discussed compliance of CEFTA countries with the WTO Agreement on Trade Facilitation and the benefits its implementation will create for regional trade. The second issue was the implementation of the concept of Authorized Economic Operators – AEO in CEFTA countries and the development of a regional AEO Strategy. At a round table discussion, representatives of international and donor organizations active in the region, i.e. EU Commission, USAID, World Bank, IFC, GIZ, OECD, UNCTAD and ITC had an opportunity to present and coordinate their assistance efforts in the area of trade facilitation.

The fourth session was organized by the Forum of Chambers of Commerce – a regional dialogue forum established by the chambers of commerce of CEFTA countries. At the session, representatives of four Forum working groups presented the findings and the recommendations of the private sector in the areas of agriculture and SPS, TBTs and NTBs, customs and rules of origin, and trade in services.

CEFTA Week 2014 was an important regional event that provided significant contribution to efforts for regional economic cooperation and dialogue. Project assistance for this activity extended through December and January with the preparation and publishing of the CEFTA Week final report – a comprehensive publication that captures all presentations, discussions and recommendations made at the event.

Component A, Theme 2: Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports (2014)

In the reporting period the Export Support component held final wrap-up meetings with its main counterparts. Both the Agency for Foreign Investments and Export Promotion (InvestMacedonia) and the Agency for Entrepreneurship Promotion (AEP) acknowledged the effort and support provided by the IDEAS Project and USAID in the area of export promotion support. The main conclusion was that the Project provided substantial support during the prior four years, particularly in areas significant for appropriate functioning of the institutions and the implementation of their mandates and functions. These include organizational and strategic aspects; capacity-building for the counterparts' staff; introduction of new methodologies and tools; direct and indirect support in organization of trade missions; support in implementation of GoM measures; and trainings and capacity-building for export oriented companies.

After the completion of the last trade mission/fair visit to CEBIT in Istanbul from 11 – 14 September, 2014 with InvestMacedonia, the Project developed a guide for “Successful Participation at Trade Fairs”. The final version of this guide was submitted in October, 2014 to InvestMacedonia.

During the reporting period, based on USAID's recommendations for the potential extension of the Project and shifting to other areas of support, more precisely inspection supervision and the Council of Inspection Authorities (CIA), the Project staff held several meetings with the CIA Director and other relevant Inspectorates in order to outline the potential activities and priorities of intervention.

Component B: Public-Private Dialogue (PPD) Enhanced (2014)

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

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

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

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

Activity 1– Support to the NECC, Activity 2- Support to implementation of Regulatory Impact Assessment (RIA), and Activity 3- Strengthening capacities of CoC/BA to engage in PPD. Note: The Special Projects are presented by activity group in which they belong, and not by order of the numbers.

ACTIVITY 1 – Supporting the NECC

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

Results achieved: Completed

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

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

- Coordination with NECC members was performed for professionalization of the executive office (see SP-Y4-PPD-#8);
- IDEAS's PPD Component team assisted the organization and attended a series of Forums with businesses in Veles, Sveti Nikole, Prilep, Kavadarci, Kriva Palanka, Kratovo.
- The PPD team organized and hosted the NECC stand at the first Employment Fair in Skopje, and Negotino, to be continued in six more cities through 2014;
- IDEAS's Goran Lazarevski successfully completed his participation at the MoE's "Business plan 2014 award" committee on behalf of NECC;

- IDEAS organized the partnership status and high visibility and promotion of NECC at the International Conference “*CSR as a condition for competitiveness of businesses*” on October 28 in Skopje, and the signing of a MoU with the Macedonian UN GlobalCompact business network, with over 140 guests from over 20 European countries and USA and attendance of the DPMEA on behalf of NECC, promoting and supporting the new NECC staff;
- On October 29, our Project organized the participation of NECC at the “European Entrepreneurship Week” Conference in Skopje with a business community speaker and the promotion of NECC and attendance of the NECC staff and member-companies;
- The harmonization of the Partnership agreement with the GoM continued and was successfully finalized by end of 2014. Meetings with different agencies and institutions continued with direct participation of Goran Lazarevski from IDEAS;
- The national “Business plan 2014 award” ceremony was held on November 26, attended by IDEAS’s PPD Component Leader, after successfully completing his participation at the MoE’s committee on behalf of NECC;
- The participation of NECC’s staff at the CEFTA Conference in Skopje was provided with IDEAS’ PPD team assistance on November 19 and 20;
- The sustainability efforts of the PPD team continued with stakeholders, and
- Other ongoing assistance on meetings, coordination and administration for NECC needs.

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

Results achieved: Completed

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

This task was successfully completed in October 2014, with the hiring of two professional staff members, following a public call for applications for employment, with over 90 applications and 22 interviews with potential candidates. Also in October, facilities for the NECC were identified, to be potentially supported in Year 5 of the IDEAS Project.

Component I: Enhanced International Trade Integration and Trade Facilitation (2015)

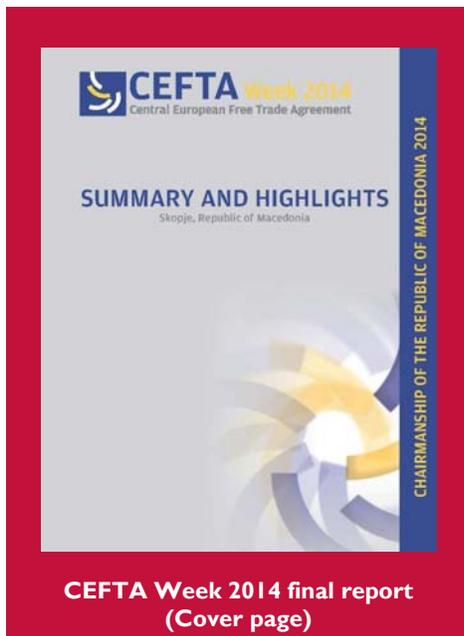
As explained earlier, under the Year 5 Work Plan, the new activities undertaken in the extension period were divided through the following areas of intervention: *Component 1 - Enhanced international trade integration and trade facilitation*; *Component 2 - Streamlined business enabling environment for inspections and Component 3 – Strengthened Institutionalized Public – Private Dialogue*. Activities under Component I were as follows:

Upgrades to the TIDZ Directorate website

Results achieved: Completed

The TIDZ Directorate website was upgraded and modernized as part of IDEAS' previous year work plan and was expected to be launched and fully functional by the end of September. However, the TIDZ Directorate's preference to have the design approved by their highest management resulted in a delay of the planned timetable for implementation of activities.

The development of the new and improved website was completed during December. A significant share of the work was devoted to the design of interactive maps of the technological industrial development zones that are currently operating in Macedonia or for which the Government of Macedonia has precisely defined the land coordinates and particular land slots. The TIDZ employees were trained on updating the website and creating interactive maps of free zones.



SP-Y5-Trade-#1- Organization of CEFTA Week 2014

Results achieved: Completed

CEFTA Week 2014 was held on November 19-20 at the Holiday Inn in Skopje under the Macedonian Chairmanship of the Central European Free Trade Agreement - CEFTA. Project assistance for this activity continued with the preparation and completion of the CEFTA Week 2014 Final Report. Based on audio recordings of the event, the Project drafted a summary of every presentation delivered, noting the main points of the discussions held after each of the four sessions and capturing the key recommendations drawn by the moderators. Once completed, the draft report was submitted to the CEFTA Secretariat and the Macedonian Ministry of Economy for approval and formatted for printing. The Project printed 200 copies of the report – 100 were sent to the CEFTA Secretariat in Brussels and 90 copies were delivered to the Ministry of Economy to distribute them to the CEFTA Parties and a variety

of national and international stakeholders. In addition, an electronic version of the report was sent out to all CEFTA Week 2014 participants.

National Trade Facilitation Committee and Trade Facilitation Enquiry Point

Results achieved: Completed

The self-assessment of the compliance of Macedonia's legislation and procedures in the area of trade facilitation with the new WTO Agreement on Trade Facilitation (TFA) was carried out in March 2014 with USAID support. One of the main findings of this exercise was that Macedonia does not have in place two bodies required by the Agreement - National Trade Facilitation Committee and Trade Facilitation Enquiry Point. Following the self-assessment, the Ministry of Economy prepared information for the Government of Macedonia (GoM) elaborating the findings and requesting it to adopt the decisions needed for Macedonia to achieve full compliance with TFA as a main precondition for its ratification by the Parliament.

Upon review of the information held on October 21, 2014, the GoM issued a decision for establishment of a TF Committee under the leadership and coordination of the Ministry of Economy and TF Enquiry Point within the Macedonian Customs Administration. Both bodies were to be established immediately after TFA ratification. Under this activity, the project supported the process of establishment of these two bodies by assisting the responsible institutions to prepare the acts and documents necessary for their efficient operation.

The Law ratifying the WTO Agreement on Trade Facilitation was enacted by the Macedonian Parliament on July 29, 2015 and published in Official Gazette 130/2015. Upon submission of the Instrument of Acceptance submitted by the Government to the World Trade Organization through diplomatic channels, Macedonia became the 50th WTO member to become a party to the Agreement on Trade Facilitation. At this moment, Macedonia is the only country from the CEFTA region to have completed this process.

In both March and August, the project senior advisor had a meeting with Biljana Dodevska, State Advisor at the Ministry of Economy and the staff of the Department on International Trade Cooperation to discuss their expectations with regard to the possible time of completion of the TFA ratification and the type and the pace of project assistance and next steps for establishment of Macedonia's national trade facilitation committee. Upon Ms. Dodevska's suggestion, the interagency coordination in this regard began in September. To inform and facilitate discussions on the scope and the operating structure of NTFC, i.e. its objectives, mandate, degree of institutionalization, membership, operating procedures, etc., and to facilitate the adoption of necessary decisions, IDEAS developed a concept paper that was presented to the involved stakeholders prior to the launch of the consultations.

Concurrently to IDEAS' activities in support of the establishment of NTFC in Macedonia, USAID supports TFA implementation, including creation of NTFCs in countries in the region through the B-REDI (Balkan Regional Economic Development Initiative) platform. Under this initiative, the Macedonian delegation comprising of Biljana Dodevska, State Advisor at the Ministry of Economy, Lavdrim Veliu, Deputy DG of the Customs Administration, and two representatives of the largest chambers in Macedonia attended the Regional Workshop on National Trade Facilitation in CEFTA organized by the REG Project and World Bank Group on November 3 – 4, 2015 in Belgrade.

In addition, B-REDI funded the participation of Gordana Toseva from IDEAS at the CEFTA Week 2015 held on November 24 – 25, 2015 in Chisinau, under the Moldovan Chairmanship with CEFTA. Ms. Toseva delivered two presentations at the event. The first was delivered at the Trade and Investments panel and it discussed the economic impact and benefits of successful TFA implementation. The second presentation was made in front of the CEFTA Committee on Trade Facilitation elaborating on USAID plans for supporting the creation and operation of NTFCs, as well as TFA implementation in CEFTA countries.

In December, IDEAS discussed future steps with the Ministry of Economy and the Customs Administration as key institutions for establishment of the Macedonian NTFC.

The Project contacted the United Nations Conference on Trade and Development (UNCTAD) with an inquiry about a Study on Trade Facilitation Committees prepared by this organization. Though it was not officially released for distribution, UNCTAD agreed to submit the draft of the study to the Project. The Project used the study as a useful source of information on comparative practices relating to the establishment and operation of trade facilitation committee worldwide.

