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THE COMPETITIVENESS PROJECT

USAID's Competitiveness Project

FINAL REPORT

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Abbreviations and Acronyms

ACM	Automotive Cluster of Macedonia
B2B	Business to business
C&O	Communications and Outreach
CBI	Centre for the Promotion of Imports from developing countries (Dutch Donor)
CEED	Center for Entrepreneurship and Executive Development
CEFE	Competency based Economies through Formation of Enterprise
CIRKO	Center for Advanced Engineering Technologies
CMC	Certified Management Consultant
CMT	Cut make trim
CPD	International Trade Fair for Womenswear & Accessories
EAC	European Automotive Components
EDA	Economic Development Agent
FDI	Foreign Direct Investment
GCDF	Global Career Development Facilitators
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ICT	Information Communication Technology
KIMES	Kosovo Integrated Market Entry System
M&A	Merger and Acquisition
MCP	Macedonian Competitiveness Project
MGI	Macedonian Garment Industry
MOU	Memorandum of Understanding
NIJP	National Internship and Job Placement Program
OEM	Original Equipment Manufacturer
P&L	Profit and Loss
PMP	Performance Monitoring Plan
RFQ	Request for Quotes
SIPPO	Swiss Import Promotion Programme ·
SMEs	Small and Medium-Sized Enterprises
TTA	Textile Trade Association

I. EXECUTIVE SUMMARY

The five-year USAID/Macedonia Competitiveness Project (MCP) helped Macedonian companies and sectors respond to the opportunities and challenges of the global market with targeted interventions in market development, access to finance, workforce development, and innovation. Although the Project took place during the global economic crisis and its tepid recovery, MCP achieved remarkable outcomes, meeting or exceeding nearly all of its performance indicators. Key results:

- $145.7 million in new investment (domestic and international) through the Financial Platform and foreign investment facilitation
- $88.6 million in new exports through market linkage activities and facilitating investments in upgrades in facilities, products, technology and working capital
- 3,321 new job placements as a result of new investments, market opportunities, industry-led training, and MyCareer job placement support
- 2,615 internship placements through the MyCareer initiative

In addition, the project made sustained and transformative impacts on the Macedonian economy and the ecosystem of services to help companies become more competitive, including:

- *Financial Platform*—Developed a market for the commercial delivery of financial and business advisory services while facilitating $78.8 million in new financing and $118.2 million in new investment. The model has been adopted by other USAID projects in Eastern Europe, Africa and Latin America.
- *Innovative financial solutions*—Facilitated financial services to address gaps in access to finance, such as start-up finance (Business Angel Network, Innovation Finance Vehicle), equity finance, and working capital (e.g. factoring, leasing). Demonstrating their value to both firms and financial intermediaries will expand future use, generating new finance to drive growth and competitiveness.
- *MyCareer*—Changed the dynamic between students/job-seekers, educational institutions, and employers by introducing and institutionalizing internships and career development, while facilitating career development training for nearly 4,000 students. The initiative is now a legacy NGO providing internship placement and training services on a commercial basis, while career development activities are championed by the new Association of Career Counselors (ASK).
- *Industry-led education*—Facilitated training and employment of 85 students and jobseekers while showing how collaboration between the private sector and vocational/technical training providers improves students' employability while enhancing enterprise competitiveness.
- *Competency-based certification*—Trained and certified 116 professionals in globally recognized certifications such as Certified Management Consultants (CMC), Project Management Professional (PMP), and Global Certified Career Facilitator (GCDF), resulting in sustained improvements in the quality of locally available services. These certifications can now be facilitated by local organizations (e.g. MCA 2000, MyCareer and ASK, respectively).
- *Market linkage capacity*—Built the capacity of local associations like the Textile Trade Association (TTA) to develop relationships with European buyers and organize buyer visits, and helped individual companies improve market research and trade show preparation capacity.
- *Modern Practices and technologies*—Assisted at least 75 firms to adopt modern management practices and/or technologies. As these improvements boost performance, their "champions" will serve as role models, creating a ripple effect.

These sustained outcomes will be reinforced by MCP's partnerships with local counterparts, including local experts and consulting firms, industry associations, NGOs, educational and vocational institutions, financial institutions, government agencies, and of course, individual companies. The experience and capacity building gained through working with MCP has enabled many project counterparts to continue project activities—in either name or principle—beyond the scope of project activities.

This final report gives details on the strategies, approaches, special initiatives and activities implemented over MCP's tenure, and the resulting transactional and transformative outcomes as follows:

- **MCP Highlights by Component**: Key activities and outcomes across project components: light manufacturing, apparel, ICT, access to finance, workforce development and innovation.
- **Approach**: Overview of MCP's integrated approach, strategic results framework, project structure and operating principles.
- **Market Linkage and Capacity Building to Support Target Sectors**: Vertical component objectives and activities in light manufacturing, apparel and ICT.
- **Cross-cutting Activities**: Horizontal component objectives and activities in innovation, access to finance, workforce development and foreign investment.
- **Knowledge Management**: MCP communication and outreach activities, monitoring and evaluation
- **Performance Management Plan** (PMP)

II. MCP HIGHLIGHTS BY COMPONENT

Component	Key Activities	Key Outcomes
Overall	• Market linkage program targeting EU markets in automotive, tool and die, industrial supply, toys and apparel. • Certification support to meet critical industry requirements • Support for financing investment for new production capacity, business lines and working capital • Addressing workforce development issues with internships, career development and industry-led training. • Attracting and facilitating FDI • Facilitating commercialization of Macedonian innovations.	• $145.7 million in new investment • $88.66 million in new exports • 3,321 jobs created or placed • 2,615 internships completed • Project legacies in form of Financial Platform, MyCareer and Innovation Center
Light Manufacturing	• Supported 37 Macedonian manufacturers participation at 8 international trade shows • Organized B2B events resulting in Germany, Turkey and Slovenia • Organized visits by BMW, Mercedes, Opel, Magna and Webasto resulting in RFQ's to local companies. • Supply management training for manufacturers	• $29.8 million in new investment • $28 million in new exports • Creation of 333 jobs • 2 companies identified as potential suppliers to Volkswagen, 1 company as potential supplier to BMW. • 2 companies obtained ISO certification, 1 obtained TS 16949 certification, resulting in new export orders
Apparel	• Business to business (B2B) events and buyers weeks involving 32 buyers from UK and other EU markets. • Direct networking and transactional support with UK and EU buyers • Support for Macedonian (8 companies) participation at CPD Show in Dusseldorf • Capacity building support in productivity, design, patternmaking and fabric sourcing • Facilitating introduction of factoring as financing tool for apparel exporters	• Over $9.8 million in new exports • 702 new jobs created • $3.37 million in new investment via financial platform • 130 B2B meetings ,230 factory visits with more than 30 Macedonian manufacturers. • 20 buyers carrying out sampling and supplier screening activities. • Macedonian companies receiving first orders for their "Own Design" and labels • Orders delivered resulting from Buyers Weeks and CPD Fashion shows
ICT	• ICT workforce survey • Supported linkages between fX3X and Hollywood visual effects studio • Piloted revolving training fund with fX3X • Organized training and certification program for PMP professionals	• 4.9 million in new exports • 1.5 million in new investment • 28 professionals certified in PMP • 45 people employed using revolving fund • IT workforce capacity increased via 43 internships

Access to Finance	• Assisting 234 companies through process of packaging and submitting investment proposals. • Twelve matchmaking events to build awareness of available financial solutions • Financial facilitators trained and certified in CMC, PMP and Equity deal facilitation • Assisted Macedonian Development Bank to introduce factoring as a new financial product for export oriented companies. • Developed methodology for IT Appraisals in line with new Law on Valuations.	• 159 companies receiving $78.82 million in new financing, resulting in $118.2 million in total investment, 1,622 jobs and $58 million in exports. • New MBDP factoring instrument results in over $500,000 in new exports in its first 3 months. • Development of commercially-based financial advisory services market. • Financial Platform model adopted in Bosnia and Herzegovina, Georgia, West Africa and Ecuador
Workforce Development	• National internship and job placement program and MyCareer portal • Organized 4 E-career fairs • Employment preparation training for students and job seekers. • Employee mentorship training for employers • Training and certification of first generation GCDF consultants in Macedonia • Established Association of Career Counselors in Macedonia • Industry-led training and curricula development • MyCareer spun off as sustainable legacy NGO.	• 12,759 and 460 companies registered on www.MyCareer.com.mk • 2,612 internship placements and 425 permanent jobs facilitated through MyCareer • 28 GCDF Counselors certified (including 12 GCDF master Trainers) • My Career NGO has sold 116 packages worth $29,683 and collected $4,726 from selling individual services • Industry led programs completed with curricula changes in Debar and Kocani, facilitating new jobs for 40 students. • MyCareer earning $35,000 in revenue through sales of internship packages and other services
Foreign Investment Support	• Mobilized network of agents to develop FDI leads. • Serviced potential international investors • Supported pending logistics investment • Provided capacity building support for Invest Macedonia and Minister of Foreign Investment cabinet.	• 38 FDI leads generated from EDA network • 6 FDI leads reached final stage with a total investment of US$26.71 million and exports of US$8.9 million • $10 million logistics Park in advanced stages (negotiating with government)
Innovation Center	• Supporting pipeline of entrepreneurs with innovative high-potential projects • Established the network of Innovation Advisors (IAs) • Strengthened innovation eco-system • Established business angel network (BAN) • Supported development of Innovation Finance Vehicle • Working upon the self-sustainability of the Center	• Center established and fully operational • IC supported and coached more than 10 innovators to commercialize innovation • Innovation Development Fund approved by USAID and operational • Innovation Center operations sustained beyond scope of MCP

III. OBJECTIVES AND APPROACH

The USAID-funded Macedonia Competitiveness Project (MCP) was a five-year project, implemented by CARANA Corporation, designed to support USAID/Macedonia's *Strategic Objective 1.3 Accelerated Development and Growth of the Private Sector*, to improve the business environment, make private firms more competitive, and address unemployment and underemployment. MCP activities fell under *Intermediate Result 1.3.2 Private Sector Firms More Competitive* with key outcomes including:

- ***Market linkages*** with international companies resulting in new export deals and strategic partnerships involving joint business ventures, investment and knowledge/technology transfer.
- ***Financing***—debt or equity—for Macedonian companies aiming to improve profitability, competitiveness and market positioning through investments in capacity expansion, productivity upgrades and product development.
- ***Investment***—green field, brown field or joint venture—resulting in export-oriented job creation and the strengthening of Macedonian supply chains and industries.
- ***Adoption of modern technologies and practices*** and compliance with standards required to perform and be seen as credible partners.
- ***Investments in students and employees***, resulting in a workforce with upgraded skills and flexibility.
- ***Support for innovative entrepreneurs,*** resulting in new jobs, exports and investment.

Ultimately, these outcomes led to new or enhanced employment and Macedonian companies and sectors who are better able to respond to the ever-changing demands of the global economy. *See Figure 1.*

MCP's Integrated Approach

The Competitiveness Project implemented cost-effective, high-impact, and market-oriented activities within an integrated approach that considered sector-specific issues as well as those affecting Macedonia's overall ability to achieve export-driven growth. These came in two categories:

1. ***Vertical*** activities focusing on target sectors—fashion and design, light manufacturing and ICT—that build on market linkages, creating new business and investment and enabling Macedonian companies and supply chains to better compete within a given industry or market.
2. ***Horizontal*** or cross-cutting component activities benefitting multiple sectors and making Macedonia a more competitive place to do business. Includes access to finance, workforce development, and facilitation of foreign investment.

Figure 1: MCP's Integrated Market-led Framework

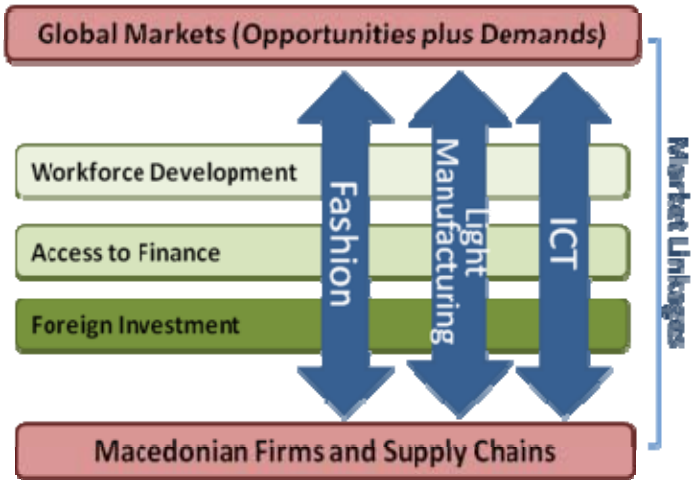
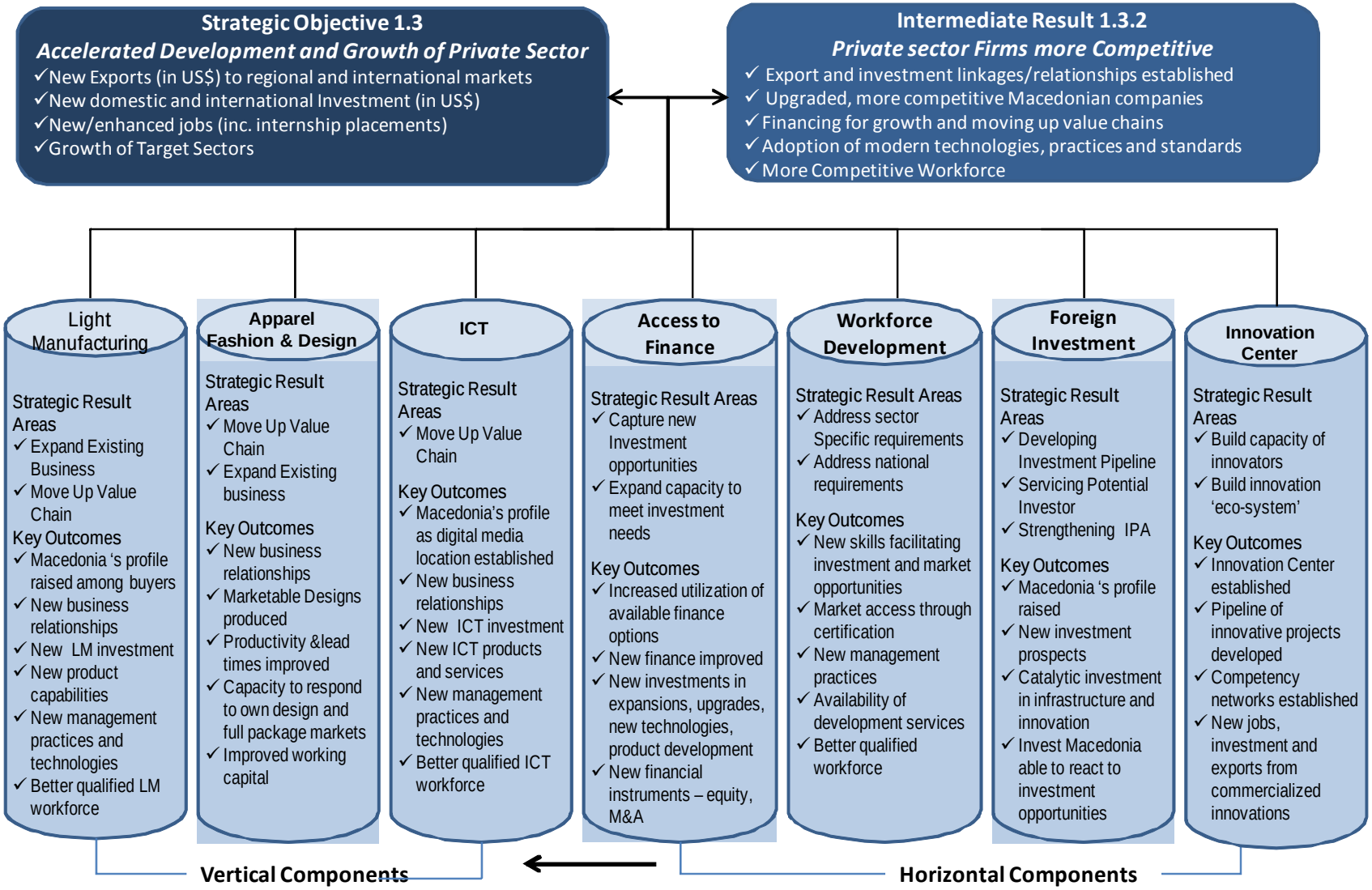


Figure 2: MCP Strategic Results Framework



The Project's management was structured to facilitate effective planning and implementation across vertical and horizontal components. While activities were managed by specific component teams, significant cross-fertilization increased cost-effectiveness and overall impact. Many beneficiaries benefited from both vertical (e.g. participation in trade shows) and horizontal (e.g. finance, training, and certification) activities. MCP's organizational structure, including key staff and implementing partners, is presented in Figure 3.

Economic Crisis and Long-term View

The Macedonia Competitiveness Project (MCP) took place during the global financial crisis and the tepid economic recovery. Between 2008 and 2009, demand fell sharply in most markets, including sectors covered by MCP, like apparel and light manufacturing. For a time, flat sales and job retention was considered a success, as many Macedonian companies faced work stoppages and lay-offs. At the same time, tight credit conditions made it difficult for companies to access the finance required for working capital or investments in upgrades. This market uncertainty, combined with global credit challenges caused many potential investors to put plans on hold. As the impact of the economic crisis waned and demand returned (albeit slowly) in 2010 and 2011, factories saw orders return and were able to start hiring orders again. That said, orders remained smaller than prior to the crisis, and prices remain depressed, making it hard for companies to be profitable and improve their financial position. In the last year of the project, the economic recovery continued, although the debt crisis in neighboring Greece and fear of a double-dip recession in Europe resulted in uncertainty and ongoing demand, pricing, and credit pressures.

Transactional vs. Transformational

MCP designed activities to be either ***transactional*** or ***transformational*** in nature and impact. Transactional activities focused on helping a company or supply chain realize a *short-to-medium term objective,* most often related to pursuing a specific market opportunity, whereas transformational activities were designed to have a *longer-term impact horizon*.

Transformational activities can take many forms, including using a market opportunity to drive change and upgrades within a company or sector, providing sustainable solutions to a critical market failure, or supporting investments and strategic partnerships that raise companies and supply chains to a new level of market engagement.

While transformational activities often required longer implementation periods, their impact on future export growth and competitiveness is more significant.

The economic crisis presented challenges that impacted MCP programming decisions, priorities, and results. During the first half of the project, when the effects of the economic crisis were particularly severe, it became clear that transactional outcomes (e.g. sales, exports, investment) would be negatively impacted over the near term. In this context, the MCP team took a long-term perspective on the way it approached project implementation and focused on activities likely to have transformational, or systemic, impacts that will outlast the recession—and help Macedonia and its companies surge as the economy recovers. Examples include:

- Helping companies make the financial and human resources to become more productive, develop new products, and build the capacity to reposition themselves within value chains;
- Addressing systemic workforce development issues;
- Investing in long-term market relationships to result in fruitful orders when economic recovery takes hold;
- Engaging investors and strategic partners to find lower-cost locations as part of their long-term strategy; and
- Encouraging a logistics park investment as a platform for new investment and industries.

This long-term view availed MCP the opportunity to focus on developing, piloting, and implementing high impact and scalable initiatives (e.g. financial platform and MyCareer) that produced accelerated results in investment, job creation and exports.

Building platforms

Within the context of its transformational perspective to enhancing competitiveness, MCP piloted and—when successful—rolled-out effective service packages to support Macedonian companies and supply chains as they responded to opportunities and challenges in global markets. These platforms were designed to be sustainable

and scalable, responding to emerging market opportunities and increased demand for services as the economy recovered. They included beneficiary cost share, intensive local partner input, and a framework for sustainability. Some piloted platforms were highly successful and remain as legacies of the project, while others were phased out or discontinued. In particular, the Financial Platform and MyCareer produced favorable outcomes (actual and pending) with millions of dollars in new investment (realized and pending), jobs and exports. A summary of these platforms and respective outcomes are provided in the table below:

Initiative	Description	Outcome and result
Financial Platform	Packaging bankable financing proposals for expansions, upgrades and strategic partnerships. Launched in FY 2008	Highly successful model resulting in $118 million in new investment. Adopted as a model for other USAID projects in Macedonia and elsewhere.
MyCareer	Internship and job placement initiative centered around online platform. Launched in 2009.	Successful model resulting in2,615 internship and 425 permanent job placements. Spun off as legacy NGO of the MCP project
Revolving Fund	Mechanism to deliver training programs to support new employment through trainee, company, MCP cost-share arrangement. Piloted in in FY 2010.	Pilot involving FX3X was successful, with 45 trained and employed in visual effects and training costs re-paid. Budget constraints limited further scaling.
Economic Development Agent (EDA) network	International network of professionals identifying opportunities for export, partnerships, investment on performance-based compensation. Launched in FY 2009	Some success in attracting investment and export deals. EDA from India continued to develop linkages for Macedonia after contract with MCP ended.
Certification Platform	Standards implementation and certification for firms to access new markets. Rolled out in FY2010.	3 companies were assisted in obtaining certifications, however budget constraints limited scaling.
CIRKO E-library	Portal facilitating RFQs from customers, and responses from tool and die suppliers. Initial version operational in FY 2009.	Facilitated $250,00 in exports, although technical issues in the portal managed by CIRKO limited long term impact and interest on part of users.
Marketing Platform	Outsourced export marketing support for manufacturers. Piloted in FY 2010	Pilot involving local export marketing company and three companies had limited results and was discontinued.

Deferred Market Linkage Program during Economic Crisis

Traditionally, competitiveness projects emphasize market linkage activities to drive sales and exports. Until mid-2009, MCP market linkage activities kept a low profile due to the global freeze on business, which would have limited outcomes for MCP market linkage investments. As MCP recognized changes in the economic climate and as buyers and potential strategic partners showed interest in rebuilding their production networks chains and supply networks, the Project engaged in an aggressive marketing program to raise the profile of Macedonia as a favorable business location and pursue market opportunities within MCP target sectors. MCP used a variety of market linkage tools, including support for a series of trade shows, business to business (B2B) events, and direct networking activities in apparel and light manufacturing in collaboration with local exporters

and industry associations. These market linkage activities gained momentum in FY2010, with a growing number of requests for quotes (RFQs), sampling, trial orders and production through the end of the project.

Integration of Vertical and Horizontal Activities for Seamless Implementation

MCP intertwined vertical and horizontal components throughout project implementation. Growth in target sectors depends on companies' ability to access: a flexible and skilled workforce; financing for upgrades, expansion or product development; certification services, fundamental infrastructure and innovations. Whenever possible, horizontal services and platforms were oriented to serve clients within the vertical components, enabling them to respond to a specific market opportunity, general market requirements, or "live lead." Table 1 demonstrates some of the linkages between horizontal and vertical components. Other examples are found within the full report.

Table 1: Intersections between Horizontal and Vertical Components

	Finance	Workforce	Foreign Investment	Innovation
Apparel	• Working capital for fabric sourcing, product development • Factory upgrades and equipment upgrades	• Internships to build skills • Training in production management • Curriculum improvements at vocational schools.	• Strategic partnerships to expand capacity or develop new product capacities	• Adoption/adaption of innovation makes sector more competitive
Light Manufacturing	• Factory and equipment upgrades • Product development • Working capital for new deals	• Internships to build skills • Specific training for certain technical tasks • Curriculum improvements at vocational schools • Competency-based certifications	• Partnerships to expand capacity or develop new capacity • Investments resulting in jobs and backward linkages in industry • Technology or service investments make sector more competitive.	• New innovations with potential to be manufactured at scale in Macedonia • Adoption/adaption of innovation makes sector more competitive • R&D capacity creates opening to add value
ICT	• Product development • Working capital for new deals	• Internships to build skills • Specific training for certain technical tasks • Curriculum improvements at vocational schools • Revolving fund for new employees • Competency-based certifications	• Partnerships to expand capacity or develop new capacity • Investments resulting in new jobs and backward linkages within industry • Technology or service investments make sector more competitive	• ICT innovations with potential global and local markets • Adoption/adaption of innovation makes sector more competitive • R&D capacity creates opportunity to add value

Emphasis on USAID Legacy Initiatives and Impacts

The Project viewed sustainability and legacy in two ways—first, in delivery of services or activities that continue beyond the scope of the project, and second, in sustained outcomes: addressing a market failure, spurring transformation within a company or sector, ongoing business resulting from an export or investment deal, and boosting capacity of firms or organizations to pursue their objectives. Development of MCP sustainability plans began in FY 2010, setting aside resources for execution of these plans over FY 2011 and

FY2012, with specific focus on sustainability of the MyCareer and Innovation Center activities, and the legacy of the Financial Platform. See Table 2 for an overview of sustainability and legacy efforts by component.

In the interest of sustainability and leveraging resources to maximize impact, MCP's activities also involved partnerships with private-sector associations, government, financial and academic partners, as well as project beneficiaries. When working in the target sectors, MCP preferred to engage business associations or a cluster of companies as implementing partners. In most verticals (and to some extent the horizontal components), MCP collaborated with donor partners to optimize use and impact of resources.

Table 1: MCP Sustainability Objectives and Responses by Component

		Project Responses
Apparel	• **Overall Legacy**: Firms with sustained exports to new markets • Firms moving into own design, full package • Continued market linkage activities sector	• Focused market linkages activities to facilitate business with a likely long-term horizon • Collaboration with TTA in MCP activities to its capacity to facilitate new export linkages
Light Manufacturing	• **Overall Legacy**: Firms with sustained exports to new customers and markets • Firms moving up value chain into OEM markets or offering new products • Continued market linkage activities • Improvement of skills within the sector	• Focused market linkages activities to facilitate business with a likely long-term horizon • Collaboration with ACM and Invest Macedonia activities to support market linkage activities • Industry-led education projects with business, municipalities and education institutions.
ICT	• **Overall Legacy**: Firms with sustained exports to new customers and markets • Firms moving up the value chain • Improvements in skills within ICT sector	• Support for revolving fund usage in ICT. • Introduction of PMP certification for ICT professionals
Finance	• **Overall Legacy**: Sustained exports and job creation through new investment • Functioning market for advisory services • Improved credit conditions for companies	• Use of performance-based contracting to encourage market-oriented approach to service delivery • Improving relationships between financial facilitators and financial institutions
Workforce	• **Overall Legacy**: Sustained improvement of Macedonian workforce • Continued delivery of internship/job placement services • Continued delivery of career development and mentorship training • Continued delivery of industry-led training	• Spin-off of MyCareer to become independent and commercially viable organization • Provide initial support to new Career Development Association to carry out GCDF training Shifting leadership of the WFD Task Force to the HR Development Association
Foreign	• **Overall Legacy**: Sustained exports and job creation as a result of new investment • Strengthened investment promotion efforts by Invest Macedonia	• Focused investment facilitation for investment deals likely to create jobs and exports • Continued collaboration with Invest Macedonia and Country Economic Promoters
Innovation	• **Overall Legacy**: Sustained increase in creation and commercialization of Macedonian innovations • Continued delivery of innovator support through Innovation Center and innovation eco-system within Macedonia.	• Creation of Innovation Center NGO and development of revenue models at early stage • Creation of competency networks in various technical fields to support innovations. • Support in creation of innovation development and innovation investment funds.

MCP collaboration with local implementing partners often involved in-kind services and cost-sharing with project beneficiaries. Cost-sharing is essential to not only stretch use of available funds, but to increase the likelihood of success and sustainability, as beneficiaries have a greater stake and ownership in the process.

Donor Coordination

Whenever possible, MCP coordinated activities with donors operating with similar mandates. Without this type of collaboration, limited donor resources are wasted and opportunities are lost through duplication. MCP ensured intensive collaboration with GIZ, SIPPO and CBI in market linkage activities, and collaborated with the EU commission and Austrian Development Agency (ADA) and other activities. MCP partnered with USAID's Ag-Biz Project in access to finance and helped generate opportunities in fruit exports, and with USAID BEA to reform internship legislation. The Project coordinated with a World Bank project to assist development of an export promotion strategy for Invest Macedonia. We estimate that collaboration leveraged at least $150,000 in project activities—particularly in market linkages.

Learning Process

As initiatives were piloted or rolled-out, MCP used project monitoring, engagement with the market, implementation partners and beneficiaries to identify changes in methodology or practice to improve effectiveness, scale-up results and achieve sustainability. The learning process also helped staff prioritize project investments, steering resources towards those initiatives with potential for high impact. For example, increased funds were allocated to the Financial Platform as the initiative gained traction and started to produce results. Later, as the model was proven in the market, MCP adjusted its compensation model to focus on priority sectors and types of investments, while reducing the amount paid. This contributed to scaled results, plus a more sustainable outcome, as cost-shares from beneficiaries increased.

In some cases, this learning process meant MCP phased out activities that did not demonstrate beneficiary demand. For example, a pilot of the Marketing Platform, in which companies outsourced export marketing activities to a local marketing firm, achieved limited results. As a result, MCP chose not to extend the pilot.

MCP partners also benefited from the learning process. By working closely with the Project, a variety of partners were able to internalize lessons to enhance their own capabilities and strategies beyond the scope of MCP. For example, the Textile Trade Association's (TTA) work with MCP has helped it become more effective in matchmaking and facilitating relationships with European buyers. Financial service providers involved in the Financial Platform became more effective as a result of accumulated experience of working with multiple clients, as well as MCP-supported training programs (e.g. CMC, PMP). Financial institutions used engagement with the project and its financial facilitators to become more responsive to the needs of companies (e.g. Macedonian Development Bank offering factoring as a new working capital solution). Educational institutions grew to value the role of internships and career development in preparing their students to join the workforce.

MCP communicated the outcomes of its learning through public events (e.g. financial platform matchmaking, Workforce Development Working Group), newsletters and staff participation in the local media.

IV. VERTICAL ACTIVITIES: MARKET LINKAGES AND CAPACITY BUILDING IN TARGETED SECTORS

Strategic Approach: MCP Vertical Program

Using a market-led approach to helping firms and sectors identify and pursue market opportunities, MCP implemented a range of market linkage and capacity building support for companies within its target sectors, or "verticals": light manufacturing, apparel and information and communications technologies (ICT).

MCP's market linkage and capacity-building activities focused on two primary strategic areas:

1. ***Expanding existing business***—Enable companies to build the capacity and/or customer base to expand and/or better compete within their existing lines of business. Initiatives include market linkage support to identify and engage new clients within an existing product or service segment, taking steps to improve performance against important buyer criteria (e.g. improving productivity to reduce costs, or investing in expanded production capabilities).
2. ***Repositioning firms and clusters to penetrate higher value market segments***—Help companies capture new market opportunities and greater value with enhanced products, services and capabilities (e.g. design, supply chain management, offering a full package of services). The objective is to enable Macedonian companies and clusters to compete on the basis of differentiated services and responsiveness to market requirements. In most cases, activities in this result area are long-term in nature, and will often require larger investments by companies, MCP and other partners.

In some cases, MCP helped client companies in target sectors achieve both objectives simultaneously. Expanding existing business is essential to ensure the survival of the company and provide the cash flow and capacity for longer-term investments in developing differentiated and higher-value products and services. Examples of sector-specific objectives and activities under each strategic area are presented below.

Rationale for Vertical Program Activities

Development Context

Achieving sustained economic growth in Macedonia will require a significant increase in both volume and value of exports. To date, advances in expanding exports have been limited. Among many reasons for this lack of progress, two issues play a large role.

First, there exists a ***two-way information gap*** between Macedonia and international markets. While there are potential opportunities to pursue, many Macedonian companies are 1) unaware of these opportunities 2) lack the exposure or contacts to establish relationships with partners, or 3) do not sufficiently understand the steps they must take to be considered reliable partners. From the other side, Macedonia is "off the map" in the eyes of many potential buyers and partners, keeping it off the list of potential sourcing and investment locations.

Unfortunately, narrowing the information gap is not enough. Even if a market opportunity is identified and an actual business relationship established, many Macedonian companies lack the *capacity to respond to market demands* at a time when buyers expect more in terms of short lead times, higher quality at the same prices, added value through innovation, design and application of modern technologies and practices. The gaps between what buyers want and what Macedonian companies can offer is a pressing impediment to converting opportunities into completed deals.

MCP Response

MCP's Vertical Program addressed both of the problems mentioned above. First, by providing effective venues to directly engage buyers and investors to develop relationships and a better market understanding. Second, by using market-led capacity-building interventions that help Macedonian companies and supply chains meet market challenges and capture opportunities.

Market linkage support

MCP's vertical components involved an ambitious market linkage support program to facilitate engagement with potential buyers: strategic partners and/or investors in target markets primarily, but not exclusively, in Europe. Market linkage activities aim to:

- *Raise Macedonia's profile as a business location* in the eyes of international buyers and investors by creating awareness of what Macedonia can offer, both as a country and within specific sectors.
- *Capture viable business opportunities* through effective market interactions by increasing firms' and clusters' exposure in international markets, building credibility with potential partners, establishing new market channels and facilitating new business relationships so that contacts become deals.
- *Guide implementation of effective capacity-building activities* by using market engagement to identify acute gaps between what the market requires and what Macedonian companies and sectors must do to capture specific market opportunities, then designing market-led interventions to target those gaps.

These outcomes will be achieved through a variety of market linkage tools:

1. ***Sector-Specific Lead Generation***—Activities to capture opportunities within MCP target sectors. These activities not only identify and pursue leads in existing business lines, but also look for opportunities for firms to reposition themselves within a value chain or pursue a new market segment altogether.
2. ***Cross-Sector Lead Generation***—Activities that cultivate export relationships across multiple sectors. These often cast a wide net such as MCP's EDA network (see "Foreign Investment Promotion" below) to explore a range of opportunities and concepts in a cost-effective manner, or market a range of Macedonian products and services such as the marketing services platform or joint business center based in Kosovo.
3. ***Transaction Support***—Getting a business lead is often just the start. MCP is present through the transaction process, offering both MCP clients and their potential business partners services to reduce the risk of pending deals or troubleshoot obstacles to successful completion. In some cases, transaction support will go further to involve technical assistance and pivotal capacity-building assistance (see below).

Details on specific market linkage tools and their application can be found in Table 1.

