



ASSESSMENT OF THE CAPACITY BUILDING NEEDS

**of Relevant Stakeholders Involved in the
Regional and Rural Development in Macedonia**



Center for Entrepreneurship
and Executive Development





ASSESSMENT

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Involved in the Regional and Rural Development in Macedonia

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Abbreviations

CEED - Center for Entrepreneurship and Executive Development

IBF - Integrated Business Faculty

GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

GTZ RED - Deutsche Gesellschaft für Technische Zusammenarbeit Regional Economic Development in Macedonia

CRD - Center for Regional Development

LED Office - Local Economic Development Office

BSO - Business Support Organization

NLI - National Level Institution

RRD - Regional and Rural Development

PPP - Public Private Partnership

BRD - Bureau for Regional Development

SEI - Sector for European Integration within the Government of the Republic of Macedonia

MLS - Ministry for Local Self-governance

MAFWM - Ministry of Agriculture, Forestry and Water Management

MEPP - Ministry of Environment and Physical Planning

EU - European Union

NGO - Non-Governmental Organization

1. Introduction

In January 2008 the former GTZ (as of 01.01.2011 GIZ) was commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), to start the Regional Economic Development Program in Macedonia (GTZ RED) based on the good experiences of two former GTZ projects focusing on regional and municipal development in the Eastern Part of the Macedonia (GTZ REDEM) as well as in the Polog and Ohrid-Prespa regions (GTZ MED). The total duration of the program is five years, from January 2008 to December 2012. It supports the EU integration process by fostering an EU compliant and balanced regional development in Macedonia, thereby enabling environment for companies and increasing the regions' attractiveness as a business location. The program cooperates with four out of eight planning regions (East, Polog, South-East and South-West) covering almost half of the territory of the country.

In order to achieve long-term impact and ensure sustainable development for human capacities in the regions, GIZ RED is supporting a process of institutionalizing as a training offer in the field of the regional development in Macedonia. Therefore, during 2010 the RED program together with InWent, has designed and implemented a Training of Trainers (ToT) program aimed at knowledge multipliers from training institutions in Macedonia on the topic of *Regional Management for Regional Rural Development*.

Following its objectives regarding the institutionalization of the training offer for RRD in Macedonia, GIZ RED engaged the Center for Entrepreneurship and Executive Management - CEED Macedonia and Integrated Business Faculty (IBF) Skopje, as two out of four institutions that took part in the ToT-program, to conduct an Assessment of the capacity building needs of relevant regional and national stakeholders involved in the RRD in the country.

The experience shows that most of the public officials employed by the institutions, organizations, municipalities and other local bodies that are key stakeholders involved in the RRD lack the required knowledge, skills as well as the awareness of the possibilities and existing instruments that are crucial for structured, organized and effective management of the RRD. These are the problems that the organizations themselves experience and report in their everyday work as well as their partners on the regional projects, and that ultimately, in long run, affects the results and the projects' outcomes. Completing the ToT-program, CEED Macedonia and IBF recognized an opportunity and a potential to put their expertise, knowledge, skills and resources in practice, in order to support the regional bodies/ organizations such as Local Economic Development (LED) Offices, Centers for Regional Development (CRDs) of Planning Regions, and other institutions and business associations, as well as relevant institutions on national level, in improving their performance through strengthening their capacities and their skills related to management of RRD.

The fieldwork for the Assessment was conducted in the period April - July 2011 by using a sample of 54 respondents previously identified as relevant stakeholders in the RRD. CEED Macedonia and IBF were requested to conduct assessment of the stakeholders in 4 Planning Regions supported by the GIZ RED. However, as their contribution to this assessment, CEED Macedonia and IBF offered to extend the assessment to all of the 8 Planning Regions in Macedonia, thus providing complete picture of the capacity building needs on the entire territory of the country.

The Assessment provides overview of the current capacity situation for each type of surveyed bodies/organizations, identified needs and recommendations for future steps and activities that should be designed and implemented in order to address those needs in most effective way.

About the consultants:

The Center for Entrepreneurship and Executive Development (CEED) Macedonia established operations in September 2007 as the fifth center in the network of entrepreneurial and managerial centers that exist now in Slovenia, Bulgaria, Romania, Montenegro, Macedonia, Serbia, Kosovo and Poland, with plans to expand to Albania and Bosnia and Herzegovina by end of 2011. CEED's objective is to create a supportive community of like-minded entrepreneurs and support them and their key managers in the development and growth of their businesses. Key deliverables include capacity building training programs that focus on practical knowledge complemented with experience sharing and mentoring by successful local business leaders, access to finance, and a strong regional and international network. During its three years of operation, CEED Macedonia has managed to position itself on the Macedonian market as a unique and innovative business support services provider that designs and delivers management, leadership, personal development training programs, and business consulting services. CEED's primary activity since its inception is the implementation of our unique CEED Top Class programs for entrepreneurs and managers. CEED Macedonia is also experienced in conducting analysis, assessments and researches, and has cooperated with many businesses, international and domestic organizations, as well as with public national and regional bodies.

The Integrated Business Faculty (IBF) Skopje offers study programs at undergraduate, graduate, and doctoral level. IBF's objective is to create skills and knowledge in decision making and using business resources, enabling direct practical experience to the students by including them in a broad spectrum of team projects, based on existing companies. Such approach enables the students to apply simulation techniques during the studies for assessment and analysis, and practical application of knowledge. The undergraduate programs are based on the integrated, multidimensional approach for curricula development and implementation of interactive teaching methods.

IBF offers the following undergraduate programs: Regional and Local Business Development; Financial Management; Marketing Management; Environmental Economy; Banking. IBF has strong interest and relevant involvement in the fields of the local and the regional development. Both local and regional developments are relatively new priorities in the Republic of Macedonia. IBF is the first and the only educational institution in Macedonia offering undergraduate studies in Regional and Local Business Development. Most of the teaching staff at IBF has already been working with different institutions and donors in the field of regional and local development on issues such as preparation of programs, project proposal writing, training etc. Starting 2011, IBF will also be the first educational institution offering specialist studies in Regional and Local Business Development.

2. Executive Summary

The main objective of this Assessment of the capacity building needs of the relevant stakeholders in the RRD in Macedonia is providing clear and structured information about the existing capacity building needs of the key stakeholders in RRD in Macedonia. It assess the gap between the knowledge, skills and attitudes that people in the surveyed bodies/organizations currently possess and the knowledge and skills they need to obtain in order to achieve their organization's objectives. It aims to set out the priorities and propose most appropriate response to those priority needs.

The fieldwork for the Assessment was conducted in the period April - July 2011 by using a sample of 54 respondents previously identified as relevant stakeholders in the RRD from all 8 Planning Regions in Macedonia:

- Centers for Regional Development of Planning Regions (CRDs)
- Local Economic Development (LEDs) Offices within the municipalities
- Business Support Organizations (BSOs)
- National Level Institutions (NLI) involved in RRD in Macedonia

The applied methodology for conducting the assessment involved interviewing both managers and employees on face-to-face meetings, and using of previously prepared semi-structured in-depth interview guides.

The assessment shows that there is a lack of communication and cooperation between the relevant stakeholders in the RRD in Macedonia, due to several different reasons: insufficient understanding of their roles and responsibilities, lack of knowledge of potentials for cooperation and benefits from it, favoring local instead of regional projects etc. One of the main steps that needs to be undertaken in order to support the RRD in the country is the work on the improvement of their communication by organizing joint events, workshops, round tables and trainings on topics that are of common interest. Personal capacity building of both management and soft skills through training programs for managers and employees from all institutions, will contribute as well toward effective communication on all levels.

Both CRDs and LED Offices have capacity for writing applications and implementing projects within national funded programs, but most of them find challenging the preparation of complex project applications for EU and non-EU funded programs. Most of the CRDs and LED Offices are aware of the existing EU funding programs, but all of them lack skills for identifying and approaching directly other potential donors and seeking additional fundraising. Both identified needs should be addressed by organization of joint practical training programs on these topics.

The CRDs and LED Offices in all regions have started some form of regional promotional and marketing activities, but need more organized approach and practical trainings on regional marketing, promotion and branding.

There is a significant need to promote the PPPs as a regional development tool among all relevant RRD stakeholders by organizing trainings and workshops that would provide information on the legal aspects, mechanisms (how to establish PPP and how it can work) and benefits PPPs offer.

Having in mind that in the upcoming period the NLI will have a lot of activities related to the monitoring and evaluation of the started projects, the respondents included in this assessment declared a need for capacity building in these particular areas that could be ad-

dressed through practical training programs. The same capacity building need was identified with the assessed LED Offices.

3. Methodology

The main objective of this needs assessment is providing clear and structured information about the existing capacity building needs of the key stakeholders in RRD in Macedonia. It assesses the gap between the knowledge, skills and attitudes that people in the surveyed bodies/organizations currently possess and the knowledge and skills they need to meet/obtain in order to achieve their organization’s objectives. It aims to set out the priorities and propose the most appropriate response to those priority needs.

The assessed sample consisted of 54 respondents, employed in the following regional and national institutions / bodies involved in RRD in Macedonia:

- Centers for Development of Planning Regions (CRDs) in all 8 regions
- Local Economic Development (LED) Offices within the municipalities in all 8 regions
- Business Support Organizations (BSOs) in all 8 regions
- National Level Institutions (NLIs) involved in RRD in Macedonia

In order to ensure that the appropriate range of profiles/regions/municipalities that were included in the assessment, a “Soft Quotas” sampling method was used. The basic idea of quota sampling which is a non-probability sampling is to set a target number of completed interviews with specific subgroups of the population of interest. Sampling procedure then proceeds using a nonrandom selection mechanism until the desired number of potential respondents is achieved. For this assessment, two selection mechanisms were utilized: the first one was selection based on the recommendations received from GIZ (people that were in some way previously involved in their RRD activities undertaken in Macedonia), and the second one was selection based on the positions respondents had in the organization/institution they worked. The first mechanism was mostly used for selection of respondents from the NLIs, while the second one was applied for selection of respondents from the CRDs, LED Offices and BSOs.