As part of the efforts to support the compliance of Macedonia with the WTO Agreement on Trade Facilitation, in September IDEAS hosted the USAID/IFC consultant Jim Williams and Ms. Violane Konar-Leacy from IFC who were carrying out an assessment on the status of establishment of national trade facilitation committees in CEFTA countries. During the three days spent in Macedonia (September 23 – 25), Mr. Williams had meetings with key public and private sector institutions that were expected to be represented in the Macedonian NTFC, namely Ministry of Economy, Ministry of Agriculture, Customs Administration, Food and Veterinary Administration, Administration for Medicines, Phytosanitary Administration, Health and Sanitary Inspectorate, Inspectorate of Agriculture, Macedonian Chamber of Commerce, Association of Chambers of Commerce, Chamber of Commerce of Northwest Macedonia and Association of Freight Forwarders and Logistic Operators. The meetings were scheduled by IDEAS and an IDEAS representative and attended by Mr. Williams at all of them. The assessment produced by Mr. Williams will serve as a basis for planning the future regional assistance that USAID will provide CEFTA countries for complying with TFA.

SP-Y5-Trade-#2 - Translation of the WTO Agreement on Trade Facilitation

Results achieved: Completed

In order to meet its obligations as a member of the World Trade Organization (WTO), the Republic of Macedonia must ratify the new WTO Agreement on Trade Facilitation (TFA) adopted at the organization's last Ministerial Conference held in Bali in December 2013.

The ratification is a formal precondition for incorporating TFA into the legal framework that governs Macedonian international trade regime. To initiate this process, the Ministry of Economy requires the TFA to be translated into Macedonian language and has requested assistance for this from the Project, as an entity that has the necessary experience to produce a reliable Macedonian version of the Agreement. The scope of work for this activity was approved by USAID on January 20, 2015.

Following the approval of the scope of work, the project contracted two translators who have in the past translated previous relevant WTO agreements (Results of the Uruguay Round of Negotiations – Legal Texts). Immediately thereafter, the Ministry of Economy initiated the process for its ratification by submitting the necessary documents to the Ministry of Foreign Affairs. To complete ratification and become an integral part of the Macedonian legal system, the Agreement first must be approved by the Government and then adopted by Parliament. The Project will closely follow developments and support this process.

In April 2015, the Ministry requested additional assistance for translation of the Protocol for Amending the Marrakesh Agreement on Establishing the World Trade Organization, which also must accompany the Agreement in the ratification process. The Project promptly accommodated this request.

Capacity Building for Customs Administration Transit Coordinators

Results achieved: *Completed*

The implementation of the EU common transit procedure – a process that should be completed by Macedonia acceding to the EU Convention on Common Transit Procedures, is one of the key trade facilitation challenges for Macedonia for 2015.



Meeting peers from Slovenian Customs



Port of Koper

One of the important segments for successful inclusion of Macedonia in the EU common transit system is the development of an efficient network of transit coordinators, who should serve as contact points for all transit-related issues with other customs administrations, as well as with the business community. One national, five regional and eleven local transit coordinators have been appointed under a decision by the Director of Customs Administration in April 2014. To be able to perform their role in the implementation of the common transit procedure and the functioning of the New Computerized Transit System - NCTS, transit coordinators need to receive practical training that will help them fully understand their responsibilities for coordination of transit operations and perform them in an efficient and effective way.

During February, the Project engaged in consultations with the Customs Administration regarding the best way to strengthen the capacity of transit coordinators. At these meetings, two models of assistance were discussed – a study visit to the customs authorities of a member of the EU Common Transit Convention or a practical training

organized in Macedonia. For the time being, both parties agreed that a study visit would be more beneficial for the Macedonian transit coordinators, as it would enable them to see how their peers perform transit-related coordination responsibilities. They jointly selected the Slovenian Customs Administration to host the Macedonian delegation. The main criteria for selection were the decade-long membership of Slovenia in the EU Convention on Common Transit Procedures, the similarities between Slovenia and Macedonia as countries (territory, population) and the relative proximity of Slovenia. The Project embarked on arranging the logistical details, as well as the work program.

The study visit took place on April 14 – 19, 2015 and included six transit coordinators (one national and five regional) from the Macedonian Customs Administration and one Project representative. The program included a two-day visit to the Central Transit Office and the Transit Help Desk in Nova Gorica (town

on the Italian border), a one-day visit to the Customs Administration Headquarters in Ljubljana which included a meeting with the Slovenian transit coordinators, and a one-day visit to the port of Koper.

This activity enabled the participants to expand their knowledge of the practical aspects of implementation of common transit procedure in Slovenia, the roles and responsibilities of Slovenian transit coordinators, the main challenges in the functioning of transit procedures, and the modes of coordination with other customs administrations.

The general impression from the study visit expressed by the participants was very positive. The delegation considered the visit highly relevant and useful for its future work. The group was warmly welcomed by their colleagues from Slovenian Customs and treated in a highly professional manner. All meetings were very informative, relevant and useful for the upcoming integration of Macedonia into the EU common transit area. Meeting sessions were interactive, giving the participants a chance to ask questions. The Slovenian counterparts were very forthcoming and open in elaborating their practices and sharing the experiences on successes, but also challenges. Participants in the study visit also expressed distinct satisfaction with the high quality of the organization of the whole trip.

SP-Y5-Trade-#4- Implementation of internationally recognized methodology for measuring the time for release of goods

Results achieved: Completed

Regular and efficient measuring of the time for release of goods in import and export procedures is an important benchmarking tool. It enables monitoring the impact and effects of trade facilitation measures implemented by the Customs Administration and other border agencies and helps identify bottlenecks that require future attention.

The Project initiated consultations with the Customs Administration related to implementation of this activity. It was generally agreed that the specific methodology that should be implemented in Macedonia is the World Customs Organization (WCO) Time Release Study (TRS).

Following information that a similar activity was supported by USAID in Georgia, the Project sought and received assistance from the USAID Mission in Skopje to get in touch with Georgian peers who participated in this implementation. In a conference call with Nato Beruashvili and Bondo Bolkvadze from Georgia, the Project senior advisor discussed the main aspects of the support that was provided to Georgian Customs, such as the level of assistance, the expertise and the resources employed for successful implementation. The information were very useful for the planning of specific assistance in this field in Macedonia.

IDEAS completed the drafting of the guidelines for implementation of TRS in Macedonia. The document is based on the detailed WCO TRS Guidebook and it elaborates the methodology that MCA and other border agencies will have to follow in order to properly carry out the measuring exercise. The methodology provides guidance on the procedural, as well as substantive aspects of the TRS, such as the creation of a TRS Working Group, its mandate and membership, planning of the measuring (scope, duration, geographic determinants, types of consignments and procedures, selection of border posts), drafting of the data form, collection of data, their processing and analysis, drawing of conclusions, preparation of the final report and communication of the results to the public.

The guidelines will be used as a source of information on the TRS methodology for all representatives of MCA, other border agencies and the private sector that will participate in the collection of data and the overall measuring process. In addition, it will be used to guide and support the TRS Working Group in the process of designing the steps and activities of the measuring exercise and identifying the relevant data.

IDEAS proceeded with the design and drafting of other support documents necessary to prepare and carry out the measuring exercise. Along these lines, it completed the Implementation Schedule determining the general steps of the process and the pace of their implementation, and drafted the detailed Implementation Plan that should identify and determine the details and capture all decisions taken by MCA and other participating institutions relating to procedural and substantive aspects of measuring. These include, but are not limited to, duration, exact dates, participating institutions, respective responsible persons, establishment and composition of the TRS task force and working group and their respective mandates, selection of customs offices where data will be collected, determination of the scope of the data selection process based on the types of goods, packaging, customs procedures, means of transportation, etc.

Concurrently, IDEAS and MCA started with the preparations for a TRS Workshop as a key activity for strengthening the capacity of all persons involved in the TRS process. IDEAS contacted the World Customs Organization with a proposal to participate in the workshop by providing the experts who will elaborate the TRS methodology and present the WCO experience with TRS implementation in other countries. The initiative was received positively and IDEAS and WCO agreed on the details of the cooperation. As a main beneficiary of this activity, MCA was actively engaged in the workshop preparations by delivering the requirements necessary for WCO's involvement in the process.

In July, after intensive communication and correspondence, IDEAS and MCA agreed upon all the details of the WCO mission to Macedonia. The mission was carried out by two experts – Oluimo da Silva, Technical Attache at the WCO Compliance and Facilitation Directorate and Shujie Zhang, Deputy Director of the Department for Training and International Cooperation at the WCO Regional Training Center in Shanghai. They explained the TRS methodology and presented the WCO experience with TRS



implementation in other countries. Their visit took place in September, during which they met with relevant stakeholders, visited one border crossing in order to observe the business processes that are taking place during cross-border transactions, held a short training on the TRS software and delivered a three-day TRS workshop for the members of the TRS Working Group and other stakeholders that are engaged in the exercise.

In July, MCA submitted a proposal to the Government of Macedonia to endorse the establishment of the TRS Working Group that would include representatives of government and private sector stakeholders. In August, upon completion of the discussions on the WCO mission, MCA with the assistance of IDEAS finalized the detailed Implementation Plan.

According to the plan, the TRS exercise would be carried out at one in-land and two border customs offices: Bogorodica on the border with Greece and Tabanovce on the border with Serbia and in-land customs office Skopje 3. The collection of data would be seven days at the border crossings and five days at the in-land terminal. MCA drafted three different forms for collection of data for the three customs offices. IDEAS printed 500 copies of the forms to be used for the test collection of data which occurred in October. The main purpose of this exercise was to test the quality of the forms, the efficiency of the procedure for data collection, and the capacity of the involved institutions to carry out the process in an organized and effective manner.

After the testing process, MCA made minor adjustments in the data forms and submitted them to IDEAS for printing. They were printed and distributed on time for the actual TRS.

The Time Release Study exercise took place in the period November 9 – 15, 2015. The 10,000 forms for collection of data were printed by IDEAS and distributed to the three customs offices in which the study was implemented. Upon completion of the data collection, in the second half of November, MCA and IDEAS worked on entering the data into the WCO TRS software.

Final results on the time needed to complete border formalities in each of the three customs offices and in different clearance procedures were captured in the report prepared by MCA in December. The report findings were shared with the business community and the general public, and submitted to the Government of Macedonia for review and decision on future actions for overcoming identified barriers and delays.

Component II: Streamlined Business Enabling Environment for Inspections (2015)

In the reporting period, IDEAS staff designed and defined activities for implementation in the area of inspection supervision and capacity building of the main component stakeholder, the Inspections Council (IC). To this end, several meetings were held with the IC Director and the IC members, and IDEAS conducted an initial review of in-country legislation. Also, the Program for Work of the IC was taken into consideration, since it provides a more detailed breakdown of activities and helped IDEAS in shaping the main activities and areas of intervention. All of these efforts led to the creation of a draft Work Plan for this fifth year of the Project, which was presented to USAID at a staff retreat. The activities were designed to provide a framework for IDEAS support and intervention activities and were further discussed with the IC in order to prioritize them, based on the IC's needs. All of the agreed activities are specifically described and elaborated in the Scopes of Work for this component. After the official approval and signing of the project extension contract modification, IDEAS staff held a meeting with the IC Director and members in order to formally initiate collaboration and begin the process of prioritization and defining activities to be implemented. Since the IC is a newly established body and requires much support for effective execution of their function, numerous activities and areas of intervention were presented and requested by the IC, including:

- Creation of methodologies and defining methods, procedures and technical support for performing inspection supervision;
- Comparison of methodologies with other countries and exchange of experience through study tour(s) and/or in-country event(s);
- Coordination of inspection supervision and creation of tracking systems and enabling data exchange among institutions;
- Analysis of the Law on Inspection Supervision and other interconnected legislation (over 200 pieces of legislation), with the primary focus on the Laws and other legislation that regulate the functioning of the market (product safety, consumer protection, IPR, Labor Law, etc.);
- Organization of “Train the Trainers” program(s) on both basic (computer skills, general administration law, etc.) and specific subjects (IPR, consumer protection, etc.) for inspectors that will further transfer knowledge to all of the inspectors who are performing supervision;
- IT support for the IC – creation of a web-site for the IC with the idea of incorporating all of the inspection authorities; provide other technical solutions to enhance communication and data exchange both within the IC and among inspection authorities and the IC.



