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SERBIA CONTINGENCY PLANNING AND ECONOMIC SECURITY PROGRAM (SCOPES)

WORK PLAN

COMPONENT II: ECONOMIC SECURITY

January 17, 2007

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Serbia Contingency Planning and Economic Security Program (SCOPES)

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DISCLAIMER

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Glossary of Terms

Economic Working Group (EWG) – an association of business leaders, government officials and representatives of civil society that provides SCOPES will community input into its decision making processes, supports its objectives and assists in project monitoring and evaluation.

“Outside the chain” – individuals and micro-enterprises that are not part of a value or supply chain that is supported by SCOPES.

Supply Chain – the network of retailers, distributors, transporters, storage facilities and suppliers that participate in the sale, delivery and production of a particular product.

Value Chain – the full range of activities required to bring a product or service from conception, through the different phases of production, delivery to final consumers, and final disposal after use. In this document, this term is used interchangeably with the term “sub-sector.”

Vulnerable Groups – as defined by USAID in the SCOPES Scope of Work, those “susceptible to mobilization for political agitation and/or violence and those likely to be victims of such violence,” including unemployed, ethnic minorities, IDPs and refugees, conflict veterans and at-risk communities.

2.0 INCREASE ECONOMIC SECURITY FOR POPULATIONS VULNERABLE TO CONFLICT AND INSTABILITY

Promotion of human security is the linkage between the two components of the Serbia Contingency Planning and Economic Security (SCOPEs) project. SCOPEs promotes human security first, by being aware of the “human factor” in its work – that is, political crises, natural disasters and economic instability affect the whole community, not just those impacted directly. SCOPEs also recognizes that individuals and groups experience the same crisis in different ways because, for example, their frame of reference may be different due to gender, age, past experience, culture. SCOPEs addresses the special needs and rights of the vulnerable, especially young people, IDPs/refugees and the poor. Each component focuses on human security from a slightly different perspective. The Preparedness & Planning Team assists municipalities and others to be better prepared for crises and disasters. The Economic Security Team promotes economic growth and increased social inclusion as a means to mitigate instability and the potential for conflict. The underlying concept is that people who are economically secure and feel a part of their community are less likely to react negatively in a political crisis, can recover more quickly in a natural disaster and will be less negatively affected by economic downturns.

SCOPEs has identified seven municipalities in three areas of southern Serbia where it will initiate its economic security component: Bujanovac, Presevo and Medvedja in South Serbia; Kursumlija and Kraljevo in South Central Serbia; and Novi Pazar and Prijepolje in Sandzak. These were selected based on the SCOPEs Economic Security Assessment, which identified them as among the most vulnerable in Serbia. They have been plagued by instability in the past and represent a broad cross section of vulnerable people (poor, IDPs/refugees, youth) who can benefit from SCOPEs’ approach and assistance. For example, Bujanovac, Medvedja, Novi Pazar, Presevo and Prijepolje all have high concentrations of youth, significant non-Serb populations, and very low social product per capita. Kraljevo and Kursumlija have large populations of IDPs. All but Novi Pazar are categorized as “devastated” municipalities by the Republic Government. Insularity/ isolation of these municipalities come from geographic isolation, such as Kursumlija, Novi Pazar, Medvedja and Prijepolje, as well as from a feeling of “disconnection” from Belgrade in Novi Pazar and the South. The substantial financial support funneled through the Coordination Body isn’t generally identified as Republic support of the region. Unemployment is already high and will increase when state-owned enterprises are privatized or bankrupted during 2007. Detailed background on each municipality is included in a separate document, along with the gap analysis.

Year One of SCOPEs will be unique because a decision on the status of Kosovo is expected after Parliamentary elections in early 2007, just as the economic security component is gearing up. As a result, SCOPEs has taken a flexible approach that can respond to outcomes of the decision by shifting resources and program emphasis where needed. The Kosovo status decision will have a significant impact on the initial target municipalities of the economic security component regardless of the specific decision. Six of the seven bound directly on Kosovo, so out-migration of any kind can immediately affect them. Presevo and Bujanovac have significant trade relationships with Kosovo. A tightening of the boundary with Kosovo can cause business disruptions for both the formal and informal sectors. Kraljevo and Kursumlija already have significant populations of IDPs from previous Kosovo conflicts, many of whom have not integrated into the community yet. More would only exacerbate an already difficult situation. The possibility for incidental violence exists in each municipality because of the high numbers of unemployed and young people.

THEMATIC CROSS CUTTING ISSUES

Youth

Youth are a vulnerable group targeted for support by the Economic Security Team. Youth throughout the targeted municipalities are susceptible to recruitment into destructive or criminal activities and to outward migration because they lack opportunities for constructive engagement in the mainstream politically, economically and/or socially. Moreover, they believe there is little if any hope for a better future.

Youth are generally defined as people between 18 and 25 years of age. The Component 2 Assessment team recommended including high school students in the definition of youth, and the ES Team has done that. High school students represent the future of any country and especially a local economy. To mitigate their outward migration after completing school and the likelihood of their participating in violence or crime, the ES Team targets interventions to increase their social inclusion as well as better prepare them for the job market. Among the interventions to be considered include assistance to vocational schools to improve curriculum, support to schools and firms to enhance internships and apprenticeships, and opportunities to engage them in constructively in civil society and government processes.

Job Creation

Sustainable job creation is a fundamental underpinning of SCOPES economic strategy because lack of economic opportunity and poverty are contributing factors in conflict. The ES Team's market integration strategy addresses this from both the conflict and economic perspectives. Vulnerable areas beset with internal conflict have limited and/or saturated markets, and economic progress is too often seen in a negative context – for someone to gain, someone else must lose. That is exacerbated when ethnic, religious and other differences are involved. The SCOPES market integration approach helps break this negative perception by involving community members in its activities, allowing them to see positive benefits from the work and to see each other in new ways. By helping expand markets for both purchases and sales, the strategy supports job growth and increases real incomes.

Media/Public Information

The role of the news media in Serbia has, unfortunately, been more negative than positive because the media have too often been a polarizing force, especially during past conflicts. SCOPES believes that the media can become a more effective bridge between communities and play a positive role during potential disasters. The ES Team will work closely with its counterparts in the Preparedness & Planning Team to plan an integrated media/public information strategy aims to enhance the media's understanding of issues related to vulnerable groups and its ability to interpret those as well as its ability to play a constructive role during potential disasters. The two teams will work closely and coordinate with USAID/Serbia's media program on all media activities.

Cross-border Integration

Cross-border linkages are critical to further integration of Serbia back into the Balkan region and Europe. Because local markets in conflict areas are often limited and/or saturated, the ES Team's market integration strategy encourages firms and suppliers to look outside their immediate communities and link to new markets. Some trade already occurs with neighboring Macedonia and Montenegro. In addition, strong ties exist between Kosovo and adjacent Presevo Valley municipalities, including commercial ties. SCOPES will help create stronger linkages between business associations/chambers of commerce/Economic Working

Groups and their counterparts initially by using study tours and existing relationships. As the project develops, the team will identify where and how to link its target municipalities with Europe.

Gender

While women may have made headway in other parts of the country, they remain more marginalized in southern Serbia. They are an important sub-group in each of the three categories of vulnerability defined by SCOPES – youth, poor and IDPs/refugees –and will be targeted for assistance. Women generally have lower social status than men and little, if any, personal power in the more traditional cultures of the south. They tend to have less education, resulting in lower paid and lower status jobs when they do work outside the home. Few if any are in positions of authority in government and other institutions. Women are often isolated – whether in rural villages or in urban households, they have few opportunities to meet with peers. The burden of home making and of child rearing falls on their shoulders, leaving little time for a paying job or personal interests. In designing intervention programs, the SCOPES approach will be flexible enough to address the specific needs of women (family considerations, for example), whether that is training courses, how government services are provided or integrating vulnerable people into public discourse. Specific attention will be paid to including women in visible and important positions, such as training and consulting, throughout SCOPES programming. When working specifically with groups of women, empowering them to make decisions and voice concerns will be included both directly (advocacy training, for example) and indirectly (by example).

PROGRAMMING ENVIRONMENT ISSUES

National and Other Donor Linkages

A wealth of national agencies and other donors support activities in the municipalities targeted by SCOPES Economic Security component. The ES Teams creates linkages to those in order to positively influence laws, regulations and norms directly related to issues of economic security and social stability. Wherever possible, the ES Team seeks opportunities to leverage resources available through donors such as the European Agency for Reconstruction (EAR), United Nations Development Fund (UNDP), UN High Commission on Refugees (UNHCR) and the Coordinating Body for Southern Serbia. The ES Team coordinates with such donor programs when they share SCOPES objectives. The team also participates in the meeting of international organizations, municipalities and others from the Pcinjski and Jablanicki Districts and will create similar networks of municipalities to enhance cross-municipality cooperation and collaboration.

The Southern Serbia Coordinating Body

The Southern Serbia Coordinating Body has considerable Republic of Serbia funding for projects in three targeted municipalities, Bujanovac, Medvedja and Presevo. By working closely with the local mayors and the Coordinating Body, the ES Team leverages its resources and enhances its impact in the South. Where appropriate, the ES Team supports projects undertaken by CHF, its CRDA partner in the South.

Other USAID Program Linkages

The ES Team establishes linkages with other USAID programs under way and those that are launched during its tenure, including Municipal Economic Growth Activity, Serbia Enterprise Development Project, and Community Revitalization through Democratic Action.

PROJECT MANAGEMENT

Staffing

Because strengthening human security is the overall goal SCOPES, the Economic Security Team will work closely with its counterparts in the Preparedness & Planning component. In shared municipalities they will work together to ensure SCOPES speaks with “one voice.”

The ES Component staff includes a full-time expatriate team leader and five full-time local staff program officers, one in Belgrade, and two each in the Vranje and Novi Pazar offices. Much of the component’s work will be accomplished through sub-contractors, including local NGOs and STTA hires, with some use of international consultants where specific expertise is needed and not available locally. Preliminary allocations of LOE are included at the end of the work plan. In addition, a proposed timeline and a chart that overlays municipalities, value chains and vulnerable groups are also at the end of the work plan, before the appendix.

Indicators

The SCOPES Team understands the value and importance of identifying the impact of its work as well as the difficulty in accomplishing that. Following guidance received from the Mission on 28 December 2007, SCOPES will report three impact indicators:

- Number of micro-enterprises participating in USG assisted value chains;
- Number of micro-enterprises receiving business development services from USG assisted sources;
- Number of micro-enterprises linked to larger-scale firms as a result of USG assistance to the value chain.

Monitoring indicators show progress along the way. Specific monitoring indicators will be reported for various sub-activities. All indicators are included Appendix B.

2.1 EXPAND ECONOMIC OPPORTUNITIES IN VULNERABLE AREAS

Component 2.1 is the primary vehicle for promoting enhanced economic security for targeted vulnerable groups. A substantial majority of Component 2 resources will be dedicated to Component 2.1 (approximately 65%). Because Component 2.2 will also focus on economic security activities, the total resources dedicated to economic activities will be about 85%.

The root causes of conflict and instability in Serbia have been defined as restricted access to power, social exclusion, neglect of the Republic Government, and lack of economic opportunities. The challenge for SCOPES is to design activities through a conflict lens – seeking to identify and strengthen those sectors which offer those populations vulnerable to conflict and instability the greatest chance for inclusion into the economy and society. SCOPES has defined vulnerable groups broadly – the poor, IDPs/refugees, and youth. However, Component 2.1 activities will target specific sub-groups in each municipality. The assessment and program strategy (2.1.1) will refine the targets for SCOPES assistance by municipality; further analysis (2.1.2) will identify those markets with best opportunities for expansion to vulnerable groups; and our direct assistance (2.1.3, 2.1.4, 2.1.5) will be offered with the objective of integrating vulnerable groups into these markets.

Component 2.1 will provide the fastest and most tangible results for vulnerable populations because it will work directly with the private sector as well as vulnerable people. In each municipality, SCOPES will focus assistance in at least two sub-sectors identified through collaboration with partners CRDA and SEDP and where appropriate, specific value chain analyses (2.1.2). Final selection of sub-sectors/value chains with the greatest opportunity for economic expansion and job growth will be participatory with input from economic working groups of the business sector, the municipality, and representatives of vulnerable groups (2.1.3). Assistance under Component 2.1 will address both aspects of marketing: demand (firm level/sector assistance) and supply (job training/placement) with a goal of achieving greater market integration of the supported businesses while integrating vulnerable populations into the workforce. It is expected that SCOPES will work with three primary sets of stakeholders in each municipality:

- Existing Firms: Small and medium-sized enterprises (SMEs) that serve as important employers or anchors to the local economy;
- Existing Suppliers: Micro-enterprises, associations or cooperatives that are already in the supply chains; and
- Individual workers outside value chains: Individuals outside value chains who require marketable job skills.

A Grants Program will be one important tool to support related and priority initiatives that directly benefit one or more vulnerable groups or sub-groups and are consistent with the market integration model.

Our strategy to working in each municipality will include the following elements:

Maintaining programmatic flexibility. As noted in the introduction, Year One of SCOPES will be unique in that a decision about the status of Kosovo is expected in early 2007. As a result, the economic security component will be flexible to adjust to circumstances. The ES Team will be in close communication with its Preparedness & Planning counterparts to assist their efforts and collaborate wherever possible. The ES Team will discuss contingency

planning on a business level with its clients to ensure they consider the consequences of natural disasters and other unexpected events on their operations.

In addition, working through participatory bodies and collaborating with other national and international programs, SCOPES will monitor economic changes that may offer potential for growth or expansion, particularly for vulnerable groups.

Addressing both supply and demand. SCOPES strategy at the municipal level will also address both sides of the market equation – the demand side through firm level/sector assistance and the supply side by addressing individuals’ needs for marketable skills. This approach will assist in finding commercially viable solutions.

Establishing criteria for participation in SCOPES programming. To help mitigate conflict and move vulnerable people into the mainstream, SCOPES Economic Security component must stress sustainability of both the businesses it supports and of the jobs it helps create. The team will define specific criteria for particular interventions and/or municipalities. Criteria will be transparent to ensure the broadest participation. A key general criterion is a preference for working with existing micro-enterprises, businesses and suppliers in the formal sector and for identifying additional micro-enterprises interested in forming associations/cooperatives of suppliers.

Partnering with existing donor programs, NGOs, municipal units, and Republic institutions. The ES Team has analyzed nationwide programs addressing issues related to economic security and vulnerable populations and done a specific analysis for each municipality.¹ That analysis, however, cannot be static since programs begin, expand or end frequently. Field staff will keep abreast of programs available in their areas both to ensure that the information is appropriately disseminated to the vulnerable groups and to identify opportunities for SCOPES interventions.

Building on the base of work of USAID and others, where appropriate. Numerous international and national organizations and institutions work in the SCOPES municipalities. The Assessment and subsequent research have identified the important work of CRDA partners and SEDP in southern Serbia. SCOPES sees their work as a strong base for its endeavors in some sectors that SCOPES may assist. A gap analysis² of existing activities will help the team identify opportunities and will help minimize duplication. In addition, where possible, SCOPES will use local economic working groups developed under CRDA to increase transparency, inclusion of vulnerable people and public discussion of economic issues.

Encouraging collective work, especially among micro-enterprises and small-scale suppliers by building and supporting cooperatives and associations. Fostering collective work is part of SCOPES economic security strategy for two reasons. First, it is one way the ES Team can help individuals break the negative cycle of insularity. The process of working together toward common goals can focus them away from issues that have traditionally led to conflict. Second, at the municipal level the suppliers to businesses, especially agricultural processors, are often micro-enterprises such as small farms or individuals. For the business to become more competitive, expand into new markets and increase employment, it needs a consistent supply of inputs that meet its specifications and are provided in a timely and cost-

¹ See separate document for background on municipalities.

² See separate document for full gap analysis.

effective way. Collective work will also help the ES Team deliver interventions to micro-enterprises more efficiently.

Using ‘best practices’ and existing successful examples. SCOPES follows on the heels of a number of important Serbia and donor projects aimed at the southern municipalities and at vulnerable populations. The ES Team will continually try to identify ‘best practice’ models to replicate or adapt in its target municipalities.

2.1.1 For each target municipality, determine and implement the most effective program strategy for increasing economic security of vulnerable populations.³

The SCOPES Component II Assessment identified a market integration strategy as the most effective overall approach under Component 2 because this strategy can address issues related to conflict mitigation and social inclusion as well as economic development and can be adapted to conditions in each targeted municipality.

Identify strategy

The market integration approach seeks to integrate individuals, households and businesses into broader markets. Program components, which don’t differ from the usual menu of private sector development activities, are, however, implemented based on the demands of the target markets. For example, support to micro-enterprises and SMEs is designed to increase their access to new markets; individuals are offered training in marketable skills. Changes in both behavior and perceptions are important.

The market integration strategy has four main goals in addressing resource scarcity, which can exacerbate instability. By using this strategy, SCOPES Economic Security Team can help to:

- Break the zero-sum perception of those living in conflict areas by helping businesses and individuals see cooperation as a positive sum game, not just moving resources around;
- Expand markets since local markets are often too small or saturated;
- Increase the “cost” of conflict by increasing the value of non-conflict behaviors;
- Increase real incomes, especially among the most vulnerable people, helping them to become more resilient.

Market integration also addresses insularity, and here the process is more important than the outcome. Conflict areas tend to be focused locally and narrowly and feed a negative attitude cycle. Helping businesses and individuals integrate into broader markets can help break the negative mind-set that feeds conflict. As businesses become more integrated with outside markets, their focus shifts away from local conflicts. As economic ties become stronger, behavior that leads to conflict becomes anti-social. By working together to overcome an obstacle, businesses and individuals have incentives to get along and agree, and that will mitigate the likelihood of conflict.

³ NB – SCOPES approach here is that 2.1.1 essentially includes completed all activities under the Assessment.

Establish geographic focus

The Assessment identified three regions as the most vulnerable in Serbia, all affected by conflict in some way – South Serbia, South Central Serbia and Sandzak – and those regions are where SCOPES ES programming will be implemented. Key factors in making that decision were the relative vulnerability of specific populations in each area and the level of economic development in each area. Seven selection criteria were considered: vulnerability, political profile, community impact, sustainability, return on investment, programming risk and economic potential. A comparative ranking of relative vulnerability of assessed municipalities was based on 14 economic and social indicators⁴. The 12 most vulnerable municipalities⁵ of the 30 assessed were all in the three selected regions.

Through discussions with USAID, seven municipalities were selected for the first phase and share characteristics. Bujanovac, Presevo and Medvedja in the South and Novi Pazar and Prijepolje in Sandzak all have high concentrations of youth, significant non-Serb populations, and very low social product per capita. South Central's Kraljevo and Kursumlija have large populations of IDPs. The seven municipalities provide a broad cross section of vulnerable people who can benefit from SCOPES approach and assistance.

