



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

WORK PLAN THREE MONTHS
OCTOBER 1-DECEMBER 31, 2012

OCTOBER 2012

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Macedonia Investment Development and Export Advancement Support

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DISCLAIMER

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

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LIST OF ACRONYMS

| | |
|------------------------|---|
| AEP | Agency for Entrepreneurship Promotion |
| BEA | Business Environment Activity |
| B2B | Business to Business |
| CA | Contracting Authorities |
| CCOM | Coordinative Committee of Ministers |
| CoC | Chambers of Commerce |
| COR | Contracting Officer Representative |
| CRM | Customer Relationship Management |
| DI | Domestic Investments |
| DOC | Development Outreach and Communications |
| DPM | Deputy Prime Minister |
| DPMEA | Deputy Prime Minister for Economic Affairs |
| ENER (EHEP) | Unique National Electronic Register of Regulations |
| EO | Economic Operators |
| EOM | Employers Organization of Macedonia |
| EPA | Export Promotion Agencies |
| ESC | Economic and Social Council |
| FDI | Foreign Direct Investment |
| FB | Facebook |
| GoM | Government of Macedonia |
| IDEAS | Investment Development and Export Advancement Support |
| IMEG | Inter-Ministerial Expert Group |
| IP | Industrial Policy |
| IPA | Instrument for Pre-Accession Assistance |
| InvestMacedonia | Agency for Foreign Investments and Export Promotion |
| JSP | USAID/Judicial strengthening project |
| MIM | Macedonian Institute for Media |
| MLSP | Ministry of Labor and Social Policy |
| MoE | Ministry of Economy |
| MoE IPCD | Industrial Policy and Competitiveness Department in the Ministry of Economy |
| MoU | Memorandum of Understanding |
| NECC | National Entrepreneurship and Competitiveness Council |
| OSS | One-Stop Shop |
| PMP | Performance and Monitoring Plan |
| PPB | Public Procurement Bureau |
| PPD | Public-Private Dialogue |

| | |
|--------------------|--|
| PR | Public Relations |
| RCI | Regional Competitiveness Initiative |
| RIA | Regulatory Impact Assessment |
| SME | Small and Medium Enterprises |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| TIDZ | Technological Investment Development Zones |
| TO | Task Order |
| ToR | Terms of Reference |
| USAID | United States Agency for International Development |
| USAID's ADS | USAID's Automated Directives System |
| UNCTAD | United Nations Conference on Trade and Development |
| USG | United States Government |
| VAT | Value Added Tax |
| VPM | Vice Prime Minister |
| WP | Work Plan |

I. INTRODUCTORY REMARKS

This document represents the USAID's Investment Development and Export Advancement Support (IDEAS) Project's Work Plan for the period October 1 through December 31, 2012. It is a contractual obligation that the Project prepares and submit for approval to USAID, an Annual Work Plan that corresponds to the USG fiscal year. However, in this particular case, after the discussion with the Project's USAID COR, it was agreed that a three months' Work Plan will be prepared instead of an Annual Work Plan. This is for the reasons that USAID is planning Project's assessment in October/November 2012 and hence, assessment's recommendations shall be taken into consideration when outlining future activities to start as of January 2013 and then being a part of a separate Annual Work Plan. In this regard, this three months' Work Plan envisage activities that are about to be completed as continuation of the Work Plan Year II approved activities with some modest new activities to complete several processes initiated at the beginning of the Project. These activities were discussed and agreed in details with Project's main stakeholders from both, public and private sector (Deputy Prime Minister for Economic Affairs, Ministry of Economy, InvestMacedonia, Ministry of Information Society and Administration and all four chambers of commerce).

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

II.1 THEME 1: IMPLEMENTATION OF THE NEW GOM INDUSTRIAL POLICY FOR ENHANCED INTER-MINISTERIAL COORDINATION AND STREAMLINING OF DI, FDI, AND AFTERCARE

Activity 1 – Industrial Policy implementation support to the GoM

During year 2, the Project continued to assist the Ministry of Economy (MoE) and the Deputy Prime Minister for Economic Affairs (DPMEA) in strengthening the overall system for industrial policy implementation. Assistance activities focused on three aspects of the implementation process: institutional capacity and related procedures for IP implementation; improvement of the level and quality of information that companies receive on the available competitiveness programs and measures; and financial support for specific IP measures under existing government competitiveness initiatives.

Overall, the pace of implementation of the above three categories of activities in the course of the second year was taking place as planned, with some exceptions that were result of delays in the policy-making process faced by Project's main counterparts. The latter mostly refers to the implementation of activities for development of industrial policy procedures that were put on hold until the adoption of the Action Plan for Industrial Policy Implementation 2012 – 2013, which took place as late as August 2012 thus moving this initiative backward. Other two categories of activities for improving the infrastructure and the quality of information that companies receive on the available competitiveness assistance and supporting specific competitiveness measures under one of the existing government programs are being implemented as planned and the Project envisions their successful completion in the course of the upcoming quarter.

PLANNED ACTIVITIES

I.1 Support the further development of the institutional and organizational capacity for industrial policy implementation (SP-Y2-IPI-No.1)

[The implementation of this activity is contingent upon the commitment expressed by MoE and DPMEA as elaborated below.]

The overall goal of the assistance activities in this area is to strengthen the institutional structure and develop rules and procedures that will increase the efficiency and effectiveness of the industrial policy-making process and improve the quality of the implemented competitiveness programs and measures. In furthering this goal, the project will also focus on strengthening the efficiency and effectiveness of the current IP-related mechanisms for inter-agency coordination, enhancing the private sector consultations, and supporting the development of a viable system for monitoring and evaluating IP implementation.

The SoW for this activity was approved in December 2011. In the course of the first quarter of 2012, the Project staff carried out an extensive desk research to collect resource materials necessary for the drafting of rules and procedures for industrial policy implementation and started to design the concept and the structure of the respective document. However, as the development of the procedures was part of the IP Action Plan for 2012 – 2013 whose drafting was supported by the Project and this

document was in a process of adoption by GoM, the Project in consultations with USAID postponed further work in this area until the completion of the adoption procedure.

The Action Plan was adopted in August 2012. As part of the Action Plan, GoM also adopted the framework for monitoring and evaluation of the industrial policy prepared by the Project and the Ministry of Economy. Although the endorsement of the action plan reaffirmed the commitment of GoM to continue to work on the implementation of the industrial policy, the Project sought additional confirmation from MoE and particularly DPMEA so as to their need for assistance in this area. The latter institution stated that, due to the ongoing process of thorough modification of the overall system of competitiveness support in Macedonia, they currently do not have clear perspective on this issue and that they will be in a position to confirm their commitment to and need for this activity by the end of this year or in the course of 2013. Thus, the final implementation of the activities presented below will be contingent upon such confirmation.

If and when implemented, the rules and procedures document shall encompass regulation of the following implementation areas:

- Institutional structure for coordination of IP implementation activities. Although the IP already provides the basic structures for implementation and coordination, some segments of the institutional setup should be further strengthened, following the recommendations provided in the action plan.
- Procedures for design, implementation, and monitoring of specific programs identified in the IP action plan, as well as uniform and transparent rules for allocation of incentives that do not present a barrier to potential users, especially small and medium enterprises (SME). The rules should regulate, inter alia: the manner of publishing of public calls, the form and substance of applications, the amount of additional information and documents, selection procedures, and transparent disclosure of selected companies.
- Procedure for updating the web portal KonkurentnostMK that is currently being developed by the Project in close cooperation with the Ministry of Economy spelling out the role of all respective institutions responsible to post programs and other relevant information and documents on the portal.
- Rules spelling out the structure and the procedure for consultations between the IP implementing institutions and the private sector on competitiveness issues. Public-private dialogue (PPD) is crucial for successful design and implementation of IP. This fact is fully recognized in the IP document, which identifies the National Entrepreneurship and Competitiveness Council (NECC) as the main mechanism for consultations with the business community. Over the last two months serious progress was made in invigorating NECC and it is expected that Council will soon fulfill all legal and institutional requirements for becoming a key PPD mechanism for economic policies. The substance of the rules in this segment will be closely discussed and coordinated with the Project PPD component.
- Uniform procedures and forms for reporting and collecting data needed to monitor and evaluate progress based on the identified set of indicators identified in the M&E Framework developed by the Project and adopted by GoM as part of the IP Action Plan. Regulated treatment of all relevant data and reports and organized approach in their collection and analyzing will be key for all future efforts to improve, increase or modify competitiveness initiatives implemented by all relevant institutions.