Signing MoU between the USAID's IDEAS and the Council of Inspection Authorities on their cooperation at improvement of the inspection supervision system in Macedonia

Due to the extensive requested support at this meeting, it was agreed that the IC should deliver a list of activities defined as most imperative, within the framework of IDEAS' suggestions, in order to concentrate our efforts and ensure effectiveness in implementation of the activities. The IC submitted a list which includes activities such as: 1) Inspection supervision in the functioning of the market and workforce; 2) Introduction of E-gov and ICT solutions, including training, in support of the inspection supervision system.

With regard to providing support for implementation of e-Gov solutions, it was agreed to begin with the process of defining the technical specifications for the IC web site. This web site should also offer a platform for internal communication for the IC members, as well as linkages with other inspection authorities that the IC oversees in order to improve and modernize the manner of data exchange and distribution among the institutions concerned. The web site itself will increase the inspection authorities' transparency and provide valuable information for the business sector. A local expert with e-Gov background and knowledge was engaged in order to create a detailed technical specification for the IC web site.

SoWs were prepared for each of the activities respectively and were submitted to USAID for approval in the first half of February. The resulting SPs – and others that were added later – are described in more detail below.

Also, during the reporting period, the IDEAS Chief of Party had meetings with USAID representatives in Serbia, Belgrade and Albania, Tirana. Potential regional cooperation in the area of inspection supervision was considered and further defined and discussed.

SP-Y5-IC-#1 - Development of methodologies and techniques for conducting uniformed inspection supervision

Results achieved: Completed

Based on the list of activities defined in cooperation with the Inspection Council (IC), consistent with the approved IDEAS Work Plan, it was agreed that the first activity to be undertaken would be the engagement of an expert for the development of methodologies and techniques for conducting inspection supervision of the Market and in the Labor Market areas. These methodologies were planned to be introduced by the Inspections Council (IC) in order to harmonize the practice of inspection supervision, as well as to acquire uniform and relevant data from the inspection authorities on their performance and conduct when carrying out inspection supervision.

The methodologies focused on: (1) Inspection Supervision in the Labor Market area: (1.1) Control of legal entities that perform unregistered activities; (1.2) Control of unregistered employment; and (2) Inspection Supervision of the Market: (2.1) Control of Intellectual Property Rights (IPR); (2.2) Control of irregularities in electronic trade.



Kiril Minoski, Director of the State Market Inspectorate (left), explaining the processes for conducting inspections to Chris Thompson (right), the consultant

This activity included field work and office work, defining necessary technical instruments and sources of information and institutional linkage of relevant inspection authorities. The international consultant (Chris Thompson) was identified; his paperwork was submitted to USAID and his travel was approved.

During this reporting period, the expert traveled to Macedonia twice. The first time, he conducted meetings with relevant institutions (Inspections Council, State Market Inspectorate, State Labor Inspectorate, etc.) and conducted interviews with relevant officials. Mr. Thompson received input from both the public and private sector and will attempt to accommodate the needs of both sides within the procedures, with an objective to make uniform the inspection supervision process and ease the inspectors' work, as well as to decrease the burden on the business community that may be imposed with frequent or poorly planned inspections, due to lack of information and data. Additionally, he had in-depth meetings with inspectors from the respective inspectorates, which gave him a detailed description of the current process of inspection planning, as well as the onsite inspection that is currently being performed. After the final meeting with the IC, prior to his departure, the Council agreed to refine the scope of engagement for development of general procedures for inspections, to be supplemented with assistance with detailed checklists on the IPR infringement procedures (for SMI) and procedures for unregistered workers (for SLI). All agree that inspection methodologies, when finalized, should be made mandatory for inspections via an appropriate secondary legislation.



Manual's cover page

First inside page

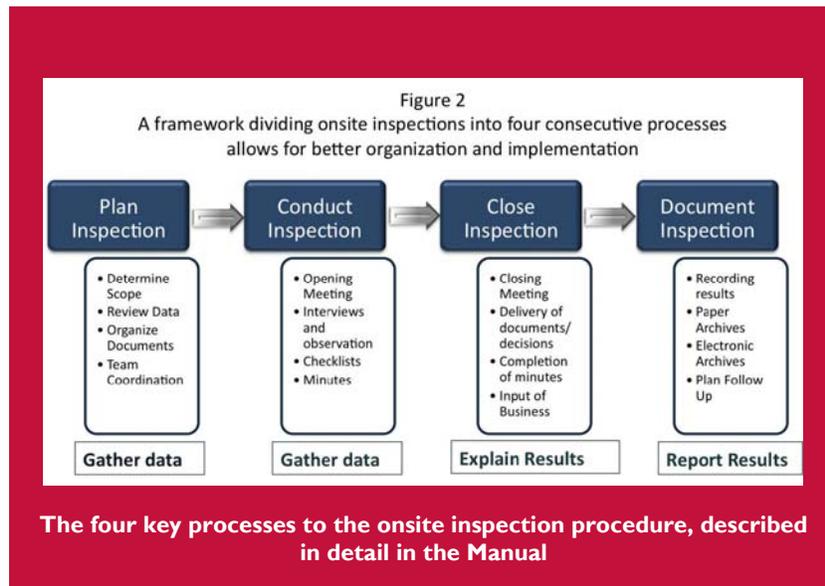
The Manual was submitted to the Inspections Council and the State Market and State Labor Inspectorates (SMI and SLI) for review, comments and input in order to incorporate specifics of each inspection area into the Manual and prepare a more detailed Manual of Inspection Supervision. In addition to this, Mr. Thompson had separate meetings with key individuals in the SMI and SLI in order to obtain exhaustive information on the overall processes and procedures for conducting inspections, and he integrated the facts into the Manual. Additionally, he also had a meeting with representatives from the Ministry of Labor and Social Policy who provided valuable input and information that helped finalize the draft Manual. A workshop with all relevant counterparts was organized. The objective of this workshop was to present the Manual to the

leading officials of the abovementioned institutions and train them for further transfer of the Inspection Methodologies into their institutions.

The final Manual provides a framework for organizing and conducting onsite inspections of businesses. It describes the activities and processes for the onsite inspection procedure in sufficient detail to apply to all inspections covered by the Law on Inspection Supervision and related legislation on inspections. This Methodologies Manual describes in a fair amount of detail the processes and tools for carrying out inspections at a general level, whereas specific details at the subject matter level will be addressed by checklists that are to be prepared and used by various inspectorates.

The Manual was then distributed to the stakeholders – Inspections Council, State Market Inspectorate and State Labor Inspectorate.

After the Macedonian version of the Manual was finalized, and IC's comments appropriately incorporated, the Inspections Council officially adopted the Inspections Methodology Manual at the session held on November 20, 2015. After the adoption of the Manual by the Council, it was to be distributed to all inspectorates and inspection authorities.



SP-Y5-IC-#2- Develop a new e-Gov solution for the Inspections Council

Results achieved: Completed

The scope of work was approved by USAID on February 20, 2015. The purpose of this activity was development of a comprehensive e-Gov solution (with an intranet option) for the Inspections Council (IC). This includes a platform for linking the IC with relevant inspection authorities in order to improve communication and data exchange in addition to enhancing transparency of institutions. This activity contributes to increasing the operational efficiency, as well as the overall human and institutional



Chris Thompson Providing Plan Inspection Session, held on June 3rd, 2015

Manual of Inspection Methodology Workshop

development process, of the Inspections Council.

The Project identified a local expert to develop a comprehensive report on the technical specifications and requirements for the e-Gov solution. The Project and this expert met with the President of the Inspection Council where details of the engagement and report were discussed. The draft-technical specification for the e-Gov solution was prepared by the expert and shared with the IDEAS Project in April. In May, a joint meeting between the Project, IDEAS DePo, the IC and the expert was held in order to incorporate potential comments and requests by the IC and finalize the technical specification. After this, IDEAS DePo initiated a tendering process to select an IT company that would build the specified solution. Three offers were received and evaluated by the Project. “Nextsense” was selected because of its enormous experience in web site building, but more importantly, because of its experience in working with/for the Government and governmental institutions. Their reference list includes some of the most groundbreaking solutions implemented in institutions in the Republic of Macedonia related to e-governance. The company also has an own web builder, developed and constantly upgraded for over 15 years.

“Nextsense” delivered all static content for the portal. This was done based on previously conducted analyses and information gathered for development of the modules and functionalities requested with the technical specification. Previously, they conducted initial analyses and gathered information to start developing the modules and functionalities requested with the technical specification. A linkage with the Official Gazette of the Republic of Macedonia was discussed, as well as some other linkages and development of relevant databases, which would enable better transparency and availability of information on the website. The website was operational by mid-November.

For both of these activities the IDEAS Project, in conjunction with the Inspection Council, SMI, SLI and other relevant inspectorates and inspection authorities, organized a promotional event in order to present these innovations both to the professionals working within the inspection system, as well as broader public, especially the private sector.

SP-Y5-IC-#3 – “Exchange of Experience in Inspections Area” - Study Tour

Results achieved: Completed

The purpose of this activity was to provide practical knowledge in the area of inspection supervision reform for representatives from the Council of Inspection Authorities (the Council), the State Market Inspectorate (SMI) and the State Labor Inspectorate (SLI) through a study tour to the Netherlands’ Inspection Council and the relevant counterparts. This activity contributes to increasing the operational efficiency and the human and institutional development of the respective institutions and to providing valuable information and practical experience for setting up an effective and productive inspection supervision system in Macedonia.

Since the Inspections Council is a relatively new body (established in 2014), with a wide range of authorizations and a mandate to oversee different inspection authorities’ performance, it is essential to rapidly build IC’s capacity and knowledge in order to ensure efficiency and productivity of both the council members and the institution itself.

One of the methods to do this is through exchanging experience with similar inspection supervision bodies and gaining relevant guidelines and recommendations regarding setting up a strong organization and a functioning system. The Project identified that Inspection Reforms that were introduced in the Netherlands have been some of the most efficient reforms in Europe. Therefore, this was identified as a target destination for the planned study visit.

Specifically, the Netherlands formed an Inspection Council and through this body implemented the reforms to reorganize and decrease the burden on inspections. Since the area that the Macedonian Council covers is vast, it was decided that the primary areas of focus would be: 1. Inspection Supervision in the Labor Market area, with an emphasis on a) Control of legal entities that perform unregistered activities; and b) Control of unregistered employment; and 2. Inspection Supervision of the Market, with an emphasis on a) IPR Control (Control of unauthorized usage of patented innovation, imitation of registered industrial design, registered trademark or registered geographic name); and b) Control of irregularities in electronic trade.

After intensive communication with representatives from The Netherlands' Inspection Council (including a meeting with the Netherlands DCM in Skopje) the Project was informed that due to conflicting obligations, the study visit could not be organized in July, as previously planned. Furthermore, the Netherlands' Inspection Council was also scheduled to have a busy month in September with their Belgian colleagues; therefore the visit to The Netherlands was cancelled.

After careful research, together with the Inspection Council, the State Market, and the State Labor Inspectorates, it was decided that the next most appropriate study visit destination for exchange of experience in the inspections area was Austria.

The Austrian inspection system is one of the most efficient systems in Europe and this study visit provided a great experience for the participants. After Austria was selected as the visit destination, the IDEAS Project contacted the Austrian Embassy to inform them and organized a meeting with the Embassy and USAID. After the meeting, representatives from the counterpart institutions in Austria were contacted (contacts provided by the Austrian Embassy representative) and very quickly we received a positive response for the study visit. It was mutually agreed that the study visit would be held in September.