SCOPES anticipates direct support to targeted municipalities to last about two years although involvement in each will continue for the life of the project. Additional municipalities will be phased into SCOPES in subsequent years to bring the project total to 15 to 20. The ES Team will work with USAID to identify which municipalities to add. The decision will be based on the relative vulnerability of the remaining municipalities, number of types of vulnerable people and other considerations such as geographic location near an already-supported municipality. The SCOPES ES Team will recommend when and how to add new municipalities based on its experiences with the initial seven in the first year. Figure 1 on the following page shows the location of municipalities.

⁴ Economic indicators: ratio of number of unemployed to employed; percentage of youth in total unemployed population; percentage of employed in social enterprises in privatization process; percentage employed in SME sector; trend in SME sector in 2002-2004; Social Product; trend in Social Product in 2002-2004. Social/Political indicators: history of conflict; crime rate; percent of voter participation in local elections; percent of IDPs and refugees; percentage of you in population; percentage of women in local assembly.

⁵ The 12 are Bujanovac, Kraljevo, Kursumlija, Medvedja, Novi Pazar, Presevo, Priboj, Prijepolje, Prokuplje, Sjenica, Tutin and Vladicin Han.

Figure1



Define targeted vulnerable groups in each municipality

During the Assessment, SCOPES identified three broad categories of vulnerable people – the poor, youth and IDPs/refugees – and made preliminary identification of sub-groups within municipalities. The ES Team is refining this identification within the selected municipalities based on their absolute numbers and on qualitative analysis provided by CRDA partners working in these municipalities. A few specifics and Figure 2 provide a picture of the vulnerable groups in each municipality. Note that vulnerable groups overlap in several ways – for example, women IDPs/refugees may be Roma and unemployed, and unemployed and high school students may include both genders. In the chart the team has attempted to categorize people in the most appropriate place. Additional details on each municipality are in a separate document.

Of the South Serbia municipalities, Bujanovac has the highest percentage of youth (42%). Its poverty rate is above the regional average of 23.5%. With the closing of more state-owned enterprises (SOEs), already high unemployment is expected to rise. IDPs/refugees are 10% of the population, with a large Roma group. Roma, poor women and rural poor are especially vulnerable.

Kraljevo has the highest number of IDPs in Serbia (18% of its population), a large Roma population and a high youth population (29%). The poverty rate is above the regional average of 9.7%. With the drastic decrease in manufacturing jobs, the rate of redundant workers and unemployment is high and will increase as SOEs close. Women are vulnerable in every category.

Kursumlija has a high youth population (29%), poverty rate above the regional average and the highest percentage of IDPs/refugees (29%) in Serbia.

Medvedja also has a high youth population (33%), a poverty rate above the regional average and a high unemployment rate. 7% of the population is IDPs.

The percentage of youth in Novi Pazar mirrors Bujanovac (42%). The poverty rate is within the regional average of 23.5% and IDPs/refugees make up 6% of the population.

Youth make up 35% of the population of Prijepolje where the poverty rate is above the regional average. Unemployed, rural residents and women are especially vulnerable.

Presevo too has a high youth population (40%) and a poverty rate above the regional average. Unemployed, rural residents and women are especially vulnerable.

Figure2

Municipality	Vulnerable Groups										
	IDP's			Poor				Youth			
	Roma	Unemployed	Women	Chronically Unemployed	Immigrants	Workers	Rural	Marginalized Women	HS Students	Unemployed	Women
Bujanovac	■	■	■	■	■	■	■	■	■	■	■
Kraljevo	■	■	■	■	■	■	■	■	■	■	■
Kursumlija	■	■	■	■	■	■	■	■	■	■	■
Medvedja	■	■	■	■	■	■	■	■	■	■	■
Novi Pazar	■	■	■	■	■	■	■	■	■	■	■
Presevo	■	■	■	■	■	■	■	■	■	■	■
Prijepolje	■	■	■	■	■	■	■	■	■	■	■

Identify industry sub-sectors in each municipality

Based on both quantitative and qualitative research, the Assessment identified three broad sectors of the economy for SCOPES to address: agriculture, tourism and light manufacturing. Based on discussions with our USAID counterparts (CRDA and SEDP) plus additional field visits, the ES Team has identified potential sub-sectors for support, as shown in Figure 3.

The Assessment also identified important disconnects between businesses and individuals in the South. These include business owners who believe their products, regardless of quality, are unmarketable “up north” and an image of products from the south as of poor quality and people as uneducated and backward. The ES Team addresses these issues throughout the project directly in training, mentoring and such and indirectly in its own attitudes and language. Based on overall progress in identifying quality products for “export up north,” SCOPES may sponsor a promotional campaign on behalf of southern Serbia products in year two at the earliest.

Figure3

Municipality	Sub-Sector Technical Assistance and Training to SME's												
	Livestock	Medicinal & Aromatic Plants	Tourism	Dairy Processing	Vegetables	Fruit Growing	Forest Fruits	Fruit Processing	Handicrafts	Shoes	Apparel	Wood Processing	Light Manufacturing
Bujanovac													
Kraljevo													
Kursumlija													
Medvedja													
Novi Pazar													
Presevo													
Prijepolje													

Timetable:

January 2007 Strategy for municipal level interventions developed
 January 2007 Geography for Phase 1 implementation finalized
 January 2007 Specific vulnerable groups defined

Intended Results: By January 2007, SCOPES will have developed a strategy for improving economic security of specific vulnerable groups in seven targeted municipalities.

2.1.2 Determine key sectors for program intervention through conducting competitiveness and livelihood analyses or using other appropriate analyses in target areas.

SCOPES is aware that the economic security program needs to “hit the ground running” with as soon as possible in 2007 to quickly and widely promote and garner support for SCOPES’ objectives. As a result, the team proposes to use a simple, cost effective and quick method to select sub-sectors or value chains for support in Year One. The team will rely heavily on input from its CRDA and SEDP partners and use their collective expertise and market information to identify sub-sectors and value chains for “quick start” support. Where a partner has completed value chain analysis or a supply chain has been identified, the team will use this in its decision making on sub-sectors. The ES Team will also consult with relevant ministries, Economy and Agriculture in particular, to gain their insights.

Where necessary, the team will conduct value chain analysis to gain further insights into opportunities. SCOPES staff attended value chain training provided by Action for Enterprise in September 2006. Knowledge gained from this training will be useful in this process. More specific information about value chain analysis is included as Appendix A.

In Year One, the team doesn't anticipate a need for additional value chain analysis except as relates to potential projects undertaken with jointly Coordination Body municipalities (Bujanovac, Medvedja and Presevo). The timing and funding of this will depend on several factors, including possible impact of coming elections.

Use of the business plan competition helps increase visibility for SCOPES, providing a vehicle for telling its story of helping micro enterprises, SMEs and vulnerable people.

Timeline:

January 2007	Meet with CRDA, SEDP, relevant Government ministries on existing sub-sectors/value chains
February 2007	Identify initial sub-sectors/value chains
June-Sept.	Additional sub-sector/value chain analysis in Coordination Body municipalities

External Resources: Analysis of additional value chains will require 15 days of STTA per value chain and will be done based on program needs and available resources.

Intended Results: By mid-February, SCOPES will identify at least 7 initial sub-sectors/value chains to support based on input and expertise of partners.

Coordination: Key partners in sub-sector/value chain identification will be SCOPES partners CRDA and SEDP. SCOPES will also coordinate and/or consult with local EWGs, business associations, UNDP PRO and MIR 2, MEGA and Republic-level institutions such as the Coordination Body, Ministry of Economy, Ministry of Agriculture and SME Agency.

2.1.3 Develop appropriate strategies to promote the growth of small, medium and micro-enterprises that would create jobs for and improve the economic security of vulnerable populations

As in other post-communist countries, growth of the private sector fuels the economic growth of Serbia. And for Serbia to be a stable, growing country economically, all regions of the country need to participate in that growth. This is especially important in SCOPES municipalities which have been plagued by instability. As noted previously, the market integration strategy adopted by the SCOPES ES Team addresses issues of conflict, social inclusion and economic security of the region – and more specifically, of the seven municipalities in which it will begin its work.

The ES Team's strategy addresses both sides to the market economy equation – demand (firm level assistance to sectors) and supply (training of micro-entrepreneurs and individuals in skills demanded by the market). Businesses need to grow if they are going to add new jobs, especially jobs that employ vulnerable people because those may “cost” the company more. Vulnerable people need marketable skills if they are going to find jobs.

The ES Team has identified a three-pronged approach to support the growth of micro-, small and medium-sized enterprises (MSMEs) in each municipality:

- Support to established SMEs, identified primarily through business plan competition;
- Support to existing suppliers, primarily micro-enterprises;
- Support to those outside the value chain, generally individuals.

The ES Team has identified a broad spectrum of potential interventions that will be refined as the team becomes more deeply involved in specific value chains and the needs of specific MSMEs, suppliers or individuals. The team will select from each “basket of interventions” based on which will help the client best meet market demands. This approach is summarized in the Figure 4 below:

Figure4

Existing Firms (SMEs)	Existing Suppliers (Micro-enterprises)	“Outside the Chain” (Individuals)
<ul style="list-style-type: none"> - Sector Information - Apprenticeships / Internships - Advocacy Training - Production Assistance <ul style="list-style-type: none"> Quality Improvements Production Improvements New Product Improvements Supplier Relations - Communication Assistance <ul style="list-style-type: none"> Marketing / promotion Negotiation - Organizational Assistance <ul style="list-style-type: none"> Middle management HR 	<ul style="list-style-type: none"> - Market Information - Advocacy Training - Production Assistance <ul style="list-style-type: none"> Quality Improvements Production Improvements New Product Development Value added - Communication Assistance <ul style="list-style-type: none"> Marketing / promotion Negotiation - Organizational Assistance <ul style="list-style-type: none"> Financial management Co-op Development 	<ul style="list-style-type: none"> - Job Information - Job Skills training - Apprenticeships / Internships - Vocational Training <ul style="list-style-type: none"> Wood working Machine operation Agromony - Technical Skills <ul style="list-style-type: none"> IT Industry Standards - Business Skills <ul style="list-style-type: none"> Negotiation Presentation

The ES Team will focus its technical assistance and training on already established SMEs and existing supplier groups in high potential value/supply chains for the most productive use of its limited resources with an ultimate goal of generating job growth for vulnerable people.

- Technical assistance and training to established MSMEs is intended to increase or protect jobs as well as strengthen the value chain.
- Interventions targeted at existing suppliers are designed to increase jobs and strengthen the supply chains.
- SCOPES will help individuals to build marketable skills to prepare for jobs.

To establish an approach that is participative, transparent and reflective of individual municipalities, the team will engage the community in decision making by developing and supporting participatory bodies to both gain community input and disseminate information about SCOPES initiatives. The primary bodies will be Economic Working Groups (EWGs) at the municipal level. EWGs are described in full in section 2.2.1.

Promote SCOPES at municipal level

Because transparency is critical to ensure SCOPES’ assistance mitigates instability, the ES staff will work quickly to ensure stakeholders at the local level understand the program mechanisms.

Conduct site visits, meet with potential partners

The ES team has visited each of the initial seven municipalities, including municipal governments, NGOs, youth groups, vocational high schools, business associations and others to introduce the project with emphasis on how project elements relate and affect that group.

Presentations to key partners

Based on site visits and other input, the ES Team has begun to identify key partners and meet with them to pinpoint specific opportunities to cooperate and collaborate at the municipal and Republic levels. Some memoranda of understanding have already been signed (three municipalities in Presevo Valley, for example). This process will continue as implementation gets underway.

Timeline:

January – March	Municipal level and Republic level meetings on SCOPES’ specifics
January-February	Continue site visits with key partners; make presentations
March	Sign MOUs with key initial partners

Intended Results: By the end of March 2007, the ES Team will sign MOUs with at least one key partner in each municipality. Milestones are partner identification by mid-March and signed MOUs by the end of March. (Forming new partnerships will continue throughout the project.)

Coordination: Coordination with SEDP and CRDA partners will be critical, especially in leveraging existing partnerships and strategies. The ES Team will also coordinate with municipalities, other donor project such as MEGA and UNDP, and relevant Republic-level institutions such as the SME Agency.

Establish Participatory Body to Support SCOPES Programming

The role of municipal-level Economic Working Groups (EWGs) is to provide community input that is important to SCOPES’ decision making, to promote and support SCOPES in the municipality, and to assist in project monitoring. To aid SCOPES efforts to support social inclusion, these EWGs should include the private sector, municipal government participants, NGOs and representatives of vulnerable groups.

Wherever possible, the EWGs will be based on similar groups established under CRDA. In January and February, the ES Team will engage and assess current EWGs to gain a better understanding of their capacities, their interest in working with SCOPES and their willingness to ensure representation of the broader community. Membership will include business owners, local government officials, leaders of NGOs, representatives of vulnerable groups and others interested in a municipality’s economic development. By involving vulnerable people in EWGs that include a broad spectrum of local actors, SCOPES will help overcome the disconnect between targeted vulnerable people and the mainstream and improve their social inclusion. Input from CRDA implementers who helped form EWGs in SCOPES municipalities informs the process. The ES Team and CRDA partner will identify their collaboration to support the EWG through the close of the CRDA project. Where a viable existing group doesn’t exist, the team will identify an appropriate alternative.

Brief EWGs on SCOPES and sector analysis. In its initial meetings with the EWGs, the team will brief members on the overall SCOPES project; the approach, plans and objectives of the economic security component; and sub-sector recommendations. On a regular basis, the ES Team will share market and other information with the EWG.

Gain input on sector selection. Based on the sub-sector recommendations, the EWG will be asked for specific input based on their understanding of the local economy; MSMEs that should be considered for support within those sub-sectors; villages where appropriate

suppliers and/or vulnerable groups may be found; and possibly individual suppliers. Soliciting input and feedback from the EWGs will be an ongoing during the project.

Gain input on targeted vulnerable groups. The EWGs will be a source of specific information on where targeted vulnerable groups are located in a municipality and their involvement to date in value chains and their skill needs. They also will offer input on proposed interventions to develop marketable skills. The ES Team will consult them throughout the project.

Timeline:

February - March	Compose EWGs for participation in SCOPES
February	Brief on SCOPES and sector analysis
February-March	Gain input on sub-sector selection
February-March	Gain input on vulnerable group market integration

Coordination: Input from CRDA partners will be especially important as well as existing EWG members, business associations and municipal officials.

Intended Results: By the end of March, the ES Team will identify how community input will be obtained (existing EWG or appropriate alternative). Milestones are final decisions regarding existing EWGs by the end of January and alternatives identified by the end of February. By the end of March, SCOPES expects to have a system in place to ensure transparency, openness, a broad base of community input and support with EWGs as the base.

Develop firm-level approach

Conduct business plan competitions to “jump start” programming

To help SCOPES move quickly and visibly into the targeted municipalities, the ES Team will conduct and widely promote “business plan competitions” that support SCOPES objectives. Although existing SMEs with growth opportunities will be targeted to participate, the Business Plan Competition will be open to start ups too. The high visibility of this approach will make a clear statement that SCOPES is on the ground and at work and offer an effective way to tell the SCOPES story of market integration, support to vulnerable groups and cooperation with local municipalities. It will also offer quick intervention into high potential value chains.

This activity also will reinforce a key objective of the Preparedness & Planning Team, the need to plan ahead. In fact, a business plan might be developed around what a riverside firm must do prepare itself for a flood.

Business plan competitions (BPC) will encompass each municipality with staggered start-dates and possible combination of municipalities into one competition (e.g., Presevo and Bujanovac). The first BPC will be a pilot and help inform the process for those that follow.

The ES Team and its partner project SEDP will design the Business Plan Competition, which will begin with submission of concept papers. Training in aspects of business planning will be offered in several locations to assist entrepreneurs in their final business plan submissions. A panel of experts will evaluate the plans based on established criteria. Winning plans will be supported by SCOPES with an agreed menu of grants, training and technical assistance that is outlined in a letter of agreement. Figure 4 details the range of support that might be provided to a winning enterprise. Details on grants requirements are on page 25. SCOPES

ES team may also choose to provide technical assistance and training support to other SMEs that submit plans but are not selected for grants.

Criteria selection will include:

- Specific market opportunity, growth potential
- Innovation
- Readiness to expand, openness to change
- Willingness to share information with SCOPES
- Positive impact on vulnerable groups (willingness to employ people or add suppliers from targeted vulnerable groups)

During January, the team will be trained in how to conduct a business plan competition, establish selection criteria and an implementation. Promotion of the competition will begin in February and the first business plans selected by early May. (Timing of conducting the competitions will be staggered since the Business Plan Competitions will ultimately encompass each targeted municipality.)

Identify other key SMEs to support

Because of the short time frame for “Year One,” the ES Team will rely generally on the Business Plan Competition to identify individual firms for support. However, based on specific targets of opportunity, available resources and program needs, the team may choose to support a company that presents itself with a request for specific assistance. These opportunities will be evaluated based on a SWOT analysis as well as how well they fit into SCOPES mission and objectives.

Timeline:

January-April	Develop firm-level approach
January	Conduct Business Plan Competition staff training
January	Identify initial sub-sectors/value chains; include in business plan competition criteria
February-September	Promote, conduct Business Plan Competitions
March-May	Identify suppliers/supplier gaps
June	Evaluate, select initial business plans to support
June-September	Develop initiatives with winners
June-September	Sign agreements with winners
Ongoing	Identify, support additional firms (based on specific opportunities, program needs, value chain analysis and resources available)

External Resources: The ES Team and SEDP will work closely to develop and implement the Business Plan Competition. 20 days of local STTA and 10 days of international STTA are anticipated for conducting various workshops.

Intended Results: By July 1, the ES Team will have signed agreements with at least 75% of business plan competition winners from the initial group. Milestones will include training courses offered in March-May, final business plans for initial group to be submitted by May 8 (for initial group).

Coordination: The team will coordinate with municipal EWGs, CRDA, MEGA, UNDP programs, local economic development officials and chambers of commerce to identify and select key firms.

Target vulnerable groups for participation

Identify locations of vulnerable people within municipalities

Vulnerable people are too often “hidden” in rural areas or in their home, largely because they aren’t part of the mainstream. The ES Team needs to find targeted vulnerable groups before it can engage them to learn about their aspirations and determine their needs and interest in participating in program activities. EWGs, local NGOs, government agencies and other development agencies are resources that the ES Team accesses to identify vulnerable groups.

The team will request information about where specific vulnerable populations are located, identification of potential suppliers and village councils from the EWGs.

Work with village level bodies to identify participant groups/individuals

Many potential participants in SCOPES activities live in villages and on farms and can be difficult to identify. The ES Team will use existing village level groups to pinpoint existing suppliers and those who may be interested in becoming suppliers and to help inform the ES Team on skill deficits of vulnerable groups in rural areas.

