

ASSESSMENT
MICRO, SMALL & MEDIUM ENTERPRISE
DEVELOPMENT ACTIVITIES
-FOR-
SERBIA CRDA
2005-2007



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Summary

Assessment Overview: This report presents the results and impact of two micro, small and medium enterprise (MSME) development activities, MicroStarts and Employment Expansion, implemented by Mercy Corps through the USAID-funded CRDA program. The assessment examined the impact of the two programs, the quality of programming, and the needs and challenges facing MSMEs in Serbia. The budget for the two activities was \$947,400; while this budget was a relatively minor portion of the \$40 million CRDA project, the number of projects implemented was a significant 195 out of 1,320 projects. Mercy Corps surveyed 27 of 76 MicroStarts clients and 33 of 119 Employment Expansion clients through one-on-one interviews in seven topic areas that assessed their financial performance and future plans; CRDA impact, policies and donations; and issues facing MSMEs in Serbia.

MicroStarts

MicroStarts: MicroStarts assists local unemployed and redundant workers to achieve entrepreneurial self-sufficiency by facilitating business startups and registration of family businesses operating in the gray economy through a process of business planning and competitively awarded grants. The program provides a mechanism for small entrepreneurs to plan, grow and begin working within the legal tax system as registered businesses. Participating businesses are required to legally register their business, hire at least one worker, and remain in operation for at least one year. One cycle of MicroStarts was implemented in 2005-2006 in five municipalities.

Results: Unemployment bureaus in five municipalities collected 537 applications, of which 350 applicants were selected to attend training to help them develop and prepare their own business plans. Of the 330 trainees that completed all three days of the training, 247 completed submitted a business plan. Of those, 76 were selected to receive grants of basic capital equipment to help them start their business; the average grant size was \$3,500, not including the minimum client contribution of 25%.

Enterprise Registrations: All 76 MicroStarts clients legally registered their businesses. Clients involved in agriculture were required to register their households with the Ministry of Agriculture in accordance with Serbian law. The majority of the clients (59%) registered as a type of Independent Workshop, 30% registered as agriculture households, 7% as Partnerships and 4% as Limited Liability Partnerships. The largest business sector was agriculture, accounting for 31 of 76 (41%) businesses, followed by textile, construction, wood working, auto repair, food, followed by numerous others. Roughly 80% of the clients legalized their prior gray market activities, while the remainder either undertook a new activity or converted their hobby into a business.

Client Demographics: All MicroStarts clients surveyed were unemployed for at least one year before receiving the CRDA investment grant, and 56% were officially unemployed for longer than five years. The majority were middle aged citizens, with 89% in their 30s and 40s. Only 22% of the clients had completed any education beyond high school (11% university and 11% vocational), leaving the remaining 78% with only a high school education.

Income Generated: The primary goal of MicroStarts is income generation and enterprise registration. Approximately \$91,300 in additional income was reported by the 27 clients surveyed; extrapolating this to the entire population results in a total increased income of \$257,000, nearly equal to the original CRDA investment after only one year. Of the clients surveyed, 78% increased their incomes compared with before starting their business. Only two clients plan to stop their business activity due to losses incurred because of lower-than-expected demand for their products and services.

Job Creation: Though job creation is not the primary goal of MicroStarts, favorable results were achieved. The 76 MicroStarts enterprises originally planned to register 95 new, full-time, registered jobs. In actuality, the 27 clients surveyed reported 72 new full-time jobs, 36 (50%) of which are legally registered. In addition, they reported seven part-time and 17 seasonal employees, all unregistered. Following planned investments they plan to hire an additional 32 full-time employees. Extrapolating this data across the entire population of MicroStarts clients results in the creation of 101 registered, full-time jobs, 203 total full-time jobs, and 270 total jobs (including part-time and seasonal). Dividing the CRDA investment of \$275,300 by the number of registered jobs results in \$2,725 per registered job created; and \$1,356 per full-time job (registered and unregistered, but not including part-time and seasonal jobs).

Financial Performance: The average annual revenue of MicroStarts clients after one year of operation was \$10,780, with annual expenses of \$5,870, resulting in average net revenue of 46%. MicroStarts clients reinvested roughly 75% of net revenues back into their businesses. In 93% of the cases (7% are the two loss-incurring firms), the MicroStarts program resulted in legally-registered, economically viable enterprises. Agricultural producers realized the highest net revenues at 73% of income.

Enterprise Investment: Most of the MicroStarts clients (23 of 27 surveyed, or 85%) made further capital investments into their businesses after the CRDA investment; investments averaged \$2,310 per client. To finance these investments, 70% used their personal resources while 30% applied for commercial credit. Seven of the eight who applied for credit

were approved and an additional four (15%) plan to apply for credit within the next year. Twenty (77%) of the clients have concrete plans in place for their growth over the next year, either to procure new equipment or expand their working space.

Employment Expansion

Employment Expansion: Employment Expansion recognizes that not everyone is an entrepreneur, and therefore facilitates job creation for redundant and unemployed persons by providing an incentive to existing MSMEs to expand working capacities by matching grant investments with commercial credit. Participating businesses must receive credit through a commercial lender and agree to hire a specified number of new, permanent employees. Two cycles of Employment Expansion were implemented from 2005-2007 in sixteen municipalities.

Results: In two years of Employment Expansion 424 enterprises applied and 119 received CRDA investments averaging \$5,634. The program leveraged \$466,000 in commercial credit from 24 different banks, against a CRDA investment of \$672,000 (41% client match). Mercy Corps targeted production-based businesses, which tended to have more sophisticated business models and represent more unique sectors than MicroStarts clients. Agriculture projects were limited to production of goods for agricultural use; no retail enterprises were financed; and service providers were limited to those with specific business models. The largest sectors were wood processing, textile, and food, though enterprises were supported in 18 different sectors or activities.

Job Creation: The primary goal of Employment Expansion is to create legally-registered jobs. The 119 clients were obligated to employ 222 persons. However, while the 33 clients surveyed anticipated hiring 51 new employees, in actuality they hired 81, a 59% increase over the projected number. If these results are extrapolated across the entire population of 119 clients, 352 jobs were created, resulting in a donor investment of \$1,904 per job. Only two of the clients surveyed had not fulfilled their requirement to hire the designated number of employees.

Financial Performance: Of 33 Employment Expansion clients surveyed, 32 enjoyed positive net revenues, averaging \$24,300 per enterprise against revenues of \$103,200 (24% average net revenue); the remaining client anticipates positive net revenues in the future after he begins marketing a new, recently-developed product. Employment Expansion clients reinvested 84% of their net revenues back into their enterprises (versus 75% for MicroStarts), averaging \$17,800 per enterprise over a six-month period following the CRDA investment. A full 93% plan to expand their business in the coming year, 42% by increasing their working space or relocating to larger premises. All clients surveyed are confident about their future sustainability.

Credit Access & Repayment: Thirty of the 33 clients surveyed (91%) had no problems obtaining commercial credit. The remaining experienced some difficulty in the process related to the application procedures, expenses, or collateral. Related to repayment, 29 of the 33 clients (88%) had already fully repaid their loans at the time of this assessment, with the remainder continuing to make timely repayments. Employment Expansion clients expressed a low level of interest in utilizing credit, as they perceive the terms to be unfavorable and costly: 64% of Employment Expansion clients do not plan to apply for any credit in the foreseeable future; 27% plan to apply; the remainder is undecided.

Programming Quality & Impact

Activity Impact: Both MicroStarts and Employment Expansion clients cited a number of positive impacts aside from the primary program goals of income generation and job creation, respectively. Of the 60 clients surveyed, the main positive impacts cited were improved efficiency and productivity, improved livelihoods for families and employees, improved quality of service and reputation, increased product assortment, and improved working conditions for employees due to improvements in the workplace and the legalization of positions.

Equipment Investments: Clients reported on the current condition, maintenance and use of the donated equipment. Of the 60 clients surveyed, 43 experienced no problems with the donations and rated the equipment in "excellent" condition in terms of quality and suitability. Five clients reported minor to serious problems that prevented them from using the equipment more than 50% of the time. In general clients were satisfied with contractors and warranty repairs, though in nine cases significant problems with unresponsive contractors were cited.

Programming Recommendations: Numerous conclusions and programming recommendations are offered for donors and implementers working in MSME development. Recommendations are included for project administration, activity strategy, leveraging credit, and the use of grants as an MSME development tool.

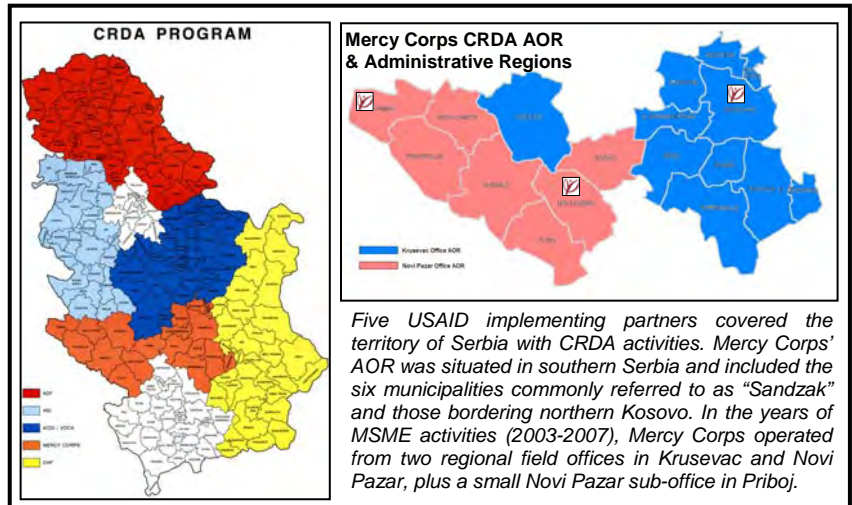
Currency Exchange: The currency exchange rate at the time of the assessment, June 30, 2007 was \$1 = \$1.34 € = 58.8 RSD.

Introduction

Assessment Overview: This report presents the results of an internal Mercy Corps impact assessment of two programs targeting micro, small and medium enterprise (MSME) development: MicroStarts and Employment Expansion. Both programs were implemented through the USAID-funded CRDA program, described below. This assessment examines the impact and results of the two programs, the quality of programming, and the future needs and challenges facing MSMEs in Serbia.

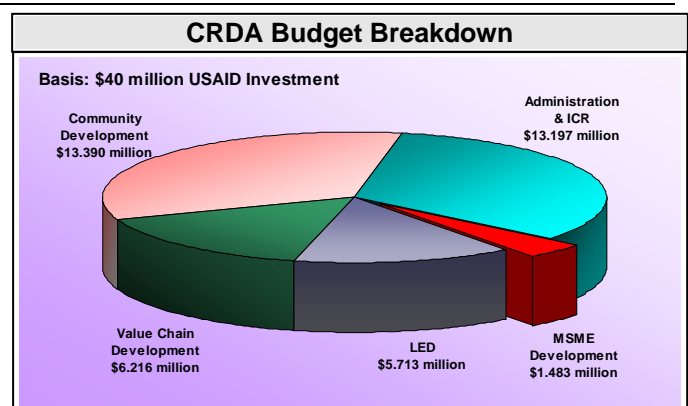
Assessment Goals: The goals of this assessment were to:

- evaluate the results and impact of Mercy Corps MicroStarts and Employment Expansion programs;
- assess the organizational aspects of the two programs;
- assess the operating environment facing MSMEs in Serbia, its functionality, and bottlenecks in the sector;
- identify key areas for targeted assistance and donor investment.



CRDA Background

CRDA Overview: The USAID-funded Community Revitalization through Democratic Action (CRDA) project was a landmark project in the development of post-conflict, post-Milosevic Serbia, as well as a milestone for Mercy Corps. For Serbia and the international community, CRDA contributed more financial resources to the people and communities of Serbia than any other single international donor funded project. For Mercy Corps, CRDA represented the longest single-donor project to date in the organization's portfolio. The project itself was a six-year, \$200 million project implemented by five USAID partners throughout the country, each with a budget of \$40 million for a specific geographic region. Initially, from 2001-2004, CRDA aimed at increasing citizen participation in and between communities to address their priority needs for social and economic revitalization. Communities identified and prioritized projects in four pillars: i) civic participation, ii) civil infrastructure, iii) environment, and iv) economic development.

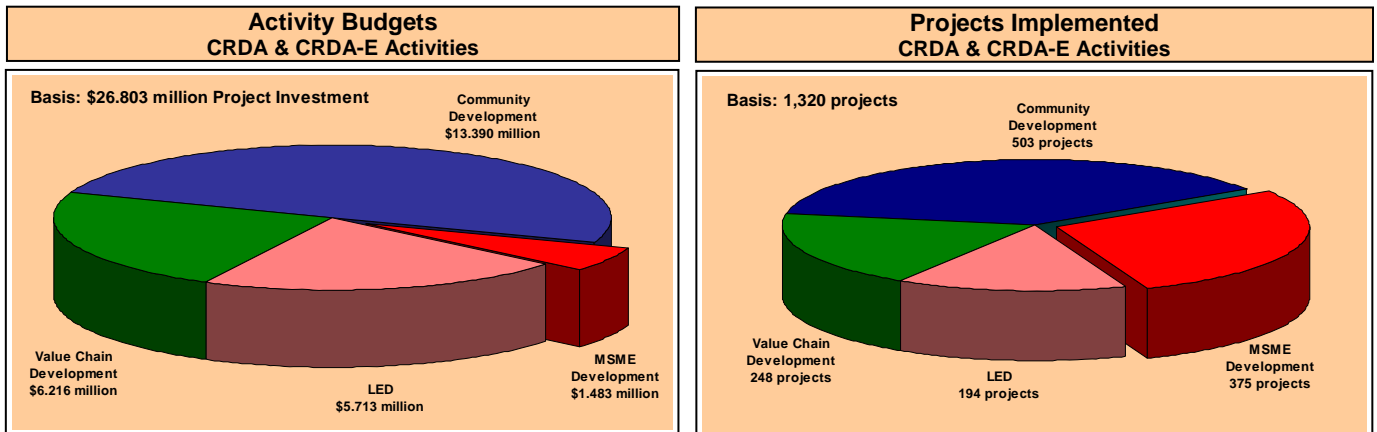


This chart shows the breakdown of the \$40 million USAID award and the major CRDA activity areas. The chart consolidates the various program activities into the four major activity areas shown here. Of the \$40 million, \$26.80 million was directly invested in client projects, \$1.48 million of which supported MSME development activities from 2005-2007, including two initiatives not covered by this assessment.

Mercy Corps AOR: Mercy Corps covered the 18 municipalities of southern Serbia shown in the map above. In the years covered by this assessment, they did so from two regional offices in Krusevac and Novi Pazar; in 2005 a small sub-office was opened in Priboj with two staff members, one of whom was dedicated to MSME programs implemented in the far western municipalities of the AOR. The AOR includes the six municipalities of Sandzak, an ethnically mixed region of Serbia consisting mostly of Bosnijaks and Serbs. The municipalities of Kursumlija, Prokuplje and Krusevac have high populations of IDPs from Kosovo (Kursumlija is highest with a population of 28% IDPs). The official population of the entire AOR is 660,000; Krusevac is the largest city and municipality, with a population of 131,000. Krusevac is home to a number of large former state-owned enterprises, mostly operating at significantly reduced capacity. The AOR can be characterized as mostly rural with little comparative economic advantage and heavily reliant on the agriculture sector.

CRDA Transition to CRDA-E: In 2005, USAID and the US Embassy changed strategy and shifted programming priorities to focus almost exclusively on economic development. As a result, CRDA underwent a significant change from its prior emphasis on community development and civic participation to economic growth, income generation and job creation. Under CRDA-E Mercy Corps' strategy became more diversified and included a host of activities in Local

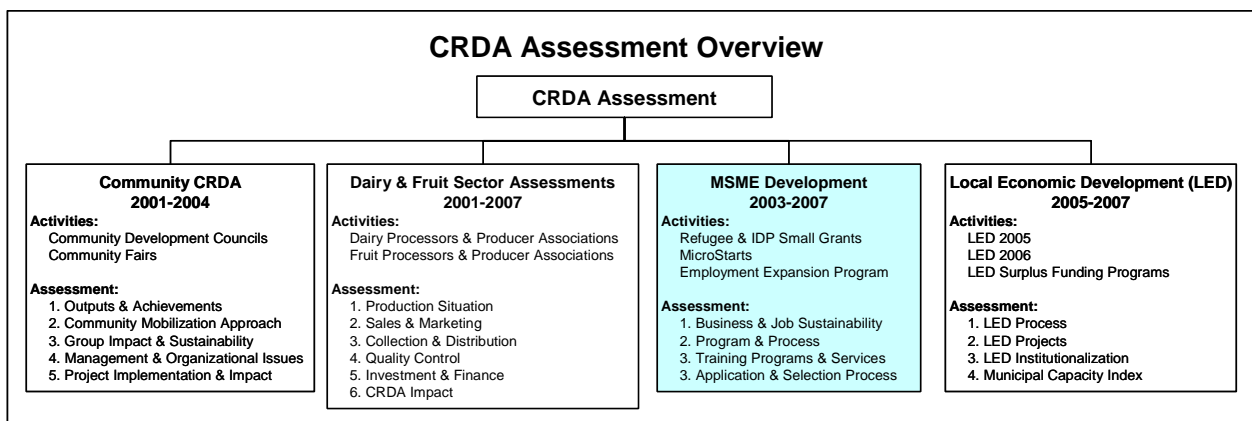
Economic Development (LED), value chain and MSME development. Not only did the projects financed under CRDA-E change to support economic growth and job creation, but Mercy Corps increasingly focused on technical assistance, training and institutional development to support financial investments.



These two charts compare the CRDA and CRDA-E investments with the number of projects implemented through each activity. While the overall funds invested under the original CRDA program exceeded those invested under CRDA-E, on an annual basis they were roughly equal. There were, however, a significantly higher number of projects implemented under CRDA-E, as CRDA focused on larger infrastructure projects while under CRDA-E the strategy was expanded to include additional activities. In particular, MSME projects accounted for a high percentage of projects, lower average investments, and tended to involve strictly procurement with minimal or no construction elements.