Once adopted by CCOM/GoM, the rules and procedures will significantly increase the quality of the IP implementation process, which in turn will lead to increased confidence of the private sector for the available measures.

The above activities will be implemented in the period of duration of this work plan (October – December 2012) as described in SP-Y2-IPI-No.1 with one exception: Due to the fact that the Ministry of Economy has not allocated at least one additional staff member to carry out activities related to M&E, the Project removed from the SoW the activities aimed at strengthening their M&E capacity.

1.2 Provide assistance to the Ministry of Economy and other government institutions in operating and updating the web portal KonkurentnostMK (SP-Y2-IPI-No.2)

The main objective of this portal is to improve the access of Macedonian companies to information regarding competitiveness initiatives available to them under various government programs and measures. The portal is currently in the final stage of development. In the course of the development process, the Project closely cooperates with the Ministry of Economy and the working group established for this purpose by the Minister of Economy that includes representatives of all other government institutions (ministries and agencies) that are expected to participate in the process of management and updating of the portal.

According to the planned dynamic, the development of the software should complete by the end of October and the portal should be made available to companies via Internet by the end of December 2012. The reason for the two-month gap is the pace of the process of creation of competitiveness programs in Macedonia, i.e. all of them are annual (implemented from January to December) and they are being finalized and adopted in December (to commence implementation in January 2013). This period of time will be used to carry out the following activities that will further facilitate the use of the portal:

- Procedure for updating the web portal KonkurentnostMK spelling out the role of all respective institutions responsible to post programs and other relevant information and documents on the portal.
- Promotion of the web portal to companies as a single source of information on competitiveness initiatives. The portal will be promoted at high-level event organized by the Project together with two other e-government applications supported by the Project, as well as through other promotion activities implemented in cooperation with the chambers of commerce. The Project will also develop and print a brochure for direct distribution to companies through various events (seminars, trade shows, email-distribution, other promotion events).
- Training for three categories of users: the IT Department in MoE, the Sector for Industrial Policy in the MoE and all other institutions that will be posting information on the portal.

1.3 Continue to support the implementation of the Program for Industrial Policy Implementation for 2012 (SP-Y2-IPI-No.4)

As part of the initiative for supporting select competitiveness initiatives, the Project in cooperation with the Ministry of Economy and the Deputy Prime Minister for Economic Affairs decided to provide funding for the realization of the Program for Industrial Policy Implementation for 2012. The Program offers to companies compensation of expenses incurred for implementation of activities for increased competitiveness in the following two areas: creation/advancement of products and development of markets.

The Program was approved by the Government of Macedonia and published in Official Gazette 12/2012 and 85/2012. Institution responsible for its implementation is the Ministry of Economy. The funding mechanism was the Agreement for Supporting the Implementation of the Program for Industrial Policy Implementation for 2012 signed by the Project and the Ministry of Economy on May 23, 2012. On July

31, 2012, the Minister of Economy adopted a decision establishing a three-member committee responsible to review the applications submitted by companies and decide on the distribution of funds. Gordana Toseva, Project's senior advisor was officially appointed as a committee member.

The public call inviting companies to apply for support under the Program was published at the end of July 2012 in four printed and electronic media, in Macedonian and Albanian language as well as on the websites of the Project and the Ministry of Economy.

First six applications for compensation of expenses were submitted by Macedonian companies in the course of August. They were reviewed by the committee at the beginning of September - five of them were endorsed and one was rejected due to insufficient and incorrect documentation.

As the public call is open by the end of December 2012 or the expiration of funds, whichever comes first, the Project will continue to be involved in the process of reviewing applications and distributing funds to companies during the period of duration of this work plan. Should this be necessary, the Project will undertake additional actions to reach out to companies and inform them of the benefits offered under the Program for Industrial Policy Implementation for 2012.

Activity 2 – Support the process of streamlining of investment procedures

Project work under this sub-component in the second year encompassed three different activities: (a) assistance in the process of streamlining of regulations and procedures for obtaining visas and work permits (issue of extreme relevance for foreign investors in the country) (SP-Y2-IPI-No.3); (b) assessment of the capacity of municipalities to implement electronic construction permitting system as a first stage of business licenses one-stop-shop (SP-Y2-IPI-No.6) and (c) survey for assessing the investors' expectations and needs regarding the quality of aftercare services in Macedonia and recommendations for improvement of the system (SP-Y2-IPI-No.5). While the former two activities have been completed under the initial work plan for year 2, the finalization of the implementation of the third one will extend into the last quarter of 2012.

2.1 Carry out investor survey and prepare recommendations on the improvement of aftercare services (SP-Y2-IPI-No.5)

Under this scope of work, the Project assists InvestMacedonia to improve the quality of the aftercare services they provide to foreign investors by helping the Agency identify the main weaknesses of the current aftercare practices and design an improved aftercare system that corresponds to Macedonia's needs and capacities. This is being done through a combined set of assistance efforts implemented by the Project staff and international consultants who are bringing the necessary expertise into the process. All activities were designed and are being implemented in close cooperation with InvestMacedonia as a main beneficiary of the assistance.

The original scope of work encompassed the following activities implemented in two subsequent stages:

Stage I: Collection of information

- Interviews with the staff of key government institutions that tackle various aspects of aftercare to explore their views on the functioning and the shortcomings of the current system.
- Survey among foreign investors in Macedonia to assess their satisfaction with the current aftercare system and their preferences and needs with regard to future services in this area.
- Research of best practices for provision of efficient aftercare services employed by countries with similar resources, capacities and level of development to Macedonia.

Stage 2: Drafting of the report - The report should present the main findings of the survey, provide benchmarking against some of the comparable best practices and offer to InvestMacedonia general recommendations on the most appropriate model of aftercare services and the key institutional and human capacities that should be developed in order to have the proposed system work.

The implementation of this scope of work started in August 2012 by identifying the international consultants, organizing their visit to Skopje, identifying the foreign investors who will participate in the survey and their contact info and drafting of the survey questionnaire. Consultants Jason Kemp and Valerie Mock visited Macedonia the week of September 3 – 9, 2012 and discussed the issue of aftercare with all relevant stakeholders, i.e. InvestMacedonia, TIDZ Directorate, Ministry of Economy, Minister for Foreign Investments, Advisor to the Prime Minister on Foreign Investments, Cabinet of the Deputy Prime Minister for Economic Affairs, the World Bank and the Council of Foreign Investors.

The implementation of the remaining activities described in the scope of work will be completed in the course of October 2012. During November and December, the report with recommendations on improving the efficiency and streamlining aftercare services will be presented to InvestMacedonia. In consultations with InvestMacedonia, the Project will explore the possibility of organizing joint event for presenting the recommendations to other relevant stakeholders and discussing with them the implementation modalities.