Present SCOPES objectives

The ES Team will present the SCOPES Economic Security activities, especially those aimed at individuals “outside the chain” at initial village meetings, emphasizing its objective of improving access to job opportunities for vulnerable groups. The team will request village assistance in identifying specific groups and in publicizing SCOPES. Meeting with village level groups continues on an as needed basis.

Timeline:

February-April	Target vulnerable groups for participation
February-March	Target vulnerable groups geographically, get EWG & other input
April	Present SCOPES to, work with village level bodies
April	Identify specific vulnerable groups for participation

Coordination: EWGs and village councils, local NGOs working with vulnerable groups, government offices (municipal and Republic), existing supplier groups and other development projects will be key informants in this process.

Intended Results: By the end of April, the ES Team will identify the specific needs of vulnerable groups related to selected value chains within each municipality.

Develop supplier group strengthening approach

Identify supplier-level (micro-enterprise) initiatives

To grow, businesses need consistent supplies of inputs that meet their specifications, and many of those suppliers are micro-enterprises including sole proprietorships and farms. SCOPES will apply training and technical assistance to improve and increase existing suppliers in its targeted sub-sectors and to build additional supplier groups if needed.

Because most suppliers are micro-enterprises, the ES Team will work with them in groups to strengthen their position as suppliers. These supplier groups may already exist either formally or informally or the team will help to form supplier associations and cooperatives. A willingness to work cooperatively and collaboratively is a key criterion in selecting supplier groups for SCOPES support. The ES Team is flexible to include additional supplier

groups that may be identified in future months and may choose to assist them based on available resources.

Assess supplier needs and capacity. Before technical assistance and training can be applied, the ES Team will assess the needs and current capacity of existing suppliers. Local STTA will help develop an assessment tool that incorporates skill and social inclusion deficits and as needed, assists with assessments.

Assess current level of integration. The ES Team will assess how well integrated members of the targeted vulnerable groups are into the main social fabric. This will inform the team’s strategy for increasing their social inclusion.

Formalize relationship with supplier groups

Once a supplier group has been identified or new supplier group agreed, the ES Team will work leaders to identify and set priorities, roles and responsibilities, activities, timetable, milestones and outcomes that are summarized in a memorandum of understanding. Wherever possible, SCOPES will work to establish cooperatives or associations of suppliers. Where a new supplier group needs to be formed, individual members will be asked to sign an agreement.

Timeline:

May-June	Develop supplier group approach Assessment tool defined Assess supplier needs/capacity Assess current level of integration Develop overall approach
June	Sign agreements with supplier groups

External Resources: Local STTA will assist with assessments and development of approach will total 35 days.

Coordination: SCOPES will coordinate supplier group activities with firms they supply.

Intended Results: By the end of June, the ES Team signs agreements with initial supplier groups. Milestones are a usable tool designed by mid-May and signed agreements by the end of June.

Support to entrepreneurs and free market

Develop “outside the chain” integration strategy

The ES Team defines individuals as “outside the chain” in two ways: individuals who are not employed within a targeted value chain and are interested in becoming a part of one, and individuals who want to develop marketable skills to take advantage of market opportunities outside SCOPES targeted sub-sectors. SCOPES will address the needs of both as appropriate and as resources permit.

Figure 4 shows the range of training assistance SCOPES could provide to individuals, especially vulnerable groups. This is broad, from formal classroom training to apprenticeships, from CV preparation to internships. The ES Team will refine that menu of options for each municipality in several ways.

Assess Worker Skill Needs and Capacity. This information will come largely from existing companies and suppliers within the sub-sectors that SCOPES supports. The focus will be on the skills employees need to succeed in the company/sub-sector and may largely be vocational skills rather than business skills.

Address Other Opportunities/Challenges. Flexibility is important so SCOPES can respond to opportunities that arise outside its targeted sub-sectors but which may offer sustainable sources of employment for individuals, especially vulnerable people ... and so it can respond to changing political circumstances or natural disasters.

Assess Training Options. Other donors, government agencies, NGOs and others offer training that may be appropriate for individuals outside the value chain. The EWGs and SCOPES' gap analysis have begun to identify those and that process will continue. The ES Team will identify programs to which it can refer individuals as well as those it may want to augment or expand to better address the needs of its targeted vulnerable groups. This is discussed in more detail in 2.1.4. The EWGs, village councils and Citizens Assistance Centers may be repositories for this information so that it is available to the community at large.

This ongoing process will begin in March when the ES Team first looks for opportunities to link its targeted vulnerable groups with existing programs. Where this linkage is made, the team conveys this information to the targeted group through NGOs, village councils and other appropriate vehicles. When it chooses to augment or expand an existing program to meet the needs of SCOPES clients, the team will meet with the implementer to determine interest, outline the process, roles and responsibilities, budgets, timing etc. A memorandum of understanding will be signed by both parties.

Where it identifies a gap that it can and should fill, the ES Team will work with the SCOPES training director to identify best practices in type and design and appropriate trainers, whether a SCOPES staff member, local partner or outsourced training company. When using local partners, the ES Team will consider whether to use the activity as a capacity building exercise with a local group. This is a good mechanism when working with local NGOs and youth groups.

Being part of a targeted vulnerable group and/or part of a supported supply chain are primary criteria for including individuals outside the chain in SCOPES training. Resources permitting, training will be open to any interested individuals.

Timeline:

Jun-July	Assist those "outside the chain"
July	Assess worker needs/capacities
July	Assess other economic opportunities
July	Assess training options
June-July	Agree on target interventions for each municipality

External Resources: Local STTA of 30 days will be needed for assessments and development of training options.

Coordination: SCOPES will coordinate with local NGOs, other donor projects, such as CRDA and UNDP, and relevant government agencies, such as ministries and NES.

Intended Results: By the end of March, the ES Team will have identified specific needs of targeted vulnerable groups in identified value chains.

Grant Fund

During the life of the project, the SCOPES Economic Security (ES) Team has a total grant fund of up to \$4 million to use to achieve the project objectives of enhanced economic growth and greater social inclusion among targeted vulnerable groups with a goal to mitigate the risk of instability in targeted municipalities. The ES Team proposes to use the grants in the following ways:

Eligible Entities	Criteria	Uses	Amount
Micro-enterprises employing up to 10 people	<ul style="list-style-type: none"> • In SCOPES Component II targeted municipality • Owned by vulnerable group (VG) person or positively impacts vulnerable groups • Short written description of grant use and expected impact • Civil status of owner/business documented • Willing to be registered, if not already 	<ul style="list-style-type: none"> • Purchase of equipment or agricultural inputs • Training • Trade fair attendance or presentation • Preparation of marketing materials • Costs of registering a business. • Small infrastructure for business 	Up to \$5,000
SMEs employing over 10 persons	<ul style="list-style-type: none"> • In targeted municipality • Prefer targeted sub-sector • Positive impact on VG employment or market • Matching contribution by the SME and/or matching loan • Written business plan with budget and expected results/impact • Identified relatively “high potential” business within a vulnerable area • Documentation of civil status of SME 	<ul style="list-style-type: none"> • Purchase equipment or agricultural inputs • Training • Trade fair attendance or exhibit • Prepare marketing materials or campaigns • Develop internship or apprenticeship programs • Improve or establish infrastructure beneficial to business or employment 	Up to \$20,000

Eligible Entities	Criteria	Uses	Amount
Associations & cooperatives of micro-entrepreneurs	<ul style="list-style-type: none"> • Targeted sub-sector & municipality • Positive impact on VGs • Short written description of activity, expected results/impact • Expands member benefits including training • Documentation of civil status of group; membership list 	<ul style="list-style-type: none"> • Purchase equipment or agricultural inputs • Training • In-country study tours • Trade fair attendance or exhibit • Prepare marketing materials • Costs associated with legal registration • Improve or establish infrastructure beneficial to business or employment 	Up to \$10,000
Training providers (i.e., NGOs, vocational schools, high schools, university)	<ul style="list-style-type: none"> • Addresses targeted sub-sector & municipality • Demonstrated training capacity; expands offerings to meet needs of targeted VGs • Written activity proposal with budget, including other sources of support • Registered organization 	<ul style="list-style-type: none"> • Curriculum development & pilot of training • Train-the-trainer course • Development of internship or apprenticeship programs • Offer special training to address established local need 	Up to \$20,000
Business associations, municipalities, or NGOs	<ul style="list-style-type: none"> • Impacts targeted sub-sector & municipality • Positive impact on VGs • Written activity proposal with expected results/impact and budget, including other sources of support • Documentation of civil status of group 	<ul style="list-style-type: none"> • Supports new or special business events, such as festivals & trade fairs • Promote an event, including production of marketing materials, advertising • Technical assistance and training to improve/develop event 	Up to \$10,000
Economic Working Groups (EWG) organized by CRDA	<ul style="list-style-type: none"> • EWG that is supporting SCOPES • Targeted municipality • Positive impact on VGs • Written plan with budget, expected results/impact • Matching contribution by government or businesses 	<ul style="list-style-type: none"> • Improves local enabling environment for business (i.e., infrastructure, such as markets, improved electrical service) • Identified priorities of EWGs that are approved by SCOPES for support 	Up to \$25,000

Reflecting guidance from the Mission and Embassy received on 27 December 2006, SCOPES will accelerate the liquidation of grant funds by allocating up to \$2 million within

the first 18 months (through June 2008). Also, following that guidance, grants totaling at least 60 percent of the \$2 million earmark (\$1.2 million) will be made to categories 1 and 2 (micro-enterprises and SMEs) over the life of the project.

The ES Team will establish grant guidelines for each category, guided by past experience of the three implementing partners. Impact on targeted vulnerable groups as well as demonstrated leadership, openness to change and a willingness to share information with the SCOPES team are among the selection criteria.

Grant program guidelines will identify the application, review and approval process, eligible activities, the percentage of a proposed activity that a grant may cover, whether the grant reimburses a grantee expenditure or pays directly for an activity and other key guidance. A business plan for the proposed activity will be required, regardless of the civil status of a potential grantee. The ES Team recognizes that the sophistication and detail of business plans may vary among potential grantees within the categories described above. To ensure the grants process is transparent, grants procedures will be posted on the proposed SCOPES project web site. All grants will comply with US Government guidance on grants as specified in the SCOPES implementation contract.

The ES Team expects to introduce the grants program for micro enterprises and SMEs through the Business Plan Competition in February 2007 and for other categories, beginning in March.

2.1.4. Develop marketable skills among workers, especially from vulnerable populations, through the support of appropriate training programs.

Developing and/or improving marketable skills are of great importance to vulnerable people for two key reasons. First, having marketable skills can secure their basic needs, such as employment, regular income, secure shelter. And second, it can help vulnerable people move into mainstream society, which can decrease their probability to be victims or initiators of conflict and instability. SCOPES Economic Security Team has identified several particularly vulnerable groups that will benefit from interventions in this part of the program:

- **Redundant workers.** Within the selected municipalities, many individuals have been made (or will be soon) redundant as a result of the privatization process or the collapse of state enterprises. These are usually people with outmoded skills who very often don't recognize their skills aren't marketable.
- **Unemployed.** While unemployment is high, employers complain about the difficulties of finding properly skilled and qualified workers. This is a clear indicator of a disconnection between unemployed and employers. Special focus will be on chronically unemployed who face extreme difficulty getting employment.
- **Young people.** Due to a generally outdated and not well organized education system, new graduates are not really competitive in the job market. They have knowledge but very little practical experience and few marketable skills. This is true at both the high school and post-high school levels.
- **Marginalized people,** such as women and Roma, are not substantially included in the job market, which deepens their social exclusion.

Through training in marketable skills, the ES Team's goal is to connect the jobless with real and lasting jobs, whether as micro-entrepreneurs or employees. This is enhanced by

SCOPEs focus on specific value chains, key companies with growth potential and supplier groups working together to meet market demands.

As the future employers of targeted groups, local SMEs play an especially important role in training design and implementation. To help ensure that training responds to market needs, the ES Team will use local companies as resources on skill needs, as “guest teachers” in trainings and in evaluation and further development of additional training.

It is important to note that much of the training discussed in 2.1.4 will likely be implemented by other organizations – state institutions like the NES, SME Agency or schools, or NGOs. SCOPEs will seek to:

- Ensure that basic job training is available in each targeted municipality and
- Once basic training is available, expand these options either by refining training curriculum or supporting new and advanced courses

The ES Team will use several methods and training modules to address the needs of participants in the most productive manner. The set of trainings for a given municipality will combine formal training, vocational training, on the job training and internships/apprenticeships, all according to identified needs. Several types and subjects of training identified as being the most important in supporting vulnerable groups to participate into economy and job market are detailed below. Figure 4 shows the menu of interventions. However, the final array of offerings in a municipality will be based on actual needs identified during various assessments, available SCOPEs resources and existing programs. Intended results for 2.1.4 training are aggregated at the end of the section.

Vocational Training

Vocational training courses will be designed and implemented to create marketable skills and employee profiles necessary to support local industries. Retraining of redundant workers and chronically unemployed or unqualified people will be an important part of this activity. SCOPEs will work collaboratively with interested firms, individuals and potential training providers to develop the training details. SCOPEs’ interest in vocational training will be limited to helping vocational schools and institutions develop and/or improve specific training programs. The project does not intend to address educational policy issues.

Types of vocational training will lead towards creating skills needed by local companies, meeting employment opportunities with available workforce. Since agriculture is an important industry in each SCOPEs municipality, the ES Team will pay particular attention to vocational trainings to improve agricultural production. Different models may be used, such as the “lead farmer” model, creation of demonstration farms, and study tours, based on needs of a value/supply chain in each municipality.

Wherever possible in agriculture, the ES Team will combine two target groups: students in secondary agricultural schools and their parents, with whom they are running family farms. Young people are more generally open to accept changes but often have difficulties implementing them, because they depend on their parents, who own the farm and are very often reluctant to change. Through training, both groups will be challenged to think more innovatively about farming and agriculture.

The ES Team will aim vocational trainings towards improving skills needed in identified promising sub-sectors. The ES Team will identify beneficiaries, organize them and identify

the best model. Based on particular needs, professional technical assistance providers will be engaged to implement the program. ES Team will work with vocational schools to help improve and upgrade vocational training in the schools and with processing companies to involve in the process as training providers.

If needed, schools or other training providers may apply for grants to better equip classrooms or workshops for the purpose of trainings.

Specifically, SCOPES will implement the following activities to expand vocational education:

- **Identify the needs and existing capacities;** ES Team will conduct a short assessment of basic needs of targeted people to define target groups for each municipality, determine appropriate types of vocational training and identify partners.
- **Work with high schools and Republic institutions who are interested;** ES team will work with those interested to improve the quality of vocational trainings they are providing or refine existing curriculum.
- **Work with other existing training organization;** ES Team will work with other training providers, such as NGOs in order to identify opportunities for cooperation.
- **Conduct training;** based on collected information, ES Team and SCOPES Training Coordinator will select and support setting up the best model in schools and, where needed, engage training provider to implement trainings as appropriate.
- **Support training expansion;** SCOPES ES Team will monitor training process and results and seek to identify and support opportunities for further training development and expansion.

Timeline:

July 2007	Identify needs and assess local capacities
September 2007 – ongoing	Existing training curriculum improved in coordination with high schools, government organization and other partners Improvement of appropriate trainings supported Expansion opportunities identified and supported

Resources: STTA totaling 35 days and grants to NGOs totaling 175 days will be needed to develop and implement vocational training as described, including three study tours. SCOPES team will work with high schools, relevant government organizations and other partners to develop and improve the training. In addition, 54 days of local STTA will be needed for support of 3 demonstration farms.

Internships / Apprenticeships

One of the biggest problems for graduates entering a job market is a lack of practical experience. This problem equally affects employers, as they have to spend a lot of time in training new workers. SCOPES ES Team will work directly with companies and schools to develop and support the best model for improving internships and apprenticeships. Students, new graduates, unemployed workers will be targeted for these programs in cooperation with institutions such as NES and local firms.

SCOPES will support development of internships and apprenticeships strictly following needs of companies working in growing industry sectors. By doing this, students who successfully complete the program will have drastically higher job opportunities, and growing companies will have access to qualified and skilled labor. It is important to note that

this process will directly connect employers with future their work force, making hiring more cost effective.

The ES Team is aware that USAID is developing a Youth Internship Program and will coordinate its work in this area with USAID counterparts to ensure information sharing and avoid duplication.

Work with firms to identify needs. On one side, the ES Team will identify companies that are ready and willing to implement or upgrade internship and apprenticeship programs and, therefore, improve and secure future skilled labor for the company (see Section 2.1.5); on the other side, ES Team will identify technical schools interested in cooperating with these companies and students interested in acquiring new skills. The team will facilitate dialogue between schools and companies, in order to define the best model for each particular school. Depending on the selected model, technical assistance provider will be hired to implement appropriate parts of the program.

Identify appropriate schools/partners. There is a critical need for improvement in vocational high schools, such as agriculture, textile, metal processing, where a high percentage of students do not continue their education after high school. Instead of becoming productive labor force, they become unemployed, with very few marketable skills. The ES Team will identify appropriate schools and other partners, identify their potential and define roles in the whole process.

Work with students and parents. Involving parents and motivating them to participate in the process will be important. During the assessment, the SCOPES Team became aware that some parents actually undermine on-going activities by taking students out of programs. They lack the understanding that students need to obtain skills to become competitive in the job market. When designing internship/apprenticeship activities, SCOPES ES team will include formal and informal meetings with students and their parents to ensure mutual understanding of a program's importance, get feedback on proposals and shape the final training model.

Work with Republic-level institutions. SCOPES will work with NES, SME Agency and others to identify needs of university students, chronically unemployed or non-skilled workers and define the best model to meet their needs and connect them with employers.

Help to establish appropriate programs. SCOPES' role will be to establish successful internship and apprenticeship programs and ensure their continuity by setting up permanent mechanisms in the schools and companies. SCOPES will develop a manual, available to schools and firms, on how to establish and manage interns. The manual will include a standard contract template, "rights and responsibilities" of interns and firms, Scope of Work templates, and pointers on developing and monitoring goals. Quarterly reports from schools, companies and students will be gathered and compared to identify gaps and further improve the program.

Depending on the growth of internship programs, it may be feasible to subcontract with NGOs in each municipality to manage internship programs.

Timeline:

March-August 2007	Identify & assess needs for internships in key companies in each municipality
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March-August 2007	Local schools or other partner institution will be identified for the implementation of the program
September 2007 – ongoing	Begin implementation of internship/apprenticeship programs. Continuous M&E commences.

External Resources: 140 days in grants to NGOs for development, monitoring and evaluation.

Job skills training

Job skills training will improve the potential of anyone who is unemployed to identify job opportunities and prepare to actively participate in job competition. One problem for vulnerable people is social exclusion, which makes them feel less valuable than others in the community. Very often, due to lack of self-confidence and basic skills, vulnerable people do not actively look for jobs. Through job skills training, SCOPES will address this issue.