M&E Overview: Due to the involved and complex nature of CRDA and CRDA-E, the country team designed and implemented a series of discrete program assessments. The highlighted area in the chart below, excluding the Refugee & IDP Small Grants program, is the focus of this assessment. The assessments include:

1. Community Development 2001-2004
2. Dairy & Fruit Value Chain Situation & CRDA Impact 2001-2007
3. Micro, Small & Medium Enterprise (MSME) 2005-2007
4. Local Economic Development (LED) 2005-2007



Activity Overviews

MicroStarts

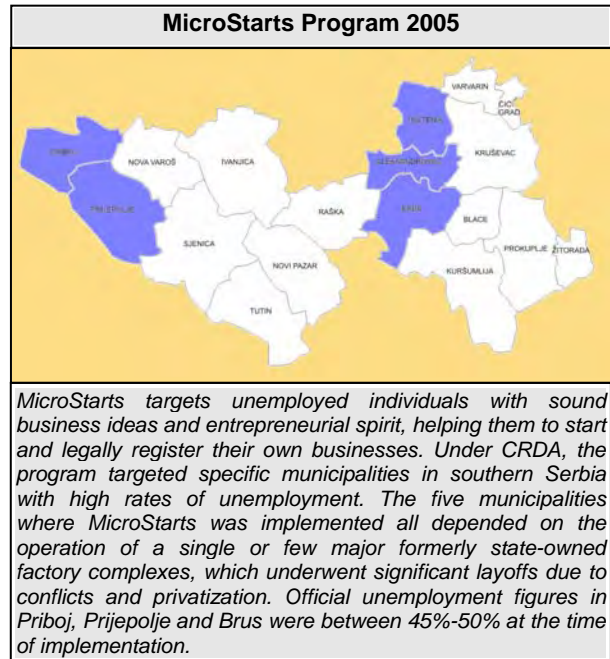
Goal: The goal of MicroStarts is to assist local unemployed and redundant workers to achieve entrepreneurial self-sufficiency by facilitating business startups and registration of gray market and family-owned businesses through a process of business planning and competitively awarded grants. The program provides a mechanism for small entrepreneurs to plan, grow and begin working within the legal tax system as registered businesses.

Advantages: Unlike traditional income generation programs, MicroStarts goes beyond the basic application and grant cycle and assists clients to plan and start their business. The competitive nature of the program is designed to assist a high number of potential entrepreneurs to plan and develop their business idea, reserving the injection of capital equipment grants only for a select few. The program is managed in cooperation with local unemployment bureaus; all

applicants are required to be registered with the bureau at the time of application. The activity is designed to help clients identify the pitfalls and challenges of their business activity before they invest, and to offer the following advantages:

- Business plan workshops serve two purposes: i) help the owner to plan the business, and ii) separate the most serious applicants and provide a clear mechanism for evaluation. These factors are intended to ensure a higher degree of economic sustainability.
- Encourages those who may have already been operating an unregistered business from their home to expand and legalize their business and workers, better integrating them into the local economy.
- Provides local unemployment bureaus with a stake in the planning, implementation and results of the program.

Requirements: To be eligible, applicants had to have been registered with their local unemployment bureau at the time of the application, and had a sound business idea. Participating businesses were required to legally register their business, hire at least one worker, and remain in operation for at least one year. A minimum matching contribution of 25% was required for all businesses receiving granted equipment.



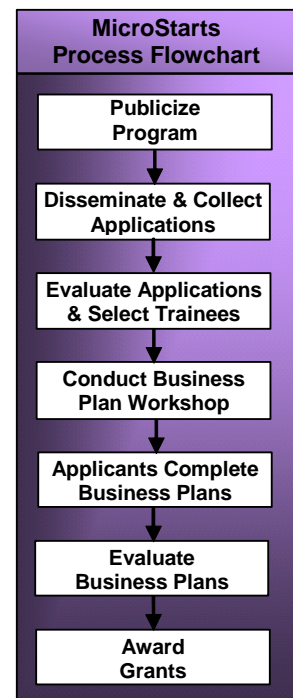
Approach: The MicroStarts approach is shown in the diagram. In 2005 the MicroStarts program budget was \$300,000 with a maximum grant amount of \$5,000 per client. Applications for the program were made available at municipalities, local unemployment bureaus and Mercy Corps offices. A competitive, four-step selection process ensured that each of the clients who received a grant had adequate business management skills:

- Applicants complete an application outlining their basic business idea or model. The application is strictly to attend a business plan training course.
- Applicants complete the three-day business plan course.
- Applicants *independently* prepare and submit their business plan.
- Prior to receiving a grant, applicants register their business.

Business Plan Training: The Kragujevac NGO TANGO, which specializes in small business training, led business plan workshops in the five targeted municipalities. The workshops were practical, interactive and hands-on. Participants were grouped according to type of business so that the trainings were targeted on specific sectors or activities, allowing the trainees to learn from and share ideas with one another. The TANGO trainers provided trainees with business plan templates and advice tailored to their specific businesses. Applicants were required to complete their own business plans and were informed that any investment rested on the authenticity of their business plans; the use of external consultants or agencies was prohibited. The three-day seminars provided practical and custom instruction on:

- Day 1: Entrepreneurship & Management,
- Day 2: Marketing & Financial Analysis,
- Day 3: Financing, Registration & Legal Issues.

Business Plan Evaluation: Upon completing the seminars, participants prepared their own business plans using the templates provided at the workshop. Grants were awarded based on completed business plans, similar as if applicants were applying for commercial credit, adding a greater degree of competitiveness, quality and planning to the process. Selection criteria included market assessment, economic feasibility of the business model, quality of the business plan, use of available skills, degree of vulnerability, and availability of inputs requested. The competitive process resulted in a pool of entrepreneurs trained and prepared to start their own businesses. The investment selection criteria included: i) economic feasibility of the business plan, ii) use of available skills, iii) degree of vulnerability, iv) availability of inputs requested, and v) environmental impact.

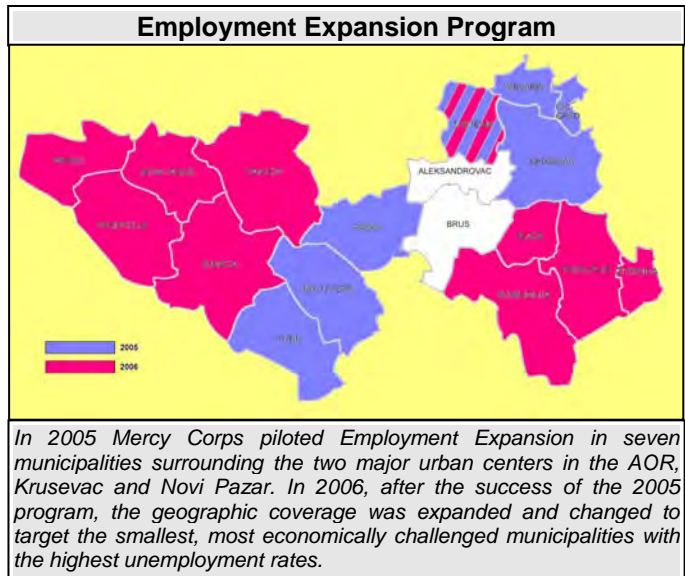


Employment Expansion

Goal: The Employment Expansion program facilitates job creation for redundant and unemployed persons by providing the incentive to MSMEs to expand working capacities by matching grant investments with commercial credit. The program provides a financial incentive to expand working capacity for credit-worthy enterprises.

Advantages: Recognizing that not everyone is an entrepreneur, Employment Expansion creates jobs in existing, registered, financially-healthy firms by expanding enterprise working capacities through a combination of commercial credit and capital improvement grants. Employment Expansion is designed to offer a number of advantages over other MSME programs:

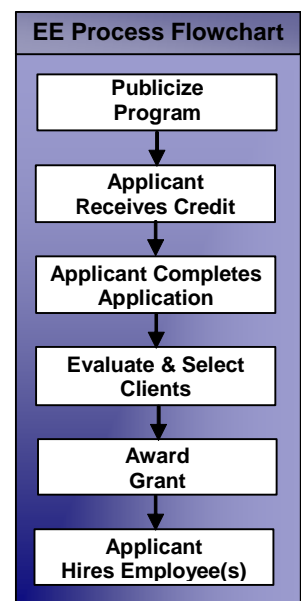
- Promote and build on the impact of commercial credit.
- Provide full-time jobs in existing enterprises; and since all of the enterprises have received credit from a commercial lender they are proven to be a good credit risk, an indicator that both the company and job created will be sustained.
- The donated investment provides capital for the growth of the enterprise, further strengthening both the job(s) created and the enterprise.
- The credit may be used to further capitalize the business, provide short-term operating capital, purchase raw materials and supplies, or procure additional new equipment and technology. Repayment of the commercial credit is counted as a matching contribution, encouraging credit repayment.
- Tracking the sustainability of jobs is relatively simple as the local unemployment bureaus assume that responsibility. This also provides the unemployment bureaus with a stake in the planning, implementation and monitoring of the program.
- By capitalizing enterprises Employment Expansion supports enterprise growth, facilitates servicing of current loans, and provides future collateral for the business.



Requirements: To be eligible, local businesses must have received credit through a commercial lender and agreed to hire a specified number of new, permanent employees. In 2005, investments up to \$4,000 were made in enterprises that agreed to hire at least one additional worker. In 2006, enterprises were eligible for up to \$4,000 if they hire one full-time worker, \$6,000 for two workers, and \$8,000 for three or more. Specifically requirements for applicant enterprises included:

- Apply for and receive credit from a commercial lender within a designated window during or immediately prior to the application period from any registered lending institution.
- Agree to legally employ at least one *registered* unemployed worker full-time for at least one year (depending on the level of grant requested).
- Employ not more than fifteen persons.
- Provide 25% of the value of the investment in matching contribution. (In most cases, loan repayment records were used as matching contribution.)

Approach: The Employment Expansion approach is shown in the diagram to the right. A comprehensive media campaign introducing the program included advertisements in all local media outlets and the placement of 600 posters at strategic places in cities and villages throughout the targeted municipalities. Applications were made available at municipalities, unemployment bureaus and Mercy Corps field offices. Firms that had been approved for credit either during the application period or immediately prior were eligible to apply. The Mercy Corps team evaluated the applications and conducted site visits. Enterprises were required to hire employees who were officially registered with the local unemployment bureau, which in turn verified that the person(s) had been hired and that they remained employed for at least one year. (In the event an employee was terminated prior to one year



the enterprise was obligated to hire another registered unemployed worker.) In 2005 the Employment Expansion budget was \$200,000; in 2006 the budget was increased to \$470,000 with the discontinuation of the MicroStarts program.

Evaluation Criteria: As the goal of Employment Expansion is to create full-time, registered positions in financially healthy enterprises, Mercy Corps sought firms that had an established history, were a good credit risk, and were growth oriented. Evaluation criteria for selecting the enterprises were:

- Amount, type and use of credit granted by a commercial lender. The credit had to have been used for the business, preferably for capital investment, though enterprises with working capital credit were also eligible.
- Type of business activity. Small production firms were preferred. No retail businesses were approved.
- Potential growth of markets and/or market share.
- Number of employees to be hired and likelihood for job sustainability.
- Ability of the company to absorb positions based on workload. In 2005, enterprises with 3-5 employees were targeted under the rationale that the grant would provide comparatively greater assistance than larger firms. In 2006, enterprises with 5-10 employees were targeted under the rationale that those firms were more likely to absorb additional working capacity.

Strategy Changes: Mercy Corps initially planned to identify Employment Expansion partner banks with a development mandate. Three banks, ProCredit, Micro Development Fund and Opportunity International, initially agreed to partner with Mercy Corps to implement the program. The idea was to draw on the client networks of these partner banks to inform and recommend applicants from their client bases. However, after three weeks of cooperation with these partners, fewer than ten applications were received. As a result, the program was restructured to allow an enterprise to apply based on credit from any commercial lending institution.

Assessment Methodology

Client Surveys: During a two-week period in June 2007 a Mercy Corps team consisting of facilitator, Bosiljka Vukovic, and note-taker, Bojan Trebjesanin, surveyed 27 MicroStarts and 33 Employment Expansion clients. All surveys were conducted through one-on-one interviews with the facilitator posing the questions and the interviewee responding. All survey questions were systematically asked to all clients. The note-taker documented the interview so that the facilitator was free to focus on the interview itself and to clarify specific topics with the interviewee. The key informants were either the owner or the acting manager of the enterprises, and were the primary Mercy Corps contact throughout the application process. In only one case the interviewee, the enterprise's vice manager, was a newcomer and was therefore unable to provide feedback about Mercy Corps' procedures and staff relations. The surveys used for the two programs covered the following assessment areas and are included as Annexes 1 and 2.

Assessment Survey Areas	
MicroStarts	Employment Expansion
1. Organizational Background 2. Enterprise Financial Performance 3. Mercy Corps Procedures 4. Business Plan Training Seminars 5. Current Condition, Maintenance & Use of Donated Equipment 6. Future Plans & Sustainability 7. Assistance Under CRDA	1. Organizational Background 2. Enterprise Financial Performance 3. Mercy Corps Procedures 4. Current Condition, Maintenance & Use of Donated Equipment 5. Future Plans & Sustainability 6. Assistance Under CRDA

Sample Size Considerations: Due to the imminent closeout of the CRDA program at the time of this assessment and the resulting limited time and human resources available, plus the fact that the clients were spread across a large geographic area, certain provisions were made with respect to the assessment and the survey sample population with the goal of maximizing the client sample sizes:

- The survey was designed to concisely and specifically target the issues related to impact of the two programs, rather than attempt to capture the more general situational assessment of MSMEs in Serbia.
- Only completed projects with all equipment delivered were included in the sample. Due to some outstanding projects and undelivered equipment (the majority being 2006 Employment Expansion projects), this reduced the number of clients in the eligible sample from 196 to 171.
- Lastly, municipalities with fewer than five projects were removed from the sample group, further reducing the eligible sample from 74 to 73 MicroStarts clients and from 97 to 86 Employment Expansion clients, and eliminating the municipalities of Cicevac, Nova Varos, Sjenica, Tutin and Varvarin from the assessment.

Geography Considerations: Due to the significant development differences across various municipalities in southern Serbia, the team wanted to ensure to include clients in the sample to represent the various conditions across the AOR. Therefore, due to the limitations outlined above, since it was not possible to include clients from all municipalities in the sample, the decision was made to proportionally include all of the administrative regions: Rasina, Toplica, and Raska/Zlatibor.

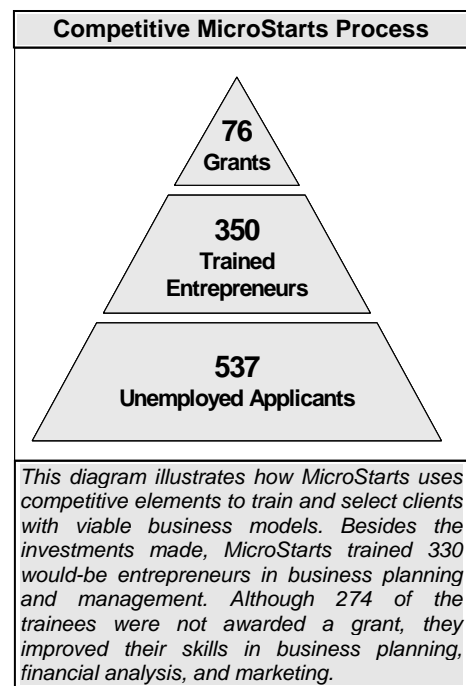
Sample Size: The survey sample clients were randomly selected by computer. A total of 36 Employment Expansion clients were selected, but three were unable to be interviewed: two (one each from Raska and Novi Pazar) had moved and relocated their businesses to Kosovo and one (from Trstenik) was not possible for logistical reasons. In the end 27 MicroStarts and 33 Employment Expansion clients were interviewed during the two weeks of fieldwork, giving an overall confidence level of 95% and a margin of error of 10%.

Results & Outputs

Data Sources & Qualifications: This section presents the results and outputs of the two MSME programs, plus the performance and issues affecting the clients. The results presented in this section were taken from the survey results and Mercy Corps' official database Web-PRS, the USAID-mandated tool used by all CRDA partners. The data reported by the clients during the assessment was assumed to be accurate and was not verified for accuracy through other external channels (such as checking employment book data, interviewing employees, or confirming employment records with unemployment bureaus). Project lists for MicroStarts and Employment Expansion are included in Annex 3.

MicroStarts

Overall Results: The unemployment bureaus in the five targeted municipalities distributed and collected 537 applications over a five-week period in June-July 2005. The applications were screened, resulting in the selection of 350 applicants who were then trained and assisted in developing their own business plans. As a testament to the training methodology, 330 of the 350 trainees (94.3%) completed all three days of training. Of the 330 applicants who completed all three days of training, 247 (74.8%) completed and submitted a business plan. Of those, 81 were selected to receive grants of basic capital equipment to help them start their business (four were later cancelled due to inability to meet matching contribution requirements). All clients surveyed in this assessment confirmed that they completed all steps.



Enterprises Registered: The 76 MicroStarts clients who received grant investments were required to register their businesses and present proof of registration to Mercy Corps prior to, or at the time of, equipment delivery. Clients involved in agricultural businesses were required to register their households with the Ministry of Agriculture, according to Serbian law. Note, however, that this registration does not require them to legally change their unemployed status with the unemployment bureau. Therefore, all 76 enterprises receiving financial support from CRDA became legally registered enterprises.

Types of Registration: This assessment confirmed that all 27 MicroStarts enterprises surveyed registered and remained operational for at least one year, as required by their contract with CRDA. Of those surveyed, 13 registered in 2005 and 14 in 2006, depending on the date of equipment delivery. (All of those surveyed waited until the latest possible moment to register their business in order to delay paying the necessary expenses and ongoing taxes.) Based on the clients sampled, MicroStarts clients registered as:

- 59% (16) some type of Independent Workshop (SZR, ZR,

MicroStarts Results by Municipality							
Municipality	Unemployed (No. / %)	Applicants	Business Plan Training	Completed Seminar	Submitted Business Plan	Investment Approved	Completed & Registered Enterprise
Aleksandrovac	2,387 / 33%	65	40	330	27	7	7
Brus	2,313 / 49%	67	40		32	7	7
Priboj	6,607 / 49%	139	90		60	19	17
Prijepolje	7,077 / 47%	124	90		60	22	22
Trstenik	4,419 / 28%	142	90		68	26	23
Total	22,803	537	350	330	247	81	76

The Business Plan training seminar organized by the local NGO TANGO served as an effective screening tool for MicroStarts applicants. Only those genuinely motivated completed the seminar, prepared and submitted a business plan, and passed Mercy Corps due diligence process. Five projects were cancelled following the due diligence visit, resulting in 76 projects completed of 81 selected.

or SZTR);

- 30% (8) agricultural households, as explained above;
- 7% (2) Partnership Workshops (OR); and
- 4% (1) Limited Liability Partnerships (DOO).

MicroStarts Business Sectors: As seen in the table below, the largest sector of businesses formed through MicroStarts (32 of 76) was agricultural, including primarily fruit, vegetable, livestock and dairy production. The textile sector (sewing and tailoring) accounted for eight businesses, followed by construction, wood working, auto service and food industry. The remainder worked in fairly specific business sectors and included, weaving, party planning, glass working and a solarium. The distribution of businesses in the sample group is also shown in the table.