The Project obtained an international travel approval from USAID and made all necessary preparations for travel to Vienna, Austria (airplane tickets and accommodation). A group of 9 people traveled to Austria: one IC rep.; two SMI reps.; two SLI reps; one USAID Macedonia rep.; one IDEAS Project rep.; and one IDEAS DePo representative. Prior to the travel dates, the Project received the presentations from the Austrian counterparts in German and translated them in order to distribute them to the travelling group prior to departure to Austria.

The IDEAS Project, through its legacy organization IDEAS for Development Policies (DePo), organized the three-day study visit to Austria for the Inspection Council, the Ministry of Labor and Social Policy, the State Market, and the State Labor Inspectorates of the Republic of Macedonia. The trip included meetings with Austrian Supervision and Regulatory Authorities and organizations in the area of labor market, product safety and consumer protection, in the period September 7 - 9, 2015. The study visit had an intensive schedule, with more than 25 presentations of relevant Austrian institutions and organizations. The main objective of the visit was to provide helpful information and exchange practical experience that can be used for setting up an effective and productive inspection supervision system in Macedonia and increase the operational efficiency as well as human and institutional development process of the relevant

institutions. The study tour was planned and realized with great support of the Austrian's Federal Ministry of Labour, Social Affairs and Consumers Protection.



SP-Y5-IC-#4- Implementation of Quality Management Standards in the Inspection Authorities and Promotion and raising awareness of the Inspections Council's new tools and methodologies

Results achieved: Completed

The scope of work for this activity was approved by USAID on November 12, 2015. The purpose of this activity was to promote the Inspections Council's newly developed tools and methodologies directly aimed at improvement of the inspection system in Macedonia. The main goal was to provide a comprehensive outreach primarily to the professionals that are part of the inspection supervision structure, as well as to inform the broader public, especially the private sector, about the novelties and the benefits of these methodologies. In addition, the Project contributed to the implementation of quality management standards in inspection authorities. This effort will impact the process of human and institutional development of inspectorates through increasing their efficiencies and the quality of their services.

On November 16, 2015 the final certification process of the State Market Inspectorate (SMI) commenced. Based on the request for support of this process received by the SMI, the Project supported the initial certification process and obtaining of the ISO mark, while the inspectorate would be responsible for maintaining the standard and cover the costs for control audits. The certification process was finished in the beginning of December.

Additionally, the project agreed to the transfer of knowledge and experience for the overall certification process from the State Market to the State Labor Inspectorate. To this end, a manual for implementation of the ISO standard was developed. This manual can be used by the SLI for their certification process.

On December 4, 2015, the Project organized a promotional event that presented the new tools and methodologies in inspections, including: Manual on Inspections and web-site (e-solution) for the IC. The Manual describes the inspection supervision process, through four main stages: planning, conducting, closing and documenting the inspection. These processes are developed using best practices in the area of inspections and strive towards reaching voluntary compliance of businesses by making the regulatory requirements more clear and transparent for businesses and by standardizing main procedures in

inspections. The Manual accents the principles of fairness, responsiveness, risk focus and proportionality, coordination and consolidation, information integration, professionalism and transparent governance.

The website offers an overview of the Inspections Council (IC) work, encompassing all its legally mandated responsibilities and providing news and updates for every IC activity. Specifically, it includes a list of all inspections authorities and dedicated space for each of them (a mini-portal) that provides information on the number and the names of the licensed inspectors in the respective authority, the laws and regulations that the authority supervises, and the compliance requirements. This comprises the overall legal database on inspections, uploading of reports for the Inspections Council, etc. which the inspection authorities can administer by themselves; self-evaluation check lists that businesses can use to assess their compliance level; professional publications; news and events; etc.

Over a hundred (100) representatives of all IC members and operational staff as well as top management from each of the inspection authorities participated at the event. The USAID Mission Director also attended the event and addressed the audience.



Component III: Strengthened Institutionalized Public – Private Dialogue (2015)

ACTIVITY I – Supporting the NECC

SP-Y5-PPD-#1- Establishing of the NECC executive office towards sustainability

Results achieved: Completed

The scope of work was approved by USAID on November 6, 2014. The purpose of this activity was to assist the establishment of an independent executive office of the National Entrepreneurship and Competitiveness Council of RM (NECC) with the objective of building a sustainable model for the period after the project completion.

The PPD Component lead Goran Lazarevski was leading the efforts to negotiate future financial assistance with the team of experts assigned by the EU to design the IPA program, resulting in a confirmed recommendation to the EU to commit 2.5 million Euros for the period 2017-2020 to the NECC as the Institution in charge to strengthen the national PPD. This recommendation comes as a strong recognition of the Project's efforts in the past years and a confirmation that the IDEAS approach was the most adequate and sustainable one.

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

- Coordination with NECC members was performed for capacity building of the professional team of the executive office (see SP-Y5-PPD-#1);
- IDEAS's PPD Component team assisted the organization and attended a series of Forums with businesses in Krusevo, Makedonski Brod, Vinica, Demir Hisar, Delcevo;
- IDEAS DePo staff members provided continuous assistance work on the new package of



NECC's Annual Assembly, February 26

competitiveness measures with the GoM. Assistance was provided to the NECC staff in the participation at committees working on the implementation of the competitiveness measures, adopted by the GoM at the end of March;

- IDEAS continued to work with the NECC staff on preparing the annual work program 2015 as an extensive document to be presented for approval to NECC by the end of January 2015;
- The harmonization of the Partnership agreement with the GoM continued and meetings with

different agencies and institutions continued with direct participation of the PPD Component Leader. The Supervisory Board was established on September 2 and the process of obtaining the status of an organization of special public interest was initiated;

- Preparatory assistance was provided to the NECC staff in the preparation of their Annual Assembly and quarterly Assembly, at which significant decisions are to be made and implemented, expected to influence NECC's sustainability over a longer period of time;
- We continued to assist the process of collection of membership fees which resulted in the successful collection of 70% of membership fees from the NECC membership, strengthening their commitment and the financial stability of the executive office;
- On October 28, Goran Lazarevski, in a joint effort with the NECC executive office staff, presented the NECC to the foreign chambers and economic officers from different countries to strengthen membership and expertise availability;
- During 2015, IDEAS's Goran Lazarevski attended and assisted over 40 meetings and sessions with the NECC executive office staff as well as sessions with the committees and working groups on different priority issues;
- The sustainability efforts of the PPD team continued with stakeholders, and other ongoing assistance on meetings, coordination and administration for NECC needs.

After the successful completion of the process of hiring professional staff and selecting adequate facilities for the NECC, the legal procedure for the lease of office facilities was completed and the contract was signed by the NECC. With IDEAS' PPD team assistance, a financial accountant and permanent advising company were identified and procedures regarding taxes, salaries and other legal duties were completed. Furniture and equipment were provided for the office as well as the initial expenditure on materials needed for daily performance, enabling the NECC staff to fulfill their regular duties towards the membership and GoM partners on ongoing activities. The transfer of the first financial tranche as planned in the SoW was realized, providing NECC with the funding needed for the functioning in the following 4-5 months.

The IDEAS Project actively engaged in assisting the NECC staff and the DPMEA cabinet in the organization of the regular session of NECC and Annual Assembly. The joint session of the Management board and the Assembly was successfully held on February 26, and the executive office was given a mandate to continue working on the Activities plan for 2015. At this session, the executive office of NECC was handed over from the IDEAS Project to the members successfully completing four years of Project efforts to establish, position and promote this new national PPD platform as the leading PPD instrument of the business community. At the session, special gratitude was expressed to USAID and the IDEAS Project for their continuous assistance which enabled NECC to reach this level of establishment.

IDEAS' activities also continued in the area of RIA/ENER in terms of designing and defining the Scopes of Work for the trainings that were held in December and January.

SP-Y5-PPD-#4- Training and mentoring assistance for the staff and business members of the National Entrepreneurship and Competitiveness Council

Results achieved: *Completed*

During the reporting period, the support provided by IDEAS DePo continued as planned:



Training on use of ENER system

- Selection of a local expert was completed and the administrative activities were finalized;
- Schedule of activities for this assistance were determined, reviewed, and discussed with the stakeholder community;
- Creation of the working agenda and the training program were completed and initial meetings were held with the Executive office:
 - the operational challenges and the existent acts and documents were scanned, identified and the expert worked on defining recommendations for improvements;
 - a session with the NECC staff members on operational efficiency and advocacy was held as an in-house training session. The second session was held in October;
 - the first session of the training workshop mentoring was held on September 15, with 18 representatives from the private, public and civil sector, on Policy creation, research and analysis and the mentoring process of creating policy proposals for the textile industry was started, and continued on September 29;
 - the second training workshop was held on September 29, with nine business representatives, on Policy creation, research and analysis and the mentoring process of creating policy proposals for the textile industry was started.
- On September 30, a Competitiveness conference was hosted by NECC in Skopje, with assistance of the IDEAS Project realized by IDEAS DePo, with over 160 representatives from the business, public and civil sector as well as the donor community in Macedonia. At this event, the role of the business community in articulating the voice of the businesses through NECC was emphasized while over 90 businesses, part of the NECC founding members, had an opportunity to learn about the manners and instruments of influencing public policies to create a more favorable business environment.

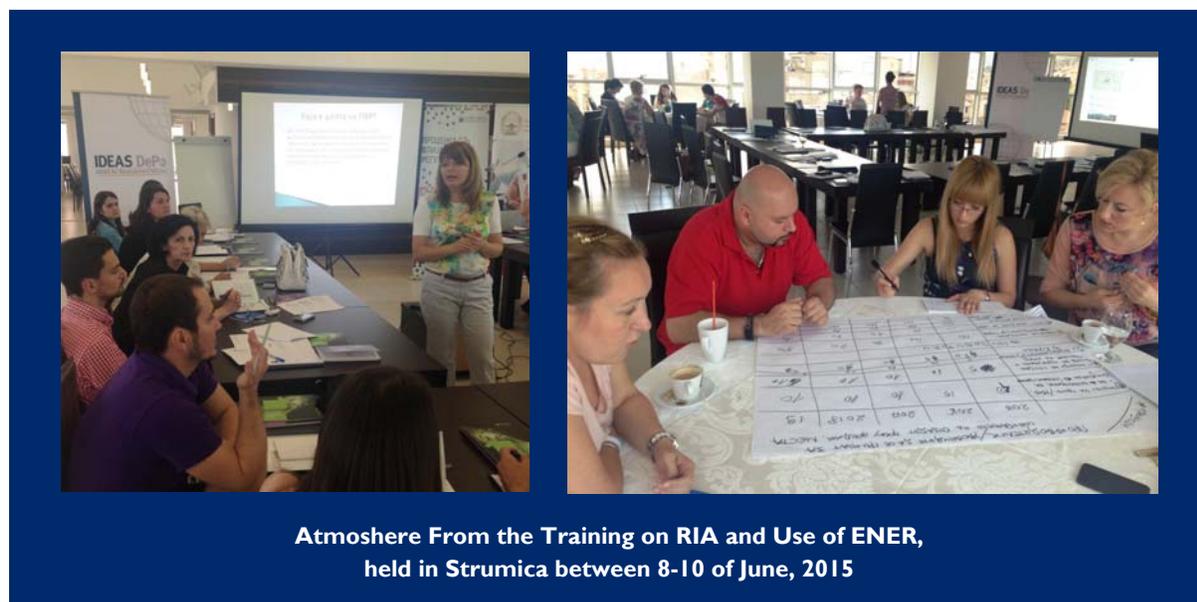
- The IDEAS's PPD component lead, Goran Lazarevski hosted a coordination session with the EU-team engaged to define the IPA-2 criteria, identifying steps on how to assist the NECC after the Project funding is finalized. Providing support to the competitiveness activity was agreed to become their recommendation.