The structure of the sample upon applying the set sampling method consisted of the following respondents:

RRD Stakeholder	Number of respondents	Description
CRDs	16	Two respondents in each CRD in all 8 centers were interviewed
LED Offices	20	Only the representatives of LED Offices active in the field of RRD were taken into consideration for interviewing and their selection was done upon consultation with GIZ RED and consultants' own experience. The sample consists of 2-3 LED Offices per region, or total of 20 respondents, which is around 25% of all LED Offices in Macedonia
BSOs	9	The selection of the BSOs to be interviewed was done upon consultation with GIZ RED, targeting at least one BSO per region. The respondents were representatives of Regional chambers of commerce, associations and unions present in the surveyed regions.
NLIs	9	The selection of the NLI's was done based on their involvement in RRD, upon consultation with GIZ RED and consultants' own experience and in that sense the following institutions and their appropriate representatives were identified: The Ministry of Local Self-Government, Sector for European Integration within the Government of the Republic of Macedonia, the Cabinet of the Deputy President of the Government of the Republic of Macedonia in charge of Economic Affairs, the Ministry of Agriculture, Forestry and Water Management and the Bureau for Regional Development.

The applied methodology for conducting the assessment involved interviewing both managers and employees. This allowed us to better understand the organization and activities of each interviewed organization/institution and to identify their needs not only on a personal/management level, but on the organizational level as well. Namely, sometimes managers were not completely aware of some of the capacity building needs their organizations have and this blocks their prospects for further development and success of their organizations. Facing financial problems and \thus focusing on the problem of how to provide more finances for their work and for new projects, very often the managers are either not quite aware about or are not focused on the importance of the human resources (need for enhancement of skills, gaining knowledge and techniques, motivation, performance evaluation, training plans etc.).

The methodology for design and implementation of this needs assessment consisted of the following steps:

1. Definition of target group
2. Definition / design of a survey sample/sample size - applied criteria: geographical distribution, size of the municipalities and regions, ethnicity, etc.
3. Drafting Action plan/surveying and reporting time
4. Drafting a data collection tool - four guides for conducting semi-structured in-depth interviews (one for CRDs, one for LEDs, one for BSOs and one for the NLIs)
5. Conducting Pilot survey - to test the guides/questionnaires
6. Conducting the assessment - use of qualitative approach: semi-structured in-depth interviews - qualitative analysis (individual face-to-face interviews)
7. Combining the data into separate short reports on each interview done, usable for future references and analysis
8. Drafting the summarized report (identified needs and recommended future steps)

The needs assessment included:

- Survey of the capacities, practices and skills: structure of currently employed persons (education, previous working experience, knowledge of foreign languages, previously attended trainings, etc.)
- Priority skills needed: theory or practice based type of training programs, topics, etc.

Four types of in-depth interview guides were designed for all four categories of respondents. Some of the questions to be answered over the assessment as listed below:

- **Current climate analysis**

1. Is there any unfulfilled need?
2. Which are the areas of their work they particularly have problems with i.e. feel they have knowledge gap in or insufficient skills / tools to cope with?
3. What other resources, if any, are available for the CRDs/LED Offices?
4. What is the scope of existing trainings/training programs, if any, and how well are they tailored to the needs of the CRDs/LED Offices?
5. Has the CRD/LED Office participated in any trainings/training programs in the past and what is the experience from it? Were gained knowledge and skills sufficient and applicable in practice?

- **Managers research**

1. What do managers expect in regard to their own and their employees future capacity building?
2. Do they think capacity building is important and will they participate?
3. What topics/skills they think are most crucial for their work?

While the assessment's fieldwork took place in the period April - July 2011, the preparatory work took place in February and March 2011 with the design of methodology, sampling method and identification of potential respondents.

The in-depth interviews were conducted on individual, face-to-face meetings, previously arranged over phone. Also, several interviews were made during GIZ's training organized for CRDs and LEDs in Strumica in the beginning of April 2011. However, those interviews were also conducted on one-on-one, face-to-face individual meetings. Average interview duration was 60 minutes.

Interviews were conducted by two interviewers from IBF and two from CEED. They were all part of the GIZ RED's Training of Trainers program organized in 2010.

■ **4. Key Findings**

4.1 Key findings for CRDs

This section of the assessment report provides summarized information of the key findings and identified needs with the CRDs, as well as individual presentation of identified capacity building needs for each of the eight interviewed CRDs, presented in accordance with the sections included in the guide for assessment interviews.

Summary

General issues

Majority of the surveyed CRD's representatives believe that the NLI's responsible for RRD are somewhat inert and inadequately organized. Furthermore, the line ministries are not enough familiar with the purpose and the objectives of the regional development which should include balancing the development of regions and bridging the development gaps among the eight regions in Macedonia, while, in the same time, increasing the national competitiveness. Moreover, the ministries in Skopje and the line ministries/branch offices are not even familiar with the CRDs and their purpose. However, there is some improvement in this area after GIZ RED has organized joint working meetings for all CRDs from Macedonia and the national level ministries, and continues to support activities in this direction.

Generally, the cooperation between the CRDs and the municipalities is good in all regions. However, in some regions there are still difficulties in the communication. In the case of the South-West Region for example, the CRD reports difficulties in the communication with smaller rural municipalities (LED Offices). At the same time, they are very satisfied with the cooperation with bigger municipalities in their region. On the other hand, most of the respondents in the South-West Region have expressed dissatisfaction of the collaboration with

the CRD. The LED offices require bigger involvement and collaboration with the CRD, which they recognize as an important and relevant institution to work with. In Polog Region, for example, the municipalities complain on the CRDs' partiality (interference of politics), competences and lack of initiative / lead. Another issue when it comes to CRDs/municipalities (and their mayors) cooperation is their intention to apply activities and projects that have local rather than regional dimension. Some of the CRDs, like the CRD of the South-West region, have made concrete steps to surpass this problem by forming an informal body consisting of member from each municipality from the region as well as a deputy member, and this body meets once a month to discuss regional issues, problems and needs. Six of the surveyed CRDs declared that they do not have established cooperation or have poor cooperation with the business sector while the CRDs of South-West and Pelagonia Regions declared that they have good cooperation with businesses in their region.

Another general aspect that was considered as somewhat of a barrier to the RRD was the Law on Balanced Regional Development, as well as the 2011-2012 Action Plan that do not provide focused approach in addressing the current needs and do not propose development solutions, because they are too general with no specific targets. The respondents from the CRD of Pelagonia Region considered that the prioritization of the projects to be selected for financing by the national funds should be done on a regional level instead of, as it is done currently, on the national level of decision making. The main reason for such recommendation is the fact that people working in the regions (regional level institutions) are much more familiar and aware of the regions' needs than the people in the national level institutions. Specific examples were given by the same respondents on the need identified in the region, agreed upon by all mayors from the region that has been not approved as region's priority by some national level body.

All of the CRDs have established practice (more or less structured) to follow and apply to the open calls for financing project proposals. All of them have shown good capacities to prepare and implement projects that are financed by the BRD. Six of them find challenging the process of preparing applications for EU and other international donor organizations due to the lack of good knowledge of English language and lack of knowledge and expertise in particular areas. Furthermore, they find these applications more complex and difficult to fill in, especially the budgets and the logical frames. Some of them are surpassing this problem by outsourcing the process of preparation of project proposals and hiring external consultants.

Some of the CRDs have difficulties with financial management due to the fact that there are no clear regulations and procedures that needs to be applied. In addition to this, it should be mentioned that almost all of them have declared that they have difficulties with collecting financial contributions from some of the municipalities, but as a result of the current regulations, the CRDs have neither power nor instruments to influence such situations. The current method for financing of the CRDs, as well as the amounts of allocated yearly funds is not functioning as planned, and this is influencing their ability to provide financial cost-sharing required by EU-funded projects.

Two of the surveyed representatives of the CRDs (Vardar and Pelagonia Region) declared that they have also difficulties with implementing the prescribed public procurement procedures as a result of being too complex and time consuming.

RD content related topics

Most of the respondents from the CRDs stated the legal status of the CRDs has not been clearly defined yet and that it will be very helpful if there is a regional government or at least ministry

made responsible for regional development only. It was pointed out that legal status of the CRDs should provide opportunities for them to be self-sustainable. Almost all of them stated that in practice, the projected in the Law on Balanced Regional Development 1% of GDP for regional development, has not been completely allocated. Thus, this situation combined with the problem of collecting the financial obligations from the municipalities, results in one of the biggest challenges for the CRDs - lack of funds. They have difficulties in covering their operational expenses and in providing sufficient cost-share for some of the open calls.

Almost all of the surveyed representatives of the CRDs consider that regional managers in Macedonia generally have sufficient management skills and knowledge in regional development, yet emphasize that there is always room for improvement. Thus, there should be continuous trainings, share of experience and learning of best practices. Some of the skills that were identified as essential for every regional manager to possess were: leadership skills, organizational skill, project management skills (for managing projects through all its phases) and fundraising skills.

Most of the surveyed stated that they would find useful to attend organized trainings on EU Regional Policy even though they have basic information about this issue. Some has previously attended events on which EU Regional Policies were reviewed and discussed (in Macedonia and abroad) but still feel the knowledge gap in this field.

The CRDs in all regions have started some form of regional promotional and marketing activities. Most of them have developed web-sites, promoting the region and its features (touristic promotion or business promotion of the region). Some of them have prepared brochures and some had presentations on relevant fairs and gatherings. Some of the CRDs, like the one in the East Region, are present on the program of the regional TV station and prepare an e-bulletin. According to the surveyed representatives, regions generally (mostly the South-West and Polog region) need mapping. Very frequently, the mapping need identified by the CRDs is related to mapping of the business sector in the region, active clusters, businesses and industries (data-base of businesses). Some of the regions have already created such data-bases (Pelagonia and South-East regions).

