Report

Mid-Term Evaluation of the USAID Micro and Small Enterprise Project-MSEP

Implemented by Foundation CEED Macedonia

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Acknowledgement

This evaluation project has been conducted by an evaluation team from consulting company KA Grupacija Skopje (KA Group). Team leader of the evaluation team has been Mr. Vasko Karangeleski. In addition to the team leader, two evaluators responsible for conducting the research, design of the evaluation and preparation of the evaluation report are Mr. Aleksandar Stamboliev and Mr. Milos Kostovski. This report would not have been possible without the support from the team of Foundation CEED Macedonia: Jovan Madjovski (Chief of party), Biljana Damevska (Deputy Chief of party) and especially Elica Aleksova Najdovska (Deputy Chief of party), who provided us with invaluable documentation and was prepared to communicate all matters related to the evaluation precisely and timely. CEED Regional coordinators contributed with operational knowledge and coordination aspects, and timely informed the participants in MSEP of the need to meet the evaluation team. Main inputs for the evaluation has been provided by stakeholders who have been involved MSEP project activities, who openly shared their thoughts and available time, to provide the evaluation team with the inputs necessary for this evaluation report.

Table of Contents

Table of Figures

Acronyms

APPRM	Agency for entrepreneurship in R.Macedonia
BSS	Business Support Services
CMP	CEED's Microenterprise Programs
CRM	Central Register of Republic of Macedonia
EC*year*	Entrepreneurship course (basic level program), first year of participation
EoI	Expression of Interest
ESA	Employment Service Agency
FC*year*	Financial course, first year of participation
MC*year*	Marketing course, first year of participation
MIF	Micro Investment Fund
MSE	Micro and Small Enterprises
MSEP	Micro and Small Enterprise Project
MSME	Micro, Small and Medium Enterprises
RDC	Regional Development Center
S&E*year*	Sales and Export course, first year of participation
SECO	Swiss Secretariat for Economic Affairs
SPMG	South-Balkan Private-Equity Management, fund management
USAID	United States Agency of International Development

Executive summary

USAID *Micro and Small Enterprises Project* implemented by Foundation CEED Skopje has conducted a regular mid-term project evaluation. Project evaluation is covering the period from the project start to June 30th, 2015. Engaged company evaluator KA Group Consulting has conducted project evaluation in the period September- October 2015..

MSEP project has been designed to be implemented in 3 phases, representing three components of the project:

I. Practical Micro entrepreneurial Learning programs, or CEED Microenterprises Programs (CMPs), comprised of basic learning programs and advanced learning programs, delivered in eight (8) regions in Macedonia. Beneficiary goal: 360 project beneficiaries, 200 employment goals

II. Business Support Services for Regional Growth (BSS), comprised of in-company consulting services, access to regional markets, and future component for access to growth environment as co-working space, with beneficiary target 140 and employment goal of 140.

III. Small Equity, Quasi Equity and Angel Capital for microenterprises, component comprising the Micro Investment Fund, equity fund offering mezzanine finance for growth potential micro companies, beneficiary target 10 and employment goal 75-100 persons.

Current overview of the three project components:

Component 1: Practical Micro entrepreneurial Learning Programs

, Programs are important to improve the knowledge and tools to directly enhance performance of participating companies, as the average number of employees is 6.5 persons. Basic programs have been attended by 228 participants, while advanced programs have been attended by 71 participants.

Main limitation in project implementation is *time management of managers of micro companies*, resulting in irregular attendance. Most cherished feature is their potential to meet other companies and potentially make business together. *Networking and exchange of experience as key motivation* to participate, incorporating both aspects: expanding existing markets and exchange of experience and business challenges among entrepreneurs of different companies, sectors and regions. Not all participants have clear *expectations from the project*. Program modules have been able to complete the planned *training and networking events in time.* Almost all of the participants expressed that they came into contact with the program through personal recommendations, by former participant or directly by the CEED coordinator. *Outside of Skopje* there is limited promotion of training to be conducted on local level and are almost nonexistent and this impacts entrepreneurs' behavior and expectations. Main advantage of MSEP is that it is being localized in home towns, but certain activities that had taken place in different towns. Through MSEP, entrepreneurs are *becoming aware of the life-long learning*- LLL concept. Existing remarks about mentors include coming unprepared to lectures and participants often feel underappreciated. High *level of satisfaction and evaluation* of participants for the programs in the first component. 90% of participants interviewed stated that the program is applicable in their daily operations and that there are benefits of it. Basic training program has been graded with 4.9 in East region, 5 in South West and 4.8 in North East. The specialized programs of Marketing have been graded with average grade of 5, Finances with 4.97 and Export and sales with 4.97. *Main obstacles for participation seem to* *be available time of managers and price for the program.* Readiness to pay for the program varied from 350-600 Euro per participant. The *impact* of the programs with regard to growth remains partial. Employment growth has not happen for some, while for other the program had an acknowledged impact. Companies stated highest impact from the programs is: becoming more organized in appearance, doubled turnover, understanding the need for permanent learning. *Impact on employment and growth* of revenues with companies is visible, while profit does not seem directly related and is variable. Most significant official impact of companies is visible in Polog in all perspectives, although Skopje has highest contribution of employments and revenues.

Component 2: Business Services Support

The professional consulting services, or in-company interventions, have been used by 35 companies so far. 11 companies used professional consulting services for introduction of various quality standards, followed by access to foreign markets (7) and economic health analysis (7) companies. The second group of BS services, Access to regional markets, has been used by over 100 participants from companies. Impact on revenues and employment is similar to the first component, with smaller per cent of companies incurring loss and larger number of companies reaching profits and growing. Very few numbers of participants (69) in the first component opt to continue using the services planned under the second component. Co-working space services are to be implemented in the upcoming year.

Component 3: Small Equity, Quasi Equity and Angel Capital for microenterprises

SPMG established MIF in June 2012, started with first investment in July 2013. The period from the start of the MIF to date is insufficient to define the effect of the funding for development and growth. Initially it has been envisioned that MIF would be accessed only by companies who are already enrolled in the MSEP program and show potential and need for further equity financing, but the fund did open to other companies. MIF finalized 6 investments in companies, five of six investments are at the range of 100.000$, comprised of 80-90 % loan, and 10-20% as equity in the companies. 530.000$ are committed to the six companies. From this year the basic operational costs are being covered from fund management fees, compared to CEED supported operations in the first year of fund establishment (as defined in the MSEP program description). Potential for 2-3 additional investment remains.

The overarching conclusion is that the causal links between MSEP program and the prospects for growth, and subsequent increase in employment and revenue *remain indirect.* The official data obtained from the Central Register of Macedonia (CRM) for the purpose of evaluation, indicate that only 88 companies have achieved growth in revenue.

Design & Relevance. CEED's MSEP remains a highly relevant project, 48 months after its inception. As confirmed through the client interviews, it is a unique intervention on the market and CEED continues to be widely acknowledged as an exclusive business support service provider.

Project management and monitoring. The entire team is well coordinated, organized and experienced both in working with businesses as well as working among themselves. Crucial role is undertaken by regional coordinators, who provide customer support to local participants on the ground, but also act in number of other roles. The basic approach to have external coordinators was revised, after one years of program implementation. CEED integrated the regional coordinators' role in its team. This approach reinforced the effects in terms of communication with the beneficiaries. Monitoring data is available on regional level, periodically integrated on project level. Monitoring and tracking is based on event or program, not by participant or company. The information and databases are available in CEED, but their integration takes additional time and is not quickly assessed.

Sustainability. CEED commercial programs implementation basis on regular basis, show that CEED team is capable of supplying value added services which could secure its sustainability.

Stated acceptable price range of 350-600 Euro (for companies out of Skopje) provide suitable base for operational model for achieving cost-effectiveness while obtaining participants interest. Professional services could hardly obtain sustainability and thus should be slowly outsourced, except in potential relation to advisory services connected in the co-working space of component 2. Networking for export to regional markets provides interest and potential for full price service payment. The aspect of sustainability of Component 3 is hard to assess at the moment. Fund management is theoretically sustainable and covers fixed costs and salaries from fund management fees. First return of installment being scheduled in 2016, will provide potential scenarios.

Conclusions

CEED Macedonia is unique institution in Macedonia and the region, recognized as business club and place for sharing of experience and knowledge among peer entrepreneurs. MSEP remains a highly relevant project, a unique intervention on the market in perspective of unique service mix provided to micro entrepreneurs. MSEP/CEED has high and undisputable *relevance* among the business people, entrepreneurs and business community, including other regional and national stakeholders. The MSEP project has been highly *effective* in the operating regions, with specific challenges in expansion to new regions. Project *efficiency* is high related to the available staff and located CEED presence in Skopje, which is due to the composition of experienced and aligned team within MSEP. Recognized strength of CEED is its flexibility towards client requests and service innovation. Certain efficiency improvements could additionally enhance the service delivery process, increase productivity and ultimately enable targeted marketing to customers through seemingly personalized customer approach and relations. *Impact* is medium to high. All things being equal, prospects for high impact are seen in the potential to support the revenue growth of companies, employments, raising awareness of the need for life-long learning and upgrade of skills, and especially due to established role in facilitating networking among companies. Medium impact is obtained in microenterprises who do lack primarily time, and then money, to regularly attend and participate in the local MSEP programs. *Sustainability* of MSEP activities is partially achieved, through the Scholarship fund. CEED provides commercial services and is known as highly flexible organization to respond to the needs of the companies, thus enabling provision of Component 1 services to be adjusted and if necessary grouped according to the demand. The services from Component 2 which could obtain sustainability are the core strength of CEED and are related to regional networking and export promotion. The question remains if microenterprises do require export networking events to the extent as small and medium enterprises.

Recommendations and strategic options

Monitoring and organization:

- Integrate and cross-reference databases and internal reports (including internal annual monitoring).
- Make appropriate use of the CRM available for the purpose of tracking of companies within CEED and MSEP programs and services.
- Introduce wider needs and capacity assessment for incoming companies.

Sales & Service delivery:

- Provide matchmaking meetings and events among companies from different regions.
- Targeted marketing and sales.
- Promotion through partners in the new region, as during the start of the project, for new regions.

Sustainability:

- Unify the process of promotion of MSEP services, especially in relation to scholarships and payment options to companies.
- Revise recently introduced packages for services with scholarships and club membership

1. Introduction

Main economic challenges in Macedonia are related to poverty, high levels of unemployment and limited economic growth. The private sector structure in Macedonia is 98% comprised of micro and small enterprises (MSE), thus representing primary driver of economic growth. The overall objective of MSEP has been to enhance the economic growth and increase the job creation in the country by strengthening the microenterprises and maximizing their contribution in the national economy.

The USAID Micro & Small Enterprise project has started in July 2011 to meet the challenges of the MSE companies in the country to create jobs and boost economic growth, through obtaining management knowledge and skills, business support services for expansion and establishing modern business models and exports, and available funding opportunities for micro and small enterprises.

The project has been designed to provide tailored solutions to 360 different microenterprises, prospective start-ups and ambitious entrepreneurs that best addresses their needs and enhances the probability of success through combination of training, business development support and equity financing. Originally planned as a 5-year project implemented in four regions (Skopje, Polog, Vardar and Southeast region), in May 2015 the project was extended to four new regions in the country (Pelagonija, Southwest, Northeast and East region) and to the period of December 2016.

The overall purpose of the mid-term project evaluation of MSEP has been to examine the concept, design, implementation, efficiency, effectiveness, relevance, impact and sustainability of MSEP. The evaluation intent has been to assess the progress and effectiveness of project activities to date; Determine the overall impact of the activities on the targeted companies; Analyze the successes, challenges and shortcomings, and Recommend modifications for potential improvement. The evaluation period covered is from July 2011 to June 30th, 2015. For assessing the progress to date, the evaluation team conducted a background and desk review, conducted field research primarily through interviews and focus groups of MSEP stakeholders and analyzed the official financial statements of the involved companies in the project.