Additional activities were held in November resulting in a stronger position and capacities of the NECC as a relevant counterpart of the public sector.

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

SP-Y5-PPD-#2-Training for Heads of departments and sectors in the public administration on Regulatory Impact Assessment and use of the Unique National Electronic Regulation System

Results achieved: Completed



The scope of work was approved by USAID on December 15, 2014. The purpose of this activity was to ensure that heads of departments and sectors in the public sector and other mid-level public servants are well acquainted with the concept of RIA and their duties as defined in the legislation.

The first section of the activity was realized on December 18, 19 and 22, completing the trainings for a portion of the public administration officers in Skopje. Representatives from 17 Ministries and public institutions (91 in total) participated in the sessions. The second series of sessions was realized successfully in continuous consultations with the stakeholders in Strumica, June 8-10 with 24 attendants from 16 different Ministries. All attendants took an active role in the discussions with regard to their role in the public consultation mechanism and the personal responsibility towards society as well as the new regulations, making them directly involved in the legislative process instead of simply technically producing and reviewing the structure of regulations, without a clear focus on the contents. Each attendant was awarded a Certificate of Attendance through the respective Ministry, signed by the USAID IDEAS Project Director and the Minister of Information Society and Public Administration, which will become part of their personal data file at their employer, to be taken under consideration for his future career advancement.



Viktorija Mitrikeska, Head of NECC's Executive Office presenting the instruments of influencing public policies to create more favorable business environment

In July, the third series of sessions was realized successfully in continuous consultations with the stakeholders in Skopje, July 7-8 with 25 attendants from 15 different Ministries. The fourth series of sessions was realized successfully in continuous consultations with the stakeholders in Skopje, November 16-17 with 17 attendees from 14 different Ministries.

The fifth and final series of training workshops was realized successfully in continuous consultations with the stakeholders in Skopje, November 24-25, with 21 attendees from 16 different Ministries.

The realization of this SoW over the period of one year included 178 public servants in this field.

The upgraded ENER portal was officially presented to the public by Minister Ivanovski, with a special tribute to USAID IDEAS' assistance in the successful realization of this effort.

The ENER success story as a public consultation mechanism was also the subject of discussion during the visits to Belgrade, Serbia and Tirana, Albania by the PPD Component Lead as part of the efforts to establish regional initiatives in the field of PPD.



Working atmosphere from the training sessions organized in July

On March 10-13, IDEAS organized for the MISA PPD professional, Ms. Gordana Dimitrovska to attend the 8th World Bank PPD Conference in Copenhagen, Denmark.

SP-Y5-PPD-#3-Participation at the annual PPD WB Workshop

Results achieved: Completed

The scope of work was approved by USAID on February 12, 2015. The purpose of this activity was to strengthen the capacities of the GoM team responsible for public consultation in the legislative process and the ENER portal on the national level and to promote the ENER public consultation portal as a success story of the project's joint effort with the GoM to a wider community of PPD practitioners from different countries.

This assignment was developed in accordance with the Y5 Work Plan to promote ENER and successfully implemented RIA procedures, increase the knowledge of the MISA team on PPD mechanisms, and build capacities of relevant GoM PPD officers. In addition, IDEAS was invited by the World Bank to present IDEAS' achievements with ENER and RIA as a model for other countries. This presentation enabled GoM PPD officers to learn and share experiences at the most relevant PPD forum in the world, held on March 10-13, in Copenhagen, Denmark, organized by the World Bank.

This event also served as a platform for IDEAS' legacy organization IDEAS DePo, to promote its services and expertise during 14 separate meetings with countries from our region and wider, in order to explore and develop opportunities to establish its presence on new markets with products such as RIA, ENER, Regulatory reform, E-Gov solutions and PPD mechanisms like the National Entrepreneurship and Competitiveness Council (NECC). In that sense, the IDEAS DePo initiative to have a regional World Bank PPD Forum for the wider Balkans organized in Macedonia, which was strongly supported by all delegations continues to be subject of discussion with more details expected soon.

ACTIVITY 3 – Support to the implementation of the Regulatory Impact Assessment (RIA) and ENER as a PPD instrument

SP-Y5-PPD-#3- Training and mentoring assistance for the staff and business members of the National Entrepreneurship and Competitiveness Council

Results achieved: Completed

The scope of work was approved by USAID on May 28, 2014. The objective of this activity was to further increase the quality and effectiveness of the Public Private Dialogue (PPD) process in Macedonia. IDEAS seeks to support policy paper professionals in the NECC and its business-members by providing a set of trainings and mentoring activities. This in-house continuous training activity builds on previous positive results achieved with trainings of Module I, II and III. Combined with the mentoring aspect and proposed task for the NECC staff and members to create three different position papers, this effort increases the capacity of the business community to write sound and solid policy papers, to serve as basis for discussion at the annual PPD forum, scheduled for the end of 2015.

Experts were selected and the curriculum was defined. In addition, the printing of an issue of the "Policy paper creation manual for the business community" was completed.

OTHER ACTIVITIES

The initiative undertaken at the WB PPD Forum in Copenhagen in March continues to be a platform for us as a Project legacy organization, to explore and develop opportunities to establish a presence in new markets with products such as RIA, ENER, Regulatory reform, E-Gov solutions and PPD mechanisms like the NECC. The initiative IDEAS presented, to have a regional World Bank PPD Forum for the wider Balkans in Macedonia, was strongly supported by all delegations and continues to be the subject of discussion with more details expected soon.

II. COMMUNICATIONS, PR AND OUTREACH

During Year 5 of its operation, the IDEAS Project completed two Y4 activities: promoting ENER's web portal and updating its promotional brochure. While developing the Work Plan for Y5, IDEAS planned to undertake three more communication-related activities as follows: publish an interview on LoP accomplishments with the IDEAS CoP in the economic media outlet "Kapital", organize an off-the record event for journalists and counterparts, as well as organize project close-out ceremony. Because of the extension of the project, it was a logical step to postpone these activities to 2015. Numerous other PR and outreach activities were completed in Y5, as described below.

- **Promoting ENER web portal on ALSAT TV station**

Upon recommendation from USAID, the private TV Station ALSAT approached the project to provide a statement about the ENER web portal and its usage. On December 5, the station arranged an interview for the PPD Component Leader. During December, the responsible journalists (Aleksandar Dimitrievski and Vasko Popetreski) at ALSAT TV (partner of USAID's Project for Enhancing Civil Society Organizations and media cooperation & investigative journalism) were creating a piece on "360 degree TV show" about the use of ENER. The two journalists conducted a survey during September-November 2014 and they wanted to present the results, including statements from customers and relevant institutions such as: Minister of Information Society and Administration, British Ambassador in Macedonia, USAID/Macedonia, Macedonian Center for International Cooperation, and the Chamber of Commerce.

The story entitled "Transparency in the process of preparing laws" on the 360 degree TV show was broadcast on December 12, 2014. The entire show was uploaded on the following link <https://www.youtube.com/watch?v=ASGkVgmPURc>



Goran Lazarevski providing statement

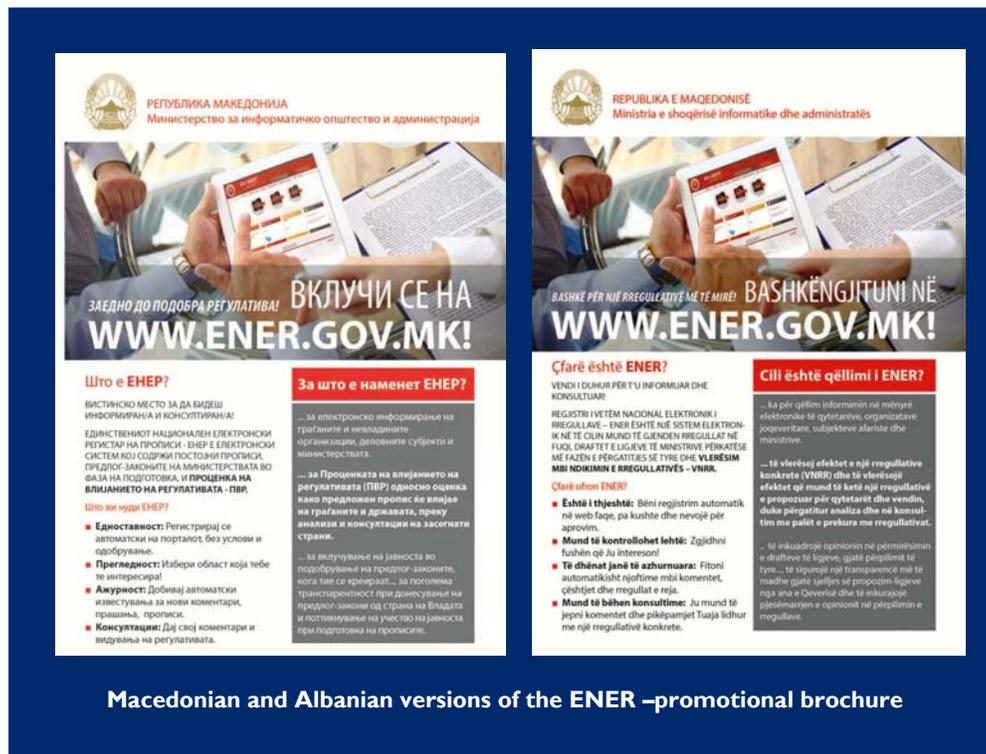


Aleksandar Dimitrievski, journalist (sited) interviewing

- **ENER promotional brochure- update**

On December 25, 2014 the Ministry of Information Society and Administration organized a press conference to present the new and upgraded web portal Unique National Electronic Register of regulations-ENER. Minister Ivanovski stated that the new portal was created as a result of successful cooperation between the Ministry of Information Society and Administration and USAID's IDEAS project. The new version of the portal includes: new design and modern modules: simple registration and instructions for use, new systematization of rules, systematically configured period of automatic publication of comments; a counter that shows the date and time of completion of the consultation process which provides clearer insight for public users about time frame to post their comments. The entire Press Release of the event was published on the Ministry's website: <http://www.mioa.gov.mk/?q=node/3862>

In order to promote the portal broadly, the Project updated the ENER promotional brochure (Macedonian and Albanian versions) and provided electronic versions to the Ministry of Information Society and Administration.



Work Plan Working Session in Ohrid

Work plan working sessions were organized in October and November, in Ohrid, where the Project staff had the opportunity to present and discuss the initiatives foreseen to be covered with the new Work Plan together with the COR. As a result of this working meeting, the work plan, was finalized and submitted to USAID for approval. This Work Plan covers a period of 14 months, from November 1, 2014 until the completion of the Project on December 27, 2015 (representing a one-year extension from the original Period of Performance through December 27, 2014).

Toastmasters training

On January 15, the USAID DOC office organized the first inception meeting for toastmasters training. The Project Communication Manager participated in the meeting. The goal of this initiative is to empower individuals (Project Information Officers) to become more effective communicators and leaders. The training itself intends to provide a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth.

The first session of the toastmaster training was hosted by the USAID Interethnic Integration in Education Project (IIEP). The Project Communication Manager participated in the meeting, in the role of “General Evaluator” and afterwards provided a speech related to “How to give good evaluations”. When the Table Topics Session was conducted, each member of the group completed an individual evaluation sheet, and handed it to the General Evaluator. After evaluating the feedback, the General Evaluator provided a summary of the evaluations and shared it with all members on the next session held on February 27. The purpose of the feedback is to provide suggestions for improvements of the speakers related to their body language, eye contact, voice, language, grammar, etc.