Almost all CRDs declared a need for more training on promotion, marketing and branding of regions. There were previously organized trainings by GIZ on these topics. Those who participated in the previous trainings organized by GIZ are satisfied with the quality of trainings and the experts engaged by GIZ, but they are looking forward to more specific steps and coordination (within the region) in successful promotion, marketing and branding of the region. The trainings should be more practical rather than theoretical, and preferably delivered by foreign experts experienced in this field. Some of the CRDs have never attended any trainings of this kind and feel they would find this very useful. Most of them have discussed this topic on one or two occasions, brainstorming ideas and potential future steps, but no specific action has been taken yet.

Management skills

Even though some of the CRDs' respondents have previously attended trainings covering some of the managerial skills, six of them stated they would consider helpful to attend trainings in: strategic planning, HR management, leadership and conflict resolution.

Finances and Fundraising skills

Even though the CRDs have shown good abilities to follow the available funding opportunities, still there is a room for improvement. Most of them declared that they are following relevant

EU-funding web-sites, ministries' and embassies' web-sites, as well as other foreign donor organizations calls for applications. Some of them are more organized in this field than the others but they all keep track of funding opportunities. They suggested that it would be helpful if there is aggregated donors register / list with links including all available information on current open calls and tenders. There was a suggestion for creation of a web-portal that will gather / aggregate information on available and relevant funds / current calls for proposals, tenders from different sources and will present them all in one place, thus making them easily accessible and available for RRD stakeholders in Macedonia (and all other interested parties).

However, improving the fundraising skills does not only mean regularly following the announcements. Fundraising also requires communication skills, negotiation skills, networking skills as well as skills on how to approach the donors. Some of the CRDs considered that they are good in approaching the donors and networking, while others expressed need for additional training / workshops on fundraising. Such trainings should be focused on providing information on all available funds and sources of funding, specific requirements and conditions for each of them, as well as learning the steps on how to approach the donor and how to follow open calls for projects. This training should also include some of the soft skills mentioned above.

Project capacities

As mentioned above, all of the CRDs have established practice to follow and apply on the open calls available for financing project proposals (some very well organized while others not that structured, systematic and organized). All of them have shown good own capacities to prepare and implement projects that are financed by the BRD. Almost all CRDs, with few exceptions, find challenging the process of preparing applications for EU and other international organizations' funded projects due to the lack of good knowledge of English language, lack of knowledge and expertise in particular areas as well as insufficient skills, knowledge and not enough experience in preparing such proposals that are more demanding than those prepared for the BRD. Most of them are surpassing this problem by outsourcing the process for preparation of project proposals and hiring external consultants.

All of the CRDs that are eligible have applied with projects within the EU funded Cross-Border Programs (Albania, Bulgaria and Greece). Some of the CRDs have used additional sources of international funding. For example CRDs for Skopje Region and East region have implemented projects financed by the Slovenian government funds for bilateral cooperation, and the CRD for Pelagonia Region had implemented a project in waste packaging with support from the Norwegian Embassy.

Even though the employees in the CRDs have attended some training in writing project proposals and project management, most of the surveyed representatives consider useful to participate in additional trainings in specific project areas such as: project cycle management, preparing budgets, implementing budgets, monitoring and evaluation etc.

Partnership capacities

Half of the surveyed representatives of CRDs share opinion that there is not enough communication among the relevant stakeholders in RRD in Macedonia, both at national and regional level. Most of the CRDs identified certain difficulties in the communication with some of the institutions on national level (mostly ministries) as well as with some of the municipalities. They say that national level institutions are too inert, while some of the municipalities (smaller and mostly rural) lack sufficient capacities to successfully cooperate and communi-

cate. However, there were number of centers that have declared good communication and satisfying cooperation with the relevant national level institutions, councils and municipalities.

The CRDs find exchange of experiences with regions from other countries such as Slovenia and Croatia useful for their work, and thus believe that more networking and experience sharing events and opportunities should be organized in the future. CRD for Skopje Region for example, cooperates with several regions in Slovenia, within their bilateral cooperation so they have had chance to exchange experiences with them. Other regions as well have established cooperation with regions abroad (mostly in Slovenia, Croatia, Bulgaria, Serbia, Slovakia, France, Greece, Romania, etc.). There are also positive examples of foreign regions asking for recommendations and transfer of knowledge from Macedonian region due to a project that was successfully implemented in a particular field (this was the case with Pelagonia Region and Lower Normandy region in France).

Three of the CRDs considered that the cooperation with the non-governmental (NGOs) and the business sector should be intensified as currently these are not enough involved in the regional rural development.

Public Private Partnership

Three of the CRDs stated that a joint training for relevant stakeholders from public and private sector would help very much in properly understanding PPP as a regional development tool. The respondents from the CRD of Skopje Region for example stated they are not quite familiar with the PPP as an RRD instrument. Other CRDs emphasized they are familiar with the PPP tool but consider that the municipalities and the business sector (i.e. the key stakeholders in PPP) are not familiar enough with this concept.

However, the CRDs are aware that how to make / motivate businessmen to attend these kinds of events represents a big challenge. According to the surveyed, examples of PPPs can be found mostly in tourism and agriculture related activities.

Four CRDs (South-East Region, North-East Region, South-West Region and Vardar Region) have already had activities aimed at stimulating PPPs, while others haven't even done a serious consideration of this issue.

In most of the regions there were few examples (from 1 to 3 projects per region) of PPP projects, while in almost all regions, potential projects were identified for which, it was mentioned, the best way for implementation was PPP.

Soft skills and other important working skills

Almost all of the of the surveyed respondents from the CRDs recognize the importance of developing adequate soft skills and identify need for these kinds of trainings at both basic and advanced level.

Five of them have attended trainings in soft skills such as communication and negotiating skills, but considered that further development (such as improvement of the CRDs promotion in and outside of their region) through enhancing their communication and negotiation skills, will help them in approaching the donors and other stakeholders in the region.

1. CRD of Vardar Region

General issues

CRD of Vardar Region has capacities and previous experience in writing and implementing projects both within available EU funded programs and programs of BRD. Even so, respondents considered that additional trainings to improve the project writing and implementing skills for EU and other donor organizations are needed.

It was identified that the implementation of the prescribed public procurement procedures is somewhat challenging for CRD's staff.

In the past, the CRD has been using external consulting services for preparing strategies, conducting studies, development of their web-portal, as well as for preparation of some project proposals that were more complicated or time consuming.

Even though there is some previous communication between the CRD and business sector in this region (organization of presentations for internships, available credit lines etc.), respondents considered that the cooperation needs intensifying in order to achieve better results in the RRD.

RD content related questions

Based on the respondents, there is a basic knowledge on the EU Regional Policies, but they would benefit from additional trainings in this area. Furthermore, they considered that CRD staff needs trainings in Regional Marketing and Branding.

Management skills

Even though in general the CRD managers have good management skills, and CRD of Vardar Region had some previous training in strategic planning, additional more advanced trainings for improvement are always welcomed. Identified areas in which they need trainings are: leadership, strategic planning and conflict resolution.

Finances and Fundraising skills

Apart from the available opportunities from the EU IPA program, respondents were not quite aware of additional available funds. Following of the web-sites and other sources for announcements and calls should be improved and be done on more regular basis. Respondents suggested as useful a creation of a donor's register that will unite the information from several potential sources of funding available for the CRDs and municipalities. They agreed that they need improvement of fundraising skills through trainings and share of experiences.

Project capacities

As mentioned above, CRD of Vardar Region has previous experience in writing project applications and implementing projects within national and EU funding programs. They would also like to build the capacities of their team for writing complex project proposals, but for now, in such cases they engage external consultants. Specific area that they need additional training in is budgeting. Previously they had attended training in project cycle management, but consider that they would benefit from attending another, more advanced training.

Partnership capacities

The cooperation within this CRD team, between the CRD and municipalities in Vardar Region and the MLS is generally good. The communication with the business sector from the region is good but still not on the required level, while with the NGO sector the communication has been continuously improving. In regards with the cooperation with other regions in Macedonia

and abroad, the respondents coming from this CRD emphasized previous cooperation with region from Croatia which they consider very useful. They considered that organizing joint training on topics of interest for all RRD stakeholders would help developing further cooperation.

Public Private Partnerships

CRD of Vardar Region has had good cooperation with the business sector in the region, but the area of PPP as a regional development tool needs more introductions through informational events and further on, through joint trainings for relevant stakeholders both from the public and private sector.

Soft skills

Even though this CRD's staff had previous trainings in communication and negotiation skills, they considered that additional, more advanced trainings in soft skills with accent on the practical part are needed.

2. CRD of South-West region

General issues

CRD of South-West Region has significant previous experience in preparing and implementing projects both for national and EU funding programs. CRD staff has capacities to prepare the applications for projects funded by the BRD while they use consultants for some project applications and implementation in specific areas.

Generally, they are well informed about the available sources of funding, but need additional information on the EU IPARD program and FP7 program.

The CRD reports difficulties in the communication with smaller rural municipalities (LED Offices). At the same time, they are very satisfied with the cooperation with bigger municipalities in their region. On the other hand, most of the respondents in the South-West Region have expressed dissatisfaction of the collaboration with the CRD. The LED offices require bigger involvement and collaboration with the CRD, which they recognize as an important and relevant institution to work with. The respondents declared that CRD has good cooperation with the business sector in the region. In order to improve the communication and cooperation among the RRD stakeholders in the region, informal body for the South-West Region has been formed. This body consists of two members from each municipality in the region and meets once a month to discuss regional problems, needs and possible joint projects.

RD content related questions

According to the surveyed representatives of this CRD, the regional managers are well informed about EU Regional policies and they do not need any additional training. Even though they have previously attended training in Regional Marketing and Branding, they believe that additional ones with broader target group of participants should be organized.

Management skills

Due to their different previous experiences and interests, the respondents from this CRD gave different/opposite views to this assessed area. One of them considered that there is no need for attending any training and that the current management skills are satisfactory to successfully manage awarded tasks while, according to the other respondent, trainings on strategic planning, leadership and conflict resolution could be useful for further improvement of the work of the CRD.

Finances and Fundraising skills

CRD has established system for following the available funding opportunities, mainly through internet. The respondents stated that they have never had trainings in fundraising and consider that they do not need one in this moment. They are focused only on the funding programs they are eligible to apply in and consider that they would benefit from attending training programs only for these programs.