The project evaluation has been conducted in the period September – October 2015.

2. Background

The MSEP project supports growth of entrepreneurs and their micro and small enterprises, through exchange of experience, consultancy, export support and investments.

MSEP project is intended to complete project activities in December 2016, after being extended in four new regions in May 2015.

MSEP has been designed to be implemented in 3 phases and 12 steps, these phases are the three components of the project:

IV. Practical Micro entrepreneurial Learning programs, or CEED Microenterprises Programs (CMPs)

V. Business Support Services for Regional Growth (BSS)

VI. Small Equity, Quasi Equity and Angel Capital for microenterprises.

Component 1 – Practical Micro Entrepreneurial Learning programs (CMP) is the initial point, focusing on Basic level learning programs and Advanced level learning programs, implemented regionally (first the basic level programs, then advanced level programs).

Component 2 - Business Support Services (BSS) is implemented after the component 1 activities, with intention to support microenterprises expansion to regional and foreign markets, through support services as:

a) professional consulting services / in-company interventions as technical assistance from industry consultants for improved competitiveness,

b) access to regional markets in Kosovo, Albania and Serbia,

c) access to growth environment as co-working space in Skopje for companies throughout the country (not subject to evaluation, to be implemented in the last year of implementation),

d) access to finance as trough Business angels co-invested projects (not including component 3 eligible companies).

Component 3 is limited for selected microenterprises, which are to be supported by private equity Micro Investment Fund (MIF) created for the project. The investment fund is locally registered as Macedonian equity fund. The third component of the project is outsourced to the investment fund manager SPMG.

The implementation of the three phases as designed in the MSEP project document is shown in the following table.

Figure 1 Designed MSEP implementation phases and steps

<table>
<tr><td>I. CEED Microenterprise programs</td><td rowspan="2">II. Business Support services (BSS)</td><td rowspan="3">III. Small Equity, Quasi Equity and Angel Capital for microenterprises</td></tr>
<tr><td>Preparation</td></tr>
<tr><td>Promotion</td><td>Promotion</td></tr>
<tr><td>Selection</td><td>In-Company interventions</td><td>Due Diligence</td></tr>
<tr><td colspan="3">Implementation</td></tr>
<tr><td colspan="3">Job Creation</td></tr>
</table>

The phases of the project implementation envisioned that microenterprises enrolled in component one could later use component 2 services and component 3 services. This approach is reflected in the findings and recommendations of the evaluation report.

Initially targets have been defined for four (4) regions in Macedonia, with coverage of microenterprises in those. In November 2014, the program description has been revised and targets adjusted. With the revised program description, the project beneficiaries consists of 360 different microenterprises, from all eight (8) Macedonian regions. With the regional approach, total number of 550 project beneficiaries will be offered to take part in basic and/or advance level of business training programs during the five-year project implementation.

Figure 2 Targets, approach, beneficiaries (revised MSEP description 2014)

Objective	Target	Approach	Beneficiaries goal Y1-3	Beneficiaries goal Y4-5	Employment goals
Implement Practical Micro Entrepreneurial Learning programs	Microenterprises from 8 regions	Adapt the Top Class Programs for Microenterprises /Micro entrepreneurs	180	180	200
Provide in-company support, know-how and incubation/virtual office services in selected neighboring foreign markets		Improve and adapt services-products for foreign markets by in-company interventions and providing incubation/virtual office services	100	40	100
Provide Equity, Quasi Equity and Angel Capital		Conduct due diligence and provide equity, quasi equity or angel capital funding to Microenterprises with potential for growth	10		75-100

Participation in component 2 has been planned for 140 out of 360 project beneficiaries, who will be provided with business support services following their needs and interests.

Most prospective companies with options to grow would receive funding through Component 3, targeted at 10 companies.

The increase in jobs could result from different project activities, and it has been envisioned as such.

3. Purpose and Methodology of the Assessment

The overall purpose of the mid-term project evaluation of MSEP has been to examine the concept, design, implementation, efficiency, effectiveness, relevance, impact and sustainability of MSEP. The evaluation has the role to:

- Assess the progress and effectiveness of project activities to date,
- Determine the overall impact of the activities on the targeted companies,
- Analyze the successes, challenges and shortcomings, and
- Recommend modifications for potential improvement.

The evaluation team assessed programs and identified areas for improvement, in order the project to attain the planned results. The evaluation is covering the period from the start of the project up to June 30th, 2015. For assessing the progress to date, the evaluation team had conducted a background and desk review of the information from CEED Macedonia, conducted field research primarily through interviews and focus groups of MSEP stakeholders and analyzed the official financial statements of the involved companies in the project.

3.1. Methodology and coverage

The evaluation team conducted **mixed-method** evaluation, due to the specifics of the project and levels of its implementation, as well as areas of coverage.

The evaluation team conducted *desk review*, including company's data analysis and *field research* including semi-structured interviews and focus group interviews.

Desk review mainly focused on the document review of relevant documents provided by CEED Macedonia, prior and during the field work. The documentation comprises of MSEP program description, work plans, various project reports, performance monitoring plans, event agendas, scenarios and attendance lists, annual CEED monitoring documents, services reports for supported companies, internal database used for companies and attendance, promotional material, regional coordinator's databases etc. The bibliography is listed in the Bibliography section at the end.

In addition, desk review included **MSEP company data analysis.** This analysis included integration and analysis of official annual financial statements of companies, as provided in the Central register of Macedonia (CRM). Individual company information has been provided to the evaluation team by CEED Macedonia.

In addition, the evaluation team *cross-referenced* the list of companies with official information and regional attendance lists, names of participants, company involvement in programs, with the CRM provided information. Common denominator is per company.

Representation of Financial Data from CRM is provided and analyzed from the year of joining the MSEP/CEED Programs, thus measuring change from this year onward.

Results in year 2014 are last available information on employment, revenues and profit of companies. The excel database created enables upgrade and integrated annual monitoring of supported companies.

This enabled the evaluation team to get a comprehensive and integrated picture, while following companies and participants throughout MSEP's programs and support. The company data analysis enabled verification of obtained from companies by CEED, and provided basis for defining overall impact of MSEP to the companies.

Field research has been implemented through key informant interviews and focus groups. Interviews and focus groups have been conducted with relevant stakeholders, with focus on beneficiaries of the MSEP program.

Preparation for interviews and focus groups included the following steps:

- Preparation of semi-structured questionnaire, by the evaluator team,
- Informing of beneficiaries and other stakeholders of the upcoming evaluation, conducted by regional coordinators and CEED staff,
- Scheduling of meetings and logistics for focus groups and interviews, conducted by the evaluation team.

The evaluator team had contacted all participants in MSEP for scheduling a meeting. Response for, however, limited due to the short time and availability for meetings in the proposed timeframe.

The interviews and focus groups were conducted in teams of two or three evaluators, with focus group between 3 and 8 attending participants. The average duration of meeting was an hour and a half.

Accessibility of the beneficiaries was much lower than initially planned. The number of participants interviewed and covered in focus groups for the purposes of the evaluation has been 46 participants, representatives of companies (in two instances two participants from same company).

Figure 3 MSEP participants met, by gender

Gender of met participants		
Participants met	**TOTAL**	
REGIONS	**#**	**% of total**
Male	31	67,39%
Female	15	32,61%
TOTAL	**46**	

The evaluation team scheduled meetings for focus groups and interviews of participants from geographical regions in focus: Skopje, Vardar, South East, East, Polog and Southwest. The beneficiaries from Pelagonija and North West region have not been interviewed since component 1 had just been started in these regions.

The coverage of interviews and focus groups with participants per region is shown in the following figure, counted by company. The coverage by interviews and focus groups is 21 % of all MSEP companies included in CMP's. The lowest coverage is in Polog, although all 46 company representatives have been contacted for the focus group, only eight (8) confirmed and only 5 had been interviewed.

Figure 4 Number of companies interviewed by region

Number of companies interviewed per region		
Interview & Focus Group	**TOTAL**	
REGIONS	**#**	**% of all**
East	3	23%
Polog	5	11%
Skopje	22	29%
SouthEast	5	36%
SouthWest	3	23%
Vardar	6	20%
TOTAL	**44**	**21%**

In addition to geographical representation, specific focus has been given on beneficiaries who used support from different MSEP components, as these provided largest insight on the benefits of MSEP and CEED.

Emphasis been put on understanding why companies did not continue using the services in Component 2, or why they stopped participating in the project. The goal was to identify their usage, reasons why they did or did not obtain further support, and the practical application, if any, that they made of the support that they received. The team particularly assessed their need and readiness to pay for additional areas of support.

From the perspective of training programs, coverage of met participants represent 25 % of total number of participants that passed the initial entrepreneurship course (EC), 33 % of all that attended the financial course (FC), 4 % of all that attended marketing etc. As shown in the following figure.

Figure 5 Coverage of training programs (CMPs) from met participants

COMPONENT 1 Company representatives per component	#	% ΣYear	Σ#	% ΣCourse
EC2011/2	14	22,22%	56	25%
EC2012/3	12	20,34%		
EC2013/4	18	36,00%		
EC2014/5	12	21,43%		
FC2012/3	7	35,00%	10	33%
FC2013/4	2	20,00%		
FC2014/5	1	16,67%		
MC2013/4	3	17,65%	3	4%
S&E2014/5	1	16,67%	1	1%
EE	1	100,00%	1	1
TOTAL	**71**		**70**	

Individual interviews were conducted with CEED project team (including SPMG) and mentors in MSEP. Part of the companies using BSS through Component 2 and Component 3 were included in individual interviews. This approach was used considering that companies using these services provide significant overview and insight into the program.

Main limitation in the field research has been the turn out rate of the invited participants which have confirmed the attendance to the interviews. Generally 50 % of participants that would confirm to meet, would not show up at the meeting. As example in Veles, no one of the five (5) companies which confirmed attendance, did not show up and canceled when receiving a call at the time of the agreed meeting.

Due to the factors of accessibility and professional relations of micro company representatives, the evaluation team consulted with CEED team and adapted the approach. If participants would state are not available for meeting, the evaluators would conduct an *interview over the phone*. This was the case primarily with companies from South West and East region.

4. Findings

The structure of the findings is defined following the components of the Micro and Small Enterprise project (MSEP), its project design and the Scope of Work for the project evaluation. All findings are grouped under the following chapters:

4.1.1 Component 1: Practical Micro entrepreneurial Learning Programs

4.1.2 Component 2: Business Services Support

4.1.3 Component 3: Small Equity, Quasi Equity and Angel Capital for microenterprises

4.1.4. Additional cross-cutting topics

Figure 6 Companies supported by MSEP in 48 months

Although the findings are elaborated in each of the Findings sub-chapters, summary of numbers are the following:

- Component 1: 207 companies, or 301 participants attended the programs,
- Component 2: 68 companies, of which 35 companies used in-company services and 105 participants B2B events and conferences (Skopje, Pristina, Belgrade, Tirana)
- Component 3: 6 companies have used support of MIF.

General impressions of beneficiaries

In general, almost all interviewed program participants agreed upon the comprehensiveness of services provided by CEED and interrelation among different components: knowledge, practical experience, challenges sharing, business support (BSS, B2B and conferences) and access to finance. The combination of services provided by MSEP and CEED is unique in the market and is especially relevant for microenterprises outside of Skopje, who do not have access and knowledge about any support, even one seeming similar to MSEP.

Most participants are impressed by CEED approach and the project as a whole. Most of the participants have very positive experience and stated that this is very relevant program. Private business is usually run up to 3 persons and this type of projects/training/capacity building activities are important to improve the knowledge and tools for improving the performance of the companies.

All new entrepreneurs need to share and to be exposed to different experiences in order to check how good their practices are. CEED have done excellent job in informing and organizing the events. Through other USAID Project they were taken on study trip in order to start their project which was extremely important for their business.

Participants confirmed that the program is unique and that they don't know of any other institution that offers such program. Almost no business training are organized locally.