The ES Team will promote the activities throughout seven municipalities, especially targeting vulnerable people.

- **Define targeted vulnerable groups per municipality and identify needs.** In cooperation with Economic Working Groups and other stakeholders, SCOPES ES Team will identify specific vulnerable groups and what support (and level of support) would be most beneficial.
- **Review of training options.** ES Team will review available training options, provided by other institution (NES and SME Agency, for example) and compare them with the identified needs. The type of training may include :
 - CV preparation training – covers topics on preparation of written biography and supporting documents according to requirements of the employers. Targeting especially marginalized groups, with no access to other similar services
 - Self-motivation training – self-motivation is one of the aspects that especially needs to be progressively addressed. Having improved motivation, members of vulnerable groups will feel more as a part of society and will be able to improve its status in community, including participation into job market
 - Jobs interviewing – prepare members of vulnerable groups for job interviewing, what was not very developed method of obtaining a job until recently. Especially young people will benefit from this training, as they didn't have chance to experience this kind of interviews
 - Informational interviewing – young and unemployed will be trained in how to do informational interviewing, which is a new concept in Serbia. This method became very successful in connecting employers and employees in developed countries
 - Job clubs – job clubs support those seeking jobs as sources of information, training and moral support, and SCOPES can support existing job clubs and help to form new ones where appropriate.
- **Revise training curriculum.** ES Team will offer assistance to adapt training curriculum to respond to the actual needs of targeted groups and create real job opportunities.

- **Support training.** Where training does not yet exist, SCOPES will support NGOs working with specific vulnerable groups through grants or subcontracts to design and implement training
- **Identify training expansion opportunities.** SCOPES ES Team will identify opportunities and, where possible, support further expansion of the trainings.

Timeline:

January 2007	Identified targeted groups in all municipalities
July 2007	Assessed particular needs of selected vulnerable groups Reviewed existing training opportunities
July 2007- ongoing	Appropriate existing trainings supported, where available; improved training curriculum developed; identified expansion opportunities

External Resources: Wherever available, SCOPES will refer students to existing courses. If necessary to provide and resources permit, this activity will need 20 days per municipality to implement and 20 days to design and train trainers, provided through grant mechanism.

Training in Information Technology

IT skills are among the most widely needed skills and are often specifically required by employers. Therefore, SCOPES ES Team will support IT skill training to vulnerable groups in those municipalities where it is most appropriate. Special attention will be given in linking specific training activities with the needs of selected sub-sectors and the needs of growing companies for people skilled in IT. Local firms will be assessed to identify types of IT skills they need and appropriate people will be trained to meet this demand. Types of training include:

- Basic IT training – covering basic computer literacy, needed in everyday work and regardless of job or profession. Designed to improve skills among unemployed and give them some advantage in seeking jobs, gathering information, preparing job applications, but, also will be valued by potential employers;
- Specific Software Applications – more advanced computer literacy training targeting youth, to help them acquire the skills needed by specialized markets. One example is digital animation, a growing industry in the Balkans and one of the fastest growing in the world. Depending on the existing infrastructure, these trainings can be done as distance learning or organized in classrooms. The growth of Serbia’s IT sector provides opportunities for employment, particularly for youth, work can often be done from places outside main trade flows and start-up capital isn’t prohibitive.

The ES Team will promote the activities throughout program area, specially targeting vulnerable people. Applicants will be selected among targeted populations and grouped by common characteristics. For the basic training, the ES Team, together with SCOPES training director, and other partners where available, will develop detailed curriculum and hire local training provider to implement activities. For the advance training, ES Team will select the candidates, and reputable IT company, local or international, will be hired to develop curriculum and deliver the training.

Specific activities will include:

- **Identify needs and existing capacity.** SCOPES will undertake rapid study among targeted groups to identify actual needs in this field, determine people who would most benefit from the training and assess their capacities.
- **Identify existing trainers.** SCOPES ES Team will identify and evaluate capacities of existing local trainers and potential trainers from wider region.
- **Refine training curriculum.** SCOPES Team will refine existing curriculums in order to respond to the needs of targeted audience.
- **Conduct training.** SCOPES ES Team will support implementation of training through appropriate training providers.
- **Support training expansion.** SCOPES ES Team will monitor training process and results and seek to identify and support opportunities for further training development and expansion.

Timeline:

July 2007	Identified interested groups and needs assessed
July 2007	Identified potential trainers and existing curriculum assessed
August 2007 - ongoing	Curriculum revised and training conducted throughout the year
August 2007 – ongoing	Supported training expansion

External Resources: Wherever available, SCOPES will refer students to existing courses. If necessary to provide and resources permit, this activity will need 15 days of international STTA and 160 days in grants to NGOs or local training companies.

Informal group training for specific supply chains

Identification and organization of small producers will help them move from ad-hoc, occasional, low-profit activities to market-oriented businesses. One good example is producers of handicrafts or souvenir producers. Many of these will be marginalized women.

Special focus will be given to groups that are working or have potential to work in one of the selected growing value chains. For example, supporting tourism development, a group of women can be assisted to develop an association of bed & breakfast providers and connect to regional tour operators. In addition to the positive impact on the micro-entrepreneurs, there is the larger impact of increased tourism in a municipality.

By working with small producers in groups, the team can minimize the cost of assistance, thus helping vulnerable people the project could not assist individually. Also marginalized women might be more likely to take part in an informal training setting (e.g., in someone's home) rather than a more formal classroom setting due to culture issues as well as their lower status within a household.

This intervention will target mostly unemployed women of different ethnicities and, apart from improving economic security and generating self-employment, will lead towards greater social inclusion and improved self-confidence.

Identify small producers. SCOPES Team will undertake activities to identify and map small scale producers within municipality and help them organize, by offering basic information and training on advantages of cooperative work.

Identify marketable products or services. SCOPES Team will work with identified producers to determine and develop the most marketable products and link the group with existing, better organized groups in the same sector.

Provide training on product marketing. For such groups, the ES Team will develop small group trainings related to product identification, development of market-oriented designs, improvement of marketing, and organization of associations to facilitate group production, marketing and training. Upon defining leading and most promising products, SCOPES ES Team will further support development of the group by engaging appropriate professional body to guide and organize the small producers in marketing and selling the products. The ES Team will identify small producers and help them organize. Set of initial, mostly informal, trainings will be provided by the ES Team targeting organizational and marketing skills. Once organized and ready to jointly approach markets, technical assistance provider, with appropriate professional knowledge in this branch, will be hired to provide additional assistance and guidance.

Timeline:

January 2007	Identified local small scale producers
January 2007	Identified marketable products/services, linkages with better organized groups established
August 2007 - ongoing	Provided training on product marketing

External Resources: 30 days of STTA plus 30 days of international STTA (Study tours?)

Youth Entrepreneurship Program

To promote entrepreneurship within community and particularly among youth, SCOPES proposes to encourage youth to get involved in entrepreneurship and provide them with necessary information, education and appropriate skills. Existing models such as Junior Achievement and a Norwegian program will be reviewed and the most appropriate implemented.

Identify school partners. SCOPES will identify high schools, within SCOPES municipalities, where this program will be especially important, such as technical or vocational schools, and identify needs and areas of interest.

Review of available training models. ES Team will review available training models, provided by other institutions (Junior Achievement, Civic Initiatives) to determine which best meets the identified needs.

Revise training model. The ES Team will identify high schools interested in cooperating with SCOPES on developing and promoting entrepreneurship among youth. There are several training models already being implemented around the country (Junior Achievement, Norwegian program, etc.) and SCOPES ES Team, together with the selected schools, will assess available models and training providers and select most appropriate ones.

Implementation of programs. Based on those results, SCOPES ES Team will support establishment or expansion of youth entrepreneurship programs, in selected schools, by sub-

contracting appropriate training provider. Evaluations and further improvement of the programs will be done through regular monitoring will be conducted by ES Team and quarterly reports produced by the sub-contractor and schools partners.

Timeline:

February 2007	Identify schools partners
April 2007	Existing training models reviewed
May 2007	Select appropriate model & adapt
August 2007 - ongoing	Implement program, followed by monitoring, evaluation and further program improvement

External Resources: Grants of up to \$20,000 will be available to implement youth entrepreneurship programs in each municipality. SCOPES will work with high school teachers and other appropriate partners to assess and refine existing models. In the schools where appropriate training exists, training provider will be sub-contracted to expand to target vulnerable groups and growing industry sectors and implement the program throughout the year. Where appropriate trainings do not exist, SCOPES will sub-contract with appropriate local organizations to introduce and conduct the training. In both cases, sub-contractors and schools will be required to produce quarterly report on program's implementation and results. SCOPES Team will regularly monitor the program and look for opportunities for improvement and expansion.

2.1.4 Results: By September, activities implemented under section 2.1.4 will result in having at least 100 people, including redundant workers and chronically unemployed, high-school students, marginalized people and others, trained in marketable and business-related skills and with improved competitiveness on the job market; 3 firms will take part in organizing training programs.

2.1.4 Coordination: These activities will be coordinated with local high schools and universities, NES, Republic Agency for SME, local development agency, private companies and business associations or other partners.

2.1.5 Provide support to local businesses, financial institutions, cooperatives, and agricultural or other economic associations

Privately owned companies are the future of the economy and will become the primary providers of employment and wealth in Serbia. To encourage that in its targeted municipalities, SCOPES supports the development of micro-, small and medium-sized companies (MSMEs) who are ready to grow and want to compete in new markets and, through expansion, to generate employment opportunities. SCOPES also seeks to directly link economic growth with the prospects for populations vulnerable to conflict and instability. Development of supplier cooperatives and associations, especially in agriculture, improves the likelihood of success of SME development because these organizations offer tangible benefits to members as well as the market. Collaboration helps to diminish the insularity of vulnerable people and begin to remove negative mental models as people interact with each other in a positive environment. Strong financial institutions and business associations that serve the needs of SMEs, cooperatives and associations enhance

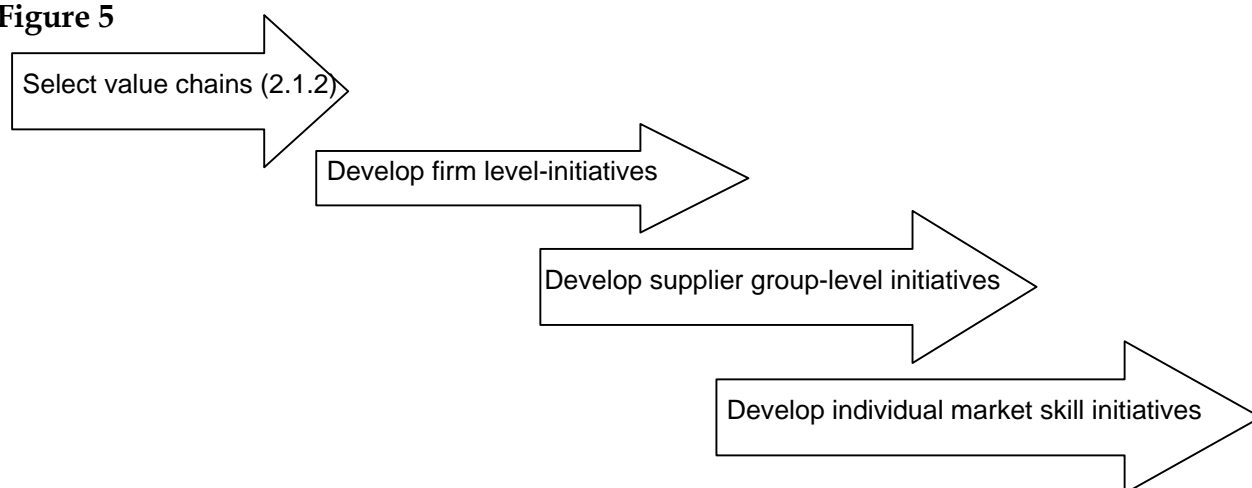
sustainability because they can offer long-term support to SMEs and overall economic development.

Any sub-sector consists of many actors with different needs based on their position within the sub-sector or a specific value chain, and therefore, the ES Team identifies three primary groups for support:

- **Existing firms:** SMEs with growth potential and ability to compete in other markets, whether domestic or foreign. Motivated and eager to introduce innovations and improve, with real opportunities to lead local economic growth. SCOPES will work with approximately two lead firms per sector per municipality, identified either through its business plan competition or value chain analysis.
- **Existing suppliers:** Important suppliers in targeted sub-sectors and with real potential for expansion. SCOPES ES Team will work with key companies and existing suppliers to identify supply chain gaps, then suppliers/micro-enterprises or groups of suppliers to respond to those while also strengthening their position in a value chain.
- **“Outside the chain”:** Small-scale producers and suppliers – micro-entrepreneurs who are outside value chain, but capable and interested. SCOPES ES Team will work with them collectively, encouraging formation of supplier cooperatives or associations, and help them integrate into the market.

Figure 5 outlines the process of ES Team support to those actors. Whether identified through a business plan competition or value chain analysis, the process will start with an examination of the value chain’s key firms, those most likely to increase job opportunities and include vulnerable people. Top priorities identified with these SMEs will inform what technical assistance and training to offer. The ES Team’s work is not linear, however, because new opportunities or significant events may occur and require response. As a result, the ES Team has tried to keep its approach to micro- and SME development flexible.

Figure 5



Depending on the character of the intervention and resources, the ES Team may offer at least some assistance generally to a targeted sub-sector to expand impact. For example, all firms in a sub-sector may be invited to participate in a study tour. Additionally, where training crosses sub-sectors, it may be offered to “mixed” groups. Negotiation skills training is a good example because it is taught in a formal setting with 6 to 10 participants who could include business leaders, municipal officials or cooperative/association leaders.

Additionally, the ES Team recognizes that many micro-enterprises exist in its targeted municipalities and are owned by members of targeted vulnerable groups. The team will address their needs in groups, not individually, for a more productive use of SCOPES limited resources, a more effective means of training micro-entrepreneurs and greater potential to integrate vulnerable people into groups. For example, unemployed poor women are knitting children's wear at home with no real connection to each other or to any market, but they could sell well-made items at local tourism events, to local shops and perhaps outside the municipality. The ES Team would meet with the women collectively to determine their interest in working collaboratively, understand their aspirations and needs, and help them become a commercially viable by linking them to an identified market and helping them understand and meet the market's requirements.

Examination of existing supplier groups will start slightly behind the work with firms because information from that feeds into the supplier analysis. When existing suppliers include "non-organized" individuals, as may be the case in many agricultural sub-sectors, the ES Team approaches them collectively, identifying the benefits to them of joint collaboration and cooperation.

A similar process is used to work with individual suppliers or potential suppliers who may be "outside the chain." The ES Team may try to integrate them into an existing supplier group or form another. The ES Team is realistic and recognizes that forming a cooperative or association takes time and cannot be accomplished immediately. The team works with those suppliers who are willing to work collectively and to consider formal organization. Formal organization offers potential benefits such as joint purchases of raw materials or inputs that can reduce costs as well as stronger negotiating power in the marketplace. Vulnerable people outside the chain gain a stronger voice in the economy and society. Experiencing the benefits of collaboration can encourage formal organization in a cooperative or association.

Based on past experience and research with SMEs in targeted municipalities, the ES Team has identified a package of assistance in four categories to jump start the process. The team applies its technical assistance and training resources in each to both lead firms and supplier groups, with differing emphases based on their needs. The categories are production, organization, marketing/communications, and internships/apprenticeships.

The activities presented in 2.1.5 are targeted exclusively to firms and supplier groups. Intended results for 2.1.5 activities are at the end of the section. Interventions designed to assist those outside the chain are described in 2.1.4.

Training and Technical Assistance on Production

Training and technical assistance on production addresses quality, processes, products, standards and certifications, and supplier relations to help lead firms improve their competitiveness and supplier groups to better meet market requirements. The team may also use lead firms, demonstration/lead farms and study tours to overcome the universal resistance to change. When the sub-sectors are selected, the ES Team will further refine its menu of offerings to ensure productive use of its resources. The target audiences for this category are privately-owned firms, existing suppliers and suppliers groups willing to expand and improve production, to add value to their products and go further in a value chain.

- Quality Improvements

Whether a producer or supplier, meeting market requirements on quality is essential to sustainability and long-term growth. Processing companies and manufacturers often need to implement higher quality standards to tap into new markets. Supplier groups need to ensure consistent quality and quantity of inputs to their markets. Through technical assistance, existing SMEs and suppliers can examine and address quality issues. For both, that means establishing and enforcing new quality standards, introducing new technology or inputs, or changing methods. In agriculture, lead or demonstration farms are effective training tools that will be used to demonstrate proposed changes and their value as well as technical assistance and training to supplier groups.

- Production Improvements

On the production side, efficiency is one of the biggest problems for processors and manufacturers. They want to minimize production costs and waste and get the best return on investment in raw materials. TA providers review existing production systems, recommend changes and assist their implementation through on-site training and consultation.

Production improvements for suppliers/micro-entrepreneurs may be as simple as picking fruit from the tree at the right time or it may mean introducing new varieties that require new methods. In agriculture, the challenge to improve production is significant and critical because land parcels and/or herds are small, methods outdated, and minds difficult to change. TA using practical examples, demonstration farms or plots and study tours to successful models show the importance of proposed changes and help overcome resistance to change. TA for suppliers is linked to the lead firms to which the suppliers sell to ensure best results.

- Product Improvements/New Products Development

Adding value to basic products or developing new products helps sellers increase their revenues and profits, whether a manufacturer, processor or supplier. For example, a fruit processor can move from selling “commodity canned fruit” at a low price to “extra fancy” at a higher price. To do so, the processor needs a consistent quantity of quality inputs from the supplier, which can also add value by growing a new variety of fruit, sorting by size and quality, picking fruit at an optimal time rather than letting them fall to the earth.

Through technical assistance, the ES Team assists producers to evaluate potential value added opportunities and determine how to work with suppliers to meet new input requirements. Training and TA for suppliers addresses the importance of meeting market requirements and teaches technical skills to do so.

- Standards/Certification

Globally accepted standards such as HACCP, BRC and ISO are increasingly important in the targeted municipalities as Serbia integrates more into international markets. Standards and certification involve suppliers as well as firms. The ES Team will provide companies with information on the importance of these standards and required procedures and link them to bodies providing support to the standards/certification processes. The Ministry of Agriculture, for example, is supporting firms to meet HACCP standards.

SCOPEs might provide guidance to a firm or supplier group in completing a grant application for say the Ministry of Agriculture but would not write nor edit an application. Additionally, SCOPEs will entertain a grant application for partial support for training, equipment, or technical assistance that might be necessary to complete the certification process. The application would have to show how the applicant planned to cover all costs of the entire process and the timetable for completion. Under no circumstance would SCOPEs finance the “company match” required by another funder.