Project capacities

According to this CRD they have vast experience in writing and submitting project applications, as well as being awarded with grants from national and EU funding programs. They believe they have good project capacities and do not need any further training in this area.

Partnership capacities

CRD respondents have identified some challenges in the communication with some of the NLI as well as with some of the municipalities in the region. They had an opportunity to cooperate and exchange experiences with some regions in Albania and Slovenia, mainly through joint preparation of project applications. According to the respondents, the cooperation between the CRD and the business sector is good.

Public Private Partnerships

Respondents from this CRD said that the cooperation between the CRD and the business sector is mainly in the areas of tourism and agriculture, where rare examples of PPPs that can be found. Respondents declared that they had previous training in PPP, but believe that such trainings would be more effective if the participants are both from the public and private sector, which was not the case in the past.

Soft skills

In accordance with their previous experience and interest, the respondents gave different/opposite answers to this group of questions. One of the respondents had previous trainings in soft skills and stated that does not need additional ones, while the other feels need for such trainings in order to be able to successfully complete awarded tasks and duties.

3. CRD of South-East Region

General issues

CRD of South-East Region has vast experience in preparing and implementing projects for national and EU finding programs (BRD, MEPP, EU CBC Bulgaria, GTZ etc.). At the beginning they have outsourced the process of project application writing, but now have build their own capacities to manage the process by themselves and engage external consultants only to provide directions and check the applications. The respondents declared that they have good cooperation with the municipalities in the region, but have poor communication that needs improvement with both NLI and business sector.

RD content related questions

The respondents from this CRD declared that they would benefit from attending training in EU Regional Policies. Even though they have initial promotional activities, the respondents suggested that drafting an Investment Guide as an instrument for promotion of the region would additionally advance started activities.

Management skills

Even though the CRD staff has attended some previous trainings in some of the topics (strategic planning, leadership, HR management), they consider that additional ones are welcomed and would help in advancing their everyday work.

Finances and Fundraising skills

CRD staff is familiar with available sources of funding and regularly follow web-sites of relevant donor organizations, embassies, ministries etc. Respondent considered that short/1-day sessions with information on funding programs they are eligible to apply for would be useful to advance their fundraising skills.

Project capacities

According to the respondents, CDR staff has sufficient knowledge and capacities for preparation of project applications in Macedonia, but would need additional improvements when it comes to applying for funding aside national funds, especially due to insufficient knowledge of English language. They consider that they would benefit from attending training in Project Cycle Management in order to improve their capacities for successful implementation of awarded projects.

Partnership capacities

CRD has good internal communication and external communication with NGOs, municipalities from the region, as well as with other RRD stakeholders in the country. They had opportunity to cooperate with all other regions in Macedonia and had a previous cooperation and exchange of experiences with regions from: Bulgaria, Greece, Slovenia and Croatia. The respondents considered that for the benefit of region's promotion and development, they should intensify the cooperation with the business sector.

Public Private Partnerships

The CRD has established good cooperation with the business network in the region which offers good opportunities for developing PPPs. In support of this should be mentioned that the first PPP in Macedonia was established within this region - the Regional Waste Ground in Strumica. Respondents considered that joint trainings of both public and private sector may not be the best tool for further advancement of this area because the business people are not very interested to attend such trainings.

Soft skills

Respondents declared need for trainings in soft skills (communication, negotiation, conflict management), together with lobbying and researching.

4. CRD of East Region

General issues

The CRD of East Region has previous experience in preparing project applications for the national programs (BRD) as well as for some of the EU funding programs. They found challenging preparation of project proposals for IPA program due to what they have been outsourcing the process of preparation of such proposals. Asked about their cooperation with the business sector, the respondents defined it as minor and insufficient.

RD content related questions

Commenting the general situation with the RRD in the country, the respondents said that one of the main obstacles in advancing this area is the existing disparity between the regions. They said that the CRD could take up more important role in the RRD in the country if there is a better solution for their legal status. Even though the managers in the CRDs have previous knowledge, further advanced trainings for learning the importance and benefits of RRD for their regions should be organized.

Management skills

Even though the respondent were familiar with the topic and had some previous training in this area, they considered that they would benefit from trainings in leadership, strategic planning, conflict resolution, and HR management.

Finances and Fundraising skills

The CRD staff is familiar with the available sources of funding and follows all sources they know where calls for proposals are announced. Respondents considered that they should improve their capacities for writing IPA project proposals and implementing such projects.

Project capacities

Generally, the employees of this CRD have sufficient knowledge and skills for preparation of project applications for funding programs in Macedonia. However, sometimes they find challenging the ones that need to be prepared in English. In such cases they engage external consultants. The respondents considered that they could benefit of attending practical Project Cycle Management training.

Partnership capacities

This CRD has everyday communication with other RRD stakeholders and believe it is on a satisfying level. Also, they had plenty of opportunities to exchange experiences with other regions from abroad mainly through study visits and preparation of joint project proposals.

Public Private Partnerships

The respondents described the current cooperation of the CRD with the business sector as a good one, with possibility for further advancement. They believe that attending a joint training in PPP could be useful, but consider that it would be difficult to organize one because the business sector might not be interested to participate.

Soft skills

According to the respondents, they had never attended any training in this area and would benefit attending such in order to improve their everyday work.

5. CRD of Polog Region

General issues

The CRD of Polog Region has been mainly working on the infrastructure projects financed by the BRD. They have applied to the IPA CBC Albania program with few project proposals, but due to the poor knowledge of English language they outsource the process of preparation of such proposals. The respondents declared that sometimes they find challenging communicating with some of the municipalities in this region, especially when it comes to regional projects in which they do not see direct benefit for their municipality. The cooperation between the CRD and business sector is not on the required level.

RD content related questions

According to the respondents, the regional managers need advancing of communication skills in order to better cooperate with all RRD stakeholders and achieve common goals. They should be familiar with the EU Regional Policies and best practices. Additionally, trainings in Regional Branding and Marketing are needed to further advance the development of the Polog Region.

Management skills

Even though there were trainings in this area organized for some of the CRD staff, they have new colleagues that would benefit from attending such trainings, especially in: leadership, strategic planning, organization, conflict resolution etc.

Finances and Fundraising skills

Even though they are aware about the available sources of funding, the CRD staff does not follow on a regular basis available calls for proposals. The respondents suggested creation of a web portal that will gather information on all of the available funds/current open calls in order to make them easily accessible for RRD stakeholders in Macedonia.

Project capacities

According to the respondents, the CRD staff has capacities for project writing and implementation of projects that are available through funding programs in Macedonia, but would need additional advanced trainings in project proposal preparation and implementation of EU funded programs, as well as in other donor programs. They have previously attended training in Project Cycle Management and do not feel a need for another one.

Partnership capacities

The CRD of the Polog Region has good cooperation with the BRD and municipalities in the region, while the communication with the LED Offices needs improvement. The respondents declared that the CRD has no cooperation with the business sector. They suggested that organization of joint events and round tables for all relevant RRD stakeholders in the country could help in improving the communication processes. The CRD had an opportunity to exchange experiences with regions from Slovenia and Croatia, but no concrete cooperation resulted.

Public Private Partnerships

The CRD has lack of communication with the business sector which they consider very important for further development of the region. They considered that organizing joint trainings for CRDs, LED Offices and business people would help in advancing the current situation with the PPPs in the region. The respondents said that they would be interested in attending trainings in networking, fundraising, attracting people leaving abroad etc.

Soft skills

Even though the respondents had some previous training in this area, they consider that in general, having advanced trainings in soft skills are important for further advancement of the everyday work of CRD staff. Some of the employees in the CRD need advanced trainings for improvement of their computer skills.

6. CRD of North-East Region

General issues

CRD of North-East Region has capacities for project proposals writing for the BRD funding program, as well as for some EU funded projects. Insufficient knowledge of the English lan-

guage is a reason why they in some cases outsource the application preparation process. Commenting the general situation of the RRD in the country, respondents said that one of the obstacles for its development is that the 2011-2012 Action Plan is too general.

RD content related questions

The respondents declared that they do not need any additional information or trainings in EU Regional Policies. According to them, mapping and supporting PPPs are main activities for improvement of the regional marketing. The regional managers as main figures of the CRDs should have advanced trainings in fundraising and project management.

Management skills

The respondents considered that there is a need for organization of trainings in: strategic planning, HR Management and conflict resolution.

Finances and Fundraising skills

CRD staff is familiar with the available funding sources and usually follow web-sites where calls for applications are posted. They consider that training in fundraising and how to approach potential donors would be very much helpful in building capacities for further seeking additional funding.

Project capacities

Generally, the CRD staff lack sufficient knowledge and skills to independently write project applications and their previous experience in seeking EU funds is done by engaging external consultants. They need trainings in both project writing and project implementation.

Partnership capacities

Respondents declared that the CRD has good cooperation with the municipalities and LED offices in the region, but poor cooperation with the NLI.

Public Private Partnerships

CRD has cooperation with tourism related businesses, but never have established partnership nor had joint trainings with business people from the region. They have proposed partnership with the business sector in their project proposal for the latest IPA CBC Macedonia - Bulgaria program.

Soft skills

The CRD staff has no previous trainings in soft skills and need ones in: communication, presentation and negotiation.

7. CRD of Pelagonia region

General issues

The CRD of the Pelagonia Region staff has good capacities to cover all phases of one project - from writing a project application, project implementation to project reporting. They have vast experience in implementing projects funded by national programs, EU funded programs as well as other donors like the Norwegian Government for example. Respondents said that in their opinion, planning documents like action plans, strategies etc. should be done by external experts.

At the beginning they had challenges in communicating with the business sector, but once they have recognized the role of the center, benefits and services they can provide to the business sector, the cooperation was improved.

RD content related questions

Respondents believe that generally there is a lack of available funds for support of regional projects. The system of decision making regarding financing regional projects within the NLI is very complicated. CRD has created a map with the natural beauties of the region, and have developed a tourism related web-portal. Additionally, they have presented the region in foreign countries (Albania and Greece). CRD staff has never had training in regional branding, and consider they would benefit from attending one.