4.1.1. Component 1: Practical Micro entrepreneurial Learning Programs (CMP)

The practical micro entrepreneurial learning programs, or CEED microenterprise program (CMP) aims to introduce entrepreneurship learning programs to micro enterprises. There are two types of programs:

a) Basic level programs, or basic Entrepreneurship course (later presented as EC) and
b) Advanced level programs.

The Basic level programs are entrepreneurship programs (EC) which have already been implemented by CEED in the countries of the region, with entrepreneurs and established companies with potential for further growth. These programs have been adapted to the needs of the microenterprises within the MSEP project. The adaptation included revising the duration of the entire program so as to make it cost effective and scalable in other regions in the country, while enabling coverage and understanding from microenterprises. Within the MSEP project and for accessibility to participants, basic level programs are being delivered within each of the regions (although have been combined in the first years of the project).

Advanced level programs in MSEP are intended for participants who have already finished the basic level program. These are subsequent programs to basic level programs for all participants. The programs have initially been adapted from advanced level programs of CEED, such as Finance, Marketing, Sales and Exports etc. However, these programs do adapt following the request of microenterprises. Advanced level programs are delivered within four (4) to six (6) modules. These programs should additionally help companies upgrade their operations and enable growth, with the intention to create additional jobs in the market.

The number of participants who attended basic and advanced programs up-to-date are shown in the figure bellow. Basic programs have been attended by 228 participants, while advanced programs have been attended by 71 participants[1].

Figure 7 Participants at Micro entrepreneurial Learning Programs CMP

Program / Generation	EC11/2	EC12/3	EC13/4	EC14/5	Total
Basic Enterpreneurship	63	59	50	56	228

Program / Generation	FC12/3	EC13/4	FC14/5	Total
Financial	20	10	6	36

Program / Generation	MC13/4	MC14/5	Total
Marketing	17	4	21

Program / Generation	S&E13/4		Total
Sales & Export	7	6	13

Program / Generation	EE13/4	Total
Energy Efficiency	1	1

Following MSEP's PMP, the project team exceeded meeting the targets in several aspects. The effectiveness of the training has been evident, especially in reaching the target population. There are currently 207 companies covered with the training sessions (up to June 2015), while the end project target is 360 different microenterprises.

The average number of employees in these companies is 6.5 persons and this type of programs are important to improve the knowledge and tools that will indirectly help the performance of the companies.

[1] The difference in the sum of the number of participant arises since two persons are not allocated in the programs, with whom the total number of participants is 301.

The main limitation in project implementation, especially related to component 1, remains to be the inability of company representatives to plan their schedule and appropriately manage time. The type of work of microenterprises, where the manager or/and entrepreneur is often engaged with all the aspects of the business, has been stated as the main cause for *time management of managers of micro companies*.

Attendance stated attendance was frequently half of the participants in the program, as an issue in all cases, although number of companies formally participated (around 10 companies). Often the persons would join another module, but other than would not attend, again resulting in regular situation of 4-5 attendees.

Micro companies seem to be run by chance (i.e. sometimes not having a logo, or a brand) and MSEP is a unique venue to share *experience, networking and* learn from practical and real examples. The most cherished feature of MSEP by micro companies is their potential to meet other companies and potentially make business together. *Networking and exchange of experience as key motivation* to participate, incorporating both aspects: expanding existing markets towards sales increasing and exchange of experience and business challenges among entrepreneurs of different companies, sectors and regions. The chance for people to socialize through the program was also noted as value added to the whole package. Major benefit was from the networking opportunities the program offered; B2B events enabling huge number of contacts, BSC in Albania and Serbia; managed to access foreign clients and this was also partly attributed to the networking opportunities. Contacts were stated to be established with micro enterprises, and participants were awaiting bigger companies to join the group or meet at networking events. Several times they visited CEED premises in Skopje, but it seems the success depends solely on the individual capacities and preference for networking and business expansion.

Participants stated that they did lack targeted networking with companies from other regions, other than the big networking event that was carried out through the program. In reality, some stated that regional managers did support them on request, but they lacked the skills to network and meet people at big events and do require networking with similar companies in the supply chain or industry.

Furthermore, lack of experience in attending other training programs, or similar projects, resulted in unclear *expectations from the project* for some of the participants. Number of participants had an expectation that CEED will facilitate or even manage the process of expanding their business and clients' base which was not always met. This resulted in different perceptions related to the quality of work of regional coordinators, but also led to lack of motivation of company representatives to attend the training. As specific regional differentiation, in Polog region companies have been motivated to join MSEP for the fact that it is supported by USAID which would "certify" them and potentially provide grant financing. These (unfulfilled) expectations were at the core for dissatisfaction by first and second generation of participants in Polog.

During interviews, it has been understood that not all of the participants had clear understanding and expectations from this project and benefits from each of the components, nor were equally informed about the second and third component.

In general the programs have been able to complete the planned *training and networking events in time.* However, CEED was successful to adjust to the needs of the microenterprises and is flexible with the groups to change days and time of planned training, notwithstanding that such flexibility reflected in delays of final program delivery. This has been stated to be present when there are small groups of companies for certain modules (bellow three persons), and in those cases the scheduled module would change timing. These instances have been noticed by regional coordinators due to need for additional logistics and engagement of mentors, but was not notices or even stated by end beneficiaries as a problem. On the contrary, flexibility in program delivery has been stated as positive aspect of the programs.

Promotion and Sales. CEED has promoted a whole package to reach to more entrepreneurs, promoting the learning programs, BSS and to some extent co-financing. However these package representations seem to need further and clearer communication, to avoid misunderstandings. Almost all of the participants expressed that they came into contact with the program through personal recommendations, either by a former participant (personal friends which trust was essential) or directly by the CEED coordinator. There has been only one single instance a participant found CEED on the web. This has been confirmed during interviews, that companies who did see direct impact do enroll in the advance program, enroll their colleagues in the programs and often voluntarily recommend the program to other managers and entrepreneurs. The estimated portion of total number of attendees is that around 30-40% of attendees do recommend the program to other managers. Interestingly enough, not related to their level of participation at training, but to the value perceived they received, as business made with people met through CEED.

CEED had open day to promote the program by sharing participant's experiences which already attended other training and their base was shared with CEED. Further advancement of communication channels are needed in order to outreach more companies.

This situation sometimes was stated to be such due to the fact that *outside of Skopje* there is limited promotion of training to be conducted on local level and are almost nonexistent and this impact entrepreneurs' behavior and expectations. Main advantage of MSEP is that it is being localized in home towns, but certain activities that had taken place in different towns, stated to be resulting in increased expenses for attendance.

Some of the participants easily distinguished different offers of training which are circulated via email and the benefits of the CEED package.

Although networking and other components seem to be motivator for joining, compared to learning and education, through MSEP entrepreneurs are *becoming aware of the life-long learning*- LLL concept. Comprehensive modules where lecturers are coming from business and not academia mostly channelized and structured participants' business behavior and their way of running their business. Participants involved in the program mainly understood training strengthens individual capacities. Participants from different regions had different expectations for guest speakers/lecturers.

Additional benefit stated by participants is that through MSEP programs they have managed to get a complete picture of what they know or does not know, enabling them to structure their knowledge and partial understanding of things.

Specific individual benefits to companies stated include a wide range of benefits, as change of experience, getting ideas to expand business, information and knowledge dissemination lacking in the region, company stated increase of number of employees and growth of business of the company attributed indirectly to the knowledge obtained through the Component 1 training.

Specific benefit for TV Kobra has been its TV interviews with entrepreneurs in the program, while thus promoting MSEP program and obtaining content for its broadcast.

Training modules in the programs have been stated to be good, mainly due to trainers being from the business sector with practical experience. In the first two generations primarily regional successful businessman have been used as *mentors and lecturers*, but this has not been cherished by the companies since they locally feel they know each other. On the other hand, it was stated that sometimes even representatives of smaller companies are listened more than local successful ones. This has especially stayed as case often mentioned in Polog region. In all regions certain remarks on mentors addressed coming unprepared to the lectures and participants often felt underappreciated. "More training are delivered in Skopje, in general trainers are overvalued and not showing need to learn more about the attending companies".

Participants see improvement from the first year of MSEP, when CEED could not find enough participants, trainers, locations.

In general, the *level of satisfaction and evaluation* of participants has been stated as high for the programs in the first component, in perspective of knowledge and experience sharing among the group and with the mentors and lecturers. Courses organized were practical as the lecturers were from the business sector bringing practical experience.

During interviews, 90% of participants met stated that the program is applicable in their daily operations and that there are benefits of it. This was a key point for their focus on company work and there is tangible impact in the company performance. On the other hand, few stated that the composition of the groups of participants is not always adequate, as they were not on the same level of understanding and knowledge, thus expectations were not fully met.

Official grading of the delivery of recent programs has been followed in 2014 -2015, which shows that the Basic training program has been graded with 4.9 in East region, 5 in South West and 4.8 in North East. The specialized programs of Marketing have been graded with average grade of 5, Finances with 4.97 and Export and sales with 4.97.

Beside the level of satisfaction, remarks on the training modules which might require further elaboration are the following:

- Marketing course has been state to be "great". Specific remark was given that it might not apply to Lawyers and professional services.
- Finance advanced program has been stated to be helpful by most participants ,but few provided remarks it has not been fully useful, due to lack of practical interest and understanding of the topic-aspects that participants could not understand. This has been stated to be due to larger focus on accounting finance more than corporate and managerial finance.
- In sense of length, only a few companies stated that modules are too long (~6 hours) and it is better to split in several sessions.
- In several cases, participants stated that lecturers have been unprofessional, mainly relating to local smaller business where managers and owners primarily promoted their companies and left little time for discussion. The suggestion has been that CEED should choose not only experienced but lecturers which are able to transfer their knowledge.
- Most companies stated that timing of the training sessions is problematic, since they are conducted during working days. This represents a problem for the companies as they have to "sacrifice" a working day to attend the training, while no one else is there to do their job. The evaluator team believes this remark is consequence of the micro size, resulting in lower participation levels of participants.

Main obstacles for participation seem to be available time of managers and price for the program. The issue of full program price is not connected to specific region, but more differentiates between Skopje companies and companies outside of Skopje region. Although the perceived value is larger outside of Skopje due to absence of other similar programs delivered locally, the sensitivity to price seems to be larger. Several of the interviewed companies stated that they received value for money and are ready to pay full price for themselves or their employees, but these did also moved and use CEED commercial programs.

With majority of local micro companies, stated readiness to pay for the program varied from 350-600 Euro per participant. Rising of prices per year (as the program envisioned) seems to be problematic for many of the companies interviewed. This approach has to be considered adequately vis-à-vis the sustainability of the program in light of future donor phase-out.

The present private sector organizational development has direct linkage to the pricing and local capacities, especially in *perspective of achieving planned project results*. It is assumed that the proactive companies with interest to expand and grow did use the first two generations of CEED to join the program (not referring to the new regions starting 2015). In regards to local microenterprises, the scholarship model has been confirmed to be acceptable and noted to be only way some companies would be able to pay the price for the program. In this manner, planned results could be achieved, followed by additional promotional campaign through recommendation of previous year participants.

In respect to which are the *required skills, knowledge and information for entrepreneurs* and managers, which they suggest CEED to introduce, the suggestions have varied. Stated programs needed for business development of interviewed companies are the following:

- Getting more specialized sales knowledge since this is what majority of companies need as a skill;
- Understanding of legal aspects are biggest challenge for all companies;
- Business communication and Presentation skills;
- Human resource related skills and knowledge;
- Planning and time management;
- Finance and administration (accounting and archive);
- Marketing and branding;
- Foreign trade.

The program design has been suggested to be revised in the direction of delivering more "tailor-made" training for the companies related to their level of development and needs. As micro companies are growing, more focus was expected to be given to: organizational development, skills and knowledge for delegation; mid-management empowerment. The interviewed beneficiaries suggested introduction of modules as "Path To The Client" (how to find your clients); Market analyses; Legal; Finance, which would not be as complicated as some of the participants stated who admit not having basic knowledge to follow the class.