Enterprises by Sector – MicroStarts (Number of Investments)							
Sector	Aleksandrovac	Brus	Priboj	Prijepolje	Trstenik	Total	Sample
Agriculture	3	1	5	9	13	31	9
Textile		1	3	4		8	4
Construction & Repair			3	3		6	2
Wood Working		1	2	1	2	6	3
Auto Repair & Service	1		1	2	1	5	2
Food/Restaurant	2	1	1	1	1	5	2
Honey		1		1	1	3	
Administrative Services		1	1		1	3	
Metal Working			1	1		2	
Printing		1			1	2	
Craft Production	1					1	1
Entertainment					1	1	1
Beauty Salon					1	1	1
Furniture				1		1	1
Glass Working					1	1	1
Total:	7	7	17	22	23	76	27
Investment:	\$25,950	\$22,400	\$57,050	\$74,440	\$86,310	\$266,150	\$103,298

Although targeting MSMEs, nearly half of the MicroStarts applicants prepared business plans for an agricultural activity, including fruit, vegetables, and livestock. The assessment found that the majority of the 32 agricultural clients approved for investment grants had lost their jobs in public companies in the 1990s, and chose agriculture as the least costly means of providing income for their families. The two highlighted businesses are those that plan to cease operations.

Client Prior Business Activity: Of the 27 clients surveyed, the clients started their businesses from the following:

- 81% (22) transitioned their operations from the gray market;
- 15% (4) started an enterprise in an entirely new area of business (and generally stopped working in another gray economy enterprise);
- 4% (1) legally registered their hobby business.

Client Unemployment Status: The assessment found that all MicroStarts clients surveyed were unemployed for at least one year before receiving the CRDA investment grant:

- 22% (6) were unemployed from 0-2 years,
- 22% (6) for 3-5 years;
- 30% (8) for 6-9 years;
- 26% (7) more than 10 years.

Demographic & Education Profile: The assessment found that MicroStarts clients were mainly middle aged citizens: 48% are in their 30s and 41% in their 40s. Furthermore, 78% completed high school, 11% pursued a higher level of vocational training, and the remaining 11% held a bachelors degree from a university.

Job Creation – Contract: According to figures reported by the clients in their business plans, the 76 MicroStarts enterprises registered through the program resulted in the creation of 95 new, full-time registered jobs. Mercy Corps invested \$275,300 in the program; these figures result in an average donor investment of \$2,897 per job created. (The investment includes the costs for business plan training and public outreach campaign. Excluding these expenses, the donor cost per job created is \$2,801 per job.)

MicroStarts Donor Investment Analysis
CRDA Investment: \$275,300 (\$266,200 in grants)
Enterprises Registered: 76
Average Grant: \$3,502
Full-Time Jobs Created: 203 *
Donor Investment per Job: \$1,356 *
* Includes both registered and unregistered full-time jobs. Figures are based on extrapolation of survey sample data to all MicroStarts clients (see table below).

Jobs Creation – Actual: The 27 MicroStarts clients surveyed reported 72 new full-time jobs, 36 (50%) of which are legally registered. In addition, clients reported 7 part-time and 17 seasonal employees (all unregistered). Of the 36 unregistered, full-time jobs, 20 are in the eight agricultural households where their status is technically legal so long as the household is registered with the Ministry of Agriculture. Following future planned investments (see below) the enterprises plan to hire an additional 32 full-time employees.

Job Creation – MicroStarts							
Sample/ Population	Enterprises	Registered Full-Time Jobs	Total Full-Time Jobs	Total Jobs *	CRDA ** Investment	Donor Investment Per Full-Time Job ***	
						Registered	Total
Total Reported	76	95			\$275,300	\$2,897	N/A
Sample Verified	27	36	72	96	\$103,800	\$2,882	\$1,441
Total Extrapolated	76	101	203	270	\$275,300	\$2,725	\$1,356

In addition to 36 registered full-time jobs created, the MicroStarts clients sampled reported that they plan to register an additional 17 of the currently 36 unregistered full-time employees by the end of 2007, indicating a significant shift away from gray market activity in terms of employment practices.

* Part-time and seasonal jobs included.
** Includes business plan training & public outreach campaign.
*** Part-time and seasonal jobs not counted in the donor investment calculation.

Income Generated: In total 5,478,400 RSD (approximately \$91,300) in additional income was reported by the clients surveyed, resulting in a respectable payback period for the CRDA investment of approximately one year (exact figure cannot be estimated due to the various delivery dates of the equipment). Of the clients surveyed, 22% stated that their living standards improved significantly, while 63% experienced slight improvements, as their businesses are just starting to grow. Specifically:

- 21 of 27 clients surveyed (78%) increased their incomes compared with before starting their business.
- 2 clients stated that they had other positive, though non-income, results as they received special equipment that was used to improve quality rather than increase production; as a result their quality and reputation increased.
- 2 stated that the equipment they received was of such bad quality that it needed constant repairs or never became operational and, hence, they have no positive results.
- 2 reported that their businesses experienced losses due to poor markets for their products, and that they intend to cease operations and terminate their registration (a wood souvenir production company and a solarium).

Income Generation – MicroStarts			
Sample/ Population	Enterprises	Income Generated Year 1	CRDA * Investment
Sample Verified	27	\$91,300	\$103,800
Total Extrapolated	76	\$257,000	\$275,300

The incomes reported by the 27 clients surveyed to date totaled \$91,300, or 88.0% of the CRDA investment of \$103,800. At that rate, the CRDA investment in the MicroStarts enterprises will pay for itself after one year or less.

* Includes business plan training & public outreach campaign.

CRDA & Client Investments MicroStarts					
Municipality	Projects	CRDA	Client	Total	Match (%)
Aleksandrovac	7	\$26,000	\$13,700	\$39,700	34.5%
Brus	7	\$22,400	\$8,400	\$30,800	22.3%
Priboj	17	\$56,900	\$23,700	\$80,600	29.4%
Prijepolje	22	\$74,600	\$14,100	\$88,700	15.9%
Trstenik	23	\$86,200	\$27,500	\$113,700	24.1%
Total:	76	\$266,200	\$87,400	\$353,500	24.7%

The MicroStarts program fell just short of the 25% required matching contribution. However, this was due more to issues with the documentation submitted and to negligence on the parts of both the client and Mercy Corps in collecting and submitting the documentation. Of the 76 projects, no match was documented for 33 clients. Prijepolje performed the worst, where Mercy Corps succeeded to document only 9 of 22 projects, resulting in only 15.9% match overall.

CRDA Investment: At the time of the assessment field work (late June 2007) 74 of the 76 MicroStarts projects had been completed, while two clients were still awaiting deliveries scheduled for early July. In total for the 76 enterprises, Mercy Corps donated approximately 300 pieces of equipment worth \$266,200. The average CRDA grant size was \$3,502 per enterprise.

Client Investment: Clients contributed \$87,400 (24.7%) in *documented* matching contribution; all investments were required to be made toward the capital improvements necessary to start the business. The documented match is slightly less than the 25% USAID requirement overall and it should be noted that Mercy Corps only documented match from 41 of the 76

clients (54%). Undocumented match is due primarily to two factors: i) the documentation submitted was either not approved, or was not collected due to negligence on the part of the client and/or Mercy Corps project officer; or ii) the client did not make the required investment as planned. When interviewed with respect to matching contributions, 81% (22 of 27) of MicroStarts clients stated that they had sufficient time to collect match; 11% (3) stated that they had difficulties due to their personal economic hardship; one indicated that he did not provide match because he was dissatisfied with the quality of equipment donated by Mercy Corps; and one indicated that he had problems documenting the match because he purchased a large number of small items on the gray market.

Financial Performance: Based on the survey results, the total revenue of the MicroStarts clients for 2006 (the only full year period of legal operation) was \$258,800, while the expenses were \$146,700, leaving net revenues of \$112,100. The table below presents a detailed breakdown of the financial performance by income range. On average, MicroStarts clients earn net revenues of 46% of their income, reinvesting roughly 75% of those revenues back into their business. As previously stated, only two of the 27 MicroStarts businesses surveyed suffered losses and plan to cease operations. These results, together with one client whose income seems overstated (\$144,000/year) were treated as outliers and are excluded from these results. Thus, in 93% of the cases (7% are the two loss-incurring firms), the MicroStarts program funded economically viable business ideas and clients, helping establish enterprises that are expected to sustain and grow into the future.

Total Income	< \$2,000	\$2,000- \$5,000	\$5,000- \$8,000	\$8,000- \$12,000	\$15,000- \$20,000	\$20,000- \$30,000	> \$45,000	Average
Clients	2	5	5	7	4	3	1	24
Average Revenue	\$1,100	\$3,530	\$5,950	\$9,970	\$16,570	\$24,780	\$144,000	\$10,780
Average Expenses	\$1,260	\$970	\$3,150	\$5,630	\$9,230	\$16,580	\$72,000	\$6,110
Average Net Revenue	-15%	73%	47%	44%	44%	33%	50%	43%
Average Net Revenue Reinvestment	0%	55%	68%	91%	70%	67%	70%	73%

The average revenue of MicroStarts clients in their first year of operation (excluding the three outliers cited above) was \$10,780, 57% of which was required to cover annual expenses; additionally, 73% of net revenues are being reinvested into the businesses, helping ensure their continued sustainability and growth. The largest group of clients surveyed (26%) earned revenues between \$8,000-\$12,000, realized an average net revenue of 44%, and reinvested 91% of it back into their businesses. Agricultural producers realized the highest net revenues (73% of income), due in large part to the low level of reinvestment required to maintain the business. Only two of the clients surveyed incurred losses and will not continue their operations.

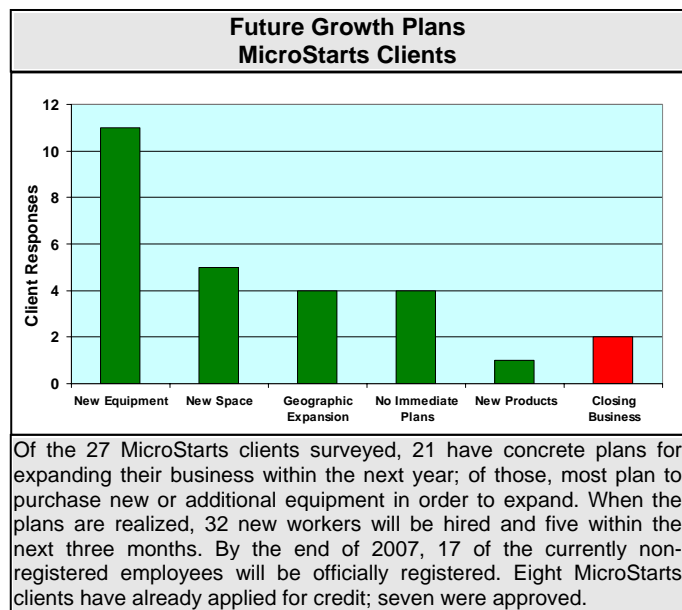
Enterprise Investment: After registering their businesses and receiving the CRDA investment grant, 85% of the MicroStarts clients (23 of 27) surveyed made further capital investments into their businesses, totaling \$57,700. The average investment was \$2,310 (the two companies planning to cease operations were excluded from the average). To finance these investments, 19 (70%) of the clients used their personal resources while 8 (30%) applied for commercial credit. Seven of the eight who applied for credit were approved.

Investment Range	\$0	\$200- \$500	\$500- \$1,000	\$1,000- \$3,000	\$3,000- \$5,000	\$5,000- \$10,000	Total Investment	Average Investment
Clients	4	2	5	10	2	4	\$57,730	\$2,310

The average investment for MicroStarts clients into their businesses after receiving the CRDA investment and registering their enterprise was \$2,320. Compared with the initial CRDA investment of \$266,200, clients invested 22% of the value of the CRDA investment after starting their business, in addition to the initial matching contribution required by MicroStarts. The majority of clients invested from \$1,000-\$3,000 in their businesses.

Future Use of Commercial Credit: Of the clients surveyed, 74% (20 of 27) plan to use their own financial resources to manage their businesses in future, as they feel that bank interest rates are unfavorable, and/or they fear economic instability in the country, which would impose further difficulties for repaying the loans. Four of the clients (15%) plan to apply for commercial credit in the next 12 months, while two plan to try to obtain credit from the National Development Fund. The general impression of the evaluator is that the MicroStarts clients are self-made entrepreneurs, and that due to the past two decades of economic and political hardships in Serbia, they have low confidence in the system and legal institutions and prefer to assume full financial responsibility for their business operations.

Future Growth Plans: Of the 27 clients surveyed, 20 (77%) have concrete plans in place for their business' growth in the next twelve months; eleven intend to buy new pieces of equipment and six plan to increase their working space. In both cases, the goal of the investment is to significantly increase their production capacity and outputs. Four (19%) are developing new marketing strategies to expand their markets geographically, while one is planning to introduce new products to existing markets. These plans are closely related to increasing the labor force: a total of 32 new jobs are planned to be created in the coming year, of which five are slated in the next three months. More than half



of the planned new workers (52%, or 17 of 32) are currently working, though unregistered, for the enterprises, but will be registered by the end of 2007. Four of the clients (15%) stated that they are comfortable with their current level of production and plan to expand their production and labor force within one year of consolidating their current positions. The final two enterprises are the loss-incurring enterprises previously mentioned.

Enterprise Sustainability: When asked for their own judgment on sustainability of their enterprises, 25 of the 27 enterprises (93%) are confident about their future sustainability (only the two planning to cease operations were not confident). This data reinforces the profitability analysis presented above. Ten of the clients believe that the quality of their products will ensure their sustainability; nine feel that they have already secured their position from their positive reputation; one felt that his competitive pricing would ensure his sustainability; five did not cite a specific reason, but indicated that the enterprise was their only source of income. The main issues currently faced and those anticipated in the future are presented in the table.

Issues Faced by MicroStarts Clients	
Current Issues Faced	Anticipated Future Issues
<ul style="list-style-type: none"> Delinquent payments and resulting lack of operating funds. Finding and establishing market and appropriate buyers. Fighting cheap export. Poor quality of existing equipment. 	<ul style="list-style-type: none"> Lack of resources for bigger investments. Competition from imported products, especially Chinese and Turkish. General instability in the country.

Employment Expansion

Overall Results: In two years of the Employment Expansion program 424 enterprises applied and 119 applicants received investment grants, with an average size of \$5,634. As reported by the clients, 222 jobs were created (see Jobs Created discussion). Refer to the table to the right for a summary of the applications, approvals and average CRDA investment by municipality.

Analysis: The donor investment per job created for the Employment Expansion program over two years, based on client obligations to the program, was \$3,020. While the 2006 figure (\$3,119) increased from 2005 (\$2,818) the enterprises financed in 2006 were generally more sophisticated, with more unique business plans. Also in 2006 Mercy Corps targeted larger firms more likely to absorb additional positions; as a result, the average loan size also increased from \$4,370 in 2005 to \$6,600 in 2006. Finally, in 2006, the municipalities of Krusevac and Novi Pazar (by far holding the strongest potential applicant pools) were excluded to provide opportunities for smaller, more economically challenged municipalities.

Employment Expansion Business Sectors: Mercy Corps targeted primarily production-based businesses for the Employment Expansion program, as shown in the table below. Employment Expansion enterprises tended to have far more unique and sophisticated business products and models, including production of brake pads, baby ointment, soap and shampoo, greenhouses and PVC windows and doors, among others. Agriculture projects were

Employment Expansion Results by Municipality					
Year	Participating Banks	Municipality	Applications Received	Projects Approved	Average Investment
2005	9	Cicevac	4	1	\$6,161
		Krusevac	67	15	\$5,566
		Novi Pazar	47	13	\$4,975
		Raska	23	6	\$3,937
		Trsetnik	9	3	\$5,083
		Tutin	5	2	\$4,616
		Varvarin	5	1	\$4,378
		Total:		160	41
2006	24	Blace	10	4	\$6,773
		Ivanjica	38	10	\$5,001
		Kursumlija	20	6	\$3,249
		Nova Varos	21	6	\$7,455
		Priboj	35	9	\$5,491
		Prijepolje	42	11	\$5,892
		Prokuplje	44	9	\$7,159
		Sjenica	17	6	\$6,076
		Trstenik	24	10	\$6,519
		Zitoradja	13	7	\$6,163
		Total:		264	78
Total:	33		424	119	\$5,634

From the pilot Employment Expansion program in 2005 through the expanded program in 2006, the number of participating banks nearly tripled as the program reached out to the smaller municipalities in the AOR. The number of applications increased as well by 65% despite the 2006 program excluding the urban centers of Krusevac and Novi Pazar. Only three projects of an original 122 approved were subsequently cancelled after approval, compared with five cancellations out of 81 projects for the MicroStarts program. From an administrative standpoint, Employment Expansion is simpler to manage due to more experienced business clients, simplified match procedures, and ease of verifying employment.

Employment Expansion Donor Investment Analysis
CRDA Investment: \$672,060 (\$670,530 in grants)
Client Investment: \$465,740
Average Grant: \$5,635
Full-Time Jobs Created: 352 *
Donor Investment per Job: \$1,904 *
* Includes only registered, full-time jobs. Figures are based on extrapolation of survey sample data to all MicroStarts clients (see Job Creation table). Contracts signed with clients stipulate a minimum of 222 jobs.

limited to production of goods for agricultural purposes, and included only two feed mills and one veterinary station with a particular business model. No retail enterprises were financed, and service providers were limited to six companies, again with specific business models. The largest sectors were wood processing, textile and food. The distribution of businesses in the sample group is also shown in the table.

Job Creation – Contract: The main goal of Employment Expansion was to create jobs in existing enterprises. As previously presented, in 2005 clients were eligible for up to

\$4,000 if they hired one additional worker; in 2006, there was a graduated limit depending on the number of workers hired (\$4,000 for one; \$6,000 for two; \$8,000 for three or more). In total for the two years, clients were required to employ 222 persons according to their contracts signed with Mercy Corps. With the CRDA investment of \$670,530, this results in a donor investment of \$3,020 per job. Following future planned investments (see below) the 33 enterprises plan to hire an additional 131 new employees (not included in this discussion).

Job Creation – Actual: The 33 Employment Expansion clients surveyed were required to hire 51 new workers based on their contracts with Mercy Corps. In actuality, they hired 81 new workers (not including an additional 17 who are working but not legally registered), an increase of 58.8% over the amount they had originally projected. If it is assumed that a similar result would be obtained within one year for all 119 clients, then when we extrapolate this data, the actual number of jobs created would be a much higher figure of 352, resulting in a much lower donor investment of \$1,904, lower than for MicroStarts when considering legally registered positions. The following table presents a summary of the data and this rationale.

Investments by Sector Employment Expansion Program			
Sector	Number	CRDA Investment	Sample
Wood	19	\$129,310	6
Textile	18	\$81,410	3
Food	15	\$90,500	5
Construction & Repair	8	\$36,640	2
Metal Working	8	\$44,260	2
Plastic Products	8	\$56,340	3
Printing	6	\$27,810	1
Auto Repair & Service	6	\$32,640	2
Services	6	\$16,030	1
Glass Working	5	\$30,940	2
Stone & Concrete Works	4	\$27,350	2
Paper & Cardboard	3	\$22,480	
Windows & Doors	3	\$19,390	2
Agriculture	3	\$10,080	
Miscellaneous Specialty	3	\$18,750	1
Publishing	2	\$16,020	1
Furniture	1	\$6,180	
Beauty Salon	1	\$4,390	
Total:	119	\$670,530	33

The economic activities of the Employment Expansion clients were considerably more diverse and unique than those of the MicroStarts program. Employment Expansion focused almost exclusively on production-oriented enterprises; agriculture, with the exception of agricultural providers, was excluded, as were retailers of any kind. Several more specialized enterprises included brake pad manufacturing, baby ointment, wood parquet flooring, and a small soap and shampoo company.