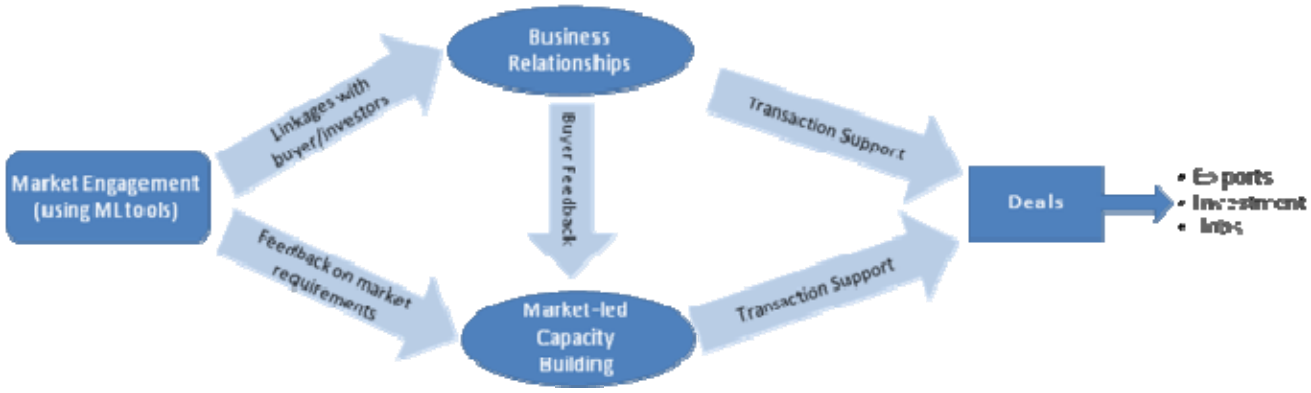
Capacity Building

In many cases, efforts to pursue market opportunities—whether a live lead or target market—would not be successful without some level of assistance to address companies' ability to access markets and respond to buyers' demands. This includes work in:

- product design;
- operations and productivity improvements;
- quality assurance and standards compliance;
- skills development; and
- use of modern technologies and management practices.

Whenever appropriate, MCP linked capacity-building support to a "live" market opportunity (e.g. a deal "in the works"). MCP delivered this capacity-building assistance through the various platforms implemented by the horizontal components (e.g. Financial Platform, MyCareer) as these are a cost-effective means to provide assistance to firms. MCP also offered high-impact, tailored technical assistance packages to groups of firms or individual companies willing to share a larger portion of the cost. Table 2: Key Capacity Building Tools for MCP Verticals gives more detail on specific types of capacity-building activities.

Figure 4: Translating Opportunities into Deals



While executed separately, MCP's vertical market linkage and capacity-building activities are designed to be complementary and provide a comprehensive means to identify, pursue and capture specific leads. Figure 4: Translating Market Opportunities into Deals shows how deals are forged by combining capacity-building activities with lead generation and transaction support.

Evolution of Vertical Activities and Summary of Results

In FY2009 and, to some extent, FY2010, MCP investments in vertical activities were limited to a series of capacity-building activities with minimal market linkage activities. With companies, buyers, investors, and financial institutions everywhere in "freeze" mode, it was unlikely that these efforts would result in sufficient outcomes to justify larger investments in vertical activities. In FY2010, it became clear that the market was stabilizing and undergoing a gradual recovery. The Project took advantage of the improving economic environment by carrying out a series of B2B, trade shows and direct networking activities that have resulted in a growing number of **new exports, investments, strategic partnerships, employment generation** and **companies and supply chains better able to compete** in the global economy. Key outcomes within MCP target sectors include:

- ***Light Manufacturing***: $28.9 million in new investment, $28 million in new exports, 333 jobs created
- ***Apparel:*** $3.37 million in new investment, $9.8 million in new exports, 702 jobs created
- ***ICT***: $1.5 million in new investment, $4.9 million in new exports, 45 jobs created.

The sections below present details of specific approaches, activities, and achievements under each of the MCP target sectors.

Table 2: Key MCP Vertical Component Market Linkage Tools

Lead Generation (Sector Specific)	
Trade shows	• Engage market face-to-face to develop new contacts, while developing firsthand knowledge of market requirements and competition • Raise the profile of Macedonia as a sourcing and investment location, change perceptions, awareness of opportunities • Note: Trade shows not only result in direct orders, but also produce leads and relationships that can be further developed through B2Bs, buyer trips or virtual matchmaking. • Effectiveness enhanced if 1) meetings with target buyers/investors arranged prior to the show; or if 2) companies repeatedly attend shows, which buyers see as a sign of credibility
Industry-focused market specialists/ agents	• Individuals hired based on their network in an industry, or ability to "open doors" • Consultants identify potential targets based on capabilities within Macedonian sectors or client companies and engage those targets directly • Consultants also assist transaction support in pre-tradeshow meetings, B2B events, buyer trips, follow-up and transaction troubleshooting
International industry associations	• Tapping networks found within international business associations to identify potential buyers, investors and strategic partners within a target industry, while obtaining better insights into industry and technology developments
Lead Generation (Cross-sector)	
Economic development agents (EDAs)	• Individuals/companies with a network of business contacts across multiple sectors • EDAs paid on success-fee basis to conceptualize and pass leads to MCP • Note: EDAs provided with information on target industries, but served multiple sectors
Transaction Support	
Virtual matchmaking	• Use contacts made through trade shows and networking activities to further engage market targets. Learn more about what they need and present viable partnership options within Macedonia. Can be push (MCP-driven) or pull (target asks MCP for info) • Offer support to buyers/investors and/or local partners to reduce transaction risk, troubleshoot
B2B events and buyers' trips	• Once buyers'/investors' interest is confirmed via post-trade show engagement, networking and/or matchmaking, organize trips for individual buyers/investors or groups of targets within a given industry/geographic market • Involve specific matchmaking based on buyers'/investors' requirements and capabilities of local companies
Follow-up and troubleshoot transactions	• Use market info to identify capacity gaps/potential obstacles, find solutions • Working with Macedonian companies, international partners to keep leads "warm" • For Macedonian partners: making sure responses are timely and professional; help gather information related to buyer/investor request or prepare an offer; education and insight on international business norms • For international partners: acting as liaison (when appropriate) to address misunderstandings; providing information on Macedonian operating environment; assisting in due diligence; serving as neutral partner to reduce transactional risk

Table 3: Key Capacity-Building Tools for MCP Verticals

MCP Horizontal Component Services Linked to Vertical Activities	
Financial Platform	• Package proposals to banks and other financial institutions aimed at financing investments in expansion, facility, equipment and technology upgrades, product development, etc. • Facilitate strategic partnerships with company valuations and equity proposals
Revolving fund and industry-led training programs	• Design/support delivery of training programs that address skills gaps in target sectors • Rapid design and support delivery to address skills gaps impeding a potential deal • Note: Programs can be based in vocational or educational facilities, or in-house
Foreign Investment Support	• Identify and engage potential investors or strategic partners interested in partnering with Macedonian companies through joint ventures or establishing their own operations • Attract infrastructure investment likely to catalyze investment/export growth • Support Macedonian and international partners through the investment process
Certification platform	• Support for obtaining certification from accredited body necessary to access new markets and new customers
Tailored technical assistance	• Tailored technical assistance designed around specific market opportunity/live deal • Delivered on a cost-shared basis • Delivered to individual companies (higher cost share) or groups of companies

Light Manufacturing

Light manufacturing is traditionally an important source of GDP, exports and employment in Macedonia, with activities including automotive components, furniture, metal-processing, rubber and plastics production, tool and mold making, and product assembly for domestic and international customers. Many Macedonian manufacturers used to be part of larger supply chains within the former Yugoslavia. Since the break-up of Yugoslavia, the sector has struggled to establish linkages with European customers. A number of companies have taken steps to modernize and develop capacities to better match market demands, however there is an ongoing need to invest in upgraded technologies, product development, productivity, and supply chain management practices to be competitive in a sector where cost, quality and lead time are critical to securing a new customer.

Key Activities	Key Outcomes
• Supported 37 Macedonian manufacturers participation at 8 international trade shows • Organized B2B events resulting in Germany, Turkey and Slovenia • Organized visits by BMW, Mercedes, Opel, Magna and Webasto resulting in RFQ's to local companies • Supply management training for manufacturers	• $29.8 million in new investment • $28 million in new exports • Creation of 333 jobs • 2 companies identified as potential suppliers to Volkswagen, 1 company as potential supplier to BMW • 2 companies obtained ISO certification, 1 obtained TS 16949 certification, resulting in new export orders

The economic crisis hurt Macedonia's manufacturers. Many companies had flat or negative sales, with some work stoppages and layoffs. Nevertheless, the Competitiveness Project viewed the shake-up of global supply chains as an opportunity to position Macedonia as a low-cost, competitive sourcing and investment location in close proximity to Europe's major markets. In this regard, MCP worked with the Automotive Cluster of Macedonia (ACM), CIRKO-MES, Ministry of Economy, GIZ, SIPPO and other partners to support market linkage and capacity-building activities aimed at helping light manufacturing companies reposition themselves in the changing global economy. Efforts targeted both end-products and sourcing (or subcontracting) exports in Balkan, Western European (primarily Germany) and Eastern European markets. Most activities focused on the automotive/tool and die segments, although services were provided to companies involved in metal processing, furniture, and hardware/construction materials.

Most activities under light manufacturing focused on *expanding existing business*, with a focus on 1) raising the profile of Macedonia as a location outsourcing/subcontracting production; and 2) helping companies develop relationships with medium and large European buyers. Examples include a series of automotive/tool and die trade shows in Germany (a key market for Macedonia), support for Macedonian participation in business to business (B2B) event in Serbia and Turkey; support for a number of buyer visits; and joint sales efforts for the furniture sector. In addition these market linkage activities, MCP supported a variety of capacity-building activities, including helping companies obtain essential industry certifications to *penetrate high-potential markets* by improving workforce skills (via WFD component), facilitating investments in expansions and new

equipment (via the Financial Platform), and raising efficiency and productivity via supply chain management training.

Automotive/Tool and Die Activities

Capacity building for ACM

The Competitiveness Project worked with the automotive industry to establish the Automotive Cluster of Macedonia (ACM) and provided capacity building support to help the organization in its early days. This included administrative support (via an intern), assistance in developing proposals for funding from other donors, assisting efforts to expand members' awareness of market conditions and requirements, fostering collaboration within the sectors and collaboration in market linkage activities (see below). With MCP support, ACM developed critical experience in developing linkages with European buyers and played a leading role in B2B efforts, buyer visits, and trade show coordination.

Participation at Trade Fairs

MCP collaborated with ACM, GIZ, and SIPPO to organize Macedonia Pavilions for eight trade shows: Hannover Messe (2010, 2011), European Automotive Components (EAC) Stuttgart (2009, 2010, 2011), Automechanika Frankfurt (2008, 2010) and Euromold Frankfurt (2009). Participation in these key events promoted Macedonia as a sourcing destination, with repeat presence conveying an image to potential partners that Macedonian manufacturers were serious and credible suppliers. The Pavilions included multiple booths with participating firms, as well as information booths staffed with MCP and ACM staff who offered broader information on where Macedonia fits within visitors sourcing interests. These activities were not expected to result in immediate deals—which is not realistic in most sourcing shows—but rather initiate contacts that could be nurtured afterwards. Also, these shows were important in providing participating firms with up-to-date industry information, allowing them to better plan their future strategies.

Macedonia Automotive at EAC Expo 2011

Macedonia Pavilions at EAC Expo 2009, 2010, 2011— MCP organized and provided financial support for three Macedonia Automotive Pavilions at the EAC Expo in Stuttgart, Germany. EAC takes place along three other automotive shows (dynamics, engines, and testing) whose exhibitors are potential customers for Macedonian companies. Macedonian participation raised the profile of the country's automotive sector amongst OEMs, and Tier 1 and 2 suppliers, while giving individual exhibitors the opportunity to network with potential buyers, strategic partners and/or investors. MCP collaborated with GIZ to share the cost of the pavilion.

For each show, MCP funded booth space, organized the design and construction of a professional Macedonian Pavilion, managed the design and production of company banners and promotional sheets, pre-arranged meetings between exhibitors and buyers at the show, and provided networking and exhibiting support at the show through MCP staff on-site. Over the three shows, exhibitors developed relationships with more than 100 new business contacts, of which 20 resulted in follow-up discussion and/or trial orders.

> "It is difficult to enter the system of a foreign company when you are in a country not known for its automotive industry. That is why I believe that joint presentation of the Macedonian companies and the entire Macedonian industry is very good…we are presenting ourselves in front of foreign companies as a country with all the necessary capacities and know-how needed for successful future cooperation, as well as for gaining distinction for the Macedonian manufacturers within the automotive industry,"
>
> *Tomislav Zdravkovski, TE-TE Plast*

The third and final show supported by MCP demonstrated the value of participating in trade shows year after year. At the EAC 2011 show. the Macedonia Pavilion was visited

by a key BMW procurement representative for Eastern Europe and a EU procurement officer from Denso (Tier 1 supplier to Japanese OEMs) who stated that the Macedonian Pavilion was one of their main reasons to visit the fair. BMW is now working with one of the Macedonian suppliers to include them in their supply chain. MCP and ACM coordinated a visit to Macedonia. One month after visiting the 2011 Macedonian Pavilion, a representative from Webasto (large parts company) traveled to Macedonia to visit six Macedonian suppliers (details can be found in the next section).

In addition to marketing Macedonia, MCP staff engaged visitors and exhibitors at the show to learn more about present market conditions, and how Macedonia could better position itself in the eyes of buyers and companies looking to invest in production in new locations. For example, in 2011 only a few Macedonian automotive companies taking part in the show had TS-16949 certification, a critical requirement for many automotive buyers. After number of buyers visiting the Pavilion indicated the need for TS 16949, MCP initiated a program supporting manufacturers interested in developing the requisite systems of processes needed to comply and become certified.

Macedonia booth at Hannover Messe 2011

Macedonian Pavilions at Hannover Messe 2010 and 2011—In collaboration with the Swiss donor SIPPO, MCP organized Macedonian Pavilions in the Industrial Supply section at Hannover Messe (**www.hannovermesse.de**) a leading trade fair for industrial technologies and component sourcing. More than 4,800 exhibitors from 64 countries and around 150,000 visitors (one in four from abroad) attend each year. In addition to offering a venue for developing new business relationships, Hannover Messe is also an ideal place to obtain the latest industrial know-how, innovations, and trends.

MCP and SIPPO shared the cost of the Pavilion Prior to the show, MCP provided companies with market research support, using the Hoovers online database to prepare marketing reports for participating companies, helping them reach out to potential clients and assisting them in using the show's B2B matchmaking portal, which led to a number of meetings at the show. MCP provided on-site support at the show and promoted Macedonian manufacturing to interested visitors (even if a possible match was not at the show).

Six companies (TE-TE Plast, Zavar, Svemek, Zeleznik (DIPO), and Laminati) participated in Hannover Messe shows and benefited from meetings with over 130 meetings with companies, agents and organizations. Many of these contacts resulted in RFQs, offers and pre-production testing series between the different parties. For example, Laminati (only producer of composite materials in the Balkans) received orders from a Chinese buyer and entered into discussions (with RFQs, samples and test orders) with 17 other prospective customers. Furthermore, an interaction between an MCP representative at Hannover and a representative from Knorr-Bremse resulted in a buyer visit to four Macedonian manufacturers, which was followed by RFQs.

In addition to support for the Macedonian Pavilion in the Industrial Supply venue, MCP provided financial support for Rade Koncar-Kontaktori i Relei's participation at Hannover at a separate booth. Due to their specific products, it was more appropriate that they be included in the electro industry part of the show. Their participation at the show resulted in 84 meetings with potential clients from Europe, India, South America, Australia and Africa, and follow-up meetings with existing customers. After the fair, they continued to build relationships with 25 prospective buyers.

Automechanika Fair 2008 and 2010—In coordination with GIZ and InvestMacedonia, MCP supported of Macedonian manufacturers at Automechanika, a leading trade fair for the automotive industry with 4,000 exhibitors annually. For the 2008 show, MCP engaged a marketing specialist to help prepare exhibitors and arrange meetings with potential buyers and strategic partners. Eight companies participated, five as observers and three as visitors. MCP assisted companies in arranging more than 50 meetings resulting in a number of leads for new business. Following successful showings at

Automechanica 2008, the two largest Macedonian aftermarket automotive parts producers (car battery producer Vesna SAP from Probistip and clutch producer Ruen IT from Kocani) exhibited at Automehanika 2010 with MCP support.

Participation at Euromold— In 2009, MCP organized a Macedonian booth at the Euromold Show in Frankfurt, Germany. Held every December, Euromold, is the largest tool & die exhibition in Europe and annually attracts over 1,300 exhibitors from 37 countries and approximately 50,000 visitors. Three companies—TE-TE Plast, MK Mold and AMAK SP—exhibited in the "Macedonia Tool & Die" booth and engaged a range of target customers, including: (1) larger Western European tool & die producers for outsourcing opportunities; (2) European manufacturers in need of mold production services; and (3) final product (plastic parts and non-ferrous metals injection) production. The participating companies also observed new innovations in the sector and met with a number of raw material suppliers who were also at the show.

> "MAGNA is looking for potential suppliers from Southeast Europe. As I have seen, Macedonia has potential; it has a good location, a competitive market and qualified workforce. We are interested in companies that produce automobile parts, aluminum and plastic parts, electronic equipment. I am hoping for a collaboration with some of your companies."
>
> *Marek Trstan*
> *MAGNA Sourcing Director for Southeast Europe*

Direct Networking Activities

As multiple appearances at shows like EAC raised the credibility of Macedonia as a sourcing location, MCP supported more direct networking opportunities in the form of business to business (B2B) events and buyer visits:

Business to Business Events—In 2010, MCP supported a B2B involving the Turkish Automotive Association (TAYSAD), ACM, Invest Macedonia and GIZ in Turkey. This event resulted 20 B2B meetings between for Macedonian companies and Turkish counterparts and increased awareness of opportunities for Turkish collaboration and/or investment in Macedonia). MCP supported participation of four Macedonian manufacturers (TE-TE Plast, Ein Sof, STD, Eurotechnika) and ACM at the Bavarian Innovation and Cooperation Initiative for the Automotive Suppliers Industry *(*BAIKA) B2B in Lindau, Germany. Finally, MCP faciltiated a visit by tool-and-die manufacturer TE-TE Plast and automotive software programmer Ein-Sof to Volkswagen's International Supplier Fair in Wolfsburg, Germany. Both companies met over 30 suppliers working with VW who could become customers.

Buyer Visits—As multiple appearances at shows like EAC raised the credibility of Macedonia as a sourcing location, MCP focused on more direct networking and matchmaking activities targeting smaller numbers of potential buyers whose sourcing needs were closely aligned with Macedonian capabilities. MCP collaborated with ACM and other partners to organize 12 B2B events over three years, resulting in five new business relationships. Throughout 2011, MCP facilitated visits by sourcing and procurement managers from Knorr Bremse, Webasto, Magna, Hella, BMW, and Volkswagen. At the end of MCP, some of these buyers were in final stages of negotiations for orders from Macedonian suppliers.

Certification Platform

As part of its market-led capacity building activities, MCP offered support to companies wishing to meet industry standards to access new and higher value market segments by sharing the cost of the audits needed to be certified. With MCP support, TE-TE Plast obtained an integrated management system (ISO 9001/14001) certification as a step towards achieving TS 16949. **MZT EKA** and **RUEN IT** obtained QMS (Quality Management Systems) ISO 9001:2008 certification. Ruen IT also trained internal auditors for ISO TS 16949 (management system standard required for the automotive industry) as a step toward TS certification. In all cases, certifications were crucial for engaging new exports.

Implementation of Supply Chain Management Program in Ruen IT

In 2011, MCP designed and delivered a practical educational program for business executives in supply chain management in an effort to enhance competitiveness by adopting practices that reduce costs while increasing sales, efficiency and customer service. The program was provided through four modules and eight working days on-site at Ruen IT's facilities in Kocani and involved 20 representatives from Ruen, Rade Koncar-Kontaktori I Relei, Laminati- Prilep, TE-TE Plast, Zavar and Progres Komerc. As part of the training, participants developed project to reduce inventories, lead times and capital assets utilized to serve customers in their own companies, allowing them to permanently reduce their product cost structure, as well as increase profitability through product differentiation, customer responsiveness, modularization and supplier collaboration. If implemented, the ideas presented by the participants would result in average cost reduction of 20 percent, increase of sales and profit by 20 percent and 25 percent respectively, reduced inventory of finished goods by 10 percent, and 20 percent increase in productivity.

> "The supply chain management training organized by USAID Competitiveness Project was an outstanding program in terms of content and organization. It gave us valuable insights of our company's operations looking at them from a higher level and another perspective. We got many ideas in terms of improvement plans, and we think there will be enough possibilities to implement them, thus creating higher sales while reducing costs of production and operations."
>
> *Irina Gapik*
> *Marketing and Communications, RUEN IT*

Design for upgraded CIRKO e-library and web portal

MCP assisted CIRKO to create a web-based library for the tool-and-die industry, designed to help 75 member companies (primarily SMEs) provide faster and more accurate responses to potential buyers' RFQs. As a result, a number of companies were able to provide quick and high-quality responses to potential customers' requests, thus achieving tool exports of more than 250,000 euros to France, Sweden, Germany, and Russia. In addition, CIRKO's Slovenian counterpart, TECOS, used the e-library to promote Macedonian companies in Slovenia and to match Slovenian companies with Macedonian counterparts.

Activities in Other sub-sectors

Market Linkages in the Furniture sector

Although small, Macedonia's furniture industry has high growth potential. MCP market research revealed that Macedonian furniture producers compete well in domestic and regional markets, with Greece and Kosovo in particular, followed by Serbia, Slovenia, and Croatia. During the first half of the project, MCP worked with the Wood Processing Cluster, Ministry of Economy, and other partners to help furniture manufacturers carry out joint market linkage activities targeting regional buyers and retailers. Activities included subsidizing the costs of sales agents and engaging an aggregator/joint who could represent and market products from multiple companies at one time, targeting the Balkan region, which resulted in $100,000 in new sales. MCP also supported a the first International Wood Industry Conference in Macedonia during the Skopje Furniture Fair in March 2010, along with a B2B event with companies from Macedonia, Slovenia, and Kosovo.

Macedonian exhibitor at trade fair

Participation of Demastil at Nurnberg Toy Fair 2010 and 2011

Demastil, located in Kriva Palanka, is the only producer of children's toy balls and professional balls in the Balkan region. Their main market is children's balls made of PVC, which they export globally. MCP supported Demastil's participation at the Spielwarenmesse International Toy Fair in Nurnberg, Germany in 2010 and 2011.

"MCP's support helped us better present our products at the fair. The new excellent look contributed to the brand of our company and we received positive reviews from our buyers….It is important to note that USAID also helped us with market research. In some cases they assisted with direct linkages with certain companies. We think USAID's interest in supporting export-oriented companies should be an example and accepted as key point of interest for the economic strategy of Macedonia."

Dejan Simonov,
Manager, Demastil

MCP shared the cost of the booth, and carried out market research for the company to identify potential clients, with the EU, Russia and the U.S as target markets. During the 2010 show, Demastil met with more than 200 companies and returned to Macedonia with US$1 million in new export orders. Responding to demands from 2010 show, Demastil purchased licenses for children's cartoon characters which it expects will significantly increase sales in the future.

Marketing Services platform

Many light manufacturing companies in Macedonia lack the capacity and resources to invest in the export promotion and marketing activities necessary to grow their businesses—even though many have quality products and already fulfill the standards for exporting to the EU. While larger companies often have the financial resources for a marketing team, smaller companies often rely on owners or managers—who are often not trained in marketing—to carry out the marketing function.

To respond to this challenge, MCP piloted a marketing services platform to help smaller companies strengthen their export promotion capacity by outsourcing marketing, promotion and sales activities to an export marketing firm. The concept aimed to model a service platform similar to the financial platform (see access to finance section) where a pool of marketing facilitators would offer companies short-term assistance marketing their products (directly or indirectly), while building an internal marketing capacity. Under the pilot project, marketing costs were shared by MCP, the client company and Macedonia Export (a local export marketing company). Macedonia Export expected to recoup some of their costs through commissions from successful sales.

Apparel

Apparel manufacturing is a vital plank of the Macedonian economy, providing more than 40,000 jobs or about one third of the total workforce in manufacturing sector. Its average annual exports exceed $500 million or 22 percent of total exports. It has a tradition supplying a significant part of the former Yugoslavia market as well as many major brands and retailers throughout Europe and is well known for its quality products. For the last decade, the industry has suffered a slow decline in both exports and employment, exacerbated by the economic recession in key export markets. Macedonia struggles to compete in its main type of production—cut make trim (CMT)—when compared to other production locations (e.g. Asia), except in market segments where quality and lead time are as essential as price. Many companies in the Macedonian apparel industry are looking to move upstream, into fully factored, full package, private label, or own design/brand manufacturing where companies can add more value to customers and/or capture higher margins by taking on new roles in the design and production process.

Key Activities	Key Outcomes
• Business to business (B2B) events and buyers weeks involving 32 buyers from UK and other EU markets. • Support for Macedonian (8 companies) participation at CPD Show in Dusseldorf • Capacity building support in productivity, design, patternmaking and fabric sourcing • Facilitating introduction of factoring as financing tool for apparel exporters	• Over $9.8 million in new exports • 702 new jobs created • $3.37 million in new investment via financial platform • 130 B2B meetings and 230 factory visits with more than 30 Macedonian manufacturers. • 20 buyers carrying out sampling and supplier screening activities. • Macedonian companies receiving first orders for their "Own Design" and labels • Orders delivered resulting from Buyers Weeks and CPD Fashion shows

MCP collaborated with the Textile Trade Association (TTA), CBI, SIPPO and GIZ to support leading apparel manufacturers in efforts to expand and diversify manufacturers' export customer base—vital for the survival of the industry—through market linkage and capacity building activities.

MCP apparel initiatives focused on helping Macedonian companies *reposition to penetrate higher value market segments*. Like many, MCP believed that companies need to limit reliance on CMT production and take the steps necessary to offer customers full package services (where the buyer sends a design and the manufacturer does the rest), private label (where buyer purchases clothes designed by the manufacturer but uses the buyer's brand), and own design/brand. Since it will take time for apparel manufacturers to replace CMT as their core business with other production models, MCP also supported efforts to *expand existing business*, mostly through the organization of a large B2B in Skopje and multiple buyer weeks targeting potential CMT, full package and private label customers from the UK and other EU markets. A discussion of market linkage and capacity building activities is presented below.

Market Linkage Activities

Support for CPD fashion show

As part of a TTA-led initiative to support companies interested in developing and marketing their own designs and labels—rather than producing other brands' designs, MCP collaborated with GIZ to provide financial and marketing support to Macedonian apparel companies with 'marketable collections' to participate at CPD Dusseldorf Fashion Show, one of the leading fashion shows in Europe. Starting in July 2009, eight companies (Milano, AFG, Kuli, Linea, INT, Monica Jeans, Vivendi, and Astibo Beas) presented collections over 4 shows (2 spring /summer, 2 fall/winter) in Dusseldorf—their first attempt to promote their collections in an international fashion fair. Participation at these fairs also allowed participants to improve their designs and styling according to market trends. MCP support involved developing professional promotional materials,

catalogues, posters, etc. GIZ covered the cost of booths and engaged a German fashion consultant to assist in the design process and provide on-site support.

A number of the companies were successful in selling collection to EU boutique and apparel buyers. During the February 2010 fashion show, one of the companies, Milano, identified and contracted a sales agent to sell Milano's own collections in the south of Germany, Austria, and Switzerland. Similarly, AFG engaged sales agents for their fashion brand. By marketing their own designs, these companies increased their own brand production from about 10 percent to 20 or 30 percent of total sales. Two German buyers who visited the Macedonian booth during February 2011 fashion decided to visit Macedonia as part of the March 2011 Buyers' Weeks (see below) and started collaboration with Milano and Astibo Beas.

Macedonia-EU Apparel Business-to-Business Event and Buyers Weeks

As a key initiative of its apparel market linkage activities, MCP organized a B2B event and a series of buyers' weeks targeting EU buyers, in collaboration with CBI, GIZ, and the TTA. Specifically, this included a B2B event in March 2010 and buyers weeks in October 2010 and March/April 2011. Although the events were open to buyers from all EU markers, special attention was paid to the UK market. Although Britain is the second largest apparel market in the EU; it represents only 5 percent of Macedonia's apparel exports. The UK is a dynamic and demanding market requiring fast fashion cycles with a focus on fully factored or full package business. As most Macedonian manufacturers focus on cut make (CM) or cut, make, trim (CMT), targeting the UK was seen as an opportunity 'push' companies to take steps to move up the value chain and tap higher value markets. The UK market also places a priority on ethical and sustainable business, which complemented MCP's interest to "do good" in its business promotion efforts.

"(MCP is) running one of the best industry marketing programs I have seen in Eastern Europe. My only regret so far is that I didn't come a month earlier to be able to place orders in Macedonia this year…. but I plan to start placing orders directly with 2 or 3 factories next year."

UK participant at Buyers Week

"I don't know why I haven't considered Macedonia before…It just hasn't been on my radar."

UK participant at B2B

The *March 2010 B2B* event involved a series of one-on-one pre-matched meetings held at a single location, followed by three days of factory visits based on the outcomes of B2B meetings. In preparation for these meetings, MCP developed "one sheets" (profiles of appropriate apparel manufacturers, including photos), assisted companies to design and sample collections, and determined potential matches between Macedonian manufacturers and UK brands and retailers. More than 30 of Macedonia's leading apparel manufacturers presented a cross-section of Macedonia's capabilities to a group of apparel buyers, suppliers/agents, and journalists from the UK and Austria. Over 130 meetings were held during the B2B event, with over 50 factory visits thereafter.

Buyer participants attending the event included Whistles (UK), Top Shop (UK), Monsoon (UK) Melka/BMB (Sweden/UK), Archive Design (UK), ASOS (UK), Albiro (Austria), Triumph (Austria). Representatives from fabric and lining companies were available for Macedonian companies interested in full package and own design business. Online apparel magazines Just Style (www.just-style.com) and WGSN (www.wgsn) wrote articles about Macedonia and its potential for their readers, including key markets for MCP's market linkage efforts in apparel.

Macedonian apparel manager meeting with visiting UK buyers

After the event, Top Shop, Monsoon, BMB, Whistles, and ASOS carried out sampling exercises. Whistles placed quick response orders for 1,500 units (with a FOB value of approximately $40,000).

The next two buyers' weeks were organized differently. MCP

found it difficult to arrange a critical mass of buyers to visit at the same time due to differing schedules. Buyers also place more value on visiting as many factories as possible during the time they may have in a country, and having one day allocated for a B2B event reduced the ability to optimize the number of factory visits.

MCP organized the next events over three weeks in October 2010 and March/April 2011. Nineteen buyers from the UK, Germany, and Norway visited Macedonia and met selected manufacturers who matched their specific sourcing requirements. Buyers during the October 2010 visits included, a buyers' agent from French Connection UK, Vural (UK supplier), Outsider Fashion (UK), Alison Hayes (UK supplier), FinOslo (Norway); Asos Womens (UK), Ertsingwerk (Germany), Optimum (Germany) and Karpelle (UK supplier). Buyers visiting during the March/April 2011 visits included Suzanne Martin (UK suppluer), Ted Baker (UK), El Corte Ingles (Spain), Cortefiel (Spain), Bik-Bok (Norway), Amatør (Netherlands), Mazzelaars (Netherlands), CIP Textilehandels (Germany) Helmut Kress (Germany), and; Jaeger and Aquascutum (UK) MCP and its partners arranged 180 factory visits with more than 30 different manufacturers based on matches between buyers' sourcing requirements and manufacturers' capabilities. After the visits a number of visitors carried out pricing and sampling exercises with a number of manufacturers, with facilitation from MCP, TTA and CBI. Outsider Fashion, Jaeger and Aquascutum, and Erstlingwerk reported placing orders after their visits.

After the B2B and each of the buyers' weeks, MCP sent evaluation forms to the visiting buyers. In general, buyers were impressed with the potential they saw in Macedonia as a new sourcing location. Buyers were consistently impressed by the quality and openness of manufacturers and were interested in their ability to respond to low-to-medium sized orders. Many had not really considered Macedonia prior to this effort, while others have regarded Macedonia as a potential alternative to Romania.

A representative from Saitis Fashion and James Jackson from Ted Baker at the Apparel Buyers visit in Bitola

After the events, MCP and its UK consultants continued facilitating new relationships with UK buyers, including Sticky Fingers, a higher-end own brand company that operates on a CM/CMT basis and is looking for potential new suppliers in Macedonia. After exchanging samples and price quotations, Sticky Fingers paid a visit to Macedonia in October 2011 and started sourcing from at least one manufacturer.

Footwear Linkages with EU markets

Although the Project did not focus on footwear exports, a number of the apparel companies with whom it engaged to sell footwear alongside clothes. MCP facilitated relationships with qualified footwear manufacturers in Macedonia. In the summer of 2010, Top Shop (UK) asked MCP to provide information on possible footwear manufacturing partners. MCP met with a number of companies and prepared a shipment of prototypes for the Top Shop footwear buyers to review. In late FY2010, MCP's Netherlands-based EDA closed a deal for full package production of 100,000 pairs of shoes amounting to €2 million in exports in a 9-month period. MCP supported the manufacturer in the implementation of the deal.

> Selecting and purchasing fabric is a first step needed for companies to prepare collections for the Fall/Winter 2010 season and building a capacity for full package. The Paris and Istanbul Fabric sourcing events allowed Macedonian companies to gain experience in the process of fabric sampling, selection and purchasing fabrics and other trims for preparation of own collections, experience that can also be used to respond to orders from buyers and partners which require them to purchase fabrics.
>
> *Vlado Netkov*
> *Owner of Milano and President*

Market-Led Capacity Building Activities

Fabric sourcing support

Fabric sourcing capabilities and contacts are critical for own design and full package operations. As part of a TTA-led initiative, MCP supported a fabric B2B event with Turkish fabric producers in Istanbul. Turkey is a major fabric supplier to the

EU market, providing a significant portion of the fabric used for CM/CMT garment production in Macedonia and other countries in the region. The Turkish textile sector is well-developed, offering high-quality services and value comparable to Asian suppliers, and a much shorter shipping time.

Nine Macedonian manufacturers met with 16 Turkish fabric producers who presented samples of their latest fabric collections. After the event, the TTA met with a number of textile producers who were not in attendance. A few of the Macedonian firms who were developing the own designs used fabrics from Turkish B2B counterparts in their collections.

MCP also supported TTA representative's visit to the Premier Vision and TexWorld fashion and fabric fairs in Paris to expand fabric sourcing contacts. Two Macedonian apparel companies also visited the fair at MCP's recommendation and MCP's London-based consultant provided advice on latest fabric trends.

Pattern-making Support

After fabric sourcing, pattern making is the next step in developing new designs and collections. When MCP began many of the Macedonian companies interested in developing their own designs did not have an in-house pattern maker. In the past, this capacity was not required, as patterns were provided by the CMT customer. Without an improvement in internal pattern making, even the most innovative and modern designs will not fit models or end buyers properly, and products are unlikely to sell.