Adjustments per region are not significant for all regions, but are significant in relation to Skopje. The costs of travel for joining groups in the region is costly for participants and distracts them from participating, although these directly relate to logistic costs and size of the group. Visible difference in regions is mainly in Polog, where there seems that initially there was a miscommunication of what the program offers and is comprised of.

Mentorship has been defined as needed but less developed activity in the project. The mentorship process has been defined as short and often lacking support required from the mentor in sense of guiding up to the solution of business problems micro companies are faced with.

Most companies agreed that there are benefits from the project in terms of improving the operational capacities. However links to the growth of the companies, especially in terms of employees and revenue, are presently indirect.

The *impact* of the programs with regard to growth remains partial. Employment growth has not happen for some, while for other the program had an acknowledged impact. In relation to new business development among companies, few deals have been made as result of the network, and in some cases direct support from regional coordinators. Companies stated highest impact from the programs is: becoming more organized in appearance, doubled turnover, understanding the need for permanent learning.

4.1.1.1. Impact on revenue, employment, profit, general and regional

Although the interventions within MSEP do affect the business less than other factors states, the interventions have visible impact. The other factors influencing business are as groups of political, legal and inspections, working capital and lack of payment. The impact of MSEP activities is best measured by the revenues, employment and profit participating companies generated.

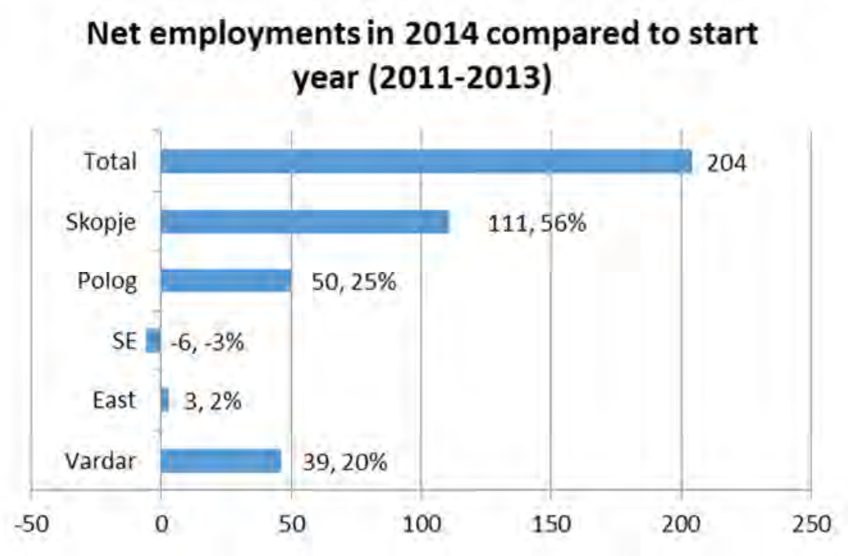
The presented data is official data from the Central register of Macedonia, integrated and compared with other CEED provided sources. The representation of financial data from CRM is as analyzed, divided from the year of joining the MSEP programs, where 2014 is last year of presented available information on employment, revenues and profit.

The employments presented and their comparison only involve official data, in relation to *full-time employment equivalent*, as represented in financial statements provided by companies to CRM.

Analysis and trends have initially been prepared based for 205 companies for which official information is generally obtainable, and who have participated in MSEP programs from component 1. However, 17 companies do lack information on year 2014 or lack financial information, thus the total number of analyzed and presented companies is ***191***.

Comparison of changes is done in relation to the previous year and last year in relation to year of entry of microenterprises in MSEP. Both absolute numbers and relative changes are provided for employment, revenues and profit.

Figure 8 Incremental increase in employments in 2014 compared to enrollment year in MSEP



The figure above elaborates on the net employments of the MSEP companies in total and compared to region, showing that the program resulted in 204 net employments for the companies enrolled in 2011, 2012 and 2013. The Net employments for companies enrolled in 2014 is to be visible from the financial statements of 2015, so that comparison might be available. Skopje region shows highest contribution to overall employments, followed by Polog and Vardar region.

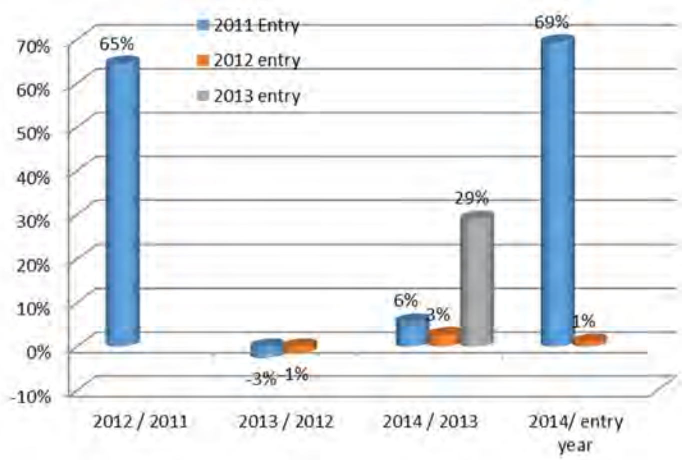
It is unique to see that most companies show positive results in their companies in the year of joining MSEP programs, but number of companies show decline in revenues, employees and especially profits in the recent year (especially companies that have entered the program in 2011). These specifics are elaborated in the regional review of the impact on revenues, employees and profit.

Figure 9 Number of employees in companies

Number of employees in Companies in MSEP				
Entry year	**2011**	**2012**	**2013**	**2014**
2011	186	306	298	315
2012		270	266	273
2013			210	271
2014				382
Total	186	576	774	1241

The number of employees in companies is growing in the years since companies joined MSEP, showing that companies joined in 2011 jointly increased employments by 69% in 2014 compared to year 2011.

Figure 10 Change in Number of employees in companies

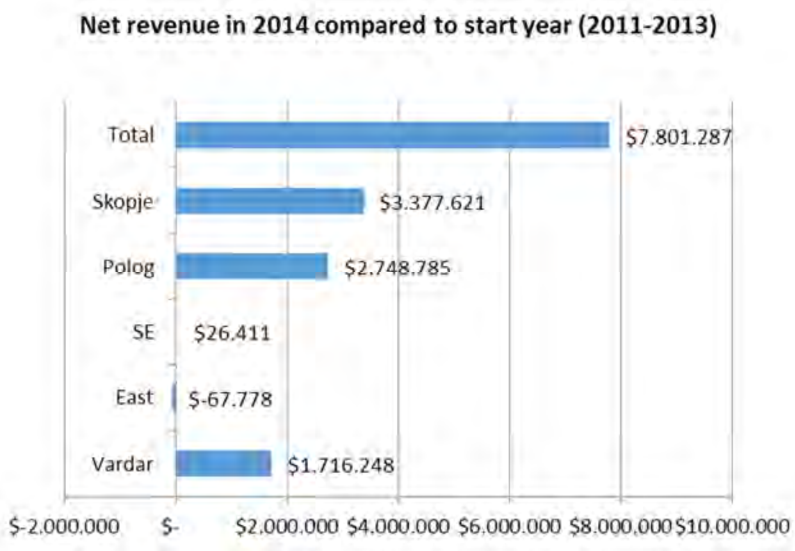


Companies that participated in the program in 2012 did collectively decline in 2013 but show increase in 2014. Companies that joined in 2013 show an increase of 29% in number of employees, from 210 to 271 employees.

In general the income is in constant growth each year, on cumulative level, for all companies that have entered the MSEP program.

In total, the incremental net changes in income in the MSEP companies is 7.8 million USD in the companies entering 2011, 2012 and 2013, compared to the results in 2014.

Figure 11 Incremental changes in Income, 2014 compared to enrollment year in MSEP



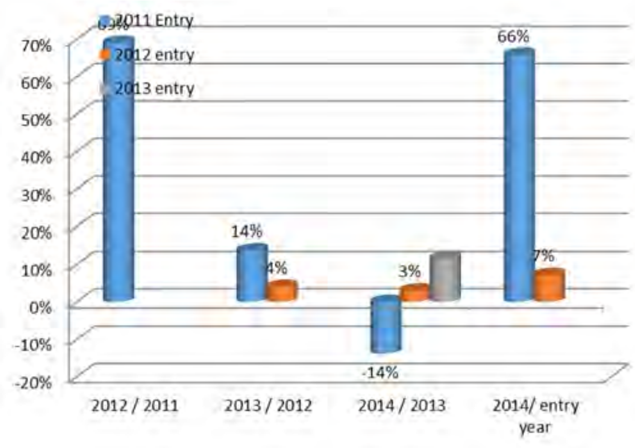
The income of the analyzed companies shows highest increase with the companies that entered the program in year 2011, as shown in the figures.

Figure 12 Cumulative company income per year (in USD)

Cumulative Company Income per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 6.906.480	$ 11.677.698	$ 13.288.895	$ 11.459.151
2012		$ 14.047.137	$ 14.617.607	$ 15.070.985
2013			$ 16.948.641	$ 19.173.409
2014				$ 16.981.095
Total	$ 6.906.480	$ 25.724.834	$ 44.855.142	$ 62.684.639

Although companies entering 2011 did see decline in 2014, the income increased to 11.5 million USD in 2014 compared to 6.9 USD in 2011, showing potential for growth of microenterprises in a mid-term period.

Figure 13 Changes of cumulative company income per year (in USD)



Although number of employments and cumulative income show steady increase over time, this is not the case with the profit and loss of companies. The presented figure of cumulative profit and loss shows changes depending from the year. The trend is not as evident as with the revenues and employments.

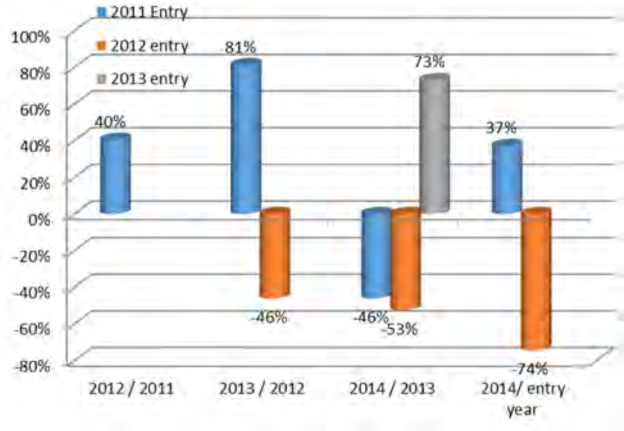
Companies that have joined MSEP program in 2011 have general decline in amount of profits compared in 2014, but also in 2012 and 2013. Companies that have joined in 2013 have significant increase in one year, of 70% in one year.

Figure 14 Cumulative company profit/loss per year (in USD)

Cumulative Profit/Loss per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 222.430	$ 312.370	$ 566.238	$ 305.087
2012		$ 1.185.368	$ 637.857	$ 302.636
2013			$ 656.323	$ 1.113.614
2014				$ 1.184.342
Total	$ 222.430	$ 1.497.738	$ 1.860.418	$ 2.905.678

On the other hand, companies joining the MSEP program in 2012 show constant decline in profit within the companies, many reporting loss, while showing decrease in total profits by -74% in 2014 compared to 2012.

Figure 15 Changes of cumulative company profit/loss per year (in USD)



The regional difference are shown below, without the South West region which has companies enrolling in the program from 2014 and thus do not provide basis for comparative analysis.

4.1.1.1.1. Qualitative Impact of MSEP on Companies

The qualitative impact on company performance and growth by MSEP has been stated continuously by the participants in the program. These elements are elaborated in detail on pages 8-12, however we stress the most significant aspects here.