Component A, Theme 1 – Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and Aftercare

| | Initiative | Objective | Timeline | Partners | Budget and additional Local/Foreign Experts |
|---|--|--|-----------------------|--|---|
| Activity 1 – Industrial Policy implementation support to the GoM | | | | | |
| I. | <p>Support the further development of the institutional and organizational capacity for industrial policy implementation by developing industrial policy procedures (SP-Y2-IPI-No1).</p> <p>Procedures should include the following:</p> <ul style="list-style-type: none"> - More efficient institutional structure for coordination of IP implementation activities. - Institutional procedure for design and implementation of specific programs identified in the IP Action Plan. - Uniform and transparent rules for allocation of incentives. - Procedure for updating the web portal KonkurentnostMK - Rules spelling out the structure and the procedure for consultations between the IP implementing institutions and the private sector on various competitiveness issues. - Uniform procedures and forms for reporting and collecting M&E data. <p>[The implementation of this activity is contingent upon the commitment expressed by MoE and DPMEA.]</p> | <p>Strengthen the institutional setup for industrial policy implementation to make the process more efficient, effective and inclusive, and increase the quality of the IP M&E system to:</p> <ul style="list-style-type: none"> - Improve the process of data collection to enable efficient monitoring of IP implementation and evaluation of the impact of its measures against the selected indicators. - Provide high-quality input for all future IP and competitiveness policy decisions. | Oct. 2012 – Dec. 2012 | <p>Ministry of Economy Deputy Prime Minister for Economic Affairs (DPMEA) Inter-ministerial Expert Group for IP (IMEG)</p> | <p>SoW approved (SP-Y2-IPI-No.1) Total budget approved: \$12,000 Money spent until September 30, 2012: 0 Money to be spent from October 1 to December 31: \$12,000 Foreign expert: 10 days Proposed expert: Mateja Mesl</p> |

Component A, Theme 1 – Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and Aftercare

| | Initiative | Objective | Timeline | Partners | Budget and additional Local/Foreign Experts |
|--|---|--|------------------------------|--|--|
| 2. | <p>Provide continuous assistance to the Ministry of Economy and other government institutions in operating and updating the web portal KonkurentnostMK (SP-Y2-IPI-No.2).</p> <p>Promote the portal to the business community:</p> <ul style="list-style-type: none"> - Develop procedure for updating the web portal KonkurentnostMK spelling out the role of all respective institutions responsible to post programs and other relevant information and documents on the portal. - High level event for promotion of the three e-government solutions supported by the Project. - Other promotional activities (events with CoCs, distribution of promotional brochure). | <p>Improve the transparency and accessibility of industrial policy initiatives to increase the interest of companies in using and benefiting from the available government assistance.</p> | <p>Oct. 2012 – Dec. 2012</p> | <p>Ministry of Economy Ministry of Education and Science Agency for Entrepreneurship Promotion InvestMacedonia</p> | <p>SoW approved (SP-Y2-IPI-No.2) Total budget approved: \$23,000 Money spent until September 30: \$5,500 Money to be spent from October 1 to December 31: \$17,500.</p> <p>High-level promotional event will be funded under the Project PR Component.</p> |
| 3. | <p>Continue to support the implementation of the Program for Industrial Policy Implementation for 2012. Actively participate in the decision-making procedure for allocation of the financial assistance to companies that applied for the Program measures (SP-Y2-IPI-No.4).</p> <p>If there is need, undertake additional activities for promotion of the Program to companies.</p> | <p>Support the implementation of specific industrial policy measures thus contributing to GoM efforts to increase the competitiveness of companies.</p> | <p>Oct. 2012 – Dec. 2012</p> | <p>Ministry of Economy</p> | <p>SoW approved (SP-Y2-IPI-No.4) Total budget approved: \$40,500 (Funds have been transferred to the Project account and should be transferred to companies by December 31, 2012).</p> <p>Additional \$1,000 may be needed for promotional activities.</p> |
| Activity 2- Support the process of streamlining investment procedures | | | | | |

Component A, Theme 1 – Implementation of the new GoM Industrial Policy for enhanced inter-ministerial coordination and streamlining of DI, FDI, and Aftercare

| | Initiative | Objective | Timeline | Partners | Budget and additional Local/Foreign Experts |
|----|---|---|------------------------------|--|---|
| 4. | <p>Carry out investor survey and prepare recommendations on the improvement of aftercare services (SP-Y2-IPI-No.5). Implement the following activities:</p> <ul style="list-style-type: none"> - Survey among foreign investors in Macedonia to assess their satisfaction with the current aftercare system and their preferences and needs with regard to future services in this area. - Research of best practices for provision of efficient aftercare services employed by countries with similar resources, capacities and level of development to Macedonia. - Drafting of the report. - Presentation of the report to stakeholders. | <p>Improve the quality of aftercare services available to investors in Macedonia.</p> | <p>Oct. 2012 – Dec. 2012</p> | <p>InvestMacedonia Other institutions involved in investment promotion</p> | <p>SoW approved (SP-Y2-IPI-No.5) Total budget approved: \$9,300 Money spent: \$9,300 for engagement of international consultants</p> <p>Project envisages additional \$5,000 for expenses to carry out the survey and present the report and recommendations.</p> |
| | | | | | TOTAL BUDGET: \$76,000.00 |

II.2 THEME 2: DEVELOPMENT AND IMPLEMENTATION OF A COMPREHENSIVE EXPORT PROMOTION STRATEGY AND TRADE POLICIES TO SUPPORT EXPORTS

Current Situation

The USAID IDEAS Project's approach during the first two years was focused on: development of the comprehensive export strategy on the national level, as on development of a strategic framework and business model InvestMacedonia as key implementer of export promotion activities; building processes and mechanisms that InvestMacedonia can use to provide relevant services to export-oriented companies, with a focus on the key sectors with the highest potential for increasing the exports.

The main emphasis for the activities in the year 2 was on implementation of the strategy and introduction of export readiness and export promotion programs. This effort was divided into four categories: (1) Building InvestMacedonia's Export Programs, (2) Development of the Export Readiness Programs, (3) Development of a Customer Relationship Management web platform for InvestMacedonia and Training Activities, and (4) Cross-Cutting Initiatives. During the period October-December 2012, activities under these categories will continue.

PLANNED ACTIVITIES

Activity 1 Building InvestMacedonia's Export Programs

During year 2, the IDEAS Project the main emphasize was on establishing two basic traditional export promotion programs in InvestMacedonia—(1) business development and (2) market information—by providing assistance in the form of guiding, training, coaching, and support in the practical implementation.

1.1 Business Development Program

By definition, business development includes activities focused on helping companies generate leads that can potentially lead to a sale. The available tools most frequently used by export promotion agencies include trade fairs, trade missions and lead generation, identification of high-level opportunities, preparation of customized contact lists, business meeting agendas, etc.

In this effort, the project in the Y2 supported the introduction of three export promotion tools within InvestMacedonia: (1) trade fair participation, (2) trade mission, and (3) lead generation

In this direction the entire process of establishing the business development function within InvestMacedonia was managed, supporting it with detailed descriptions of the service, setting up Key Performance Indicators, defining the action plan, training and coaching staff through the implementation process, and helping to pilot the activity. Some illustrative activities include: organizing the trade fairs exhibits and attendance and B2B events for Macedonian companies in the sectors that are identified by the Macedonian Government as ones with the highest potential for grown and export (automotive sector, agriculture, textile and logistic/services) .

In the **agro business sectors** three promotional events were implemented: presentation of companies producers of fresh fruit and vegetable on the international trade fair Fruit Logistic in Berlin, Germany, organization of the B2B event and presentation of Macedonian agro business companies in Warsaw, Poland and presentation of the Macedonian wineries in three cities in USA(Washington, Chicago and New York).

In the **automotive sector** two activities has been implemented: presentation of automotive industry on the International Trade Fair, SEE Auto Compo fair in Kragujevac, Serbia on the national stand and presentation on the international trade fair Automehánica in Frankfurt, Germany also on the national stand.

In the **IT sector** regional B2B Leoron events in Pristina, Kosovo and Tirana, Albania were supported.

During the period January – September, 9 export promotion events in all sectors were organized with the participation of the 52 companies.

All the activities were implemented with active involvement of InvestMacedonia staff and promoters, contributing to its capacity building in organizing export trade fairs, trade missions and B2B events. In terms of coordination, all activities were implemented in cooperation with associations and the chambers and other donors, such as USAID AgBiz, GIZ, SIPPO, CBI, and others.