MCP organized a 10-day intensive training on the use of Gerber software (the apparel industry's leading pattern making system). Seven companies cost-shared and participated in the training, together with a representative from the Textile Engineering Department of the Faculty of Technology and Metallurgy (TED/FTM) in Skopje. Following the training, participants provided on-the–job training for 2-3 colleagues involved in pattern related function. The new pattern making and grading skills of the employees using the Gerber software has increased efficiency and productivity and enable at least three firms to upgrade the design of their own design collection.

Support for production efficiency and line productivity

Although Macedonia is considered a lost-cost production location, lags in productivity impact overall competitiveness. To address this critical challenge, MCP engaged a professor from TED/FTM to work with individual companies and improve their line management and efficiency. The consultant spent 12 days each in two apparel companies and identified bottlenecks and developed recommendations for overcoming them, including introducing or developing: a CAD system to increase output from cutting room, production time standards, an individual incentivized payment scheme, line balancing training for supervisors and online managers, a process quality inspector to identify problems at their sources, and floaters to minimize impact from absenteeism. The consultant also identified interventions needed for apparel companies that intend to move from CMT to FP, such as a strengthened purchasing department, well-established supply channels and access to finance. GIZ later used the same approach and hired a consultant to help eight additional apparel manufacturers improve their productivity and production efficiency.

> "The added value we received from the USAID Competitiveness Project in transfer of know-how and implementation of international production standards has helped us to succeed in the European market."
>
> *Marcel Melles*
> *founder and manager of MGI*

MCP also supported a newly established apparel company, MGI, to streamline its production line by sharing the cost of an international apparel operations specialist. With his advice, production at MGI increased from 120 pieces per day to a 1,000 pieces per day. A local productivity expert shadowed the consultant as he advised MGI's management, with the aim of providing similar advice to other apparel manufacturers within Macedonia.

Collaboration with Macedonian Own Design Companies and U.S. Design Students

In November 2010, MCP initiated collaboration between three U.S. design students from Marymount University in Arlington, Virginia and two Macedonian companies involved in the own design initiative: INT and Astibo Fashion Group (AFG). The students were interested in developing a linkage with a company who could manufacture and even sell their products, while the Macedonian manufacturers were interested in new designs and inspirations. The students submitted their designs and INT and AFG selected the designed best and developed prototypes. These samples were sent to the U.S. and presented at a wider fashion show in Virginia

with other designers and press present. The Macedonian Ambassador to the U.S. provided certificates of appreciation to the designers. AFG used a number of the designs in their spring/summer 2012 collection.

Working capital finance solutions for apparel

Macedonian apparel companies wishing to work on a fully factored or full package basis cited lack of working capital finance as a major barrier to moving forward. Sourcing fabric can tie up large amounts of capital and it can take months between the time that a company purchases the fabric and gets paid by their customers. In response to this, MCP worked with financial institutions to identify a variety of instruments designed to facilitate exports. Together with the Textile Trade Association, the Project organized a workshop for apparel companies and bank representatives to increase awareness of financing options. Over 30 apparel companies participated and had a unique opportunity to hear from four different financial institutions how to access finance without engaging collateral. Macedonian Bank for Development Promotion (MBDP) presented the benefits of export insurance. Ohridska Banka Societe General explained how MBDP's export insurance can be used as a pledge against working capital loans. Komercijalna Banka presented their financial instruments appropriate for the apparel exporters, Letters of Credit and Forfeiting as a means of exchanging the LC for cash. Crimson Capital explained that purchase order financing is appropriate for export companies with contracted orders.

MCP also collaborated with the MBDP to introduce factoring as a new financial instrument designed to support export transactions similar to those that require fabric purchases long before ultimate payment. Details are provided under the access to finance section.

SMETA Safety and Health Audits

Buyers in the UK (and other countries) are increasingly concerned about corporate social responsibility (CSR) and compliance with international labor, safety, and health standards. Many of the companies MCP interacts with ask whether its companies have had "social audits." Many buyers understand that Macedonian laws and norms comply with international standards, but their sourcing policies require verification, documentation, and compliance. While many Macedonian manufacturers are audited by their customers, the customer "owns" the auditing documentation, so the manufacturer is not able to provide information to a potential customer from the UK on request.

In October 2010, MCP supported two companies, Milano and Maxima, to undergo audits via the SMETA system (See http://www.sedex.org.uk/sedex/go.asp?u=/WebSite/Home&pm=6&location=Smeta). SMETA is linked to SEDEX, an online platform that allows manufacturers to upload information on social compliance to be viewed by buyers. SMETA is not a pass/fail standard but a grading system to show compliance with social standards while highlighting areas for improvement.

Both companies fared well in the audits, although auditors identified a number of safety issues that need to be addressed to achieve a higher rating. These issues are common in Macedonian companies and involve availability of protective gloves for fabric cutters and fire safety compliance.

Information and Communications Technologies (ICT)

Macedonia's ICT industry plays an increasingly important role in the economy. It is Macedonia's fastest growing sector, with some segments—software and IT services—achieving growth rates as high as 35% a year. Employment in the sector continues to expand at an average annual rate of 13%.

That said, much of the sector's growth has focused on the domestic market, and the sophistication of domestic services is generally low. While a few companies stand out as export-ready—targeting opportunities in areas like business process

Key Activities	Key Outcomes
• ICT workforce survey • Supported linkages between fX3X and Hollywood visual effects studio • Piloted revolving training fund with fX3X • Organized training and certification program for PMP professionals	• 4.9 million in new exports • 1.5 million in new investment • 28 professionals certified in PMP • 45 people employed using revolving fund • IT workforce capacity increased via 43 internships

outsourcing (BPO), software development and animation/entertainment content—many do not offer globally competitive services, or operate in segments that are well-developed and saturated with competitors. Further growth of Macedonia's export-oriented ICT market also requires a significant increase in the availability of skilled ICT professionals, the development of new competencies, services and products, and in many cases a change in mindset amongst the sector to welcome strategic partnerships, new investment, and new management practices.

MCP activities in the ICT sector focused on the strategic result area *repositioning to penetrate higher value market segments*, as there are limited opportunities to expand exports within existing capacities and business lines (which are primarily focused on domestic market). Assistance targeted forward thinking Macedonian ICT firms interested in investing in the professional and skills development of their workforce, with the hope of establishing a sector better prepared to compete in tight global competition. MCP also facilitated new strategic partnerships and investment likely to result in new jobs and capabilities within the sector.

> "USAID played an important role in raising our competitiveness level to that of the best companies in the industry. The support received from USAID really made the difference and enhanced our ability to compete globally on one hand, and enabled us to further grow our talent base in Macedonia on the region"
>
> *Kristijan Danilovski of FX3X*

Compared to the other vertical programs, activities under the ICT vertical were relatively limited. This was due in part to challenges in reaching an understanding of common objectives with the ICT Chamber MASIT, whose priorities focused on lobbying the government to expand procurement of Macedonian ICT services and subsidization of expensive training and certification initiatives outside the capabilities of MCP. Furthermore, since the sector was made up of a number of small and medium-sized ICT firms competing with each other for domestic market share, fostering effective activities that would move them all forward was challenging. A summary of activities that were carried out in this vertical is provided below:

Completion of ICT workforce demand survey

ICT companies in Macedonia often remark that there are not enough skilled workers in the workforce to support industry growth, which impede efforts to expand ICT exports (e.g. offshore services, software products) and attract international investors and strategic partners. In April 2009, MCP collaborated with MASIT on an ICT Workforce Demand Survey to identify specific gaps in the workforce and help design future workforce development programs targeting the industry. Presented to MASIT and the Ministry of Information Technology, the survey highlighted multiple areas where technical skills development is needed (e.g. security, database management, etc.), as well as business skills. As part of its response to the gaps presented in the survey, MCP organized a training and certification program focused on project management (see below).

Project Management for Professionals (PMP) Accreditation Training

Employers in the ICT and other knowledge-based sectors within Macedonia have remarked on the need for professional project managers, a gap which impacts their ability to compete globally. MCP collaborated with GIZ and the ICT Chamber MASIT to deliver a training program on Project Management for Professionals (PMP), a leading global certification for project management.

Forty-five professionals took part in the training including 25 trainees who came from the ICT sector and 20 from the business management, consulting and training services sector. Twenty of the trainees passed the PMP exam and become the first PMP certified professionals in Macedonia. (See details in Workforce Development section).

Support for **fX3X/digital media park deal with Hollywood visual effects studio**

For years, USAID has supported the development of Macedonia's emerging digital animation industry. Much of this support has been for fX3X, a pioneer noted for its involvement in Hollywood blockbusters such as "The Aviator," "The Golden Compass," and "Terminator Salvation." fX3X was also the primary motivator of the Digital Media Park: a concept for a production/animation/visual effects hub for 15 co-located companies.

In 2009, MCP facilitated negotiations between fX3X and a major Hollywood digital animation studio for a joint venture with the potential to bring a multi-million dollar pipeline, and put Macedonia on the map as a global animation and visual effects location. The pending deal involved $15 million in investment, and a pipeline exceeding $50 million in exports over 5 years.

Trained fX3X employee using digital animation software

MCP engaged a US-based consultant to assist fX3X to negotiate a deal with the studio (including preparing for the studio's due diligence, and working with both parties to resolve issues that arose during negotiations), and improving fX3X's business planning and organizational processes. These internal improvements were necessary for fX3X to be considered a credible partner and develop the capacity to manage the pipeline of new animation projects. MCP staff also identified an institutional investor interested in becoming an equity partner in the joint venture deal and investment in Digital Media Park upgrade.

Although the hoped for joint venture and investment in the Digital Media Park did not occur for economic and strategic reasons on the part of the prospective investor, MCP efforts facilitated a fruitful business relationship between fX3X and the Hollywood studio. As part of this relationship, the studio provided fX3X with licenses to use its own proprietary software and sent a technical manager to help fX3X integrate the software into their visual effect activities. This software has been critical in providing fX3X the technical capabilities to move into more challenging visual effects and digital animation projects resulting in millions of dollars in new business for the company.

Digital Animation Developer Training using Revolving Fund

As fX3X developed new capabilities and targeted new market segments, it needed to hire new digital animators with specific skills. In 2010, fX3X and MCP carried out a two-phase animator and visual effect training program as a pilot for the Project's Revolving Fund Concept (see workforce development section). Forty-five candidates were trained, most of whom were employed. fX3X fully repaid the funds (70 percent of training costs) "loaned" by MCP. With the expansion of the company and success of the training program, fX3X continued training new animators for employment, reaching 105 employees at present. As it continues discussions with the Hollywood studio, fX3X continues to make its mark on the animation and visual effect industry, doubling its production and exports in FY2011.

Support for Ein Sof participation at European Automotive Component (EAC) Expo in Stuttgart, Germany

MCP included Ein Sof in the delegation of automotive companies taking part in the EAC Expo from 2009-2011 (see Light Manufacturing). Ein Sof has developed a series of automotive diagnostic tools and aims to expand its market within the automotive industry, where software plays an important (and changing) role. Prior to the show, an MCP consultant organized a number of meetings between Ein Sof and European automotive companies that took place at the show. These meetings, and others organized by MCP on-site resulted in a number of business relationships that could lead to new deals. One of the outcomes of these business relationships allowed Ein Sof to be included in BMW's supplier list.

Multi-sector Market Linkage Activities

While most MCP vertical market linkage activities focus on one particular sector or market opportunity, it does support initiatives that can cost-effectively generate leads across multiple product and service segments at once. Details of such multi-sector market linkage activities, achievements and expected outcomes can be found here:

Kosovo Integrated Market Entry System (KIMES) Project

Many consider Kosovo a promising (though relatively small) export opportunity for Macedonian companies (particularly those in construction, ICT and light manufacturing), although many are held back by the costs and uncertainty of setting up an office. Between 2009 and 2010, MCP provided financial support to the Center for Entrepreneurship and Enterprise Development (CEED) to initiate the roll-out of their KIMES initiative designed to address this constraint. Fully operational since October 2010 and still operational, KIMES offers Macedonian companies—on a cost-share basis—common office space, equipment and core business services, as well as use of a business development advisor and office assistant, to reduce the cost of setting up sales operations in Kosovo, while accelerating the process of developing linkages with potential customers there. The center has served more than 15 companies and facilitated over $400,000 in business. Details are provide in Annex: KIMES Final Report.

Mobilization of FDI Agents for Market Linkage Activities

As part of MCP's foreign investment program, the Project has mobilized a number of economic development agents (EDAs) to identify and pursue investment leads in a variety of markets (e.g. UK, Netherlands, India, Israel and Slovenia). These EDAs also are mandated to pursue viable export leads. (See FDI section for more details)

V. HORIZONTAL PROGRAMS (CROSS-CUTTING)

The Competiveness Project's horizontal components—often in the form of platforms and service packages—addressed issues affecting multiple MCP target sectors or the growth potential of Macedonia's wider economy. These horizontal components included:

- *Access to finance*—Helping companies obtain financing to expand or upgrade, while improving internal financial management and business planning. Investments result in new exports, jobs, and more competitive companies able to weather difficult economic periods and thrive in a recovery market.
- *Workforce Development*—Building a wider workforce to meet the needs of the Macedonian economy, and addressing specific skills needs that impact employers' ability to capture new market opportunities and compete globally. Activities support job creation and enhancement, new exports and investment, and more competitive companies.
- *Foreign Investment Promotion*—Attracting and supporting international investors with the potential to catalyze transformation within sectors and accelerate job and export growth.
- *Innovation* —Supporting Macedonian innovators through the steps needed to take an innovation from concept to commercialization, while building links to create an innovation ecosystem in Macedonia.

Rationale for Horizontal Program Activities

Development Context

Macedonia enjoys a number of characteristics favorable to achieving the objective of sustained export growth: close geographic proximity to EU markets; relatively low labor costs; an improving business environment; and a tradition in sectors such as light manufacturing, apparel and agro-processing. Unfortunately, a number of cross-cutting constraints undermine major progress. These include: 1) challenges in accessing finance for investments in upgrades, expansions or new technologies; 2) a workforce that, while inexpensive, is not trained or sufficiently flexible to meet industry needs; and 3) limited foreign investment—compared to its neighbors—in new capacity, products, technologies, knowledge innovation and other factors that help elevate the country within international markets.

MCP Response

The project's horizontal program provided systematic solutions to these constraints with activities to help companies get the finance to succeed, build a more competitive workforce and attract the investment to transform Macedonian industries and companies and drive job creation and export growth.

The horizontal components—access to finance and workforce in particular—produced significant results. Key outcomes of horizontal program activities include:

- $78.8 million in new financing facilitated by the Financial Platform, leading to $118.2 million in new investment. These investments resulted in in over $58.3 million in new exports and the creation of 1622 jobs.
- 2,612 internships and 425 job placements through MyCareer initiatives. MyCareer remains as legacy NGO of MCP.
- $26.7 million in foreign investment facilitated as a result of identifying and supporting foreign investors in Macedonia.

The sections below present details of specific approaches, activities and achievements under each of the MCP Horizontal Components.

Access to Finance

Key Activities	Key Outcomes
• Assisting 159 companies through process of packaging and submitting investment proposals. • Twelve matchmaking events to build awareness of available financial solutions • Financial facilitators trained and certified in CMC, PMP and Equity deal facilitation • Assisted Macedonian Development Bank to introduce factoring as a new financial product for export oriented companies. • Developed methodology for IT Appraisals in line with new Law on Valuations.	• 159 companies receiving $78.82 million in new financing, resulting in $118.2 million in total investment, 1,622 jobs and $58 million in exports. • New MBDP factoring instrument results in over $500,000 in new exports in its first 3 months. • Development of commercially-based financial advisory services market. • Financial Platform model adopted in Bosnia and Herzegovina, Georgia, West Africa and Ecuador

Finance is a critical element for the growth and development of any company. Export-oriented companies often require finance for investments in upgraded machinery or facilities or product development, as well as working capital to source inputs and engage export customers where a 90-day gap between delivery and payment is standard. Nevertheless, a World Bank study found that only 9% of companies in Macedonia approach banks to finance investments (compared with 16.75% within the Balkan region) and only 13% requested working capital (compared with 26% in the region). This is largely due to perceived unfavorable conditions (e.g. loan terms, appraisal procedures, collateral requirements, etc). Banks, on the other hand, note the dearth of bankable financial proposals for consideration. At the same time, non-banking finance, such as equity or quasi-equity finance, is relatively unknown, or rejected as a possible avenue of accessing finance. As a result, local businesses often finance upgrading and expansion projects from their internally generated cash or from FFF (friends, family and fools), rather than approaching a bank or considering equity financing. Ultimately, these companies miss opportunities to grow, penetrate markets, or improve profitability.

The Competitiveness Project's interactions with both firms and financial institutions indicated that whether or not a company accessed finance depended on the extent to which companies 1) are aware of various financing options, i.e. the different financial products available; 2) have effective financial management and planning (e.g. corporate finance) capabilities; and 3) developing sound business expansion plans and bankable proposals. Companies must also find the financial institution or equity partner that best fits its needs. MCP's access to finance program worked with companies through this process to reach their goals.

MCP's Access to Finance Component focused on *capturing new investment opportunities* through the pilot and roll-out of the Financial Platform. MCP also implemented activities that *expand capacity to meet investment needs* by engaging with financial institutions, either to strengthen relationships with MCP clients and financial advisors, or to encourage them to introduce new financial services and offer a wider array of options. Activities and accomplishments of Access to Finance component are presented below.

Financial platform

The Financial Platform was the core of MCP's access to finance component, mitigating a challenge that so often impedes companies' growth. Conceptualized and piloted in FY2008 in response to the asymmetry between awareness of available financial products and quality of financing proposals submitted to banks, the Platform was scaled out in FY2009, and in FY2010 and FY2011 produced stunning results. Activities included:

Support for investment proposals

The Financial Platform used a pool of 27 pre-qualified professional local financial advisors (often referred to as financial facilitators) who collaborated with companies to formulate business growth strategies and match them with the best financial solution, developing investment plans, and producing bankable financial proposals submitted to banks or other sources of funding. In nearly all cases, financial advisors are used on a cost-sharing and success-fee basis, making the program sustainable and scalable. The Platform proved itself an effective means to support new investments, leveraging between $200 and $450 in new investment for every USAID dollar spent.

Between 2009 and 2011, facilitators worked with 234 companies, of which 159 companies "graduated" from the platform and had their investment proposals approved by a bank or financier. The resulting financing of $78 million enabled these companies to invest a total of $118 million in new products, facilities, equipment and technologies. These investments subsequently generated 1,622 jobs and exports of $58 million.

The actual impact of the financial platform extended beyond financing and investment. MCP advisors did more than prepare and submit a proposal. In order to present a company as "bankable" in the eyes of a financial institution, pushed clients to implement internal restructuring, management improvements and process re-engineering. Often they assisted companies identify weaknesses in internal procedures that allow cash to "leak out" of the company, and suggest remedies. Facilitators evaluated performance of product lines to re-orient companies towards more profitable market strategies, and looked for opportunities to cut costs. They streamlined expansion plans and established implementation timetables to enhance the likelihood of success and optimize return on investment. The outcome was not only a new facility or piece of machinery, but a healthier, competitive company better able to weather the tough times while growing rapidly in the good times.

MCP Financial Facilitators worked with companies located throughout Macedonia. Out of the 159 companies assisted, only 35% are based in Skopje; the others are companies from all different regions. Most were served by the several facilitators located regionally, although often Skopje-based financial facilitators worked with companies located out of Skopje. The facilitators have also served companies of all sizes. A large majority of the clients, and resulting jobs, involved micro or small enterprises.

The success of the Financial Platform did not go unnoticed. Many other donors and other countries expressed their interest to implement similar programs. As a result, this type of Access to Finance program is currently being implemented in other Balkan countries by a regional USAID project as well as in the Caucasus region by USAID-funded projects. It was also recently adopted through USAID's West Africa Trade Hub.

"We have worked with our MCP financial facilitator for a number of years now. We have found him to be an invaluable asset for us to strengthen our internal organizational processes and financial management practices that has resulted in improved productivity and efficiency of the company. With the assistance of the MCP financial facilitator we were able to access two different loans, first to complete and put in function our new expanded production facility in 2009. Then, in 2010 we reprogrammed all of our old expensive loans with a new more favorable loan, with only the half of the interest rate we were paying before. It would have been very hard for us, if not impossible to achieve this with our own internal resources."

Toni Bozinovski, Manager and Co-owner
Tehnokoop, furniture maker and the 101st company successfully assisted by MCP financial platform

We receive financial proposals every day with varying qualities. But when I see a financial proposal developed by an MCP financial facilitator, I can be more confident that the investment plan has been well thought out and the proposal sound. Thus, it is easier for us to evaluate the proposal and make a positive determination.

Aleksandar Stanojkovski,
Credit and Guarantee Department Manager,
Macedonian Bank for Development Promotion

The Financial Platform and the Financial Crisis

The Financial Platform played an important role in helping unlock capital at a time when access to finance is as important as ever. The world financial crisis prompted companies to "freeze" and "wait and see" before taking action. Forward-looking companies, however, recognized the need to invest: to reduce costs without sacrificing quality, improve productivity, develop new products or position themselves for more stable markets. The Platform helped companies think through their plans and obtain financing in an otherwise unfavorable environment. At the same time, banks—facing higher reserve requirements, tight credit conditions and non-performing portfolios—were eager to receive well-considered, bankable projects. Their confidence was much higher knowing that companies going through the MCP Financial Platform process were more likely to survive the downturn and thrive in the long term—and thus prove profitable borrowers.

Table 4 Summary of Financial Platform Outcomes by Sector

Outcome/Sector	Total	Agbiz/Food Processing	Services and Trade	Light manufacturing	Apparel	ICT
Number of firms accessing finance	**159**	39	52	52	15	1
Total invested (US$)	**$18,297,844**	$35,990,289	$47,098,302	$29,821,134	$4,974,869	$413,250
Total new export (US$)	**$58,090,886**	$22,229,364	$8,638,229	$21,832,883	$4,720,410	$670,000
Total new jobs	**1,622**	440	630	330	216	6

Table 5: Companies in the Financial Platform Investing in New Technology

Outcome/Sector	Total	Agbiz and Food Processing	Services and Trade	Light Manufacturing	Apparel	ICT
Number of companies investing in technology	**93**	22	24	40	7	0
Total invested in new technology	**$62,745,732**	$18,163,152	$22,985,600	$19,462,417	$2,134,563	0
New jobs in companies investing in technology	**1103**	229	489	265	120	0
New exports in companies that invested in new technology	**3$6,791,562**	$12,755,776	$2,452,267	$19,197,617	$2,385,902	0

Financial platform matchmaking events

MCP organized a series of matchmaking and educational regional events to bridge the gaps in information between financial service providers and companies, and enable companies to engage financial facilitators and financial institutions. Representatives from companies, financial institutions and consulting firms attended the events, which include presentations by participating financial institutions, MCP financial facilitators and companies that have gone through the financial platform process. Often the events ended with interactions between companies and the advisors, and thus, new clients. The wider objectives of the matchmaking events included the following:

MCP organized 12 matchmaking events throughout Macedonia, each involving as many as 40 companies. These included events focused on firms in different regions and events targeting specific sectors such as agribusiness and apparel. In a number of occasions, MCP collaborated with the USAID Ag-Biz project and the Austrian Development Agency (ADA) to share costs. These events were immediate. The results of these events were immediate. Banks were linked to companies that needed their services but were unaware of some of the more innovative products that they offer. Companies approached MCP for assistance both for direct advice and for further in-depth cooperation with MCP FP facilitators. Financial institutions became more aware that they need to make concerted efforts to promote their services to the companies, especially the more innovative ones, in order to ensure their usage.

Financial platform matchmaking events and cooperation with regional USAID project - Partners for Financial Stability (PFS)

In addition to its own Financial Platform matchmaking events, MCP collaborated with the regional USAID Partners for Financial Stability (PFS) project, which serves Macedonia, Bosnia, Serbia, Kosovo, Albania, and

Montenegro. Due to the success of the Platform, PFS decided to replicate MCP's matchmaking activities regionally. The first such matchmaking event took place in Skopje on June 14/15, 2011. The event was a success largely due to MCP's sharing of knowledge and lessons learnt with PFS during the event preparation. Numerous companies, financial institutions, financial advisors and investment funds from the entire region were present at the event whose total participants exceeded 150.

Financial Platform Celebration event

A USAID MCP Financial Platform Celebration event was held on March 30, 2011. U.S. Ambassador Philip T. Reeker awarded certificates of appreciation to the best performing FP partners, including three financial facilitators, Macedonian Development Bank representatives and managers of three companies. They also demonstrated unique determination and passion in investing in growing their businesses, investing in new technologies, improving their management practices and thus improving their competitiveness on the global market. Among the 150 present in the audience were MCP Project partners, managers of companies that are current and future MCP beneficiaries, other USAID projects, financial institutions, consultants and donor representatives.

"I congratulate the forward-thinking entrepreneurs who have shown clear decisive determination for growth and expansion, and have seen the global crisis as an opportunity rather than a challenge." *U.S. Ambassador to Macedonia, Philip T. Reeker*

Ambassador Reeker with award recipients

Training of financial facilitators

To enhance the effectiveness of the financial platform, MCP trained facilitators further develop their skills and ensure that companies receive a standard quality of service. This included programs for Certified Management Consultants (CMC) certification, Project Management Professional (PMP) certification, and facilitating equity investments (M&A). (Details on the CMC and PMP trainings are a part of WFD section).

Certified Management Consulting (CMC) Certification Program

MCP collaborated with the EBRD-financed TAM/BAS program to provide training toward Certified Management Consulting. 30 Macedonian consultants were awarded the Certified Management Consultant (CMC) certificates. Less than 2% of management consultants worldwide have achieved this level of performance and attained the CMC title. Together with the consultants already practicing in Macedonia, who were certified outside the country, Macedonia now has 45 CMCs. Their efforts will not only improve the domestic business climate, but will give Macedonia a competitive advantage in the Balkans. With this group certification, Macedonia is now one of the leaders in the region for CMC capacity after Romania (50 CMCs) and Bulgaria (45), and followed by Croatia (30) and Slovenia (10). As a result of the support by the project, the consultants association MCA 2000 became a full member of ICMC Institutes (the global association of national management consulting institutes from around the world) in June 2011 with authorization to organize trainings and award certificates.

"With the CMC certification we brought world best practices in management consulting to Macedonia, and we built local competences and skills in an institutionalized. Now Macedonian companies have direct access to practical knowledge, and professional management skills that make possible for them to change and successfully integrate in international supply chains and global markets."

Risto Ivanov, President of MCA 2000

M&A Training

In November 2010, MCP collaborated with **Europhoenix** and **Grenoble Business School** (France) to hold the first set of trainings in merger and acquisition facilitation. Sixteen individuals took part, including financial

facilitators, business consultants and staff from the MCP and Ag-biz projects. The course covered topics such as company valuation, developing pitches for equity deals, negotiating equity deals, and structuring deals. The M&A course was completed in March with a three-day training focused on case studies and company valuations, after which trainees were assigned to work on their own case study and pass a test to receive M&A certifications. On May 27, the 16 consultants received their M&A certificates; one of them already successfully closed an equity investment deal between a Croatian company and a Macedonian paper recycling firm.

Collaboration with CEED and PFS to build financial facilitator capacity

As part of PFS's regional access to finance activity, MCP and CEED (Center for Entrepreneurship and Executive Development) Macedonia initiated a new activity to further strengthen the financial facilitators and help them develop a sustainable market for their services. The joint CEED Regional Access to Finance Program was developed with MCP's assistance to develop new channels through which companies from the region can gain easier access to finance and improve their financial capacities and overall performance. The program built on the lessons learned through MCP and CEED activities and used existing Financial Platform financial facilitators to the extent possible as a means to enhance its sustainability. The CEED Access to Finance Program further improved the capacities and performance of selected financial advisors and financial institutions, leading to easier access to finance for private sector companies as keys for growth and job creation in Macedonia.

Building relations with financial institutions

MCP committed to establishing close and long-lasting relationships with all financial institutions in Macedonia, including local banks and regional capital market players. The Project established excellent communication with most banks, leasing companies and saving houses and developed special relationships with Macedonian Bank for Development Promotion, USAID DCA Beneficiaries NLB Lizing, Uni Banka, and Moznosti, as well as other forward-thinking financial institutions such as Tutunska banka, TTK banka, Hypo Alpe Adria, Ohridska Banka Societe General, Pro kredit banka, Crimson Capital, and EBRD. MCP staff met often with financial institution representatives to identify way to better meet the needs of Macedonian firms and address challenges in availing them access to finance.

Collaboration with Macedonian Bank for Development Promotion to introduce factoring to Macedonia

In 2010 and 2011, MCP collaborated with Macedonian Bank for Development Promotion (MBDP) to introduce factoring as new working capital solution for export-oriented companies. This type of instrument (which allows firms to receive payment from a bank based on a contract with a customer and is similar to purchase order financing or discounting) can provide liquidity for apparel companies and fresh fruit and vegetable exporters, especially when clients' terms of payment can exceed 120 days and even go up to 180 days.

MCP assisted MBDP in purchasing the software necessary to administering a factoring program and sharing the cost of promoting factoring and educating factories on the benefits it could have on their businesses. Since its December 2011 launch, MBDP helped eight companies export an additional 400,000 euros. Factoring is expected to unleash new export opportunities for Macedonian companies, helping alleviate the consequences of long payment terms.

"The cooperation with USAID MCP Financial Platform in participating in matchmaking events has proven to be a very efficient tool of promoting our financial products, raising the awareness among the Macedonian companies as well as attracting new clients. The latest assistance that we received in purchasing the factoring software is critical for the introduction of this new product on the market. Without MCP's assistance we would not have been able to offer this new product to Macedonian companies which is tailored to cater for the needs of the export oriented companies, mainly aiming to help them enhance their export capacity."

Darko Stefanovski
Chief of Credit Insurance Department at Macedonian Bank for Development Promotion (MBDP)

Equity finance initiative

Most approved financing facilitated by MCP came through loans or leasing. While debt financing will remain a core source of investment financing for Macedonian firms, MCP aimed to promote equity financing options

within, and outside of Macedonia. Equity investments can be an effective way to help companies grow faster with less debt burden, while benefitting from the transfer of management know-how.

In addition to improving companies' understanding of equity financing through promotional activities, MCP engaged Euro-Phoenix, a regional equity financing consulting company to help Macedonian companies find strategic partners. Euro-Phoenix consultants made multiple trips to Macedonia, met with more than 40 companies and hired a local representative to take advantage of opportunities. In 2011, Euro-Phoenix received its first two mandates: to perform valuation for a meat processing company and to raise three million Euros in equity for an IT company. After several months, both companies chose not to proceed with the capital raising exercise.

Euro-Phoenix's effort revealed a real challenge that inhibits both equity and debt financing. While working on these mandates, Euro-Phoenix faced issues in the quality and accessibility of information needed to perform the tasks. Most companies in Macedonia have poor financial management accounting which is often inaccurate, does not reflect the real situation which make it hard to value a company.

Real Estate Valuation

In line with discussions with USAID, MCP designed an initiative to support the adoption and implementation of international real estate valuation practices, key to the functioning of a market economy, and essential to accessing finance, accurate accounting, equity transactions, taxes, and a vibrant real estate market. On August 31, 2010 the Government of Macedonia passed a new law on valuations tasking each of the nine ministries included in the law to develop a methodology for valuations of assets that fall under their competency and scope. Apart from the development of the methodologies, the implementation of the law required intense work and coordination with the ministries to organize trainings and exams for the newly certified appraisers, establish e-registries of appraisers, translate international valuation standards, etc.

In the spring of 2011, the Ministry of Information Society and Administration (MISA) approached the MCP team asking for assistance in developing the Methodology on Valuation of IT Assets. An MoU was signed with MISA on June 13, 2011, and MISA and MCP representatives established a working group to draft a methodology on IT valuations. A public debate took place on September 14, 2011 with relevant stakeholders giving their comments on the draft methodology. The finalized methodology was sent to the Minister of MISA for signing in October 2011.

Workforce Development

Although Macedonia suffers from an unemployment rate as high as 36%, companies (and investors) often complain about a permanent shortage of talented employees and candidates. This disconnect between supply and demand of workers represents a serious impediment to companies' ability to compete in a global economy, to the point that skills shortages are widely acknowledged as the most critical issue facing the growth of Macedonia's economy. The shortages are particularly acute in highly skilled, knowledge-based, innovative and technological areas critical to growth-oriented industries such as ICT, but also hinder competitiveness in traditional sectors like light manufacturing and apparel.

Key Activities	Key Outcomes
• National internship and job placement program and MyCareer portal • Organized 4 E-career fairs • Employment preparation training for students and job seekers. • Employee mentorship training for employers • Training and certification of first generation GCDF consultants in Macedonia • Established Association of Career Counselors in Macedonia • Industry-led training and curricula development • MyCareer spun off as sustainable legacy NGO.	• 12,759 and 460 companies registered on www.MyCareer.com.mk • 2,612 internship placements and 425 permanent jobs facilitated through MyCareer • 28 GCDF Counselors certified (including 12 GCDF master Trainers) • My Career NGO has sold 116 packages worth $29,683 and collected $4,726 from selling individual services • Industry led programs completed with curricula changes in Debar and Kocani, facilitating new jobs for 40 students. • MyCareer earning $35,000 in revenue through sales of internship packages and other services

Skills shortages also undermine efforts to attract investment. While tax incentives and low production costs can help attract international companies to Macedonia, the availability and trainability of its workforce often play a large role in the final decision process. If a company considering Macedonia as an investment location feels it must use significant resources to train employees to meet its skills requirements, it may choose to locate where a workforce with the required skills already exists.

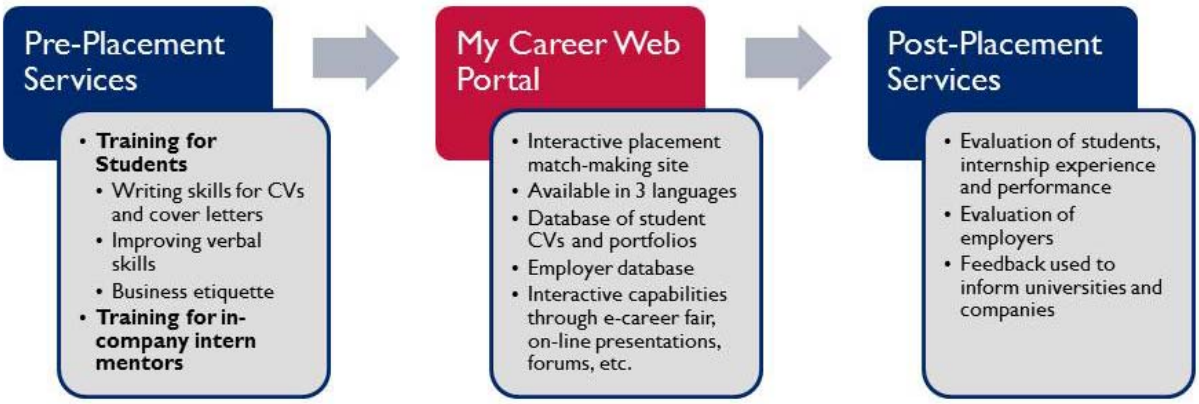
MCP's Workforce Development Component uses systematic and market-led solutions to "fix the broken links" between what businesses need and the workforce offers. It uses engagement with the market, employers, and training/education institutions to identify skills gaps and design programs that either provide individuals with the training and experience needed to be more productive members or the workforce, or help improve the quality, availability, delivery and market orientation of training and education services. These activities can be geared towards improving the overall competitiveness of Macedonia's labor pool, or address issues related to an area of market growth or a specific investment opportunity.