These meetings are held monthly. The theme of the second session was “Crisis communications”. The theme of the next meeting was “Freedom of Speech”. It was hosted by the USAID’s E-Accessible Education Project. The theme of the April meeting was “Inclusion of persons with disabilities“. It was hosted by the USAID’s Defending Human Rights Project. In May, The Communication Manager held the speech of the day, which was related to the experience of managing the “diplomacy and business protocol training”, organized in April/May 2014, by IDEAS. It was hosted by the USAID’s Youth Employability Skills (YES) Network project. On June 30, the Project Communication Manager participated in the sixth toastmasters training organized by the DOC office, and hosted by USAID’s Defending Human Rights Project. At the September session, organized by USAID DOC, and held in USAID’s Defending Human Rights Project implemented by Macedonian Young Lawyers Association (MYLA), the IDEAS representative took the role of *Ah-Counter and Grammarian*.

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

On February 25, the Communication Manager met with Natasha Atanasova, the Editor in Chief of InStore. At the meeting, IDEAS presented current activities and results in order to identify articles to be published in the next issues of InStore. On May 26, the Project Communication Manager met with journalists of InStore, Alma Rastoder and Danche Draginova, and discussed project activities recently completed that are appropriate for publishing in the Magazine. It was agreed that an article promoting the new improved version of ENER, and its benefits for the business community be prepared by the Project in coordination

with the magazine. The article was published in August as part of the double issue of the magazine for July/August.

Producing Video for Annual PPD WB Workshop Participation, March 10-13, in Copenhagen, Denmark

The project was invited by the World Bank to present IDEAS' achievements with ENER and RIA as a model for other countries. The Communication Manager in support of the PPD Component Leader developed a short video in order to present the results of the Public Private Dialogue in the Republic of Macedonia. The video is titled "ENER: an E-Gov solution for public consultation in the legislative process- a national platform for sustainable PPD based on Regulatory impact assessment transparency principles".

Promotional material

The Communication Manager in cooperation with the Component Leads developed a double-sided (bilingual) Project One Pager. The One Pager was printed in 200 copies, and its electronic version was posted on the website <http://www.ideas.org.mk/>

Media training

On April 30, the USAID DOC office organized Effective Media Relations training. It was hosted by the USAID's Municipal Climate Change Strategies Project. The Project Communication Manager participated in the meeting. The objectives of the training were to: a) increase the understanding of Macedonian media, b) clarify the roles and responsibilities of information officers, and c) gain practical skills in handling the media effectively.

Morning show promotions



In consultation with DOC, the Project promoted its PPD-related activities with special emphases on ENER on the morning show of Telma. Goran Lazarevski, the PPD Component Lead presented the achievements of the Project in the area of public-private dialogue accomplished in the past several years. After the show, the Communication Manger developed an input for the USAID FB page and IDEAS website. Links to the article are below:

<https://www.facebook.com/USAIDMacedonia/videos/vb.110116725731764/840772475999515/?type=2&heater>

<http://www.ideas.org.mk/News/196/Promoting-Project-Activities>

Corporate branding of IDEAS DePo

Branding and marketing tools for the legacy organization were developed. The design of a logo, business cards, letterhead, one-pager, folder and banners was defined by a professional designer in close consultations with IDEAS and IDEAS DePo. The visuals were printed upon the registration of the organization's web and email domains. After the IDEAS DePo Capacity Building workshop which was held in June, the Communication Manager in coordination with Component leaders developed the specification for the IDEAS DePo website. Hence, a Request for Proposals was developed and sent to three ICT companies.

Three bids were obtained and subsequently evaluated. The proposal/design provided by 4 VIRTUS was selected. After completion of the procurement procedure, the contract was signed and the company started to work on developing the webpage of the IDEAS DePo.



On August 6, the Communication Manager and IDEAS DePo representative met with 4 VIRTUS and discussed the design and possible modifications as well the input materials for posting on the webpage.

In September, the Communication Manager customized relevant activity-related web information and shared with the company for posting.

Web/FB-based information

During the reporting period, the Communication Manager prepared briefs related to activities completed, such as:

- Participation at the 8th annual Public Private Dialogue World Bank Workshop “Public-Private Dialogue for sustainable business;”
- MOU signing event for improving of the inspection supervision system in Macedonia. These were translated on Macedonian language, and posted on the website <http://www.ideas.org.mk/Pages/NewsAndEvents/>

The information about Participation at the 8th annual Public Private Dialogue World Bank Workshop, was customized and shared with COR and DOC, and after was shared through USAID's FB profile <https://www.facebook.com/USAIDMacedonia/posts/787658164644280>

Briefs prepared included:

1. Package of 32 Measures for Better Competitiveness of the Business Sector

The article relates to the government session held on April 8, 2015 in Skopje. The Government informed that the package of 32 competitiveness measures in nine fields, proposed by the NECC, was adopted. The event gained good media coverage; it was published in major media portals, such as:

- www.time.mk
- <http://republika.mk/?p=414582>
- <http://www.utrinski.mk/?ItemID=53B7C76E0CFCFB44B931D6EAB110F00A>
- <http://www.press24.mk/usvoen-master-plan-so-32-merki-za-podobruvanje-na-konkurentnosta-na-ekonomijata>
- <http://lider.mk/2015/04/08/set-od-32-merki-za-pogolema/>
- http://www.kurir.mk/makedonija/vesti/196090-Usvoen-master-plan-so-32-merki-za-podobruvanje-na-konkurentnosta-na-ekonomijata?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+kurir%2Fmakedonija+%28%D0%9A%D1%83%D1%80%D0%B8%D1%80+-+%D0%9C%D0%B0%D0%BA%D0%B5%D0%B4%D0%BE%D0%BD%D0%B8%D1%98%D0%B0%29
- <http://mrt.com.mk/node/22069>

The article was translated into Macedonian language, and posted on the USAID Facebook page https://www.facebook.com/search/str/USAID%20Macedonia%2C%20necc/keywords_top and the Project website <http://www.ideas.org.mk>

2. *Study Tour for Customs Administration Transit Coordinators*

The article was shared with USAID COR and DOC office and posted on the Project website <http://www.ideas.org.mk/News/190/Study-Tour-for-Customs-Administration-Transit-Coordinators>

Informal Gathering with Journalists

On June 23, the USAID DOC office organized an informal gathering with journalists working in economic growth. This is a regular activity organized on a quarterly basis by DOC, on different topics following USAID strategic objectives. The goal of this networking event is to pitch a story to the media and raise journalist interest about the project's activities, explain the project's activities, and make them learn more about what USAID is doing.

The Project CoP and the Communication Manager participated in the event, and interacted with journalists coming from the following media:

- TV stations: Telma; 24 Vesti; Sitel, and MTV;
- Print media: Utrinski Vesnik and Koha;
- Electronic: Meta News Agency; Ekonomija I biznis magazine

The event was attended by USAID representatives (Mission Director; EG sector technical staff and DOC staff) and all USAID EG projects represented by the CoPs and Communication Officers.

Develop IDEAS Conference and Training Calendar

During the reporting period, the Communications Manager prepared and submitted inputs for the EG Conference /Training Calendar as well for the USAID DOC Calendar of Public Events.

SP-Y5-Media#1- Promotion of Project's Achievements-Close Out Event

Results achieved: Completed

During September, IDEAS began the process of planning and organizing the Project's close out event. The scope of work was drafted and offers for potential venues for organizing the event were obtained. In October, IDEAS prepared a Scenario for the event and Decision Memo, requesting the US Ambassador's participation. Later, on October 22, a meeting with IDEAS and USAID representatives was organized to discuss the event's details, and several dates (December 9, 10, 11) were proposed for the event. Following the discussion and suggestions for improvements, the Communication Manager revised the Scenario and the Decision Memo and sent them back to USAID representatives for next steps.

The scope of work for this activity was approved by USAID on November 12, 2015. The general objective of this activity was to promote the accomplishments of the five year USAID Investment Development and Export Advancement Support (IDEAS) project, including working to improve the business policy environment, increasing private sector investment and promoting increased exports of Macedonian products.

On November 9, the project was informed by DOC, that the U.S. Ambassador accepted the Project's invitation to participate and provide remarks at the Close-out event on December 11, 2015 at the Holiday Inn, Skopje. In November, all related event documents such as: Event Briefer and Remarks, Press Release and Media Advisory, in addition to event visuals, such as: invitation, banner and plaque for appreciation were developed and submitted to USAID.

On December 11, 2015 IDEAS organized the Close Out event. Ambassador Baily and USAID Mission Director James Stein presented plaques of appreciation to the eleven project counterparts: the Cabinet of the Deputy Prime Minister for Economic Affairs of the Republic of Macedonia, the Ministry of Economy, the Ministry of Information Society and Administration, the Agency for Foreign Investments and Export Promotion of the Republic of Macedonia (InvestMacedonia), the Directorate for Technological Industrial Development Zones, the Public Procurement Bureau, the Macedonian Customs Administration, the Inspections Council, the State Labor Inspectorate, State Market Inspectorate, and the National Entrepreneurship and Competitiveness Council (NECC) of the Republic of Macedonia.

At the event IDEAS' One Pager related to promoting results and impacts and IDEAS DePo's One Pager were distributed.



IDEAS Close Out Event, December 11th, 2015

III. INCLUSIVE DEVELOPMENT

Lesbian Gay Bisexual Transgender and Intersex (LGBTI) training and Social Inclusion

On September 17, the Communication Manager participated at the half day LGBTI training and Social Inclusion organized by the USAID Mission. The training was intended for USAID Implementing Partners and conducted by Ajit Joshi, Democracy Specialist, USAID/DCHA/DRG/HR. The objective of the training session was to educate USAID's implementing partner staff on issues of tolerance, inclusion, human rights, and equitable access and discuss the Agency's goals and aspirations regarding social inclusion. After the training, a brief report summarizing the conclusions from the training, was shared with the Project's CoP.

Inclusion of Persons with Disabilities

In October, IDEAS provided the following input for the USAID Quarterly Reports (Jul-Sep, 2015) on Inclusion of Persons with Disabilities (PWDs).

During 2015, the Investment Development and Export Advancement Support project and the National Entrepreneurship and Competitiveness Council (NECC) organized in-house trainings on operational efficiency and advocacy. The aim of these mentoring sessions was to train representatives from the private, public and civil sector (members of the NECC) working on policy creation, research and analysis, to be able to use manners and instruments to influence public policies to create a more favorable business environment. In particular, to include specific and realistic measures to improve the employment process for PWDs. The Project assisted the NECC in contributing to the creation of policies for inclusion of vulnerable groups in the labor market through the National Working Group for the Annual Operations Plan of Active Employment Measures, resulting in a significant number of participants and improved inclusiveness of the labor market.

IV. PERFORMANCE MONITORING PLAN (PMP)

Project staff met with USAID representatives (COR and the Project Development and M&E Specialist) to discuss M&E related matters such: Project's PMP; Data Quality Assessment (DQA) Checklist and Recommended Procedures and the B-REDI indicators.

During the meeting the DQA for the Project's PPR indicator (Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders) was completed and afterwards was reviewed and cleared by the Project.

Next, the Project was asked by USAID representatives to review the list of proposed B-REDI indicators and choose one of them on which to report later on. Subsequently the team had an extensive discussion on this issue and decided to propose the following two indicators to USAID for revision and recommendation:

- "Increased capacity of government entities and private sector associations or other stakeholder groups to serve in an advocacy role on competitiveness, trade and regulatory issues" and
- "Number of regulations modified or introduced as a result of project activities"

Upon revisions and recommendations given by the USAID's Project Development and M&E Specialist, and incorporated by the Project, the PMP was approved by COR on February 6. The final version of the PMP includes the following B-REDI indicator: "Number of regulations modified or introduced as a result of project activities".