IDEAS efforts for implementation of business development function within InvestMacedonia and participation on the trade fairs and B2B events will continue during the period October – December 2012, supporting the participation of 12 software companies on the Gartner **Outsourcing and Strategic Partnership Event** and **business forum in London, UK** from 08-10 October, 2012. Gartner Events Feature the world's most exclusive gatherings of senior IT and business strategists and attract 40,000 executives and 1,200 industry-leading technology providers.

After the Gartner Summit on 10.10.2012, Business forum with the representatives from British Chambers of Commerce and British IT Associations will be organized. The InvestMacedonia's export promotion department and economic promoter for United Kingdom, Embassy of Republic of Macedonia in UK and British Embassy in Skopje will be actively involved in organization of the all logistical aspects related with the business forum.

It is expected that participation of the Macedonian companies is an excellent opportunity to generate business leads for Macedonian software exporters. From the perspective of the Agency for Foreign Direct Investments of Republic of Macedonia the event will directly contribute in building the knowledge base and staff experience for performing the export promotion business development activities, as well for public image and sustainable relations with the private sector, which is main client of the Agency's services.

USAID IDEAS Project will be also actively engaged in the development of the operational plan of the InvestMacedonia for 2013 that should define the list of activities and promotional events that would be supported through state funds.

Efforts for establishing the **Lead generation** as marketing tool to generate consumer interest in the foreign markets for Macedonian products or services will continue. Within InvestMacedonia, economic promoters have primary responsibility for developing leads in foreign countries. Specifically, they will be expected to identify high-level opportunities in the specific market, to generate customized contact lists and leads (at the request of InvestMacedonia or individual companies), and to develop business meeting agendas for visiting Macedonian business people (at the request of InvestMacedonia). The activity should be implemented in close coordination with private sector associations and chambers.

1.2 Market Information

Market information is an Export Promotion Agency (EPA) function for providing information to companies. This effort is to provide information to drive decisions on entering and maintaining export markets, information on how to enter a specific market, information on industry-specific market opportunities, and publications, checklists, and international trade analyses.

Within the market information service line, InvestMacedonia should provide three types of products: market entry reports, market intelligence reports, and specialized research. The process for developing all three types of reports should be gradual, keeping in mind the available resources and the capacity within InvestMacedonia, which will be developed with support from the IDEAS Project.

During the Y2 the USAID IDEAS Project has supported InvestMacedonia to consolidate all available market entry information from export promotion websites that have the same target markets as Macedonia and all available market reports developed by associations, chambers, and donor agencies.

Access to the database of Euromonitor was provided, together with the USAID AgBiz program for the period of one year until June 2013. USAID IDEAS during the period October –December will assist information aggregated through this database, as well as from the other relevant sources to be available to exporters via the InvestMacedonia website.

Activity 2–Development of the Export Readiness Programs

Although the legal mandate of InvestMacedonia will be limited to the traditional types of export promotion activities, the IDEAS Project will support a more comprehensive approach that will include the export readiness activity, as a part of the portfolio of the Ministry of Economy.

2.1 We Are Learning Export

To achieve sustainable development of the economy, the Government of Macedonia initiated a new export support measure— “We are learning export”—with two main objectives: (1) provide individual assistance to companies for increasing their exports and (2) increase the general export awareness through publications and seminars.

In order to support the Government of Macedonia in implementation of this activity training curricula for export promotion has been developed by IDEAS and CBI using the mix of foreign and local expertise. Three day export workshop for the trainers from the public sector and private sector was delivered. The first group of the trainers trained in the program was consisted by 9 representatives nominated from the Ministry of economy, Invest Macedonia and Agency for Entrepreneurship Promotion and 12 representatives nominated by the Chamber of Commerce’s (Economic Chamber, Association of Economic Chambers, Economic Chamber for Nord West Macedonia and MASIT).

Some of the aspects encompassed in the general export curricula were: evaluation of the company export potential; evaluation of company export readiness; evaluation of the product eligibility for targeted market entry (is the product suitable for the target market?); Export marketing research; Export business plan; Promotion; Distribution channels; Export prices; Contracts/agreements for export/trade; Orders for export; and Export documentation and delivery.

The brochure and training manual that will serve as a theoretical guide for the trainers will be prepare during the October 2012 and posted on the new web portal for Invest Macedonia .

As a second stage of the activity “We are learning export “will continue with the training if the business service providers and with the training of the companies, using the export curricula developed as a joint effort of USAID IDEAS and CBI .

In order to spread the knowledge for export promotion activities, the export promotion training workshop for group of 25 business service providers, members of the association of the consultants will be organized. The training attendees will be able to include export promotion to the current portfolio of services.

Through a training program, export-oriented companies will be able to improve their knowledge and skills required to enter foreign markets and to increase their export potential for their

products/services, distribution, and placement. The results from several countries where similar programs for export support were implemented have shown a positive correlation with improvement of the competitiveness and increasing of exports over the long term.

Activity 3–Develop the IT systems in InvestMacedonia and improve staff effectiveness

The third group of activities seeks to establish sustainable mechanisms that will support the new operations and institutional structure of InvestMacedonia.

3.1 Development of an Export Promotion e-portal and CRM update.

During the Y2 the e-portal was developed as a multi-language platform that should become the primary information gateway for companies interested in exporting and for investors interested in Macedonian export-oriented businesses.

Information available on the portal include, but not be limited to, general information for the agency, organizational structure, mission and contact details, information about the assistance provided by the agency (e.g., programs, export grants), information on how to get into the export market using the export promotion brochures that will be posted on the web, export plan templates, and export plan finance navigator, Macedonian exporters directory, industry capabilities, networking opportunities, export marketing, information for financial assistance programs, international export-related events, information on available export promotion training, forums, FAQs, and so on.

One of the advantages of the e-portal is a database of exporters that is searchable by product or by company name, the details of upcoming trade shows and events, and information about Macedonia's exporting sectors. It also provides access to an electronic marketplace that matches foreign buyers with Macedonian sellers. The web portal offer the intranet option focused on InvestMacedonia staff, allowing for online communications with promoters around the world. The CRM solution was analyzed and integrated into the web platform. Kickoff event for the software is planned for November, together with the e -solutions developed by the other two components of the project. The activities for update and maintenance of the web portal with the new information (market data, market surveys, statistics) that are of interest of the exporters will continue.

Road show together with the other components of the project will be organized in the several regions of the country in order to inform the companies around the country with the benefits from use of this solution. Through the e-portal InvestMacedonia should be able to operate trade information database systems and provide effective trade information service to exporters, importers, and the general public. The e-portal also should be linked with the portals of other relevant domestic public and private sector web portals, as well as with those of donor assistance programs.

The first number of the economic newsletter exported will be published and promoted. This quarterly magazine will serve as a public private dialogue and media communication tool. Also it should will be important public awareness tools covering the topics aiming to increase the export performed by the public sector and companies.

3.2 Training for Economic Promoters

Economic promoters return to Macedonia each year for fact-finding, networking, and training, and each economic promoter is expected to share information on the successes and failure of various promotion initiatives with managers throughout the organization. During the winter session a training program will be developed with several training modules for the promoters.

Some of the topics for the training in December will be: how to utilize advantages of the newly created export web portal and upgraded Customer Relation Management System, training for use of the Euromonitor database for market research purposes and export promotion training using the previously developed export curricula. In addition to general training, during the training economic promoters from the selected market and countries where promotional events were organized will share the best practices and lessons learned from the export promotion activities implemented in the Y2. The issues of the KPIs and their adjustments to the organization needs will be also discusses.

This activity will be implemented by the IDEAS staff with support from the local consultants.

Cross-Cutting Initiatives

Support to the Ministry of economy in creation of the thoughtful economic policies that will support the competitiveness and export of the country will continue. The USAID IDEAS project as it was case during the previous years, will take participation in the traditional Export Conference that will be organized in November 2012 by the Ministry of economy. The Export Conference is important public private dialogue tool covering the export issues from the perspective of both government and private sector.