Activities under this horizontal component focused on *addressing national workforce requirements* to meet the needs of Macedonian employers, primarily through the development and roll-out of the National Internship and Job Placement Program (NIJP) and its www.MyCareer.com.mk online portal. MCP's workforce development team also contributed to vertical program to *address sector-specific workforce requirements.* These activities, involved (1) use of the revolving fund to train new recruits, (2) short-term, cost-shared training programs tailored to meet a specific skills gap; and (3) partnering with industry and training/educations institutions to develop curricula that will produce a pool of candidates for specific industry needs.

National Internship and Job Placement Program (NIJP)

Macedonian employers often complain that recent graduates lack the skills to work effectively in the modern workplace. Internships can help mitigate this issue by allowing a student to gain professional experience in an

Figure: NIJP Support throughout Internship Placement Process



occupational area they are considering. Typically, internship experiences provide a level of responsibility where students can develop new skills and capabilities that will not only make them a more credible job applicant in the future, but also help them add more value to future full-time employers.

Responding to this challenge, MCP launched the NIJP and the www.MyCareer.com.mk online internship and job placement portal in April 2009 to give both interns and employees in pre-placement services, matchmaking, and post-placement services. Since its inception, MyCareer stood out as a platform able to cost-effectively facilitate internship and job placements throughout Macedonia across multiple sectors, resulting in **2,612** internship placements and **425** full-time job placements.

In the *pre-placement* stage, the NIJP team offered training for students and job seekers on writing skills (e.g. how to write a CV and cover letter) and "soft' skills (e.g. verbal communication, how to handle an interview, dress code, negotiations, etc.) Employers often identify poor communications skills as a main reason they do not award candidates with job offers, and this training helps students increase the likelihood of getting an internship placement, and prepares them for full-time job applications. NIJP trained 4,455 students in writing skills and 3,016 in communications.

NIJP also provided training for 328 career mentors or staff responsible for human resource functions and the integration of new employees or interns in a company. Trainings focused on building human resource capabilities within companies and teaching mentors how to use better the skills and knowledge of newcomers by writing clear job-descriptions, how to evaluate the performance of interns (and regular employees), and how to develop curricula for on-the-job trainings.

Through this experience I am gaining new knowledge and can supplement my theoretical knowledge with practice, which is very important for me. I have great support from my mentor and other colleagues who are always available to help me in my work. I am acquiring experience in performing several tasks, like writing reports, loan approval processes, informing clients for the approved loans, as well as working on credit cards for clients."

Intern at Ohridska Banka

"We have had interns before, but it was limited to candidates that expressed interest and the number varied depending on the students that had visited our website. Now through MyCareer portal, we are able to establish a direct link that resulted in over 60 internships ….We are very happy with all of the candidates, we thank them for choosing our company.

Slavko Sazdovski, HR manage
Ohridska Banka, Societe Generale

As part of its *placement services*, MyCareer's online matchmaking portal served as a communication tool bringing together companies, job seekers, students and career counselors. The portal allowed students and job seekers to upload CVs and a Career Portfolio, companies to add job/internship vacancy, and all parties to take

part in e-career fairs, on-line forums, video presentations and live chats. When appropriate, NIJP helped some companies find the right match for a specific posting.

Promoting the NIJP and MyCareer.com.mk

The long-term success of the MyCareer portal depended on its widespread use by both companies and students as an internship and job placement tool. MCP carried out an aggressive nationwide public relations campaign to create awareness and interest amongst students, job seekers, universities and companies. Initial Road show events were held in 11 cities throughout Macedonia, including Shtip, Bitola, Prilep, Ohrid, Struga, Tetovo, Gostivar, Strumica, Kumanovo, Sveti Nikole and Skopje. In total, 842 individuals took part, 791 of them students, many of whom registered at or immediately after the events. Other promotional activities include participation in education fairs and a MyCareer event at the city park. Road show events received significant coverage in national print and broadcast media.

In addition to initial promotional efforts, MyCareer carried out ongoing promotion of its services, presenting at universities and vocational high schools participating at career fairs, coordination with Municipalities and taking part in events organized by related foundations and associations, including YES Incubator, Students' Association AISESEC Prilep, Days of Education and Career, Skopje and others.

To highlight the participation of major companies in the NIJP, MCP organized MOU ceremonies for a number of big companies, internship partners, including: Bozhinovski (watch and jewelry, VIP (mobile provider), Vitaminka (food producer), EVN (power distribution), Ein-Sof (IT Company), ERA (Slovenian Trade fair company), Eurolink (brokerage), McDonalds (food chain), Seavus (IT Company), Sigal (insurance company), Skovin (wine producer), Tutunska Banka (Bank), Zhito Luks (food producer), On-Net (Telephony and Internet provider), Alkaloid (pharmaceutical).

As of March 2012, 12,759 students and 460 companies had registered on the site, and over 400 full-time job positions had been filled. More statistics on MyCareer registration and placement are provided in Annex 1.

During *post-placement stage* the NIJP team followed the career development of students and job seekers. After facilitating the match, the Program worked with the host company to follow an intern's progress and any impact they may have on the organization. At the same time, students evaluated their experience, and the extent to which they felt challenged. This effort was intended to guide career development and identify areas where specific knowledge or skills needs should be incorporated into education curricula.

E-Career Fairs

MyCareer followed the newest trends in employment by organizing e-Career fairs—a first in the Balkans. These bring students, educational institutions, and companies to a virtual place where they can exchange information in real time. The e-Career fairs are virtual and fully interactive, providing an opportunity to participate from home, office or favorite coffee shop— any place with an internet connection. Students speak to company managers to learn about openings and required skills while companies promote their recruitment policies as well as their services and products.

MCP team organized four e-Career fairs in FY 2010 and 2011. Each included a 30-hour live program, 30 chat sessions and four job interview simulations. Companies also hosted virtual "stands" with presentations, videos and pictures about the company. More than 300 companies took part in the e-career fair initiative, during which over 5,000 visited the MyCareer site, and over 170 students applied to active job/internship postings.

Support to Universities and Development of Career Centers

MCP intertwined internship and job placement activities with efforts to enhance career development capacities in Macedonia by raising the capacity of career development centers in interested schools and universities. In December 2009, MCP engaged Randy Powell, a recognized career development expert, to visit Macedonia and meet with university officials, HR Associations and large companies to discuss the "blueprint" of a career development center, how to establish a functional career centers and how to incorporate career management into academic curricula. Mr. Powell's main recommendation was that a centralized career center be established in Skopje, primarily as a web portal with central technical support. This could be economical for universities, as career center would not have to establish their own website and databases.

> "Participating in the e-Career fair allowed us to communicate with student all over the country, thus allowing us to be even closer to future employees and the talented workforce that our company has a need for."
>
> *Iskra Trajkovska*
> *HR Manager at software developer Nextsense*

Due to MCP efforts, the concept of career development within universities is gaining traction within Macedonia. Bitola University established a career center to serve its students, and University American College of Skopje has embedded CV and communication training into the curriculum that allows getting credits accordingly.

Pursuing MyCareer Sustainability Model

Starting in FY 2010, MCP started implementing sustainable plan for MyCareer. After conducting interviews with key stakeholders such as companies, universities, chambers of commerce, associations and government ministries, MCP spun off MyCareer as an independent NGO that would charge companies, universities and students/job seekers for its services. The NGO started charging fees for it services in 2011, and as of April 20102, MyCareer had earned $35,000 in revenue through sales of internship packages to over 100 companies and training fees.

Recognizing that fees for internship and training services alone would not be sufficient to sustain the organization, MyCareer developed a grant management unit to collaborate with donor organizations that support activities in youth employability programs. MyCareer was awarded funds from the Norwegian Embassy for a pilot project promoting human capital in Debar and Berovo and was included as a partner in the successful proposal for the USAID Interethnic Integration in Education Project (IIEP) with the Macedonian Civic Education Center (MCGO).

Since the end of limited MCP support in March 2012, MyCareer has maintained operations.

Training and certification of Global Career Development Facilitators (GCDFs)

MCP career development activities also included the training and certification of Global Career Development Facilitators (GCDF). Career Development Facilitators (e.g. university career counselors, career coaches, job search facilitators, employment/placement specialists, human resource career development coordinators) play an important role in helping students and workers enhance their employability and fulfill their potential. Certified GCDFs are trained and accredited according to the Center for Credentialing and Education (CCE) guidelines to assist in designing, delivering and evaluating career guidance services individuals need to make informed educational and occupational choices, coordinate career development centers, conduct interviews, develop and coordinate human resources strategies and deliver quality career guidance services in educational and employment settings. GCDFs also facilitate access to information resources about the labor market. The GCDF Program is offered in Bulgaria, Canada, China, Germany, Japan, New Zealand, Romania, Turkey, Greece and the United States.

MCP collaborated with the Business Foundation for Education (BFE), a legacy organization of the USAID-funded Labor Market Project in Bulgaria, to introduce and mobilize the GCDF concept in Macedonia as a means to support crucial career development efforts. Between 2010 and 2011, MCP helped adapt the GCDF curricula and training modules to Macedonian standards, trained 12 GCDF master trainers (certified to train other GCDF candidates), and 29 GCDFs. In October 2010, GCDF participants chose to establish a National Association of Certified Career Counselors (ASK) with MCP support. Since MyCareer was spun off as an independent NGO (see below) MyCareer has collaborated with ASK to continue training of eight additional GCDFs who are expected be certified by the end of MCP's contract period.

As part of an MCP legacy, MyCareer signed a GCDF Macedonia Program Partner License and Services Agreement with the National Board of Certified Counselors (EBCC) the global body governing the GCDF certification. MyCareer will serve as an exclusive credential administrator for the GCDF Macedonia Program, providing GCDF training services, maintain policies regarding credential eligibility, qualification and selection, and process GCDF Macedonia Program credentialing applications.

Project Management Professional (PMP)

MCP collaborated with GIZ and the ICT Chamber MASIT to deliver a training program on Project Management for Professionals (PMP), regarded as one of the most effective certification programs applied internationally for project management. In all, 45 professionals took part in the training—25 trainees from the ICT sector and 20 included business management consultants and various training providers. Twenty passed the final exam and became the first PMP certified professionals in Macedonia. In January 2012 MyCareer was approved by the (PMI) as a Registered Education Provider (R.E.P.) which means the organization will be eligible to provide training courses towards the Project Management Professional (PMP)®, Program Management Professional

(PgMP)® accreditations to earn revenue to support its sustainability. MyCareer initiated this training in April of 2012, training 35 candidates from Stopanska Banka, Ein-sof, SNV World, and Sigma SB.

Development of industry-led training and education programs

MCP piloted industry-led training and education programs to facilitate long-term collaboration between education institutions and businesses to develop skills of future employees through formal education. These training programs involved significant cost-share and collaboration with the client and local training institutions in the design and delivery of training and relevant curricula. Examples are provided below:

Training of animation and visual effects developers using revolving fund. During FY2009, MCP developed a revolving fund pilot aimed at training new recruits or employees to support business expansion and new business ventures, investments and/or strategic partnerships. Trainees paid 10% of training costs upfront, the company paid 20% and MCP Revolving Fund paid the final 70%. MCP also assisted in the design and delivery of the program. Upon training completion, hired recruits (or their employer) were expected to repay the Revolving Fund share (the 70%) within 6-8 months to replenish the fund. Trainees who were not employed immediately did not have to repay the fund.

The revolving fund pilot involved went to training for 45 animators at fX3X, a leading digital and visual effects company, in the use of new software and animation technologies. Following the training, 40 animators were hired, and fX3X paid MCP back for the training cost.

New academic program for construction materials. This program was developed in partnership with KNAUF, a German investor of construction materials, Municipality of Debar and its secondary school and MCP. Each party has agreed to support the process and initiate the new academic program to be introduced in the high school in Debar for students planning to pursue a career and employment in the construction sector. KNAUF supported the program with content and expertise; the Municipality licensed the program with the Ministry of Education and VET Centre. MCP supported the process by transferring expertise from the German company to local institutions. Twenty-five students took part in the first semester of the program.

Modified curricula in partnership with Automotive cluster and local government: MCP facilitated a partnership between RUEN IT, an automotive component manufacturer, local governments and secondary schools in Stip, Kocani and Vinica, and the TVET Centre to update the curricula to reflect the latest practices and machinery in the components manufacturing. The project assembled a group of experts from business community, TVETs and schools to review the curricula and make necessary changes. RUEN provided teachers with training in state-of-the-art machinery and practices and offered three-month internships to 10 students, one of which received a full-time job upon completion.

LOTUS Taxi training. In the beginning of October 2009 the project supported LOTUS, a taxi company, to establish a School for Professional Taxi Drivers and train future taxi drivers to improve their soft skills, which are considered lacking for this profession in Macedonia. Some topics were: communications, regulations in navigation, knowledge of streets and landmarks and use of radio stations and the meter. Close to 100 applicants took part in the training, of which over 30 received offers of employment.

Workforce development working group

Many gaps impacting the quality of Macedonia's workforce are systemic, stemming from policy weakness, whereas in other cases, outdated curricula, educational practices, career development practices and even employer practices play a role. MCP helped establish the National Workforce Development working group as a forum to connect government, education and business stakeholders for a unified effort to address these gaps and build a more qualified and globally competitive labor pool. Activities include lobbying for issues of common interest, providing policy recommendations, and developing initiatives focusing on workforce development.

The project team also engaged the newly established HR association and AmCham Macedonia to plan a joint working group meeting and avoid separate HR-focused activities. It is expected that in the future, the HR Association will have a leading role in organizing working group meetings, whereas MCP and AmCham would take care of the logistics and overall support of the events.

In response to the request of the Ministry of Labor and Social Policy, MCP worked with AmCham and the HR Association to assist the Ministry in drafting a new Macedonian law on internships. MCP engaged a consultant to carry out a comparative analysis on the legal and institutional framework of internships. The analysis explores internship-related issues and compares Macedonia with countries from other eight countries: Bulgaria, Slovenia, Germany, Croatia, Germany, Ireland, UK and U.S. The information and analysis was a starting point for authorities and stakeholders to revise the legal framework and create a better institutional framework and support for internships in Macedonia.

Foreign Investment Promotion

Key Activities	Key Outcomes
• Mobilized network of agents to develop FDI leads. • Serviced potential international investors • Supported pending logistics investment • Provided capacity building support for Invest Macedonia and Minister of Foreign Investment cabinet.	• 38 FDI leads generated from EDA network • 6 FDI leads reached final stage with a total investment of US$26.71 million and exports of US$8.9 million • $10 million logistics Park in advanced stages (negotiating with government)

Foreign investment enables a country like Macedonia to quickly generate new jobs and exports, while benefitting from transformational global market linkages, technology and knowledge transfer, domestic supply chain development and upgraded skills base.

Macedonia's government has enacted a favorable legal and incentive regime, and in the wake of economic crisis global companies are exploring new investor-friendly and lower-cost locations to make their supply chains more competitive. Southeastern Europe has been seen as an emerging investment destination by many investors in Europe—and by Asian companies seeking proximity and duty-free advantages in the EU. For some time however, Macedonia had been off the map for many, and little-known by others. MCP's Foreign Investment program supported Macedonian efforts to attract investments to significantly increase employment and export growth or have a transformative effect on the Macedonian economy. MCP's efforts went beyond the green field investments targeted by Invest Macedonia and included joint venture and strategic partnerships in local companies.

MCP Foreign Investment activities focused on ***developing an investment pipeline*** by building and mobilizing a network of economic development agents (EDAs) tasked to identify and capture targets for investments, strategic partnerships, and sourcing deals on a success-fee basis. Piloted in FY2009, the network became fully operational in FY2010, bringing new leads screened and supported by the MCP team. The network generated a series of potential investment as well as export leads that have been screened and supported by the team. In addition to identifying new leads, MCP developed a program to ***service potential investors****:* hand-holding, troubleshooting, assisting in due diligence and offering services to lower the decision threshold for an investor considering a deal in Macedonia. A summary of activities under this component is provided below:

Economic Development Agent (EDA) Network

To increase the flow of potential investor leads, MCP developed a network of professionals in Macedonia and abroad (India, Israel, Russia, Slovenia, Netherlands and UK) to identify potential investors in Macedonia through direct investment, strategic partnerships, joint ventures, or acquisitions. MCP used a tiered incentive scheme to compensate agents based on the quality of leads generated and the outcome. While compensation for a specific qualified lead is small, the compensation for a lead that becomes an actual deal was much larger. Once leads were generated and qualified, MCP worked with the FDI agents to develop a plan and offer investors specific services, as appropriate. MCP later expanded these agents' role to include export opportunities, as experience shows many potential investors start looking at a country through the lens of a buyer.

FDI agents generated 38 opportunities, six of which reached final stage with a total investment of US$26.71 million. This included projects involving real estate (Hungary), pharmaceuticals (India, *see text box*), health foods and homeopathic medicine (Russia) and organic food production (Austria).

Sustainability of the EDA model

Although MCP support for the EDA network ended in 2011, a number of MCP's EDAs abroad have continued to promote Macedonia as a FDI and sourcing destination—as envisioned in the initial EDA concept. MCP's support enabled these agents to generate enough leads and opportunities to make it cost effective for them to continue generating business between Macedonia and their spheres of influence. For example, the India-based EDA is pursuing fresh produce exports from Macedonia to the Middle East and has facilitated a meeting between a local supplier and a Dubai-based buyer. Initial trial shipment of two containers was sent for a trial sale.

The road to "Indomak"

India's pharmaceutical industry has a huge raw material base and double-digit growth rates. All global players have manufacturing facilities in the country, competing with 20,000 or more businesses. Many of these medium-sized companies are targeting niche markets as a long-range strategy for survival and growth. Three such companies, encouraged by MCP's Indian based EDA and hosted by the project FDI team, visited Macedonia in 2009. After a number of meetings and six months of assisted due diligence, they decided to make Macedonia their stepping stone for their future expansion in the EU market. With MCP assistance, the group quickly identified the right local partner with whom to jointly develop a regional sales and marketing strategy. In 2011, the joint venture "Indomak" was officially registered as the marketing and sales vehicle of their operations. The group will invest in production capacities in Macedonia, with an eye toward developing a long-term European presence.

Servicing potential and existing investors

MCP offered interested investors services to help them choose to invest in Macedonia, or accelerate the roll-out (and thus employment and export generation) of a given project**.** Activities included assistance in identifying local partners, feasibility validation, communication with government agencies, regulatory troubleshooting, capacity-building support for domestic suppliers, and tailored workforce development programs. Examples included facilitating the realization and mobilization of a greenfield apparel investment (Macedonian Garment Industry (MGI) and Phalanx Capital), an investment in private educational services (GEMS UK) and a logistics park investment (see below).

Facilitation of logistics park investment

As part of a long term effort, MCP worked to facilitate a major investment in a export-oriented logistics park in Skopje. The prospective investment involves a well-known international commercial real estate company that specializes in the development of industrial and logistics parks. The firm has an extensive network of international business clients, putting it in a position to suggest that major industry players consider locating operations within its Skopje facilities if the investment is realized. MCP felt that the investment could have a transformative impact on the Macedonian economy, as the availability of world-class logistics services would not only make Macedonian firms more competitive, but would also help attract new investors to Macedonia (particularly in industries where logistics costs and speed to market are an important success factor, such as light manufacturing and product assembly). The proposed immediate investment—valued at $10 million—would generate millions more in further investment, as local and international companies locate themselves within the park or use its services, benefiting from cost-reductions and efficiencies.

Starting in April of 2009, MCP organized a series of investor mission that involved meetings with with key government officials, (Invest Macedonia, Prime Minister, Minister of Transport and Communications, and Deputy Prime Minister), potential local partners and park tenants, and USAID. After the investor chose a preferred site and confirmed an interest to move explore the investment further, MCP assisted in gathering information to determine the economic feasibility of the project, assisting in communications with the government of Macedonia to clarify questions or address minor issues. At the same time, MCP engaged a local financial advisor to develop the P&L analysis for attracting a world-class logistic service provider to serve as the anchor for the logistics park.

Between 2010 and the end of the MCP, the logistics park has been on hold, as there were problems with the initially selected land, such that the investor needed to choose an alternative site. Furthermore, the investors

acquisition of the land required a public land tender. The lengthy tender process (due partly to a moratorium on all government tenders 60 days before and after the June 2011 the election) delayed an investment that should broke ground in 2011 or earlier. To the extent possible, MCP facilitated interactions between the government and the investors, arranging meetings and correspondence, offering troubleshooting advice and encouraging all parties to keep the opportunity live. Throughout this, the investor has remain interested in moving forward. At the time MCP was coming to a close, the expected tender was imminent.

Collaboration and Capacity Building for Invest Macedonia

Throughout the project period, MCP collaborated closely with Invest Macedonia and the Minister of Foreign Investment in the identification, screening and support of priority investment leads, and strengthening their capacity to identify and service investors. In May 2009 MCP signed an MOU with Invest Macedonia that provided a formal framework for lead sharing and joint investment promotion and investor servicing efforts, as well as MCP capacity building activities. Examples of collaboration are provided below:

MCP Chief of Party Nimish Jhaveri and Victor Mizo, CEO of Invest Macedonia sign MOU

Building Capacity of Country Economic Promoters (CEPs) – In 2008 and 2009, MCP provided training to Invest Macedonia's CEPs based abroad in marketing skills, lead generation, customer relations management and specific sales techniques to improve the efficiency and effectiveness of their investment promotion activities in targeted countries. The group consisted of CEPs working in diverse cultural surroundings (e.g. Spain, Turkey, Australia, Japan and Canada), so training also touched on different cultural styles of doing business while promoting Macedonia as an FDI destination.

Institutional capacity building to improve investment promotion effectiveness – MCP provided strategic advice and technical assistance to enhance GoM's investment promotion efforts. In 2008, MCP trained 35 officials from Invest Macedonia and the Ministry for Foreign Investment develop a stronger understanding of strategic frameworks for investment promotion, drawing upon experiences from other countries. MCP also collaborated with the World Bank and the British Embassy in Macedonia to help Invest Macedonia launch a new Customer Resources Management (CRM) system to improve management of prospects and leads pipeline. The web-based CRM system enabled field staff to manage their daily activities while allowing central IPA office to view the full range of its activities, improving efficiency and investor servicing. MCP's assistance included a gaps analysis and best practices guidance a gaps analysis. In 2010, MCP engaged a consultant to advise on ways Invest Macedonia and the Minister of Foreign Investment Office could be more effective by streamlining investment promotion activities and processes and developing a performance-based compensation system for senior level professionals to carry out activities similar to MCP's EDAs.

EDA Collaboration with Invest Macedonia and Minister of Foreign Investment - A number of leads have involved collaboration between MCP and its EDAs, Invest Macedonia and its Country Economic Promoters (CEPs), and the Minister of Foreign Investment. MCP's India EDA helped the Minister arrange high-level meetings during his trip to India in December 2009, including with two of the largest business process outsourcing (BPO) companies in India and the Indian IT association. One of the BPOs has started including a Macedonian company as a sub-contractor for a variety of tenders focusing on the EU market. Another lead was produced from the networking event with the Indian IT Association, though in another industry: light manufacturing. The biggest producer of electrical transformers is interested in the potential of Macedonia.

Innovation Center

Key Activities	Results
• Supporting pipeline of entrepreneurs with innovative high-potential projects • Established the network of Innovation Advisors (IAs) • Strengthened innovation eco-system • Established business angel network (BAN) • Supported development of Innovation Finance Vehicle • Working upon the self-sustainability of the Center	• Center established and fully operational • IC supported and coached more than 10 innovators to commercialize innovation • Innovation Development Fund approved by USAID and operational • Innovation Center operations sustained beyond scope of MCP

Innovation is an essential driver of competitiveness and economic growth in developed and emerging economies. Innovation enables companies to improve their competitiveness—through better products, business processes and efficiencies—and generates income from new ideas and technologies. Countries that successfully promoted the adoption, creation and commercialization of innovation create a dynamic private sector with direct and indirect benefits for their wider economies.

Macedonia is yet to harness the widespread benefits of innovation. As a country, Macedonia spends 7.8 times less in research and development relative to GDP than the EU-15, a gap that is widening. The gap with other emerging economies is also widening. Approximately 95 percent of Macedonia's R&D expenditures occur outside the private sector. Approximately 60 percent of R&D expenditures are in academic institutions, which, according to a recent study completed by MCP, only loosely meet private sector needs. Since these are not commercial initiatives, economic returns to business and the wider economy are limited. Furthermore, many probable innovators lack the capacity, know-how and resources to develop, package, finance and commercialize new innovations. Furthermore, Macedonia lacks an effective environment for supporting innovators and offering the services needed to move from concept to business.

In 2010, MCP launched the "Innovation to Business" (I2B) Center in partnership with the National Center for Development of Innovation and Entrepreneurial Learning (NCDIEL) to link innovators and partners within Macedonia and abroad. Innovation Center activities focused on building the capacity of Macedonian innovators and firms to adopt, create and commercialize innovations and technologies, including guidance for innovators as they move from concept to realization: identifying and attracting necessary early-stage financing, and training and coaching to strengthen the capacity of entrepreneurs and innovators to enhance the success of their business. The Center also took steps to build an innovation "ecosystem" to support innovative ventures and bring them to market in a commercially viable way by identifying, training and mobilizing a network of innovation advisors to support innovators and facilitating linkages with sources of innovation and early-stage financing. Details on activities carried out by the Center are provided below:

Building the capacity of Macedonian Innovators and firms

The Innovation Center engages a pipeline of entrepreneurs with innovative projects and ideas and helps guide them through the process to commercialization through trainings, coaching, strategic guidance, financial facilitation and linkages with potential investors or business partners. The Innovation Center also offers services to start-ups, entrepreneurs and companies that would like to innovate their existing business models. The IC provides coaching and mentoring services using a methodology based on the Alex Osterwalder approach, creating innovative models for delivering value to the customers.

At the end of MCP (the Center was spun-off as an independent NGO and is continuing operations) the Innovation Center had a pipeline of 40 current and prospective projects. Thirty had received training and coaching in their business concept, and at least four are approaching investors or financial institutions for finance. Highlights of projects in the pipeline are presented in the table below:

Innovation	Description	Center Support
World Teleconnect International	International investment in Macedonia technology hub in Balkan region though wireless and interconnection technologies	Assistance in developing services for Macedonian/Balkan region, access to finance and negotiations with mobile operators
Cavitation (Waste to energy)	Macedonian developed cavitation technology that can convert urban waste into energy. Investment deal signed although challenges in implementation	Assisted in tests to demonstrate capabilities, strategic guidance for innovator, negotiations with international investor, assisted investor in developing implementation for project
Mobile phone application	Opportunity to create mobile game applications through collaboration with Keele University and a small Macedonian software development company in BSC Bitola incubator	Innovation Advisor linked innovator to a business angel interested in investing in the commercialization of smart phone applications.
Horizontal Drill	Macedonian created prototype of a machine (vertical drill) that can be used for optic fiber and similar installations with limited debris/property destruction	Developed commercialization strategy, and pursuing options to finance larger prototype for real world
Small Airplanes	Macedonian entrepreneur plans to start production of light weight airplanes.	Prepared business plan and provided assistance in accessing funding
AC/DC	Macedonian company has patented four innovations in power protection. It started producing a final product that incorporates these innovations	Product is already on the market; however, IC is helping the company rethink commercialization strategy
Energy-saving Construction Material	Macedonian innovator has patented several construction materials for energy efficiencies	Packaging an application to be submitted to USAID-funded Innovation Finance Vehicle
Waterless Car Wash	Car wash process that does not require water and seen as income opportunity for unemployed	Developed business model, prepared business plan, prepared proposal for funding from Swedish Facility Innovation Against Poverty and EU-IPA funding Cross-Border Projects
Energy Independent Billboard and Trash Disposal Unit	A Macedonian patented this unit and produced a prototype that was installed in the municipality of Centar (Skopje) for presentation purposes	Developed proposal for use of unit for Municipal Assembly Assembly accepted proposal and approved 3 locations for the unit to be jointly operated with municipality and 10 locations managed by independent operator
PET Cutting/ Compressing	Patented innovation for processing for recycled PET plastic products	Identifying potential users of machine, helping the innovator target best market opportunities
Geo Location Loyalty Program	Smart-phone system	Working to clarify business model, introduced idea to T-Mobile as a roll-out partner, with initial positive response
Genetech	Personalized medicine service based on genetic preferences	Access to finance support
Hybrid Cloud Solution	MASIT concept to offer cloud service to support tourism and other services	Prepared a joint proposal with to apply for USAID-RCI funding and promote idea to Microsoft, HP, and T-Mobile

Building an innovation ecosystem

Successful innovation is not merely the success of individual entrepreneurs. Innovators need access to an innovation ecosystem that leverage synergies between innovative entrepreneurs, academia, government and businesses to access the knowledge, technology, financial resources, markets and policy environment needed to develop, adapt and commercialize innovations.

Establishing the network of Innovation Advisors (IAs)

The Innovation Center identified 20 qualified financial and business advisors and trained them further to be able to support innovative projects. Innovation center organized several presentations/trainings to build the capacity of IAs, such as: Intellectual Property Rights (Trademarks, Trade secrets, Copyrights, Patents), accessing business Angel capital, Risk financing, Commercialization Process, etc.) As projects enter the innovation pipeline, these advisors are engaged with innovators according to their skills, managerial practices and industries in which they have previous work experience.

Creating the first BAN in Macedonia – i2BAN

Blaz Kos lecturing at i2BAN training session

In many countries, business angel networks (BANs) and venture funds are important sources of financing for young innovative companies. Since such financial channels have not existed in Macedonia, the Innovation Center partners with Kapital to create the Macedonian Business Angels Network (i2BAN) (www.i2ban.mk). The Network brings prominent businesspeople interested in supporting start-up and early stage ventures and link them with viable investment opportunities. Besides providing new sources of financing, the mission of i2BAN is to encourage entrepreneurial culture in Macedonia and educate potential entrepreneurs in how to successfully start a business. In cooperation with the general manager of the Slovenia BAN, Blaz Kos, the Center established a business plan, an action plan and the related documentation to administer such a network. It also works closely with Serbia BAN and Croatia BAN.

Presentation at second Investment Dinner

The Innovation Center organized two investment dinners involving angel-investors who were pitched multiple investment opportunities. These event and those planned in the future intend to raise the awareness among both entrepreneurs and potential angels of this type of financing in hopes it will lead toward its wider adoption and use as an alternative for start-up businesses.

In the lead up to the second Investment Dinner, i2BAN organized an Investment Readiness Week in July 2011, including training sessions for diverse target groups. Trainings were mentored by Blaz Kos—general manager of the Slovenian BAN—who has been a lecturer at over 150 events throughout the region. Participants learned what it takes to get a start-up company on the right track and how to deliver a business pitch in front of angel investors. Twenty consultants, including a number of Innovation Advisors were trained in facilitating access finance through business angels' funds. A Training of Trainers for four future facilitators in the field of innovation, entrepreneurship and angel financing also took place. i2BAN's partners—NCDIEL and BSC Bitola—were included in this session. The Investment Readiness training program is now commercially available through Kapital Academy.

Development of Innovation Finance Vehicle

MCP, the Innovation Center and Crimson Capital collaborated to develop a proposal (submitted by Crimson) for the establishment of a $300,000 Innovation Financing Vehicle (IFV). The fund is intended to offer risk capital—with lending terms—to finance the development of innovations with high-market potential. Funds can be used for testing/proving, developing full-scale prototypes, technical research, initial investments in brick and mortar, etc. The Fund became operational in April 2012, after which the Innovation Center initiated packaging opportunities to submit to the IFV.

Pursuing sustainability of the Center

From its inception, the Innovation Center was intended to become a sustainable spin-off of MCP. The services and structure of the Innovation Center were designed to provide revenue to the organization once support for the organization ended in May 2012. This included training programs targeting micro and small innovative enterprises related to innovation and entrepreneurship not presently in the market, as well as success fees and cost-sharing for successfully supporting specific innovation projects. Recognizing that training and service fees alone would not be sufficient to sustain the organization, the Center has taking steps to become eligible (e.g. develop required internal processes) and develop proposals for EU and USAID grant funding. To date, the Innovation Center has applied for funding from the Swedish Development Agency (SIDA), Norwegian Embassy, the USAID PFS Program, USAID Development Innovation Ventures (DIV) program and the USAID Regional Competitiveness Initiative, EU-IPA Cross-Border Cooperation Programme, Spark Kosovo, and the Government of Macedonia.

After a successful proposal process, the Innovation Center is managing the USAID Ag-Biz Project's version of MCP Financial Platform to support access to finance for the farmers and MSMEs in the agribusiness sector. For the first time at USAID Macedonia, one project is leveraging knowledge through an independent NGO to support the activities of another USAID project.

In order to build its own knowledge base and learn from similar experiences, the Innovation Center has built relationships with innovation and entrepreneurship organizations in the Balkan region. This includes the Slovenian Business Angel Network, Serbian Angel Network, the Microsoft Innovation Center in Croatia, the Technology Park in Ljubljana, Slovenia, and building relations with several incubators in the region. The Center has participated in conferences and knowledge sharing events in Montenegro and Turkey which focused on innovation adoption, technology and knowledge transfer, and social entrepreneurship. The Innovation Center also participated in the training and capacity building for Business Support Organizations in non-EU member states of the Central European Initiative.

Finally, to position itself as real stakeholder in Macedonia, the Center has become a board member and active participant in a range of innovation initiatives, including 'Creation of Innovation Strategy for Macedonia" sponsored by Macedonia's Government and implemented by OECD, Balkans Venture Forum (a forum organized in Macedonia to match venture capital organizations from the EU with companies and business proposals from the region) and the Ministry of Economy's innovation and technology transfer voucher program.

VI. KNOWLEDGE MANAGEMENT

Communication and Outreach

The Competitiveness Project carried out a comprehensive Communications and Outreach (C&O) Program to introduce new business models, diversified financing sources, and export development concepts—and raise public awareness of MCP approaches, activities and achievements. The C&O component used a variety of communication and outreach tools, including holding public events and conferences, producing and disseminating information via printed and electronic communication channels: newsletters, success stories, white papers, news media and the MCP website. Press releases were distributed to national media. Press clippings documenting the effectiveness and success of MCP media outreach program were collected and filed regularly, and copies sent to USAID Mission on a monthly basis. In addition, MCP regularly contributed to USAID Macedonia Mission monthly and RCI quarterly newsletters.