Management skills

The respondents declared that CRD's management/staff need trainings in: strategic planning, HR management, conflict resolution etc. They also considered that implementation of quality control systems/ISO would very much improve the organizational processes and work of the CRD.

Finances and Fundraising skills

The respondents have declared that CRD staff are very well organized when it comes to seeking additional sources of funding and following calls for applications (prescribed to Welcome Europe, the CRD staff follow newspapers and relevant web-sites). The CRD also distributes information on current open calls to their database of NGOs in the region. They do not need any additional training in fundraising skills.

Project capacities

The CRD staff has capacities for preparation of project applications as well as project implementation and coordination. In order to strengthen their writing skills, they consider that they would benefit from attending training for budgeting, networking and creating partnerships.

Partnership capacities

The respondents declared that they are very much satisfied with the cooperation with the municipalities in the region, while the cooperation with the NLIs needs improvement.

Public Private Partnerships

One of the good examples of PPP is CRD in Pelagonia region. Namely, the first phase / module of one of their biggest projects financed by the national BRD and implemented in 2010 were completely focused on PPP. The project involved both representatives from the public and the private sector. Their experience showed that at the beginning it has been difficult to attract the business sector representatives to take part in this project (they had to send 200 invitations in order to have 30 business participants) because they could not see the benefit. Later however, the CRD managed to overcome this problem by earning the trust of the business sector which, after attending the workshops, had realized they have common interests and focused on important issues that are relevant and interesting for the business sector as well. The respondents from CRD for Pelagonia Region said that the reaction of the business sector and the municipalities to these workshops was extremely positive and they became very interested in building their capacities towards using PPPs for the benefits of the local community, the region in general and ultimately for their own benefits. Within their region in particular, there are some positive examples of PPPs, such as: multi-levels' parking space in the center of Prilep (4,2 million Euros worth project), business center and multi-levels' parking space on the location of the city market in Prilep (5 million Euros worth project), etc.

Soft skills

CRD's staff needs trainings in soft skills in order to improve their work and successfully implement awarded tasks and projects.

8. CRD of Skopje Region

General issues

CRD of the Skopje Region has applied and implemented several projects financed by the BRD. They do not have capacities to write their own project proposals for EU funded projects and usually outsource the process of preparation of such applications. They have previous experience in using other sources of funding, i.e. they have implemented a project for bilateral cooperation with Slovenian Government Funds. Respondents considered that they need training in preparation of project proposals for EU funding, as well as training in Project Cycle Management.

RD content related questions

CRD has good cooperation with both municipalities and NLI. Asked about the capacities of the regional managers, the respondents said that they have needed knowledge and skills, but there is always need for improvements. CRD has some activities towards region's promotion: promotion on fairs and mapping cultural and historical heritage. They considered that they need trainings in: creation of marketing plan and marketing strategy, branding of products and creation of logos.

Management skills

The respondents considered that the CRD staff does not need trainings for development of management skills.

Finances and Fundraising skills

CRD staff is following the available sources for funding, but due to the unusual status of the CRDs they are not eligible to apply to many funding programs.

Project capacities

As previously mentioned, the CRD has limited capacities for writing projects applications due to which they do not apply to some of the calls for funding. Another issue that is restricting them is the lack of finances for the municipalities to be able to provide required cost share in the projects.

Partnership capacities

The respondents from the CRD of Skopje Region stated they are not quite familiar with the PPP as an RRD instrument i.e. they don't know how this could be carried out in practice from a legal aspect. They do not have understanding of the steps involved in establishing PPP, or information on the conditions stated in the Law on Public Private Partnership. Thus, one of the good recommendations given was that the above mentioned training on PPP should also include legal experts (professors from faculty of law, for example) to explain all legal aspects of establishing PPP.

CRD is satisfied with the communication with the NLIs and municipalities in the region. They have experience in communication and share of experiences with several regions from Slovenia within their bilateral cooperation.

Public Private Partnerships

The CRD has neither communication nor cooperation with the business sector in the region. The respondents were not familiar with the current law on PPP in Macedonia. However, they expressed interest to attend workshops and training programs in this area. According to the respondents, the lack of integrated information on the business sector is one of the main reasons for not establishing the communication with the business sector.

Soft skills

CRD staff has no previous trainings in soft skill and would benefit from attending ones in: communication skills, presentation skills and negotiating skills.

Conclusions and identified needs:

- **Need for improvement of the communication between the relevant stakeholders in RRD in Macedonia** -The communication between the CRDs and the NLI is not on the required level mainly because NLIs are not aware enough of the CRDs and their role in RRD. Furthermore, NLIs are somewhat inert and slow thus CRDs are often unsatisfied with the mutual communication and cooperation. The communication between the CRDs and LED Offices/Municipalities is generally good but some problems appear in the cooperation with smaller and rural municipalities. One thing that often disrupts the cooperation is tendency of LED Offices to focus more on local rather than on regional projects. The cooperation between the CRDs on one side and the business sector on the other is insufficient or non-existing. There are some exceptions (like in the Pelagonia Region) but even there - a need for intensified cooperation between the public and business sectors exists. Organization of joint workshops and training programs for participants from CRDs, LED Offices, NLIs and business sector on topics that are of common interest would help in initiating better communication and further cooperation.
- **Need for capacity building in project proposals writing related to complex programs, such are IPA and other EU funded calls** - All of the CRDs have capacities and solid previous experience in writing applications and implementing projects within national funded programs, but most of them find challenging the process of preparation of project applications for EU and non-EU funded programs. This challenge can be surpassed by capacity building of the CRDs staff through attending practical trainings in project proposal preparation and project cycle management.
- **Need for capacity building in fundraising** - All of the CRDs lack skills for identifying and direct approaching potential donors and additional fundraising. Most of them are not aware what fundraising actually means and what set of skills, knowledge and information is needed to be successful in it.
- **Need for capacity building for promotion and marketing** -The CRDs in all regions have started some form of regional promotion and marketing activities, but need advancing their skill in regional marketing, promotion and branding. This could be surpassed by more practical trainings on regional marketing, promotion and branding as well as workshops for developing specific action plans with concrete promotional activities.
- **Need to promote the PPP as a regional development tool** - All CRDs should intensify their activities in the area of promotion and support of PPPs in their regions since the business sector is not very familiar with this area. Organization of joint training program in PPP for both public and private sector participants would stimulate further cooperation. This program should include legal issues and mechanisms of establishing PPPs, topics that will be covered by legal experts that will help both sectors to familiarize with PPPs.

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- **Need for management capacity building** - Generally, the regional managers of the CRDs have good managerial skills, but they need advanced trainings in: strategic planning, leadership, HR management etc. in order to be able to improve the operations of the CRDs and strengthen their position in the RRD.

4.2 Key findings for LED Offices

This section of the assessment report provides summarized information on the key findings and identified needs within the interviewed LED Offices, as well as individual presentation of identified capacity building needs for each region, presented in accordance with the sections included in the guide for assessment interviews. The assessment shows that the regions that have had significant donor support (such as the four GIZ supported regions), have had a lot more previous capacity building and other support compared to the other regions. For those LED Offices that come from regions for which GIZ has no mandate, the situation varies depending on the pro-activeness, initiative and networking skills of the people working in the LED offices and in CRDs.

Summary

General issues

General observation is that there is no clear understanding among the mayors and other relevant stakeholders on local level of what a regional project should be about. Every municipality is trying to impose their own local projects to the CRDs so they can extract money from the national budget and use it for local purposes. The municipalities need to understand the importance of balanced regional development. They should also understand what the purpose of a regional project is, and that not every regional project should provide direct benefit to a particular municipality. In some cases, there will be regional projects that will provide benefit to only few municipalities within a region, and not to each and every one of them.

Most of the municipalities feel that they are well prepared when it comes to project proposal writing for the national budget money (provided mainly through the BRD) and they do not feel they should outsource some of the activities in this regard. However, same as the CRDs, they stress the need for training regarding project proposal writing of certain more complex programs, such are IPA and other EU funded calls. Particularly they find it difficult to prepare the logical framework and the budget.

Furthermore, many of the representatives from LED Offices indicate that a lot more financial resources should be allocated for regional development. According to the Law on Balanced Regional Development, 1% from GDP needs to be allocated for achieving balanced regional development. This, points out the need for additional sources of funding and getting acquainted with the possible ways for fundraising.

Almost all of the respondents have identified a need for intensifying the communication and collaboration with the business sector, thus suggesting joint training for them and the business sector representatives. The objective is not so much the topic of the training itself, but the opportunity for networking.

In the South-West Region, the communication between the CRD and the LED Offices differs. With some of them is quite good, but with some is very weak. It is an issue that needs to be addressed appropriately.

RD content related questions

Almost every LED Office representative was interested in receiving training on available EU and non EU funds where different programs will be presented in a practical manner. They are mostly interested in the ones they are eligible for, and they require specifics on how to apply, what are the program objectives, who can apply, what is important to know related to these programs, how to prepare the application and so forth. It would be very useful if such training is provided, where different donor institutions and programs are to be presented.

The LED Offices/municipalities in all regions have started some form of regional promotional and marketing activities. Most of their activities in this area were focused on promotion of the touristic offer of their regions by preparing brochures and attending promotional events and fairs.

Management skills

LED Offices had attended many capacity building trainings in the past and generally believe this is not a priority area for them. Still, in four of the surveyed regions, respondents expressed the need for trainings in areas of soft skills, HR management, project proposals preparation, monitoring etc.

Finances and Fundraising skills

All LED Offices/municipalities are generally aware of the available sources of funding and have established some system for following calls for proposals. Still, majority of them expressed an interest to attend trainings on available EU and non-EU funding programs, as well as trainings for preparation of project proposals, especially for the more complex and regional projects.

Project capacities

The level of project capacities with the LED Offices varies from region to region. Majority of them have experience in writing project proposals for EU funding programs. In three regions respondents expressed a need for training in preparing complex project proposals. The LED offices are aware of the importance of the process of monitoring and evaluation. Furthermore, larger part of the respondents do not have sufficient practical experience in this area (not enough or not at all). That is why, with no exceptions, every LED Office representative found this type of training to be very necessary and helpful in their line of work.