Job Creation Employment Expansion Program							
Sample/ Population	Enterprises	Prior Employees	New Jobs Contract	New Registered Jobs	Increase (%)	CRDA ** Investment	Donor Investment Per Job
Total Reported	119	362	222	---	61.3%	\$670,530	\$3,020
Sample Verified	33	127	51	81	63.8%	\$195,560	\$2,414
Total Extrapolated*	119	362	---	352	97.4%	\$670,530	\$1,904

Within one year of Employment Expansion investments, the 33 clients interviewed increased their work force by 64%, creating 83 new, full-time registered jobs, slightly exceeding the expected results as reported by the clients in their applications. In addition, the 33 clients report that they plan to hire an additional 29 workers within the next three months (17 are already hired but are not officially registered), which would subsequently result in an employment increase of 88%, and decrease the donor cost per job created to \$1,746.

* For the sake of consistency, the extrapolation is based on the difference between the new jobs originally projected in contracts signed with Mercy Corps versus jobs confirmed during the assessment.

Job Creation Discussion: Of the 33 Employment Expansion clients surveyed, 28 fulfilled their contractual obligations in creating and sustaining the minimum number of new jobs. Half of those, 14, exceeded the number of new jobs established in their contracts. An additional two were currently hiring the employees at the time of this survey; one company was still waiting for equipment delivery, after which it plans to hire three new workers. Only two enterprises had not satisfied the terms of the contract; both of these (one in Raska and the other in Trstenik) are family businesses employing only the owner and spouse, agreeing to hire one new worker. Both stated that their businesses had not yet sufficiently developed for them to hire a worker without incurring significant financial losses. However, they expressed their desire and intent to meet the Mercy Corps requirements within one year.

Job Creation Extrapolation: The job creation results obtained from the assessment are surprising, but nevertheless confirmed: the enterprises hired 81 employees, a 64% increase over the 51 they originally anticipated hiring. Most of the enterprises surveyed were 2005 clients, since the team surveyed only those enterprises where equipment had been delivered and installed. The 81 jobs actually hired are more in line with the average results expected, or a 60%-65% increase in number of employees over the two years. Therefore, after applying the multiplier resulting from the under-reporting (according to contracts), this result is a projected 97.4% increase in employment when applied to the entire population, and a corresponding reduction in the donor investment per job from \$3,020 to \$1,904. It might be surprising if a similar result would be observed if 100% of the clients were surveyed. If so, it is certainly a testament to the Employment Expansion methodology and/or the success of the client selection process.

Income Generation: In addition to the employment generated, Employment Expansion achieved improvements in client productivity and business operations, leading to better working conditions and increases in income: 34% of Employment Expansion clients surveyed reported significant increases in income.

Improved Living Standards: Six clients (18%) reported greatly improved living standards; 19 (58%) reported slight improvements, noting that the equipment had been delivered within the previous five months and had yet to significantly impact their business; five (15%) reported no changes in their living standards; while the remaining three (9%) reported a slight decline in their living standards. All of the clients in the last two groups (24%) noted that their businesses experience seasonal fluctuations, and all hoped that in the upcoming year, when their equipment is fully utilized, their living standards will also show improvements.

CRDA Investment: By June 2007, the time of this assessment, Mercy Corps had completed 97 of the 119 Employment Expansion projects; while equipment was scheduled for delivery for the remaining 22 clients in the beginning of July. Mercy Corps invested \$672,060 in the Employment Expansion program, \$670,530 of which was directly invested into the clients' enterprises. The remaining \$1,530 was used for public outreach. The average CRDA grant size was \$5,635.

CRDA & Client Investments Employment Expansion						
Year	Municipality	Projects	CRDA Investment	Client Investment	Total	Match (%)
2005	Cicevac	1	\$6,160	\$1,530	\$7,690	19.9%
	Krusevac	15	\$82,900	\$51,890	\$134,790	38.5%
	Novi Pazar	13	\$64,670	\$49,590	\$114,260	43.4%
	Raska	6	\$23,620	\$39,550	\$63,170	62.6%
	Trsetnik	3	\$10,170	\$2,410	\$12,580	19.2%
	Tutin	2	\$13,850	\$8,020	\$21,870	36.7%
	Varvarin	1	\$4,380	\$3,200	\$7,580	42.2%
	Total:	41	\$205,750	\$156,191	\$361,940	43.2%
2006	Blace	4	\$27,090	\$44,780	\$71,870	62.3%
	Ivanjica	10	\$50,010	\$46,100	\$96,110	48.0%
	Kursumlija	6	\$19,500	\$8,110	\$27,610	29.4%
	Nova Varos	6	\$44,730	\$20,460	\$65,190	31.4%
	Priboj	9	\$49,420	\$13,370	\$62,790	21.3%
	Prijepolje	11	\$64,810	\$18,900	\$83,710	22.6%
	Prokuplje	9	\$64,430	\$79,030	\$143,460	55.1%
	Sjenica	6	\$36,460	\$4,260	\$40,720	10.5%
	Trstenik	10	\$65,190	\$37,180	\$102,370	36.3%
	Zitoradja	7	\$43,140	\$37,360	\$80,500	46.4%
	Total:	78	\$464,780	\$309,550	\$774,330	40.0%
Total:		119	\$670,530	\$465,740	\$1,136,270	41.0%

Unlike MicroStarts, the Employment Expansion program exceeded the minimum 25% client contribution by a considerable margin. All clients surveyed were making timely loan repayments; so the cases of undocumented match are almost certainly due to failure on the part of Mercy Corps staff to collect the documentation. Overall, match was collected for 96 of the 119 projects (81%); however, in the Novi Pazar-Priboj AOR, the figure was a lower 64%.

Client Investment: Clients contributed \$465,740 in documented matching contribution through loan repayments, or 41% of the total investment. Only four municipalities, Cicevac, Priboj, Prijepolje and Sjenica did not meet the minimum (Cicevac had only one project; Trstenik fell short in 2005 but surpassed the mark in 2006). Failure to meet match requirements, however, was not due to client delinquency since all clients in the survey group repaid their loans on a timely basis. Rather, in this case it is largely attributed to failure on the part of Mercy Corps staff to collect the documentation. In 2005, match was documented for 38 of 41 projects (93%). In 2006, it was documented for 100 of 119 projects (76%); however, in the Novi Pazar-Priboj AOR, match was collected for only 27 of 42 projects (64%), a trend following that obtained for the MicroStarts program. The lower results are due at least in part to staff turnover and other CRDA closeout obligations.

Financial Performance: Employment Expansion clients were requested to provide basic financial information from 2006. Since most of the clients employ the services of an accountant to manage their financial books, the data presented have a high degree of credibility. Of the 33 Employment Expansion clients surveyed, only one was operating with negative net revenues. That client indicated that this was due to his production of an "offset inter-row rotary cultivator" for orchards and vineyards which still needs to be marketed to buyers. At the time of the assessment the company was negotiating with the State Agricultural Fund to market and sell the cultivator, which is expected to revive its operations. The remaining 32 (94%) are fully operational, with 24% average net revenue per client.

Enterprise Financial Performance – Employment Expansion									
Total Income	< \$20,000	\$20,000- \$40,000	\$40,000- \$70,000	\$70,000- \$100,000	\$100,000- \$150,000	\$150,000- \$200,000	\$200,000- \$300,000	>\$300,000	Average
Clients	3	7	5	6	3	4	3	2	33
Average Revenue	\$9,460	\$29,910	\$56,850	\$85,670	\$116,670	\$165,000	\$219,440	\$350,000	\$103,160
Average Expenses	\$6,320	\$24,060	\$40,560	\$53,910	\$81,110	\$138,330	\$185,330	\$290,000	\$78,860
Average Net Revenue	33%	20%	29%	37%	30%	16%	16%	17%	24%
Average Net Revenue Reinvestment	73%	89%	94%	62%	90%	94%	93%	90%	84%

The total income reported by the 33 Employment Expansion clients is \$3.404 million, 76% of which is used to cover their routine operating expenses. Total net income reported by the enterprises is \$802,000, of which 84% is being reinvested into the enterprises. All of the clients are reinvesting into their businesses at considerably high rates, in many cases exceeding 90%. This demonstrates a continual commitment on their part to further expand and develop their businesses. Since most of the enterprises utilize internal or external accountants, these data should have a high degree of accuracy.

Enterprise Investment: Capital investments made by Employment Expansion clients are, on average, higher than with MicroStarts clients (84% net revenue reinvestment versus 75% for MicroStarts). Furthermore, since the enterprises are roughly ten times larger in terms of annual revenues (\$103,160 versus \$10,780 for MicroStarts) the actual amount reinvested is higher still. In total, 28 of the 33 Employment Expansion clients surveyed reinvested a total of \$499,000

into their businesses over roughly a six-month period following delivery of the CRDA investment. Only five (15%) of the clients recorded no further investments; all of these had received the CRDA investment less than one month prior to the survey. The average client investment (excluding the five clients with no investment) was \$17,810, which is

Enterprise Investment – Employment Expansion								
Investment Range	\$0	\$0-\$3,000	\$4,000-\$9,000	\$10,000-\$15,000	\$15,000-\$20,000	\$30,000-\$70,000	Total Investment	Average Investment
Clients	5	6	9	1	5	7	\$498,800	\$17,810

The average investment for Employment Expansion clients into their enterprises after receiving the CRDA investment was \$17,810. In total, the 33 clients surveyed invested \$498,800 in capital purchases into their enterprises; compared with a CRDA investment of \$195,560. If the five clients with no post-CRDA investment are excluded (their equipment was delivered within one month prior to the survey) the clients have invested 3.2 times the value of the CRDA investment in capital purchases. The majority of clients invested from \$4,000-\$9,000 in their businesses.

3.2 times higher than the original CRDA investment. To finance these, 27% of the Employment Expansion clients received additional credit following the CRDA investment and used some of those loans to cover the new investments. The majority (73%), however, financed all operating expenses and capital investment through their own or the company's means.

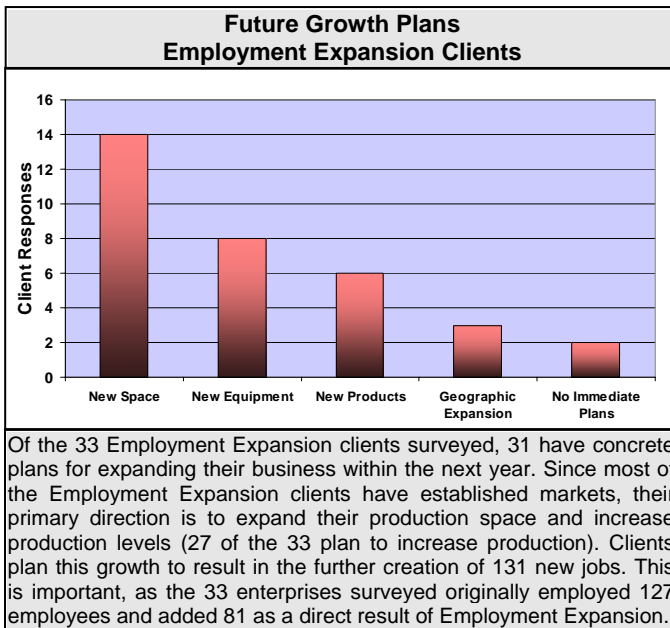
Credit Access & Repayment: Based on the assessment, 30 of the 33 clients surveyed (91%) had no problems originally obtaining credit from a commercial lender. The remaining three (9%) experienced some difficulty in the process related to the “complex administrative and application procedures” and high expenses associated with getting the necessary collateral, insurance and/or mortgage. On the loan repayment, 29 of the 33 clients (88%) had already fully repaid their loans at the time of this assessment. The remaining four took longer-term loans of 18 months or more and are still making payments. None of the clients reported problems with repayment.

Participating Banks: The initial plan for the Employment Expansion program was to work with selected banking partners, relying to a great extent on coordination with their loan officers to recommend clients to Mercy Corps for participation in the program. Mercy Corps specifically targeted banks with a development mandate and had signed memorandums of cooperation with ProCredit Bank, Micro Development Fund, and Opportunity International. However after roughly a month into the program the Mercy Corps team had only received ten referral applications. As a result, the program was restructured to allow enterprises to apply based on their receipt of credit from any commercial lending institution, thereby opening up the program to cooperation with any commercial bank or lender. A public outreach campaign with heavy local media coverage and a poster campaign were quickly organized to inform potential clients. In the end, in 2005, the 41 approved clients had received credit from nine participating banks; in 2006, with the expansion of the program both geographically and financially, clients had taken credit from 24 different banks. A summary of the number of clients affiliated with each bank is shown in the table.

Participating Banks 2005-2006 Employment Expansion				
Bank	Loans	Average Loan	Existing Employees	New Employees
ProCredit	20	\$4,130	64	37
Komercijalna Bank	19	\$3,500	53	35
Republic Development Fund	14	\$16,840	58	27
Delta Bank	13	\$2,490	37	20
Vojvodjanska Bank	10	\$5,200	36	21
Meridian Bank	6	\$2,813	11	9
Agrobank	6	\$3,165	18	7
MicroDevelopment Fund	5	\$3,300	11	9
Jubanka	3	\$3,880	8	10
Credy Bank	3	\$3,040	10	8
Niska Bank	3	\$2,510	4	3
Raiffeisen Bank	2	\$4,940	3	3
Nacionalna Stedionica	2	\$23,200	7	6
Aik Bank	2	\$13,500	8	5
Kulksa Bank	2	\$5,500	5	3
Cacanska Bank	1	\$10,900	2	2
Opportunity International	1	\$6,000	2	2
National Bank of Greece	1	\$6,000	1	1
FG Eurobank	1	\$4,800	2	2
LHB Bank	1	\$4,350	3	2
Eksim Bank	1	\$4,000	2	2
Findomestic Bank	1	\$2,900	4	3
Metalis Bank	1	\$2,800	2	2
Societe General	1	\$2,500	4	3
Total:	121	\$706,400	362	222

The 2005 pilot (\$200,000) Employment Expansion program expanded in 2006 (\$470,000) to cover ten municipalities, including all those not covered by any previous Mercy Corps MSME program. Absent from the 2006 program were the urban centers of Krusevac and Novi Pazar as the program targeted smaller municipalities with lower levels of economic development. Institutions with a current or prior development mandate are highlighted.

Future Use of Commercial Credit: Contrary to the expectation that larger enterprises would be more likely to use commercial credit, much like the MicroStarts clients, Employment Expansion clients also expressed a low level of interest in utilizing credit, as they generally perceive the terms of the credit to be unfavorable and costly. In fact, 64% of the Employment Expansion clients do not plan to apply for any credit in the foreseeable future, while 27% (9) intend to use credit in the future. Of those nine, four already have a revolving credit plan set up with their banks. Of the remainder, one client was undecided while two intend to apply to the Republic Development Fund for a low-interest loan.



Future Growth Plans: According to the survey, 93% (31 of 33) of the Employment Expansion clients have concrete plans to expand their business in the coming year; 42% (14) plan to expand their working space or relocate to new premises; 24% (8) plan to purchase new equipment to increase their production levels; 18% (6) plan to diversify their product lines; and 9% (3) plan to expand their sales geographically. As a result of this expansion, the enterprises anticipate hiring 131 new employees: 29 in the next quarter, 34 more within one year, and 32 following completion of all planned expansion. Of the 29 planned within the next three months, 17 have already been hired but remain unregistered. Only two clients surveyed have no immediate plans for growth, indicating that they are already operating at their maximum capacity and that large investments would be required to expand further.

Enterprise Sustainability: When asked to evaluate their future sustainability, 20% of Employment Expansion clients (7 of 33) felt that they faced no

significant challenges at present. The remaining 80% face issues very similar to those of the MicroStarts clients (see table). Despite these issues, 100% of the clients surveyed are confident in their future sustainability. Ten of them (30%) feel they have a secure place in the market, either through tradition, reputation or lack of competition. Nine (27%) plan to assure their sustainability by introducing new products; seven (21%) indicate that their product quality will ensure their sustainability; three (9%) will be sustainable through good management practices; the remaining four rely on competitive pricing and low production costs.

Issues Faced by Employment Expansion Clients	
Current Issues Faced	Anticipated Future Issues
<ul style="list-style-type: none"> • Cheap imports and/or high competition for markets. • High taxes. • Underdeveloped markets with high entry barriers. • Poor equipment quality and lack of adequate production space. 	<ul style="list-style-type: none"> • Volatile economic and political situation in Serbia. • Competition from cheap imports. • Delinquent payments from new buyers and markets.

Quality & Impact Assessment

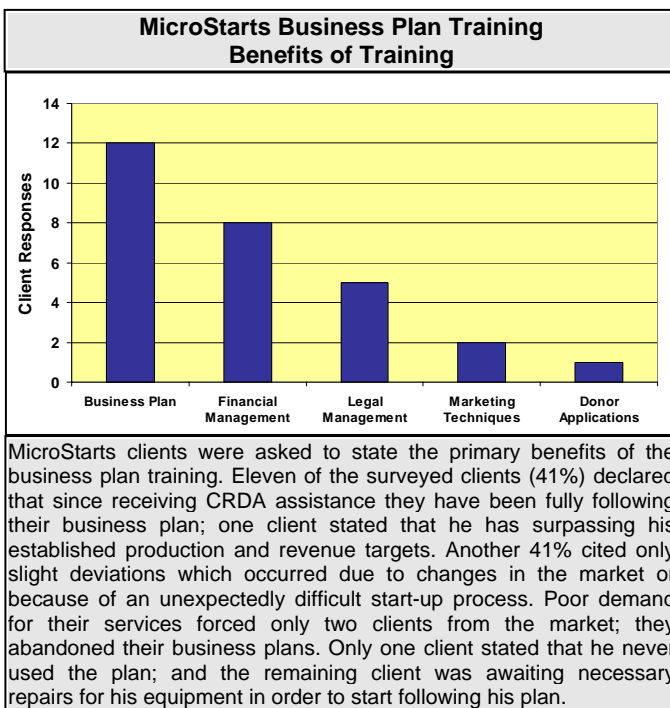
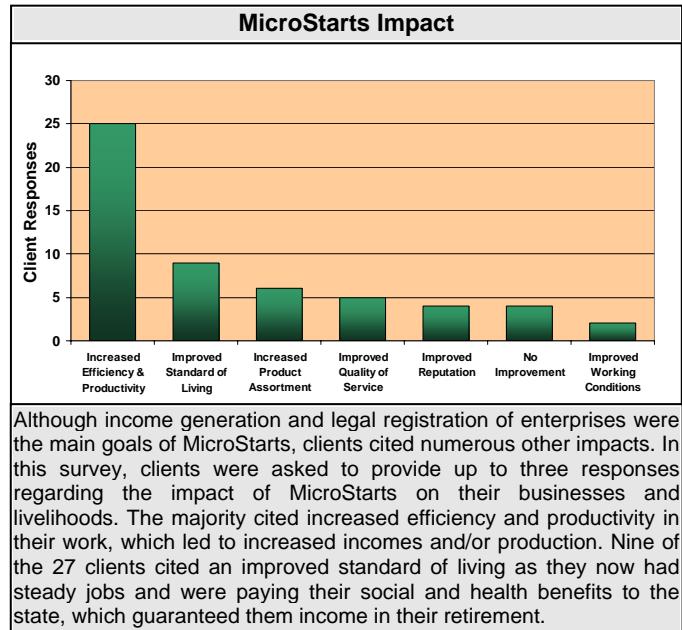
Overview: This section presents the assessment results as they pertain to the quality of Mercy Corps programming and qualitative impact of CRDA assistance. In general, clients were asked to rank the assistance and impact in a number of areas on a scale of 1-5, five being the best.