- **Supplier Relations**

Having a regular supply and consistent quality of inputs is of the greatest importance to producers and manufacturers, especially for growing companies that want to establish regular relationships with big new buyers. Owners of lead firms need to understand the expectations of the new market and its participants and how to establish and maintain professional relationships. Suppliers need to understand their buyers’ expectations and how to work on a more formal and professional basis. Both need to learn trust. One-on-one consultations by the ES Team and training will assist both. A more secure market for the manufacturer creates a more secure market for local suppliers, resulting in working relationships based on mutual benefits.

Timeline:

May 2007	Evaluate needs
May 2007 - ongoing	Develop, conduct appropriate assistance model, ES Team continues to identify opportunities

Training and Technical Assistance on Business Skills

To ensure sustainability and growth, business owners need to make good decisions and manage their businesses well. However, many SME owners lack business management skills, having often started a business around their interest or job background and without outside support. The ES Team offers a package of trainings to help existing SME owners improve their business management skills. In each category, the ES Team locates appropriate local or international trainers or TA providers. By supporting the sustainability of these companies, SCOPEs can help prevent an increase in the number of vulnerable people (redundant workers, particularly) and improve job sustainability within a community. On the supply side, the ES Team supports the formation of associations and cooperatives to benefit members and markets.

The target audience for this category of training will be business owners ready to expand and supply groups working collaboratively and interested in formalizing their relationships and become more commercially viable.

- **Middle Management Training**

In talking to SME owners, the Assessment and ES Teams found a need for well trained middle managers and a lack of training to ensure that. Through training, the ES Team can help middle managers – those who supervise the daily work on the manufacturing floor, for example – to be more effective. Topics covered include basic supervisory skills, organizing work for better productivity, and setting and enforcing targets or standards. When possible, the ES Team may “pair” middle managers in lead companies with those in other successful companies for mentoring or coaching to reinforce what they’re learning.

- Human Resources (HR)

HR skills were not well developed under the previous economic system and have not improved much in subsequent years, yet they are critical to business success. Satisfied workers are more productive and feel more a part of the firm and of the community. HR skills include identifying worker profiles, hiring and compensating the right people and interpersonal communications. Training also incorporates skills needed to support successful integration of targeted vulnerable groups who are becoming part of a workforce. Through training in HR skills and follow up mentoring/coaching, the ES Team can help improve the relationship between employers and employees. Because HR skills are somewhat universal, these short courses can be offered across sub-sectors.

- Financial Management

Because they often come from a production or technical background, SME owners often lack the skills to manage well the financial side of their firms and to plan for growth. Some don't even know what their real cost structures are because they don't account for some costs properly. Yet sound financial management is important to prevent the risk of financial collapse and ensure better planning. The ES Team offers financial management training with an emphasis on basic cost accounting, Western style financial reporting and financial planning. Because financial skills are somewhat universal, these short courses can be offered across sub-sectors.

- Development of Associations and Cooperatives

Cooperatives and associations can generate a better return on investment for the members, offer economies of scale, improve starting positions for negotiations with buyers and provide better access to inputs (in agriculture particularly). Marketing and promotion, as well as branding, is easier and more productive for an organized group than an individual could achieve. New supplier groups may consist entirely or in part of vulnerable people. The ES Team assists the development of supplier groups into cooperatives and associations. This can also improve participation by and increase the visibility of vulnerable groups in targeted sub-sectors.

The team recognizes that the development of groups to work collectively and cooperatively takes time and doesn't happen overnight. The team works directly with the supplier groups, bringing in TA and offering formal training as needed. The groups are trained in how to organize and operate, basic financial management, meeting management, simple planning and monitoring processes and interpersonal communications to help them become commercially viable.

Timeline:

May 2007	Evaluate needs of eligible firms, suppliers groups
May 2007 - ongoing	Develop, conduct appropriate assistance model

Training in Marketing Skills

Appropriate communications and good relationships with others along a value chain are necessary to ensure long term growth and access to new markets. Through TA and training, the ES Team helps business leaders be more effective in marketing and promotion. The

target audiences for this training are privately owned companies, cooperatives and associations willing to expand and approach new markets; and suppliers with potential to establish new linkages and increase sales.

- Marketing

The traditionally production-oriented economy of “old Serbia” has not gone away. Firms are still more production oriented (‘if I made it, someone will buy it’) than marketing savvy. Yet become better markets they must if they are to survive, let alone grow, in the increasingly global economy. Through TA and formal training, the ES Team addresses the marketing weaknesses of lead firms and others in the sub-sector. Some training separately addresses specific marketing interests of suppliers. The focus is on developing workable marketing strategies, improving existing products and developing new ones, distribution channels, product packaging and placement in sales’ outlets, and pricing strategies.

- Product and Business Promotion

One of the key marketing tools is promotion, again not well developed by business owners and supplier groups in the region. Yet they need to develop the skills to recognize and seize opportunities, to promote their entities and products, and to create linkages with potential partners and new markets. The ES team addresses promotion skills through TA to assist in developing promotional campaigns and materials, training in negotiation skills, training in and support to participate in trade fairs.

Timeline:

June 2007	Evaluate training needs of eligible firms, suppliers groups
June 2007 – ongoing	Develop, conduct appropriate assistance model

Apprenticeships/Internships

Youth in Serbia are caught in a classic “Catch 22” – they need a job to get experience and they need experience to get a job. Vocational school students and graduates are often ill prepared by the formal education system for jobs in their vocations. Redundant workers often have outdated skills. The ES Team wants to break that destructive cycle by working with existing businesses and vocational schools to develop and improve internship and apprenticeship programs to ensure marketable skills. (Internships are usually for students while apprenticeships are usually for those out of school.) The emphasis is on training unemployed youth and high school students directly in companies because the formal education system will be difficult to change. And companies want and need new employees that are better prepared to be productive workers faster.

The ES Team will work with promising companies that need skilled labor to identify gaps between formal education and market needs and coordinates with interested companies, existing internship and apprenticeship programs, other stakeholders to define the best model. It will introduce appropriate TA providers to establish/upgrade internship and apprenticeship programs to produce interns/apprentices with practical knowledge, marketable skills and real-life on-the-job experience.

The ES Team is aware that USAID is developing a Youth Internship Program and will coordinate its work in this area with USAID counterparts to ensure information sharing and avoid duplication.

The target audiences for internships and apprenticeships are vocational school students, unemployed youth, and redundant and unemployed workers.

Timeline:

February 2007	Identify initial interested companies
March 2007	Developed/improve program with business management
March 2007 - ongoing	Support, implement programs; ES Team regularly monitors, evaluates the program to improve, expand

2.1.5 External Resources: International STTA of 105 days, local STTA of 160 days and 80 days of local NGO/training company plus 460 days under plans through Coordination Body for three municipalities. 2 study tours per municipality will be organized.

2.1.5 Intended Results: By the end of Year One, under Section 2.1.5, 20 SMEs and 20 supplier groups of micro-entrepreneurs will have received technical assistance and training aimed at improving their business performance; internship/apprenticeship programs will be supported in 3 companies with 10 participants.

2.1.5 Coordination: These activities will be coordinated with relevant Republic institutions, such as NES, Coordination Body, Republic Agency for SMEs, local development agency, private companies and business associations or other partners.

2.1.6 Develop public/private partnerships to promote local economic development

SCOPEES Economic Security Team recognizes the value of public/private partnerships to enhance, support and sustain work established under SCOPEES. Because dialogue among the public, private and civil sectors is still relatively new in Serbia, the ES Team will focus on ways to improve that dialogue relative to economic development and where possible, to institutionalize the dialogue in a manner to ensure it continues after SCOPEES completes its work. Intended results and coordination for 2.1.6 are included at the end of the section.

Economic Working Groups

The ES Team defines economic working groups (EWGs) as municipal-level entities comprised of representatives from all three sectors, including business leaders, municipal representatives (economic development officer, for example) and civil society (especially NGOs representing vulnerable groups) with emphasis on promotion of local economic development. The team will empower the EWGs to participate in team decision making and project monitoring and help them become effective advocates to create a better environment for business development and integration of vulnerable groups into mainstream society. Their roles will be different during various phases of SCOPEES implementation. For example, they will assist the ES Team in selecting sub-sectors, help identify lead firms and existing suppliers, and locate vulnerable groups at the outset. Similar groups formed by SCOPEES' CRDA partners form the base for setting up EWGs where possible in the targeted municipalities. The ES Team will meet with these partners to determine the best strategy for moving forward using the existing groups. Where that is not viable, the ES Team will determine the best strategy for public/private dialogue in the municipality, including the value of using a local association of entrepreneurs to form the base for a formal group.

The ES Team and EWG will work towards official recognition by the municipal assembly of the local EWG to provide a more effective voice for the business community in municipal processes. More details are given under section 2.2.1.

Timeline:

February 2007	Determine status of existing groups, decide approach where not viable to use them as base
Ongoing	Consult regularly with EWGs
May 2007	Provide advocacy training to EWGs

External Resources: Local STTA for 30 days will be needed to design and implement advocacy training with cost sharing by OSCE and/or Institute for Sustainable Communities.

Assistance to Companies in Privatization Process

The ES Team is mindful of the sensitivity of this issue and will limit its activities to providing special assistance as requested by a local organization. The team will never be directly involved in developing redundancy plans in socially owned companies.

Support Other Public-Private Partnerships

Public/private can take many forms and the ES Team will seek creative ways to strengthen linkages between citizens, particularly vulnerable people, and local governments:

- Festivals and special events connect people within a municipality, region and nation. The ES Team will identify innovative ways to enhance existing events to support local businesses, mainstreaming of vulnerable people and capacity building of local entities. The team will support creation of new events, especially those involving vulnerable groups such as youth.
- Local/regional trade fairs that involve youth groups and NGOs, business community and local governments serve as tools to improve linkages across societal sectors while achieving the specific goals of the trade fair (for example, linking with new markets).
- Apprenticeships/internships partner businesses with local schools and government institutions to prepare potential job candidates. Details can be found under Section 2.1.4.
- Business incubators partner the business community, local government, donors and others to establish an environment that nurtures business start ups. Where incubators are proposed, the ES Team will identify an appropriate role for SCOPES. The role of local government is especially important in establishing of incubators as they might offer important incentives to start-up businesses.

Timeline:

June 2007 - ongoing	Supported organization of 7 special events/trade fairs, identify more opportunities to help organize events that empower vulnerable groups.
June 2007 - ongoing	Support to business incubators, where appropriate

External Resources: Grants ranging up to \$10,000 made to local entities to support new or existing special events (for example, festivals and trade fairs) with emphasis on maximizing positive impact on vulnerable groups. If an incubator is developed in a SCOPES

municipality, local or international STTA will be available for 10 days to offer assistance to its management.

2.1.6 Results: By the end of year one, under Section 2.1.6, at least 7 civil society groups will actively participate in SCOPES and receive advocacy training to strengthen their activities; the ES Team will present redundancy plan ideas to at least four SOEs and assisted those interested; at least 7 special events will be accomplished with support from SCOPES. Assistance will be provided to one business incubator, supporting micro- and small businesses in the incubator and incubator management (assuming one is started in a SCOPES municipality)

2.1.6 Coordination: Key entities that SCOPES will coordinate with include USAID, CHF, Mercy Corps, Republic-level institutions such as the SME Agency and NES, and local governments, local NGOs and youth groups, SOE management, workers' unions and other partners such as the Norwegian organization SINTEF, which is developing incubators under the Ministry of Economy.

2.2 IMPROVE LOCAL GOVERNMENT RESPONSE TO COMMUNITY NEEDS

Restricted access to power and decision making is an important root cause of conflict. As SCOPES increases economic opportunities through the activities in 2.1, it is important to create mechanisms for vulnerable populations to participate in decision making and setting priorities at the local level. The Economic Working Groups (EWGs) will address this through inclusion of vulnerable groups in membership. At the same time, improving municipal capacity to respond to community needs is critical to expanding economic opportunities and diminishing perceptions of social isolation, particularly for vulnerable groups. Improved services may also be important to promoting the economic growth necessary to further integrate vulnerable groups into the wider society.

Through SCOPES, we will offer assistance to municipalities focused on these two themes:

- Supporting municipal capacity to serve vulnerable groups to promote their integration into the local economy, and
- Building opportunities for citizen interaction with the municipality

At all times SCOPES will be sensitive to local and national political issues in helping to compose the teams. USAID has taken a leading role in providing training and technical assistance to municipalities throughout Serbia, including through the SLGRP and MEGA programs. These programs have supported and continue to support citizen participation efforts and local economic development throughout Serbia. Likewise, the CRDA programs support community and small business development. Each has contributed important improvements to local economic development.

- The task of the Economic Security Component of SCOPES is creating opportunities in the private sector as a method for mitigating the risk of conflict. Activities in 2.2 will target specifically those municipal functions and bodies that support economic growth and support new and existing methods for increasing access to decision making. In every SCOPES municipality, there are several categories of vulnerable groups represented, each with particular needs. Through 2.2, activities will seek to

enhance municipal government awareness, sensitivity to, and ability to serve these diverse groups while improving their ability to articulate needs.

Wherever possible, SCOPES will work with committees and bodies created through previous USAID and donor assistance. Particularly when working with committees to guide municipal prioritization and decision making, SCOPES will emphasize formalization and recognition by the municipal government. This is considered necessary for the sustainability of these institutions and their ability to adapt and include new stakeholders as they emerge.

2.2.1 Build local government capacity to support improved economic opportunities

An important element of a local government's ability to support expansion of economic opportunities is the communication of needs, prioritization of resources and monitoring progress of interventions. This is especially true when addressing the needs of vulnerable groups, many of whom may not be represented in local government. A body where the needs of these vulnerable groups can be raised, discussed and advocated is necessary. This body must be recognized by the local government and include the participation of local government, the business community and representatives of vulnerable populations.

Support to Economic Working Groups

In February, SCOPES staff will begin to establish a means of community input into its programming in each municipality. Where possible, that will be done by establishing an Economic Working Group (EWG) based on existing groups (EEEs or MECs) set up through the CRDA programs. An EWG will include representatives from the following: the municipality (the mayor or designee, Local Economic Development Officer); the business community (EEE representatives, key SMEs from SCOPES sectors); and civil society (especially NGOs representing vulnerable groups). At all times SCOPES will be sensitive to local and national political issues in helping to compose the teams.

The Terms of Reference of the EWG would include:

1. Offer SCOPES municipal specific input to develop programming
2. Review the results of the sector analyses and prioritize SCOPES sub-sector support
3. Define and prioritize vulnerable groups
4. Identify areas of municipality best suited for support to specific vulnerable groups
5. Develop selection criteria for participation in SCOPES activities
6. Monitor progress of expansion of opportunities for vulnerable groups
7. Identify targets of opportunity as they emerge in the municipality
8. Provide input on conflict mitigation and social integration

It is important to note that the EWG, which includes representatives of different social sectors and ethnicities, provides both a venue for inter ethnic contact, and for identifying broader opportunity for social inclusion around economic issues. This approach will help to ensure that SCOPES ES activities are designed with inputs from the local community and with a focus on conflict mitigation. EWGs may play the role of advisory boards, participatory mechanisms, or formal municipal body. Regardless of their role, which may evolve over time, each EWG will include the three core groups – business, local government, and vulnerable populations.

SCOPES staff will assist the EWG formation and organization. In the initial meetings, the EWG would review the SCOPES sector analysis and identify those villages and communities most appropriate for SCOPES interventions. In subsequent meetings, the focus will be on identifying and articulating the needs of vulnerable groups as their economic opportunities expand.

Where it is not possible to establish an EWG, the ES Team will identify an appropriate alternative method for ensuring community input into the program.

Engage with Village Level Bodies

In many of the SCOPES municipalities, other USAID programs have developed village level bodies such as community development councils. SCOPES staff will engage these village level bodies to assist in identifying individuals and groups who meet the objectives of the program and the selection criteria for participation, for example, farmers and supplier groups.

The objective of the work with village level bodies is two-fold. First those in the community are best placed to identify individuals most appropriate for participation in SCOPES activities, and second, the village level bodies can be a conduit for information about those activities to strengthen municipal outreach and service to vulnerable groups, detailed below.

Timeline:

February 2007	Establish Economic Working Groups (EWG) based on existing groups where possible
March 2007	Begin consultation with village level bodies to identify needs and participants in SCOPES programming Where EWG not possible, identify alternate method for community input
Ongoing	Work with EWG to identify needs and priorities Consult with village level bodies to gain feedback as needed

External Resources: No expected to be needed.

Intended Results: In Year One, the ES Team will establish a mechanism to ensure community input into its programming. In at least 3 municipalities, these will be EWGs that incorporate municipal, private sector and vulnerable group representation to serve as key counterpart to SCOPES planning and implementation. The EWGs will offer a mechanism for all parties to participate in developing priorities and create linkages between municipal government, the private sector and vulnerable groups.

Coordination: CRDA partners will be asked to provide feedback on the viability of existing EEs and MECs. Business associations and the private sector may be needed to obtain community input where existing groups aren't viable. Local government and the civil sector also have a role.

2.2.2 Improve capability in local government to provide citizen services, particularly to vulnerable populations

SCOPES will focus specifically on assisting local governments to develop sensitivity towards vulnerable populations as they expand their economic opportunities. Key counterparts within local government are important to this effort – local economic development officers and

communal enterprise departments. SCOPES will work with both, providing general assistance to these institutions to better understand the special needs of vulnerable groups and working with them specifically on the needs related to the core sectors. Through this assistance, SCOPES will seek to expand mechanisms for vulnerable groups to interact with local governments.

In addition to ongoing one-on-one discussions, SCOPES' focus in Year One will be to develop a pilot sensitivity training program for local economic development and communal enterprise offices and conduct that pilot in one municipality. The training program would be rolled out in Year Two.

Timeline:

June-July 2007	Develop pilot of sensitivity training on sensitivity to needs of vulnerable groups for local officials.
September 2007	Conduct one pilot training.

External Resources: External local trainers required for 20 days (grant), one international expert for 18 days on serving vulnerable groups.

Intended Results: By the end of Year One, SCOPES will have piloted the sensitivity training for local economic development and communal enterprise officials in one municipality.

Coordination: This activity will be coordinated with appropriate local government officials, NGOs representing vulnerable group, MEGA and UNDP project.

2.2.3 Support improved transparency and accountability to citizens, including information dissemination and communication strategies

Vulnerable populations tend to be marginalized from government and lack access to key information and services. Through this information, groups are better able to gain representation and a voice in decision making. The Citizen Assistance Center (CAC) was established to provide such information within a municipality. In Year One SCOPES will focus on sensitizing CAC staff to the needs of vulnerable groups. In conjunction with the training for LED and communal enterprise departments, CAC staff will be invited to participate in a pilot training in one municipality. Further training will be planned for Year Two.

Timeline:

June-July 2007	Develop pilot of sensitivity training on sensitivity to needs of vulnerable groups for local officials.
September 2007	Conduct one pilot training.