Partnership capacities

Generally, the communication between the relevant RRD stakeholders needs improvement, especially when it comes to cooperation with the business sector. LED Office respondents from only two surveyed regions described their communication with the business sector as satisfactory. LED Offices in two regions said that they have cooperation with municipalities and regions in other foreign countries like Slovenia, Bulgaria, Italy and Turkey.

Public Private Partnerships

The respondents from LED Offices are aware of the PPP as a form of funding but still in practice, there are only few examples of such partnerships. All of the respondents considered that further information on the mechanisms and benefits from using this kind of funding should be provided by organizing joint trainings or workshops, to which business sector representatives should be also present.

Soft skills

In accordance with the previous personal and organizational experience, different levels of capacity building needs in this area were identified. In both basic and advanced level of soft skills trainings, the practical approach should be used.

1. LED Offices in Vardar Region

General issues

The lack of finances is the big challenge that was reported in the Vardar Region. It is interesting to note that this refers more to the process of budget planning (by the municipalities), and not so much to the amount available for project implementation. Almost every donor or credit institution requires co-financing (and sometimes this co-financing is significant portion of the project budget) and in some cases the municipalities do not take this into consideration when they prepare their annual budgets. It is necessary to improve the planning process when preparing the municipal budget and to introduce more flexibility in it. One of the recommendations given regarding this issue came from one of the representatives from Polog Region, who said that it might be better if the co-financing for every project is provided by the central government, like it is case in Slovenia.

Another challenge within the municipalities is the sharing of ideas and exchange of information. Municipalities lack mutual electronic data base where they would share their project proposals / ideas. Namely, municipalities coming from same regions are not informed about the activities / projects of other municipalities, and thus sometimes their activities overlap. Furthermore, they need to familiarize with all the donor programs and to prepare the projects accordingly.

RD content related topics

For promotional purposes, some of the municipalities in the Vardar region have prepared brochures, CD's, web-site etc. However, the Vardar Region lacks joint materials where the region's potentials will be presented as a whole. Some municipalities are very small and do not have the financial resources for such activity and it is up to the CRD to see this done. Each of the municipalities has something to offer, but a regional offer should be developed. In this sense, mapping of regional potentials was identified as a first step in such action.

Furthermore, training on regional marketing tools, methods and skills, as well as regional branding was identified as necessity. Participants to such trainings should include both the representatives from the local self-government, and representatives from the private sector. The training should be based on case studies, i.e. success stories to be presented by people that worked on their implementation.

Management skills

The LED offices have had many trainings related to management skills, such as conflict resolution, team work etc. Except for new employees, they do not recognize the additional need for this kind of capacity building.

Finances and Fundraising skills

Some of the municipalities have established a system for systematically following the announcements of the available funds and donors. However, they all stress the need to better familiarize with the existent funds and programs available.

Project capacities

With respect to the project capacities, there is a need for training regarding preparation of complex applications. In some cases, the LED Offices agree that it might be better to out-source this activity since they feel they lack the knowledge and experience. Furthermore, some municipalities believe their role is to identify problems and needs that should be addressed, while the project proposal preparation is too time-consuming and should be done by external consultants.

Bearing in mind their line of work, project cycle management is important for the LED Offices and improvement in this regard is a must. Same goes for the process of monitoring and evaluation.

Partnership capacities

The communication among the relevant stakeholders in Vardar Region is generally good. The only remark refers to the CRD, with respect to the lack of people in their team. Considering the activities they have, they need additional staff to implement it in a proper and timely manner.

Public Private Partnership

In the Vardar Region the collaboration between the private sector and the LED Offices is very good. Still, the collaboration could be strengthened further, and training between these stakeholders is needed. The training should be mainly about presenting what the local government can do for the private sector and how it will acknowledge their contribution to the process of regional development.

Soft skills

When discussing the quality of the trainings the LED Offices in the Vardar Region have had so far, they all argue that a significantly more practical approach needs to be put in place. That does't mean that they do not need training, however through the training they would like to gain knowledge that is fully applicable to their working activities.

2. LED Offices in South-West region

General issues

The communication between the LED Offices in the South-West Region is very weak. There is obvious misunderstanding among the regional stakeholders (they do not collaborate enough; some do not want to communicate at all etc.). In one of the LED Offices there is no head of department and the employees have no one to refer to. Furthermore, some of the LED Offices claim that, on both sides, there is no interest for collaboration with the CRD. Most of the respondents in the region have expressed dissatisfaction of the collaboration with the CRD. Improvement in this area should have high priority.

Respondents considered that they have sufficient knowledge for preparation of project proposals, but when it comes to writing proposals for projects in particular areas like environment, they believed that outsourcing is something that has to be considered.

The NGO sector needs to be more proactive and involved in the RRD with its own projects. Taking into consideration the scope of the regional development projects, NGO networks should be created to better reflect the problems in the respective regions.

RD content related topics

In the region, the level of collaboration is very low. Even though this is mostly touristic region, surprisingly it does not have regional offer for the tourists. Most of the municipalities have their own materials, promotion and so forth, but on a regional level, according to the respondents, there is none. All of the LED Offices can provide significant input to the development of regional touristic offer, and that is something that can be used by the CRD as well.

Also, the LED Offices clearly suggested that when determining the priorities bottom up approach should be used. The national level is not the one that should determine what projects are needed for certain region, but the regional stakeholders are the ones that should have the greatest influence in these issues.

Management skills

When discussing the management skills, the LED Offices from this region expressed particular need for trainings regarding HR management.

Finances and Fundraising skills

The municipalities have established a system for systematically following the announcements of the available funds and donors. However, most of them are mostly interested in the EU and non-EU funds and programs and would gladly participate in a training covering this topic.

Project capacities

With respect to project capacities, there is a need for training regarding preparation of complex applications. Training for IPA applications is of great interest, especially for the process of preparation of the logical framework and the budget.

Project cycle management is important for the LED Offices and for the institutions on national level. This type of training is needed, as well as training for monitoring and evaluation.

Partnership capacities

Considering what was mentioned above, the level of collaboration in the South-West region is very low. This has very negative impact on the region, especially if one has in mind that this is the region with probably the best potentials for tourism. This is a matter that needs to be addressed immediately. The working relations between the stakeholders in that region are not on a satisfactory level and the willingness to cooperate is low.

Public Private Partnership

The municipalities do not have many PPP projects even though they are aware of this form of fundraising. They are interested to improve their performance regarding PPP through trainings and other events.

Soft skills

The LED Office from municipality of Ohrid recognizes a need for communication skills' training.

In this region, like in most of the surveyed regions, the LED Offices argue that the trainings need to have more practical approach. However, based on the previous findings, we notice that the communication needs to be improved and in that sense appropriate capacity building is needed.

3. LED Offices in South-East Region

General issues

All of the representatives from South-East Region noted that there is a problem in the communication between the institutions responsible for regional development. Many of the decisions regarding the region are made politically. In order to further develop the region, the communication with the SEI within the Government of Republic of Macedonia needs to be improved.

RD content related topics

The respondents considered that it is important to prepare regional touristic offer, and to collaborate with the travel agencies for the promotion of this offer. The LED Offices in this region already have had training on regional marketing.

According to the respondents, the LED Offices in this region are very well acquainted with the EU Regional Policy.

Management skills

Because of the many trainings that the LED Offices have had regarding management skills, generally they do not think they need capacity building in this area. Most of these trainings were organized by different donor institutions.

Finances and Fundraising skills

The municipalities are aware of the different sources of financing. They have established proper system to follow the open calls for proposals. Still, they are interested in training for available EU and non-EU funds, but mostly for the preparation of the application itself.

Project capacities

Generally, the capacities for project proposal writing are pretty good. Most of the LED Offices are competent to prepare project proposals and are familiar with project cycle management. There should be training about monitoring and evaluation since they find it as a very important part of their work.

Partnership capacities

The collaboration between the relevant RRD stakeholders in the South-East region is not on the satisfactory level. Mainly this refers to the collaboration with the private sector.

Public Private Partnership

Some municipalities believe that still there is no clear understanding of PPP. There is need for this type of training, but it is very important that the private sector is among the participants jointly with the LED representatives.

Soft skills

Most of the LED Offices have had soft skills trainings and therefore they are a lot more interested in other topics such as, PPP, LEADER and other. However even though they are not aware, they should have additional trainings to strengthen and further advance their soft skills.

4. LED Offices in East Region

General issues

When discussing the strong points of the LED Offices in this region, they all claimed it is the project proposal writing. However, they also say that they outsource this activity when it comes to preparing more complex projects.

RD content related topics

The LED Offices in the East region are not enough familiar with the EU Regional Policy and they all stressed a need for this type of training.

Regarding regional marketing, they would need training about the branding regulations in Macedonia, and it would be good if a representative from the State Office of Industrial Property is invited at the training as a trainer.

Management skills

Most of the employees in the LED Offices have not had this type of trainings and they would gladly participate if such trainings are organized.

Finances and Fundraising skills

The LED Offices are aware of the different sources of financing. They have established proper system to follow the open calls for proposals. Still, they are interested in training for available EU and non-EU funds where concrete information on the programs and funds will be provided.

Project capacities

The LED Offices in the East region are interested in building capacities for preparing the project proposals themselves. That is why they need trainings that will address specific aspects of the IPA application process.

There should be training about monitoring and evaluation and project cycle management since it is important part of their work. The LED Offices do not have much experience regarding these topics.

Partnership capacities

According to the respondents, the LED Offices in the country do not interact as they should. Networking of the LED Offices is a must in order for them to build the needed partnership capacities. This interaction is needed for a number of purposes such as exchange of experience, collaboration etc. This should be done by organizing joint events such as networking events, workshops etc.

Public Private Partnership

Even though there is certain collaboration with the business sector, there have to be improvements. Namely, the business sector has to be more engaged in the regional development process. Joint trainings and networking events between the public and private sector could be of assistance in further advancement of the cooperation.

Soft skills

Most of the LED Offices have't had soft skills trainings yet, which is why they recognize a need for them. The trainings organized by different institutions need to be more practical and concrete.