Networking opportunities have been stated as main contribution and impact on companies. This general terms in sense of impact relates to:

- Sharing of experiences with other entrepreneurs, enabling practical learning experiences and examples for solutions of ongoing problems - undertaken by fellow entrepreneurs.
- Increasing sales and new client development through friendship with managers and entrepreneurs previously not acquainted to. In average entrepreneurs reported 3-5 new sales as impact of MSEP program.
- Expansion of company markets and direct increase in sales, especially within MSEP participants and to some extent exports.

New Product Development

ZoraLek is an organic honey producer, whose owners had joined the MSEP program from Vardar region. Participating with Nova Solutions from Bitola, they established close relation and jointly introduced new honey based products to the market, where they developed entire new products and branding for different honey based products. The FLORIO brand has products for immunity, relaxation, with additional organic content (mint, cacao etc). Today, ZoraLek's brand FLORIO could be bought in almost all organic markets and chains in Macedonia.

Impact on **raising awareness for the need of life-long learning (LLL)** is visible with most participants, although initially not always being the motivation for participating in the program.

Companies stated that through MSEP they increased understanding for the need of personal growth and business management practices, which they would require to reach corporate goals and enable growth. In addition, the skills offer has been found by entrepreneurs as essential for business survival.

4.1.1.1.2. Skopje region impact: revenue, employment, profit

Companies in the Skopje region include the following:

- 1st generation 25 in 2011,
- 2nd in 2012 are 22 companies ,
- 3rd generation 28 companies starting 2013,
- 7 companies are 4th generation in 2014.

From all regions, highest contribution of number of employees is within the Skopje region. There is increase in the number of company employees.

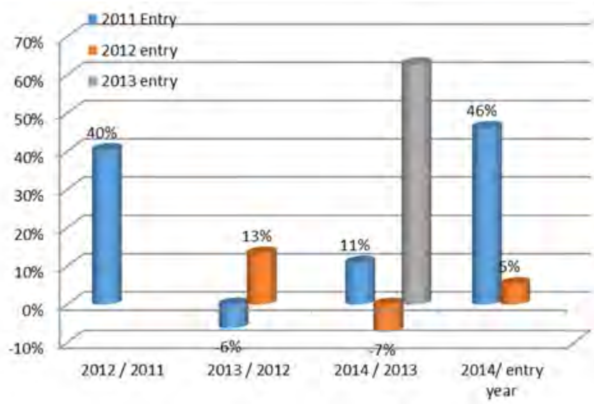
Each year the number of employees increases significantly, by 46% in 2014 compared to 2011 for the first generation, 63% in 2014 compared to year 2013 for the companies entering in 2013, while smallest growth (although present) is visible in the companies from 2012 generation, which increased number of employees by 5% in 2014 relative to 2012.

Figure 16 Number of employees in companies, Skopje region

Number of employees in Skopje region

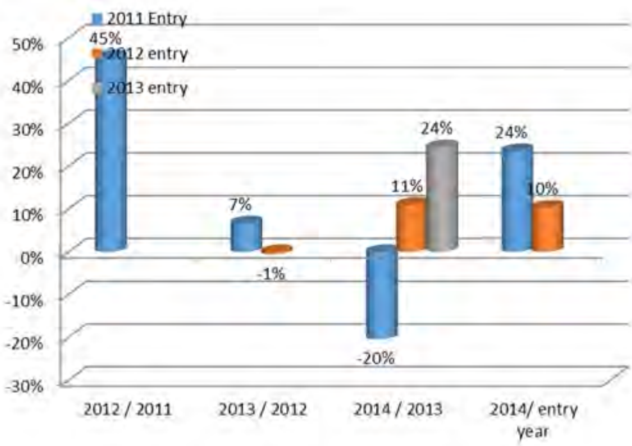
Entry year	2011	2012	2013	2014
2011	104	146	137	152
2012		75	85	79
2013			94	153
2014				53
Total	104	221	316	437

Figure 17 Change in number employees in companies, Skopje region



Revenues show increase in the companies from the Skopje region, except for the first generation in 2014 compared to 2013, when there is decline in cumulative revenues.

Figure 18 Number and change of revenues in companies, Skopje region



Cumulative Company Income per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 4.676.558	$ 6.804.319	$ 7.260.779	$ 5.780.739
2012		$ 3.922.502	$ 3.900.619	$ 4.329.969
2013			$ 7.620.956	$ 9.486.929
Total	$ 4.676.558	$ 10.726.822	$ 18.782.353	$ 20.930.175

In general, profit has declined due to companies showing loss in the region. 11 companies show loss in 2014 compared to 59 companies with profit in the Skopje region.

Figure 19 Number and change of profit in companies, Skopje region

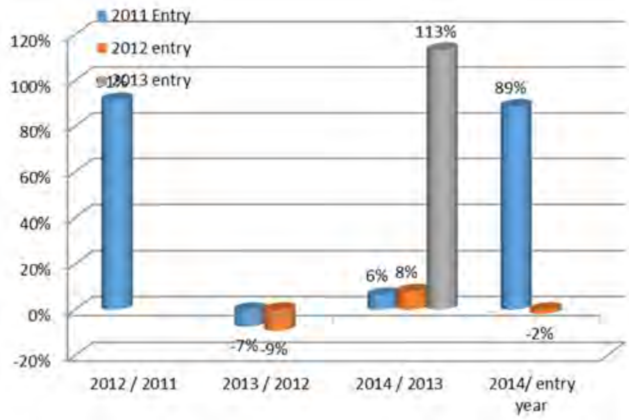
Cumulative Profit/Loss per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 147.840	$ 94.490	$ 88.010	$ 73.359
2012		$ 414.162	$ 62.338	$ 330.495
2013			$ 356.069	$ 438.853
2014				$ 188.097
Total	$ 147.840	$ 508.652	$ 506.417	$ 1.030.804

4.1.1.1.3. Vardar region impact: revenue, employment, profit

The analyzed companies in the Vardar region include 35 companies, of which

- 17 companies in the 1st generation 16 in 2011,
- 11 companies in the 2nd in 2012,
- 7 companies in the 3rd generation starting 2013.

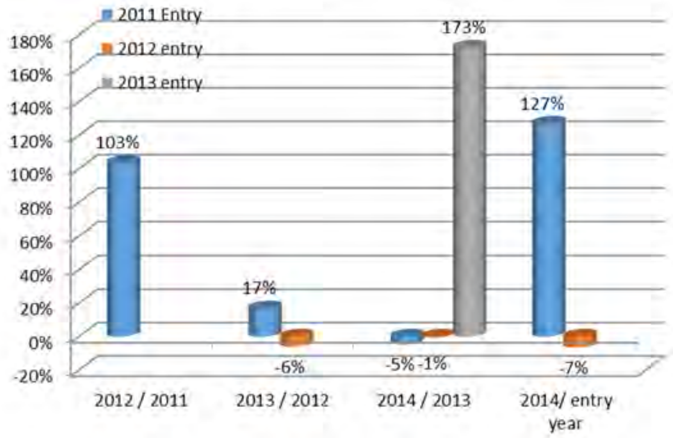
Figure 20 Number and change of employees in companies, Vardar region



Number of employees in Vardar region				
Entry year	**2011**	**2012**	**2013**	**2014**
2011	35	67	62	66
2012		109	99	107
2013			15	32
Total	35	176	176	205

The number of employees is increasing throughout the years. The largest increase is within the number of employees of the first generation, which in 2014 compared to 2011 shows increase in number of employees by 89%.

Figure 21 Number and change of revenues in companies, Vardar region



Company entry year	2011	2012	2013	2014
2011	$ 1.110.818	$ 2.260.435	$ 2.640.494	$ 2.521.392
2012		$ 5.068.547	$ 4.764.198	$ 4.737.670
2013			$ 368.976	$ 1.005.528
Total	$ 1.110.818	$ 7.328.982	$ 7.773.668	$ 8.264.589

Revenues also show significant increase in Vardar region companies, by 127% in 2014 for the generation starting in 2011, and 173% in 2014 by the generation starting in 2013.

Different from Skopje region companies, Vardar region companies show general decrease in profit, due to the loss of companies that joined the second generation in 2012. Companies from the first generation did see rise in profits up to 2013 and significantly decreased in 2014, but still representing almost 3 times the profits in 2011.

Figure 22 Number and change of profit in companies, Vardar region

Cumulative Profit/Loss per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 16.288	$ 99.724	$ 155.673	$ 62.449
2012		$ 257.528	$ 359.712	$ -182.183
2013			$ 45.522	$ 60.199
Total	$ 16.288	$ 357.252	$ 560.906	$ -59.535

4.1.1.1.4. South East region impact: revenue, employment, profit

South east region companies have joined the MSEP program in 2012, with second generation being in year 2013. Thus the analysis is shorter for this region.

The South East region has 15 companies: 6 in the generation of 2012, 8 in 2013. The company and employees showing in the table as generation 2011 have joined the program delivery with the East region (Fruit berry company).

Figure 23 Number of employees in companies, South East region

Number of employees in South East region				
Entry year	**2011**	**2012**	**2013**	**2014**
2011	1	2	2	0
2012		40	35	40
2013			70	65
Total	1	42	107	105

The number of employees show relatively similar level with decrease in 2014 compared to 2013, except in the generation of 2012 where there are additional employments.

Similar relation to employees is followed by the revenues in the companies in the region. The revenues of the 2012 generations are almost the same in 2013 and 2014, while 2013 joined companies see slight decline in revenues in 2014.

Figure 24 Revenues in companies, South East region

Cumulative Company Income per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 71.357	$ 38.429	$ 103.711	$ -
2012		$ 3.985.928	$ 4.633.214	$ 4.602.398
2013			$ 4.990.629	$ 4.471.928
Total	$ 71.357	$ 4.024.357	$ 9.727.554	$ 9.074.326

However, contrary to other regions, profit has increase in 2014 for companies that joined in 2013, while it declined from year to year for companies joining year 2012.

The company that joined in 2011 has been closed, however the family business owners have recently established a new company for teaching languages (Thanks to the networking provided by CEED Macedonia).

Figure 25 Number and change of profit in companies, South East region

Cumulative Profit/Loss per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 12.460	$ 59	$ 36.652	$ -
2012		$ 393.115	$ 87.767	$ 51.002
2013			$ 91.616	$ 594.950
Total	$ 24.921	$ 393.234	$ 252.687	$ 645.952

Case of change of industry: From trade of fresh products to educational services

Owner and manager of Fruitberry, company from Strumica, involved in trade of fresh fruits and vegetables, has passed the MSEP program. After his participation, he has introduced his wife in the upcoming year to MSEP program, with intention to learn about entrepreneurship and management, as local franchisee of Brain O Brain education program, a program found by the owner of Fruitberry during his participation. They used both support from Component 1 and component 2 from MSEP.

As participant in the CEED's B2B visit in Israel, the company established communication with Helen Doron educational center, resulting in the couple becoming the manager and owner of the national franchise for Helen Doron in Macedonia.

Fruitberry is no longer active as company since the entrepreneur couple focused on their new business, currently operating through nine (9) local franchising schools throughout the country.

4.1.1.1.5. East region impact: revenue, employment, profit

East region has included 13 companies in the years of work of CEED. This is due to the start of the program in 2011, which was again restarted in 2014, after a two year pause in working in the region.

Figure 26 Number of employees in companies, East region

Number of employees in East region				
Entry year	2011	2012	2013	2014
2011	12	15	16	11
2014				96
Total	12	15	16	107

The number of employees do see slight decline in 2014 compared to 2011, when this program has been started.

The cumulative revenues in the companies from 2011 has decreased in 2014 by 29% compared to 2011.

Figure 27 Revenues in companies, East region

Cumulative Company Income per year (in $)				
Company entry year	2011	2012	2013	2014
2011	$ 236.656	$ 237.487	$ 228.830	$ 168.878
2014				$ 4.790.749
Total	$ 236.656	$ 237.487	$ 228.830	$ 4.959.627

In addition, profits have shown decline to insignificant levels.