Definition of the indicators is as follows: Regulations are defined as laws, secondary legislation, procedures, rules, Government decisions, guidelines, protocols, programs or other acts that affect the legislative and/or policy framework in the areas of trade integration and facilitation, inspections and public-private dialogue.

FY 2015 Strategic Level Portfolio Review

In October, IDEAS provided input for the November 2015 Portfolio Review, (Performance and Resulting Reporting) particularly on the Activity Implementation section and PPR Indicators, including the rationale for B-REDI indicator "*Number of regulations modified or introduced as a result of project activities*".

In November, upon USAID's request, the Project provided deviation rationale for the PPR indicator: "*Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders*". The actual result of this indicator through September 30, 2015 (as reported in the QR July-Sep, 2015) was 1713 (vs 1522 planned) days spent for providing technical assistance in a business enabling environment. The actual result (1713) included all project staff LoE and Project stakeholders and counterparts, including IDEAS DePo.

As instructed by USAID all IDEAS DePo supported activities cannot be considered as a stakeholder or counterpart. Therefore the Project was advised that all activities that were undertaken for the NGO (through September 30, 2015) be removed, since they are not attributable to the indicator. Following this guidance provided by USAID, the Project revised the actual, and the new/revised actual result of this indicator is 1570, reflecting the number of days of USG TA provided to the government and private sector.

V. PROJECT LEGACY

A series of activities were realized in regard to the Project legacy organization. After finalizing the extensive process of developing the basic documents and scope of activities for the new organization as well as its structure, mission, vision and expected fields of work, the Project team completed the process of legal registration on January 16, 2015.

The legacy organization named “Centar za razvojni politiki IDEAS DePo” (Center for development policies IDEAS DePo) is operational in accordance with Macedonian legislation, with IDEAS’s Goran Lazarevski as its Director. The process of definition and approval of the subcontract to be signed between Booz Allen Hamilton and IDEAS DePo was completed, resulting in an Approval to Proceed, providing IDEAS DePo full operability.

The procedure for employee transfer has also been completed and three IDEAS’ staff members are employed at the IDEAS DePo.

Based on the received Approval to Proceed, IDEAS DePo submitted and received approval for two scopes of work and is working on the implementation of activities, while the budgeting documents were also created and the first bank transfer occurred, to be followed by monthly transfers to finance the realization of scheduled activities.

In March, the organization started to work on developing its branding and marking tools, such as: domain registration; logo; business card; banner and One Pager. The visual identity of IDEAS DePo was defined after an internal consultative process and the preparations for the printing of materials were completed. The process for registration of new web-domains and e-mail addresses for IDEAS DePo was completed, enabling the new organization to operate separately from the Project accounts.

In coordination with IDEAS colleagues, the internal procedures for purchasing and authorization, based on related procedures used in the USAID Project system were reviewed and harmonized. Specific decisions were issued, giving IDEAS DePo staff members clear duties in regard to following ongoing public calls, tenders and other potential business opportunities. The preparatory efforts for the issuing of a Code of Conduct for IDEAS DePo was initiated and is expected to be completed in June. Training programs were identified for IDEAS DePo staff members.

In April, a series of activities were realized in regard to the harmonization of the daily operations of IDEAS DePo with the local legislation in place, adequate documents were prepared, such as statute, internal organization and authorization schemes, etc. A continuous effort to perform ongoing market analysis and create potential client lists was initiated in May. An initiation contact was established with two consulting companies in Serbia (Maxima consulting Belgrade and Smart-Kolektiv Belgrade) to discuss possible joint projects. The PADOR EU-funding-system-registration procedure was completed for IDEAS DePo.

A series of coordinative meetings with IDEAS staff members and stakeholder representatives were held to prepare and arrange the further realization of activities, many of which are already subject to realization (Component Level Achievements).

SP-Y5-Legacy-#1- IDEAS DePo Capacity Building

Results achieved: Completed

The scope of work was approved by USAID on June 2, 2015. The purpose of this activity was to facilitate the process of institutional and organizational development of IDEAS DePo through a series of activities that defined the organization's goals, areas of interest, operational environment and competition, and staff competencies, among others. This enabled DePo staff to identify principle areas of concentration, potential services to be offered, potential business collaborations and partnerships, and an operating environment that will be fundamental for the success and sustainability of IDEAS DePo. Upon completing the procurement procedure, CDS (Center for Business Cooperation) was contracted to design and conduct the workshop. The event was held June 11-12, in Mavrovo.

All 12 staff members and Project's CoR actively participated in, and took ownership of, the training and planning process. The training approach was hands-on and participatory in nature, providing a safe environment for everyone to freely present their opinion and expectations. The two day training included topics such as: discussion on the current situation of the organization; stakeholder analysis; PESTLE Analysis; SWOT Analysis and determination of strategic priorities and goals.

After summarizing and analyzing findings from the workshop; CDS submitted a draft report which was shared with all participants in order to obtain their comments, thus finalizing the report. Taking into consideration the recommendations given by the Project staff and USAID, as well as the facilitator's assessment and recommendations, the report was finalized and shared with all participants and USAID.

As recommended by CDS, the planning process continued with choosing one strategic priority, creating a list of key objectives and a detailed implementation (action) plan. This was expected to take place in a period not longer than a month after the first workshop to keep the process alive and people as involved as possible. It is of utmost importance to establish in a participatory process a solid and clear organizational structure of DePo with well-defined roles and responsibilities. This enables the action plan to become more effective in the short time remaining before December 28. In terms of leadership of the IDEAS DePo, there is a clear need for a leader to step up and take charge of the transition process. This should happen naturally between now and the next phase of the planning process.

The CDS facilitator met with IDEAS, IDEAS DePo as well as USAID representatives, and discussed the business model, obtained their inputs and defined the next steps. After assembling all information, the CDS submitted the Business Plan in the first half of August.



IDEAS DePo Stakeholder Analysis



Goran Lazarevski, presenting SWOT Analysis Finding

After the facilitated training and brainstorming session for IDEAS DePo Staff members and IDEAS team members on the business model and processes, the recommendations resulting from the process were used and our efforts to define a clear business plan continued and were successfully completed in the first half of August.

Efforts to provide financial sustainability for IDEAS DePo after the end of the Project were undertaken, by organizing a meeting with the team of Segura Consulting in Skopje along with Meri Cuculoska from USAID on activities planned for the FY2016 in Macedonia and the region, in the field of Trade facilitation, RIA/PPD and other fields of expertise of IDEAS DePo. Opportunities for collaboration were identified and active communication was established to achieve best outcomes.

In September, a series of meetings were held with potential future partners, including the Center for International Private Enterprise (CIPE) from USA, to discuss plans and opportunities for engagement of IDEAS DePo in activities relating to strengthening business advocacy organizations, dialogue, economic and democratic growth etc.

In October, the Project continued with implementation of the activities following the approved SoWs, reported under the Component Level Accomplishments section.

Significant progress was achieved in the process of building sustainability of the organization, by signing sub-contract agreements for the realization of expert assignments of IDEAS DePo, making the organization an implementation partner of the B-REDI USAID Regional Project.

In December the IDEAS DePo website was launched and the One Pager developed, which was distributed on the IDEAS Close Out event, held on December 11, 2015.

WHO WE ARE
Center for Development Policies IDEAS DePo is a non-profitable organization from the Republic of Macedonia whose main objective is to provide reliable and competent expertise in the processes of design and implementation of economic and regulatory reforms in Macedonia and the region.

MISSION AND VISION
IDEAS DePo works on strengthening the capacity of the government and private sector institutions for implementation of the necessary reforms, establishing mechanisms for transparent and efficient governance and creating policies for inclusive, sustainable and inclusive economic and social development.
IDEAS DePo acts as a competent and trusted partner that provides the necessary expertise and assistance to all stakeholders participating in the process of economic and regulatory reforms.

APPROACH AND OBJECTIVES

1. Create institutional and regulatory environment that positively contributes to the competitiveness and productivity of business entities thus encouraging them to generate new investments and employment.
2. Promote transparency, efficiency and accountability as key priorities for sound economic governance.
3. Strengthen the capacity of the government, private and civil sectors to engage in informed and inclusive dialogue key for efficient, sound and sustainable process of creation and implementation of development policies.
4. Promote rule of law at all levels of society.
5. Enhance regional cooperation through exchange of experiences and good practices, and generation of synergies in the process of economic and trade integration.

AREAS OF EXPERTISE

- Business Environment
- Investment Climate
- Competitiveness
- International Trade Integration
- Export Promotion
- Trade Facilitation
- Regulatory Compliance and Inspections
- Public-Private Dialogue
- Regulatory Impact Assessment
- Regulatory Guidance
- Corporate Social Responsibility
- Commercial Law
- E-Government

OUR TEAM
IDEAS DePo team consists of competent professionals with relevant expertise and multiple years of experience in providing technical assistance and advice for reforms aimed at designing economic development policies and strengthening the institutional capacity for their implementation.

IDEAS DePo
Center for Development Policies IDEAS DePo
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IDEAS DePo One Pager

**USAID's Macedonia Investment Development and Export Advancement Support
Performance Monitoring Plan**

No.	Performance Indicator and Unit of Measurement	Indicator Definition	Data Source/ Frequency	Baseline	FY 1 (2011)		FY 2 (2012)		FY 3 (2013)		FY 4 (2014)		FY 5 (2015)	
					I Jan-30 Sep		I Oct'11-30 Dec'12		I Oct-30 Sep		I Oct,13-28 Dec,14		I Nov,14-11 Dec,15	
					Target	Actual	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: Enhanced international trade integration and trade facilitation														
1.1.	Number of transit coordinators trained	Transit coordinators are persons appointed by the Director of the Customs Administration to serve as contact points with other customs administrations and with the business community. Trained is defined as strengthened capacity of the transit coordinators to perform their role in the implementation of the common transit procedure and the functioning of the New Computerized Transit System - NCTS.	Project Reports/Annually	0	-	-	-	-	-	-	-	-	6	6
1.2.	Number of new trade facilitation mechanisms required by the WTO Agreement on Trade Facilitation established and operational - National Trade Facilitation Committee and Trade Facilitation Enquiry Point.	Established and operational means that the relevant authorities adopted a formal decision for creating new or empowering existing bodies to coordinate trade facilitation policies and measures (National TF Committee) and to provide trade facilitation information to interested parties in an efficient and transparent manner (TF Enquiry Point).	Project reports, Implementing partners/Annually	0	-	-	-	-	-	-	-	-	2	0
NEW '15: IDEAS Project Result: Streamlined business enabling environment for inspections														

2.1.	Number of new policies or mechanisms adopted	Policies or mechanisms are defined as any reform programs that affect the legislative and/or policy framework. The entity that is expected to adopt them is the Council of Inspection Authorities (CIA).	Project reports, Implementing partners/Annually	0	-	-	-	-	-	-	-	-	2	2	
2.2.	Number of inspectors and council members trained in new practices	Trained is defined as acquired skills to be able to independently perform inspections according to latest methodologies. The training would be provided not only for council members but also for inspectors from various inspection bodies.	Project reports, Implementing partners/Annually	0	-	-	-	-	-	-	-	-	100	138 (77- M; 61-F)	
Intermediate Result 3.1: Improved Business Environment in Critical Areas															
Sub IR 3.1.2: Public-Private Dialogue Improved															
Indicators under: 3.1, 3.2, 3.3															
IDEAS Project Result: Strengthened institutionalized Public – Private Dialogue (PPD)															
3.1.	Percentage of new policies proposed by the business community which are adopted by the GoM	The number of new issues resolved by the GoM, against the number of policy measures raised before the GoM 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		-	-	-	-	-	-	-	-	63% baseline	65%	130/197 66%
3.2.	Number of new professionals from the public, private and civil sector trained in RIA and ENER	Trained is defined as acquired skills to be able to independently perform Impact Assessment on current and new policies according to latest methodologies and use of the ENER as a direct PPD instrument. The trainings would be provided for different levels of public servants and business community organizations as well as relevant civil society advocacy entities.	Project reports, Implementing partners/Annually	0	-	-	-	-	-	-	-	-	200	185 (123F-62-M)	
3.3.	Number of business organizations' representatives trained in policy paper creation and other PPD methods and instruments	Trained is defined as acquired skills to be able to independently create policy papers and proposals based on research and evidence for new and current policies in line with the newest methodologies and use of other PPD instruments. The trainings would be provided for different levels of business community organizations as NECC members as well as relevant civil society advocacy entities.	Project reports, Implementing partners/Annually	0	-	-	-	-	-	-	-	-	80	89 (40-F; 49-M)	