External Resources: External local experts required for 20 days (grant).

Intended Results: By the end of Year One, SCOPES will have piloted the sensitivity training for CAC officials in one municipality.

Coordination: This will be coordinated with appropriate local government officials, MEGA and UNDP project in municipality.

2.2.4 Increase access to decision-making processes and services for target populations

In addition to increasing access to information, vulnerable populations need a voice in decision making and articulating community priorities. SCOPES will work both with municipal government and with vulnerable populations to increase their say in how community resources are allocated. This effort will focus primarily on two areas – the local government budget process and public dialog with local government.

Budget Process. Participation in the budget process is key to improving access of vulnerable populations to decision making. SCOPES will assist local governments in expanding budget hearings to include representatives of vulnerable populations. SCOPES will also, through activities detailed in 2.3, assist these groups to prepare to participate and contribute to the budget process.

Public Dialogue. SCOPES will work with municipal governments to expand other public hearings and outreach efforts to include representatives of vulnerable groups. SCOPES will also, through activities detailed in 2.3 assist these groups to prepare to participate and contribute to the budget process.

Timeline:

Timing will depend on local budget and other public hearings and planned accordingly.

External Resources: External local experts required for 15 days (grant to NGO).

Intended Results: By the end of Year One, SCOPES will have worked with local governments to review their public participation mechanisms and expand them to include vulnerable groups. Along with those activities discussed in 2.3.1, this will allow vulnerable groups greater access to decision making bodies and a stronger voice in how economic opportunities expand.

Coordination: SCOPES will coordinate with local governments and MEGA primarily.

2.3 EXPAND BROAD-BASED CIVIC PARTICIPATION.

Civic participation into government processes at any level is not common in Serbia, especially in smaller communities and municipalities. In particular, vulnerable and marginalized people have been excluded from democratic decision-making processes with little if any possibility to participate in determining their futures. This occurred by neglect, rather than by law.

SCOPES' role will be to address this general lack of civic participation in economic development-related decisions at the municipal level by helping to empower their participation through its activities. The ES Team will pay special attention to overcoming the neglect of vulnerable people in civic processes within its targeted municipalities. NGOs and vulnerable people will be involved in decision making and planning processes of SCOPES activities. For example, representatives of targeted vulnerable groups will be named to local economic working groups, which assist ES Team decision making, set priorities and identify opportunities to further involve vulnerable groups. This will address issues of their social inclusion, giving vulnerable people a better sense of belonging, and improve tolerance among different groups, helping minimize the risk of potential conflict. EWGs will broadly publicize government budget hearings to help ensure greater citizen participation in such

important processes. Citizens Advisory Centers can be assisted to better meet the information needs of vulnerable people.

The ES Team also recognizes the central role of civil society organizations (NGOs) in bridging between vulnerable and marginalized people and other parts of society. The team will support participation by vulnerable people in the organization of regional or local events, educative campaigns, etc. that have long-term impact in improving relationships among groups and individuals and will build base for overcoming differences.

Assisting NGO sustainability will be an important role for the ES Team in working NGOs, especially those supporting targeted vulnerable people. That will include identifying how NGOs can successfully partner with local government and building the capacity of members to perform marketable services such as training or surveying.

And finally, the ES Team recognizes the role of the news media in disseminating information in ways that are informative and useful and increase social inclusion and mitigate instability or that are inflammatory and misleading and increase instability. Along with Contingency Planning counterparts, the ES Team will address news media needs to encourage reporting that bridges gaps between communities and plays a positive role during potential disasters.

2.3.1 Implement activities to engage citizens, vulnerable populations, and civil society organizations (including NGOs, business associations, etc.) in local economic development decision-making processes at the municipal level.

The ES Team will support advocacy campaigns, publicize public hearings and prepare citizen groups for greater participation in local governance. For example, vulnerable groups will be encouraged to work with Citizen Assistance Centers to ensure their needs are met. Business associations will be encouraged and supported to influence creation of a better economic environment by suggesting and insisting on changes in appropriate laws and by-laws, budget and investment planning. Business associations will be supported to conduct trade fairs and study tours to link with groups elsewhere and broaden understanding. Advocacy or presentation skills training will help empower participants to find and use their voices.

Timeline:

February 2007	Establish EWGs to include business, NGO, public sector representatives
Ongoing	Continuing process with EWGs to publicize hearings, create open meetings, identify opportunities & methods for citizen input
March 2007	Initiate support for special event planning (trade fairs, festivals, round tables, public hearings), especially by vulnerable groups and others
March 2007	Initiate support to local NGOs
April 2007	Organize/support study tours and trade fairs
May 2007	Offer advocacy or presentation skills training

External Resources: Economic Working Groups and local NGOs, including youth groups, to determine training model. 26 days of local STTA (could be grant to local NGOs) engaged to deliver or organize training.

Intended Results: By the end of Year One, at least one NGO or business association representing vulnerable people will have received advocacy or presentation skills training in each municipality and at least one special event (festival, study tour, trade fair) will have occurred.

Coordination: This activity will need coordination among local NGOs, municipal EWGs, appropriate local government officials and other appropriate projects in a municipality

2.3.2 Promote responsible reporting in the media in order to encourage social inclusion and fairness and avoid aggravating crisis situations.

With counterparts on the Preparedness and Planning Team, the ES Team will identify ways to promote responsible reporting by the news media, especially locally. The media's information needs will be evaluated and an approach to address these developed. Training will be developed and offered through cooperation with the Media Center or similar organization.

Timeline:

February 2007	Identify media info needs; identify STTA/NGO implemented
March	Developed adequate curriculum for media training
April	Begin to conduct initial round of training

External Resources: Grant in equivalent of 10 days of STTA with NGO such as Media Center in Belgrade to design, and 3 days in seven locations to implement the training.

Intended Results: By the end of year one at least 15 reporters will be trained and supported to make realistic and objective presentation of economy and VG problems, pointing on possible solution or mistakes.

Coordination: Coordination with P&P Team, Media Center and other NGOs representing news media, news media outlets (print and broadcast) and USAID media office will be needed.

2.3.3 Support civil society organizations (including NGOs, business associations, and religious groups) through grants or mentoring to better address the obstacles facing vulnerable populations.

NGOs and other civic organization can help to empower vulnerable groups through activities they sponsor and which SCOPES can support. These may include special events for youth, promotional campaigns to encourage voting and advocacy campaigns.

The ES Team will also provide assistance to youth to organize joint regional events (sports, for example) that will lead towards social inclusion of vulnerable groups, better connection among youth of different ethnicities and positively influence their interactions. Technical assistance or training will focus on improving organizational needs of civil society groups.

Throughout its work, SCOPES will continue to seek for opportunities to promote and support opportunities for cross ethnic linkages and further improve capacities of local organizations.

Timeline:

March 2007/ongoing	Work with vulnerable groups organizing events
March 2007/ongoing	Work with local NGOs to establish cross ethnic linkages
June 2007/ongoing	Capacity building of local NGOs (use for outsourcing)

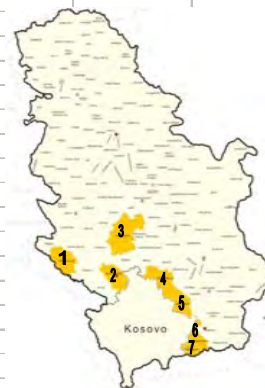
External Resources: Grant in equivalent of 20 days of STTA to improve capacities of local NGOs.

Intended Results: On the end of year one, at least 2 multi-ethnic or cross-border events organized and at least 5 local NGOs organized and/or trained to perform their own capacity building process.

Coordination: Coordination will include local NGOs and associations of specific ethnic groups, youth, local government institutions, and universities as well as appropriate organizations across the borders/boundaries.

OVERLAY OF MUNICIPALITIES, VURNERABLE GROUPS AND VALUE CHAINS

Municipalities		Vulnerable Groups									
		IDP's			Poor				Youth		
		Roma	Unemployed	Women	Chronically Unemployed	Redundant Workers	Rural	Marginalized Women	HS Students	Unemployed	Women
Potential Sub Sector Training and Technical Assistance	Livestock						1234567	4		2 4 67	
	Medicinal and Aromatic Plants	5	45	45	5	5	1 45	1		1	
	Tourism			23 6	1234 67	1		123 567	1234567	1234567	12 5
	Dairy Processing						123 7			2 7	
	Vegetables		3				3 7	7		7	
	Fruit Growing						1234				
	Forest Fruits	5	45	45	5		45	5		5	
	Fruit Processing		3	3	123	1 3	123	23			
	Handicrafts	3 56	235					123 7	1	1 3	123
	Shoes		2	2	2	2		2	2	2	2
	Apparel		2	2	2	2		2	2	2	2
	Wood Processing										
Light Manufacturing	3	3		3	3		3	3	3	3	
Business Skills	Vocational	234 6	23456	23456	1234567	123456	1234567	1234567	1234567	1234567	1234567
	Job Skills	234 6	23456	23456	1234567	123456	1234567	1234567	1234567	1234567	1234567
	IT Training	23		23	1234567				1234567	1234567	1234567
	Marketing and Promotion			23							
	Business Skills	234 6	23456	23456	1234567	123456	1234567	1234567	1234567	1234567	1234567
Other Actors	USAID	CHF - CRDA E									
		Mercy Corps - CRDA E	x	x		x					
		SEDP	x	x	x	x	x	x	x		
		ACDI Voca - CRDA E			x						
	International	UNDP	x	x	x		x	x	x		
		German			x		x	x	x		
		Swiss			x						
		Luxemburg				x					
		UNHCR			x	x					
		Red Cross			x	x					
		UN Habitat			x	x					
	World Bank			x							
	Government of Serbia	NES	x	x	x	x	x	x	x		
		Coordinating Body					x	x	x		
		Economic Team for S Serbia					x	x	x		
		Rep Development Fund	x	x	x	x	x	x	x		
		Social Innovation Fund				x	x				
	Rep Ag and SME Dev						x				



YEAR 1 - RESOURCE REQUIREMENTS ECONOMIC SECURITY COMPONENT				
	Days of Local STTA	Days of Int'l STTA	Study Tour	Notes
2.1 Expand Economic Opportunities in Vulnerable Areas				
2.1.1	0	0	0	No additional external resources needed
2.1.2	0	0	0	If resources are available, local STTA will be engaged for research on additional sub-sectors, 15 days per sub sector, 7 sub-sectors.
2.1.3	85	10	0	Local STTA for 85 days and international for 10 days in assist in the assessment, preparation and implementation of activities
2.1.4	119	45	6	Local STTA totaling 119 days and international TA totaling 45 days to develop and implement training programs. Six study tours will be organized.
2.1.5	160	105	14	Local STTA for 160 days for training and TA in two sections, 105 days for international STTA to support the program, 2 study tours per municipality.
2.1.6	0	10	0	10 days international incubator mgt
2.2 Improve Local Government Response to Community Needs				
2.2.1	0	0	0	No external resources required
2.2.2	0	18	0	One international expert for 18 days on serving vulnerable groups
2.2.3	0	0	0	No external resources needed
2.2.4	0	0	0	No external resources needed
2.3 Expand broad-based civic participation				
2.3.1	0	0	0	No external resources needed
2.3.2	0	0	0	No external resources needed
2.3.3	0	0	0	No external resources needed
Total	364	188	20	

PROPOSED TIMELINE		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Project Activities		M1	M2	M3	M4	M5	M6	M7	M8	M9
2.1 Expand Economic Opportunities in Vulnerable Areas										
2.1.1 Develop program strategy for each municipality	Establish Geographic Focus									
	Define Vulnerable Groups									
	Identify Industry subsectors									
2.1.2 Conduct competitiveness assessment	Identify Value Chains									
	Meet with partners to identify initial VCs									
	Select initial VCs for "quick start"									
	Conduct additional VC analysis as needed									
2.1.3 Develop strategies for SME and job growth	Promote SCOPES at municipal level									
	Conduct site visits - meeting with key partners									
	Presentations to key partners									
	Assess existing EEE/MEC - per municipality									
	Establish means for community input									
	Assess existing EEE/MEC - per municipality									
	Brief on SCOPES and approach									
	Gain input for sector selection									
	Gain input on VG market integration									
	Select initial sub sectors - per municipality									
	Establish selection criteria for business participation									
	Gain input from EWG									
	Develop firm level approach									
	Conduct business plan competition to 'jump start' program									
	Conduct training, establish criteria									
	Promote competition									
	Evaluate, select business plans to support									
	Develop initiatives with winners									
	Sign MOUs with winners									
	Identify suppliers - supply gaps									
	Target VG for participation - geography									
	Gain input from EWG									
	Work with village level bodies to identify participant groups									
	Present SCOPES objectives									
	Formalize relationship with supplier groups									
	Develop supplier group strengthening approach									
	Assess supplier needs/capacity									
Assess current level of integration										
Develop "outside the chain" integration approach										
Assess worker needs/capacity										
Assess other economic opportunities										
Assess training options										

	Develop Grants Program										
2.1.4 Develop marketable skills	Define targeted VGs per municipality										
	Support Job skills training										
	Review needs										
	Review training options										
	Revise curriculum										
	conduct training										
	Identify training Expansion opportunities										
	Support Internship/Apprenticeships										
	Work with firms to identify needs										
	Identify appropriate schools/partners										
	Help to establish appropriate programs										
	Support creation or expansion of youth entrepreneurship programs										
	Identify school partners										
	Review models										
	Revise models										
	Support implementation of programs										
	Support IT Training										
	Identify needs and existing capacity										
	Identify trainers										
	Refine training curriculum										
	conduct training										
	Support training expansion										
	Support Vocational Training										
	Identify needs and existing capacity										
	Work with high schools to refine curriculum										
	Work with Republic institutions to refine curriculum										
	Work with other existing training orgs										
	conduct training										
	Support training expansion										
	Support informal training for existing supplier groups										
	Identify small scale producers										
	Identify marketable product or service										
	Provide training on product marketing										
	2.1.5 Provide support to SMEs	Disseminate SCOPES sector analyses/market									
Offer training and TA on production											
Quality Improvement TA											
Production Improvement TA											
Production Improvement/New Product Development											
Standards/Certification											
Supplier Relations											
Offer training and TA on Business Skills											
Negotiation											
Management & supervision											
HR											
Financial											
Development of Associations/Coops											
Offer communications training											
Marketing											
Business Promotion											
Apprenticeship/Internships											

2.1.6 Develop PPPs	Support Municipal level EWG												
	Provide Companies in Privatization info on Worker support plans												
	Support other PPPs												
	Festivals/special events												
	local/regional Trade fairs												
	apprenticeships/internships												
	Incubators												
2.2 Improve Local Government Response to Community Need													
2.2.1 Build LG capacity	Support participatory bodies												
	Support Municipal level EWG												
	Engage village level bodies												
2.2.2 Improve LG service provision	Strengthen LG Offices												
	Develop sensitivity training												
	Pilot sensitivity training												
2.2.3 Support LG transparency	Improve CAC Capacity												
	Develop sensitivity training												
	Pilot sensitivity training												
2.2.4 Increase participation	Increase Access to Participatory Mechanisms												
	Improve participation in Budget process												
	Improve other arenas for public dialogue												
2.3 Expand broad-based civic participation													
2.3.1 Increase participation in decision making	Support municipal level EWG												
	Provide advocacy training to local groups												
2.3.2 Promote responsible media	Develop curriculum with Media Center												
	Coordinate with Component 1												
	Conduct training												
2.3.3 Support CSOs	Support vulnerable groups in organizing events												
	Support opportunities for cross ethnic linkages												
	Build capacity of local organizations												

APPENDIX A – PROPOSED VALUE CHAIN METHODOLOGY:

Point of Entry: The point of entry into a value chain analyses is crucial in determining from the outset, which activities along the value chain are of pivotal interest.

Mapping the value chain: Requires information about inputs, outputs, output values, destination of sales, flows along the chain, and employment among other relevant factors. Critical exercise, but not the only step in identifying where gaps exist that offer potential for SCOPES clients.

Market Characteristics: Market size and growth of the sub-sector in question are very important in determining how SCOPES clients fit into the value chain, and what their future may be there. Each sub-sector has unique market characteristics including but not limited to market channels and trends and primary actors that contribute to the success of the sub-sector. These characteristics must be documented.

Accessing Final Markets: Includes identifying key buyers and their critical success factors, the dynamics of the buying function, supply chain management issues and supply chain upgrading. Marketing questions are important at this stage of analysis.

Production & Efficiency: Analyzing cost competitiveness, quality of products, satisfaction of customers, capacity to make changes to production, among other factors contributing to the efficiency and production will allow the ES Team to identify future opportunities.

Governance: Refers to relative power any company or firm has in the chain, as well as the rules, laws and regulations that govern the chain. Larger firms obviously have more pull and power along the chain. Likewise, rules, laws and regulations will directly affect the value chain. This is also a crucial element in the process of value chain analysis as it tracks and identifies the forces that govern the chain/ sub-sector in question.

Gaps & Opportunities in the Value Chain: Identifying opportunities or gaps in the value chain can open up prospects for future SCOPES clients, such as:

- Improvements of process (i.e. R&D, changes in logistics)
- Improvements in product (i.e. marketing, design)
- Changing functional positions (i.e. outsourcing low value-added activities)
- Moving out of the value chain and into a new one

Income Distributional Issues: As distribution issues and the returns to different groups are of concern to SCOPES programming, analyzing the distribution of income in the value chain is also of great importance.

Producing Value Chain Reports

Significant desk and field research is conducted to gather information for the analysis, including visiting companies in the field, as well as collecting data about output values, customers, imports and exports among other factors. It will also be important to collect data from previous years, as it will give the analysis a picture of the trajectory of change over the years. After the research has been completed, synthesis and analysis of the data and information will begin. The final analyses offer firms, local and regional economic development agencies, and others insight into the potential for economic growth.