Figure 28 Profit in companies, East region

Cumulative Profit/Loss per year (in $)				
Company entry year	2011	2012	2013	2014
2011	$ 5.335	$ 2.687	$ 1.199	$ 765
2014				$ 597.927
Total	$ 5.335	$ 2.687	$ 1.199	$ 598.692

It is important to note that the companies in the East region joining in 2014 show larger capacity in revenues, profits and employees to enable growth. The tables with cumulative numbers for 2014 are to be used as basis for future measurement of impact on companies from the MSEP program.

4.1.1.1.6. Polog region impact: revenue, employment, profit

Polog had 46 companies enrolled in the MSEP programs in the recent years. The level of participation in Polog is questionable, and the first generation seem to have misunderstood the program objectives and targets.

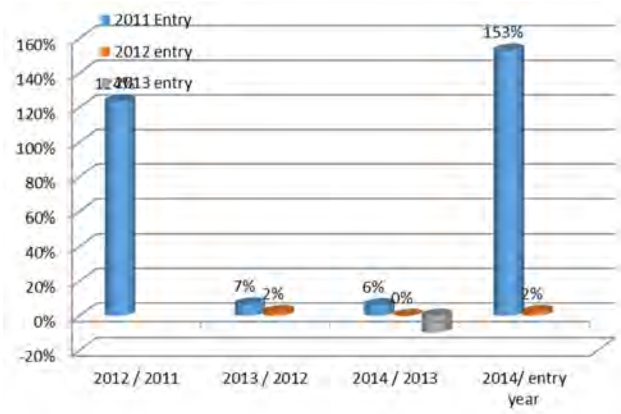
Within the MSEP program, there have been 4 generations in Polog, of which:

- 16 companies in the first generation in 2011
- 13 companies as second generation in 2012
- 8 companies as 3rd generation in 2013 and
- 9 companies enrolled in 2014.

Stated specific of the region is the high level of informal economy, thus the presented official information might not be complete.

However, the official data shows that the number of employees has constantly increased in the recent period, for the 1st generation with increase of 153% in 2014 compared to 2011. The other generation's companies show slight decline in employments.

Figure 29 Number and change of employees in companies, Polog



Number of employees in Polog				
Entry year	**2011**	**2012**	**2013**	**2014**
2011	34	76	81	86
2012		46	47	47
2013			31	28
2014				105
Total	34	122	159	266

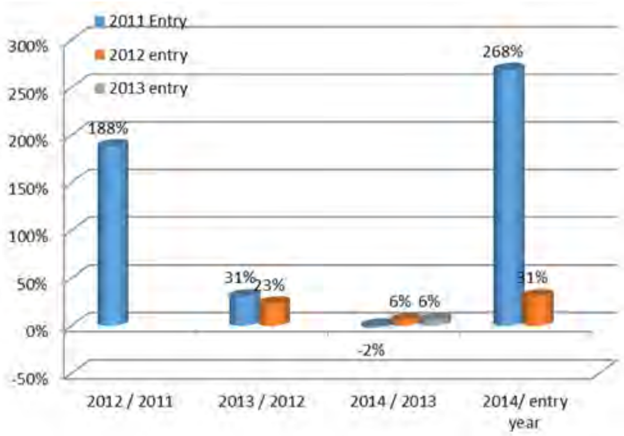
Cumulative revenues show significant increase in the recent years, for almost all generations. The first generation sees slight decline in revenues in 2014 compared to 2013, but the growth compared to 2011 is 3 times larger revenues.

Figure 30 Revenues in companies, Polog

Cumulative Company Income per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 811.091	$ 2.337.027	$ 3.055.081	$ 2.988.143
2012		$ 1.070.159	$ 1.319.576	$ 1.400.948
2013			$ 3.968.080	$ 4.209.024
Total	$ 811.091	$ 3.407.186	$ 8.342.737	$ 13.412.414

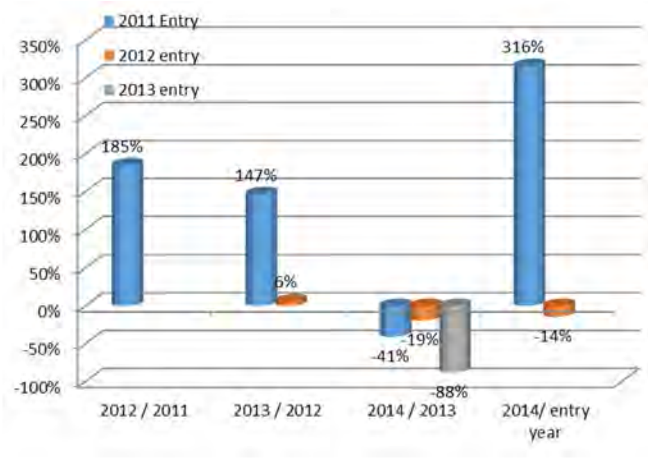
This is also the case with other generations. In Polog, companies from all generations are most consistent in growth of revenues compared to other regions.

Figure 31 Change of revenues in companies, Polog



The profit has also seen increase for the past years, for the first generation of companies from 2011, by 316% in 2014. The second generation of companies in 2012 do seem not to have movements in Polog, although these show decline in profits over the years.

Figure 32 Number and change of profit in companies, Polog



Cumulative Profit/Loss per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 40.507	$ 115.408	$ 284.705	$ 168.513
2012		$ 120.564	$ 128.040	$ 103.321
2013			$ 163.117	$ 19.612
2014				$ 96.533
Total	$ 40.507	$ 235.972	$ 575.861	$ 387.980

Following the regional analysis of impact, it seems that by changes and numbers the companies in Polog seem to have largest impact on revenue, employment and profit growth. Although Skopje accounts for largest number of companies and employments, the trends are not as good as in Polog.

In all region it is evident that companies that started participating in MSEP in 2012 show lowest results as a generation.

4.1.2. Component 2: Business Services Support

Component 2 is related to Business support services (BSS), provided to companies after passing through the Component 1 learning programs (CMPs). This support is included only for the companies who already finished basic level programs.

The groups of services include:

a) Professional consulting services / in-company interventions as technical assistance from industry consultants for improved competitiveness.

b) Access to regional markets in Kosovo, Albania and Serbia.

c) Access to growth environment as co-working space in Skopje for companies throughout the country.

d) Access to finance as trough Business angels co-invested projects (not including component 3 eligible companies).

The group of services Access to growth environment as co-working space in Skopje is not subject to the project evaluation, since the service is not yet available and provided. The project plans to implement these services in last year of implementation, in 2016.

The total number of supported (for which CRM data is obtained) companies is 68.

The **professional consulting services**, or in-company interventions, have been used by 35 companies so far. 11 companies used professional consulting services for introduction of various quality standards, followed by access to foreign markets (7) and economic health analysis (7) companies. The following figure provides a breakdown of these types of services.

Figure 33 Coverage of in-company services for companies by type

II. Business Services Supported to Companies	No of companies
Introduction of Quality Standars	11
New software implementation	6
Economic Health Analysis	7
Access to Foreign Markets; Marke	7
Business Planning	3
Training in specific program	1
Total In-company Services	**35**

The in-company consulting services used through the MSEP project are subsidized by the project. As in the case with company participation for component 1 programs, the contribution from the companies is going in the Scholarship Fund, which should provide sustainability of CEED in the future. In relation to component 1 programs, these programs are expected to finish after the end of the project.

In relation to professional consulting services, there are several similar mechanisms existing and operating in Macedonia. Similar support and institutions offering them are the following:

- EBRD Small business support program (former BAS) provides support up to 50% of the consultant fee for development project and consultancy services in several areas. The program considers existing companies as users, formally irrelevant of size, but mainly focused on medium and small enterprises. Criteria for use of funds are adjusted as to support to women entrepreneurs and youth.
- APPRM /AVRM – Agency of entrepreneurship and Employment service agency support through voucher system for micro and small companies, for use of general and specialized consultancy support. These programs are mainly focused at unemployed

and new employments and are of low value of contribution, with limited support capacity.

- Business Accelerators, as New Man's Business Accelerator. Primarily working with startup companies in the new technology sector, provides mentorship and affordable startup consulting to new and want-to-be entrepreneurs in (mainly) ICT based companies. They do provide services in product and business development and potential connection to financial partners for scalability of the business. Not directly competition to CEED program.

The *effectiveness of the business support* mechanism by participants has been evaluated at mid to high level, depending from the services they had used. The companies using in-company consultancy support were quite satisfied from the consultants in software, and for implementation of ISO related standards. However, companies using business planning support reported their products did "not see day of light" and have not been used. Companies do find foreign consultants relevant and with effects on the company, seeing the experience they bring as crucial.

Business support services have been reported to *lack appropriate promotion and explanation* to participating companies in Component 1. Number of interviewed companies stated they had no sufficient or appropriate information on the possibilities to use the second component, vaguely trying to remember the initial meeting with CEED or the first few modules when it has been mentioned. There is potential that these services might be additionally and more intensively utilized by companies, if appropriately informed, either through regional managers or CEED.

On the other hand, number of stakeholders stated that business support services had been key interest in joining the training programs in the first place. Part of the participants had been more focused on benefits from Component 2 in regard to access to foreign market, and felt that value has been provided to them in that manner. One third of respondents answered they do not see the value in professional consulting services to their companies, and thus did not require those.

The second group of BS services, **Access to regional markets**, has been used by over than 100 participants from companies. The figure bellow shows the level of participation by company representatives.

Figure 34 Number of persons going to B2B events and conferences

II. B2B events and Conferences	No of person per companies
B2B Prishtina 2013	16
B2B Banja Luka 2013	14
B2B Tirana 2013	11
B2B Tirana 2014	8
B2B Prishtina 2014	13
B2B Prishtina 2014	6
B2B Belgrade 2014	15
B2B Belgrade 2015	6
B2B Skopje 2015	11
B2B Tirana 2015	5
Total B2B & Conferences	**105**

Following the targets for beneficiaries for the services, the beneficiary goals are almost achieved and are easily achievable in the Component 2.

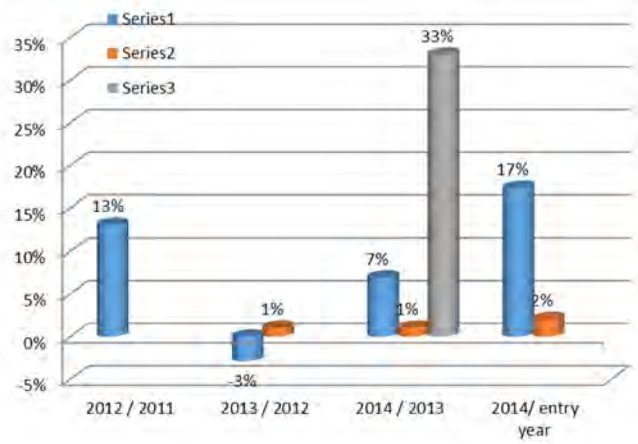
The visible gap in the component 2 services might lie in the initial assessment of the needs of the companies and providing them with more customizable solution for business services during the way. On one hand, the regional coordinators have great communication and are aware of company needs (if requested) but there is lack of joint project wise and systematic assessment of the groups of companies involved, not just within one region, but from throughout Macedonia. The flexibility of CEED to adjust to the needs of the clients is not questionable, but a consistent tracking system might be increasing interest by companies and efficiency and effectiveness.

Although *mentorship* formally lies within the learning programs, there have been several statements for the need of long term model of mentorship as business services to the companies. The companies that used mentors are just satisfied, but lack the need to meet and discuss more than once. The mentorship process has not been fully functional as it remains limited in time and scope to only short meetings, and is not process related as companies would like. Participants expect several meetings with their mentors to discuss business ideas, challenges and operational maters, as business service.

Business support services have been cherished by group of companies willing to export and place their products in the region, while it seems to have less significance and value to the other companies. There is no conclusive feedback on what are entrepreneurs prepared to pay for business support services, as separate service.