MicroStarts

MicroStarts Impact: Besides the stated goals of income generation and legal registration of startup and gray market businesses, MicroStarts achieved a number of other positive goals as viewed from the clients' perspective. Clients were asked to cite the main effects and impact of the program. In order to increase the authenticity of the results, no pre-defined responses were offered to the clients; similar responses were later grouped by the evaluator. The 27 clients surveyed collectively offered 55 responses, represented in the chart.

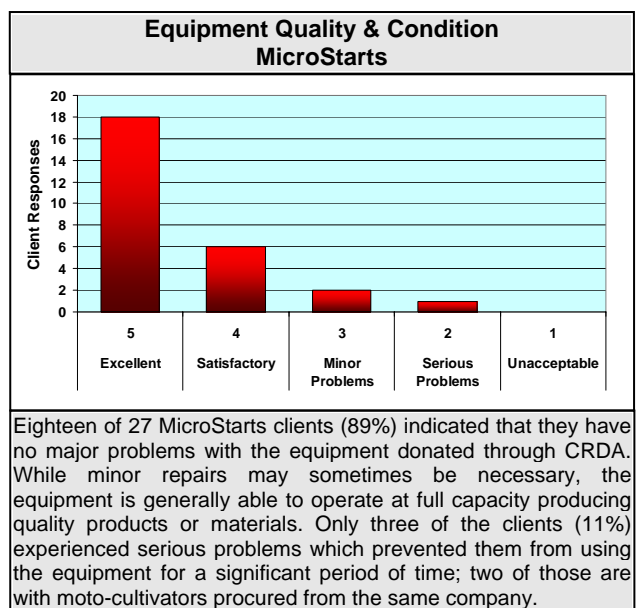
- **Improved Efficiency & Productivity:** The time required for enterprises to complete orders and obligations was significantly reduced, allowing the clients to improve their work organization. In addition, 30% of the clients reduced their expenses and 25% increased production as a result of the CRDA investment.
- **Improved Livelihoods:** Nine of the 27 clients (33%) reported improved life security as a significant impact of the MicroStarts program. Clients indicated that MicroStarts helped them turn their gray market or hobby businesses into legal, profitable enterprises, thereby ensuring more steady incomes for their families and guaranteed social and health benefits now and after they retire.
- **Increased Product Assortment:** Six of the 27 clients (22%) increased the variety of products they were producing as a result of MicroStarts, and in this way closed the production cycle and/or increased their spectrum of services to their clients.
- **Improved Quality of Service:** Five clients (19%) reported an increase in their quality of service, including improved agricultural products, improved textiles, or higher precision wood products.

- Improved Reputation:** Four clients (15%) reported improvements in their management and professionalism, leading to an improved reputation and more credibility in the market. One client reported a significant increase in client base as a direct result of his improved reputation and credibility.
- Improved Working Conditions:** Two clients reported improved working conditions as a result of MicroStarts. Namely, because of the new equipment work hazards and noise were reduced, and hygiene was improved, which subsequently led to reduced controls and measures necessary and smoother business operations.
- No Results:** Four clients indicated that they had not yet experienced any results from the program. Two of those, as previously presented, plan to close their businesses after fulfilling their contractual requirements with Mercy Corps due to insufficient demand for their services (a solarium and a wood souvenir company). The other two reported significant problems with the donated equipment and are attempting to resolve the situation with the manufacturer. Both remain hopeful for positive results once the situation is resolved.



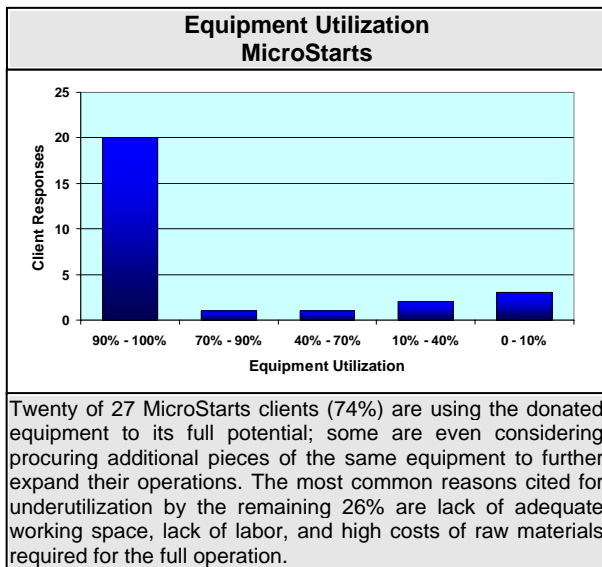
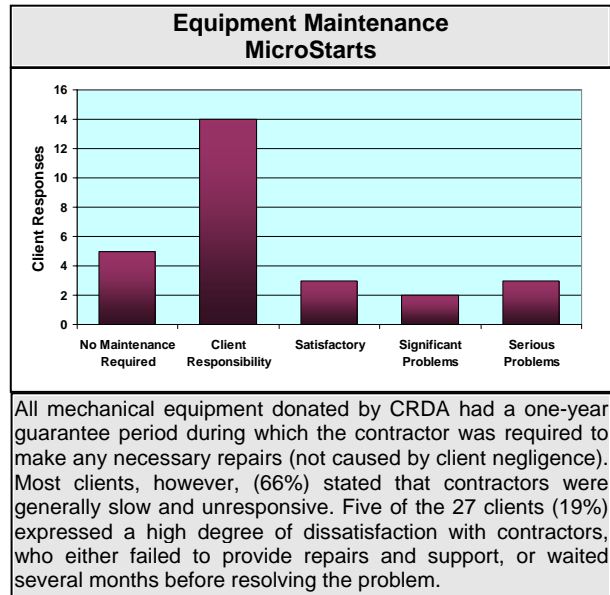
Business Plan Training: Related to the MicroStarts business plan training, 85% of the clients interviewed (23 of 27) rated the business plan training with the highest mark ("5" on a scale of 1-5) in terms of its usefulness, content and applicability. Only four participants gave the training a rating of "4", three of whom stated that more concrete business start-up examples and/or market penetration strategies would have been useful; the last client stated that there is room for improvement in everything. Immediately following the training, TANGO administered their own training evaluation, which yielded slightly lower results, averaging 4.0 across all clients and specific evaluation categories.

Equipment Quality: Sixty pieces of equipment were donated to the 27 sampled clients. The clients were asked a series of questions related to the current condition, maintenance and use of the donated equipment; their subjective judgments form the basis for their overall level of satisfaction with the donation. Eighteen of the clients (67%) were completely satisfied with the quality and condition of the equipment they received from CRDA; six (22%) reported minor problems, which were solved with smaller repairs. In these cases, the evaluator observed only one case of broken equipment while all other equipment appeared in excellent working condition. The remaining three clients (11%) experienced serious problems (moto-cultivators



and air-tools with serious manufacturing defects) which prevented them from using the equipment for more than 50% of the time, as machines were frequently at repair centers. USAID stickers were observed on 96% of the equipment.

Equipment Maintenance: In 19 of the 27 cases, equipment maintenance was the client's responsibility, either because there is generally no warranty for the type of equipment or by virtue of the fact that the equipment was not mechanical; in five of these cases, clients had required no maintenance to date. The remaining 14 were satisfied with the level and quality of maintenance they or their workers performed, generally limited to routine and preventative maintenance, cleaning, and perhaps periodic professional repairs. The equipment for ten clients was still in the warranty period. Of those, five reported significant or serious problems with the contractors, citing negligence in making the repairs, delays of several months, unprofessional behavior, and failure to permanently correct the problems. Several of these clients informed Mercy Corps about the problem and in all these cases clients stated that Mercy Corps' intervention helped make the contractors more responsive.



Equipment Utilization: In 93% of the cases (25 of 27), CRDA-donated equipment was critical for the start-up and continued operations of the MicroStarts enterprises. In the remaining two cases (both textile) specialized sewing equipment was necessary only for the final phases of production. Twenty clients (74%) reported full utilization of the equipment. (This figure is interpreted to mean constant use whenever possible and required. It therefore includes the agricultural households which use the equipment only on a seasonal basis, and the two textile producers with the specialized finishing equipment). Two clients reported utilization rates of only 10%-40% because of bad quality of the equipment, or because supplementary equipment is necessary for full functioning. Three clients use the equipment at less than 10% of its capacity: the two who are going out of business and one, for which the equipment is still not functional and he lacks the training on how to use it.

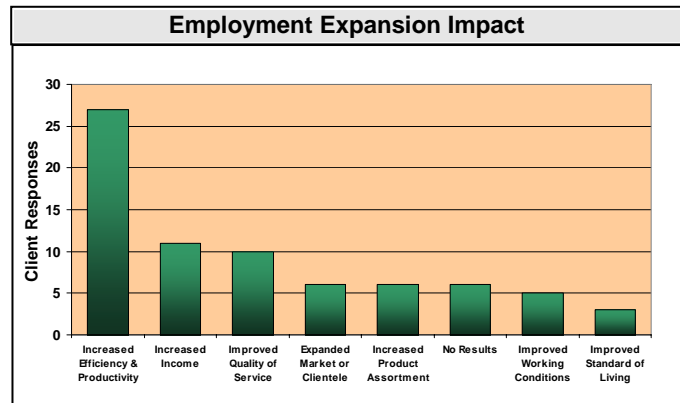
Future Impact: Clients were asked about the future impact they expect the donated equipment to have on their operations; 18 of the 27 (67%) believe that the donated equipment will continue to provide significant benefits into the future, seven of which hope for increased income once the equipment is utilized to an even greater extent, either by adding a second shift, employing additional workers, moving to a larger production space, or renting the equipment part-time. Five stated that the machine will serve as an incentive for their future business development, and four plan production increases or geographic market expansion around the donated equipment. Two view the donated equipment as a source of income for their future generations. Only one-third (9) do not see any further benefits than those they already have, mainly because the equipment is already utilized to its full capacity and potential.

Employment Expansion

Note: As detailed in the Methodology section, only projects that were either completed or in finalization status were included in the sample. However, due to a logistical oversight, one Employment Expansion client included in the survey was still waiting for the equipment delivery. For this reason, he is not included in equipment-related discussions.

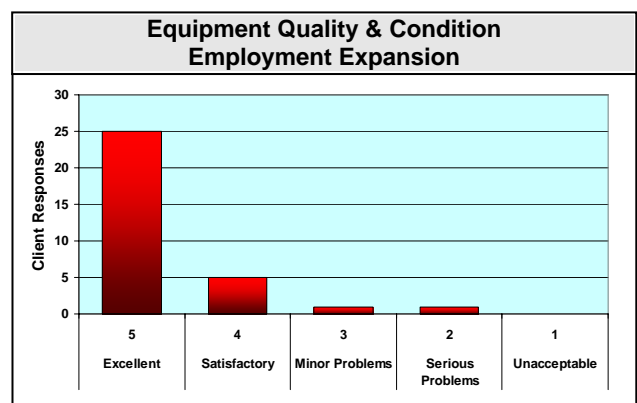
Employment Expansion Impact: In addition to the 83 new fully registered jobs, the 17 unregistered jobs, and the planned hiring of 114 more workers in the coming year, the Employment Expansion clients interviewed reported a number of additional impacts of the program on their business. The 33 clients surveyed collectively offered 74 responses, represented in the chart below.

- Improved Efficiency & Productivity:** The majority of clients 82% (27 of 33) reported increased productivity and/or efficiency as a result of the program: six substantially increased their production, while four significantly decreased their operating expenses.
- Increased Income:** One-third of the clients (11) reported a significant increase in income as a direct result of Employment Expansion. In total, the incomes of these eleven enterprises increased by over \$360,000, or an average of approximately \$33,000 per client.
- Improved Quality of Service:** The quality of products and/or service improved for ten (30%) of the clients interviewed; this was particularly evident for the construction and repair and textile sectors, who are now substantially more competitive in their markets.
- Expanded Market or Clientele:** Six clients (18%) indicated that as a result of their business improvements through the Employment Expansion program, the significantly expanded their markets and/or client base.
- Increased Product Assortment:** An additional six clients (18%) introduced new types of products as a result of the program, either by diversifying their existing product lines, introducing new products, or by completing the production cycle.
- Improved Working Conditions:** Five clients (15%) reported improvements in their working conditions as a result of better, cleaner, quieter, smaller and/or more efficient equipment.
- Improved Standard of Living:** Three clients (9%) stated that the program helped them improve their business credentials and ensure the sustainability of their companies; adding that the reduced uncertainty about the future of their business in turn allowed them to plan in advance to better organize their professional and personal lives.
- No Results:** Six clients (18%) stated that they had observed no further impacts from the program. Three of them had only recently received the equipment, two were missing necessary supplemental equipment for proper operation of the donated equipment, and one was waiting for replacement of the donated equipment by the vendor due to faulty manufacturing and repeated malfunction.



Although employment creation was the primary goal of Employment Expansion, clients cited a number of other impacts as a result of the program. Of the 27 clients (82%) who cited increased productivity or efficiency, eleven of them combined to report revenue increases in excess of \$360,000. Of the six that reported no results, three require supplemental equipment in order to realize the full impact; and three received the equipment within a month prior to the survey. Note that clients were allowed to provide up to three responses each.

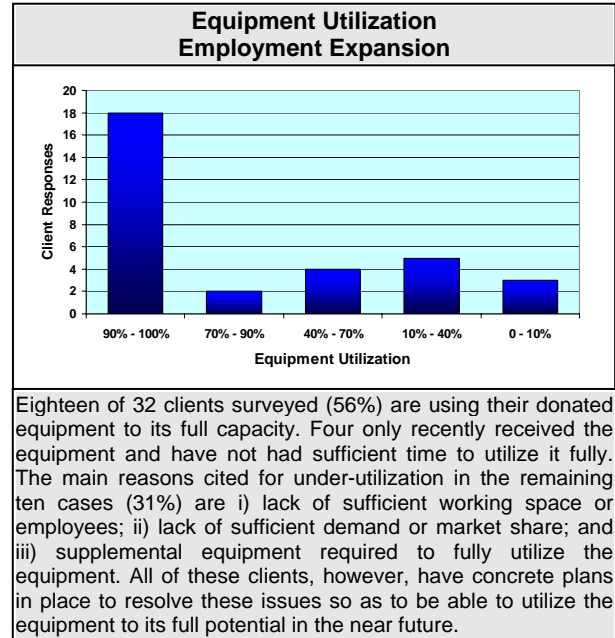
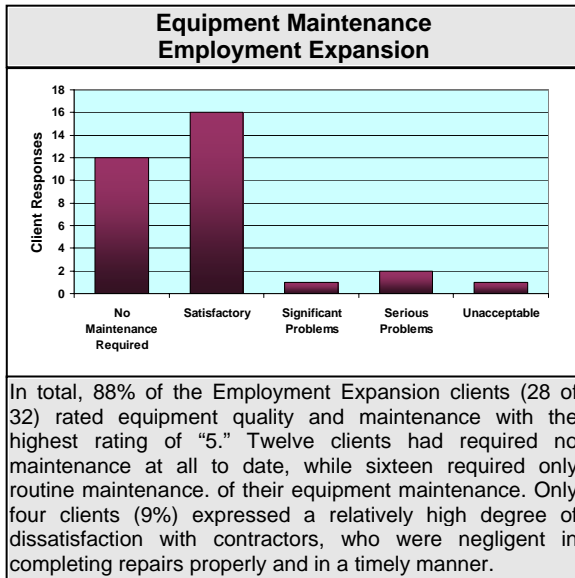
Equipment Quality: The 33 Employment Expansion clients surveyed received 53 separate pieces of equipment (roughly half received two or more pieces). The majority of them (78%) experienced no problems with the donated equipment and rated its condition with a “5,” the highest mark. Five (16%) were satisfied despite experiencing relatively minor problems with the equipment. One had to return a piece of equipment for repairs several times, rating the equipment quality a “2.” One client, from the auto service and repair sector, was provided with a piece of equipment that did not meet the specification and has not been used; this client received three pieces of equipment and is satisfied with the other two – he rated quality with a “3.”



The majority of clients (78%) rated the equipment quality and conditions as “excellent.” Compared with MicroStarts, Employment Expansion provided fewer pieces of higher priced equipment (a strategic decision made by Mercy Corps primarily to simplify procurement). Only two clients reported significant problems of any kind.

Equipment Maintenance: Since the expanded Employment Expansion program began in the second half of 2006, most of the equipment was delivered in 2007. Therefore, at the time of the assessment the donated equipment was still under warranty in 55% of the cases, and it remained the vendors’ responsibility to perform necessary repairs due to defect. In most cases, the clients were satisfied with the vendors, who generally responded to the requests and corrected all problems in an efficient manner. In twelve of the 32 cases, apart from delivery and installation, there was no

need for any further maintenance or contact with the vendors. On the other hand, 13% of the clients experienced significant or serious problems with the vendors, who often delayed the repairs and acted unprofessionally. The sixteen clients who were fully in charge of maintenance themselves (50%) were completely satisfied with the level and quality of cleaning and routine maintenance that they were required to perform.



Equipment Utilization: Eighteen of the 32 Employment Expansion clients (56%) are using the donated equipment to its full capacity; this includes 13 enterprises that either use the equipment on a seasonal basis (construction firms) or for specialized finishing works (textile enterprises). There are five main reasons why the remaining clients are not currently utilizing the equipment to its full potential: i) they had just recently received the equipment (4, or 13%); ii) they are still developing their business and the donated machines have a capacity higher than what is currently demanded by the market (3, or 9%); iii) they lack sufficient workspace, workers or quantities of raw materials to fully utilize the equipment (2, or 6%); iv) they require supplemental equipment in order to start using the equipment to its full potential (2, or 6%); and vi) they were currently upgrading or repairing it at the time of the assessment (3, or 9%).