APPENDIX B: SCOPES Performance Monitoring Plan

APPENDIX B: “ECONOMIC SECURITY” COMPONENT PERFORMANCE MONITORING PLAN

Work plan Impact and Monitoring Indicators summary for FY 2007

Activity	Deadline:	Impact Indicators:
IR 2.11.1	TBD	Instability reduced (survey)
2.1	September	120 micro enterprises participating in USG assisted value chain (300 in FY 2008)
2.1	September	200 micro enterprises receiving business development services from USG assisted sources (400 in FY 2008)
2.1	September	Micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain (100 in FY 2008)
2.2	September	2 Local Economic Development offices established
2.3	September	Public/private partnerships created

Category:	Deadline:	Monitoring Indicators:
2.1.1	January	Develop strategy for improving economic security in municipalities
2.1.2	January	Identify 7 initial sub-sectors/ value chains (at least one per municipality)
	February	Launch 2 business plan competitions to “jump start” program
	March	Sign MOUs with at least one partner in each municipality
	April	Assess specific needs of vulnerable people related to selected value chains
2.1.3	May	75% of business plan competition winners sign assistance agreements
	September	100 grants awarded Grants awarded valued at \$750,000
2.1.4	September	100 people receive training in improving business related skills Schools and firms participate in organizing training programs 20 companies receive technical assistance and training aimed at improving their business performance
2.1.5	September	20 supplier groups receive technical assistance and training aimed at improving their business performance Internship programs organized in 7 companies, involving 40 interns
2.1.6	September	7 civil groups participate in SCOPES activities and received training in advocacy 10 special events supported throughout SCOPES AOR
2.2.1	March	Appropriate entity representing local communities identified in each municipality
2.2.2	September	1 piloted sensitivity training for local economic development and communal enterprise officials, for addressing the needs of

APPENDIX B: SCOPES Performance Monitoring Plan

vulnerable groups

Category:	Deadline:	Monitoring Indicators:
2.2.3	September	1 piloted sensitivity training for CAC staff, for addressing the needs of vulnerable groups
2.3.1	September	One NGO or business association representing vulnerable populations in each municipality received training in advocacy or presentation skills One special event targeting vulnerable people and organized by civic groups is supported in each municipality
2.3.2	September	15 reporters trained and supported to work on economy and issues related to vulnerable people 2 multi-ethnic or cross-border events supported
2.3.3	September	5 NGOs organized and trained to perform capacity building processes

Development Alternatives, Inc. (DAI) is pleased to submit this Performance Monitoring Plan (PMP) for the Serbian Contingency Planning and Economic Security (SCOPES) Project. This plan covers indicators for Component II, Economic Security, including short-term results and long-term impact measured through routine monitoring and periodic evaluations. The plan provides some illustrative indicators that will be developed further in conjunction with USAID; once indicators are jointly agreed, Performance Indicator Reference Sheets (PIRS) will be developed for relevant indicators.

This is a detailed plan for data gathering, analysis, and reporting to USAID and other stakeholders (where appropriate). Specifically, it is designed to:

- Provide a regular flow of information to management, to address potential issues and celebrate successes
- Measure preliminary results, to provide insights into the project's progress in creating an environment to support sustainable change at the Intermediate Results and Strategic Objective level
- Provide information to USAID regarding the progress towards Intermediate Results and the Strategic Objective

Information gathered through this system will not only provide integral data to inform management functions, but also will provide timely insights into the progress towards stated programmatic objectives.

This Performance Monitoring Plan is organized in the following sections:

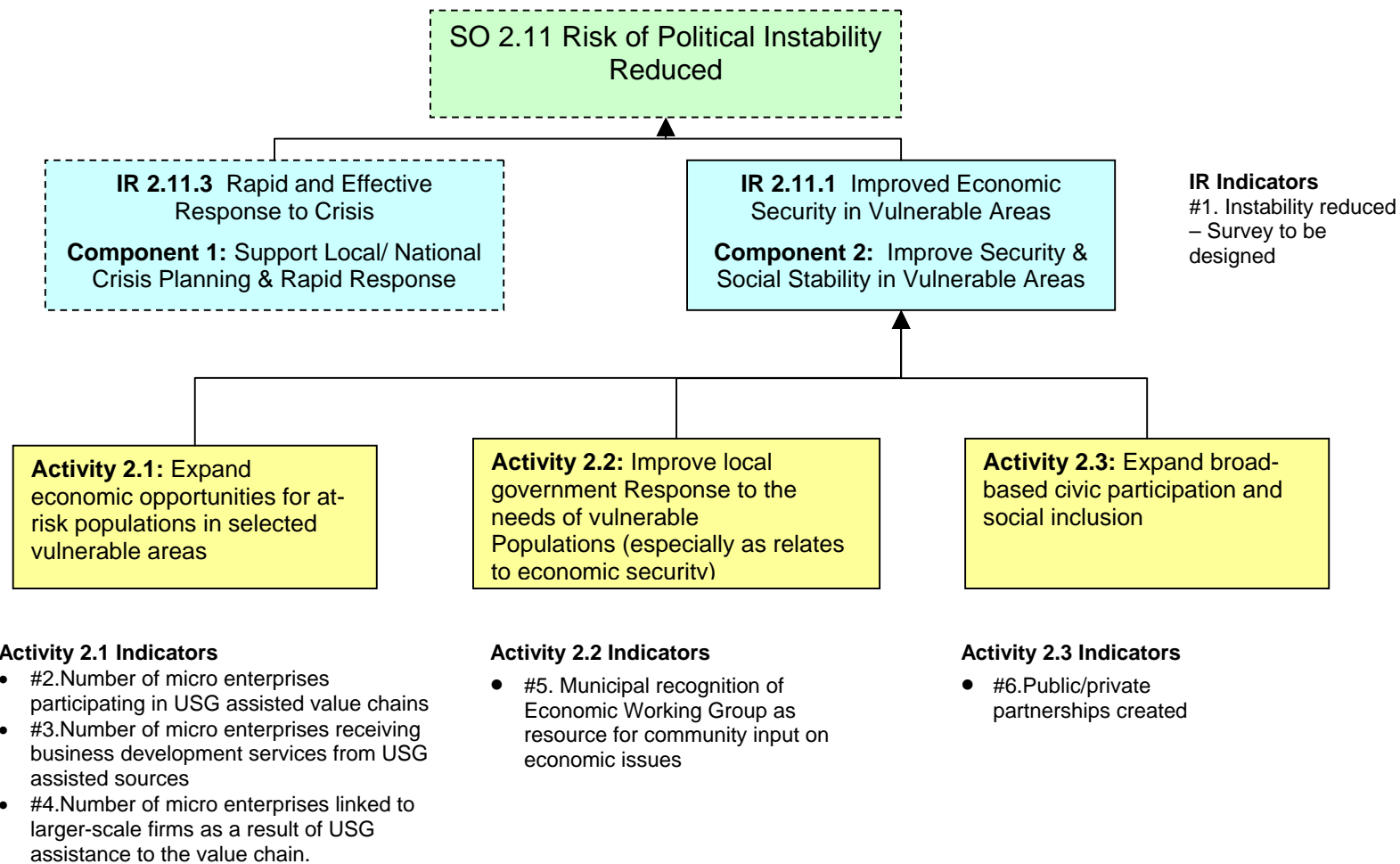
Results Framework and Impact Indicators indicates key program outcomes within the contexts of USAID strategic objectives and intermediary results and lists the main program indicators.

Performance Indicators Reference Sheets is the in depth representation of the main program indicators - the principal outcome indicators of the program, enabling USAID and SCOPES team to ascertain to what extent the program reached its goals and how they are reflected in the strategic objective: Reducing the risk of political instability, through the Economic Security strengthening activities. The main indicators provide information about creation of new jobs, new micro enterprises and the local development offices and public and private partnerships where special attention is paid to vulnerable groups covered: Poor, IDP and Youth.

Performance Data Table shows the main program indicators targets and actual results throughout the live of program in the tabular form.

Performance Monitoring Indicator Table represent monitoring indicators which purpose is to track the accomplishment of tasks what were specified in detail in the Work plan of the Economic security component developed in accordance with the SCOPES Scope of Work. These monitoring indicators help tracking of the targets set in the Work plan and provide an early warning system to timely identify the potential problems in the execution of the set tasks that may hinder the overall outcome and impact of the program.

The monitoring indicators are captured in the real time (latest by 10th in month for previous one) where each team member has the responsibility to collect program outputs and record them in the DAI TAMIS management system, making the available to USAID over the web for insight into the projects, activities, results and impact.



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PERFORMANCE INDICATOR REFERENCE SHEETS, EVALUATION

SCOPES Performance Indicator Reference Sheet	
Strategic Objective 2.11: Risk of Political Instability Reduced	
Intermediate Result 2.11.1: Improved Economic Security in Vulnerable Areas	
Indicator 1: Instability reduced (survey)	
Linkage to USAID Program Component: Economic Security	
Is this a USAID Annual Report indicator? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> , for Reporting Year(s) 2007-2011	
DESCRIPTION	
Precise Definition(s): Based on a number of attitude surveys, this one aims to provide a valuable information on vulnerable groups perceptions on their status in Serbia, their optimism in future, satisfaction with the government assistance, willingness to engage in a economic activities, trust between ethnic groups, safety and their socio economic status.	
Unit of Measure: TBD – tool under development	
Calculation: TBD – tool under development	
Disaggregated by: Age, Gender, Education, Ethnicity, IDP, Employment, Income level	
Activity(ies):	
<ol style="list-style-type: none"> 1. Develop survey. 2. Test survey in sample municipalities 3. Receive approval from USAID 4. Hire an polling agency/organization that would perform the survey 5. Conduct initial assessment of target vulnerable groups and produce report 6. Conduct repeat assessment and produce report 	
Justification & Management Utility: This indicator will establish baseline for attitude toward their current vulnerability and willingness to work and improve the status. It will also provide the data on the impact of SCOPES project activities - the assumption being that the vulnerable groups in the areas of a program assistance will feel more economically secure, improving overall stability.	
PLAN FOR DATA ACQUISITION BY USAID	
Data collection method: Assessment of target vulnerable groups in selected municipalities through a polling agency.	
Data Source: Survey participants.	
Method of data reported to USAID mission: Included as a section of annual report	
Frequency and timing of data reporting to USAID: October	
Estimated Cost of Data Acquisition: TBD. Depending on chosen survey sample, and planned number of municipalities.	
Individual responsible at USAID office: Milan Popovic, CTO	
Individuals responsible for providing data to USAID: Brian Holst, COP	
Location of Data Storage: SCOPES Belgrade Office (original)	
DATA QUALITY ISSUES	
Date of Initial Data Quality Assessment: End of FY 2007	
Known Data Limitations and Significance (if any): -	
Actions Taken or Planned to Address Data Limitations: -	
Date of Future Data Quality Assessments: as a part of mid-term review	
Procedures for Future Data Quality Assessments:	
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING	
Data Analysis: Compare changes in the attitude levels of particular municipalities and target groups across time.	
Presentation of Data: Overall score and narrative to explain the overall scoring and changes in scores over time	
Review of Data: Reviewed following production of index	
OTHER NOTES	
Notes on Baselines/Targets: Baseline = TBD; Target = TBD	
Other Notes (including Data Reporting Table developed by USAID Mission and/or for Subs): -	
PERFORMANCE INDICATOR VALUES	

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Year	Target	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Total	Notes
2007	TBD						
2008	TBD						
2009	TBD						
2010	TBD						
2011	TBD						

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SCOPES Performance Indicator Reference Sheet							
Strategic Objective 2.11: Risk of Political Instability Reduced							
Intermediate Result 2.11.1: Improved Economic Security in Vulnerable Areas							
Activity 2.1 Expand economic opportunities for at-risk populations in selected vulnerable areas							
Indicator 2: Number of micro enterprises participating in USG assisted value chains							
Linkage to USAID Program Component: Economic Security							
Is this a USAID Annual Report indicator? No ___ Yes __ X __, for Reporting Year(s) _____							
DESCRIPTION							
Precise Definition(s): Value chain activities have a goal to offer a customer a level of value that exceeds the cost of the activities, thereby resulting in a profit margin. SCOPES aim to expand the economic opportunities by assisting the identified value chains and to engage as many micro enterprises as possible.							
Unit of Measure: Number							
Calculation: Counting							
Disaggregated by: Sector, Location							
Activity(ies): - Identification of value chains/sub-sectors and possible participants; develop, offer training & technical assistance							
Justification & Management Utility: This indicator represents small entrepreneurs focusing on future opportunities, which indicates increasing economic security in vulnerable areas, as well as new businesses resulting from an increased economic security.							
PLAN FOR DATA ACQUISITION BY USAID							
Data collection method: Activity logs/document reviews							
Data Source: Field offices							
Method of data reported to USAID mission: Tabular form							
Frequency and timing of data reporting to USAID: Semi-Annual, but available in real time as well, through the web-based PMIS							
Estimated Cost of Data Acquisition: N/A							
Individual responsible at USAID office: Milan Popovic, CTO							
Individuals responsible for providing data to USAID: Brian Holst, COP							
Location of Data Storage: SCOPES Offices							
DATA QUALITY ISSUES							
Date of Initial Data Quality Assessment: End of 2007							
Known Data Limitations and Significance (if any): None anticipated							
Actions Taken or Planned to Address Data Limitations: N/A							
Date of Future Data Quality Assessments: Mid-term							
Procedures for Future Data Quality Assessments: N/A							
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING							
Data Analysis: N/A							
Presentation of Data: N/A							
Review of Data: N/A							
OTHER NOTES							
Notes on Baselines/Targets: Baseline = N/A; Target = 300 in FY 2008							
Other Notes (including Data Reporting Table developed by USAID Mission and/or for Subs):							
PERFORMANCE INDICATOR VALUES							
Year	Target	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Total	Notes
2007	120						
2008	300						
2009	N/A						
2010	N/A						
2011	N/A						
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SCOPES Performance Indicator Reference Sheet							
Strategic Objective 2.11: Risk of Political Instability Reduced							
Intermediate Result 2.11.1: Improved Economic Security in Vulnerable Areas							
Activity 2.1 Expand economic opportunities for at-risk populations in selected vulnerable areas							
Indicator 3: Number of micro enterprises receiving business development services from USG assisted sources							
Linkage to USAID Program Component: Economic Security							
Is this a USAID Annual Report indicator? No __ Yes __ X __, for Reporting Year(s) _____							
DESCRIPTION							
Precise Definition(s): Interventions to micro-enterprises are the key to the more efficient supply chains. This indicator captures smaller scale actors which is critical when measuring change among vulnerable populations.							
Unit of Measure: Number							
Calculation: Counting							
Disaggregated by: Sector, Location							
Activity(ies): Assess needs of micro enterprises; offer directly or indirectly appropriate business development services, including training, technical assistance							
Justification & Management Utility: This indicator represents small entrepreneurs moving into the formal sector, which indicates increasing economic security in vulnerable areas, as well as new businesses resulting from an increased economic security.							
PLAN FOR DATA ACQUISITION BY USAID							
Data collection method: Activity logs/document reviews							
Data Source: Field offices							
Method of data reported to USAID mission: Tabular form							
Frequency and timing of data reporting to USAID: Semi-Annual, but available in real time as well, through the web-based PMIS							
Estimated Cost of Data Acquisition: N/A							
Individual responsible at USAID office: Milan Popovic, CTO							
Individuals responsible for providing data to USAID: Brian Holst, COP							
Location of Data Storage: SCOPES Offices							
DATA QUALITY ISSUES							
Date of Initial Data Quality Assessment: End of FY 2007							
Known Data Limitations and Significance (if any): None anticipated							
Actions Taken or Planned to Address Data Limitations: N/A							
Date of Future Data Quality Assessments: Mid-term							
Procedures for Future Data Quality Assessments: N/A							
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING							
Data Analysis: N/A							
Presentation of Data: N/A							
Review of Data: N/A							
OTHER NOTES							
Notes on Baselines/Targets: Baseline = N/A; Target = 400 in FY 2008							
Other Notes (including Data Reporting Table developed by USAID Mission and/or for Subs):							
PERFORMANCE INDICATOR VALUES							
Year	Target	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Total	Notes
2007	200						
2008	400						
2009	N/A						
2010	N/A						
2011	N/A						
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SCOPES Performance Indicator Reference Sheet							
Strategic Objective 2.11: Risk of Political Instability Reduced							
Intermediate Result 2.11.1: Improved Economic Security in Vulnerable Areas							
Activity 2.1 Expand economic opportunities for at-risk populations in selected vulnerable areas							
Indicator 4: Number of micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain.							
Linkage to USAID Program Component: Economic Security							
Is this a USAID Annual Report indicator? No ___ Yes __ X __, for Reporting Year(s) _____							
DESCRIPTION							
Precise Definition(s): For the business to become more competitive, expand into new markets and increase employment, they need a consistent supply of inputs that meet its specifications and are provided in a timely and cost-effective way. SCOPES aims to assist such large-scale firms creating new links between micro enterprises and them, forming a strong value chain.							
Unit of Measure: Number							
Calculation: Counting							
Disaggregated by: Sector, Location							
Activity(ies): Assess capacities of micro enterprises in supply groups; provide assistance to improve; identify opportunities to supply larger firm at "higher" place in value chain and help make connections.							
Justification & Management Utility: This indicator represents small entrepreneurs moving toward the formal sector, which indicates increasing economic security in vulnerable areas, as well as new businesses resulting from an increased economic security.							
PLAN FOR DATA ACQUISITION BY USAID							
Data collection method: Activity logs/ document reviews							
Data Source: Field offices							
Method of data reported to USAID mission: Tabular form							
Frequency and timing of data reporting to USAID: Semi-Annual, but available in real time as well, through the web-based PMIS							
Estimated Cost of Data Acquisition: N/A							
Individual responsible at USAID office: Milan Popovic, CTO							
Individuals responsible for providing data to USAID: Brian Holst, COP							
Location of Data Storage: SCOPES Offices							
DATA QUALITY ISSUES							
Date of Initial Data Quality Assessment: End of FY 2007							
Known Data Limitations and Significance (if any): None anticipated							
Actions Taken or Planned to Address Data Limitations: N/A							
Date of Future Data Quality Assessments: Mid-term							
Procedures for Future Data Quality Assessments: N/A							
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING							
Data Analysis: N/A							
Presentation of Data: N/A							
Review of Data: N/A							
OTHER NOTES							
Notes on Baselines/Targets: Baseline = N/A; Target = 100 in FY 2008							
Other Notes (including Data Reporting Table developed by USAID Mission and/or for Subs):							
PERFORMANCE INDICATOR VALUES							
Year	Target	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Total	Notes
2007	0						
2008	100						
2009	N/A						
2010	N/A						
2011	N/A						
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SCOPES Performance Indicator Reference Sheet							
Strategic Objective 2.11: Risk of Political Instability Reduced							
Intermediate Result 2.11.1: Improved Economic Security in Vulnerable Areas							
Activity 2.2: Improve local government Response to the needs of vulnerable Populations (especially as relates to economic security)							
Indicator 5: Municipal recognition of Economic Working Group as resource for community input on economic issues							
Linkage to USAID Program Component: Economic Security							
Is this a USAID Annual Report indicator? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> , for Reporting Year(s) _____							
DESCRIPTION							
Precise Definition(s): SCOPES will work on having EWG formally recognized by the municipality as a resource for community input on economic issues. EWG will be empowered to better understand and represents the needs of vulnerable population in front of local government and other actors. EWGs may play the role of advisory boards, participatory mechanisms, or formal municipal body.							
Unit of Measure: Number of Economic Working Groups							
Calculation: Counting							
Disaggregated by: Municipality							
Activity(ies):							
<ol style="list-style-type: none"> 1. Ascertain Economic Working Groups represent interests of vulnerable population 2. Municipal officials understanding of necessity of community input to economic issues 3. Working on establishing the linkages between EWG and Municipality and formal recognition of EWG as the vehicle of community input 							
Justification & Management Utility: Having EWG recognized as a resource in economic issues, Local Government will better realize and understand the needs of the vulnerable population. SCOPES will help overcome the disconnect between vulnerable people and the decision-making processes within municipality.							
PLAN FOR DATA ACQUISITION BY USAID							
Data collection method: Activity logs/ document reviews							
Data Source: Field offices							
Method of data reported to USAID mission: Tabular form							
Frequency and timing of data reporting to USAID: Semi-Annual, but available in real time as well, through the web-based PMIS							
Estimated Cost of Data Acquisition: N/A							
Individual responsible at USAID office: Milan Popovic, CTO							
Individuals responsible for providing data to USAID: Brian Holst, COP							
Location of Data Storage: SCOPES Offices							
DATA QUALITY ISSUES							
Date of Initial Data Quality Assessment:							
Known Data Limitations and Significance (if any): N/A							
Actions Taken or Planned to Address Data Limitations: N/A							
Date of Future Data Quality Assessments: Not known							
Procedures for Future Data Quality Assessments: N/A							
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING							
Data Analysis:							
Presentation of Data:							
Review of Data:							
OTHER NOTES							
Notes on Baselines/Targets: N/A							
Other Notes (including Data Reporting Table developed by USAID Mission and/or for Subs):							
PERFORMANCE INDICATOR VALUES							
Year	Target	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Total	Notes
2007	2						
2008	N/A						
2009	N/A						