In order to define the impact and effects for the supported companies, the information provided by the CRM has been used to see the differences in the selected companies which already used business services[2].

Figure 35 Number of employees in companies using BSS

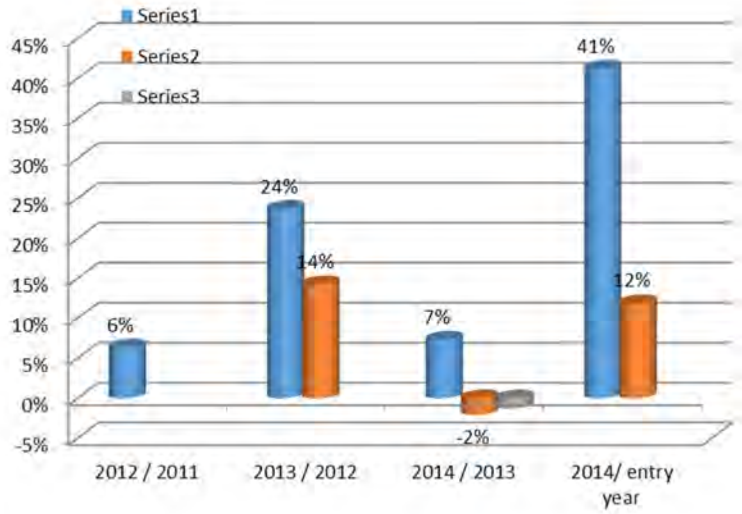


Number of employees in Companies in MSEP C2				
Entry year	**2011**	**2012**	**2013**	**2014**
2011	92	104	101	108
2012		97	98	99
2013			109	145
2014				118
Total	92	201	308	470

There is visible increase in the number of employees with companies using BSS, especially in year 2014. This relation is similar to the cumulative growth in all companies.

[2] These numbers are already presented as part of the impact analysis in component 1, and are not to be simply added, but are used more in impact assessment purposes.

Figure 36 Cumulative income in companies using BSS



Cumulative Company Income per year (in $)				
Company entry year	**2011**	**2012**	**2013**	**2014**
2011	$ 2.195.514	$ 2.335.134	$ 2.888.916	$ 3.100.827
2012		$ 6.479.530	$ 7.403.833	$ 7.250.506
2013			$ 7.851.017	$ 7.749.328
2014				$ 3.693.167
Total	$ 2.195.514	$ 8.814.664	$ 18.143.766	$ 21.793.828

This growth of revenues is close to the relation of all companies, but is more significant in all year and entry generations in the program.

In general, the cumulative numbers show similar relations with all companies which had enrolled into the CEED MSEP program. The only difference in relation to companies using BSS and not, is that from companies that have been using business support services less than 20% of companies have loss in 2014, compared to 25 % of companies with loss in 2014 from all MSEP supported companies.

4.1.3. Component 3: Small Equity, Quasi Equity and Angel Capital for microenterprises

Component 3 is intended for limited number of selected microenterprises, who have capacity for significant growth. Component 3 is about the MSEP established equity fund, Micro Investment Fund (MIF).

Operational management of component 3, as well as investment decisions are outsourced (in partnership) with SPMG, a fund management company.

MIF has been established as national investment fund in June 2012, one year after the start of the project. This delay has been result of the procedure for registration of an equity fund in Macedonia, which took almost an year. The first investment in the fund has been started in June 2013, year after its establishment. Due to the short period of time of the investment, the effect of the funding for development and growth is still inconclusive and could not be shown precisely.

The MIF has 800.000$ of available funds, and was initially intended to provide investments between 50.000$ and 100.000$ (average of 80.000$), to 10 companies until the end of the project.

Initially it has been envisioned that MIF would be accessed only by companies who are already enrolled in the MSEP program and show potential and need for further equity financing.

Due to the limited pool of such microenterprises, the project has decided to expand its prospecting for MIF beyond currently participating companies in MSEP. However, all companies MIF would invest in are obliged to enroll into the MSEP learning programs, even if they are not included yet.

The fund has currently finalized 6 investments in companies, while other are stated to be underway. Companies where MIF has installments is Aronia, Ecoplast Tehnika Kavadarci, Geonet Skopje, Ekstrafungi Kocani, Dals Skopje and Certiadria.

Five of six investments are at the range of 100.000$, comprised of 80-90 % loan, and 10-20% as equity in the companies. Currently 530.000$ are committed to the six companies.

Two specific investments are: Certiadria, as smallest investment from the portfolio; and Ecoplastika Kavadarci, which is established by one of the partners from former company included in MSEP program.

Following conversations with CEED and SPMG, from this year the basic operational costs are being covered from fund management fees, compared to CEED supported operations in the first year of fund establishment (as defined in the MSEP program description).

In respect to MIF, participants in MSEP seem to have unrealistic expectations and understanding. Most of interviewed companies who had been interested in the fund stated it has been too complicated, the criteria does not support startup projects as they had expected (although it is not stated in that manner), few had sent request for financing but stated not to have received appropriate feedback. The main remarks could be related to the nature of the fund, which is not so popularized in Macedonia, which conditions are hard to meet for companies and that procedures and costs are longer than to require a loan in a bank.

There is high level of satisfaction from MIF from the manager of supported companies. Few of them expressed they had initial doubts if to enter in relation with an equity fund, prior to the start of the negotiations with MIF. These participants openly expressed extremely positive opinion about the professionalism, outcome and process of negotiations with MIF management. To certain extent, they have located their initial doubts in inappropriate knowledge in the fund and what that would mean for the company and its development.

Most important decision relating the MIF future and sustainability is the decision of the donor on the future of the returned funds, during the MSEP lifetime. The evaluation team could not appropriately evaluate the strategic options, since the return period for the companies had just started.

Certain new instruments for financing of companies are starting to find its way in Macedonia, but at very low scale. Since October 2015 there is an operational VC fund in Macedonia, answering to the needs of high growth technology startups, which are unable to obtain loans. More appropriate instrument is the quasi loan of EBRD, mezzanine type of finance with lower than commercial rates for loans (around 3.5% interest rate) and with size of 1 million Euro investment and above. This scheme has been developed for support of expansion of companies, on project investment basis.

Findings on manager understanding of alternative financial schemes. The mission found that most managers and entrepreneurs consider banks as sole resource of funds and are not aware of other potential sources. In addition they are initially suspicious towards other financial mechanisms. The sample of interviewed companies does not support clear conclusions of the need of the companies, except the need for cash flow financing schemes, of which almost none of the companies are aware of their existence.

4.1.4. Cross-cutting evaluation themes

Cross-cutting themes refer to topics and areas which are relevant for the entire project, beyond and underlining implementation of all components. Cross-cutting evaluation themes cover the areas of Project management and implementation of the project, monitoring systems and mechanisms, as well as program elements not elaborated before in perspective of relevance and sustainability.

4.1.4.1. Project management and monitoring

Project management and monitoring are considered in relation to how well are activities coordinated and efficiencies established, as well in the perspective of meeting reporting requirements by the program monitoring system.

The project team is led by Chief Party, supported by two deputy chiefs of party, one coordinating each of component 1 and component 2. This structure enables effective overview and coordination of the project. One Deputy chief of part is responsible for coordination of Regional coordinators, who provide the link between CEED and local micro enterprises, acting as primary communication focal point for local business.

Previous attempts to engage external organizations and consultants from the regions has not brought required results for MSEP, thus this efficient structure has been developed. The team in CEED is stated to be professional, caring and patient in listening to the needs of the participants in their programs. The entire team is well coordinated, organized and experience both in working with business as well as working among themselves.

Crucial on the ground role is undertaken by regional coordinators, who provide customer support to local participants, but also act as client communication officers, recruiters for new companies, logistics and organization of events, moderators of sessions and events, primary collectors of regional data for annual internal performance and satisfaction monitoring for CEED/MSEP. In this respect, the regional coordinators might be overburdened at periods with enhanced activity.

This has become slightly visible in respect of collection and integration of project related data for the purposes of the project evaluation. The organization does collect information on business and coordinators and project team are quite aware of the needs and actual work of participants, but the process of integration of data could be upgraded for higher efficiency. In times of reporting, coordinators supply the deputy chief and chief of party with information following the PMP of the project, who integrates the provided data and uses it for reporting purposes. In addition, tracking of activity of participants in sense of satisfaction of concrete events or training and attendance is precise.

However, it is *not integrated* on project level. All data is available on regional level, periodically integrated on project level, monitoring and tracking based on event or program, not on participant or company. The information and databases are available in CEED, but their integration takes additional time and is not quickly assessed, for precise and detailed information.

4.1.4.2. Design & Relevance

CEED's MSEP remains a highly relevant project, 48 months after its inception. As confirmed through the client interviews, it is a unique intervention on the market and CEED continues to be widely acknowledged as an exclusive business support service provider.

The program offers development of "soft" skills, networking, and to lesser extent practical business opportunities which entrepreneurs find essential for the survival of their businesses.

The average number of employees in these companies is 6.5 persons and this type of programs are important to improve the knowledge and tools that will indirectly help the performance of the companies.

Objective assessment of the relevance in the medium term of implementation needs to take into account the impact on the companies' revenues and employees. The overarching conclusion is that the causal links between MSEP program and the prospects for growth, and subsequent increase in employment and revenue *remain indirect.* The official data obtained from the Central Register of Macedonia (CRM) for the purpose of evaluation, indicate that only 88 number of companies have achieved growth in revenue. Direct factor for lack of tangible link is that the effects of the program take a longer period for the needed impact. Additionally, the growth of the companies is subject to prevailing external circumstances and lack of proper conducive environment seen in the general economic situation in Macedonia, where MSEs continue to show poor survival prospects.

MSEP program was designed to enhance the economic growth and increase job creation through strengthening microenterprises and maximizing their contribution in the national economy. The intervention logic based on the three key components seems relevant to support the basic premise that companies need support for a planned sustained growth. Yet, very few numbers of participants (69) in the first component opt to continue using the services planned under the second component. Even less decide to go for the services in the third component. Certain adjustments in the design are needed, especially in the direction of making the second and third components more attractive.

In terms of particular components, key observations for the *Micro-entrepreneurial Learning Programs (Component 1)*, are that the experience has been very positive and knowledge obtained is very relevant for their skills to manage the business. The design of the services in this component strongly correspond to the practical learning needs including marketing, finances, HR. Participants expressed support and satisfaction of the model, curricula, and quality of trainers. Main critical remarks have been in terms of the length of the training sessions, applicability of the modules for particular beneficiaries (Marketing for Lawyers) and lack of practical interest and understanding of topics (accounting). All new entrepreneurs understand they need to share and to be exposed to different experiences in order to check how good their practices are.

MSEs that used mentorship expressed general satisfaction from the service, yet it has to be noted that the potential of this particular service has not been reached in full. The approach applied was only limited to one or two meetings used for exchange of experiences. A genuine mentorship program would require a deeper and more comprehensive approach.

The number of companies opting for the *Business Support Services (Component 2)* is a strong indicator of the readiness of the companies for long term investments in their businesses. Compared to the uniform approached used in Component 1, this component demonstrates the capacity of CEED to respond to meeting the different needs of the particular businesses. MSEs that used services of this component and made the investments needed have been generally satisfied. Depending on the type of services (ISO Certification, EC, Management Consultancies), they are also aware of the fact that for the effects will come in the medium to long term. Number of participants stated that they did not have sufficient information regarding the Business Support Services which reinforces the need for redesigning the communication strategy in this particular regard.

Six (6) companies have used access through the MIF. The general conclusion for this Component 1s that there is no sufficient buy-in from the companies considering their size and capacity for investment, and the fact that criteria for application to the fund are strict and harder in comparison to the bank loans. Current environment in Macedonia is not yet conducive for this types of funds considering the legal requirements under which they are established and the criteria they apply.