Future Impact: Due to the fact that many of the equipment deliveries were made not long before the assessment, many of the clients had not yet explored and utilized the capacity to its full potential. In particular, 67% of the clients foresee various different benefits as a result of the future performance of the donated equipment. Of these 22 clients, ten are already planning concrete steps to expand their business by expanding their work space or moving to new premises or by procuring additional new equipment. A further eight of them are confident that their future incomes will significantly increase; and four are planning additional production increases and/or the creation of new jobs as a result of the program. The remaining 11 clients (33%) feel that the CRDA assistance had already produced the maximum results.

Conclusions & Recommendations

Note: One interviewee was not questioned with respect to Mercy Corps strategy, policies and professionalism since he was not involved in the process (he is the Assistant Director); the total responses in these lines of questioning are therefore 59 rather than 60.

This section of the report focuses on the evaluation of Mercy Corps' MSME programs, presenting both the opinions of the interviewed MicroStarts and Employment Expansion clients, as well as the evaluator's recommendations based on the analysis of programming documentation and the results of the surveys. Since the procedures for the both programs are similar (excepting the Employment Expansion credit requirement and the MicroStarts business plan) the conclusions and recommendations are presented jointly for both programs. The recommendations focus on suggestions for prospective donors working to strengthen the Serbia MSME sector on the type of approach and assistance most suitable for MSMEs.

Project Application & Selection: All clients surveyed were asked to evaluate Mercy Corps' application, selection and implementation processes, and to provide suggestions for improvement. An overwhelming majority of all clients (58 of 59, or 98%) indicated no problems in the application and selection processes, and felt that applying for Mercy Corps

programs was straightforward and clear, with easy-to-understand guidelines and rules. A full 88% of the clients sampled had no suggestions on how to improve the application and selection procedures.

Selection Transparency: All clients agreed that the selection procedures were fair and transparent. Only one MicroStarts client argued that there was a small number of “undeserving” clients, though this was based on hindsight through his observation on post-grant performance, rather than the quality of the original business plan. (Obviously, if non-selected applicants were asked the same question, one might expect different results.)

Comparison with Other Programs: Many of the clients from Sandzak, where there are currently a number of international programs operating, compared their Mercy Corps application experience with that of other donors working in the region. They all observed that the other donors generally had more complicated requirements that were difficult to fulfill, either because of overly complex application forms or high costs of collecting project documentation. (For example, professional business plans had to be submitted in both Serbian and English, which could not be completed by the beneficiaries themselves, but had to be outsourced to specialized professionals).

Recommendation: *It is important for clients to be able to plan their own businesses, rather than outsource the task to a third party. Donor programs should structure project documentation to a level consistent with the technical skills of enterprise owners, as well as their financial capacity. Donors should be aware that 70% of the MSE owners (those surveyed in this assessment) have only a high school diploma and may therefore be unable to independently complete professional business plans to the level of an academic. Training and business plan templates can serve as valuable tools for implementing MSME programs. Besides an arguably bad practice, outsourcing business plans to consulting agencies is expensive (costing up to \$600) and can be an impediment for many MSEs, considering an average monthly personal income of around \$900. Finally, the smaller the enterprises targeted by the program, the simpler the program requirements should be.*

Enterprise Sustainability: The credit requirement for Employment Expansion clients helped Mercy Corps identify which clients were likely to remain sustainable in future, thereby facilitating the selection process. In the MicroStarts program project selection was more difficult as it was much more difficult to predict the future sustainability of the micro business start-ups. Imposing the commercial credit requirement for Employment Expansion clients provided a solid guarantee of the enterprise's future viability, as 100% of the clients surveyed are currently operational and planning for further growth; 91% of those clients indicated that the credit requirement did not present a problem and was a good practice. Of the 27 MicroStarts clients surveyed, only two plan to shut down their operations, primarily due to poor market demand for their products or services (still a respectable result).

Recommendation: *Creating jobs in existing enterprises is a good practice; further, requiring commercial credit as a precondition is a good indicator of future sustainability. In addition to improving the quality of potential projects, it also encourages the use of commercial credit. Donors may even choose to place further requirements on the use of the credit, so that when combined with a grant, it will ensure the desired productivity improvement or capacity increase.*

Recommendation: *When investing in micro or start-up enterprises or in cases where commercial credit cannot be used to evaluate the clients' merit, family members' involvement in the enterprise can be used as a good indicator of the enterprise's future sustainability. This assessment concluded that family owned and operated enterprises tend to have more entrepreneurial owners and workers who are more eager and committed to ensure survival in the market.*

Employment Creation: Job creation through the Employment Expansion program proved extremely successful, surpassing the expected results by 59% (the 33 clients surveyed agreed to hire 51 new employees, but have already legally registered 81 new, full-time workers). In addition, those 33 clients further plan to create 131 new jobs within one year, 17 of which have already been hired though not yet registered (and therefore not included in the 81 reported above). When extrapolating the results of the survey group against the entire population of 119 Employment Expansion clients, one can expect the creation of 352 new jobs for a donor investment of \$670,530, or \$1,904 per job created.

Equipment Brand: A relatively low percentage of the clients surveyed (5%) argued that the impact on their businesses could have been improved if they were allowed to buy more expensive equipment, allowing them to cover the difference the cost of the desired brand of equipment and the low bidder. [In some cases this was allowed, when the specification was met, but in general Mercy Corps procurement regulations required awarding procurements to the low bidder.] In this way, the clients could have obtained the equipment most desired. In some cases, clients were required to make additional unanticipated investments to procure supplementary equipment to make the granted equipment functional.

Recommendation: Donor programs involving equipment grants should require that donated equipment is of a nature so as to fundamentally increase capacity or production and avoid very specialized equipment that fills a particular and small niche in the enterprise's production. This will help ensure that donated equipment results in a clear increase in capacity for the enterprise, simplify procurement procedures for the implementer, and perhaps result in a higher level of client satisfaction if clients manage their own procurements of highly specialized and brand-sensitive equipment. Similarly, programs should avoid purchasing equipment that requires supplemental components for proper operation unless the client is already in possession of those components or makes the investment prior to receiving the donation. In this way, cases of underutilized equipment can be avoided.

Equipment Type: Several clients (all Employment Expansion clients) stated that more information regarding the type of equipment allowable for donation would have improved the process. Also, some clients were not aware that Mercy Corps donations were procured free of the 18% Serbia VAT tax; hence they requested smaller capacity or lower quality than desired in order to remain within the limits. Two clients surveyed indicated that their initial requests were returned (air conditioners) and they were required to make a new request. (Mercy Corps sought to donate equipment which had a clear impact on the enterprise's productivity or growth, which is the probable explanation for rejecting these requests.)

Recommendation: In order to avoid delays and ambiguities in the project selection process, detailed information on eligible types of enterprises and acceptable donations should be provided to the applicants and clients early in the process. Ideally, the application package and instructions should already contain this information.

Delivery Period: While 98% of the clients encountered no problems in Mercy Corps' application and selection procedures, 82% of clients did express issues with the Mercy Corps' subsequent management of the projects. The most significant issue (63% of all clients) was delays in equipment procurement and delivery, sometimes exceeding three months. Of the total number of clients, 33% waited three to six months for delivery, 29% waited six to nine months, and 16% waited from nine to twelve months. In some cases where the clients have seasonal fluctuations in their business activity, the delays caused them to miss an entire season; causing added client frustration with Mercy Corps. Another issue cited was difficulty in helping to identify three vendors able to provide equipment that met specifications.

Contractor Professionalism: Seventeen of the sixty clients surveyed (28%) experienced problems with contactors' services and professionalism. The most commonly cited problems were i) delivery of poor quality equipment, ii) negligence and delays in providing repairs during the warranty period, iii) inadequate training and instruction on the proper use of the equipment, and iv) failure to meet the delivery schedule.

Procurement Staffing: The MSME programs required the tendering, procurement and delivery for approximately 400 pieces of equipment for each of the three project selection cycles (one MicroStarts and two Employment Expansion). Much of the equipment involved highly specialized machines for a particular type of business which was often difficult to procure on the Serbian market. Mercy Corps employed only two procurement officers who were also managing procurements for other components of CRDA, notably the Local Economic Development and Agriculture Development components. Many procurements involved delinquent or late contractors, inability to collect a minimum of three bids, failure of vendors to meet specifications and deadlines, and subsequent re-tendering and cancelled procurements, all of which required additional attention by both procurement and project officers.

Recommendation: Implementers should ensure that their procurement departments are sufficient to support the size and scale of the program and try to distribute procurement workloads throughout the year to minimize periods of excessively high and low workloads. In addition, program staff should work harder to synchronize their procurement requests, especially those that involve equipment that can be procured from the same vendors, so that the procurement department can reduce the number of tenders issued by consolidating requests. The procurement department should maintain a formal vendor performance database and stop signing agreements with poorly performing contractors. Finally, clients should be provided immediately upon project approval with realistic expectations for delivery and given guidelines that will assist them in helping to expedite procurement and delivery.

Mercy Corps Staff Performance: For the most part, clients were "extremely satisfied" with Mercy Corps performance, with 88% of those surveyed (100% of Employment Expansion and 74% of MicroStarts) giving the team a rating of "5" on a scale of 1 to 5. These 88% stated that they maintained regular contact with project officers and that the officers were able to offer helpful advice, consultation or assistance whenever needed. Five MicroStarts clients (19%) were "generally satisfied," giving Mercy Corps staff a rating of "4," but citing minor technical issues, such as problems with equipment specifications, lateness of Mercy Corps staff in completing paperwork, or unmet expectations (in these cases the expectations involved Mercy Corps assistance in identifying markets). The remaining two MicroStarts clients surveyed

(7%) rated Mercy Corps performance with a “3” or lower and cited procurement delays and/or bad quality equipment. Numerous clients also indicated that having a Mercy Corps office in their municipality would have improved the process.

Recommendation: *Implementers should expand and improve the means for information dissemination to better reach potential clients outside of the municipal urban centers. Methods can include increasing the staff visits and exposure in the field; utilizing local unemployment bureaus as outreach partners; attending or organizing town meetings or other forums where new programs can be presented; and posting program information at key community gathering places, such as MZs and community centers. This is particularly important for employment programs, as the rural unemployed do not typically attend workshops and seminars organized by the National Bureau of Unemployment.*

Future Areas of Investment: The overwhelming majority, 89% of all MicroStarts clients, expressed a need for more equipment to expand, while only 4% stated that assistance in market analysis and access is most needed for their future success. The remainder was not sure what type of assistance was most needed. Among Employment Expansion clients (larger enterprises than MicroStarts) the perceived need for additional equipment was lower (58%) than with MicroStarts; 15% stated a need for materials and/or work space renovation or expansion; and 18% cited participation in study tours, trade fairs, trainings or market analysis.

Recommendation: *Although the tendency of the new generation of donors is to invest in building technical and knowledge capacities of local companies through training, seminars, study tours and other development activities, donations in capital equipment should remain a part of future MSME programs and not be altogether abandoned. This assessment showed with surprisingly positive results that granted equipment, especially in combination with credit, can achieve significant results in creating jobs and registering new enterprises. Finding the appropriate grant niche and requirements should certainly be carefully considered. Using the grants as a means of legitimizing employment and gray-market enterprises are two appropriate methods. Another might be to provide investment into new technological, or even socially responsible, sectors.*

Annex 1

MicroStarts Assessment Survey

**SMALL GRANTS ASSESSMENT
IGG SURVEY**

Introduction

As a final activity of its SME Program, Mercy Corps is conducting a “CRDA Impact Study” for the small grant programs implemented in the past three years. We are collecting information from all CRDA beneficiaries through individual surveys and other resources to create an accurate picture of the environment for the development of small businesses in Southern Serbia, as well as to measure the economic impact of Mercy Corps/USAID investments. The study will analyze common trends, bottlenecks and impact of Mercy Corps/USAID support. We are interested in both the positives and the negatives of the process, hence, please respond openly to all questions expressing all the concerns or criticisms you deem important. While we intend to share the final report with our donor, USAID, other partners and colleagues, we will ensure your anonymity in all reports that come out of this survey. We will not mention any names of survey respondents and findings will be broad conclusions about the Mercy Corps Small Grants program. I will be asking you several questions and Bojan Trebjesanin will be taking notes. There are 34 questions which should take roughly between an hour and an hour and a half to answer.

BASIC INFORMATION

Date, Time and Place of Survey: _____
 Municipality: _____
 Company Name: _____
 Primary Activity: _____
 Name of the interviewee: _____
 Age of the interview: _____
 Education: _____
 Equipment received from MC Corps: _____
 Equipment has a USAID sticker (0=No, 1=Yes): _____
 PROJECT CODE: _____

ORGANIZATIONAL BACKGROUND

- 1) What did you establish your company?
 - 1.1) How is your company legally registered? (Sole Proprietorship, Limited Liability Partnership, etc)
 - 1.2) Why did you decide to establish your company?

1) Date of Establishment	1.1) Type of Registration	1.2) Why did you decide to establish your company?

2. Were you employed at the time when you applied for the grant? If yes, for how long and where? If no, how long had you been waiting for a job before applying for the grant?

2. Pre-grant employed Y/N?	2.1. If Y, how long and 2.2. where?	2.3. If No, how long were u waiting for a job? (include the answer: not registered at NES)

3. How much money did you invest in the business start-up and how much money did MC donate?

3. Own investment	3.1. MC share	3.2 TOTAL

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4. How much money did you invest in the business after the MC Grant?

4. Own investment	Other donations/Banks/Govt		4.3. TOTAL
	4.1. Amount	4.2. Source	

5. How many people does your business employ? List their status:

5. Tot	5.1. Full time			5.2. Part time			5.3 Seasonal		
	5.1. #	5.1.1. Registered?	5.1.2.Relationship	5.2. #	5.2.1. Registered?	5.2.1.Relationship	5.3.#	5.3.1. Registered?	5.3.2.Relationship

SALES AND INVESTMENTS

6. Who do you sell your products/services too?

1. = ... %
2. = ... %
3. = ... %
4. = ... %
5. = ... %

7. Have you ever applied for a bank credit?

7. Yes	No			
7.1. Bank	7.2. Principal	Interest Rate	Duration	7.3. Future plans?

8. Total Business Expenses (for the years before they registered, list the estimated amount):

2004: _____ 2005: _____ 2006: _____

9. List your business income:

2004: _____ 2005: _____ 2006: _____

10. How much of your income do you re-invest in your business per year?

MERCY CORPS PROCESS

11. Procedure for application collection, review and selection – How did the process go? How were the decisions about projects made? Do you think the process was fair, open and transparent? Do you think the best projects were selected?

12. What do you think could have been done to improve the project selection procedures?

13. Did you have difficulties in providing match required by Mercy Corps? 13.1. Explain

14. List three main problems you were faced with during the process of project implementation.

15. Did you attend the Business Plan workshops organized by Mercy Corps? If Yes, on a scale 1-5 rate how applicable and beneficial the workshops were. Explain if less than 5. List the main benefits and good practices you incorporate from the workshops?

15. Attended: Y/N?	15.1. If Y, rate appl & benef.	15.2. Explain the rating	15.3. Main benefits and good practices

17. To what extent did you follow the business plan created before the business start-up (scale 1-5, 1 = completely changed the original plan, 2 = kept to only small parts of the plan, 3 = middle, 4 = followed the majority of the plan, 5 = fully followed the plan). If not 5, explain why the changes happened.

17. Rating	17.1. Explanation:

18. What other type of assistance would have been beneficial to you during the business start-up process?

19. If you could apply for the grant again, which business would you choose and why?

19. Type of Business	19.1. Explanation

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CURRENT CONDITION/MAINTENANCE and USE of the EQUIPMENT

20. Rate the current condition of the equipment on a scale of 1-5 (1 = not operational, 2 = operational, but with frequent malfunctioning, 3 = good (needed some more serious repairs), 4= very good condition, rare malfunctioning, 5 = excellent condition)? Explain your mark.

20. Rating	20.1. Explanation

21. Who is in charge of the equipment maintenance?

1 = Beneficiary: _____

2 = Contractor: _____

3 = Specialized company: _____

4 = Other: _____

22. Rate the maintenance on a scale of 1 to 5 (1 = not satisfactory, 5 = fully satisfactory). If less than 5, explain your rating:

22. Rating	22.1. Explanation

23. On a scale 1-5, rate the extend to which the equipment has been used/utilized (1=not in the possession of the owner, 2 = hardly used, 3 = generally in use, 4 = often whenever required, 5 = in every day full use) If less than 5, explain)

23. Rating	23.1. Explanation

FUTURE PLANS/SUSTAINABILITY

24. What are three main problems your company faces today?

1.	
2.	
3.	

25. Do you intend to expand your business? List any concrete plans:

25. Expanding business (Y/N)?	25.1. Concrete Plans

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26. Do you plan to employ additional workers? List any concrete plans:

26. New hiring (Y/N)?	26.1. Concrete Plans

27. Do you think that your business is sustainable and will survive in the market? How will you ensure the sustainability of your business?

27. Sustainability (Y/N)?	27.1. How will you ensure the sustainability?

28. List three main problems you think small enterprises such as you will face in the future:

1.	
2.	
3.	

MERCY CORPS/USAID ASSISTANCE

29. What were the results of the assistance you received from Mercy Corps up until now? Quantify these results if possible.

How would you rate the assistance that you received from Mercy Corps and USAID on a scale 1 to 5 (1 = not satisfied at all and 5= extremely satisfied)? If less than 5, explain your rating (*list the problems the beneficiaries encountered*):

29. Type of Equipment	29.1. Results/ Benefits (intended and non inteded)	29.2. How much
1)	1)	1)
2)	2)	2)
3)	3)	3)
4)	4)	4)
5)	5)	5)

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30. Do you expect any further benefits from overall MC/USAID assistance for your company? (future job creation, income generation, improved quality, better market links)

31. Do you feel that your living standards increased, decreased or stayed the same after the Mercy Corps grant (1 -5, where 1 = much worse, 2 = worse, 3 = stayed the same, 4 = better, 5 = much better?)

31. Rating	31.1. Explanation

32. How are you satisfied with the cooperation and professionalism of Mercy Corps economic advisors on a scale 1 to 5 (1 = not satisfied at all and 5= extremely satisfied)? If less than 5, explain your rating (*list the problems the beneficiaries encountered*):

32. Rating	32.1. Explanation

33. What additional USAID assistance would you like to see in the future?

34. Any other additional comments about USAID and Mercy Corps assistance?

Annex 2

Employment Expansion Assessment Survey

35. Mandatory for EEG: How many *new* people does your business employ as a result of the grant? List their status (whether they are registered or not, and their relationship to the owner):

35. Total	35.1. Full time			35.4. Part time			35.7 Seasonal		
	35.1.#	35.2Registered?	35.2 Relationship	354.#	35.5Registered?	35.6 Relationship	35.7.#	35.8.Registered?	35.8Relationship

SALES AND INVESTMENTS

6. Who do you sell your products/services too?

1. = ... %
2. = ... %
3. = ... %
4. = ... %
5. = ... %

7. Have you applied for another bank credit afterwards? If yes, did you receive the credit? If yes, what were the terms (interest, length of loan and amount)?
Do you plan to take credit in future?