5. LED Offices in Polog Region

General issues

Surveyed LED Offices in Polog region have implemented many projects, mostly infrastructural and environmental, but also some in the field of touristic and cultural promotion. Generally, they have participated as partners in some CBC project proposals as well as other EU, UNDP, USAID funded projects. They also had implemented some projects financed by different embassies in Macedonia. Within these projects, they have cooperated with other municipalities,

NGOs and in some cases - with the business sector (as subcontractors). They have also made some partnerships with municipalities and organizations from Albania within the IPA Cross-border Cooperation to which they have submitted applications jointly.

Generally, they have some skills and knowledge on preparing project applications (some municipalities are more experienced and skilled than others), but all respondents emphasized they need for additional training on project proposals preparation, especially for the IPA funds. They need a special focus on preparing the budgets for these kinds of application, as well as managing the finances during project implementation and reporting, especially on EU projects.

The HR capacities of the interviewed LED Offices in this region are somewhat good, but they still feel the need for improvement. Furthermore, although they have participated in some soft skills trainings, they still need these kinds of trainings such as - communication, negotiation, as well as training in strategic planning.

RD content related topics

Surveyed LED Offices from Polog Region considered the lack of communication among relevant RRD stakeholders as the biggest challenge. The NGO sector in this region is not powerful enough and the business sector is concerned only with the taxes that need to be paid to the municipality. Although, the municipality of Gostivar, supported by UNDP, has prepared a Strategy for Economic Development of the Municipality in which representatives of the business sector were involved in reality, very few of the things planned in the strategy were implemented. This is mostly because, according to the respondent from the LED of municipality of Gostivar, the strategy contained “wishes” rather than realistic plans considering the available budget. More joint activities between the regional stakeholders should be organized in order to improve the collaboration. This can either be in a form of training related to partnership or workshop related to preparation of a certain strategic document.

LED Offices in this region also report lack of finances for projects' implementation. Namely, EU funded projects, for example, sometimes require 20 to 50% cost-sharing which the municipalities cannot provide. If the municipalities have sufficient budget, they will not need to rely on donations and grants when they recognize a need that should be fulfilled. Capacity building related to co-finance and financial planning is needed to address this issue.

Management skills

The respondents from the LED Offices in Polog Region have previously attended many different trainings relevant for their work. However, they emphasize they constantly need to upgrade their knowledge and need some additional trainings not just connected to the new topics but also in the topics that were covered before. Some of the mentioned required trainings were: monitoring and evaluation, lobbying, soft skills trainings (communication and negotiating skills), managing human resources and strategic planning.

Finances and Fundraising skills

The respondents from the LED Offices are generally aware of the sources of funding available and have developed some internal systems for following open calls and available funds. Usually they have appointed persons in charge for following these kinds of information. However, they feel that a database aggregating such data from different sources could help simplify this activity. For gathering this type of information they also use informal, personal contacts. LED Offices respondents from this region declared need for specialized training on fundraising.

Project capacities

Some of the surveyed LED Offices have better project capacities than others. Some are more experienced in project preparation than others. Generally, they all have some knowledge and experience in this, but they all declared a need for additional training with practical exercises. Special focus should be placed on the preparation of the budgets for EU applications as well as on managing of the finances during project implementation and reporting processes.

Some of the LED Offices prepare the applications by themselves, but at the end of the process they hire a consultant to at least review it and make some corrections if needed. For more complicated applications they hire external consultants for the whole process of application preparation. The projects intended for the national budget programs are prepared by the people from LED Offices. In the project preparation process, they cooperate with other departments in the municipality that are more relevant for certain specific subject, in order to get valuable and relevant input for the project proposal.

Interviewed LED offices representatives from this region believed that main issues that need to be considered when preparing projects are the following:

- How to identify the relevant problems that should be addressed?
- How to identify key stakeholders in the region (for specific issues)?
- How to communicate effectively with those stakeholders?

According to the respondents, municipalities should pay more attention on identifying the problems and needs in their municipalities, while the process of project preparation could be done by external consultants who will just need to receive relevant input / information from the people in the region / municipality (LED Offices and CRDs).

Partnership capacities

LED Offices surveyed in the Polog Region are generally not satisfied with the cooperation and communication among the RRD relevant stakeholders. The CRD and most of the LED Offices do not have sufficient human capacities (neither in number of people in the team nor in expertise) to conduct the local and regional development. Furthermore, most of the municipalities as well as the CRD are over-influenced by politics and they put their political interests before the overall interests of the region or the municipality. This disables their ability to find most appropriate ways to cooperate and to reach the common goals of the region.

On the other hand, they have good cooperation with foreign donor organizations and embassies in organizing and implementing various projects and events.

Public Private Partnership

Generally, there are no examples of PPPs in the region although, they say, there are some efforts for this with the dumping ground project. The main reasons for absence of such form of cooperation are lack of awareness of PPPs importance and lack of power among all relevant stakeholders in the region. Therefore, they believe a specialized training on this topic should be organized to raise the awareness as well as to offer practical tools for its utilization in the future.

Soft skills

Although some of the respondents have attended trainings of this kind, they declared need of advanced soft skills trainings, especially in communication skills and negotiating skills.

6. LED Offices in North-East Region

General issues

The cooperation between the CRD and the LED Offices in this region is intensive and good. The LED Offices covered within this assessment (Kumanovo and Rankovce) have implemented many projects supported by foreign donors such as USAID and UNDP. They have established many forms of cooperation with foreign donor institutions, municipalities and regions from abroad even before the CRD was formed. However, they emphasized that the establishment of CRDs in all regions in Macedonia was a very good step.

Furthermore, in their opinion, the finances allocated for CRDs functioning and projects' implementation is insufficient for the amount of work that needs to be done, especially when it comes to infrastructural projects. They believe that CRDs need to strengthen not only financially but also in the area of their human resources / capacities.

RD content related topics

Trying to define the role of LED Offices in the RRD, the respondents said that the LED Offices should focus more on identifying problems and needs, working on strengthening of the business sector and the economy in the municipalities, instead of only being a body responsible for preparation of project proposals.

Asked about the management skills of the regional managers, the respondents consider that the regional managers are skilled and experienced, but the main problem that interferes with their work is lack of finances and the involvement of the politics.

When it comes to regional promotion, LED Offices from this region had several activities in this area. Most of those activities were in the field of touristic promotion but also in promotion of the business sector in the neighboring cross-border regions. Furthermore, there is a section in the municipal program referring to regional branding, but no specific steps have been taken yet. They believe that a workshop or organized working groups on Regional Marketing and Branding in which relevant stakeholders and foreign experts will take part, could help them design and implement specific steps in this field.

Management skills

When it comes to human resource capacities of LED Offices, the assessment shows that part of the team is experienced and had previously attended trainings in management, while the rest of the team is young and inexperienced thus in need of training in many fields. Identified needs for trainings include: training on project proposal preparation and implementation (project cycle management), budgeting and managing finances in EU funded projects, strategic planning, leadership, preparing action plans, as well as soft skills training.

Other types of training needs that were identified by the respondents, related mostly to business development, are as follows: business incubation, clusters and clustering, industrial zones, technological parks, trainings for business planning and international trade. In order to raise their capacities they also stated they need a workshop on designing training curricula.

Finances and Fundraising skills

Regarding this subject the respondents generally declared interest in trainings which will help them to learn how to approach the donors. Asked about their familiarity with available funds and resources of financing, they say they generally have enough information. This kind of training is especially needed for the young newly employed people in the team.

Project capacities

The project capacities of the interviewed LED Offices in this region are different. The manager of Kumanovo's LED Office for example, is experienced both in preparation of projects and projects implementation, while the rest of the team is well educated but young and inexperienced so training and support in this field is needed for them (the specific topics are mentioned above).

In the Rankovce municipality they have no experience and capacity for preparing project applications. Thus they need training on preparing EU project applications as well as on project cycle management, budgeting, monitoring and evaluation.

Partnership capacities

LED Offices in this region have established cooperation not only with the CRD, but also with the business sector within the region. Namely, they have been involved in many business related activities such as employability project implemented in 2004-2005 within which, the municipality covered the net salaries of the people employed in the firms, while the firms paid the contributions.

Together with the CRD they have established bilateral cooperation with region in Slovenia and with Bulgaria as well. They find these opportunities valuable and think such practice should continue in the future.

Public Private Partnership

There are some examples of PPPs in the region or at least projects for which PPP is planned (gasification, Kumanovo parking, the hotel and the restaurant in Pelince). Additional activities need to be taken in order to raise the awareness on PPP as RRD instrument and to intensify the cooperation between the public and private sector.

Soft skills

The respondents declared a need for soft skills trainings (communication, presentation, negotiation etc).

7. LED Offices in Pelagonia region

General issues

According to the respondents, the communication between the relevant stakeholders in the RRD needs to be improved. They particularly emphasized that their cooperation with the MLS is very poor.

LED Offices generally have capacities for preparation of project proposals by themselves, but they need assistance for the preparation of more complex projects and for strategic planning (preparation of strategies, action plans etc.) for which they usually outsource.

RD content related topics

The LED Offices considered that more financial resources need to be allocated for RRD and that the stakeholders need to understand what regional project is.

The municipalities in the Pelagonia region have organized many promotional events, exchange of experiences with different countries and in this sense they consider they do not need additional training on regional marketing.

On the other hand, when it comes to EU Regional policy, they say it that is something they would like to familiarize with and find that training on this topic should be organized.

Management skills

Most of the LED Offices have had much previous trainings related to improvement of management skills, which is why they feel that their knowledge in this area is sufficient.

Finances and fundraising skills

The LED Offices are aware of the different sources of financing. They have established proper system to follow the open calls for proposals. Anyway, they are interested in training for available EU and non-EU funds where concrete information on the programs and funds will be provided.

Project capacities

With respect to the project capacities, there is a need for training regarding preparation of complex applications. Many of the complex project proposals that have been submitted by the LED Offices actually have been prepared by external experts. They still need outsourcing for this activity.

The LED Offices in the Pelagonia region have had many trainings related to project cycle management, however they do recognize a need for training regarding monitoring and evaluation.