Expected Results

The main objective of the activities described in Activity 1 is to create a customer-oriented culture within the agency and to transfer the knowledge for performing the export promotion function, as well as further implementation of export promotion programs in InvestMacedonia.

The objective of Activity 2 is to initiate an organized approach to providing export readiness training, with the intended result being development of the training curricula, and establishment of the body of knowledge through a train-the-trainer program.

Illustrative results to be achieved during the period include the following

- Train the business service providers according to the general export promotion curricula
- Training of the 50 private sector representatives on export promotion issues, such as market research, sales and marketing plan, and assessment of export market opportunities.

Activity 3 is focused on improving the organizational and staff efficiency of InvestMacedonia. This activity's intended results include the following:

- Promotion and upgrade the export e-portal and CRM system in InvestMacedonia
- Publishing of the electronic export newsletter aiming to increase the general awareness and knowledge about the export

Activity 4 is concentrate on supporting the Ministry of Economy in the process of creation of the sustainable economic and export promotion policies.

| Component A, Theme 2–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports | | | | | |
|--|---|--|-----------------------------|---|--|
| | Initiative | Objective | Timeline | Partners | Budget and additional Local /Foreign Experts |
| Activity 1–Building InvestMacedonia’s Export Programs | | | | | |
| 1. | <p>Development of the two export promotion functions within InvestMacedonia.</p> <p>Business Development Program</p> <p>Helping companies generate leads that could potentially result in a sale, via:</p> <ul style="list-style-type: none"> • Trade fairs • Trade missions • Lead generation <p>Description of the service, coaching, and training for implementation of the function and support in implementation of the trade fair participation and B2B (learning by doing).</p> <p>Promotion of 12 Macedonian software companies on the Gartner Outsourcing and Strategic Partnership Event and business forum in London, UK from 08-10 October, 2012.</p> <p>1.2. Market Information</p> <p>Providing to companies information that will give guidance and help drive decisions on entering and maintaining export markets:</p> <p>Support the process for consolidating all available market entry information from Euromonitor database, as well from export promotion websites of regional countries that have the same target markets as InvestMacedonia.</p> <p>-Activities will include costs for collection, translation and lecturing of the collected information that will be posted on the web portal</p> | <p>Implement export promotion activities of InvestMacedonia and develop monitoring and evaluation capacities/systems and plans for measuring the impact of export promotion policies and programs.</p> | <p>Oct. 12– Dec. 12</p> | <p>InvestMacedonia, MoE, private sector associations and Chambers</p> | <p>SoW approved (SP-Y2-Export-No.2b)</p> <p>Total budget approved: \$19,500</p> <p>Money spent until September 30: \$11,000</p> <p>Money to be spent from October 1 to December 31: \$8,500.</p> <p>New SoW to be developed Total budget: \$ 2,000</p> |

| Component A, Theme 2–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports | | | | | |
|--|---|--|------------------------|--|---|
| | Initiative | Objective | Timeline | Partners | Budget and additional Local /Foreign Experts |
| Activity 2–Development of the Export Readiness Programs | | | | | |
| 3. | <p>Implementation of the second stage of the activity “We Are Learning Export”</p> <p>The activity includes: the costs for hiring the local consultant that will work with CBI expert on development of the curricula; costs for organization and delivery of the training workshop; and costs for drafting and graphic design of the brochure “We are learning export”.</p> | Development of the export readiness programs. | Oct. 2012 Dec. 2012 | MoE, AEP, InvestMacedonia, private sector representatives, and companies | <p>SoW approved (SP-Y2-Export-No.4) Total budget approved: \$4,500</p> <p>Money spent until September 30: \$1,206</p> <p>Money to be spent from October 1 to December 31: \$3,294</p> |
| | <p>Delivery of the general export promotion training for the Business Service Providers (20 BSP's)</p> <p>-Activity will include the costs for hiring the local consultant for the training and costs for organization of the workshop (venue space, equipment and workshop materials)</p> | | Oct. 2012 Dec. 2012 | MoE, InvestMacedonia, AEP, BSPs | <p>New SoW to be developed Total budget: \$ 2,000</p> |
| Activity 3–Develop the IT system in INVESTMACEDONIA and improve staff effectiveness | | | | | |
| 4. | <p>Update of the export promotion e-portal (with intranet option) with the new information and publishing the export newsletter -editing, translation and development of the graphic platform for the electronic newsletter</p> <p>Promote the portal to the business community:</p> <ul style="list-style-type: none"> - High level event for promotion of the three e-government solutions supported by the Project. - Other promotional activities (events with CoCs, distribution of promotional brochure). | Development monitoring and evaluation capacities/systems and plans for measuring the impact of export promotion policies and programs. | Oct 11–Sep. 12 | Ministry of Economy; Investment and Export Promotion Agency; Deputy Prime Minister for economic affairs; and donors, such as EU/IPA; Dutch, Swiss, and German bilateral assistance, and USAID projects | <p>New SoW to be developed Total budget: \$2,700</p> <p>High-level promotional event will be funded under the Project PR Component.</p> |

| Component A, Theme 2–Development and Implementation of a comprehensive export promotion strategy and trade policies to support exports | | | | | |
|--|--|--|----------|--|---|
| | Initiative | Objective | Timeline | Partners | Budget and additional Local /Foreign Experts |
| 5. | Training for Economic Promoters -Costs for organization of the event (renting of the venue space, equipment, materials) | Build capacity within the agency for trade policies analysis and reform to support the development of exports. | Dec. 12 | Ministry of Economy; Investment and Export Promotion Agency; Deputy Prime Minister for economic affairs; Economic chambers, donors-EU/IPA; Dutch, Swiss, and German bilateral assistance, USAID projects professional associations, NECC, and civil society such as the media and academia | New SoW to developed Total budget: \$1,300 |
| | | | | | TOTAL BUDGET: \$19,794.00 |

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

Activity I – Support to the NECC

Assistance was requested by the GoM to USAID to review and establish a new sustainable model of NECC towards its objective to have NECC serve as the most significant PPD mechanism nationwide. The project was asked to assist with this undertaking.

After a longer period of consultations with all present and potential stakeholders, the existing model was reviewed and recommendations were gathered to establish of a new form and entity of NECC. Assisted by IDEAS, a platform for the final consultations between the GoM and the CoC's along with other business associations was created and offered for suggestions to the business community.

After completing all activities planned for Y2, the regulatory harmonization in accordance with the outcome of the negotiations of GoM and CoC's was finalized and all legal acts were prepared as planned in the SoVW resulting in a final decision by the stakeholders on the new model.

The GoM published an open call in daily newspapers for membership applications and the founding initiative session was held on for April 5th, 2012, including a large number of stakeholders at the premises of the GoM, presided by the DPMEA, Mr. Pesevski. At this first initiation session, positions and opinions were exchanged, pointing out the issues and challenges to be addressed prior to the official registration of the NECC. This included logistical issues as well as organizational, financial and administrative matters, identified to be solved in the months to follow. Our legal advisors continued to work with the relevant counterparts on these issues and an official founding assembly, as prescribed with the valid regulation is expected in July. The official assembly session in August rounded up the efforts of IDEAS undertaken in the past year, to bring the stakeholders together, assist the consultation process and expertise in the preparation of the founding assembly and belonging acts from the legal perspective.

The process is now completed, the NECC is established and an action plan was approved as well as the organs and entities of the new NECC. The registration procedure is underway and the second regular session is scheduled for September 20th.

PLANNED ACTIVITIES

1.1 Operational support to the NECC

Since an executive office with personnel shall be established in the following 3-6 months, it will be necessary to provide the NECC with the needed legal expertise to deal with different issues arising from the process. For that purpose, we will provide administrative and legal support by the specialized law-office previously working on the registration and preparation of the acts and documents, having the necessary insight of the NECC. This assistance will result in having a completely functional executive office of the NECC, with an executive manager and an administrative assistant, working jointly on preparing a work plan to be approved by the NECC. Our assistance will be provided until the executive office is operational.