MCP strategically shifted focus on different communication tools in different stages of the Project. In the first half, the most commonly used tools were educational public events, and frequent press releases to announce MCP activities, new concepts and business models. As the Project become more mature, and project activities well known among Project partners, beneficiaries, and general public, it promoted results, achievements and impact through success stories, newsletters, and case studies.

MCP also strategically used selected media as main channels for distribution of Project news and achievements, establishing a long-term partnership with leading business newspaper Kapital business weekly to convey targeted messages and introduce new concepts (such as business angels). The cooperation with Kapital resulted in 35 articles published over the life of Project, ensuring MCP activities and achievements were well known among the business community and the general public in Macedonia.

As the Project developed two spin-offs to sustain its major activities, the Innovation Center and MyCareer, MCP helped build their capacity to plan and execute communication activities. In the final year, as most communication efforts were undertaken by these two NGOs. MCP implemented transfer of know-how through coaching and mentoring in organizing events, putting together press releases, placing articles in the media, etc.

Brief information on specific MCP Communication and Outreach outputs is provided below.

Project website

The Project web site: www.mcp.org.mk was launched at the beginning of the Project and was updated regularly. It offered a wide range of information to all Project counterparts and the public about upcoming events, project announcements, project success stories and press clippings. Mid-way through the Project, the web site was redesigned and revamped to make it more user friendly, easier to navigate, and more informative.

Publications

MCP designed and published brochures, info leaflets, posters, promoting its major components and activities, including the Financial Platform, the Equity Financing Program, the National Internship and Job Placement Program (MyCareer), the Light Manufacturing component, the Foreign Investment Service Program, the Innovation Center Business Angels Network, and Factoring. These publications described the variety of Project services available to potential investors, companies, students, universities, and other beneficiaries. They have been distributed at trade fairs, business-to-business events, meetings with international industry players, conferences, presentation, road shows, and through MCP's FDI Agent network. All of the brochures and publications were made available for download from the Project web site.

Macedonia Competes

MCP launched its "Macedonia Competes" newsletter in 2009 as its annual thematic educational publication. The first issue focused on Financing, the second on Careers, and the third on Market Positioning. The series examined approaches to different issues and sectors, while presenting the experience of the companies and organizations putting them into practice. The newsletter was bilingual (Macedonian and English) and was distributed widely, including to a mailing list of more than 500 Macedonian companies, partner institutions, USAID Projects in Macedonia, other international organizations and projects, USAID Missions in the region, Project partners and counterparts, Macedonian embassies abroad, and was made available for download from the Project website. Electronic copies of the newsletter were distributed to the participants of the annual USAID regional Competitiveness Initiative annual conferences in Kiev, Sarajevo and Budapest.

"Over the last couple of years, Kapital established very close and fruitful cooperation with the USAID Competiveness Project...We find MCP staff a valuable source of relevant and accurate information about Macedonian industry sectors supported by MCP. We are now in constant communication with MCP, gaining info on the latest developments and trends in these industries that makes it possible for us to put together stories of interest to our audience. We are also very happy to have the opportunity to work with the MCP's local partners, the Automotive Cluster and the Textile Clusters, as they are also valuable sources of info about the Macedonian automotive and apparel industries. "

Verica Jordanova, Editor-in-Chief
Kapital Business Weekly

Thought Leadership Articles in Kapital

Thanks to MCP's long-term partnership Kapital Business weekly, Kapital journalists covered all Project events, conferences, presentations and published articles on a regular basis. This included articles writing by MCP staff on issues related to competitiveness, workforce development, innovation and investment. Articles went beyond promoting MCP activities and advocated global best practices and steps that Macedonian counterparts must take to enhance the country's competitiveness and foster job growth.

Major MCP partners and stakeholders were also featured extensively in Kapital weekly. This included interviews with Vladimir Tevdov, President of the Macedonian Automotive Cluster, Kristijan Danilovski from fX3X, and Les Nemethy on the principles of equity investment.

Prior to his departure, Kapital printed an article recognizing USAID Mission Director Michael Fritz as a successful manager for MCP's National Internship and Job Program – My Career.

In sum, the 18-month cooperation with "Kapital" contributed significantly to raise the profile and visibility of USAID Mission in Macedonia in general, and more specifically MCP. This was acknowledged frequently by many high-level USAID officials, including the USAID Mission Director in Macedonia.

Success stories

MCP published a total of 23 success stories, which it shared with USAID Macedonia, distributed to the list of Project partners and counterparts, and made available for download from the Project website. The Communications Annex provides a list of all success stories, and table of a breakdown by Project components.

Public Events

The Project organized over 40 public events to reach project counterparts and partners, to raise their awareness or enhance effectiveness of specific Project activities and initiatives, and to inform the general public. Events included conferences, presentations, trainings, road shows, and press conferences, all of which received extensive coverage by national and local media in Macedonia. Communications Annex provides complete list of events and breakdown by component.

Case studies

MCP produced four case studies—in automotive components, workforce development, the Financial Platform, and apparel—documenting major Project components' achievements, results and impact, as well as lessons learnt in the process. The case studies also elaborate the process of how the achievements were made possible, the critical interventions applied, and the experience of the Project partners participating in the process. Case studies were shared with USAID/Macedonia.

Videos

MCP shot and produced a 12-minute video documenting the one-year success of MCP's National Internship and Job Placement Program "My Career" in April 2010. The video contains interviews and statements from companies who participated in the program and have successful experience in hiring interns. The video also contains testimonies from interns who participated in My Career as well as statements from the U.S. Ambassador to Macedonia, Phillip T. Reeker, and Macedonia's Minister of Economy, Fatmir Besimi. The video is available at MCP's web site, USAID/Macedonia web site and was directly distributed to MCP partners and stakeholders.

MCP produced a 14 minute video documenting the entire Project in April 2012, distributing it to the participants of the closing Project event on May 23, 2012. The video contains statements from major MCP partners, such as companies, stakeholders such as the Textile Trade Association, the Minister of Economy, Valon Saracini, US Ambassador to Macedonia Paul D. Wohlers, and MCP COTR Margareta Lipkovska Atanasov. MCP Chief of Party Jasminka Varnalieva narrated the video, and MCP component leaders introduced the main achievements.

"Macedonian Television has long lasting cooperation with USAID ever since the Mission was established in 1994. Being a public service we are always interested to present our audience with most accurate information about the support the U.S. and USAID is providing to Macedonia. We are especially happy with the collaboration we have with the USAID Competiveness Project. We appreciate the high level of professional approach MCP staff is deploying in organizing a great number of live interviews and live guest shows. When we deal with MCP we know that we always will have relevant topics and guests, well prepared interviewees, and a good story delivered to the public. "

Eli Josifovska, Editor in Chief
Macedonian Television

Media outreach

The Competitiveness Project regularly used Macedonian national and local media to deliver messages to the public, and gain greater public awareness of the Project's activities, concepts, achievements and results. Public events, conferences, and presentations organized this year (outlined in the previous sections) received extended media coverage in major national printed media. This includes Kapital business weekly, Nova Makedonija daily, Dnevnik daily, Kapital daily, Utrinski Vesnik daily, Vecer daily, Biznis daily, Vreme daily, HR Global, Spitz, Berznik weekly, Tea Moderna weekly. Major national television networks covered MCP events, including CNN International, Kanal 5, Kanal 5+, Sitel TV, Macedonian National Television (MTV), Telma TV, A1 TV, Alfa TV, Nasa TV, AlSat M, ERA, Voice of America, Sky Net, AB Channel, Radio Free Europe, Macedonian Radio, and many local radio stations. Online news portals, such as TOTAL, kumanovonews.com, pressmonitor.com, www.pretpriemac.com, www.time.mk, www.kurir.com.mk also covered MCP activities.

MCP on CNN Eye on Macedonia

CNN anchor Jim Clancy with participants of the round table and USAID representatives

CNN news anchor Jim Clancy (left), filming with Economic Growth Office Director Joseph Lessard

MCP organized two pieces for CNN Eye on Macedonia, which aired six times over the week October 13-21, 2011 on CNN International. The first story focused on the MyCareer internship program, and the Industry Led Education Program. USAID Economic Growth Office Director Joseph Lessard was also interviewed on USAID efforts in Macedonia to create an employable workforce and the specific achievements of MyCareer in this regard. The second piece was a workforce and employment round table hosted by CNN anchor Jim Clancy. MCP nominated topics for discussion and identified relevant individuals that could knowledgeably discuss the the quality of the Macedonian workforce, including two interns who have participated in My Career and were employed through this Program. MCP Communications Manager and MyCareer staff worked individually with all of the participants to prepare them for the questions that may come up, using the interns and the company representative as spokespersons to present the USAID MCP story on how internships can make real difference to improving the quality of the workforce.

Press releases

A total of 37 press releases (PRs) were distributed to media outlets to inform the general public about major MCP activities, achievements, milestones and results. The National Internship and Job Placement Program, "My Career" and Financial Platform benefited the most from the media outreach.

MCP staff gave interviews to leading Macedonian media, announcing specific Project activities and presenting new business models and achievements to a wider audience. The Communications Annex provides a list of interviews conducted over the life of Project.

MCP monitored Macedonia media for articles and reports on MCP activities, results, and achievements as well as those of major MCP partners and supported companies. These press clippings were compiled and submitted to USAID on a monthly basis, and archived for project records. MCP created an extensive database of all press clippings totaling 314 articles printed or aired in media over the life of the project. This extensive database enabled analyses and provided a way to measure the impact of MCP communication activities in the media, by components, by type of communication activity, etc. The Communications Annex provides a list of all stories and breakdown by component.

Performance Monitoring Update

The Competitiveness Project monitored to measure overall impact and ensure it focused resources on the most cost-effective areas, and make appropriate, timely adjustments. The monitoring and evaluation system was a vital tool for measuring the impact of project activities on firms and supply chains in the targeted sectors, making it an important instrument for project management. Project activities reported in this annual report are organized around measurable project performance targets *(see PMP Table below).*

The monitoring and evaluation system incorporated different methods to measure the outputs, outcomes and impact of MCP activities, such as interviews, surveys, regular relationships with the client companies, updated company profiles, etc. The system tracked updates on all PMP indicators, such as sales, exports, number of employees, and new capital invested. Regular visits and good relationships with client companies were essential to get updated information on the results of project interventions. All companies and individuals benefitting from MCP activities are required to fill in simple questionnaires prior to and after the completion of a intervention, providing data to be captured and tracked in the project PMP. This information served as a feedback mechanism to guide project management and implementation, and monitor the popularity and use of specific activities and programs. PMP indicator 7 was added in FY2011 to incorporate the recommendations from the evaluators performing the mid-term external project evaluation in March 2010. Details on achievements against targets are provided below.

MCP Achievements Against Performance Monitoring Plan (PMP) Targets

1) ***Number of firms receiving USG assistance to access bank loans or equity***—234 achieved over target of 200 firms. MCP exceeded the target by 17 percent, due to the scale and success of the Financial Platform activities. 234 companies received assistance to work out business and investment plans necessary to access finance. 159 actually received finance..

2) ***Number of firms that successfully accessed bank loans or private equity as a result of USG assistance***—159 achieved over target of 100 firms. MCP exceeded the target by 59 percent, due to the effectiveness of Financial Platform activities. The 159 firms received a total of $78.8 million in financing through financial platform support, resulting in $118.2 million in investment.

3) ***New capital invested in Macedonian firms, through project interventions***—$145.7 million achieved over target of $110 million. A large portion of this outcome was driven by the success of the finance which facilitated $118.2 million in new investment, complemented by investments supported by the FDI component.

4) **New capital invested in Macedonian firms by external agents, through project interventions**—$26.7 million achieved under target of $40 million. Progress under this indicator was impacted by the slowdown in international investment that accompanied the global economic crisis. MCP had also been facilitating a $10 million logistics park investment involving a U.S.-based real estate company that should have been realized prior to project completion, but it was delayed by the land tender process.

5) ***Number of firms receiving USG assistance to improve their management practices***—443 (over target of 150 firms) received technical assistance on improving business and financial management as part of the Financial Platform. This indicator incorporates companies who received training in new HR management practices in mentorship, and light manufacturing companies who attained new management practices in supply chain management.

6) ***Number of firms receiving USG assistance to invest in improved technologies***—192 achieved over target of 45. Over 90 firms received support to invest and adopt new technologies through the Financial Platform, while others received specific technical assistance and training programs under the vertical programs.

7) ***Number of firms that have implemented new management practice or technology***—75 achieved under target of 100 companies. This is a new indicator introduced after the mid-term project evaluation.

8) ***Number of new jobs***—3,321 achieved over target of 2,200. MCP activities helped create 3,321 new jobs, mainly as a result of business expansion projects supported through the Financial Platform, and via internships that became jobs within MyCareer.

9) ***Number of individuals trained***—3,939 individuals received training (under target of 4,000) through MCP Workforce Development activities to help them become more employable.

10) ***Number of internship placements***—2,615 achieved over target of 2,000 through the My Career initiative.

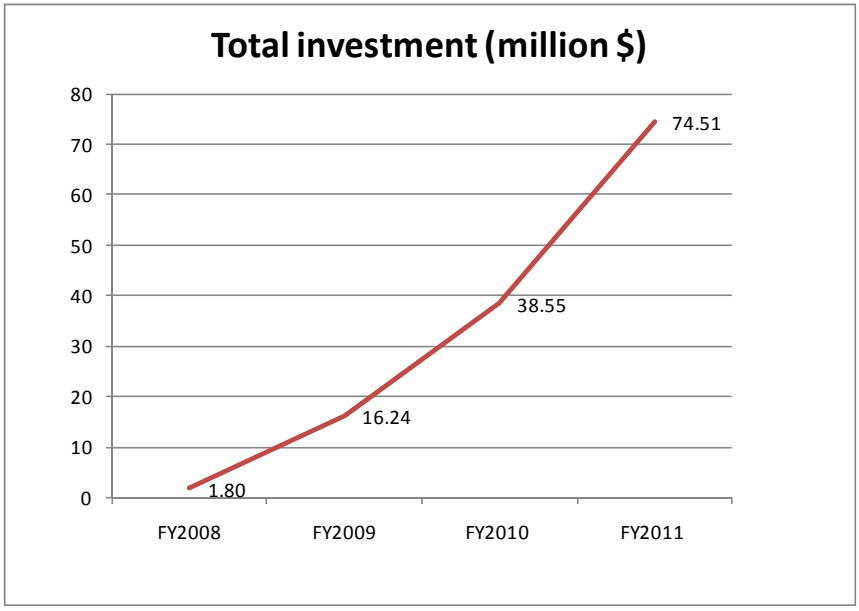
11) ***Increase in total exports as a result of project intervention***—$88.66 million achieved (over target of $35 million), with the majority ($58 million) the result of business expansion projects supported through MCP's Financial Platform. Successful market linkage and capacity building activities in apparel, light manufacturing and ICT account for the balance. Two major foreign investments realized in the past quarter of MCP (Indian pharmaceutical investment and Russian healthy foods and homeopathic medicine, via EDAs) are expected to result in $7-8 million in additional exports.

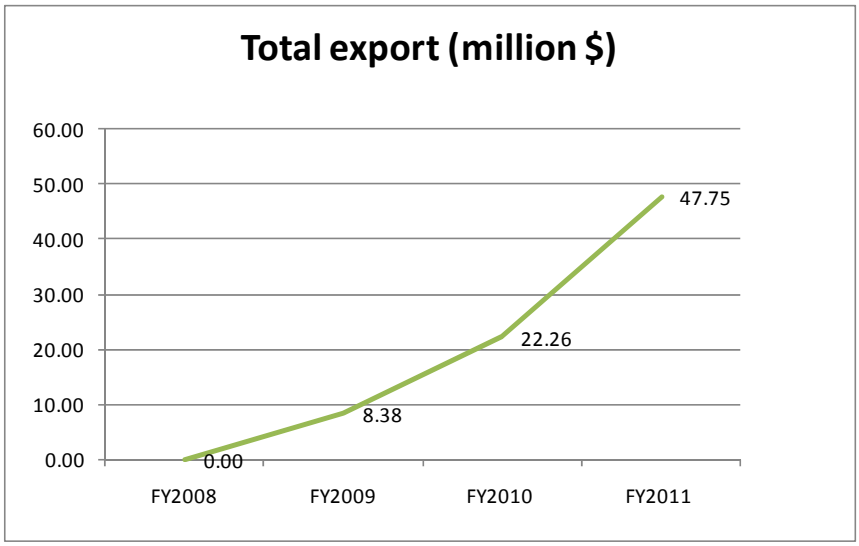
The table below provides details on MCP targets and life of project (LOP) performance.

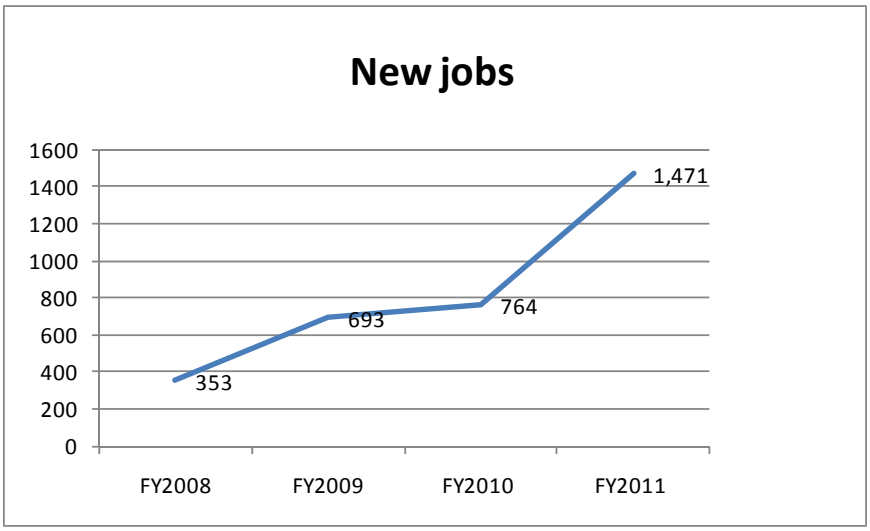
Table 6: Performance Monitoring Plan

	Performance indicator	Indicator definition	FY2008	FY2009	FY2010	FY2011	FY2012 (Q1, Q2)	TOTAL	LOP targets
1	**Number of firms receiving USG assistance to access bank loans or equity**	Firms assisted and referred to access bank loans or equity	23	62	68	81	0	**234**	**200**
2	**Number of firms that successfully accessed bank loans or private equity as a result of USG assistance**	Firms that have been assisted to access bank loans or private equity, and have acquired new capital to expand operations.	0	21	65	59	14	**159**	**100**
3	**New capital invested in Macedonian firms, through project interventions (million $)**	Total new capital, (includes foreign, domestic, joint ventures, recycling of profit, bank loans and equity financing.)	1.80	16.70	36.99	76.73	13.52	**145.74**	**110.00**
4	**New capital invested in Macedonian firms by external agents, through project interventions (million $)**	Portion of the new capital invested in firms from foreign sources	1.20	5.80	8.70	11.01	0.00	**26.71**	**40.00**
5	**Number of firms receiving USG assistance to improve management practices**	Firms receiving project assistance to improve their management practices	84	97	169	68	25	**443**	**150**
6	**Number of firms receiving USG assistance to invest in improved technologies**	Firms that invest in improved technologies or facilitate its access	82	24	53	29	4	**192**	**45**
7*	**Number of firms with new management practice or technology**	Firms introduced to new management practices and technologies through Project assistance	N/A	N/A	N/A	74	1	**75**	**100**
8	**Number of new jobs**	New jobs created or filled in firms, including estimate of their supply chains	353	636	690	1,331	311	**3,321**	**2,500**
9	**Number of individuals trained**	Employable workforce developed to meet demand from employers.		849	2,207	571	312	**3,939**	**4,000**
10	**Number of internship placements**	Internship placements		318	1,023	918	356	**2,615**	**2,000**
11	**Increase in total exports as a result of project interventions. (million $)**	Increase in total exports	0.00	14.79	25.60	43.67	4.60	**88.66**	**35.00**

**This new indicator was introduced in FY2011, upon recommendation from the external project evaluation*


Total investment (million $)
80
70
60
50
40
30
20
10
0
74.51
38.55
16.24
1.80
FY2008
FY2009
FY2010
FY2011


Total export (million $)
60.00
50.00
40.00
30.00
20.00
10.00
0.00
47.75
22.26
8.38
0.00
FY2008
FY2009
FY2010
FY2011


New jobs
1600
1400
1200
1000
800
600
400
200
0
1,471
764
693
353
FY2008
FY2009
FY2010
FY2011

F APPROVED FINANCING FROM FINANCIAL PLATFORM (AS OF SEPTEMBER 30, 2011)

sector: agriculture and food processing						
er of yees	Purpose of the loan	approved financing in US$	own investment in $	total invested in US$	exports	new jobs
	new equipment	290,000	72,500	362,500	350,000	7
	working capital	466,142	-	466,142	400,000	5
	several new digital machines	290,000	290,000	580,000	2,000,000	15
	refinancing	101,500	29,000	130,500	162,222	7
	new production line	406,000	101,500	507,500	900,000	20
	new equipment	246,500	58,000	304,500	1,333,333	6
	business expansion	5,075,000	725,000	5,800,000	1,070,638	45
	new cooling chamber	290,000	130,500	420,500	1,333,333	10
0	new cow farm	1,087,500	217,500	1,305,000	1,600,000	30
7	taking over of another retail network in Skopje	900,015	400,000	1,300,015	-	69
	new green house	1,667,500	290,000	1,957,500	822,222	40
	new machine for cookies	145,000	188,500	333,500	555,556	10
	expansion of capacity	246,500	20,010	266,510	-	4
		11.211.657	**2.522.510**	**13,734,167**	**10,527,304**	**268**

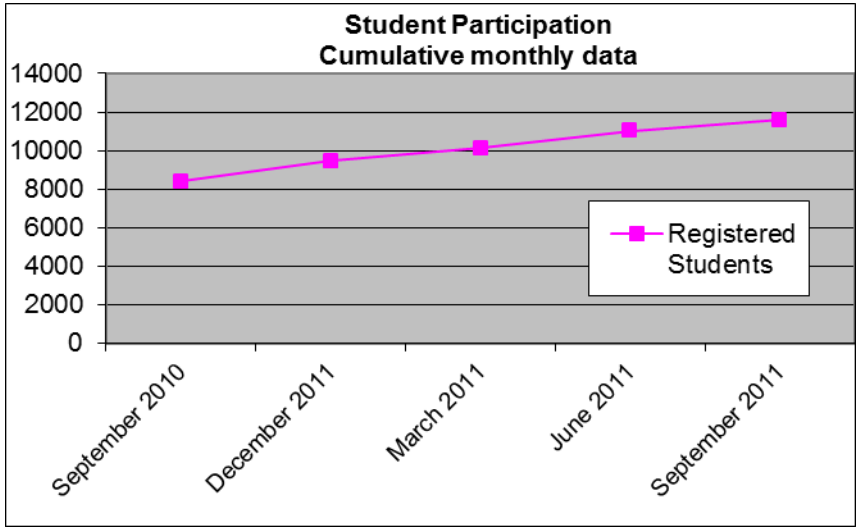
sector: services and trade						
er of yees	Purpose of the loan	approved financing in US$	own investment in $	total invested in US$	exports	new jobs
	purchase of new facilities	232,000	58,000	290,000	88,000	5
4	refurbishment of the hotel	2,320,000	580,000	2,900,000	125,280	5
	the project is for building a new business and residential building	1,885,000	2,320,000	4,205,000	-	20

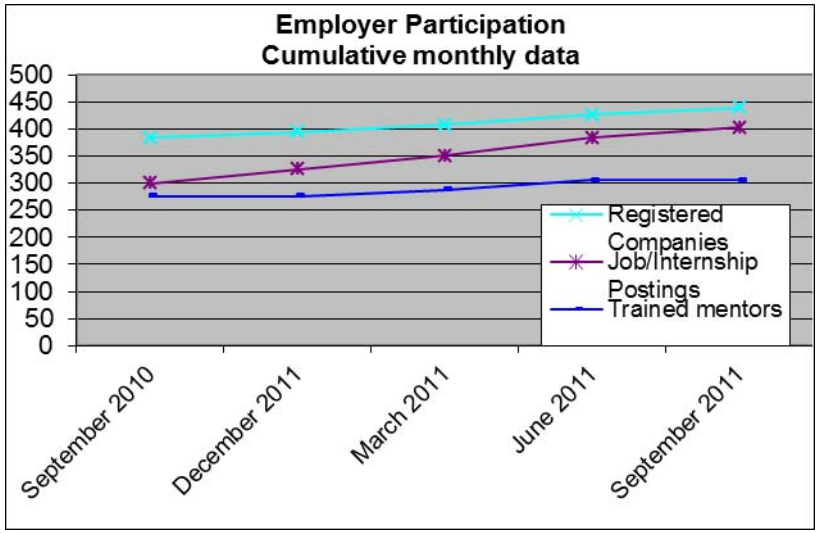
printing	10	new printing equipment	725,000	319,000	1,044,000	150,000	3
gas station	6	construction of vehicle servicing workshop and gas station	2,175,000	2,175,000	4,350,000	62,000	4
printing house	118	new warehouse	290,000	-	290,000	205,000	1
construction company	7	new vehicles	435,000	290,000	725,000	-	6
freight transport	12	new vehicles	217,500	72,500	290,000	5,000	1
gas station and petrol station	44	new business, food production	5,762,214	-	5,762,214	-	16
taxi company	start up	new taxi company, purchase of over 200 vehicles, 135 in phase I	2,204,000	1,160,000	3,364,000	-	130
pharmaceutical company	19	working capital	725,000	129,050	854,050	222,222	2
logistics	8	finalization of the construction of the warehouse and administrative space	507,500	2,175,000	2,175,000		
trade with beverages	31	working capital, helping company improve liquidity and preventing close down of operations thus helping retain 31 jobs	163,850	-	163,850	-	-
gas station	11	the intervention is a takeover of the company thus retaining 10 employees	1,087,500	-	1,087,500	-	10
construction	start up	construction of a shopping mall	4,567,500	72,500	4,640,000	-	15
freight transport	12	new facility	304,500	163,068	467,568	21,429	1
			23.687.138	**9,624,318**	**32,803,956**	**878,931**	**222**
sector: light manufacturing							
Company description	**Number of employees**	**Purpose of the loan**	**approved financing in US$**	**own investment in $**	**total invested in US$**	**exports**	**new jobs**

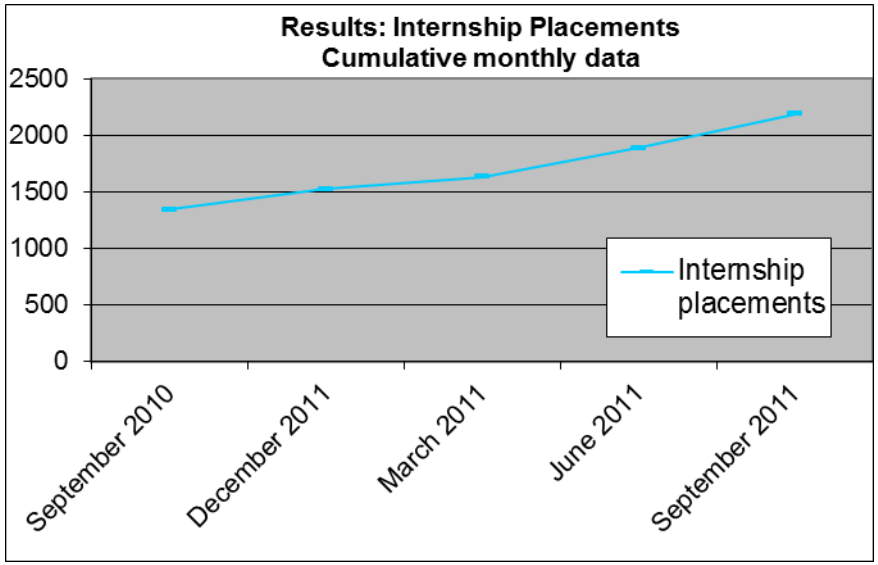
light manufacturing / paper pulp processing	22	new equipment	348,000	29,000	246,500	202,667	3
light manufacturing	62	new laser machine	217,500	72,500	290,000	290,000	-
light manufacturing / metal processing	6	new facility	268,250	145,000	413,250	48,000	2
light manufacturing / production of cables	56	new equipment, machine producing copper wires	406,000	94,250	500,250	3,500,000	15
metal constructions	23	new vehicles	174,000	145,000	319,000	750,000	12
production of brickets	8	new facility plus equipment	110,200	290,000	400,200	1,010,000	7
construction	7	new facility	290,000	870,000	1,160,000	-	3
metal parts production	20	working capital	130,500	130,500	261,000	115,000	3
metal parts production	31	equipment and land for new facility	362,500	145,000	507,500	950,000	9
tiles and other products from china	49	new facility	464,000	1,595,000	2,059,000	986,800	12
production of maps	21	new facility	210,483	70,161	280,645	238,095	6
production of bikes	47	working capital	870,000	-	870,000	3,531,488	14
printing material and packaging materials	30	new equipment plus working capital	391,500	-	391,500	292,683	3
injection molding	12	new facility, plus new equipment	507,500	72,500	580,000	683,333	15
packing	8	new packing equipment	145,000	58,943	203,943	9,524	1
construction material	18	new machine	870,000	79,750	949,750	1,422,222	8
metal tarde	2	working capital	224,750	72,500	297,250	138,000	1
plastic hose production	20	three new machines	414,700	223,300	638,000	23,810	3
metal parts production	36	new equipment	471,250	543,750	1,015,000	1,690,476	11
automotive	17	new facility and new equipment	220,400	-	220,400	-	4
silicate components	30	new equipment	217,500	72,500	290,000	952,381	12
marble	20	new equipment	217,500	145,000	362,500	476,190	14
construction	47	working capital & new vehicles	217,500	72,500	290,000	-	3
solar panels	8	new equipment	142,100	232,000	374,100	-	6

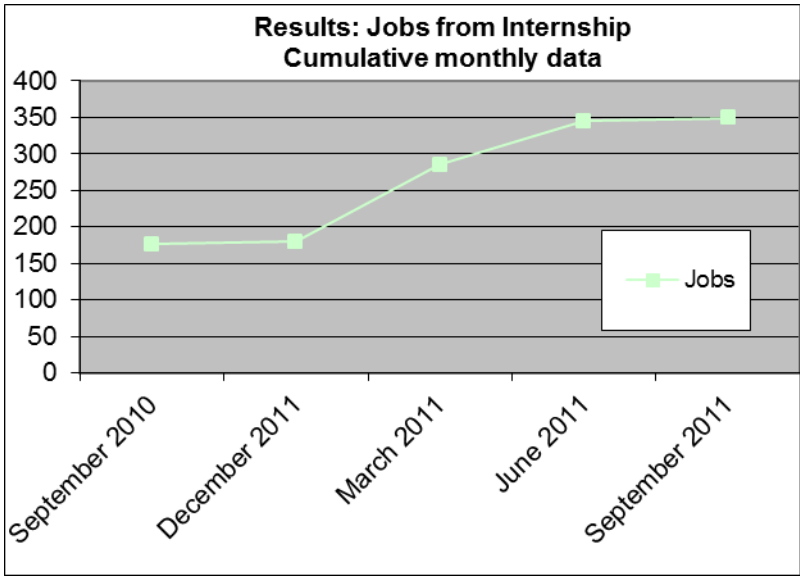
mining	13	new equipment	435,000	29,000	464,000	-	10
			8.326.133	**5,188,154**	**13,383,787**	**17,310,669**	**177**
sector: fashion							
Company description	**Number of employees**	**Purpose of the loan**	**approved financing in US$**	**own investment in $**	**total invested in US$**	**exports**	**new jobs**
apparel	44	purchase of new facility	362,500	94,250	456,750	250,000	24
production of furniture (upholstery)	10	expansion of the production capacity and new show room	108,750	65,250	174,000	70,000	5
production of wooden furniture	16	new production capacity	362,500	261,000	623,500	-	6
furniture	84	working capital	261,000	36,250	181,250	-	5
shoe production	18	special machine	145,000	101,500	246,500	238,095	8
furniture	18	working capital	217,500	217,500	435,000	195,122	2
apparel	156	new facility, new equipment plus working capital	464,000	326,250	790,250	227,273	125
furniture	16	new facility plus equipment	188,500	182,700	371,200	386,512	10
			2,109,750	**1,284,700**	**3,278,450**	**1,367,002**	**185**
sector: IT							
Company description	**Number of employees**	**Purpose of the loan**	**approved financing in US$**	**own investment in $**	**total invested in US$**	**exports**	**new jobs**
software production for banks	10	working capital for production of the software	319,000	94,250	413,250	800,000	5
			319,000	**94,250**	**413,250**	**800,000**	**5**
companies assisted 64			**approved financing in US$**	**own investment in $**	**total invested in US$**	**exports**	**new jobs**
			45,653,678	**18,713,932**	**63,613,610**	**30,883,906**	**857**