IDEAS Project Result: Achieved long-term sustainable development by supporting local partners that will serve as engines for growth and progress														
4.1.	Local organization established as a USAID legacy organization	Local organization established*** with appropriate institutional and human capacity, built during the period of performance of the activities under the sub-award in the current IDEAS contract agreement, and ready to compete on the market in the future, following USAID's Forward Strategy for promotion of sustainable local development.	Project Reports/Annually	-	-	-	-	-	-	-	-	-	1	1
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	202	995 Fem- 494 ; Mal- 501 ; IP-112 EP-300 PP-420 PPD-163	124 0	1368 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	1,877 (cumulative) Fem-963 Mal-914	2327	2424 (cumulative) Fem-1253 Mal-1171 FY5 545(290 female; 255 male)
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	Implementing partners/Annually	1218	N/A	1218	1585	1610	163 3	1378	1578	1611	1522	1570

		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.												
5.3. (B-REDI)	Number of regulations modified or introduced as a result of project activities	Regulations are defined as laws, secondary legislation, procedures, rules, Government decisions, guidelines, protocols, programs or other acts that affect the legislative and/or policy framework in the areas of trade integration and facilitation, inspections and public-private dialogue. Modified or introduced includes any formal changes made to the regulation as result of USG assistance.	Project reporting on number and types of activities/Annually	0									5	3 (PPD-2;Trade-1)

Notes:

Indicator under: 1.1. Number of transit coordinators trained. The Project organized a five-day study tour for the Customs Administration of the Republic of Macedonia, to the Slovenian Customs Administration stationed at the Slovenian Customs Headquarters in Ljubljana, the Central Transit Office in Nova Gorica and the Koper border post. The study tour was organized on April 14 – 19, 2015. The group included the national transit coordinator and five regional transit coordinators from the customs offices in Skopje, Kumanovo, Shtip, Gevgelija and Bitola.

Indicator under: 1.2. Number of new trade facilitation mechanisms required by the WTO Agreement on Trade Facilitation established and operational - National Trade Facilitation Committee and Trade Facilitation Enquiry Point. As provided by the Government Decision of October 10, 2014, the National Trade Facilitation Committee and the Trade Facilitation Enquiry Point will be established upon the ratification of the WTO Agreement on Trade Facilitation.

Indicator under 2.1. Number of new policies or mechanisms adopted. On March 11, 2015, the Project and the Council of Inspection Authorities signed a Memorandum of Understanding on their cooperation in organizing and implementing set of activities aimed at improvement of the inspection supervision system in Macedonia. As part of the MoU was development of methodologies and techniques for conducting uniformed inspection supervision. Therefore, the project engaged international consultant to develop a Manual for Inspection Methodologies. The draft document was developed in partnership with relevant stakeholders and shared with relevant institutions, asking for their feedback in order to be finalized by middle of July. During the last quarter, the project in cooperation with inspection Council completed the Manual for inspections and the web-portal. Both these tools were officially promoted affront of relevant institutions on December 4th, 2015.

Indicator under 2.2. Number of inspectors and council members trained in new practices. On June 3rd, 2015, the project in partnership with Council of Inspection Authorities, organized a workshop on the draft Manual for Inspection Methodologies, attended by 19 participants, representing the Inspection Council; State Market Inspectorate and Labor Market Inspectorate. In addition to this activity, a study tour in Austria was organized in September (7-9) for 9 representatives of the abovementioned

institutions, including USAID, IDEAS project and IDEAS DePo. In course of last project's quarter, was organized a promotional event for 110 (85-female and 100 male) representatives of relevant inspectorates on web portal usage and the Manual for inspections.

***Indicator under 3.1. Percentage of new policies proposed by the business community which are adopted by the GoM.** By end of September 30, 2014, cumulatively 137 issues were raised. Out of raised issues, 86 were resolved (or 63%) as a result of Project's supported activities under the PPD implemented together with the NECC. The issues raised in the period October 2013-September 2014 to a large extent originated from the NECC as result of the working groups on specific priority topics. In addition, initiatives were submitted by the NECC member organizations (CoC's and BAs) and partially accepted, but always in coordination and communication with NECC and its involvement in the process. This indicator was changed from absolute numbers to percentage to better illustrate the success rate of acceptance of policy proposals issued by the private sector. Namely, as quality of proposals will rise based on the new approach, it is expected for the quantity to fall, while the rate of acceptance in percentage is expected to rise. In order to focus on the success rate as quality instead of quantity, this change of definition is proposed. We use the 63% (137 raised and 86 resolved) rate as baseline since it is the last achieved with the previous definition of this indicator. From beginning of the FY5 (November 1, 2014), until September 30, 2015, in total cumulatively 197 (60 in FY 5) issues were raised. Out of raised issues, 32 competitiveness measures in 9 fields were adopted by the Government. These measures were proposed by the NECC.

Indicator under 3.2. Number of new professionals from the public, private and civil sector trained in RIA and ENER. From November 1, 2014 until December 11, 2015, the Project trained in total 185 participants (123 female and 62 male). The trainees were representatives of the departments and sectors in the public administration responsible for RIA/ENER.

Indicator under 3.3. Number of business organizations' representatives trained in policy paper creation and other PPD methods and instruments. The activities contributing to this indicator were implemented as scheduled during the summer period. In the course of September, a total of 89 (40 female and 49 male) business sector representatives from 11 different business organizations took part in the policy paper creation training and mentoring mechanism of the Project.

Indicator under 4.1. Local organization established as a USAID legacy organization. In January 2015, the process of legal establishment of the project legacy local organization was completed. During that process, founding members of the organization were identified and IDEAS's PPD Component lead Goran Lazarevski was registered as the President of the organization. The process was completed when the formal registration document was issued by the Central Registry of the Republic of Macedonia. The name of the local organization is: Center for Development Policy - IDEAS DePo.

Indicator under 5.1. Number of people trained as a result of USG assistance (disaggregated by gender and areas). Considering the new areas of work, the disaggregation of the results will be as follows: trade, inspections and public-private dialogue. From beginning of FY5, until December 11th, 2015, in total 545 people were trained. Out of which were 290 female and 255 male. The structure of the trained people according to gender balance is as follows:

- In Trade were trained 133 individuals, out of which 67 were males and 66 females.
- In Inspections were trained 138 individuals, out of which 77 were males 61 females.
- In PPD were trained in total 274 people, from which 111 were males and 163 females.

Cumulatively, by December 11, 2015 in total were trained 2,424 people, out of them 1,253 female and 1,171 male or in percentages 52:48

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

Indicator under 5.2 (PPR) Number of days of USG funded technical assistance in business enabling environment provided to counterparts or stakeholders. Indicator is used for USAID/Macedonia Performance Plan reporting purposes starting from the beginning of FY2012. The baseline reflects the actual result of FY2011. The targets and actuals for each year are separate, not cumulative. From November 1, 2014- Sep 30, 2015, in total 1,570 days were spent for providing assistance to Project counterparts and stakeholders, against the targeted 1522 by end of the LoP, with the deviation of 48 days or 3 %. The actual result does not include all IDEAS DePo supported activities, as instructed by USAID. The actuals includes number of days (by project staff-892 and consultants -678) spent for providing assistance to Project counterparts such: Ministry of Economy for organization of CEFTA Week 2014; the Ministry of Information Society and Administration for organizing trainings for heads of departments and sector in the public administration on Regularly Impact Assessments and use of the Unique National Electronic Regulation System; the Inspection Council for development of the methodologies and techniques for conducting uniformed inspection supervision and Developing a new e-Gov solution for the Inspection Council; and Macedonian Customs Administration on implementation of internationally recognized methodology for measuring the time for release of goods; and to the Macedonian Customs Administration for capacity building for customs administration transit coordinators.

Indicator under 5.3. (B-REDI) Number of regulations modified or introduced as a result of project activities. Indicator is part of the USAID's B-REDI Logical Framework. The reporting for this indicator starts from beginning of FY2015. The reporting for this indicator starts from beginning of FY2015. From November 1, 2014- Sep 30, 2015, in total 3 regulations were introduced as a result of IDEAS. Two of them were PPD related and one was related to Trade.

PPD

In the course of implementation of principles of Regulatory Impact Assessment (RIA) and public consultation, the process includes a series of changes and amendments to existent regulations in order to make sure the daily operation of the Government does not get jeopardized by the requirements of the system. After having identified the requests of the RIA towards the legislative bodies, the Government issued different decisions to add or include specific legislation processes from the RIA process, in cases when this is not adequate or cannot be expected to be delayed by the process. For this purpose, existent Rules of proceedings of the Government were amended in 2015 in coordination with the Ministry of Information Society and Administration as the institution in charge of RIA and public consultation, among which the Decision to exclude legislation regarding taking new debts and issuing debt guarantees by the Government of Macedonia. Amendments are expected to continue as the implementation of the newly upgraded ENER public consultation system and the RIA mechanism get fully implemented in the Government' daily operations.

In addition, as result of the submitted package of proposed measures for improvement, the Governmental National Operational Plan for active employment measures was amended to provide easier access and inclusion of the business community to use the assistance mechanisms.

Trade

Macedonia ratified the WTO Agreement on Trade Facilitation. USAID provided advice and guidance during the ratification process. The Law ratifying the Agreement was enacted by the Macedonian Parliament on July 29, 2015 and published in Official Gazette 130/2015.

The remaining two, are related to Trade and Inspections. The rational for these two are described below:

The remaining regulation from the **“Trade component”** is the formal decision for establishment of the Macedonian National Trade Facilitation Committee (NTFC). Though there is a Government conclusion from October 2014 that the NTFC will be established after the ratification of the WTO Agreement on Trade Facilitation and this procedure

was completed at the end of July 2015, it is still not certain whether the formal establishment will be carried out by the end of this year (and the end of the Project) or maybe extend to the first months of 2016.

Regarding the regulation from the “**Inspections Reform**” component the Project was informed that draft amendments on the Law on Inspection Supervision were prepared based on the Manual of Inspection Methodology developed with USAID’s IDEAS support, but unfortunately they were not adopted. Hence, tomorrow (October 20th, 2015), the Project’s “Inspections Reform” component representatives will have a meeting with the acting President of the Inspections Council and one of the topics of the meeting will be discussing future steps towards resolving this issue and reaching the projected target by December 2015.

VI. FINANCIAL SUMMARY

Annual Report Financial Summary (Oct 14 - Dec 15)	
	Total
Labor (US Expatriates and CCNs)	\$530,457.59
Other Direct Costs	\$443,198.30
Special Projects	
Component A1 (FDI/DI/Aftercare)	\$8,358.95
Component A2 (Export Promotion)	\$0.00
Component B (PPD)	\$500.14
PR/Public Education/Communications	\$15,581.18
Component 1 (Trade)	\$32,967.37
Component 2 (IC)	\$124,761.87
Component 3 (PPD)	\$16,235.87
Legacy Organization	\$424,935.63
Burdens (Labor, ODCs, Special Projects)	\$144,948.70
Fees	\$78,696.12
TOTAL	\$1,820,641.73

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