1.2 Promotional support of the NECC

Promotion of this newly established PPD instrument is of the utmost importance if sustainable growth is to be provided. For that purpose, we will include the NECC and its members as well as the executive office in all our related activities. All public events and discussions will be an adequate forum providing visibility for the business community, the academia and NGO's, as the main stakeholders expected to contribute to the realization of NECC's goals.

1.3 Expert- support in the field of research and analysis

Depending on the dynamics of activities, we will continue to provide support in the field of research and analysis, especially with the presentation of research and analysis our project is performing in the components A1 and A2 (Investment and Export promotion). The documents, researches and analysis we assisted to be created will become part of the regular agenda of the NECC and at request of the NECC and in coordination with USAID, we will provide additional support. Presenting the four created policy papers will be of strong benefit to NECC's performance and a significant input. In addition, the NECC members will be invited to attend all our trainings, seminars and education courses on different issues, providing them with the needed knowledge to start.

Activity 2 – Support to the Economic Social Council (ESC)

The ESC, its operability and mandate were approved and its structure was defined on the grounds of representation criteria. After a long delay, the ESC regained its role to serve as a platform for PPD and was awarded the confidence of the stakeholders, which should be used as momentum to build on these foundations. As result of the restored focus and active PPD, the ESC became the main instrument through which strategic agreements were made on national level, such as the minimum salary, review of legislative etc. The Employer's organization (EOM) is now the only representative of the business community in the ESC, taking in that manner the obligation to serve as the voice of the complete business sector, which will demand additional resources and our support. The strategy of the ESC is the most important starting point to continue efforts and define the best possible approach. These achievements also result in a stronger pressure, to move on with further improvements and innovative approaches towards an even more successful social dialogue.

The action plans of the National ESC's strategy and its organization and performance plan are to be reviewed and improved in accordance with best practice models. The mandate and expectations of this forum are to be reviewed and improved in accordance with best practice models.

PLANNED ACTIVITIES

2.1 A review of the current ESC organization model and performance plan

The current model of ESC was identified by the Organization of employers as a model in need of review and improvement in terms of efficiency, budgeting, inclusiveness etc. This is a significant issue dealing with the sustainability of the ESC and all relevant positions must be considered. Therefore, the IDEAS Project will interview ESC members to assess their needs and understand their challenges. These findings will help define the most suitable forms of assistance to the members of the ESC in reviewing the current system and proposing improvements or a new system of engagement by analyzing and studying best practices as a model. By the end of this quarter, we expect to hire an expert able to prepare a comparative analysis with recommendations on the needed improvements.

In addition to these activities, we will improve the level of knowledge and awareness on different initiatives among the ESC members, by inviting them to attend all our trainings, seminars and education courses on different issues, providing them with the needed knowledge for better performance.

Activity 3 – Support to the implementation of the Regulatory Impact Assessment (RIA)

Assistance to the Ministry of information society and administration (MISA) to improve the existing ENER mechanism and workshops for the private and civil sector in the RIA process

In the course of our project, activities of the GoM related to the strengthening of the RIA process were completed, resulting in a complex set of trainings of public administration and the publication of a new national code of conduct, rules of procedure, handbook and instruction manual for public administration, brought and promoted by the GoM in cooperation with OSCE and UK.

IDEAS is supporting the process in its next stage, dealing with the practical implementation of this PPD mechanism in the business community and the civil sector. In accordance with the request of the GoM, IDEAS supports the improvement of the existent National electronic regulations system (ENER) and a series of workshops that will bring together representatives of the private and civil sector to establish a lasting partnership of the professionals from the CoC's and the public sector. In December 2011, the complete RIA process, including ENER was officially transferred to the MISA from the cabinet of the DPMEA. IDEAS continues to build on this achievement of increased RIA and PPD professionalization and plans to continue to strengthen CoCs in the RIA process.

A series of coordination meetings were realized with the working group of authorized professionals, including six MISA and five Ein-Sof members as well as two representatives of BAH-IDEAS continued their work. The process according to the identified technical specifications given in the RIA process of consultations of the public in the PPD process continued with intense mutual coordination. In direct coordination with the Minister's cabinet, our team continued with planning and preparations for the promotional/education ENER and RIA event to follow as soon as the software is operational. We shared information with the ongoing assistance program of the British Embassy and OSCE in the field of RIA in order to optimally coordinate the assistance process in Macedonia. The activity as defined in the SoW was completed as well as the series of trainings as agreed in the contract.

PLANNED ACTIVITIES

We will focus our support in three priorities for this quarter:

3.1 Organize a promotional and education event on ENER and RIA

After a test period of the new and improved ENER, we will organize an event which will include approximately 40 participants, representatives of the public administration, the business community and the civil society organizations. At this event, professionals from the public administration will present the concept of RIA and the process of consultations of the public in the regulatory process and hold a workshop on using the ENER-system, with an "on-line" training to strengthen the confidence of ENER's owners and its users.

This event will also have aim to build the partnership among these three sectors and provide regular contacts and coordination of the stakeholders in future. This event is foreseen to be held in the last week of October with a duration of two days.

Promotion of the ENER web portal to the broader public as an instrument for public-private dialogue. The portal will be promoted at high-level event organized by the Project together with two other e-government applications supported by the Project, as well as through other promotion

activities implemented in cooperation with the chambers of commerce. The Project will also develop and print a brochure for direct distribution to companies through various events (seminars, trade shows, email-distribution, other promotion events).

Activity 4 – Support the chambers of commerce for the creation of and advocating for relevant policy papers

Building on our achievements, to persuade the business community representatives to change their business models and build appropriate capacities for policy paper creation and market analysis as coordinating departments with the GoM and the broader community, in order to become a relevant partner of the GoM in formulating economic policies and have the majority of the business community recommendations be implemented by the GoM, it is necessary to continue with the support the CoCs and business associations.

PLANNED ACTIVITIES

4.1 Assist CoC's in presenting issues to the GoM and in increasing their relevance

We will continue the established support to the ability of CoCs and the EOM to create and advocate policy papers that focus on export and investment. Once processed and publicly reviewed, the papers produced with our assistance shall be presented at the NECC meetings by the CoC that developed them. After undergoing a second round of review by NECC, they will be transmitted to the IMEG for approval. This process will be especially useful in building the professionals working at the CoC's and their advocacy skills.

4.2 Building the capacity of the established team of professionals focusing on policy paper creation, RIA, advocacy, reviewing of policies etc.

IDEAS will continue to support the COCs in providing the professional teams of employees with the needed knowledge and the adequate legal status in the organization as well as clearly defined authorizations and duties which will enable them to act with more autonomy and relevance on behalf of the business community. In order to strengthen their capacities, the team members will be invited to attend all our trainings, seminars and education courses on different issues, providing them with the needed knowledge for better performance.

4.3 Policy paper creation toolkit

Building on the experiences and best practices, a toolkit for policy professionals from the CoC's and other business associations and clusters is to be created, to be used as a handbook in the process of policy proposal issuing and review, offering a systematic approach to experienced and new team members. We plan to work with a local expert in the field that will not only create a document to be used by policy makers, but also hold workshops and trainings on how to become and stay a relevant counterpart of the public sector in the process.

This will significantly influence the negative tendencies in the private sector to have different approaches and reduce effects of their efforts in the advocacy process with created policy proposals.

Activity 5 – Assistance in establishing a sustainable dialogue between the business community and the judiciary system-Judges

Difficulties in the court processes and the judiciary system have been often identified in the past years and many of them were addressed with the different reforms of the justice system. However, the issue of the lacking knowledge of the judges on commercial law matters remained untouched by the numerous initiatives and still presents an open issue, creating a gap among the businesses and the courts in interpreting financial instruments and similar problems. This caused notable dissatisfaction in the business community but a direct link of these stakeholders was never achieved.

With the newly established cooperation with the USAID/Judicial strengthening project (JSP) we will assist the establishing of this new form of PPD, by linking the private sector with the judges, making it thereby possible to create a curriculum at the academy for Judges that will address the issues still in need of improvement, mentioned earlier.