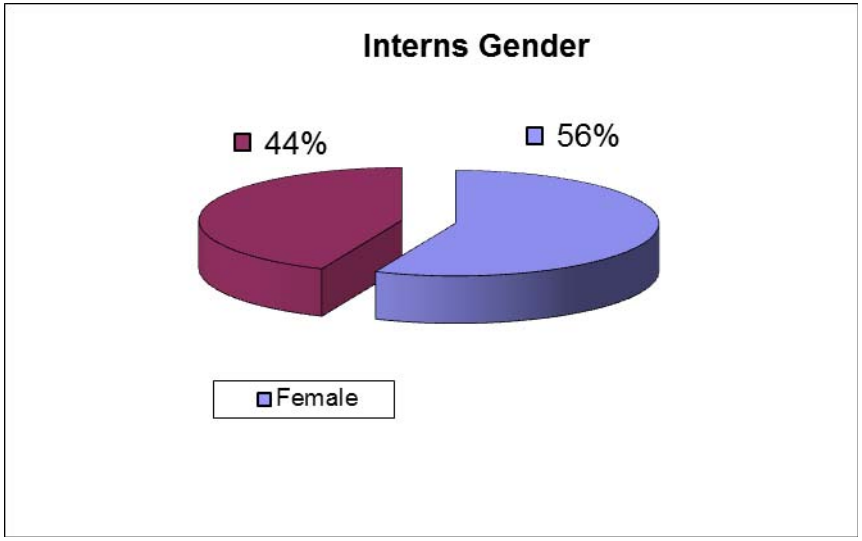
ANNEX 2: CUMULATIVE RESULTS AND STATISTICS FOR MYCAREER INITIATIVE

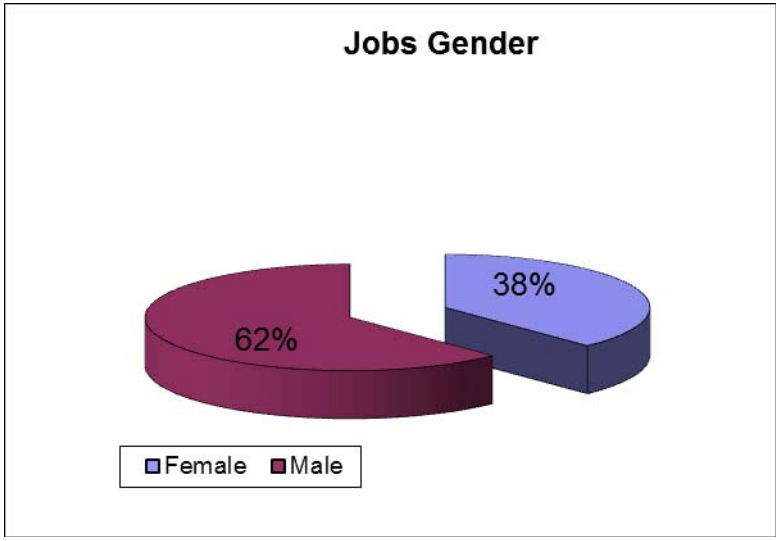


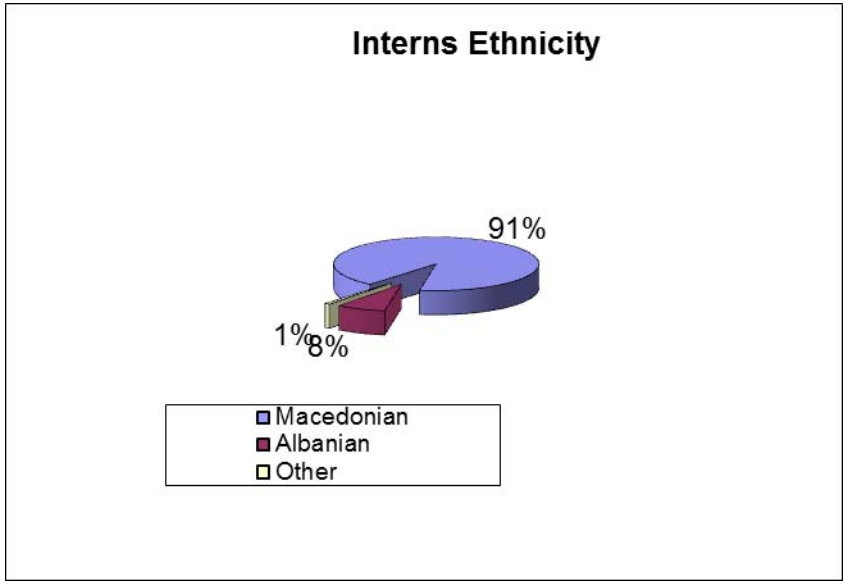


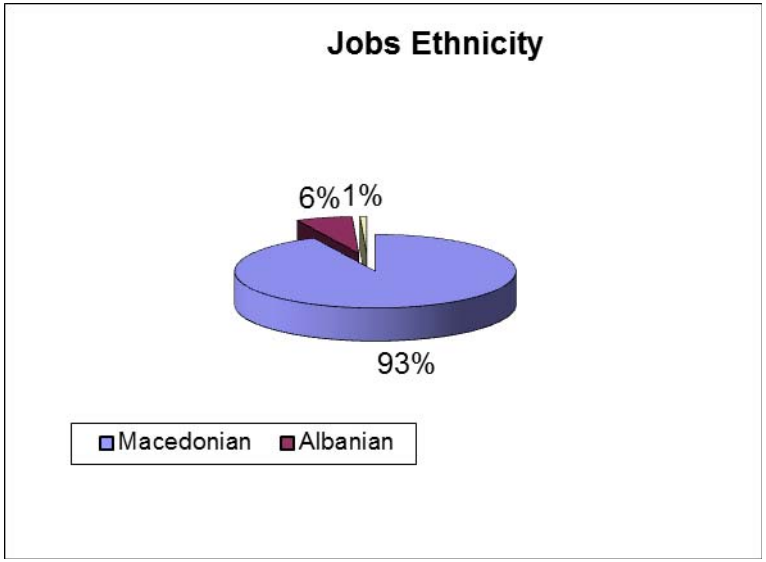


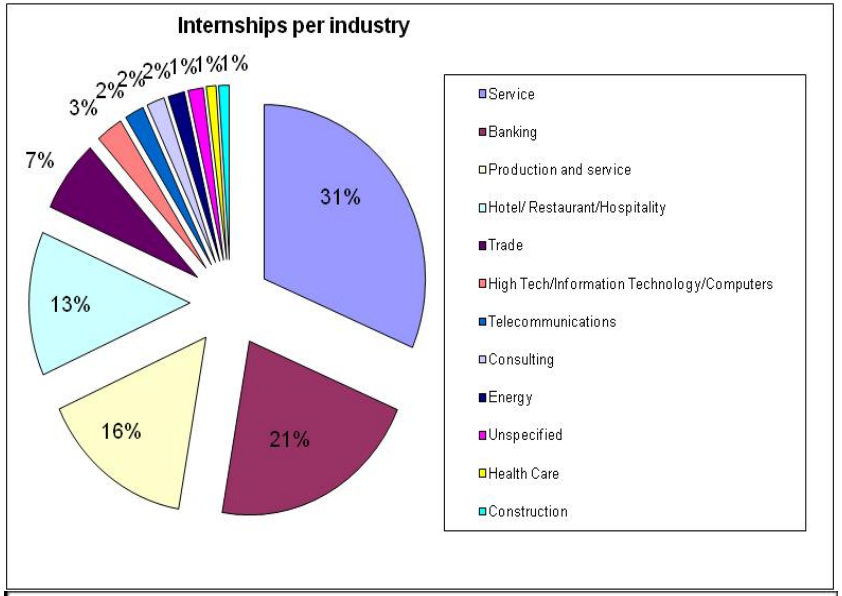


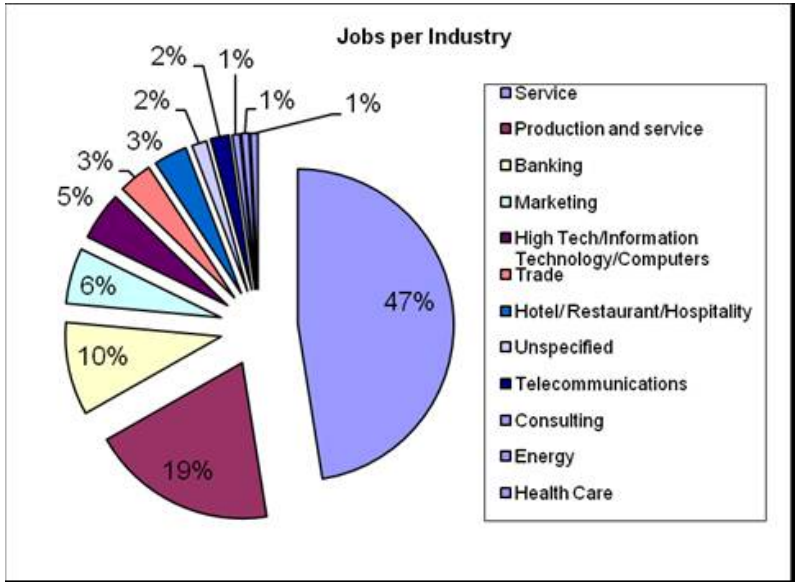

Interns Gender
44%
56%
Female

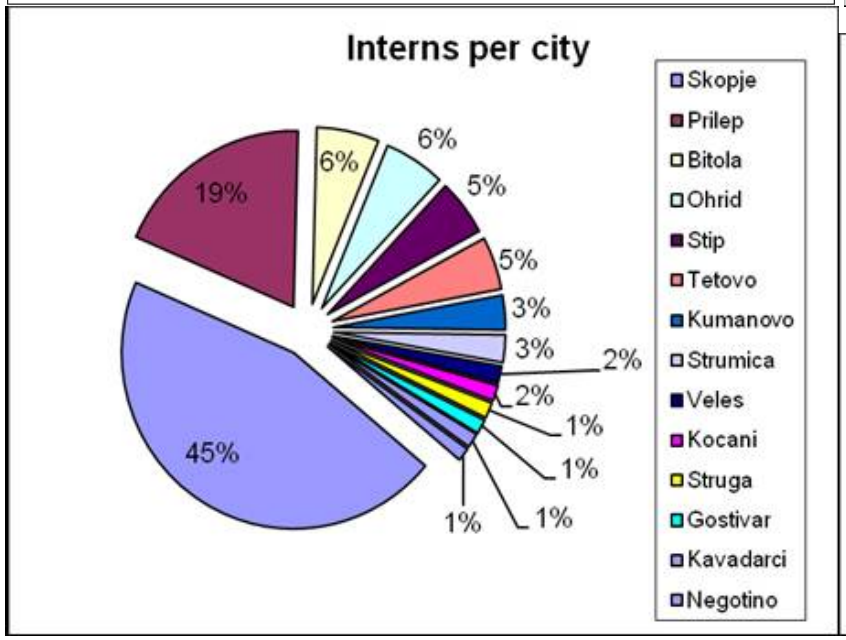

Jobs Gender
38%
62%
Female
Male

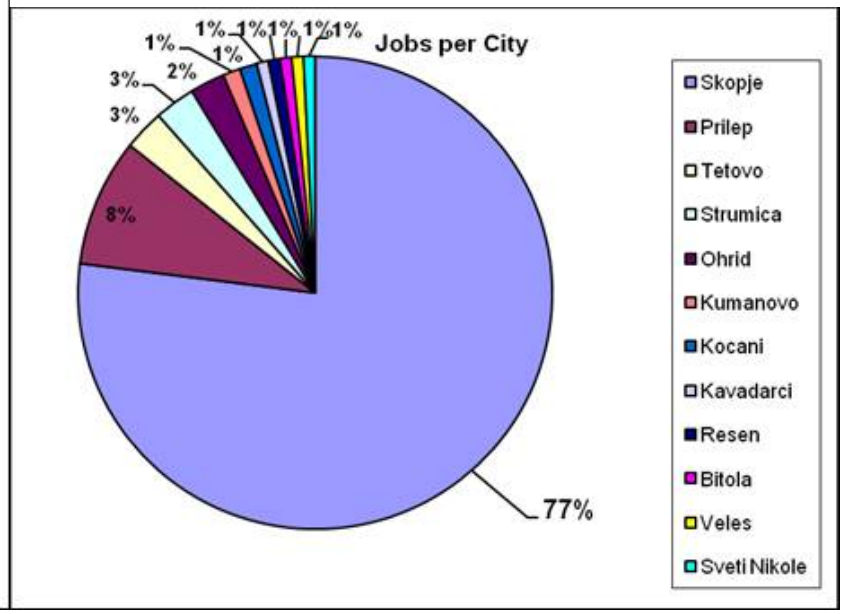

Interns Ethnicity
91%
1%
8%
Macedonian
Albanian
Other


Jobs Ethnicity
6%
1%
93%
Macedonian
Albanian


Internships per industry
31%
21%
16%
13%
7%
3%
2%
2%
2%
2%
1%
1%
1%
Service
Banking
Production and service
Hotel/ Restaurant/Hospitality
Trade
High Tech/Information Technology/Computers
Telecommunications
Consulting
Energy
Unspecified
Health Care
Construction


Jobs per Industry
47%
19%
10%
6%
5%
3%
3%
2%
2%
1%
1%
1%
Service
Production and service
Banking
Marketing
High Tech/Information Technology/Computers
Trade
Hotel/ Restaurant/Hospitality
Unspecified
Telecommunications
Consulting
Energy
Health Care


Interns per city
45%
19%
6%
6%
5%
5%
3%
3%
2%
2%
1%
1%
1%
1%
Skopje
Prilep
Bitola
Ohrid
Stip
Tetovo
Kumanovo
Strumica
Veles
Kocani
Struga
Gostivar
Kavadarci
Negotino


Jobs per City
77%
8%
3%
3%
2%
1%
1%
1%
1%
1%
1%
1%
1%
1%
Skopje
Prilep
Tetovo
Strumica
Ohrid
Kumanovo
Kocani
Kavadarci
Resen
Bitola
Veles
Sveti Nikole

ANNEX 4: COMMUNICATIONS OUTPUTS

#	Title	Component	Date published
1	The USAID Competitiveness Project Internship Program brings hope to Macedonian graduates	Workforce Development	March 2009
2	This Christmas, a film made in Macedonia	ICT	May 2009
3	Macedonian magic for Hollywood	ICT	June 2009
4	Leading Macedonian Inox producer bound to double its production	Access to Finance	June 2009
5	Macedonian "ajver" takes on European markets	Access to Finance	June 2009
6	Macedonia automotive industry makes its debut at European Automotive Expo	Light Manufacturing	July 2009
7	Stove maker heats up value and production capacity	Access to Finance	November 2009
8	Tool Company builds strategy to expand alliances and markets	Light Manufacturing	December 2009
9	Internship program generates jobs and skills for Macedonia's youth	Workforce Development	February 2010
10	Putting it all together: Consultancy helps apparel company increase productivity to meet demand	Apparel	March 2010
11	B2B puts Macedonia apparel makers on EU buyers' radar	Apparel	April 2010
12	A thousand interns line a path to employability	Workforce Development	August 2010
13	Investment in recycled paper mill helps company turn a new page	Access to Finance	September 2010
14	Show gets ball maker rolling toward higher sales	Light Manufacturing	October 2010
15	Automotive industry association driving Macedonian entrance to EU markets	Light Manufacturing	November 2010
16	Financial Platform creates jobs, exports at 111 Macedonian companies—and counting	Access to Finance	February 2011
17	Financial Platform builds market and local capacity for advisory services	Access to Finance	March 2011
18	Banner month for youth employment at My Career	Workforce Development	June 2011
19	My Career kindles regional job opportunities	Workforce Development	July 2011
20	My Career internships ready 2,000 youth for the workplace	Workforce Development	August 2011
21	Macedonian Consulting Association acquires international certification authority	Other	September 2011
22	Industry shapes education for future workforce	Workforce Development	March 2012
23	Market linkages put Macedonian exporters on buyers' map	Other	March 2012

LIST OF SUCCESS STORIES

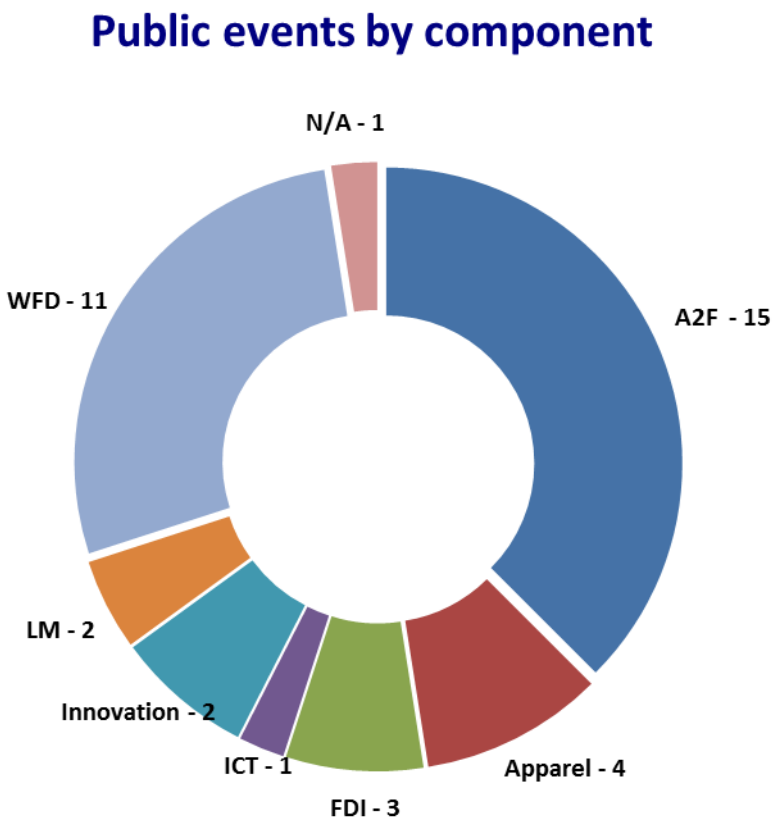
Public Events

No.	Event	Place	Date	Component	Partner(s)	Media Coverage (Number of articles)
1	USAID Competitiveness Project Opens for business - *Project launch ceremony*	Skopje	November 2, 2007	N/A	N/A	1
2	USAID Competitiveness Project helps Macedonian automotive suppliers to partner with Volkswagen - *First Macedonian Automotive Supplier Conference*	Skopje	March 17, 2008	Light Manufacturing	Minister for Foreign Investments Vele Samak; 11 Macedonian auto parts producers.	5
3	USAID Competitiveness Project helps Macedonia to develop a skilled workforce - *Workforce Development Conference*	Skopje	May 14, 2008	Workforce Development	MASIT, Johnson Matthey, CS Global, BEA, Faculty of Mechanical Engineering, Business Foundation for Education, BHRMDA.	2
4	Competitiveness Project helps Macedonian apparel companies move towards full-package brand production - *Ceremony of awarding certificates to textile companies' employees which completed the Gerber CAD/CAM software training*	Skopje	June 25, 2008	Apparel	Slavka Jelnikar - Gregorcic Zastupstvo	3
5	Competitiveness Project helps Macedonian automotive, tool and die industry increase value-added exports by 30% - *e-Library launch*	Skopje	September 17, 2008	Light Manufacturing	Faculty of Mechanical Engineering's Center of Excellence – CIRKO	7
6	New financial products and services in Corporate Financing - *"Innovative Services in Corporate Financing" Conference*	Skopje	September 24, 2008	Access to Finance	Local and Regional Banks and Investment Funds (NLB Tutunska Banka, NLB Leasing, Stater Banka, SEAF Macedonia, Global Finance Bulgaria, etc); PointPro Consulting.	3
7	Raising Equity to enhance Macedonian Competitiveness - *First "Business breakfast" Seminar*	Skopje	September 25, 2008	Foreign Direct Investment	Euro-Phoenix	5
8	Macedonian Road Show in the US - *Government of Macedonia investment promotion delegation road show*	USA	November 10 – 14, 2008	Foreign Direct Investment / ICT	Prime Minister Nikola Gruevski, Deputy Prime Minister Zoran Stavrevski, Minister of Economy Fatmir Besimi, Minister of Information Technology Ivo Ivanovski, over 20 representatives of Macedonian IT companies.	15
9	National Internship and Job Placement Program Launched	Skopje	November 26, 2008	Workforce Development	Ministry of Education and Science, Ministry of Economy, Ministry of Labor and Social Policy and international experts.	5
10	USAID Competitiveness Project Helps Attract Equity Investment into Macedonia - *Second seminar on attracting foreign capital and investment to Macedonia*	Skopje	December 5, 2008	Foreign Direct Investment	Euro-Phoenix, SEAF, Phalanx Capital	6
11	MCP helps Macedonian companies to develop investment strategies and access finance - Conference on Investment Strategy Development and Access to Finance	Skopje	February 11, 2009	Access to Finance	PointPro Consulting, Macedonian banks and leasing companies (Komercijalna Banka, Macedonian Bank for Support of Development, Hypo Alpe Adria, etc.)	5

12	National Internship and Job Placement Portal www.mojakariera.com.mk goes live!	Skopje	February 26, 2009	Workforce Development	Deputy Minister of Education, Lindita Qazimi, MyCareer	9
13	National Internship Program completes the road tour through Macedonia with final event in Skopje	Skopje	May 15, 2009	Workforce Development	City of Skopje, Ministry of Education and Science, Skopje-based Universities, MyCareer.	7
14	USAID is helping Macedonian companies get through a time of recession - *"Access to Finance in times of recession" Conference*	Skopje	June 12, 2009	Access to Finance	Macedonian banks and financial institutions (Invest Bank, Agriculture Fund, Crimson Capital, etc.)	17
15	First regional Financial Platform Conference on "Access to Finance in times of recession"	Prilep	September 17, 2009	Access to Finance	Pelagonija Regional Development Agency (PREDA), Macedonian financial institutions (MBDP, NLB Tutunska, TTK, Crimson Capital, etc.)	3
16	USAID Assists Macedonian Companies in Raising Equity Financing - *Seminar brunch entitled "Equity Financing – Opportunities for Macedonian Companies"*	Skopje	October 7, 2009	Access to Finance	Trade Consulting, FCI-Fischer Group, RSG Capital, SEAF Macedonia, Fima Fas, Euro-Phoenix.	12
17	Acknowledging the Success of the National Internship and Job Placement Program - *Honoring companies that support the program by engaging interns and retaining them for employment*	Skopje	November 12, 2009	Workforce Development	MyCareer	4
18	First electronic Career Fair	Online	November 2-6, 2009	Workforce Development	MyCareer, Over 40 companies and 11 education institutions.	15
19	"My Career" Partners with Municipality of Gazi Baba - *MOU signing event*	Skopje	December 15, 2009	Workforce Development	MyCareer	2
20	Competitiveness Project helps Malesevija Companies Access Finance in Time of Recession - *Regional Financial Platform Conference on "Access to Finance in Times of Recession"*	Vinica	December 16, 2009	Access to Finance	Macedonian banks and financial institutions (MBDP, Hypo Alpe Adria, Stopanska Banka, Savings House Moznosti, etc.), LED Teams of Delcevo, Berovo, Vinica and Pehcevo.	5
21	USAID Helps Macedonian Apparel Companies Partner with EU buyers - First *Macedonia – EU Apparel Business to Business (B2B) event*	Macedonia	March 2, 2010	Apparel	Dutch Center for Promotion of Imports from Developing Countries (CBI), German Technical Cooperation (GTZ), Swiss Import Promotion Program (SIPPO) and Macedonia Textile Trade Association (TTA).	1
22	USAID Competitiveness Helps Cair Companies to Access Finance - *Local Financial Platform Conference on "Successful Access to Finance"*	Skopje	March 4, 2010	Access to Finance	Austrian Development Cooperation, Municipality of Cair, Macedonian banks and financial institutions (MBDP, NLB Leasing, ProCredit, etc.)	4
23	Second electronic Career Fair	Online	March 15 – 19, 2010	Workforce Development	MyCareer	8
24	Helping Municipal Authorities Match Industry and Workforce Needs - *Partnership established between the USAID MCP, the Association of Units of Self-Government (ZELS) and Municipalities throughout Macedonia*	Macedonia	April 12, 2010	Workforce Development	MyCareer	8

25	MCP Helps Strumica and Gevgelija Region Companies to Access Finance - *Regional Financial Platform Conference on "Successful Access to Finance"*	Strumica	April 16, 2010	Access to Finance	Austrian Development Cooperation, Municipality of Strumica, Macedonian banks and financial institutions (MBDP, Ohridska Bank, ProCredit, NLB Leasing, Agriculture Credit Discount Fund, etc.)	2
26	Fashion Show: US designers for Macedonian companies - *U.S. students presented creations manufactured in cooperation two Macedonian apparel companies*	Wisconsin, USA	April 27, 2010	Apparel	INT, Astibo.	1
27	First "Dealmakers" certified in Macedonia - *Certificates in M&A awarded to Macedonian professional consultants*	Skopje	May 11, 2010	Access to Finance	Grenoble Graduate School of Business, Euro-Phoenix.	3
28	30 Management consultants certified for the first time in Macedonia - *CMC certificates from the International Council of Certified Management Consultants (ICMC) awarded to Macedonian professional consultants*	Skopje	May 27, 2010	Access to Finance	MCA 2000 (Management Consulting Association), European Bank for Reconstruction and Development (EBRD) Business Advisory Services (BAS) Program.	7
29	Ohrid region companies access finance with USAID assistance - *Regional Financial Platform Conference on "Successful Access to Finance"*	Ohrid	June 8, 2010	Access to Finance	Macedonian banks and financial institutions (Ohridska Bank, Komercijalna Banka, MBDP, Hypo Alpe Adria, etc.), Austrian Development Cooperation, Municipality of Ohrid.	6
30	Visit the e-Career fair if you are looking for a job - *Third electronic Career Fair*	Online	September 27 - October 1, 2010	Workforce Development	MyCareer, Over 30 companies and 11 education institutions.	5
31	Macedonian apparel companies partner with EU buyers - *Second Macedonia – EU Apparel Buyers Week*	Macedonia	October 4-8, 2010	Apparel	Dutch Center for Promotion of Imports from Developing Countries (CBI), German Technical Cooperation (GTZ), Swiss Import Promotion Program (SIPPO) and Macedonia Textile Trade Association (TTA).	3
32	New investment will reduce communication costs and create business opportunities - *Press Conference held by World Teleconnect International's (WTI) Management*	Skopje	November 25, 2010	Innovation	Innovation Center	10
33	USAID Helps Kumanovo Region Companies Access Finance - *Regional Financial Platform Conference on "How to Access Finance More Easily"*	Kumanovo	February 11, 2011	Access to Finance	Macedonian banks and financial institutions (Ohridska Bank-Societe Generale, Crimson Capital, MBDP, NLB Leasing), Austrian Development Cooperation, Foundation for SMEs Development - Kumanovo.	2
34	Financial Platform Helped Over 116 Companies to Acquire $44 Million of External Financing - Celebration of the Financial Platform's achievements and awarding certificates of appreciation to the most successful financial consultants and companies	Skopje	March 30, 2011	Access to Finance	N/A	9
35	e-Career Fair: The Easiest Way to Find Internships or Jobs - *Fourth electronic Career Fair*	Online	April 18-21, 2011	Workforce Development	MyCareer, Over 30 companies and 11 education institutions.	11
36	Regional finance fair today and tomorrow in Skopje	Skopje	June 14-15, 2011	Access to Finance	Partners for Financial Stability (main organiser)	17
37	An ivestment "secret dinner" coming soon - *First investment dinner organised by the Innovation Center*	Skopje	July 07, 2011	Innovation	Kapital Media Group and Business Angels Network Slovenia	1

38	USAID helps Produce Companies Learn How to Access Finance - *Event in Strumica on "How to Access Finance and Alternative Sources of Finance" targeting fresh fruit and vegetable and processed vegetable companies*	Strumica	December 01,2011	Access to Finance	AgBiz Project, Innovation Center	4
39	Innovation Center organized the Second Investment Dinner	Skopje	December 15, 2011	Innovation	Kapital Media Group and Business Angels Network Slovenia	N/A
40	USAID Competitiveness Project closing event	Skopje	May 23, 2012	MCP	N/A	TBD



INTERVIEWS

#	Person Interviewed	Title	Media	Date	Component	USAID and/or MCP mentioned	Tone of the article / interview
1	Nimish Jhaveri	WE ARE ASSISTING THE INNOVATIVE AND DEVELOPMENT-ORIENTED COMPANIES - Interview with Nimish Jhaveri	KAPITAL	September 25, 2008	N/A	Yes	Positive
2	Les Nemethy	IF A COMPANY DOESN'T GROW IT IS DESTINED TO FAIL - Interview with Les Nemethy	KAPITAL	October 23, 2008	Access to Finance	Yes	Neutral
3	Nimish Jhaveri	INTERNSHIP ALSO CHANGED MY LIFE - Interview with Nimish Jhaveri	TEA MODERNA	February 11, 2009	Workforce Development	Yes	Positive
4	Tatjana Mitevska and Mirjana Makedonska	Radio interview presenting MCP's activities and specifically focusing on the Acess to Finance services - Tatjana Mitevska and Mirjana Makedonska	National Macedonia Radio - Channel 1	February 19, 2009	Access to Finance	Yes	Positive
5	Lidija Damceska	TV interview and presentation of the Internship Program and My Career portal - Lidija Damceska	MTV Channel 1	February 26, 2009	Workforce Development	Yes	Positive
6	Tatjana Mitevska and Mirjana Makedonska	TV intereview presenting MCP's activities and services, with a special focus on Project access to finance services - Tatjana Mitevska and Mirjana Makedonska	MTV Channel 1	March 26, 2009	Access to Finance	Yes	Positive
7	Goce Peshev	TV interview presenting the Supply chain management training opportunity offered at the time, to Macedonian companies - Goce Peshev	MTV Channel 1	April 9, 2009	Light Manufacturing	Yes	Positive
8	Visar Ademi	THE IMPORTANCE OF HUMAN CAPITAL FOR THE ECONOMY'S COMPETITIVENESS - Interview with Visar Ademi	KAPITAL	April 30, 2009	Workforce Development	Yes	Positive
9	Dejan janevski and Vladimir Tevdov, Director of Macedonian Automotive Cluster	Joint TV interview presenting Macedonian automotive parts industry, the Automotive cluster establishment and the upcoming EAC Expo - Dejan Janevski and Vladimir Tevdov, Director of Macedonian Automotive Cluster	MTV Channel 1	May 14, 2009	Light Manufacturing	Yes	Positive
10	Lidija Damceska	Live radio interview - Lidija Damceska	National Macedonia Radio - Channel 1	May 14, 2009	Workforce Development	Yes	Positive
11	Lidija Damceska	MCP Internship program - Lidija Damceska	Nasa TV	May 14, 2009	Workforce Development	Yes	Positive
12	Lidija Damceska	Live TV interview explaining the NIJP's latest achievements - Lidija Damceska	NASA TV	May 25, 2009	Workforce Development	Yes	Positive
13	Lidija Damceska and My Career implementing partners (ITC and CDS) representatives	Live TV interview in program "Journal" presenting the Internship Program, My Career portal and the happening at Skopje City Park - Lidija Damceska and My Career implementing partners (ITC and CDS) representatives	SITEL TV	June 6, 2009	Workforce Development	Yes	Positive
14	Vladimir Tevdov	MACEDONIAN AUTOMOTIVE INDUSTRY HAS A LARGE UNUSED POTENTIAL - Interview with Vladimir Tevdov	KAPITAL	October 22, 2009	Light Manufacturing	Yes	Neutral
15	Lidija Damceska	My Career – Interactive internship portal - Lidija Damceska	www.it.com.mk	November 6, 2009	Workforce Development	Yes	Positive

16	Marcus Davidson feat. Mirjana Makedonska	THE INTEREST FOR ACQUISITIONS DEPENDS ON THE ECONOMIC GROWTH OF THE COUNTRY - Interview with Marcus Davidson featuring Mirjana Makedonska	KAPITAL	December 10, 2009	Access to Finance	Yes	Positive
17	Lidija Damceska	TV Interview presenting the Internship Program, My Career portal and announced the MOU siging event with municipality of Gazi Baba	MTV Channel 1	December 15, 2009	Workforce Development	YES	Positive
18	Jasminka Varnalieva	TV Statement giving details about the success of the Financial Platform in facilitating new investment to Macedonian companies	MTV Channel 1, A1 and Kanal 5	December 16, 2009	Access to Finance	Yes	Positive
19	Elena Zafirovska and Zaklina Geshtakovska	Presentation of the latest news about the second e-Career fair and the Internship Program	Macedonian National Network (MTM)	March 18, 2010	Workforce Development	Yes	Positive
20	Tatjana Mitevska and Mirjana Makedonska	Presentation of MCP activities and services (focus on Access to Finance) - Tatjana Mitevska and Mirjana Makedonska	MTV Channel 1	March 26, 2010	Access to Finance	Yes	Positive
21	Zaklina Geshtakovska	Presentation of results from the second e-Career fair and the Internship Program	Sky Net TV	March 26, 2010	Workforce Development	Yes	Positive
22	Jasminka Varnalieva	Presentation of major MCP activities, resutls and achievements made to date	National Macedonia Radio - Channel 1	May 11, 2010	MCP	Yes	Positive
23	Two interns particpating in the National Internship and Job Placement Program "My Career"	Participation in TV Interview to share their experience with the National Internship and Job Placement Program "My Career"	TV Alfa	June 24, 2010	Workforce Development	Yes	Positive
24	Elena Zafirovska and Aleksandra Todorovska	Presentation of latest developments and achievements of MyCareer, and promoting the new service packages offered	MTV Channel 1	October 28, 2010	Workforce Development	Yes	Positive
25	Goce Peshev and Igor Vidovski of Sideros (Sideros (MCP light manufacturing partner company)	TV Interview presenting the MCP market linkages activities for light manufacturing companies	MTV Channel 1	November 4, 2010	Light Manufacturing	Yes	Positive
26	Natasa Sivevska of MCP supported Textile Trade Association (TTA) and Biljana Velickovska	TV Interview presenting the successful cooperation among USAID MCP, TTA, Macedonian Opera and Ballet in putting together the Hansel and Gretel play	MTV Channel 1	November 19, 2010	Apparel	Yes	Positive
27	Mirjana Makedonska	TV Interview about how the MCP financial platform works, what are the benefits for the companies and how they can get involved	MTV Channel 1	December 2, 2010	Access to Finance	Yes	Positive
28	Zarko Pop-Iliev	Statement about the importance of commercialization of innovations	KAPITAL	February 04, 2011	Innovation	Yes	Positive
29	Mirjana Makedonska	Interview about the MCP financial platform presentation of financial services	Local TVs, Radios and Newspapers in Kumanovo	February 11, 2011	Access to Finance	Yes	Positive
30	Blaz Kos	BUSINESS ANGELS: FINANCIAL INJESTION FOR SMALL BUSINESSES - Interview with Blaz Kos	Kapital	March 25, 2011	Innovation	Yes	Positive
31	Elena Zafirovska	Interview and Promotion of the Fourth e-Career Fair - Elena Zafirovska	Macedonian Radio	April 14, 2011	Workforce Development	Yes	Positive

32	Lidija Damceska, Biljana Velevska, Jasmina Aleksoska	Interview and presentation of MyCareer - Lidija Damceska, Biljana Velevska, Jasmina Aleksoska	TERA TV	April 20, 2011	Workforce Development	Yes	Positive
33	Lidija Damceska and Elena Zafirovska	Interview and presentation of My Career - Lidija Damceska and Elena Zafirovska	TV Sonce	May 15, 2011	Workforce Development	Yes	Positive