7. Yes	No			
7.1. Bank	7.2. Principal	Interest Rate	Duration	7.3. Future plans?

8. List your business expenditures:

2004:
2005:
2006:

9. List your business income:

2004:
2005:
2006:

36. Credit for and After Grant:

Did you fully repay the loan you took out to get this credit? If not, list reasons why?

36. Fully repaid loans?	36.1. Explanation:

37. Did you have problems securing a bank loan needed for this project? Explain.

10. How much of your income do you re-invest in your business per year?

MERCY CORPS PROCESS

11. Procedure for application collection, review and selection – How did the process go? How were the decisions about projects made? Do you think the process was fair, open and transparent? Do you think the best projects were selected?

12. What do you think could have been done to improve the project selection procedures?

14. List three main problems you were faced with during the process of project implementation.

CURRENT CONDITION/MAINTENANCE and USE of the EQUIPMENT

20. Rate the current condition of the equipment on a scale of 1-5 (1 = not operational, 2 = operational, but with frequent malfunctioning, 3 = good (needed some more serious repairs), 4= very good condition, rare malfunctioning, 5 = excellent condition)? Explain your mark.

20. Rating	20.1. Explanation

21. Who is in charge of the equipment maintenance?

- 1 = Beneficiary: _____
- 2 = Contractor: _____
- 3 = Specialized company: _____
- 4 = Other: _____

22. Rate the maintenance on a scale of 1 to 5 (1 = not satisfactory, 5 = fully satisfactory). If less than 5, explain your rating:

22. Rating	22.1. Explanation

23. On a scale 1-5, rate the extend to which the equipment has been used/utilized (1=not in the possession of the owner, 2 = hardly used, 3 = generally in use, 4 = often whenever required, 5 = in every day full use) If less than 5, explain)

23. Rating	23.1. Explanation

FUTURE PLANS/SUSTAINABILITY

24. What are three main problems your company faces today?

<p>1.</p> <p>2.</p> <p>3.</p>

25. Do you intend to expand your business? List any concrete plans:

25. Expanding business (Y/N)?	25.1. Concrete Plans

26. Do you plan to employ additional workers? List any concrete plans:

26. New hiring (Y/N)?	26.1. Concrete Plans

27. Do you think that your business is sustainable and will survive in the market? How will you ensure the sustainability of your business?

27. Sustainability (Y/N)?	27.1. How will you ensure the sustainability?

28. List three main problems you think small enterprises such as you will face in the future:

<p>1.</p> <p>2.</p> <p>3.</p>

MERCY CORPS/USAID ASSISTANCE

29. What were the results of the assistance you received from Mercy Corps up until now? Quantify these results if possible.

How would you rate the assistance that you received from Mercy Corps and USAID on a scale 1 to 5 (1 = not satisfied at all and 5= extremely satisfied)? If less than 5, explain your rating (*list the problems the beneficiaries encountered*):

29. Type of Equipment	29.1. Results/ Benefits (intended and non intended)	29.2. How much
1)	1)	1)
2)	2)	2)
3)	3)	3)
4)	4)	4)
5)	5)	5)

30. Do you expect any further benefits from overall MC/USAID assistance for your company? (future job creation, income generation, improved quality, better market links)

31. Do you feel that your living standards increased, decreased or stayed the same after the Mercy Corps grant (1 -5, where 1 = much worse, 2 = worse, 3 = stayed the same, 4 = better, 5 = much better)?

31. Rating	31.1. Explanation

32. How are you satisfied with the cooperation and professionalism of Mercy Corps economic advisors on a scale 1 to 5 (1 = not satisfied at all and 5= extremely satisfied)? If less than 5, explain your rating (*list the problems the beneficiaries encountered*):

32. Rating	32.1. Explanation

33. What additional USAID assistance would you like to see in the future?

34. Any other additional comments about USAID and Mercy Corps assistance?

Annex 3

Project & Client Lists

MicroStarts

-and-

Employment Expansion

Component 4: Income Generation Grants
Budget Year: 2005-2006

Municipality Administration	Beneficiary	Equipment	Project Code	PA Estimate	Contracted	Balance To Contract	PA Paid	Balance Due	Match Budget	Match Document
		Business Plan Seminar-Trstenik, Aleksandrovac, Brus	KSG001/KS-133	\$4,083	\$4,083	\$0	\$4,040	\$0	\$0	
		Business Plan Seminar-Priboj, Prijepolje	NPG001/NP-103	\$4,083	\$4,083	\$0	\$4,040	\$0	\$0	
		Refreshments for Business Plan Seminars		\$225	\$225	\$0	\$225	\$0	\$0	
		Posters for IGGP		\$260	\$260	\$0	\$260	\$0	\$0	
		Advertising for IGGP		\$469	\$469	\$0	\$469	\$0	\$0	
		Application form and instructions		\$104	\$104	\$0	\$104	\$0	\$0	
TOTAL:				\$9,224	\$9,224	\$0	\$9,138	\$0	\$0	\$0
Grants 2005										
Aleksandrovac	Slobodan Maric	Fruit processing duplicator	KSG003/AL-45	\$2,997	\$3,421	\$0	\$3,419	\$0	\$750	\$2,359
Aleksandrovac	Sladjana Milic	Car washing machine and equipment	KSG004/AL-46	\$4,000	\$5,164	\$0	\$5,134	\$0	\$1,000	\$2,167
Aleksandrovac	Milomir Djuricic	Metal construction and air con for mushroom production	KSG005/AL-47	\$4,478	\$4,549	\$0	\$4,809	\$0	\$1,125	\$2,706
Aleksandrovac	Dragan Ivic	Greenhouses	KSG006/AL-48	\$3,500	\$2,473	\$0	\$2,536	\$0	\$625	\$0
Aleksandrovac	Dragana Zivkovic	Weaving looms and equipment	KSG007/AL-49	\$3,000	\$1,997	\$0	\$2,086	\$0	\$750	\$0
Aleksandrovac	Mladena Mijatovic	Equipment for colling chamber	KSG008/AL-50	\$4,670	\$5,354	\$0	\$5,529	\$0	\$1,200	\$1,624
Aleksandrovac	Bratislav Obradovic	Greenhouse, irrigation system	KSG009/AL-51	\$3,169	\$2,380	\$0	\$2,441	\$0	\$625	\$0
Brus	Nebojsa Radmanovac	Universal woodworking machine	PKG001/BR-29	\$3,253	\$3,068	\$0	\$3,005	\$0	\$750	\$2,155
Brus	Milovan Sovic	Equipment for cooling chamber	PKG002/BR-30	\$3,661	\$3,718	\$0	\$3,904	\$0	\$800	\$0
Brus	Nebenka Mihajlovic	Sewing machines	PKG003/BR-31	\$4,368	\$2,280	\$0	\$2,265	\$0	\$600	\$688
Brus	Dragana Colovejic	Hens and cages	PKG004/BR-32	\$4,200	\$3,666	\$0	\$3,714	\$0	\$800	\$1,472
Brus	Dragutin Tatic	Carusel and tunel for printing	PKG005/BR-33	\$4,533	\$4,718	\$0	\$5,140	\$0	\$1,200	\$0
Brus	Violeta Radivojevic	Pc and office equipment	PKG006/BR-34	\$2,722	\$1,672	\$0	\$1,728	\$0	\$500	\$242
Brus	Mirosljub Milicevic	30 hives, centrifuge, equipment	PKG007/BR-35	\$2,577	\$2,491	\$0	\$2,652	\$0	\$650	\$809
Trstenik	Zlatko Jankovic	Metal lathe	KSG010/TR-31			Cancelled	\$0	\$0	\$0	\$0
Trstenik	Blagoje Vukanic	Greenhouses	KSG011/TR-32	\$3,100	\$3,065	\$0	\$3,143	\$0	\$800	\$0
Trstenik	Mirjana Gligorjevic	Equipment for enterier decoration with baloons	KSG012/TR-33	\$3,795	\$3,650	\$0	\$3,833	\$0	\$1,000	\$0
Trstenik	Jasmina Milenkovic	Solarium	KSG013/TR-34	\$4,478	\$5,089	\$0	\$5,386	\$0	\$1,125	\$0
Trstenik	Olivera Stanojlovic	Cultivator and greenhouse	KSG014/TR-35	\$3,393	\$2,821	\$0	\$2,869	\$0	\$700	\$579
Trstenik	Srboljub Radojkovic	Greenhouses	KSG015/TR-36	\$3,647	\$3,570	\$0	\$3,669	\$0	\$700	\$0
Trstenik	Véróljub Vucic	Greenhouses	KSG016/TR-37	\$3,800	\$3,570	\$0	\$3,668	\$0	\$750	\$0
Trstenik	Ljubisa Djokic	Tractor sprinkler and water cistern	KSG017/TR-38	\$4,084	\$4,034	\$0	\$4,069	\$0	\$1,100	\$1,152
Trstenik	Ivan Dubicanin	Machine for packing artificial manure	KSG018/TR-39	\$3,260	\$3,191	\$0	\$3,205	\$0	\$800	\$0
Trstenik	Goran Petrovic	50 hives, centrifuge, equipment	KSG019/TR-40	\$3,589	\$2,838	\$0	\$3,021	\$0	\$700	\$1,408
Trstenik	Dusan Lukac	Universal woodworking machine	KSG020/TR-41			Cancelled	\$0	\$0	\$0	\$0
Trstenik	Nada Marinkovic	Universal woodworking machine	KSG021/TR-42	\$3,253	\$3,068	\$0	\$3,005	\$0	\$1,400	\$0
Trstenik	Mirjana Milic	Greenhouses	KSG022/TR-43	\$4,366	\$5,507	\$0	\$5,649	\$0	\$1,400	\$1,514
Trstenik	Ivan Sirar	Metal construction and air con for mushroom production	KSG023/TR-44	\$2,708	\$2,237	\$0	\$2,293	\$0	\$675	\$0
Trstenik	Vesna Pavlovic	Greenhouses	KSG024/TR-45	\$3,000	\$3,029	\$0	\$3,257	\$0	\$400	\$1,134
Trstenik	Biljana Colic	Greenhouses	KSG025/TR-46	\$4,500	\$4,543	\$0	\$4,657	\$0	\$1,200	\$1,342
Trstenik	Miljko Bicanin	Fish pool, scale, cooler	KSG026/TR-47	\$3,853	\$3,965	\$0	\$4,187	\$0	\$1,000	\$1,159
Trstenik	Zdravka Matic	Hens and cages	KSG027/TR-48	\$3,854	\$3,380	\$0	\$3,273	\$0	\$850	\$0
Trstenik	Zoran Smiljkovic	Carusel, machine for printing on textile	KSG028/TR-49	\$3,833	\$4,084	\$0	\$4,450	\$0	\$1,000	\$970
Trstenik	Liljana Tosic	Cultivator	KSG029/TR-50	\$4,177	\$3,339	\$0	\$3,383	\$0	\$850	\$0
Trstenik	Goran Paunovic	Machine for cutting glass	KSG030/TR-51	\$4,352	\$5,709	\$0	\$5,774	\$0	\$1,100	\$486
Trstenik	Slavoljub Digic	Greenhouses	KSG031/TR-52	\$3,200	\$3,221	\$0	\$3,307	\$0	\$750	\$0
Trstenik	Milan Jevdjic	CNC woodworking machine	KSG032/TR-53	\$4,929	\$3,661	\$0	\$3,725	\$0	\$900	\$643
Trstenik	Vladimir Lukovic	PC equipment and software	KSG033/TR-54	\$3,600	\$2,535	\$0	\$2,869	\$0	\$670	\$0
Trstenik	Radovan Mikic	Cancelled	KSG034/TR-55			Cancelled	\$0	\$0	\$0	\$0
Trstenik	Sasa Punisic	Car hoist	KSG035/TR-56	\$2,761	\$3,598	\$0	\$3,621	\$0	\$900	\$0
Priboj	Natasa Kruskonja	Cages for hens, feed grinder and mixer	NPG003/PB-33	\$3,521	\$2,773	\$0	\$2,820	\$0	\$875	\$1,054
Priboj	Sulejman Lotric	Cancelled	NPG004/PB-34			Cancelled	\$0	\$0	\$0	\$0
Priboj	Zeljko Lisica	Universal woodworking machine	NPG005/PB-35	\$3,859	\$3,742	\$0	\$3,804	\$0	\$950	\$1,711
Priboj	Stojan Puzovic	Turning lathe, milling machine and tools	NPG006/PB-36	\$3,070	\$3,291	\$0	\$3,288	\$0	\$750	\$0
Priboj	Caja Lisica	Cultivator, mower, cart	NPG007/PB-37	\$4,099	\$3,265	\$0	\$3,321	\$0	\$825	\$0
Priboj	Versudin Vrazallica	Cultivator, mower, cart	NPG008/PB-38	\$4,099	\$2,882	\$0	\$2,931	\$0	\$725	\$0
Priboj	Ljubisa Jelicic	American doughnut machine, deep fat frier, pancake machine	NPG009/PB-39	\$2,620	\$3,450	\$0	\$3,587	\$0	\$650	\$2,792
Priboj	Miroslav Milosevic	Floor sanding machine	NPG010/PB-40	\$3,429	\$3,311	\$0	\$3,291	\$0	\$825	\$802
Priboj	Izet Maslak	Concrete cutter, hammer drill and equipment	NPG011/PB-41	\$3,061	\$2,421	\$0	\$2,439	\$0	\$800	\$7,501
Priboj	Borko Radovic	Sewing machines	NPG012/PB-42	\$2,676	\$3,114	\$0	\$3,036	\$0	\$800	\$1,643
Priboj	Milinko Prijovic	Tractor attachments	NPG013/PB-43	\$3,155	\$3,526	\$0	\$3,587	\$0	\$900	\$1,541
Priboj	Aco Bojanic	Ploter cutter, equipment	NPG014/PB-44	\$2,701	\$2,643	\$0	\$2,952	\$0	\$900	\$986
Priboj	Selvija Banda	Sewing machines	NPG015/PB-45	\$2,820	\$2,980	\$0	\$2,906	\$0	\$750	\$0
Priboj	Stevan Pesic	Compressor, painting tools	NPG016/PB-46	\$4,007	\$3,137	\$0	\$3,374	\$0	\$1,000	\$783
Priboj	Marjan Manovic	Air conditioners, fans, packaging machine	NPG017/PB-47	\$2,187	\$0	\$0	\$547	\$0	\$550	\$0
Priboj	Milos Milosavljevic	Laser printer A3	NPG018/PB-48	\$3,690	\$3,703	\$0	\$3,867	\$0	\$1,000	\$0
Priboj	Goran Rekovic	Sewing machines	NPG019/PB-49	\$4,154	\$4,561	\$0	\$4,447	\$0	\$1,200	\$2,089
Priboj	Jelena Radovic	Wire bending machine, wire attaching machine	NPG020/PB-50	\$3,944	\$3,630	\$0	\$3,852	\$0	\$900	\$2,468
Priboj	Borivoje Joksimovic	Floor sanding machine, polishing machines	NPG021/PB-51	\$3,429	\$3,311	\$0	\$3,003	\$0	\$900	\$1,183
Prijepolje	Veran Jovanovic	Sewing machines	NPG022/PR-39	\$4,127	\$1,906	\$0	\$1,970	\$0	\$500	\$1,579
Prijepolje	Ivica Derikonjic	Scaffolding, support bars	NPG023/PR-40	\$4,049	\$4,288	\$0	\$4,450	\$0	\$1,100	\$1,568
Prijepolje	Esed Kapidzija	Embroidery sewing machine	NPG024/PR-41	\$2,535	\$2,333	\$0	\$2,411	\$0	\$600	\$0
Prijepolje	Serif Musanovic	Sewing machines	NPG025/PR-42	\$4,507	\$4,462	\$0	\$4,370	\$0	\$1,200	\$0
Prijepolje	Zoran Kopunovic	Air con repairing equipment	NPG026/PR-43	\$3,803	\$3,973	\$0	\$4,092	\$0	\$950	\$0
Prijepolje	Samera Cosovic	Cultivator, mower, cart	NPG027/PR-44	\$3,890	\$3,115	\$0	\$3,189	\$0	\$1,350	\$0
Prijepolje	Husejin Tahirovic	Scaffolding	NPG028/PR-45	\$4,507	\$4,321	\$0	\$4,492	\$0	\$1,100	\$0
Prijepolje	Selma Hajdarevic	Cultivator, haymower, cart	NPG029/PR-46	\$3,775	\$4,221	\$0	\$4,325	\$0	\$1,100	\$0
Prijepolje	Isko Ljuhar	Sewing machines, compressor, upholstery machine	NPG030/PR-47	\$3,544	\$3,077	\$0	\$3,001	\$0	\$775	\$1,350
Prijepolje	Selim Becirovic	Tyre moulder machine, car hoist	NPG031/PR-48	\$4,028	\$3,507	\$0	\$3,666	\$0	\$750	\$0
Prijepolje	Mevludin Sakic	Sugar grinder and cooking equipment	NPG032/PR-49	\$3,842	\$3,931	\$0	\$3,941	\$0	\$960	\$1,756
Prijepolje	Igba Bajgoric	Cultivator, mower, irrigation equipment	NPG033/PR-50	\$3,817	\$2,520	\$0	\$2,581	\$0	\$650	\$0
Prijepolje	Fajik Biberovic	Beekeeping equipment	NPG034/PR-51	\$2,563	\$2,681	\$0	\$2,914	\$0	\$650	\$0
Prijepolje	Radisav Janjusevic	Universal woodworking machine	NPG035/PR-52	\$3,254	\$3,742	\$0	\$3,643	\$0	\$950	\$1,295
Prijepolje	Mirsada Hadzalic	Tractor attachments	NPG036/PR-53	\$2,563	\$2,349	\$0	\$2,406	\$0	\$625	\$2,139
Prijepolje	Fahrudin Cuturic	Greenhouses	NPG037/PR-54	\$3,577	\$3,255	\$0	\$2,975	\$0	\$650	\$0
Prijepolje	Boban Korugic	Cultivator with attachments	NPG038/PR-55	\$4,099	\$3,265	\$0	\$3,321	\$0	\$825	\$0
Prijepolje	Jasmin Poturak	Car hoist	NPG039/PR-56	\$3,239	\$3,283	\$0	\$3,274	\$0	\$825	\$403
Prijepolje	Ibrima Halilovic	Hens and cages	NPG040/PR-57	\$3,854	\$3,380	\$0	\$3,415	\$0	\$850	\$1,136
Prijepolje	Predrag Gojak	Cultivator, mower, cart, fruit sprayer	NPG041/PR-58	\$4,282	\$3,265	\$0	\$3,321	\$0	\$825	\$0
Prijepolje	Sabaheta Gojak	Cultivator, cart, mower	NPG042/PR-59	\$3,676	\$2,882	\$0	\$2,931	\$0	\$725	\$0
Prijepolje	Dzenan Obucina	Welder, hydraulic car body puller, sander	NPG043/PR-60	\$4,021	\$2,377	\$0	\$3,749	\$0	\$1,000	\$1,525
TOTAL:				\$297,181	\$276,990	\$0	\$284,437	\$0	\$66,405	\$62,016
Grand Total:				\$306,405	\$286,214	\$0	\$293,574	\$0	\$66,405	\$62,016