After a series of joint meetings with the CoC's we issued a comprehensive questionnaire based on which we conducted a survey in September with the member-companies of the four CoC's. Our partners from the USAID/JSP project performed a survey for this purpose in the judges community and the inputs will be evaluated and used for the event to follow.

5.1 Organize a round table for public-private dialogue

We will co-organize a round table with the USAID/JSP project in the third week of October, with approximately 30-40 participants, addressing the problems companies have identified in the past and possible solutions and areas for improvement. The conclusions of this round table will be used to provide the Judges academy with improved contents for the education sessions to better understand and solve complex issues related to business and commercial relations.

| Component B: Public-Private Dialogue (PPD) Enhanced | | | | | |
|---|--|--|---------------|--|---|
| Establishing sustainable and equitable public-private dialogue mechanisms | | | | | |
| | Initiative | Objective | Timeline | Partners | Budget and additional Local/Foreign Experts |
| Activity I–Support to the NECC | | | | | |
| I. | <p>I.1. Operational support to the NECC Since an executive office with staff shall be established in the following 3-6 months, the NECC will need legal expertise to deal with different issues arising from the process. For that purpose, we will provide administrative and legal support by the specialized law-office previously working on the registration and preparation of the acts and documents, having the necessary insight of the NECC.</p> | <p>A completely functional executive office of the NECC, with a manager and assistant, working jointly on a work plan to be approved by the NECC. Assistance will be provided until the executive office is operational.</p> | Oct 12-Dec 12 | <ul style="list-style-type: none"> • DPMEA • CoC • Business community | <p>SoW approved (SP-Y2-PPD-#1) Total budget approved: \$4,500 Money spent until September 30: \$1,500 Money to be spent from October 1 to December 31: \$ 2,000 Local expert: Pepeljugin Law office</p> |
| | <p>I.2. Promotional support of NECC Promotion of this newly established PPD instrument is of the utmost importance if sustainable growth is to be provided. For that purpose, we will include the NECC and its members as well as the executive office in all our related activities.</p> | <p>All public events will provide visibility for the business community, NGO and academia expected to contribute to NECC goals.</p> | Oct 12-Dec 12 | <ul style="list-style-type: none"> • DPMEA • CoC • Business community | <p>No additional funds needed (IDEAS PPD Team)</p> |

| | | | | | |
|---|--|---|----------------------|--|--|
| | <p>1.3. Expert- support in the field of research and analysis</p> <p>Depending on the dynamics of activities, we will continue to provide support in the field of research and analysis, especially with the presentation of research and analysis our project is performing in the components A1 and A2 (Investment and Export promotion).</p> | <p>The documents, researches and analysis we created are part of the NECC's regular agenda and at NECC's request in coordination with USAID, we will provide additional support.</p> | <p>Oct 12–Dec 12</p> | <ul style="list-style-type: none"> • DPMEA • MOE • Business community | <p>No additional funds needed (IDEAS PPD Team)</p> |
| Activity 2–Support to the Economic-Social Council (ESC) | | | | | |
| 2. | <p>2.1. Review of the current ESC organization model and performance plan</p> <p>The current model of ESC is in need of review and improvement of efficiency, budgeting, inclusiveness etc. This is a significant issue for ESC's sustainability. The IDEAS project will interview ESC members to assess their needs and understand their challenges. We will hire an expert to prepare a comparative analysis with recommendations on needed improvements. The document is expected to be completed in this quarter.</p> | <p>The findings will help define suitable forms of assistance to the ESC in proposing improvements or a new system of engagement by analyzing and studying best practices as a model.</p> | <p>Oct 12–Dec 12</p> | <ul style="list-style-type: none"> • ESC • EOM • MLSP | <p>New SoW to be developed Total budget: \$3,000 Local expert: 15 days</p> |
| Activity 3–Support to the implementation of the Regulatory Impact Assessment (RIA) | | | | | |

| | | | | | |
|----|--|---|-------------------------------|--|---|
| 3. | <p>3.1. Organize a promotional and education event on upgraded ENER and RIA</p> <p>After a test period of the new and improved ENER ending in October, we will organize an event to include approximately 40 participants, from the public administration, business community and NGO's. At the event, public administration professionals will present the RIA concept and process of consultations of the public in the regulatory process and hold a workshop on using the ENER-system, with on-line training to strengthen confidence of ENER's owners and users.</p> <p>Promote the portal to the business community:</p> <ul style="list-style-type: none"> - High level event for promotion of the three e-government solutions supported by the Project. - Other promotional activities (events with CoCs, distribution of promotional brochure). | <p>The ENER is in active use, the event is educational and promotional aiming to build partnership among the three sectors and provide regular contacts and coordination of the stakeholders in future for a sustainable cooperation.</p> <p>This event will provide promotion of ENER and its wider acceptance in the public and the commitment of the GoM to the issue.</p> | <p>Oct. '12</p> <p>Nov'12</p> | <ul style="list-style-type: none"> • CoC's • NECC • DPMEA | <p>SoW approved (SP-Y2-PPD-#3)</p> <p>Total budget approved: \$12,000</p> <p>Money spent until September 30: \$0</p> <p>Money to be spent from October 1 to December 31: \$ 12,822</p> <p>High-level promotional event will be funded under the Project PR Component.</p> |
|----|--|---|-------------------------------|--|---|

| Activity 4– Support the chambers of commerce for the creation of and advocating for relevant policy papers | | | | | |
|--|---|---|---------------------------|--|---|
| 4. | <p>1.1. Assist CoC's in presenting issues to the GoM and in increasing their relevance</p> <p>We will finalize the support to the ability of MASIT to create policy paper that focus on export/investment. Once processed and publicly reviewed, the papers produced with our assistance shall be presented at the NECC meetings by the CoC that developed them. After undergoing a second review by NECC, they will be transmitted to the IMEG for approval.</p> | <p>This process will be especially useful in building the professionals working at the CoC's and their advocacy skills.</p> | <p>Oct 12- Dec 12</p> | <ul style="list-style-type: none"> • CoC's • NECC • DPMEA | <p>SoW approved (SP-Y2-PPD-#2) Total budget approved: \$10,815 Money spent until September 30: \$0 Money to be spent from October 1 to December 31: \$ 10,815</p> |
| | <p>1.2. Building the capacity of the established professionals focusing on policy paper creation, RIA, advocacy, reviewing of policies etc.</p> <p>IDEAS will continue to support the COCs in order to strengthen their capacities. The team members will be invited to attend all our trainings, seminars and education courses on different issues, providing them with the needed knowledge for better performance.</p> | <p>Providing professionals the knowledge and legal status as well as clearly defined duties enabling them to act with more autonomy and relevance in behalf of the business community.</p> | <p>Oct 12- Dec 12</p> | <ul style="list-style-type: none"> • CoC's • NECC • DPMEA | <p>SoW approved (SP-Y2-PPD-#2) No additional funds needed (IDEAS PPD Team)</p> |
| | <p>1.3 Policy paper creation toolkit</p> <p>Building on the experiences and best practices, a toolkit for policy professionals from the CoC's and other business associations and clusters is to be created, to be used as a handbook in the process of policy proposal issuing and review, offering a systematic approach to experienced and new team members. We plan to work with a local expert in the field that will not only create a document to be used by policy makers, but also hold workshops and trainings on how to become and stay a relevant counterpart of the public sector in the process.</p> | <p>This will significantly influence the negative tendencies we have had in the private sector, to have different approaches and reduce the effects of their efforts in the advocacy process with the created policy proposals.</p> | <p>Oct 12- Dec 12</p> | <ul style="list-style-type: none"> • CoC's • NECC • DPMEA | <p>New SoW to be developed Total budget: \$2,000 Local expert: 10 days</p> |

| Activity 5 – Assistance in establishing a sustainable dialogue between the business community and the judiciary system-Judges | | | | | |
|--|---|--|----------|---|---|
| 5. | <p>5.1 Organize a round table for public-private dialogue</p> <p>We will co-organize a round table with the USAID/JSP project in the third week of October, with approximately 30-40 participants, addressing the problems companies have identified in the past and possible solutions and areas for improvement.</p> | <p>Conclusions of this round table will provide the Judges academy with improved contents for the education sessions to better understand and solve complex issues related to business and commercial relations.</p> | Oct. '12 | <ul style="list-style-type: none"> • CoC's • Business associations • USAID/JSP | <p>New SoW to be developed Total budget for this activity: \$ 1.000</p> |
| | | | | | TOTAL BUDGET: \$31.637.00 |