PRESS CLIPPINGS

#	Title	Media	Date of publishing	Component	USAID and/or MCP mentioned	Tone of the article
1	USAID invests 9,7 million US dollars in improving the competitiveness	UTRINSKI VESNIK	November 3, 2007	N/A	Yes	Positive
2	Volkswagen at the first Macedonian conference of automotive suppliers	Macedonian Government website	March 17, 2008	Light Manufacturing	Yes	Positive
3	Volkswagen in Skopje	SPIC	March 18, 2008	Light Manufacturing	Yes	Positive
4	Volkswagen interested in the Macedonian suppliers' services	UTRINSKI VESNIK	March 18, 2008	Light Manufacturing	Yes	Positive
5	Volkswagen chooses Macedonian companies	VECER	March 19, 2008	Light Manufacturing	Yes	Positive
6	Macedonian companies will work for Volkswagen	AUTO PLUS	March 23, 2008	Light Manufacturing	Yes	Neutral
7	Certificates for gerber CAD/CAM software awarded in Stip	MIA	June 25, 2008	Apparel	Yes	Neutral
8	Certificates for gerber CAD/CAM software awarded in Stip	IDIVIDI	June 25, 2008	Apparel	Yes	Neutral
9	APPAREL FIRMS MOVES TO FULL-PACKAGE BRAND PRODUCTION	Textiles Eastern Europe electronic newsletter	September, 2008	Apparel	Yes	Positive
10	Project for Electronic Library by USAID and CIRKO	Skopje Economy	September 18, 2008	Light Manufacturing	Yes	Neutral
11	Macedonian electronic library of tools	MIA	September 17, 2008	Light Manufacturing	Yes	Positive
12	Macedonian electronic library of tools	IDIVIDI	September 18, 2008	Light Manufacturing	Yes	Positive
13	With an online database the machine industry will increase exports by 30%	SITEL TV	September 17, 2008	Light Manufacturing	Yes	Positive
14	With an online database the machine industry will increase exports by 30%	MK FONDOVI	September 18, 2008	Light Manufacturing	Yes	Positive
15	Project for Electronic Library by USAID and CIRKO	NOVA MAKEDONIJA	September 18, 2008	Light Manufacturing	Yes	Neutral
16	USAID Helps Macedonian Industry (Macedonia in USAID Press Clips September 18, 2008)	The Journal of Turkish Weekly	September 18, 2008	Light Manufacturing	Yes	Neutral
17	Euro Phoenix will teach Macedonian companies how to attract capital	TOTAL	September 25, 2008	Access to Finance	Yes	Neutral
18	Seminar for strengthening the competitiveness of Macedonia	MIA	September 25, 2008	Access to Finance	Yes	Neutral
19	Seminar for strengthening the competitiveness of Macedonia	IDIVIDI	September 25, 2008	Access to Finance	Yes	Neutral
20	Access to finance - major problem of companies	UTRINSKI VESNIK	September 25, 2008	Access to Finance	Yes	Neutral

21	Conference for innovative services in corporate financing - Access to financing - still an obstacle for development	TENDERNIK	September 29, 2008	Access to Finance	Yes	Neutral
22	IT IS INCREASINGLY DIFFICULT FOR MACEDONIAN COMPANIES TO ACCESS CAPITAL	KAPITAL	October 2, 2008	Access to Finance	Yes	Neutral
23	The Ambassador Reeker promoter of the Macedonian economy	DNEVNIK	October 15, 2008	N/A	No	Positive
24	Macedonian Delegation lead by Prime Minister Nikola Gruevski in USA in the following 7 days	LISICA	November 9, 2008	Foreign Direct Investment	No	Positive
25	Macedonian road-show in USA	DNEVNIK	November 9, 2008	Foreign Direct Investment	No	Positive
26	Macedonian delegation at business forums in USA	TVM Ohrid	November 10, 2008	Foreign Direct Investment	No	Positive
27	The "Macedonia Team" goes around USA	Deutsche Welle	November 10, 2008	Foreign Direct Investment	No	Positive
28	Government team will present Macedonian business opportunities to USA	UTRINSKI VESNIK	November 10, 2008	Foreign Direct Investment	No	Neutral
29	First result from the road show in USA - Intel will invest in Macedonia	DNEVNIK	November 10, 2008	Foreign Direct Investment	No	Positive
30	Government delegation at business forums in San Francisco and Chicago	NETPRESS	November 10, 2008	Foreign Direct Investment	No	Positive
31	Government team will present Macedonian business opportunities to USA	KANAL 5 TV	November 10, 2008	Foreign Direct Investment	No	Positive
32	The business potential of Macedonia will be presented – Government team lead by Prime Minister Nikola Gruevski visit USA tomorrow	SITEL TV	November 10, 2008	Foreign Direct Investment	No	Positive
33	The business potential of Macedonia will be presented – Government team lead by Prime Minister Nikola Gruevski visit USA tomorrow	MK FONDOVI	November 10, 2008	Foreign Direct Investment	No	Positive
34	Government team lead by Prime Minister Gruevski will present Macedonian business opportunities to USA	MIA	November 10, 2008	Foreign Direct Investment	No	Positive
35	The Minister Ivanovski part of the team lead by Prime Minister Gruevski in USA	Macedonian Government website	November 10, 2008	Foreign Direct Investment	No	Positive
36	Gruevski from USA announced investments	A1 TV	November 11, 2008	Foreign Direct Investment	No	Positive
37	Gruevski in USA: American Intel will invest in Macedonia	MIA	November 11, 2008	Foreign Direct Investment	No	Positive
38	Gruevski: American Intel will invest in Macedonia	ALFA TV	November 11, 2008	Foreign Direct Investment	No	Positive
39	Macedonia with new investments in the ICT sector	VECER	November 27, 2008	ICT	No	Neutral
40	The workforce competitiveness will be improved through the National program for internships	MIA	November 25, 2008	Workforce Development	Yes	Positive
41	Promotion of the National Internship and Job Placement Program	Macedonian Government website	November 26, 2008	Workforce Development	Yes	Positive
42	The National Program for Internship and Job Placement starts off	BIZNIS	November 27, 2008	Workforce Development	Yes	Positive

43	THE CRISIS CAN AFFECT THE TRADE BALANCE AND INVESTMENTS	VECER	November 27, 2008	Workforce Development	Yes	Positive
44	Web site for job placement (employment)	SPIC	November 27, 2008	Workforce Development	Yes	Neutral
45	Business meeting on attracting investments organized by USAID	MK FONDOVI	December 5, 2008	Access to Finance	Yes	Neutral
46	Second business meeting of USAID's Competitiveness Project	IDIVIDI	December 5, 2008	Access to Finance	Yes	Neutral
47	Business meeting on attracting investments organized by USAID	KANAL 5 TV	December 5, 2008	Access to Finance	Yes	Neutral
48	Business meeting on attracting investments organized by USAID	MIA	December 5, 2008	Access to Finance	Yes	Neutral
49	USAID Helps Attract Investments	DNEVNIK	December 6, 2008	Access to Finance	Yes	Neutral
50	The solution is in attracting new foreign partners	VECER	December 6, 2008	Access to Finance	Yes	Neutral
51	SUT signed cooperation agreement with Carana-USAID	State University of Tetovo web site	January 23, 2009	Workforce Development	Yes	Positive
52	SEEU and CARANA Corporation signed Memorandum of Understanding	SEEU web site	January 27, 2009	Workforce Development	Yes	Neutral
53	Signed Memorandum Of Undestanding	Slavjanski Institut web site	January 30, 2009	Workforce Development	Yes	Neutral
54	UACS in collaboration with USAID – CARANA Corporation	UACS Newsletter and UACS web site	February 2009	Workforce Development	Yes	Positive
55	CARANA Corporation and USAID workshop at UACS	UACS Newsletter and UACS web site	February 2009	Workforce Development	Yes	Positive
56	Macedonian businessmen get 50% less development loans compared to the situation in the EU	TV KANAL 5	February 11, 2009	Access to Finance	No	Neutral
57	COMPANIES HAVE CHANCES TO ACCESS LOANS, BUT THEY DON'T KNOW HOW TO GET THEM	SITEL TV	February 11, 2009	Access to Finance	Yes	Neutral
58	Companies want, but they know how to access loans	UTRINSKI VESNIK	February 12, 2009	Access to Finance	Yes	Neutral
59	MACEDONIAN COMPANIES DON'T KNOW HOW TO ACCESS LOANS	NOVA MAKEDONIJA	February 12, 2009	Access to Finance	Yes	Neutral
60	COMPANIES HAVE ACCESS TO FINANCE, THEY DON'T KNOW HOW TO GET IT	KAPITAL	February 19, 2009	Access to Finance	Yes	Neutral
61	Ministry of education and USAID will sign a Memorandum of Understanding	NETPRESS	February 26, 2009	Workforce Development	Yes	Neutral
62	National Internship and Job Placement Programme	MAKFAX	February 26, 2009	Workforce Development	Yes	Neutral
63	MOE and Usaid signed a Memorandum of understanding for implementing workforce development initiatives	MIA	February 26, 2009	Workforce Development	Yes	Neutral
64	MOE and Usaid signed a Memorandum of understanding for implementing workforce development initiatives	IDIVIDI	February 26, 2009	Workforce Development	Yes	Neutral
65	National Internship and Job Placement Programme	LISICA	February 26, 2009	Workforce Development	Yes	Neutral
66	Students will search for internship online	BIZNIS	February 27, 2009	Workforce Development	Yes	Neutral
67	Internship for permanent employment	House of immigrants of Macedonia	February 27, 2009	Workforce Development	Yes	Positive
68	Internship for permanent job placement	Vecer	February 27, 2009	Workforce Development	Yes	Positive
69	Memorandum of cooperation between the Ministry of Education and Science and USAID Competitiveness Project	Prosveten Rabotnik	March, 2009	Workforce Development	Yes	Positive

70	Supply Chain Management training	Dnevnik	March 20, 2009	Light Manufacturing	Yes	Neutral
71	BUSINESS WITHOUT MORTGAGE	BIZNIS	March 30, 2009	Access to Finance	Yes	Neutral
72	THE GROWTH OF MACEDONIAN COMPANIES WILL INCREASE THE CONSULTANCY BUSINES - PointPro Consulting	KAPITAL	April 02, 2009	N/A	Yes	Neutral
73	Innovate to Survive, Compete & Thrive	KAPITAL	April, 2009	N/A	Yes	Positive
74	Business Strategy – How to access necessary investments?	BIZNIS	April 28, 2009	Access to Finance	Yes	Positive
75	USAID actively supports internship	KAPITAL	April 29, 2009	Workforce Development	Yes	Positive
76	The USAID internship program brings hope to Macedonian graduates	USAID	April, 2009	Workforce Development	Yes	Positive
77	Agreement: The universities involved in a USAID project	Utrinski Vesnik	May, 2009	Workforce Development	Yes	Neutral
78	Students interested in internships	Total	May 07, 2009	Workforce Development	Yes	Positive
79	Interest for internship placement through USAID	UTRINSKI VESNIK	May 09-10, 2009	Workforce Development	Yes	Positive
80	Internships Lead to Job Sought	KAPITAL	May 14, 2009	Workforce Development	Yes	Positive
81	PROMOTION OF INTERNSHIP	Spic	May 16-17, 2009	Workforce Development	Yes	Neutral
82	USAID Project „My career" in Kumanovo	Radio Free Europe	May 17, 2009	Workforce Development	Yes	Positive
83	Sixteen companies recruit interns through the web portal "My career"	TOTAL	May 19, 2009	Workforce Development	Yes	Positive
84	"My Career" will cooperate with the best Macedonian companies	BIZNIS	May 20, 2009	Workforce Development	Yes	Positive
85	THERE IS NO CRISES FOR TALENTED WORKERS	VREME	May 20, 2009	Workforce Development	Yes	Positive
86	Internship- manner to select the most talented staff	BERZNIK	May 25, 2009	Workforce Development	Yes	Positive
87	PRACTICAL IMPLEMENTATION OF USAID PORTAL AMONG THE STUDENTS AT THE EUROPEAN UNIVERSITY IN MACEDONIA	VECER	June, 2009	Workforce Development	Yes	Positive
88	JOBS FOR STUDENTS THROUGH THE NET	VECER	June, 2009	Workforce Development	Yes	Positive
89	USAID helps Macedonian companies get through time of recession	MAKFAX	June 12, 2009	Access to Finance	Yes	Neutral
90	Conference on "Access to finance in times of recession"	IDIVIDI	June 12, 2009	Access to Finance	Yes	Neutral
91	Conference on "Access to finance in times of recession"	MIA	June 12, 2009	Access to Finance	Yes	Neutral
92	Credit only with a bankable business plan	VECER	June 12, 2009	Access to Finance	Yes	Neutral
93	Banks have tightened conditions for loan approval	SITEL TV	June 12, 2009	Access to Finance	N/A	N/A
94	Loan money is reducing – banks are carefully searching only for solid projects	KANAL 5 TV	June 12, 2009	Access to Finance	N/A	N/A
95	Loan money is available but hard to obtain	A1 TV	June 12, 2009	Access to Finance	Yes	Neutral
96	Loans will be available for the successful	TELMA TV	June 12, 2009	Access to Finance	N/A	N/A
97	Profit is made also in times of recession	NOVA MAKEDONIJA	June 13-14, 2009	Access to Finance	Yes	Positive
98	USAID MCP Conference on Access to Capital in Times of Recession - THE CRISIS OPENS POSSIBILITIES FOR THOSE THAT CAN AND KNOW HOW TO USE THEM	BERZNIK	June 13, 2009	Access to Finance	Yes	Positive
99	Crediting requires good projects	SPIC	June 13-14, 2009	Access to Finance	Yes	Neutral
100	Bankable plan for significant loan	DNEVNIK	June 13-14, 2009	Access to Finance	Yes	Neutral
101	Credit only with a bankable business plan	UTRINSKI VESNIK	June 13-14, 2009	Access to Finance	Yes	Neutral

102	Credit only with a bankable business plan	NETPRESS	June 13, 2009	Access to Finance	Yes	Neutral
103	Money is available, but there are no projects	VREME	June 13-14, 2009	Access to Finance	Yes	Neutral
104	Banks grant loans only to solid business projects	BIZNIS24	June 13-14, 2009	Access to Finance	Yes	Positive
105	Access to finance in times of recession	KIRILICA	June 12, 2009	Access to Finance	Yes	Neutral
106	Seeking Leadership for Competitiveness - The Quicksand of Sinking Demand - by Nimish Jhaveri	KAPITAL	July 02, 2009	N/A	Yes	Positive
107	THE AUTOMOTIVE INDUSTRY AT THE STUTTGART FAIR - THE POTENTIAL IS HERE, BUT THE CRISES HAS TO PASS	KAPITAL	July 16, 2009	Light Manufacturing	Yes	Positive
108	INTERNATIONAL CERTIFICATES FOR LOCAL CONSULTANTS	NOVA MAKEDONIJA	July 08, 2009	Access to Finance	Yes	Positive
109	DEVELOPMENT REQUIRES KNOWLEDGE AND NEW CRITERIA	BIZNIS	July 08, 2009	Access to Finance	Yes	Positive
110	CERTIFICATION OF MANAGEMENT CONSULTANTS	VECER	July 08, 2009	Access to Finance	Yes	Neutral
111	Conference on "Access to finance in times of recession"	IDIVIDI	September 17, 2009	Access to Finance	Yes	Neutral
112	Conference on "Access to finance in times of recession"	MIA	September 17, 2009	Access to Finance	Yes	Neutral
113	Financing in times of recession	KANAL 5 TV	September 17, 2009	Access to Finance	Yes	Neutral
114	The National Internship Program and the Experiences of Ohridska Banka Societe Generale Group	HR Global	October, 2009	Workforce Development	Yes	Positive
115	Electronic career fair	HR Global	October, 2009	Workforce Development	Yes	Positive
116	International Certification training program for career counselors	HR Global	October, 2009	Workforce Development	Yes	Positive
117	USAID Seminar on Funding of Companies	Skopje Economy	October, 2009	Access to Finance	Yes	Neutral
118	Alternative ways of financing needed	Radio Free Europe	October 7, 2009	Access to Finance	Yes	Neutral
119	Macedonian companies access finance only through banks	MIA	October 7, 2009	Access to Finance	Yes	Neutral
120	Macedonian companies access finance only through banks	IDIVIDI	October 7, 2009	Access to Finance	Yes	Neutral
121	Conference on attracting equity investments	MTV	October 7, 2009	Access to Finance	N/A	N/A
122	Companies access finance only through banks	SITEL TV	October 7, 2009	Access to Finance	N/A	N/A
123	Companies access finance only through banks	KIRILICA	October 7, 2009	Access to Finance	N/A	N/A
124	Conference on attracting equity investments	MAKFAX	October 7, 2009	Access to Finance	N/A	N/A
125	COMPANIES OBTAIN FINANCES ONLY THROUGH BANKS	UTRINSKI VESNIK	October 8, 2009	Access to Finance	Yes	Neutral
126	MACEDONIAN COMPANIES NEED TO BE EDUCATED - Quality managers for more FDI	VECER	October 8, 2009	Access to Finance	Yes	Neutral
127	Banks should not be the only source of capital	Nova Makedonija	October 8, 2009	Access to Finance	Yes	Neutral
128	COMPANIES OBTAIN FINANCES ONLY THROUGH BANKS	BIZNIS 24	October 11, 2009	Access to Finance	Yes	Neutral
129	Standards are an obstacle for higher exports in Europe	Radio Free Europe	October 31, 2009	N/A	Yes	Positive
130	First interns, then good employees	UTRINSKI VESNIK	November, 2009	Workforce Development	Yes	Positive
131	From internship to placement of quality workforce	MIA	November 19, 2009	Workforce Development	Yes	Positive
132	National Internship and Job Placement Programme Results Presented	SKECONOMY	November 20, 2009	Workforce Development	Yes	Positive
133	USAID and the University „St.Kliment Ohridski" from Bitola signed Memorandum of cooperation	MIA	November 23, 2009	Workforce Development	Yes	Neutral
134	USAID awards Certificates of appreciation to 20 companies	KAPITAL	November 26, 2009	Workforce Development	Yes	Positive

135	CAREER E-FAIR GETS STARTED	Nova Makedonija	October 31, 2009	Workforce Development	Yes	Neutral
136	CAREER E-FAIR GETS STARTED	DNEVNIK	November 01, 2009	Workforce Development	Yes	Neutral
137	USAID ORGANIZES THE FIRST CAREER E-FAIR ON THE BALKANS	KIRILICA	November 02, 2009	Workforce Development	Yes	Neutral
138	FIRST CAREER E-FAIR IN THE REGION	MAKFAX	November 02, 2009	Workforce Development	Yes	Neutral
139	First electronic career fair in the region	LISICA	November 02, 2009	Workforce Development	Yes	Neutral
140	USAID organises the first Internet career fair on the Balkans	MIA	November 02, 2009	Workforce Development	Yes	Neutral
141	First electronic career fair in the region	FORUM	November 02, 2009	Workforce Development	N/A	N/A
142	USAID organises the first Internet career fair on the Balkans	IDIVIDI	November 02, 2009	Workforce Development	Yes	Neutral
143	First electronic career fair in the region	MTV1	November 02, 2009	Workforce Development	Yes	Neutral
144	USAID organises the first Internet career fair on the Balkans	SITEL TV	November 02, 2009	Workforce Development	Yes	Neutral
145	JOB-INTERVIEW ON INTERNET	SPIC	November, 2009	Workforce Development	No	Neutral
146	USAID ORGANIZES THE FIRST CAREER E-FAIR ON THE BALKANS	TOTAL	November 2, 2009	Workforce Development	Yes	Neutral
147	FIRST CAREER E-FAIR	UTRINSKI VESNIK	November, 2009	Workforce Development	Yes	Neutral
148	First career e-fair	VECER	November 2, 2009	Workforce Development	Yes	Positive
149	Employment through Internet	Radio Free Europe	November 2, 2009	Workforce Development	Yes	Positive
150	GLOBAL WEEK OF ENTREPRENEURSHIP	VECER	November, 2009	Innovation	No	Neutral
151	HIGH-QUALITY WORKFORCE PRODUCTION GOT UNDERWAY	VECER	December 16, 2009	Workforce Development	Yes	Positive
152	Students conducting internship in Municipality of Gazi Baba	VREME	December 17, 2009	Workforce Development	Yes	Positive
153	Regional conference "Access to finance in times of recession"	TOTAL	December 16, 2009	Access to Finance	Yes	Neutral
154	Local businesspeople in search of easier access to fresh capital	KANAL 5 TV	December 16, 2009	Access to Finance	Yes	N/A
155	Regional Financial Platform Conference on "Access to Finance in times of recession"	MIA	December 16, 2009	Access to Finance	Yes	Neutral
156	Regional Financial Platform Conference on "Access to Finance in times of recession"	IDIVIDI	December 16, 2009	Access to Finance	Yes	Neutral
157	Regional conference "Access to finance in times of recession"	Berovo Municipality website	December 16, 2009	Access to Finance	Yes	Neutral
158	MACEDONIAN PRODUCTION OF AN AMERICAN CHRISTMAS STORY	KAPITAL	January 21, 2010	Access to Finance	Yes	Positive
159	Project on internship	VECER	February, 2010	Workforce Development	Yes	Positive
160	Matchmaking in Macedonia	Just-Style	March 2, 2010	Apparel	No	Positive
161	Conference on "Successful access to finance in times of recession"	MIA	March 3, 2010	Access to Finance	Yes	Neutral
162	Work meeting in Cair Municipality entitled "Successful access to finance in times of recession"	Cair Municipality website	March 3, 2010	Access to Finance	Yes	Neutral
163	Conference on "Successful access to finance in times of recession"	IDIVIDI	March 4, 2010	Access to Finance	Yes	Neutral
164	Banks approve loans only for solid business projects	BIZNIS 24	March 4, 2010	Access to Finance	Yes	Neutral
165	Macedonia: USAID projects help boost apparel industry	Just-Style	March 23, 2010	Apparel	Yes	Positive
166	Macedonia: Makers see UK retailers as "a good match"	Just-Style	March 23, 2010	Apparel	No	Positive
167	Macedonia: Apparel makers take step toward full package	Just-Style	March 23, 2010	Apparel	No	Positive

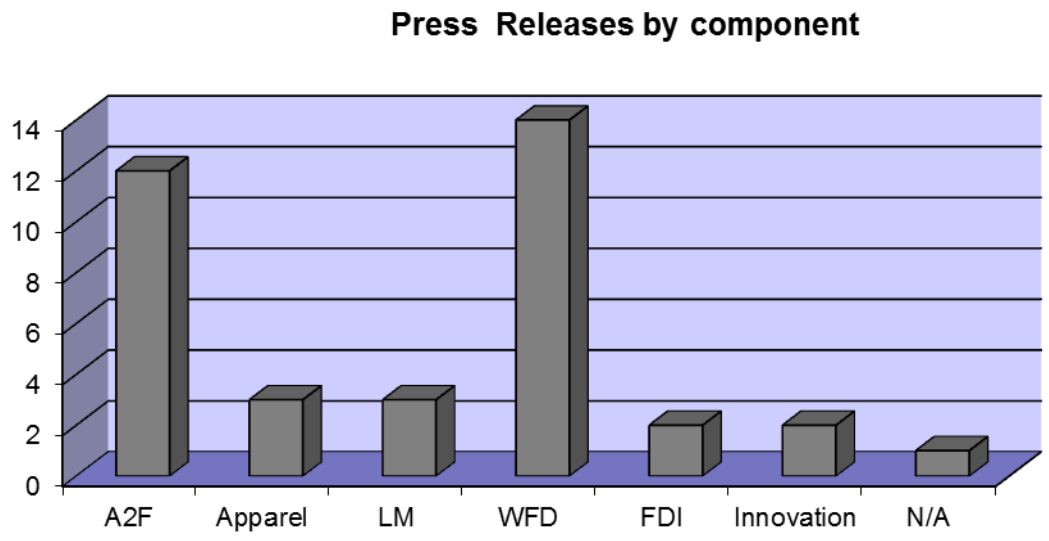
168	Macedonia: Apparel firms seeing signs of recovery	Just-Style	March 23, 2010	Apparel	No	Positive
169	Analysis : Macedonian makers eye fast fashion partnerships	Just-Style	March 23, 2010	Apparel	No	Positive
170	Macedonia: textile industry strategy	WGSN - Business Resource Europe	March 19, 2010	Apparel	Yes	Positive
171	Second electronic career fair	KIRILICA	March 16, 2010	Workforce Development	N/A	N/A
172	Second electronic career fair	eREPORTER	March 16, 2010	Workforce Development	No	Neutral
173	Second electronic career fair	DNEVNIK	March 16, 2010	Workforce Development	No	Neutral
174	Second electronic career fair	Pretpriemac	March 16, 2010	Workforce Development	Yes	Neutral
175	Second e-career fair will take place	MK FONDOVI	March 17, 2010	Workforce Development	No	Neutral
176	Gazi Baba Municipality took part of the e-career fair	VECER	March 18, 2010	Workforce Development	Yes	Neutral
177	University of Bitola part of the e-career fair	MIA	March 29, 2010	Workforce Development	Yes	Neutral
178	University of Bitola part of the e-career fair	IDIVIDI	March 29, 2010	Workforce Development	Yes	Neutral
179	Municipality of Stip – example for internships	Stip Municipality website	April 12, 2010	Workforce Development	Yes	Positive
180	Macedonian municipalities signed a memorandum of understanding	MAKFAX	April 12, 2010	Workforce Development	Yes	N/A
181	Macedonian municipalities signed a memorandum of understanding	MTV Channel 1	April 12, 2010	Workforce Development	Yes	N/A
182	Partnership established between USAID Competitiveness project and macedonian municipalities	IDIVIDI	April 12, 2010	Workforce Development	Yes	Positive
183	Partnership established between USAID Competitiveness project and macedonian municipalities	MIA	April 12, 2010	Workforce Development	Yes	Positive
184	Partnership between USAID Project and ZELS - Help for businesspeople in hiring experts	VECER	April 12, 2010	Workforce Development	Yes	Positive
185	Help for local businesses in hiring workforce - Partnership between USAID Competitiveness Project and municipalities	BIZNIS 24	April 13, 2010	Workforce Development	Yes	Positive
186	Help for local businesses in hiring workforce	www.prespanews.com	April 13, 2010	Workforce Development	Yes	Positive
187	UK fashion brands scanning Macedonian garment industry	KAPITAL	April 16, 2010	Apparel	Yes	Positive
188	"Successful access to finance" conference	MIA	April 16, 2010	Access to Finance	Yes	Neutral
189	"Successful access to finance" conference	IDIVIDI	April 16, 2010	Access to Finance	Yes	Neutral
190	Six Macedonian companies to supply FIAT-Serbia	KAPITAL	April 19, 2010	Light Manufacturing	Yes	Positive
191	USA Fashion Show: US designers for Macedonian companies	Voice of America Macedonia	April 27, 2010	Apparel	Yes	Positive
192	The Innovation Challenge	KAPITAL	April 30, 2010	Innovation	Yes	Positive
193	PARTNERSHIP BETWEEN THE USAID PROJECT AND ZELS - HELP TO BUSINESSMEN IN HIRING EXPERTS	VECER	April, 2010	Workforce Development	Yes	Positive
194	Designer Toledo Lauded at Marymount Festivities	SunGazette	May 06, 2010	Apparel	Yes	Positive
195	The first 30 certified management consultants in Macedonia	A1 TV	May 11, 2010	Access to Finance	Yes	Positive
196	Expert consultants for Macedonian businessmen	Alsat-M TV	May 11, 2010	Access to Finance	Yes	Neutral
197	Business Consultant – well paid in the world, rarely sought in our country	TV KANAL 5	May 11, 2010	Access to Finance	No	Neutral

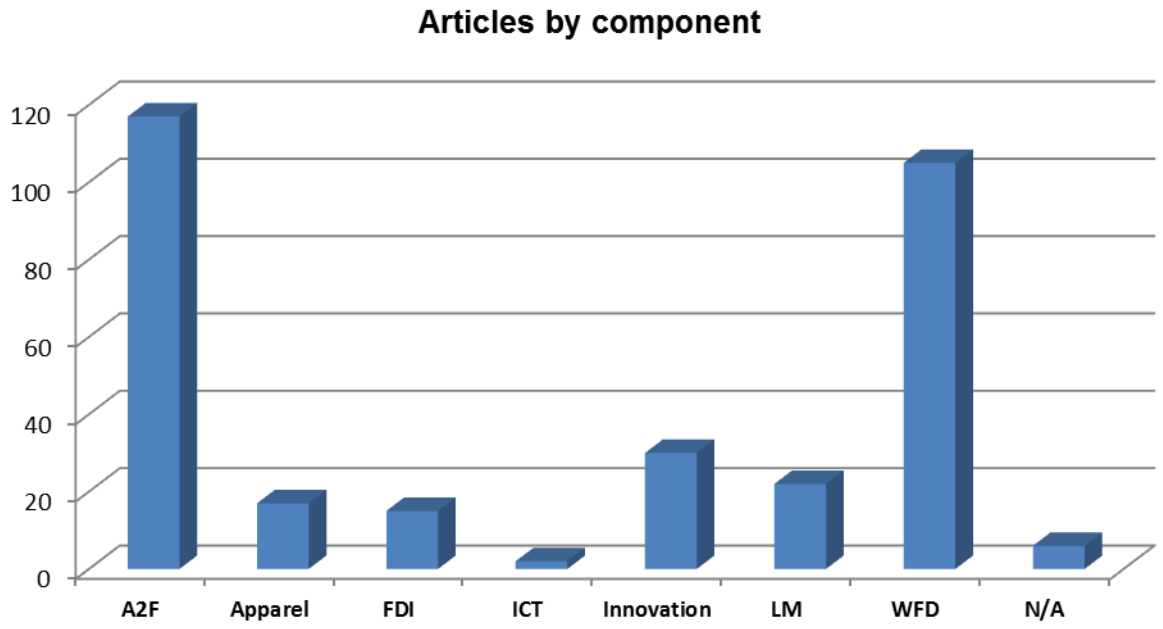
198	Macedonians rarely use consulting services	MAKFAX	May 11, 2010	Access to Finance	Yes	Positive
199	Macedonia has got its first 30 internationally certified management consultants	MIA	May 11, 2010	Access to Finance	No	Neutral
200	Consulting services an unknown to Macedonian companies	SITEL TV	May 11, 2010	Access to Finance	No	Neutral
201	MACEDONIA GETS ITS FIRST 30 INTERNATIONALLY CERTIFIED MANAGEMENT CONSULTANTS	BIZNIS	May 12, 2010	Access to Finance	No	Neutral
202	THE FIRST M & A CONSULTANTS IN MACEDONIA CERTIFIED	KAPITAL	May 28, 2010	Access to Finance	Yes	Positive
203	CERTIFICATES FOR DEALMAKING CONSULTANTS	DNEVNIK	May 28, 2010	Access to Finance	Yes	Neutral
204	CERTIFICATES FOR 16 MACEDONIAN CONSULTANTS	VECER	May 28, 2010	Access to Finance	Yes	Neutral
205	Gazi Baba INTERNS LEARN COMMUNICATION SKILLS	UTRINSKI VESNIK	May 28, 2010	Workforce Development	Yes	Neutral
206	Companies from Ohrid will debate on how to access finance	www.ohridpress.com.mk	June 7, 2010	Access to Finance	Yes	Neutral
207	USAID Competitiveness Project's regional conference on access to finance	Radio LAV Ohrid	June 8, 2010	Access to Finance	Yes	Neutral
208	USAID helps Ohrid region companies to access finance	MX Radio Ohrid	June 8, 2010	Access to Finance	Yes	Positive
209	USAID facilitates access to finance of Ohrid companies	www.ohridnews.com	June 8, 2010	Access to Finance	Yes	Neutral
210	Conference on "Successful access to finance" for Ohrid region companies organized by USAID Competitiveness Project	MIA	June 8, 2010	Access to Finance	Yes	Neutral
211	Companies are highly interested in bank loans	INPRESS	June 8, 2010	Access to Finance	Yes	Positive
212	USAID COMPETITIVENESS PROJECT INTERNSHIP PROGRAM GIVES HOPE TO YOUNG PEOPLE IN MACEDONIA	Pretpriemac	June, 2010	Workforce Development	Yes	Positive
213	Macedonia Takes Part at EAC Expo 2010	Pretpriemac	June 26, 2010	Light Manufacturing	Yes	Neutral
214	Four companies presented directly	VECER	June 25, 2010	Light Manufacturing	Yes	Positive
215	Macedonian auto components industry at Stuttgart Expo	MAKFAX	June 25, 2010	Light Manufacturing	Yes	Positive
216	Macedonian auto components industry at Stuttgart Expo	UTRINSKI VESNIK	June 25, 2010	Light Manufacturing	Yes	Positive
217	Attract investors in one minute	SPIC	July 19, 2010	Innovation	Yes	Positive
218	EVN 'Summer 2010' Project for internship	UTRINSKI VESNIK	July 2, 2010	Workforce Development	No	Neutral
219	Group of 30 Certified Management Consultants (CMC) for the first time certified in Macedonia	International council of management consulting institutes - ICMCI	July, 2010	Access to Finance	Yes	Positive
220	Industry opens up for EU Apparel Buyers' week	Just-Style	August 16, 2010	Apparel	Yes	Positive
221	Macedonia: USAID Uses IT Approach to Combat Unemployment	E&E Administrator Weekly Report	August 11, 2010	Workforce Development	Yes	Positive
222	Business Advisers Help Ideas Find Funds in Macedonia	USAID Macedonia Website	September, 2010	Access to Finance	Yes	Positive
223	The third electronic career fair starts	www.it.com.mk	September 24, 2010	Workforce Development	Yes	Neutral
224	The third electronic career fair has started	IDIVIDI	September 27, 2010	Workforce Development	Yes	Neutral
225	The third electronic career fair has started	MIA	September 27, 2010	Workforce Development	Yes	Neutral
226	The third electronic career fair has started	SITEL TV	September 27, 2010	Workforce Development	Yes	Neutral
227	The third electronic career fair has started	MK FONDOVI	September 28, 2010	Workforce Development	Yes	Neutral
228	Magna is looking for partners for automotive equipment in Macedonia	TV KANAL 5	October 3, 2010	Light Manufacturing	No	Positive