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2010	N/A						
2011	N/A						
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SCOPES Performance Indicator Reference Sheet							
Strategic Objective 2.11: Risk of Political Instability Reduced							
Intermediate Result 2.11.1: Improved Economic Security in Vulnerable Areas							
Activity 2.3: Expand broad-based civic participation and social inclusion							
Indicator 6: Public/private partnerships created							
Linkage to USAID Program Component: Economic Security							
Is this a USAID Annual Report indicator? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> , for Reporting Year(s) _____							
DESCRIPTION							
Precise Definition(s): Membership of public/private partnerships will include business owners, local government officials, leaders of NGOs, representatives of vulnerable groups and others interested in a municipality's economic development.							
Unit of Measure: Number							
Calculation: N/A							
Disaggregated by: Municipality							
Activity(ies):							
4. Forming Public/Private Partnerships							
5. Working on local needs and priorities.							
6. Working on gaining input on sub-sector selection and vulnerable groups market integration.							
Justification & Management Utility: By involving vulnerable people in public/private partnerships that include a broad spectrum of local actors, SCOPES will help overcome the disconnect between targeted vulnerable people and the mainstream and improve their social inclusion. Creation of public/private partnerships will address the general lack of civic participation in economic development-related decisions at the municipal level. Representatives of targeted vulnerable groups will be named to local economic working groups, which assist ES Team decision making, set priorities and identify opportunities to further involve vulnerable groups.							
PLAN FOR DATA ACQUISITION BY USAID							
Data collection method: Activity logs/ document reviews							
Data Source: Field offices							
Method of data reported to USAID mission: Tabular form							
Frequency and timing of data reporting to USAID: Semi-Annual, but available in real time as well, through the web-based PMIS							
Estimated Cost of Data Acquisition: N/A							
Individual responsible at USAID office: Milan Popovic, CTO							
Individuals responsible for providing data to USAID: Brian Holst, COP							
Location of Data Storage: SCOPES Offices							
DATA QUALITY ISSUES							
Date of Initial Data Quality Assessment:							
Known Data Limitations and Significance (if any): N/A							
Actions Taken or Planned to Address Data Limitations: N/A							
Date of Future Data Quality Assessments: Not known							
Procedures for Future Data Quality Assessments: N/A							
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING							
Data Analysis:							
Presentation of Data:							
Review of Data:							
OTHER NOTES							
Notes on Baselines/Targets: N/A							
Other Notes (including Data Reporting Table developed by USAID Mission and/or for Subs):							
PERFORMANCE INDICATOR VALUES							
Year	Target	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Actual Total	Notes
2007	10						
2008	N/A						
2009	N/A						

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2010	N/A						
2011	N/A						
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PERFORMANCE DATA TABLE

The following table presents the main project indicators and the targets for each year of SCOPES implementation. In many areas, baseline information has not yet been gathered, and so specific targets cannot yet be identified. Targets for these areas are marked as "TBD," and are currently anticipated to be set when the FY 2007 Work Plan is developed.

PERFORMANCE INDICATOR			BASELINE DATA		2007		2008		2009		2010		2011	
			(FY)		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Indicator	Unit of Measure	Disaggregation	Baseline Year	Baseline Value	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011
Instability reduced (survey)	TBD – tool under development	Age, Municipality, Education	2006	TBD	TBD		TBD		TBD		TBD		TBD	
Activity 2.1 Number of micro enterprises participating in USG assisted value chains	Number	Municipality	2006	0	120		300		TBD		TBD		TBD	
Activity 2.1 Number of micro enterprises receiving business development services from USG assisted sources	Number	Municipality	2006	0	200		400		TBD		TBD		TBD	

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PERFORMANCE INDICATOR			BASELINE DATA		2007		2008		2009		2010		2011	
Indicator	Unit of Measure	Disaggregation	(FY)		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
			Baseline Year	Baseline Value	2007	2007	2008	2008	2009	2009	2010	2010	2011	2011
Activity 2.1 Number of micro enterprises linked to larger-scale firms as a result of USG assistance to the value chain.	Number	Municipality	2006	0	0		100		TBD		TBD		TBD	
Activity 2.3 Public/private partnerships created	Number	Municipality	2006	N/A	10		TBD		TBD		TBD		TBD	

PERFORMANCE MONITORING INDICATOR TABLE

The table below includes only those indicators that will be monitored in conjunction with the duration of particular tasks or sub-tasks. All other indicators are presented in the PIRS listed above. Data gathered on these indicators will be collected and entered into a Data Management Database⁶ on a monthly basis while interventions are ongoing, and presented to USAID as a part of semi-annual reports. SCOPES staff will use its best efforts to update the database continuously, with the a deadline of the 10th day of the following month to close out data from the previous month.

Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
Activity 2.1: Expand Economic Opportunities in Vulnerable Areas							
Task 2.1.1. For each target municipality, determine and implement the most effective program strategy for increasing economic security of vulnerable populations.							
Number of target municipalities with the most effective program strategy defined	Most effective program strategy is the primary vehicle for promoting economic security for targeted vulnerable groups.		Number		Project records	Project staff will collect and report on this data after the selection of new target municipalities.	Baseline = 0 Target =7
Task 2.1.2: Determine key sectors for program intervention through conducting competitiveness and livelihood analyses or using other appropriate analyses in target areas.							
Number of initial sub-sectors/value chains defined	Market integration approach comprises of identifying the relevant industry sub-sectors for this part of Serbia, and the value adding chains that will contribute to the		Number		Project records	Project staff will collect and report on this data after finishing identification.	Baseline = 0 Target = 7

⁶ The framework for **data management** will include a customizable, web-based system using the DAI's web-based Technical and Administrative Management Information System (TAMIS). This specially designed tool will include a "Performance Management Plan" section and a Workplan monitoring section that will track the achievement of SCOPES milestones and performance indicators – based on near real-time data. The SCOPES data management system will be accessible to DAI project managers in the home and field office, and can also provide to USAID/Serbia with timely information on work plan management, project administration, and impact and performance monitoring. By closely integrating customized modules for each project function, this data management system will allow project staff to reduce the administrative overhead of implementation and to maximize the impact of technical assistance.

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Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
	supply chains, companies being assisted and their distribution networks						
Number of business plan competitions to "jump start" program	Each business plan competition will be widely promoted and cover region of several municipalities. It will include submission of a concept paper or feasibility study and submission of a business plan by participating entrepreneurs.	Use of a business plan competition helps increase visibility of SCOPES, providing a vehicle for telling its story of helping	Number	Municipality	Project records	Project staff will collect and report on this data based on the competition events	Baseline = 0 Target = 2
Task 2.1.3: Develop appropriate strategies to promote the growth of small, medium and micro-enterprises that would create jobs for and improve the economic security of vulnerable populations							
Number of Partners with MOU signed	Key partners in the municipalities include municipal governments, NGOs, youth groups, vocational high schools, business associations and other	Because transparency is critical to ensure SCOPES' assistance mitigates instability, the ES staff will work quickly to ensure stakeholders at the local level understand the program mechanisms.	Number	Municipality, organizational type	Project records	Project staff will collect and report on this data upon the MOU signing.	Baseline = 0 Target = 7 (at least one per municipality)
Percentage of business plan competition winners receiving assistance	The ES Team and SME receiving direct assistance will formalize their relationship in assistance agreement that outlines roles and responsibilities, including the firms' responsibility to provide monitoring information necessary to SCOPES and its willingness to	Aspiration is that as many business competition winners sign the assistance agreement	Percentage	Municipality	Project records	Project staff will collect and report on this data based on the assistance agreement signed.	Baseline = 0 Target = 75%

SCOPES Performance Monitoring Plan

Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
	incorporate vulnerable people when expanding its workforce and/or suppliers.						
Number of grants	Grant program consist of application, review and approval process, eligible activities, the percentage of a proposed activity that a grant may cover, whether the grant reimburses a grantee expenditure or pays directly for an activity and other key guidance. A business plan for the proposed activity will be required, regardless of the civil status of a potential grantee.	Grants Program is important tool to support related and priority initiatives that directly benefit one or more vulnerable groups or sub-groups and are consistent with the market integration model.	Number	Grant type: 1. Micro enterprises, 2. SMEs 3. Associations and cooperatives, 4. Training providers, 5. Business providers, municipalities & NGOs, 6. Economic Working Groups	Project records	Project staff will collect and report on this data upon the grant approval	Baseline = 0 Target = 100
Value of grants	Ibid	Ibid	USD	Ibid	Project records	Project staff will collect and report on this data upon the grant approval	Target = \$750,000
Task 2.1.4: Develop marketable skills among workers, especially from vulnerable populations, through the support of appropriate training programs.							
Number of people receiving training in improving business related skills	The set of trainings will combine formal training, vocational training, on the job training and internships/apprenticeships, all according to identified needs.	Developing and/or improving marketable skills are of great importance to vulnerable people for two key reasons: for securing their basic needs, such as employment, regular income, secure shelter, and second, it can help them to move into mainstream society, which can decrease their probability to be victims or initiators of conflict and	Number	Vulnerable Groups	Training records	Project staff will collect and report on this data as training events occur.	Baseline = 0 Target = 100

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Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
		instability.					
Number of educational and business entities participating in organizing training programs	ES Team will identify companies that are ready and willing to implement or upgrade internship and apprenticeship programs and, therefore, improve and secure future skilled labor for the company. On the other side, ES Team will identify technical schools interested in cooperating with these companies and students interested in acquiring new skills.	One of the biggest problems for graduates entering a job market is a lack of practical experience. This problem equally affects employers, as they have to spend a lot of time in training new workers. SCOPES ES Team will work directly with companies and schools to develop and support the best model for improving internships and apprenticeships. Students, new graduates, unemployed workers will be targeted for these programs in cooperation with institutions such as NES and local firms.	Number	Schools, businesses	Project records	Project staff will collect and report on this data as training events occur.	Baseline = 0 Target = 3
Task 2.1.5: Provide support to local businesses, financial institutions, cooperatives, and agricultural or other economic associations							
Number of companies receiving technical assistance and training aimed at improving their business performance	Training and technical assistance on production addresses quality, processes, products, standards and certifications, and supplier relations to help lead firms improve their competitiveness and supplier groups to better meet market requirements.	Whether a producer or supplier, meeting market requirements on quality is essential to sustainability and long-term growth. Processing companies and manufacturers often need to implement higher quality standards to tap into new markets. Supplier groups need to ensure consistent quality and quantity of inputs to their markets.	Number	Technical assistance, training	Project records	Project staff will collect and report on this data based on the technical assistance and training events	Baseline = 0 Target = 20
Number of supplier groups receiving technical assistance and	Ibid	Ibid	Number	Technical assistance, training	Project records	Project staff will collect and report on this data based on the technical	Baseline = 0 Target = 20

SCOPES Performance Monitoring Plan

Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
training aimed at improving their business performance						assistance and training events	
Number of companies with internship programs	SCOPES ES Team will work directly with companies and schools to develop and support best model to improve internships & apprenticeships. Students, new graduates, unemployed workers will be targeted for these programs in cooperation with institutions such as NES and local firms.	One of the biggest problems for graduates entering a job market is a lack of practical experience. This problem equally affects employers, as they have to spend a lot of time in training new workers.	Number		Project records	Project staff will collect and report on this data as internship program starts.	Baseline = 0 Target = 3
Number of interns in internship programs	Target audiences for internships & apprenticeships are vocational school students, unemployed youth, and redundant & unemployed workers.	Ibid	Number	Students, unemployed persons	Project records	Project staff will collect and report on this data as internship program ends.	Baseline = 0 Target = 10
Number of new jobs created	Business growth activities will contribute to opening new jobs	Increasing jobs in vulnerable municipalities and among vulnerable groups is a critical factor in improving economic security.	Number	Municipality, sector	Project records	Project staff will collect the figures after businesses report the assistance impact.	Baseline = 0 Target = 150
Increase sales in firms supported	Increase sales represent a change in volume of sales attributed to the business support provided by the SCOPES program	Increased sales will contribute to higher wages of workers, including the ones that were members of vulnerable groups.	USD	Municipality, sector	Project records	Project staff will collect the figures after businesses report the assistance impact.	Baseline = 0 Target = 0
Task 2.1.6: Develop public/private partnerships to promote local economic development							

SCOPES Performance Monitoring Plan

Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
Number of civil groups participated in SCOPES activities and received training in advocacy	Advocacy is the pursuit of influencing outcomes – including public-policy and resource-allocation decisions within political, economic, and social systems and institutions - that directly affect people's lives.	Advocacy skills will provide better environment for business development and integration of vulnerable groups into mainstream society.	Number	Municipality	Project records	Project staff will collect and report on this data based on the training events.	Baseline = 0 Target = 7
Number of special events supported throughout SCOPES AOR	Special events include festivals and trade fairs. The ES Team will identify innovative ways to enhance existing events to support local businesses, mainstreaming of vulnerable people and capacity building of local entities. The team will support creation of new events, especially those involving vulnerable groups such as youth.	Special events connect people within a municipality, region and nation to each other.	Number	Municipality	Project records	Project staff will collect and report on this data following the events	Baseline = 0 Target = 7 (one per municipality)
Activity 2.2 Improve Local Government Response to Community Needs							
Task 2.2.1: Build local government capacity to support improved economic opportunities							
Number of Municipalities with appropriate entity representing local communities identified	Entity is a body where the needs of vulnerable groups can be raised, discussed and advocated is necessary. This body must be recognized by the local government and include the participation of local government, the business community and	Many of vulnerable groups may not be represented in local government. Their representation in a body recognized by the local government will help their voice be heard.	Number	Municipality	Project records	Project staff will collect and report on this data after the formation of the entity	Baseline = 0 Target = 3

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	representatives of vulnerable populations.						
Task 2.2.2: Improve capability in local government to provide citizen services, particularly to vulnerable populations							
Number of Municipalities with staff received training and TA on improving capacities to serve vulnerable people	The objective of this training/TA will be to increase the sensitivity of municipal government officials to vulnerable groups and to promote coordination and leverage municipal resources for SCOPES activities.	More sensitive local government to the needs of vulnerable groups will enhance the social inclusion of such population.	Number	Municipality	Project records	Project staff will collect and report on this data after the completion of TA and training events.	Baseline = 0 Target = 0
Task 2.2.3: Support improved transparency and accountability to citizens, including information dissemination and communication strategies							
Number of Municipalities with capacities of existing CAC assessed	To improve vulnerable groups' access to information SCOPES will work with municipal governments to expand the existing Citizen Assistance Centers (CACs). The objective will be to sensitize CAC staff to the needs of vulnerable groups and adapt the CAC model to better serve these populations.	CAC needs to be accessible to all citizens without discrimination. Vulnerable population could have some obstacles in using the services, and such are needed to be identified and addressed.	Number	Municipality	Project records	Project staff will collect and report on this data based on the completed assessment.	Baseline = 0 Target = 7
Activity 2.3 Expand broad-based civic participation							
Task 2.3.1: Implement activities to engage citizens, vulnerable populations, and civil society organizations (including NGOs, business associations, etc.) in local economic development decision-making processes at the municipal level.							
Number of NGO or business association representing vulnerable populations receiving	The ES Team will support advocacy campaigns, publicize public hearings and prepare citizen groups for greater participation in local governance	Advocacy and presentation skills will enable the vulnerable group's voice to be heard better.	Number	Municipality	Project records	Project staff will collect and report on this data based on training events.	Baseline = 0 Target = 7 (at least one per municipality)

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training in advocacy or presentation skills							
Number of special events targeting vulnerable people and organized by civic groups	SCOPES will initiate support for special event planning (trade fairs, festivals, round tables, public hearings), especially by vulnerable groups and others.	Special events are to show that vulnerable populations exists and that society can do something to address their needs.	Number	Municipality	Project records	Project staff will collect and report on this data based on special events	Baseline = 0 Target = 7 (one per each municipality).
Task 2.3.2 Promote responsible reporting in the media in order to encourage social inclusion and fairness and avoid aggravating crisis situations							
Number of reporters trained and supported to work on economy and issues related to vulnerable people	ES Team will identify ways to promote responsible reporting by the news media, especially locally.	Media reporters can contribute a lot to public understanding of the needs of vulnerable groups, their social inclusion and improvement of the local government assistance.	Number	Municipality	Project records	Project staff will collect and report on this data based on training events	Baseline = 0 Target = 15
Task 2.3.3 Support civil society organizations (including NGOs, business associations, and religious groups) through grants or mentoring to better address the obstacles facing vulnerable populations							
Number multi-ethnic or cross-border events supported	Throughout its work, SCOPES will continue to seek for opportunities to promote and support opportunities for cross ethnic linkages and cross boarder cooperation.	Multi-ethnic and cross boarder events will lead towards better social inclusion of vulnerable groups, better connection among youth of different ethnicities and positively influence their interactions.	Number	municipality	Project records	Project staff will collect and report on this data based on events supported	Baseline = 0 Target = 2
Number of NGOs organized and trained to	Technical assistance or training will focus on improving organizational needs of civil society groups.	Capacity building of NGOs will help eliminating obstacles that vulnerable populations face.	Number	municipality	Project records	Project staff will collect and report on this data based on workshop	Baseline = 0 Target = 5

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Performance Indicator	Definition of Indicator	Justification/ Management Utility	Unit of Measurement	Disaggregate	Data Source	Method & Schedule of collection	Notional Baseline/ FY 2007 Target
perform capacity building processes						events	