III PUBLIC RELATIONS (PR) AND INFORMATION

Activity 1- Established formal cooperation with “Kapital”, business media outlet

During this last spring, the project team contacted the two leading economic/business media outlets, “Biznis” and “Kapital”, to promote project related activities and results in relevant media. In that period of time, we find out that the “Biznis” magazine stopped its publication due to redesigning efforts. Therefore we proceeded with “Kapital” only. After several meetings with Kapital’s Executive Director and the Editor-in-Chef and the Project representatives, an activity for promoting Project activities in economic media outlet “Kapital” (SP-Y2-Media-No.2) was developed.

The objective of this activity is to raise the awareness and promote results achieved in the Project’s areas of work: Industrial Policy Implementation; Export Promotion and Public-Private Dialogue. Another goal is to influence the journalistic approach to important economic topics in the country, by facilitating project experts as well as experts from counterpart institutions to provide professional, relevant and up-to-date information to opinion-makers, journalists, and the public in general.

After Special Project’s approval, contract with Kapital was signed. The contract includes developing and publishing at least 8 articles on project-related topics in the time period April – September 2012. By end of September 2012, seven articles were published; out of which five were interviews; one event related article and one-page public call related to the implementation of specific measures under the Program on Industrial Policy Implementation 2012(SP-Y2-IPI-No.4). Since the public call was published without payment, this gives the Project an opportunity to publish two more articles by end of the contract. Since there is no sufficient time for managing two articles by end of September, it was agreed with “Kapital” to extend the contract by end of the calendar year, 31st of December 2012, and instead of two articles to publish three more. An Annex of the contract will be prepared stipulating time extension, and will be signed by the Project Director and Manager of Kapital before the contract to expire.

Media Exposures

Media Advisory / Press Release. In the FY II, we have prepared eight Media Advisory or/and Press Release that were approved by USAID/DOC. They were published in the national media. The press releases were intended for the following Special Projects:

SP-Y2-EP-No. 2- Building InvestMacedonia’s Export Programs

- Macedonian Companies at the World’s Leading Automotive Industry Trade Fair
- Macedonian Automotive Supplier Companies on International South East Europe Automotive Suppliers Industry Trade Fair in Serbia
- Macedonian Wines in US

SP-Y2-EP-No.3 Study tour for transfer of international best practices in export promotion

- USAID Supports Sharing Export Promotion Best Practices

SP-Y2-IPI-No.4 Support the implementation of specific measures under the Program on Industrial Policy Implementation 2012

- USAID Supports the Program for Industrial Policy Implementation

SP-Y2-IPI No.1- Support strengthening of the coordinative and implementation capacities for industrial policy implementation

- The Government of the RM adopted the Action Plan for Implementation of the Industrial Policy Adopted.

In total 62 news articles were published in various media as result of these eight releases. The articles were translated into English by the interns and then compiled into Press Clippings (PC). The PC were shared with DOC and COTR on quarterly bases and posted on the project's website.

PLANNED ACTIVITIES

The primary activities of the Communications Officer during the next three months (October-December, 2012) will be as described:

- **Successfully complete promoting Project activities in economic media outlet “Kapital”**

Identify, prepare and publish three articles related to Industrial Policy, Export Promotion and Public-Private Dialogue. During the first week of October an article will be published about the recently completed export promotion activities, such as: “Automechanika Trade Fair in Frankfurt, Germany”; the three-day workshop “We are Learning Exports” and announcing the upcoming “Gartner” trade fair in United Kingdom for promoting Macedonian software companies.

- **Decision on establishing cooperation with “InSTORE/Macedonia”, specialized trade magazine for consumer goods**

In September, was organized meeting with “InSTORE” magazine, regarding identifying opportunities for cooperation. InStore is the first regional (former Yugoslavia) monthly trade magazine for consumer goods. It covers the whole industry from organized and traditional commerce, through manufacturers, distributors and logistics to other related activities. The Magazine is distributed free of charge by mail to over 40,000 addresses independent dealers, retailers, wholesalers, manufacturers, specialty shops, as well as ministries, agencies and academic institutions in Serbia, Slovenia, Croatia, Bosnia and Montenegro, and in Kosovo, Montenegro and Macedonia starting from October 2012.

The content of the Magazine includes 50% articles prepared by neighboring countries and the rest will be Macedonia-related articles. This form of the content gives valuable opportunity for the project to raise its awareness in the region, promote its funded activities, and in the same time to share and gain export market information. In Macedonia, “InStore” magazine will be distributed to over 4,000 subscribers, from which 95% are companies, and the rest are Chamber of Commerce, banks; academia. In addition to this, well-know professors and business journalists are partners/contributors of the Magazine.

- **Manage the High-Level Promotional web-portals event**

The IDEAS project is planning to organize a high-level promotional event to launch the three web-portals to make information more accessible to the private sector. The event is scheduled for 2nd November, in Skopje, as per Ambassador's availability.

The Minister Valon Saracini (MoE), Minister Ivo Ivanovski (MISA), and the Director Visar Fida (Invest Macedonia), will all be invited to speak. In addition, a representative of each of their respective institutions will make a 5-minute presentation on the portal they are hosting. Approximately 150 representatives of government institutions, ministries, the private sector, chambers of commerce, trade associations, and members of the international donor community will be invited to attend.

- **Prepare Project Success Story**

The Communications Manager will identify and develop a success story about a concrete project result, accompanied by colorful images, which will be disseminated through all project communications channels, such as press statements, website, and others.

- **Develop and Release Monthly Media Advisory and/or Press Release**

In cooperation with component leaders, the Communications Manager will prepare, obtain clearance, and disseminate media advisory and/or press releases related to certain project or/and activity. The articles will be distributed to all media; post them on the website, and post them on the USAID Mission website, or/and USAID's FB page.

- **Information Sharing with Regional Competitiveness Initiative (RCI)**

To expand regional recognition of the IDEAS Project and to broaden the audience, the Communications Manager started to share media alerts and other communication tools, such the Component Factsheets updated in the previous year with the Regional Competitiveness Initiative (RCI). The RCI's quarterly newsletter is an excellent vehicle for raising awareness of the IDEAS Project's goals and achievements and at the same time enables information sharing among USAID projects in the region.

- **Provide Regular Updates to the IDEAS Website**

We will continue to update the Project's website monthly, paying special attention to the quality of the visual content.

- **Develop IDEAS Conference and Training Calendar**

The USAID Office of Economic Growth has assigned responsibility for developing an IDEAS Conference and Training Calendar. The Communications Manager will continue to prepare this calendar in cooperation with component leaders and will provide monthly input on this calendar. Subsequently, all events shown on the calendar will be posted on the IDEAS Project website.

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

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

IV BUDGET

| | Total Budget for the period October 1 – December 31, 2012 |
|--|--|
| BAH Labor (Home Office and Local Staff) | \$ 128,032.90 |
| ODCs (operational costs) | \$ 21,960.00 |
| Special Projects | |
| Component A (FDI/DI/Aftercare) | \$76,000.00 |
| Component A (Export Promotion) | \$19,794.00 |
| Component B (PPD) | \$31,637.00 |
| PR/Marketing/Public Education | \$10,000.00 |
| Total of Special Projects | \$ 137,431.00 |
| Burdens, Fees, Overheads (estimated) | \$45,381.19 |
| TOTAL | \$ 332,805.09 |

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