229	Automotive cluster - Magna in search for Macedonian companies	VECER	October 5, 2010	Light Manufacturing	No	Positive
230	EU clients interested in partnerships with the textile industry	KURIR	October 6, 2010	Apparel	Yes	Neutral
231	Textile companies in new partnerships with clients from EU	VECER	October 12, 2010	Apparel	Yes	Positive
232	New partnerships with clients from the EU	UTRINSKI VESNIK	October 12, 2010	Apparel	Yes	Positive
233	FREE USE OF MICROSOFT TOOLS FOR IT COMPANIES	UTRINSKI VESNIK	October 14, 2010	ICT	Yes	Positive
234	THE FIRST CAREER COUNSELORS AWARDED CERTIFICATES	KAPITAL	October 15, 2010	Workforce Development	Yes	Positive
235	CERTIFICATES FOR 28 PROFESSIONAL COUNSELORS	BIZNIS	October 15, 2010	Workforce Development	Yes	Neutral
236	Certificates Presented to Twenty-Eight Macedonian Councillors	VECER	October 15, 2010	Workforce Development	Yes	Neutral
237	MACEDONIAN OUTSOURCING FOR HOLLYWOOD	KAPITAL	October 29, 2010	Access to Finance	Yes	Positive
238	ACCESS TO FINANCE and MY CAREER	VECER	October, 2010	Access to Finance / Workforce Development	Yes	Neutral
239	The new mobile operator presented its technology	SITEL TV	November 25, 2010	Innovation	No	Positive
240	WTI will not offer cheaper calls	ALFA TV	November 25, 2010	Innovation	No	Neutral
241	The fourth mobile operator WTI starts working next year	KANAL 5 TV	November 25, 2010	Innovation	No	Neutral
242	Promises of the fourth mobile operator	KURIR	November 25, 2010	Innovation	No	Positive
243	WTI will begin by offering same prices as other operators	VECER	November 25, 2010	Innovation	No	Positive
244	WTI will reduce telecommunication costs	VECER	November 26, 2010	Innovation	Yes	Positive
245	The first virual mobile operator in Macedonia starts with business	NOVA MAKEDONIJA	November 25, 2010	Innovation	No	Neutral
246	Closer to the diaspora with a virtual provider	UTRINSKI VESNIK	November 25, 2010	Innovation	No	Positive
247	WTI will go after the diaspora	MAKFAX	November 25, 2010	Innovation	No	Neutral
248	WTI will go after the diaspora	TOCKA	November 25, 2010	Innovation	No	Neutral
249	First Career Counselors in Macedonia Awarded Certificates	GCDF Newsletter	January, 2011	Workforce Development	Yes	Positive
250	A regional Financial Platform Conference on "How to Access Finance More Easily" was held in Kumanovo	IDIVIDI	February 13, 2011	Access to Finance	Yes	Neutral
251	A regional Financial Platform Conference on "How to Access Finance More Easily" was held in Kumanovo	MIA	February 13, 2011	Access to Finance	Yes	Neutral
252	STD COMPANY FOR SHOCK ABSORBERS FROM DOJRAN WILL EXPORT TO BOSNIA AND HERZEGOVINA	NOVA MAKEDONIJA	March, 2011	Light Manufacturing	No	Positive
253	USAID helps Macedonian companies to think differently about finance - The interest is irrelevant if you don't know what to do with the money	KAPITAL	March 25, 2011	Access to Finance	Yes	Positive
254	USAID supports Macedonian companies	RADIO FREE EUROPE	March 30, 2011	Access to Finance	Yes	Positive
255	Macedonian companies received 43 million American dollars through an USAID project	TV KANAL 5	March 30, 2011	Access to Finance	Yes	Positive
256	MORE THAN 43 MILLION AMERICAN DOLLARS FOR 116 COMPANIES THROUGH USAID	DNEVNIK	March 31, 2011	Access to Finance	Yes	Positive
257	THE COMPANIES DEVELOP THE ECONOMY!	KAPITAL	March 31, 2011	Access to Finance	Yes	Positive

258	SUPPORT FROM USAID FOR 116 COMPANIES - THROUGH PROFESSIONAL ASSISTANCE TO FINANCIAL INJECTION WORTH 44 MILLION AMERICAN DOLLARS	KAPITAL	March 31, 2011	Access to Finance	Yes	Positive
259	MORE THAN 43 MILLION AMERICAN DOLLARS FROM USAID FOR THE MACEDONIAN COMPANIES	NOVA MAKEDONIJA	March 31, 2011	Access to Finance	Yes	Neutral
260	SUCCESSFUL USAID PROJECT More than 43 million American dollars for 116 Macedonian companies	VECER	March 31, 2011	Access to Finance	Yes	Positive
261	USAID SUPPORTED 116 MACEDONIAN COMPANIES	VEST	March 31, 2011	Access to Finance	Yes	Neutral
262	e-Career Fair from April 18 -21 - Have a job interview at home!	IZLEZ	April 15, 2011	Workforce Development	No	Positive
263	Electronic career fair - opportunity to find internship or job	IDIVIDI	April 18, 2011	Workforce Development	Yes	Positive
264	Fourth electronic career fair	DNEVNIK	April 18, 2011	Workforce Development	Yes	Positive
265	Electronic career fair - opportunity to find internship or job	SITEL TV	April 18, 2011	Workforce Development	Yes	Positive
266	The electronic career fair begins	KURIR	April 18, 2011	Workforce Development	Yes	Positive
267	Electronic career fair - opportunity to find internship or job	MTV	April 18, 2011	Workforce Development	Yes	Positive
268	Electronic career fair	RADIO FREE EUROPE	April 18, 2011	Workforce Development	Yes	Positive
269	Electronic career fair - opportunity to find internship or job	MIA	April 18, 2011	Workforce Development	Yes	Positive
270	Electronic career fair - opportunity to find internship or job	24VESTI	April 18, 2011	Workforce Development	Yes	Positive
271	Electronic career fair - opportunity to find internship or job	MK FONDOVI	April 19, 2011	Workforce Development	Yes	Positive
272	Opportunity for internships and jobs through the internet	KAPITAL	April 27, 2011	Workforce Development	Yes	Positive
273	Business angels help finance Macedonian companies	KAPITAL Internet Portal	May 27, 2011	Innovation	Yes	Positive
274	The first Business Angel Network is created	TV SITEL	May 27, 2011	Innovation	Yes	Positive
275	The Business Angels have landed	MTV	May 27, 2011	Inovation	Yes	Positive
276	Stimulating entrepreneurship: Business angels will develop projects	DNEVNIK	May 27, 2011	Innovation	Yes	Positive
277	The first Business Angel Network in Macedonia is created	MIA	May 27, 2011	Innovation	Yes	Positive
278	The first Business Angel Network in Macedonia is created	IDIVIDI	May 27, 2011	Innovation	Yes	Positive
279	First angel investors network formed in Macedonia	PLUS INFO	May 27, 2011	Innovation	Yes	
280	First angel investors network formed in Macedonia	Radio Channel 77	May 27, 2011	Innovation	Yes	Positive
281	First business angel network formed in Macedonia	NOVA MAKEDONIJA	May 28, 2010	Innovation	Yes	Positive
282	First business angel network formed in Macedonia	MAKFAX	May 28, 2011	Innovation	Yes	Positive
283	First business angel network formed in Macedonia	TOCKA	May 28, 2011	Innovation	Yes	Positive
284	First angel investors network formed in Macedonia	LISICA	May 28, 2011	Innovation	Yes	Positive
285	The first Business angel network established in Macedonia	KAPITAL	May 30, 2011	Innovation	Yes	Positive
286	Wealthy individuals will finance solid business ideas	KAPITAL	June 1, 2011	Innovation	Yes	Positive
287	Wealthy individuals will finance solid business ideas	KAPITAL	June 3, 2011	Innovation	Yes	Positive
288	A new model for financing start-up companies is now available in FYR Macedonia	Balkans.com	June 6, 2011	Innovation	Yes	Neutral
289	Regional finance fair in Skopje	RADIO FREE EUROPE	June 14, 2011	Access to Finance	Yes	Positive
290	Regional finance fair in Skopje	ZURNAL MK	June 14, 2011	Access to Finance	Yes	Neutral

291	How to finance good projects in times of post-economic crisis	KANAL 5 TV	June 14, 2011	Access to Finance	Yes	Positive
292	USAID organizes a regional finance fair in Skopje	PLUS INFO	June 14, 2011	Access to Finance	Yes	Neutral
293	Regional finance fair today and tomorrow in Skopje	SITEL TV	June 14, 2011	Access to Finance	Yes	Neutral
294	The regional finance fair starts	Radio Channel 77	June 14, 2011	Access to Finance	Yes	Neutral
295	Regional finance fair today and tomorrow in Skopje	MTV Channel 1	June 14, 2011	Access to Finance	Yes	Neutral
296	Regional finance fair today and tomorrow in Skopje	24VESTI	June 14, 2011	Access to Finance	Yes	Neutral
297	Regional finance fair today and tomorrow in Skopje	IDIVIDI	June 14, 2011	Access to Finance	Yes	Neutral
298	SEE business network fair	INPRESS	June 14, 2011	Access to Finance	Yes	Neutral
299	Regional finance fair today and tomorrow in Skopje	MIA	June 14, 2011	Access to Finance	Yes	Neutral
300	The regional finance fair starts	KURIR	June 14, 2011	Access to Finance	Yes	Neutral
301	Regional finance fair in Skopje	VECER	June 14, 2011	Access to Finance	Yes	Neutral
302	Regional finance fair in Skopje	KIRILICA	June 14, 2011	Access to Finance	Yes	Neutral
303	How to get business financing?	KAPITAL	June 15, 2011	Access to Finance	Yes	Positive
304	Finance fair in Skopje – There are alternatives to financing businesses	KAPITAL	June 15, 2011	Access to Finance	Yes	Positive
305	Presentation of the Global Career Development Facilitators Program	KAPITAL	June 15, 2011	Workforce Development	Yes	Positive
306	An ivestment "secret dinner" coming soon	KAPITAL	June 27, 2011	Innovation	Yes	Positive
307	Ten out of fifteen interns have become part of ProCredit Bank's team	KAPITAL	July 04, 2011	Workforce Development	Yes	Positive
308	CNN Eye on Macedonia "Workforce Development Initiatives in Macedonia"	CNN International Channel	October 13-21, 2011	Workforce Development	Yes	Positive
309	Tackling the Skills Deficit Internships, Work Skills, and Access Provide Critical "Transition Steps" to Full-Time Employment in Europe and Eurasia	USAID Frontlines	October 2011	Workforce Development	Yes	Neutral
310	New financial services presented to local companies from the agricultural sector	MIA	December 1,2011	Access to Finance	Yes	Positive
311	USAID helps Produce Companies Learn How to Access Finance	MAKFAX	December 1,2011	Access to Finance	Yes	Positive
312	Access to financial products for agribusiness companies	KURIR	December 1,2011	Access to Finance	Yes	Positive
313	Agribusiness companies learned about financial opportunities	SKY	December 1,2011	Access to Finance	Yes	Positive


Press Releases by component
14
12
10
8
6
4
2
0
A2F
Apparel
LM
WFD
FDI
Innovation
N/A


Articles by component
120
100
80
60
40
20
0
A2F
Apparel
FDI
ICT
Innovation
LM
WFD
N/A

ANNEX 5: INNOVATION CENTER PIPELINE

No.	Name / code	Industry title:	Technology summary:
0001	New Marketing Technologies	Marketing	Knowledge consumer
0002	Sentinel.mk	Computers	Computer Hardware Diagnostics
0003	MK Hydroponics Software	Agriculture	Hydroponics computer s/w
0004	MK In-Vitro Seeds	Agriculture	In-vitro fertilization of seeds
0005	MK Ultra-Light Designs	Ultra light aircrafts	Better slope to glide ratio
0006	Plazma	Energy conversion	Light & heat thin films
0007	MK Brain Rate Software	Medical Diagnostics	Brain rate
0008	Veda Tobacco	Energy / Agriculture	Tobacco to Biodiesel/ Animal food
0009	Veda Fire Suppression	Fire suppression	Safe fire suppression
0010	www.CavitationReactor.com	Waste to energy	Convert "PET" or Coal to electricity
0011	MK Mobile Phone App	Mobile phone	Application
0012	MK ETK	Border security	Explosive test kit
0013	Kemaga	Game	Special gaming
0014	www.WorkingWithLanguage.com	School complex translation	Complete language
0015	Bitola Light Company	Energy saving software	Light emitting diodes; replacement for incandesants neon
0016	Beneficial Cigarettes Companies	Tobacco	Vitamins in Cigarettes
0017	Xbox game	IT	X-box game
0018	Sportypal	IT	Mobile application for tracking
0019	Horizontal drill	Machine	Horizontal drilling machine
0020	AC/DC	Electrical engendering	Electric power protector
0021	Photovoltaic greenhouse	Agriculture/renewable energy	Patented way for heating the greenhouse using solar energy
0022	Cancer cure	Medicine	Cure for skin cancer
0023	Efficient brick	Construction/energy efficiency	Efficient way of building energy efficiency building
0024	Sanitizing device	Medicine	Device for sanitizing rooms
0025	Fireproof material	Chemical	Material for protection of wood from fire
0026	Active notes	IT	Software for preparing notes on line
0027	Dyasol	Energy efficiency	New types of photovoltaic
0028	Electrical protection	Electrical engineering	Eight (8) Stages Integrated System for Surge Protection

0029	Lock	Electrical engineering	Sibra - system of regular, automatic, panic, mechanical and electromechanical door locks with a central gearbox
0030	Training TV station	Media	Project of Radio & TV Station for training and education
0031	Cancer cure	Design	Patented design of Shaped Beverage Can
0032			Video game “Poppy and Rose”
0033	Engine	Mechanical	EMP hybrid engine
0034		Energy	Use of Sun and Earth energy
0035	Solar collectors	Energy	Focusing rays instrument for solar collectors
0036	Grape technology	Agriculture	Multiplier - machine for simultaneously (two-sided) chemical treatment of the vineyards rows
0037	Solar collector	Energy	Air solar collector with rotating cells
0038	Services	Pharmacy Drive in	Drive by- “Kupi si”
0039	Software reserve	IT	Software for management of reserves
0040	Strawberry	Agriculture	New type of strawberries that are can grow on hot weather (summer)
0041	MintTabs	IT/ Health	Proprietary algorithm incorporated in IT solution for collecting, rendering and distributing medical data
0042	Bags	Machine	ECO Innovation Project concept ”EU ECO BAGS”

ANNEX 6: CEED KIMES FINAL REPORT

CEED

Center for Entrepreneurship and Executive Development

R E P O R T

Kosovo Integrated Market Entry System Project

Skopje, March 2012

1. Executive Summary

Kosovo Integrated Market Entry System (KIMES) was a pilot project implemented by the Center for Entrepreneurship and Executive Development – CEED Macedonia in the period April 2009 – March 2010. Through its three components, this project has provided the Macedonian companies that were ready to explore and expand to the Kosovo market with cost and time effective solution for successful start of business operations.

Even though **the pilot project was implemented in period of financial crisis and during year that was extremely difficult for the Macedonian companies from financial point of view,** trough the undertaken project activities CEED Macedonia has managed to create a sustainable export supporting model.

The **main objective** of the KIMES project was **to boost up the growth of the Macedonian companies** by supporting their **regional expansion and exporting activities in Kosovo**, thus becoming a role model for future export support for other countries. The fact that in the time of preparation of this report (March 2012) the center is still successfully operating verifies this declaration.

This unique export supporting pilot project that was implemented in Macedonia and in the region for the first time has set up a strong base for promotion and expansion of use of services and products offered by Macedonian companies in Kosovo. By achieving 90% cost recovery ratio in the first year of implementation, and continuing to still operate 2 years after the end of USAID support, this pilot project offered great and sustainable model that can be easily replicated in the other countries in the region that are of interest for the Macedonian companies.

The most important result of this **pilot** project is the **establishment of the sustainable Office Business Center Kosovo (OBCK) in Prishtina**, offering the Macedonian companies usage of fully furnished and equipped office space and meeting facilities, as well as consulting and administrative support by local professionals and consultants. The uniqueness of the services and support provided by the OBCK was recognized by the Macedonian companies that were ready to expand to the Kosovo market despite the financial crisis. Gained revenues from the companies, shown interest and concluded contracts and pre-contracts for cooperation in the period April-October 2010 secured the sustainability of the center and possibilities for diversification of provided services.

Participants in the KIMES pilot project were 11 Macedonian companies from several different industries that have used different types of services offered by the OBCK, based on their type of business, previous presence and knowledge of the market, interests and potentials for further growth. Thus, OBC Pilot Model turned out to be a successful model for public-private partnership since it is co-financed by the donor community and by the private sector.

According to the interviews conducted with clients, if it wasn't for the OBCK and services it provides, 70% of the participants in the KIMES project would not have been entering the Kosovo market in 2009.

As a result of the services provided in the OBCK, **3 of the Macedonian companies participating in the KIMES project have set up a base for opening own offices in Pristina.**

Main business results of our clients:

- Winning of Government tender for E-Parliament in Kosovo.
- Winning of tender by University and Clinic Center of Kosovo for medical equipment
- HR services for Raiffeisen Bank Kosovo and first HR services in Kosovo increasing their export for 250% in 2009.
- International IT company used Macedonia as a hub for market entry in Kosovo.
- Legal company created a partnership and established a local presence in Kosovo with ambitions to implement several large infrastructure tenders in Kosovo.
- Another regional IT company used Macedonia as hub to enter to Kosovo market and increased their sales in Kosovo for 350%.
- Media portal opened their arm in Kosovo and started attracting marketing income from the portal.

KIMES project activities and achieved results by the companies participating in it have **increased the awareness for the importance of the internationalization of Macedonian businesses. The OBCK in Pristina and started activities were welcomed by the Macedonian Ambassador in Kosovo who expressed sincere support and willingness to help in further expanding of its activities in Kosovo as the OBCK concept is in line with the governmental policies for export promotion and very likely would receive their political and financial support.**

After the end of the KIMES project up to March 2012, the OBCK has continued with its operations by diversification of the offered services and supporting over ten new clients. Macedonian companies like Sinergy, Balkanika and Tea Toys have used the office as a head office for their locally established Kosovo companies and engaged staff. The company SOL-K and EU Project – Business Support and Learning for Growth have been using the Standard Service provided by OBCK for implementation of its activities for over a year. Macedonian pharmaceutical and chemical company Varus has been using the service Find a Partner as an initial step to entering the Kosovo market. In 2011, MACK has established cooperation with the Educational Advising Center (EAC) from Skopje in organization of GMAT, GRE and CIA courses in Kosovo, as well as in organization of presentations about the universities from abroad that EAC represents.

2. Background

Kosovo Integrated Market Entry System (KIMES) was a one-year project implemented by the Center for Entrepreneurship and Executive Development – CEED Macedonia. It represents cost and time effective alternative for the Macedonian companies that are ready to explore the Kosovo market and opportunities it offers for their respective products and/or services. Especially for smaller companies, this Integrated Market Entry System model offers a perfect base for a jump start on an foreign market.

The project had three components.

Component 1. *Office Business Center Kovoso (OBCK)* which offered the Macedonian companies participants in the project opportunities for joint use of fully furnished and technically equipped office space in the center of Prishtina, administrative support and consulting services from local employees, as well as use of "Virtual Office Services".

Component 2. *Training and in-company consulting services* for building awareness about the advantages and challenges of starting and growing a business in Kosovo, as well as gaining business and managerial skills for developing and managing a business from a distance.

Component 3. *Creation of pipeline of Macedonian companies* ready to expand to the Kosovo market and delivery of training and consulting services to enable their successful and timely start of business operations in Kosovo.

The main objective of the KIMES project was to boost up the growth of the Macedonian companies by supporting their regional expansion and exporting activities in Kosovo, thus becoming a role model for future export support for other countries.

The project offered the companies mitigation of the risk of entry into a new market by reducing the initial time, energy and funds each company will invest in developing a new market for its products and/or services. It provided new window of opportunity for Macedonian products and services and a chance for the Macedonian companies to fill in the existing gap of lack of know-how and business experience for high-quality products and services in Kosovo.

This Project had three primary goals:

- To enhance the ability of Macedonian entrepreneurs to quickly integrate into regional and global markets, and the Kosovo market in particular;
- To facilitate the entry of Macedonian entrepreneurs and companies that are "ready now" to expand to the Kosovo market; and
- To create a pipeline of Macedonian companies to enter the Kosovo market in the near future.

3. Activities

The Project was started in April 2009 by initiating the procedure for establishment of the **Office Business Center Kosovo (OBCK) LLC Prishtina, Kosovo legal entity 100% owned by CEED Macedonia** and recruitment of local staff.

One of the main activities in the project initiation phase was searching appropriate office space in Prishtina for the OBCK premises. After checking more than a dozen potential office spaces, the OBCK office was located within the Dodona Business Center in Pristina, at street "Bajram Kelmendi" nr.34, Local no.1. **The location of the OBCK is near most significant Kosovo Governmental Institutions,** right across the "Mother Teresa" Street, (3 min. walking from Kosovo Prime Ministry Office, Ministry of Economy and Finance, Ministry of Public Administration, etc.), near banking institutions (Reiffeisen Bank, TEB Bank, Procredit Bank) and other important organizations and large companies such as Kosovo Chamber of Commerce, IPKO, Koha Ditore, or 5 minutes walking from the

Grand Hotel, which makes OBCK ideal business place for Macedonian companies interested in exploring Kosovo market. **The OBCK office space of 200m2 offers:**

- one large open office (ocean) suitable to fit 12 working stations (including office L-shape desks-one large desk, one smaller computer desk, drawer cabinet, chair and telephone) and joint office cabinets,
- one large conference room,
- one small meeting room,
- two separate offices for OBCK staff,
- kitchen area,
- reception area and area for promotional materials.

Photos of the Office Business Center in Prishtina

In the time of preparation of this report, OBCK is still located in the same location.

The activities within the Component 2 of the project were started by **drafting the Handbook "How to start and grow a business in Kosovo"**. By combining the on-ground knowledge and experience of the Business Development Advisor from OBCK and international trade intermediary, export and marketing experience of the Macedonian consulting company KP Macedonia Export, we have structured the gathered relevant information in two parts – first covering topics on why and how to

expand your business internationally and the second part, with practical information why to start a business in Kosovo. The first part of the Handbook offers information on the main critical attributes when going international and how to evaluate if you are capable of being International, how to manage your business and your employees from a distance and how to prepare you marketing and sales plans for the new market. The second part of the Handbook includes information on: the Trade and Customs regime in Kosovo, Taxation in the country, the level of development of the financial sector in the country and available sources of financing/funding for the businesses in Kosovo, the situation with the Kosovo labor market and media market, how to register a company in Kosovo, how to search for local partners etc.

Another activity in this component is organization of **half-day workshop on "How to start and grow a business in Kosovo"** in September 2009 aimed for representatives from the Macedonian companies participating in the project. The training was conducted by Mr.Petar Lazarov from KP Macedonia Export and Mr.Kreshnik Lleshi, Business Development Advisor from OBCK. The sessions in this workshop included short presentation of the Handbook "How to start and grow a business in Kosovo" and drafted OBCK Internal Office Guidelines, as well as discussions and exchange of experience between the participants and consultants. The end of the workshop was used for exchange of experiences and short one-on-one meetings between the companies.

CEED Macedonia has started with the **promotion of the KIMES project** in the early stage of project implementation. Within the CEED Top Class 2008/2009 programs, the concept of the project was presented **to the participants in few organized B2B and networking learning events** in the period May-June 2009. The presentation of the project and offered services by the Office Business Center Kosovo were continued on the events organized within the **CEED Top Class 2009/2010 programs** and in other CEED training programs organized after the end of the pilot.

Prior to starting their activities in Kosovo, all Macedonian companies participating in the project received **in-company consultancy trough several meetings with the BDA** and representatives from CEED Macedonia. Based on their plans and expectations from expanding to Kosovo market, we have provided them with practical advice on how to prepare and implement their action plans and how to plan budget and resources. For each of the involved companies best possible ways for entrance to the market were discussed, as well as the support that the employees in the OBCK can provide. We have established continuous communication with the companies and conducted monthly coordination and consultancy meetings in order to set up smooth base for successful start and operation of their businesses in Kosovo.

Marketing and PR activities were continued during December 2009, by undertaking three activities that provoked much interest with Macedonian companies - potential participants in the KIMES Project. First activity was a **mass mail sent to over 1,000 companies** with the information and services that OBCK offer. The second one was **an article in the e-newsletter of the Union of Chamber of Commerce**, sent to the members of the Union which provoked interest among the member companies. Third one was **an article published in a "Biznis" daily newspaper** where most economic information is published.

In the period between March – May 2010 we posted a **banner for OBCK positioned in one of the most visited on-line media "Zurnal"** that publishes news from Macedonia, Albania and Kosovo in Albanian and Macedonian. (www.zhurnal-ks.com)

As the variety of needs begun to define in several general groups of services, OBCK services were adjusted and defined in **5 service packages: Premium Package, Standard Package, Operational**

Support Package, Find a Partner Service and Ad Hoc Services. Information on the OBCK and offered packages of services were presented in **trilingual (English, Macedonian, Albanian) brochure** that was distributed to the companies involved in B2B events between Kosovo and Macedonia and will be further on distributed to local Macedonian and Kosovar business associations and chambers of commerce. **Based on the interests and needs of the companies, after the end of the pilot, MACK has developed 3 new services: Office Package – Basic level, Virtual Office – level 1, Virtual Office – level 2.**

Capacity building of employees in OBCK is an ongoing process. CEED staff/Project Manager are providing continuous support by deepening the knowledge of the team about the needs of the Macedonian companies in Kosovo, as well as finding most effective ways to provide them with useful local information and useful services. In this direction and because of the increased need for research and analytical skills by the employees, there has been training held in OBCK premises which was designed and delivered by a consultancy company KP Macedonia Export, especially for the needs of OBCK. The **training** improved the skills of the employees **to conduct a small market analysis, to provide a simple business plan for the companies, to guide them through the action steps and to find a partner for them.**

Information gathered and produced during the project implementation, were **systemized in several templates and documents** such as:

- Offers and service packages
- Translation services process
- Offers and mailing information in Albanian and English
- Development review
- Hiring process through OBCK
- Concept Note for companies
- Company info
- How to reach OBCK from Macedonia
- Kosovo official holidays

On the 11th of March 2010, **a promotional event** of the Office Business Center Kosovo and offered services, was organized in Prishtina. Representatives of around 60 companies from Macedonia and Kosovo took part in the event. H.E. Stojan Karajanov, the Ambassador of Republic of Macedonia in Kosovo addressed the attendants and stressed that Macedonian companies should use the opportunities that Kosovo market offers, promising full support by the Macedonian Embassy in Kosovo. **Article on this opening event and services offered by the OBCK was published on March 12, 2010 in the Macedonian daily newspaper Dnevnik.**

Activities of MACK and CEED staff/Project Manager after the end of this pilot project have been focused on continuous improvement of offered services and search for new clients. We have organized several sales campaigns by sending mass e-mails and promoting services offered by MACK to the participants in our CEED training programs. Information on the MACK services was part of the promotional materials disseminated to the participants that were participating in the business conference with Brian Tracy and Peter Fisk, organized in Skopje by CEED Macedonia and Triple S. As a result of such activities, over ten new clients, both from Macedonia and Kosovo, used the support of OBCK.

4. Results and Impacts

One-year implementation of the KIMES project with support of the USAID Macedonia Competitiveness Project has resulted in:

- **Establishment of fully furnished, equipped and modern Office Business Center Kosovo** that is managed by two local professionals trained and experienced to provide administrative, consulting and business development services for 12 Macedonian companies using the Premium and Standard package of services and capacity to additionally serve at least 15 other companies at a time using the other services like find a partner and "virtual office". Designed packages of services and shown interest from the Macedonian companies for such business support services in Kosovo grant sustainability of the center which will continue to operate after this initial 1-year co-funding received from the USAID Macedonia Competitiveness Project. **The cost recovery ratio in the first year of implementation of this pilot project was 90%**.

	Type of Service	Amount
1.	Premium Package	$ 7,503.00
2.	Standard Package	$ 30,472.00
3.	Operational Support	-
4.	Find a Partner	$ 571.00
5.	Ad hoc services	$ 795.00
	TOTAL:	**$ 39,341.00**

Table 1. – Revenues from companies in the period April 2009 – March 2010

1.	Companies	$ 39,341.00
2.	CEED Macedonia	$ 43,775.00
3.	USAID Macedonia Competitiveness Project	$ 43,034.00
TOTAL:		$ 126,150.00
4.	Expenses	$ 139,150.00
5.	Cost recovery ratio	90%

Table 2. – Contributions and expenses in the period April 2009 – March 2010

- **Improvement of management practices in 11 Macedonian companies** that have participated in this one-year pilot project:
  -

1.	**Soloprom Skopje**	Materials for furniture industry	Standard Package	High quality and modern design of the furniture made for OBCK was noticed by one Kosovar company renting office next to OBCK's and initiated the first deal for

				Soloprom in Kosovo by ordering same kind of furniture for their office in a value of $ 6,750.
2.	**Datalab Skopje**	IT Industry	Standard Package	Services and support provided by OBCK has resulted in increase of 350% in the revenues of Datalab gained from exporting activities.
3.	**Vrabotuvanje.com**	HR and job mediation services	Standard Package	Information and contacts provided by the OBCK helped Vrbotuvanje.com to establish communication with several international organizations, banks and larger multinational companies and present them with the services they offer. Vrabotuvanje.com's activities in Kosovo were started by selection of the employees of OBCK. Vrabotuvanje.com main success was by providing HR services to Raiffeisen Bank Kosovo.
4.	**Biotek Skopje**	Distribution of laboratory equipment and materials	Standard Package	With the services and support provided by the OBCK staff, Biotek Skopje established local legal entity Biotek Kosovo and obtained all needed licenses that are specific for their business and needed to start with exporting in Kosovo. With the support of OBCK for the first time they were able to apply to tenders on the Kosovo market. They are now ready to move from OBCK and open own warehouse and office.
5.	**Nextsense Skopje**	IT Industry	Standard Package	During the participation in this first year of implementation of the KIMES project, Nextsense has continued its previous activities in Kosovo in participating in international tendering procedures and has advanced its opportunities to participate in the local ones trough its established Kosovo legal entity. Nextsense won one tender for E-Parlament which is very important for their future activities on the Kosovo market.
6.	**S&T Macedonia**	IT Industry	Standard Package	Services provided by OBCK helped S&T to establish local legal entity and set up a base for opening own office from May 2010 which will become new member of their network currently present in 22 countries. As an international company, S&T used Macedonia as a hub for their entry and development of the Kosovo market which is positioning Macedonia as a desirable market for expansion to new markets.
7.	**Zurnal Skopje**	Web media	Standard Package	Zurnal as a Macedonian internet portal established a Kosovo base in OBCK

				employing one full time journalist in Kosovo and one staff member in Macedonia and 3 collaborators for the news covering Kosovo. Services provided by OBCK included delivering accurate and on-the-place information on the current Kosovo business activities and trends. Its further steps are to include Turkey besides Macedonia, Kosovo and Albania supported by the new staff, as well as to provide complete Macedonian version of the portal.
8.	**Mens Legis Skopje**	Legal consulting services	Standard Package	Very soon after staring its activities in Kosovo within the KIMES project, Mens Legis managed to establish cooperation with eminent local Legal Consulting company and started operations in their new joint office.
9.	**Event Management Solutions Skopje**	Organization of events and providing media equipment	Find a partner	OBCK intermediates in finding a partner and importers of the services of EMS, as well as helping in the promotion of the company at the Kosovo market.
10.	**R3 Infomedia**	Directory services	Find a partner	OBCK worked on finding a strategic partner for R3 Infomedia for offering a unique service "Golden Book" for the Kosovo market, with data from Kosovo subjects.
11.	**Mikprom**	Machinery tools	Find a partner	Mikprom wasusing OBCK services in order to establish partnerships with local importers of machinery tools.

Table 3. Participants in the KIMES project and highlights of their activities in Kosovo

- If it wasn't for the OBCK and services it provides, even 70% of the participants in the KIMES project would not have been entering the Kosovo market in 2009. All of them have planned expansion to this new market as part of their business plans for 2009, but the financial crisis has discouraged them. The support offered by the OBCK was the determining factor for taking such action in this year that was extremely difficult for the Macedonian businesses.
- As a result of the services provided in the OBCK, **3 of the Macedonian companies participating in the KIMES project have set up a base for opening own offices in Pristina** (Mens Legis left the KIMES project in December 2009, and Biotek Skopje and S&T Macedonia are planning to continue their activities in Kosovo as of April 2010 by opening own offices).
- **Creation of 8 new full time jobs (5 male, 3 female) and 3 part-time jobs** in the Macedonian companies that have participated in this one-year project and setting up a solid base for further job creation within the companies that are continuing to use the OBCK services after the ending of the KIMES project,
- **Increase of the exporting activities** and revenues gained trough business activities in Kosovo of even 250% and 350% respectively in two of the companies participating in the KIMES project during its implementation period,

After the end of the KIMES project up to March 2012, the OBCK has continued with its operations by diversification of the offered services and supporting over ten new clients.

Synergy Kosovo LLC was founded in March 2011 and its headquarters are located in Macedonia/Skopje. Main business focus is software development and software solutions for small, medium and large businesses. Their principal offices are located within the OBCK premises. Their mission is to "fulfill businesses needs by providing them the appropriate software solutions." Presently, their main product easyPOS is in the maturity stage. They plan to follow this product with extensions to their lines which include Vertico, Collab, Collab Medicine, and Production Line software. Currently, Synergy Kosovo LLC has around 8 Employees all around Kosovo, and around 15 authorized resellers.

Balcanica was first registered in Kosovo in September 2011. Its founder has over 20 years of experience of marketing and production in Macedonia and has selected MACK as its supporter in the entrance on the Kosovo market. Company's main activity revolves around marketing and production with the largest media companies in Kosovo such as Koha Vision, Klan Kosovo, RTV21 and others. Some of their other activities include: the right to sell the software for the meteorology to local media companies like KTV and RTV21, they have the copyright for kids cartoons such as: Papi, Digata, Bukugan, Bento, Grosology and other to local TV Klan Kosova and KTV. The company first started with one person and during the time they have been using the services of MACK increased the number of their employees to three which is a great success for such a short period. They were able to grow their business and have great plans for the future.

In May 2011 we have organized one day B2B meetings event and a presentation of the services of the OBCK for representatives of selected companies supported by the **USAID AgBiz program in Macedonia.** The goal of the B2B was to provide opportunity to the participants of the AgBiz Program to establish contact for possible export of their products to the Kosovo market. A total of 13 participants were present at the B2B meetings. Participants exchanged experience and presented their companies and products**,** as well as expectations from the Kosovo market. Companies were discussing possibilities for cooperation, problems regarding trade with agriculture and food products between Macedonia and Kosovo. They established business contacts between them and used the opportunity to present the capacities and potential of the Macedonian agriculture sector to Kosovo buyers.

OBCK was engaged by the **UK Embassy in Macedonia** to provide intellectual consultancy in Kosovo to support a UK Consultant and deliver a feasibility study on regional industries (Macedonia, Albania, Kosovo) that would be of potential interest for UK companies. The intellectual services are local consultancy support to the UK Consultant through providing necessary local expertise in the local market and relevant stakeholders/data applicable for Kosovo. The result was compilation of a report by the UK consultant for the need of the UK companies entering regional market.

In 2011, MACK has established cooperation with the **Educational Advising Center (EAC)** from Skopje in organization of GMAT, GRE and CIA courses in Kosovo, as well as in organization of presentations about the universities from abroad that EAC represents. In two occasions – in December 2011 and February 2012 we have organized presentations in Prishtina for the university Politechnico Di Milano and Universita Cattolica del sacro cuore and scholarships they offer for postgraduate studies.