Project Tracking Sheet

Component 5: Employment Expansion Grant
Budget Year: 2005-2006

Municipality	Beneficiary	Equipment	Project Code	PA Estimate	Contracted	Balance To Contract	PAID	Balance Due	Match Budget	Match Document
2005										
Administration										
All EEG		Posters for EEG		\$204	\$204	\$0	\$204	\$0	\$0	\$0
All EEG		Advertising for EEG		\$473	\$473	\$0	\$473	\$0	\$0	\$0
TOTAL:				\$677	\$677	\$0	\$677	\$0	\$0	\$0
Grants 2005										
Krusevac	Dejan Mladenovic, ZR "I-PAK	Tool: Pattern-Syringe for Plastic Materis	KSG036/KS-117	\$4,508	\$6,945	\$0	\$7,205	\$0	\$6,521	\$6,614
Krusevac	Milosav Majdevac, DOO "Asklus"	Machine for paper plastification and printin	KSG037/KS-148	\$4,860	\$5,384	\$0	\$5,644	\$0	\$8,000	\$8,035
Krusevac	Zoran Kolarevic, ZP "Metalplast	Tool for cap creating	KSG038/KS-149	\$4,935	\$5,916	\$0	\$6,187	\$0	\$7,246	\$7,943
Krusevac	Goran Petrovic, ZKTR "Big	Sewing machines	KSG039/KS-150	\$3,876	\$3,832	\$0	\$3,806	\$0	\$6,087	\$6,151
Krusevac	Joivo Kristanovic, "Entner" Eurostil	Machine for joining laminator	KSG040/KS-151	\$5,915	\$6,432	\$0	\$6,443	\$0	\$1,480	\$1,557
Krusevac	Ivan Pantic, "Panta Rhei	Laser color printer A3, roll laminator	KSG041/KS-152	\$5,725	\$5,596	\$0	\$6,160	\$0	\$1,739	\$1,848
Krusevac	Dragan Stankovic, PTR "Eldorado	Automatic package machine	KSG042/KS-153	\$6,000	\$5,952	\$0	\$6,236	\$0	\$2,029	\$2,055
Krusevac	Ljubisa Velimirovic, "BV-Product" OC	Extruder-machine for plastic bag production	KSG043/KS-154	\$6,000	\$6,298	\$0	\$6,690	\$0	\$2,174	\$2,174
Krusevac	Srecko Kricka, SZR "Balkanika"	Machine for dough production, stov	KSG044/KS-155	\$3,859	\$4,985	\$0	\$5,042	\$0	\$5,783	\$5,783
Krusevac	Ljubisa Avramovic, "AKOM" OD	Cancelled	KSG045/KS-156	Cancelled		\$0		Cancelled		
Krusevac	Goran Djordjevic, MTR "Biodolina	Horizontal mixer, scale, machine for bag sewin	KSG046/KS-157	\$4,564	\$3,550	\$0	\$3,812	\$0	\$9,275	\$9,348
Krusevac	Katarina Mijoljkovic, DOO "M LINES"	Air compressor and tool for shampoo packing producto	KSG047/KS-158	\$2,131	\$1,515	\$0	\$1,572	\$0	\$3,623	\$3,667
Krusevac	Ivan Mihaljovic, ZR "Ival	Welding machine for PVC profiles, machine for preparing PVC connector	KSG048/KS-159	\$5,975	\$6,789	\$0	\$6,699	\$0	\$2,464	\$1,546
Krusevac	Stanija Nestorovic, SZR "Beotex	Sewing machines	KSG049/KS-160	\$4,603	\$4,026	\$0	\$3,999	\$0	\$1,201	\$1,184
Krusevac	Andjelka Lukic, "Galanteks"	Wood kiln-cap.20m3	KSG050/KS-161	\$5,915	\$6,850	\$0	\$7,151	\$0	\$1,739	\$1,739
Krusevac	Dejan Tamburic, SUTR "Iner-frigo"	Machine for tin bending, automatic tin snips, metal shears (table type	KSG051/KS-162	\$5,674	\$6,241	\$0	\$6,250	\$0	\$1,956	\$1,942
Ciocevac	Kisevac, OD "Ivis komerc	Electric rectifiers for supplying stable electricity in metal platin	KSG052/CI-28	\$4,885	\$5,879	\$0	\$6,161	\$0	\$2,899	\$1,527
Varvarin	Nehojisa Milosavljevic, "Megam	Electric rectifiers for supplying stable electricity in metal platin	KSG053/VA-34	\$3,802	\$4,133	\$0	\$4,378	\$0	\$5,478	\$5,478
Trstenik	Gordana Bradaric, "Kosnica	Planer, table	KSG054/TR-57	\$4,675	\$4,406	\$0	\$4,666	\$0	\$1,461	\$1,445
Trstenik	Sasa Hadzic, DOO "Hipex	Machine for plastic caps production	KSG055/TR-58	\$5,467	\$5,452	\$0	\$5,501	\$0	\$1,217	\$963
Novi Pazar	Alsad Mahmudovic, "SONY PS"	Plotter (printer for large poster size printing	NPQG04/NP-117	\$4,783	\$4,327	\$0	\$4,432	\$0	\$2,400	\$2,432
Novi Pazar	Senad Plojovic, "Dzersa jeans	Sewing machines	NPQG04/NP-118	\$6,000	\$4,804	\$0	\$4,701	\$0	\$2,500	\$2,457
Novi Pazar	NPQG04/NP-119	Sewing machines, ironing board with iron	NPQG04/NP-119	\$3,345	\$4,517	\$0	\$4,288	\$0	\$600	\$1,083
Novi Pazar	Dzafel Nurovic, "EURO AME	Universal woodworking machin	NPQG04/NP-120	\$5,464	\$6,077	\$0	\$6,140	\$0	\$1,200	\$1,212
Novi Pazar	Mirsad Demirovic, DOO "Beni	Machine for automatic plastering of wall	NPQG04/NP-121	\$5,565	\$5,857	\$0	\$6,051	\$0	\$3,480	\$3,647
Novi Pazar	Miroslav Djokanovic, DOO "Beni	Cooling chambe	NPQG04/NP-122	\$3,802	\$4,334	\$0	\$4,496	\$0	\$1,200	\$1,158
Novi Pazar	Emir Ugljanin, IC Sarajak	Computers with original software	NPQG05/NP-123	\$3,537	\$3,568	\$0	\$3,738	\$0	\$1,217	\$1,280
Novi Pazar	NPQG05/NP-124	NPQG05/NP-124	NPQG05/NP-124	\$5,985	\$5,795	\$0	\$6,062	\$0	\$1,200	\$1,657
Novi Pazar	Jasminka Kujovic, "Euromedika	Multi therapy set	NPQG05/NP-125	\$3,943	\$4,240	\$0	\$4,390	\$0	\$5,942	\$5,496
Novi Pazar	Ibrahim Martiovic, "Furnir	Press on applying surface material on plywood	NPQG05/NP-126	\$6,000	\$5,920	\$0	\$5,830	\$0	\$26,000	\$26,015
Novi Pazar	Kimeta Uluc, "Termoplast	Machines for glass washing	NPQG05/NP-127	\$6,000	\$6,386	\$0	\$6,630	\$0	\$12,300	\$1,206
Novi Pazar	Bojan Petrovic, "Grafo press"	Machine for cold plastizing of paper , cutter for paper	NPQG05/NP-128	\$4,430	\$5,187	\$0	\$5,272	\$0	\$870	\$1,225
Novi Pazar	Hankija Ganic, "Arhit"	Scarfolding	NPQG05/NP-129	\$3,239	\$2,469	\$0	\$2,640	\$0	\$800	\$722
Tutin	Edin Djulovic, "Dijalovic"	Packing machine, machine for making round pieces of dough	NPQG05/TU-24	\$5,388	\$5,762	\$0	\$6,093	\$0	\$4,300	\$4,430
Tutin	Ljiljana Kujovic, "An soft"	Licensed programming equipment	NPQG05/TU-35	\$3,365	\$2,606	\$0	\$2,625	\$0	\$1,860	\$2,182
Tutin	Sait Izberovic, "Autoserwis Ribarice"	Car hoists, tyre de-mounting unit	NPQG05/TU-36	\$3,799	\$5,084	\$0	\$5,130	\$0	\$1,482	\$1,403
Raska	Dragoslav Perovic, "Teodora"	Forklift	NPQG06/RA-29	\$4,436	\$4,398	\$0	\$4,308	\$0	\$17,400	\$17,536
Raska	Jelica Dugalic, "Duga pack"	Machine for packing	NPQG06/RA-30	\$4,929	\$4,980	\$0	\$5,242	\$0	\$14,200	\$14,635
Raska	Krkajac Gordana, "Start"	Mixer, transporter, packing machine, scale	NPQG06/RA-31	\$4,084	\$3,630	\$0	\$3,638	\$0	\$2,857	\$2,449
Raska	Dusan Mitulovic, "UIM"	Plumbing tools and equipment (drill hammer, rotation drill, PVC welder)	NPQG06/RA-32	\$3,688	\$3,969	\$0	\$3,994	\$0	\$1,202	\$1,375
Raska	Kucerovic Milanka, ZZ "Nikoljaca"	Equipment for veterinarian station (sterilizer, nitrogen box, microscope)	NPQG06/RA-33	\$3,504	\$2,976	\$0	\$2,915	\$0	\$2,142	\$2,128
Raska	Vujanac Nikodin, PUP "Pile"	Equipment for chicken farm (feeding&water system, heaters)	NPQG06/RA-34	\$3,132	\$3,487	\$0	\$3,524	\$0	\$1,482	\$1,424
TOTAL:				\$191,787	\$200,282	\$0	\$205,743	\$0	\$178,986	\$156,179
2006										
Administration										
All EEG		Posters for EEG		\$318	\$318	\$0	\$318	\$0	\$0	\$0
All EEG		Advertising for EEG		\$550	\$550	\$0	\$550	\$0	\$0	\$0
TOTAL:				\$868	\$868	\$0	\$868	\$0	\$0	\$0
Grants 2006										
Prokuplje	SZR "Staklo-Popovic"	Glass Etching Tools	PKG008/PK-91	\$4,000	\$4,332	\$0	\$4,384	\$0	\$21,739	\$14,619
Prokuplje	SZR "Sam"	Machine for PVC Production	PKG009/PK-92	\$8,000	\$7,546	\$0	\$7,470	\$0	\$2,865	\$2,992
Prokuplje	DOO "Fitech"	Machines for Brake Disc Pad Production	PKG010/PK-93	\$8,000	\$9,165	\$0	\$9,262	\$0	\$3,623	\$3,632
Prokuplje	DOO "Sistem Milkom Co"	Machines for Production of Tissues & Toilet Paper	PKG011/PK-94	\$8,000	\$8,474	\$0	\$8,222	\$0	\$31,884	\$30,523
Prokuplje	SZR "Konfekcija Baz"	Industrial Sewing Machines	PKG012/PK-95	\$8,000	\$9,189	\$0	\$9,774	\$0	\$21,739	\$21,180
Prokuplje	SZR "Sina-Siti"	Machine for Wood Processing	PKG013/PK-96	\$8,000	\$5,932	\$0	\$6,040	\$0	\$3,333	\$1,774
Prokuplje	SZR "Dvostiti"	Woodworking Machine	PKG014/PK-97	\$4,000	\$4,217	\$0	\$4,502	\$0	\$2,465	\$2,465
Prokuplje	DOO "Zootelna"	Welding Machine & Tin Bending Machine	PKG015/PK-98	\$4,000	\$3,456	\$0	\$3,488	\$0	\$3,188	\$3,041
Prokuplje	Auto Centar "Maslak"	Car Service Equipment/Gas Analyzer	PKG016/PK-99	\$8,382	\$8,652	\$0	\$7,289	\$0	\$3,860	\$3,860
Kursumlija	DOO "Bravar"	CO2 Welding Machine, Drills, Grinder	PKG016/KU-78	\$4,000	\$2,790	\$0	\$2,752	\$0	\$1,450	\$1,386
Kursumlija	SR Agencija "Konto"	PC Equipment	PKG017/KU-79	\$2,000	\$1,690	\$0	\$1,720	\$0	\$1,740	\$1,646
Kursumlija	SZR "Perfekt"	Sewing Machinery	PKG018/KU-80	\$4,000	\$2,588	\$0	\$2,752	\$0	\$2,900	\$1,467
Kursumlija	SR "Agenda"	PC Equipment	PKG019/KU-81	\$2,000	\$1,870	\$0	\$1,903	\$0	\$1,160	\$1,110
Kursumlija	SZR "Alkon"	"One-Headed Aluminum Shooter"	PKG020/KU-82	\$8,000	\$7,429	\$0	\$7,354	\$0	\$7,250	\$7,250
Kursumlija	SZR "Sokoluziv"	PC Equipment (Sewing)	PKG021/KU-83	\$8,000	\$2,835	\$0	\$3,015	\$0	\$2,465	\$2,465
Zitardja	SSR "Static Dragan"	Woodworking Machines	PKG022/ZI-34	\$8,000	\$7,744	\$0	\$3,591	\$0	\$14,500	\$14,500
Zitardja	SR Agencija "Enter"	PC Equipment	PKG023/ZI-35	\$3,000	\$2,610	\$0	\$2,656	\$0	\$2,900	\$2,869
Zitardja	SZR "Aluplast - NedeljkoVIC"	Vertical Glass Washer	PKG024/ZI-36	\$8,000	\$8,882	\$0	\$8,792	\$0	\$2,900	\$2,922
Zitardja	SKR "Mile"	Bookbinding Machinery	PKG025/ZI-37	\$6,000	\$7,551	\$0	\$7,483	\$0	\$2,900	\$2,861
Zitardja	DOO "Mia - medica"	Automatic Tea Packaging Machine & Equipment	PKG026/ZI-38	\$4,000	\$3,210	\$0	\$3,269	\$0	\$4,350	\$3,005
Zitardja	SZR "Kesa"	Folio Cutting Machine	PKG027/ZI-39	\$8,000	\$8,793	\$0	\$8,578	\$0	\$2,900	\$2,947
Zitardja	SZR "Kristol"	Aluminum Cutting Machine	PKG032/ZI-40	\$11,000	\$11,745	\$0	\$11,740	\$0	\$21,740	\$22,761
Trstenik	SZR "Radiovic univerzal"	Forming Press	PKG033/TR-63	\$8,000	\$8,546	\$0	\$8,546	\$0	\$14,500	\$14,500
Trstenik	PRUR "Trolex-inzenjering"	Cutter Machine, Turning Lathe	KSG057/TR-64	\$4,000	\$5,571	\$0	\$5,598	\$0	\$1,450	\$1,451
Trstenik	DOO "Bonico"	Book Printing Equipment	KSG059/TR-65	\$8,000	\$8,726	\$0	\$8,541	\$0	\$3,915	\$3,931
Trstenik	RZOD "Breza"	Forming Press/Formalizer	KSG060/TR-66	\$6,000	\$6,066	\$0	\$6,176	\$0	\$7,250	\$7,250
Trstenik	OD "3 DDD komerc"	Tire & Wheel Balancing Machines, Tools	KSG061/TR-67	\$6,000	\$6,520	\$0	\$6,551	\$0	\$2,610	\$2,627
Trstenik	UR "Piplota expres"	Planetary Mixer, Cooling Showcase, Pizza Stove	KSG062/TR-68	\$6,000	\$5,983	\$0	\$6,343	\$0	\$4,350	\$4,350
Trstenik	DS "Textilprint"	Lockstitch Machine, Overlock, Coverstitch Machine	KSG063/TR-69	\$4,000	\$2,757	\$0	\$2,933	\$0	\$1,232	\$1,237
Trstenik	SZR "A-plast"	Tools for Plastic Production	KSG064/TR-70	\$4,000	Cancelled	\$0		\$0	\$1,305	\$1,305
Trstenik	CNC Engraving Machine	CNC Engraving Machine	PKG077/TR-71	\$8,000	\$8,979	\$0	\$9,060	\$0	\$3,625	\$3,625
Trstenik	DOO "Jeff Company"	Sewing Machines - Two Kinds	KSG076/TR-72	\$8,000	\$7,893	\$0	\$8,396	\$0	\$2,900	\$6,814
Trstenik	DOO "Stima Commerc"	Compressor & Gas Heating System	KSG077/TR-73	\$4,000	\$3,032	\$0	\$3,043	\$0	\$2,860	\$2,919
Blace	SR "Jovic"	Chromium Botler & Lab Equipment	PKG028/BL-45	\$4,000	\$5,063	\$0	\$5,103	\$0	\$1,480	\$1,426
Blace	SZR "Metalplast"	Tin (Corner) Cutting Machine	PKG029/BL-46	\$8,000	\$6,995	\$0	\$6,908	\$0	\$14,500	\$15,526
Blace	DOO "Beogradnja"	Vibro Press for Concrete Elements	PKG030/BL-47	\$8,000	\$8,577	\$0	\$8,866	\$0	\$2,637	\$23,593
Blace	SZR "Djosa"	Machines for Wood Processing	PKG031/BL-48	\$5,791	\$6,161	\$0	\$6,216	\$0	\$4,413	\$4,231
Priboj	SZR "D&J"	Sewing Machines	NPQG06/PB-37	\$4,000	\$2,188	\$0	\$2,701	\$0	\$2,120	\$1,846
Priboj	SZR "Staklo"	Aluminum Doors & Windows Producing Machine	NPQG07/PB-38	\$8,000	\$9,667	\$0	\$9,630	\$0	\$15,080	\$14,559
Priboj	SZR "Koki"	Sewing Machines	NPQG08/PB-39	\$4,000	\$2,770	\$0	\$2,979	\$0	\$10,772	\$2,332
Priboj	STR "Star"	Computers, Printers, Projector, UPS	NPQG09/PB-40	\$4,000	\$3,394	\$0	\$3,385	\$0	\$1,430	\$2,773
Priboj	STR "Luki"	Leather Thinning Machine, Leather Sewing Machine	NPQG07/PB-41	\$4,000	\$1,657	\$0	\$1,782	\$0	\$1,286	\$1,278
Priboj	OZTR "Stiluniver"	Machine "Karterica" (Edger)	NPQG07/PB-42	\$8,788	\$9,283	\$0	\$9,435	\$0	\$2,163	\$2,204
Priboj	SPR "Anije"	Mixer	NPQG07/PB-43	\$6,000	\$6,224	\$0	\$6,366	\$0	\$2,400	\$2,933
Priboj	SZTR "Auto-centar Trisovic"	Car Washing Machine, Vacuum Cleaner	NPQG07/PB-44	\$4,000	\$4,258	\$0	\$4,412	\$0	\$950</	