4.1.4.3. Sustainability

CEED Macedonia has generally achieved regional recognition as a premier business support institution, functional sustainability and an established leader of bringing together entrepreneurs and national and regional actors in overall economic development activities, which should continue after MSEP project ceases.

The CEED commercial programs implementation basis on regular basis, show that CEED team is capable of supplying value added services which could secure its sustainability. Specifically, the MSEP services to microenterprises are questionable in terms of acceptable price for the client versus the operational costs of CEED as supplier. Stated acceptable price range of 350-600 Euro (for companies out of Skopje) provide suitable base for exploration of the best operational model for achieving cost-effectiveness while obtaining participants interest. This price range enables commercial supply of services with larger groups, but not with smaller 5-7 people groups, which could become

In addition to services in component 1, it has been obvious that networking among business, domestically and regionally, is most cherished service. With appropriate targeted needs assessment and marketing, business might be able to see value faster and get included more extensively in MSEP programs. In relation to ideas from participants met, they cherish the program as unique and exclusive and are expecting that MSEP programs would progress into a business academy.

In relation to temporary sustainability, the project income generated through participants' cost-share for both Component 1 and under Component 2 during the first three years of implementation, it is kept unspent on a separate bank account. This creates the Scholarship Fund that will be used for further support of new entrepreneurs that will be enrolled in the Entrepreneurs Class programs in last project years, but also provides the basis for initial sustainability of the operations of CEED in supporting MSE's.

Professional services under component 2 are very hard to obtain sustainability and thus should be slowly outsourced, except in potential relation to advisory services connected in the co-working space of component. Even so, CEED should act as mediator between MSEP supported companies and other currently available professional service support schemes.

In relation to Component 2: networking for export to regional markets, the interest of companies does provide evidence that potential full price services could attract interest by companies. As specific service in Component 2 is the angel investment support, which is provided by CEED club members, and thus enables lower fund obtainment cost. However, the investment management relations and administrative support are feasible in larger and syndicated investments.

The aspect of sustainability of Component 3 is hard to assess at the moment. The SPMG management is theoretically sustainable and covers fixed costs and salaries from fund management fees. However, the first return of installment is scheduled in 2016, so speculating with potential scenarios might not be appropriate. The main issue regarding MIF is to be made in 2016, for the future of the funds that companies return into the fund.

5. Conclusions

CEED Macedonia is unique institution in Macedonia and the region, recognized as business club and place for sharing of experience and knowledge among peer entrepreneurs. MSEP remains a highly relevant project, 48 months after its inception. The project is unique intervention on the market in perspective of unique service mix provided to micro entrepreneurs, enabling CEED to be widely acknowledged as an exclusive business support service provider. The unique mix of networking and learning services provide MSEP and CEED with unique selling proposition for further education of managers.

MSEP/CEED has high and undisputable *relevance* among the business people, entrepreneurs and business community, including other regional and national stakeholders.

The MSEP project has been highly *effective* in the operating regions, with specific challenges in continuation of this effectiveness in the new regions of operations of MSEP and within the new management setup for expansion to new regions. The project has often over-reached planned targets in the past.

Project *efficiency* is high related to the available staff and located CEED presence in Skopje, which is due to existing of experienced and aligned team within MSEP. Recognized strength of CEED is its flexibility towards client requests and service innovation. However, certain efficiency improvements could additionally enhance the delivery process, increase productivity and ultimately enable targeted marketing to customers through seemingly personalized customer targeting and relations. Most significant recommendations are related to integration of already monitored and collected information, for reaching this purpose.

Impact is medium to high. Supporting towards high is due revenue growth of companies, employments, raising awareness of the need for life-long learning and upgrade of skills, and especially in networking among companies. Medium impact is obtained in microenterprises who do lack primarily time, and then money, to regularly attend and participate in the local MSEP programs.

Sustainability of MSEP activities is partially obtained, on the short term through the Scholarship fund. CEED does provide commercial services and is known as adaptive organization, thus enabling provision of Component 1 services to be adjusted and if necessary grouped. The services from component 2 which could obtain sustainability are the core strength of CEED and are related to regional networking and export promotion. The question remains if microenterprises do require export networking events to the extent as small and medium enterprises.

In order to achieve better overall results, in the upcoming period there are three general areas for improvement:

- Introduction of integrative monitoring and tracking systems for companies and clients.
- Enhancing sales and promotion activities for the new regions and within currently present regions with MSEP.
- Redesigning and reinforcing a new communication strategy in line with sustainability challenges.

6. Recommendations and strategic options

Assessment findings and Conclusions on the MSEP project enabled the evaluation team to group the Recommendations within general areas. Although some recommendations are already enclosed and understood within the findings area, the necessary ones are included within this section.

Monitoring and organization. The recommendation in this option are primarily targeting monitoring and tracking alignment and integration, but do directly influence the sales process. The recommendations here include:

- **Integrate and cross-reference databases and internal reports** (including internal annual monitoring) from regional level, now followed by event or conference, to be included based on company or participant level. This tracking of companies does enable better view of the upgrade and interest of companies, plus provides good basis for further analysis beyond efficiency process in reporting periods. This intervention should lower the effort for collection and integration of collected information, almost to level of human automatization. In this manner inter regional and company cooperation could be enhanced, both in networking and in referrals for sales purpose.
- **Make appropriate use of the CRM available for the purpose of tracking of companies** within CEED and MSEP programs and services. Not necessary as software solution, but more as solution which would collect the needs and assess company capacity and challenges prior to inclusion in the program. In this manner future monitoring and target marketing could be introduced. Does require procedure and habit for regular updates, which are done already in excel and word files.
- Preparatory - Introduce wider **needs and capacity assessment** for incoming companies, whose data would be integrated in the database (CRM or another). An individual needs assessment should be introduced on personal level for training.

Sales & Service delivery. This group of recommendations are focused on enhancing sales and service delivery of MSEP services and programs:

- **Provide matchmaking meetings and events among companies from different regions.** Match-making should also be promoted through sessions used for deeper presentation of the profiles of companies (5 to 7 minutes of presentation
- **Targeted marketing and sales,** enabled through tracking and monitoring client stated needs, behavior and expressed goals and visions. This exercise requires experimentation at start, but is based on the integrated system as recommendation.,
- **Promotion through partners in the new region**, as during the start of the project. New regions are not aware of the services and value of MSEP provided programs, and do requires local visibility of CEED with microenterprises.

Sustainability.

- **Unify the process of promotion of MSEP services,** especially in relation to scholarships and payment options to companies. Provide training or team knowledge sharing for defined steps for all project team members and regional coordinators. Although most of the staff is quite experienced in these matters, miscommunication has been stated to result in perception of misrepresentation, later lowering attendance and providing answers that companies have not participated – although they did. All due wrong raised expectation
- Revise recently introduced packages for services with scholarships and club membership, through success story presentation beyond the BI.mk portal.

7. Lessons learned

Lessons learned refer to the MSEP project, and partially to the MSEP evaluation process. Most of the lessons learned have been shortly elaborated within the document, but here the main lessons are outlined:

- Implementation structure of MSEP project through external consultants and organizations is lacking efficiency and common communication of the program with stakeholders, leading to miscommunication and lower interest. Key personnel in the project are the regional coordinators, acting as communication points for local micro enterprises.
- Local mentors and lecturers (component 1) in regions are less accepted and cherished due to local knowledge of the business and the persons. In addition, not all good business people are good lecturers and mentors, which had lack of listening and following respectable communication.
- Increasing of prices throughout the years to reach the full program price, thus lowering interest due to payment capability of companies outside of Skopje. The introduction of scholarship scheme as way to increase participation in regions.
- MIF fund eligibility change, by enabling applications beyond the microenterprise participants included in component 1 and 2. Thus enabling larger pipeline of prospect companies with potential for growth and understanding of equity capital, potentially ensuring success stories. Relation retained through commitment of companies obtaining MIF funds to participate in MSEP learning programs.

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Annexes

Annex 1: Statement of Work for the Mid-Term Evaluation

Annex 2: Team Composition and Evaluation methods

Annex 3: List of interviewed individuals, organization

Annex 4: Company data presentation

Annex 5: Database (excel) of financial data from CRM and CEED

Annex 3: List of interviewed individuals, organization

#	Name and surname	Company	City	Region
1	Ivan Christo	4Virtus.com	Skopje	Skopje
2	Borche Nikolov	Aerus	probistip	East
3	Angela Dimovska	Ani Comerc	Skopje	Skopje
4	Naum Trpchevski	Apimel	ohrid	Southwest
5	Darko Angeleski	Bar Evolution	Skopje	Skopje
6	Canka Velkova	BrainoBrain Internacional	Skopje	Skopje
7	Valentina Taseva	CertiAdria	Skopje	Skopje
8	Maja Lukarova	Cobra TV	radovis	East
9	Viktorija Drangovska	Codit Solutions	Skopje	Skopje
10	Dejan Gruevski	Darijan-Kom	Skopje	Skopje
11	Stojadin Stojanovich	Del Solution	Skopje	Skopje
12	Mihajlo Pavlov	Digital Star Production	Skopje	Skopje
13	Riste Andov	Ecoplast recycle	Kavadarci	Vardar
14	Andrijana Savic	EDNA Dooel	Skopje	Skopje
15	Zoran Postolov	Elan trejd	stip	East
16	Valentino Konstantinovski	Etapa project	Skopje	Skopje
17	Vesna Rumenovska	Evromak	strumica	Southeast
18	Svetlana Petkovska	Fezdo Company	tetovo	Polog
19	Valentina Dineva	Frutberry	strumica	Southeast
20	Goran Dinov	Frutberry	strumica	Southeast
21	Igor Spasov	Geminis International	Skopje	Skopje
22	Tode Bucevski	Geonet	Skopje	Skopje
23	Laze Milkov	GML	kavadarci	Vardar
24	Mirjana Shindilovska	Greenagro	Skopje	Skopje
25	Muamet Abazi	Haypool	tetovo	Polog
26	Darko Spirovski	Institut for energy efficency	tetovo	Polog
27	Todorche Stojchevski	IT Logistic / Chapter 4	Skopje	Skopje
28	Emilija Apostolska - Temov	Lawer office Apostolska & Aleksandrovski	Skopje	Skopje
29	Sashko Jankovski	Luna Farm	kavadarci	Vardar
30	Ljupco Atanasov	Majstor kompani	strumica	Southeast
31	Marija Marinkovska	Mar - Sazh	Skopje	Skopje
32	Ivan Petrushevski	Mkhost	Skopje	Skopje
33	Predrag Stojkovski	Novasolutions	kavadarci	Vardar
34	Nevenka Kuchikova	Prima Delvet	gevgelija	Skopje
35	Darko Shekerinov	Proakta group	Skopje	Skopje
36	Blagoj Debinkov	PZU Pharmacy Oskar-Lek	Skopje	Skopje
37	Sanja Stavrevska	Quatro computers	tetovo	Polog
38	Goran Antevski	Rade Koncar TEP		
39	Toni Kostov	Riversoft	strumica	Southeast

#	Name and surname	Company	City	Region
40	Lazar Todorov	Seleko	negotino	Vardar
41	Amir Ismaili	Sharproject	tetovo	Polog
42	Aleksandar Kuzmanovski	Simonium travel	Skopje	Skopje
43	Jonche Spaveski	Svetlina I toplina	ohrid	Southwest
44	Dushko Trajanovski	Total Media Production	strumica	Southeast
45	Viktorija Donceva	Trajkovski and Partners Consulting	Skopje	Skopje
46	Hristijan Kovachevski	Uniplast	struga	Southwest
47	Dragi Marinkovikj	Zora lek	kavadarci	Vardar
48	Irena Jakimova	Mentor and Consultant		
49	Jovan Madjovski	CEED MSEP		
50	Biljana Damevska	CEED MSEP		
51	Elica Aleksovska	CEED MSEP		
52	Marija Akimovska	CEED MSEP		
53	Kiril Ristovski	CEED MSEP		Polog