Partnership capacities

According to the respondents, the communication between the relevant stakeholders in the RRD should be improved, especially the communication and cooperation with the NLLs.

Public Private Partnership

The collaboration between the municipalities and the business sector in this region is excellent. There should be more promotional events in order to promote the regional tourism and business opportunities.

Soft skills

Most of the LED Offices have had soft skills trainings which is why they consider they have sufficient knowledge in this area.

8. LED Offices in Skopje Region

General issues

According to the respondents from the LED Offices in Skopje Region, they are experienced in writing project proposals and implementing projects financed by foreign donors, mainly in the areas such as local economic development, education, energy efficiency and public services. They usually outsource the process of drafting strategic documents, which resulted in preparation of such documents for actions in areas of local economic development, rural and regional development and culture.

Generally, the LED teams in Skopje region are well organized, compact and cooperate well among themselves. However, they consider that they should develop systematic approach in building staff's capacities (self education, training, personal development).

The respondents complained that the cooperation with other departments in the municipalities is sometimes challenging mainly due to their insufficient awareness of the role and activities of the LED Offices. The communication between the LED Offices and the business sector in the region needs to be intensified.

RD content related topics

According to the respondents, main weakness of the RRD and regional management generally, in Macedonia, and more specifically in their region, is the lack of finances to implement large and significant projects. They believe that there should be improved coordination among the relevant RRD stakeholders in the region, more initiatives for implementation of regional projects and development of strategic approach to make the region more visible and recognizable. One of the recommendations received from the respondents for further development of the RRD was creation of a database of all relevant RRD stakeholders in the Skopje Region.

LED Offices in this region are familiar with particular segments of EU Regional policies, but not with all of them. They had some training on this topic in the past, but said that they would attend additional ones.

Respondents considered that the CRD of Skopje Region as well as the City of Skopje needs to have a key role in the marketing of the region and developing regional brands. They mentioned that the City of Skopje works on the touristic promotion of the region and have developed touristic guide, but they should also work on promoting the region to potential investors.

Asked about regional marketing tools and instruments, the respondents said they lack information / knowledge and skills on topics like these and very much need training in regional marketing.

Management skills

The respondents from the LED Offices in this region claimed they are generally familiar with strategic planning, leadership, conflict resolution and managing human resources. However, they emphasized they need systematic not only occasional organization of trainings in all of these topics.

Finances and fundraising skills

The respondents were aware of the different sources of financing such as the national budget, EU funds, bilateral cooperation funds, domestic donors, etc. However, they usually apply for financing of smaller projects due limited capacities to provide co-financing for larger projects.

They constantly follow open calls for project proposals, calls for tenders and other announcements for financial support available in the country. In relation to this, they get the information through the media or “Consulting Macedonia” web-site.

They have had attended various trainings in the past but need additional ones, especially for preparing more complex project applications as well as for budgeting and managing project’s finances.

Project capacities

Respondents gave various examples of written and submitted project proposals. Most of the proposals were submitted independently or in partnership with other domestic partners such as other municipalities or NGOs.

Generally, they have sufficient knowledge for preparation of project proposals in English language. However, they said that they need outsourcing for large capital projects and engagement of experts from various areas such as energy, infrastructure, public services, etc.

The respondents were basically familiar with project cycle management but feel they would benefit from attending additional trainings.

Partnership capacities

Because of the various areas that projects usually cover, the respondents said they cooperate with all sectors in the municipality (public services, finance, PR, public procurement etc.) but considered that the communication could be further advanced.

The LED Offices in this region frequently communicate with municipalities from foreign countries (Slovenia, Italy, Austria, and Turkey), municipalities from other regions, NGOs, NLIs and business community especially in areas such as urban planning.

Public Private Partnership

The LED Offices in this region cooperate with the business sector to some extent, but the respondents emphasized their need to upgrade and strengthen this cooperation. They said that they already have some plans how to advance the cooperation in the future.

Respondents from the LED Office of municipality of Skopje thought that joint training with business sector is welcomed and could help them to better identify areas for mutual cooperation. Networking and fundraising are topics that should be covered as well.

Soft skills

The respondents have not attended any soft skills training so far. They said they would find these kinds of training very useful because they have to improve their fundraising skills, as well as networking and communication with all relevant stakeholders. They need trainings on presentation skills, negotiating, and communication skills as well.

Conclusions and identified needs:

- **Need to define “What regional project should be about?”** - unfortunately, after so many trainings and resources invested in trainings for defining what regional project should be about, still there is no clear understanding. The information gathered during this analysis shows that the municipalities are trying to impose their own local projects to the CRDs so they can extract money from the national budget and use it for local purposes. This does not necessarily mean that they do not know what regional project is. However, this issue needs to be addressed during different forms of capacity building events (trainings, workshops, round tables etc.). The municipalities need to understand what the purpose of a regional project is, especially what should be the role of LED Offices, and that not every regional project should provide direct benefit to a particular municipality.
- **Need for capacity building in project proposals writing related to complex programs, such are IPA and other EU funded calls** - most of the LED Offices feel that they are capable when it comes to project proposal writing for grants provided by the government and national funding programs. However, they stress the need for training in project proposal writing for certain, more complex programs, such are IPA and other EU funded calls. Particularly, they find it difficult to prepare the logical framework and the budget.

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- **Need for fundraising capacity building** - LED Offices should consider different forms of fundraising and differentiate their income structure. In this sense, training related to fundraising is a must.
 - **Need for improvement of the cooperation between the LED Offices and BSOs** - the LED Offices have expressed interest for participation in a joint training with the BSOs, and not so much for the topic itself, but for the opportunity for future collaboration.
 - **Need for information on the available EU and non EU funds** - the LED Offices respondents have expressed interest in participating in one day workshop where different programs will be presented. They are interested in the ones they are eligible for, and they require specifics, how to apply, what are the program objectives, who can apply, what is important to know related to these programs, how to prepare the application and so forth.
 - **Need for capacity building for Monitoring and Evaluation** - the LED Offices respondents stated that they do not have particular experience related to monitoring and evaluation and therefore this type of training would be helpful in performing their daily activities.
 - **Need for leveling different capacities that LED Offices in Macedonia have** the regions that have received significant donor support (such as the four GIZ regions) have had a lot more capacity building and other support when compared to the other regions. Of course, this does not only refer to the GIZ regions, since there were other regions with donor support. Those who come from regions for which GIZ has no mandate, the situation varies depending on the pro-activeness, initiative and networking skills of the people working in the LED Offices and in CRDs.

4.3 Key findings for Business Support Organizations (BSOs) involved in RRD

Within the frames of this assessment a total number of twelve respondents from BSOs in all 8 regions was targeted. Mostly these were presidents of regional and national chambers of commerce, but also managers and employees of other active BSOs / associations working in the regions. In each region, there are no more than few BSOs. Although these institutions were not the main target group, their opinion is included considering the additional value it gives to the analysis. Out of twelve targeted, nine interviews were actually made at the end of the process (six with regional chambers of commerce, one with national chamber of commerce, one business support incubator (BSC Bitola) and one business association of hoteliers (HOTAM). The rest targeted respondents were either not willing to cooperate due to other priorities, or could not be reached on the available contacts.

Generally speaking, the situation is quite different in different regions, and even within regions themselves (in the South-East region, for example, two chambers interviewed showed different level of activity and gave different viewpoint to the situation with the cooperation among the CRDs, LED Offices and the business sector).

General issues

Based on the information collected, the overall situation with the involvement of the business sector in regional development is not on the satisfactory level because there is neither enough communication, nor cooperation between all other relevant stakeholders and the business sector. Although, in general, there is a lack of cooperation between the business sector and the public sector (municipalities, CRDs, etc.), there are certain differences among the regions.

In some regions, CRDs and LED Offices cooperate more, while in others less or even not at all. The impression is that this mostly depends on the CRDs and LED Offices and how active they are in the region / how well they coordinate the process of regional and local development. Namely, in regions where CRDs make more effort to connect with the business sector and involve businesses in their activities (like Pelagonia, East, North-East Regions), the cooperation between the BSOs on one side and CRDs and LEDs on the other, is generally on a good level. Nevertheless, there is still room for improvement. In other regions (Skopje region, Polog Regions) there is no cooperation what so ever between the CRDs and the BSOs, which according to the respondents, is because these institutions never made effort to contact them. However, in some regions, chambers of commerce admit they have become too passive due to previous ineffective communication, mainly with the municipalities (such is the case with the South-East region).

Generally speaking, there is certain awareness among the respondents from the BSOs about the importance of the joint approach in the RRD in the country. However, very often they are disappointed in the municipalities and NLI claiming they have no understanding of their needs and the role they should and could have in the process of RRD. Some of the BSOs have had certain cooperation and communication (through joint meetings, task forces and similar) with the CRDs and LED Offices, while in some regions, the regional chambers of commerce are completely inactive and / or have cut all kinds of cooperation with the municipalities due to lack of understanding of their needs and potential involvement.

RD content related topics

Another challenge, often mentioned by the BSOs respondents, was that everything is too politicized in the municipalities (especially mayors) and sometimes even in the people in CRDs. Many times, they claim, inadequate and not relevant persons are put in the responsible position - to manage regional development, only because they are members of certain political party. This reflects negatively both on the decisions made and actions taken as well as on the development of valuable networks for cooperation. In cases like this, LED Offices and CRDs sometimes favor businesses that are close to their political party and are not really supportive to businesses that are not (not interested to cooperate with them).

One of the critical issues mentioned was the lack of cooperation among the institutions. Some of the respondents emphasized that only involvement of foreign persons / organizations makes them cooperate and communicate in some way while, when left alone, institutions have difficulties to find common language.

However, there are also some positive examples of cooperation or at least communication between the BSOs and the municipalities and/or CRDs. Such examples can be found especially in East region, Pelagonia region, as well as in the South-West region, North-East region, and Vardar region. In these regions, there are successful examples where BSOs, CRDs and LED Offices prepare and implement joint projects, participate in, and organize joint trainings and events, share networks and travel on a joint study trips. Still, these examples can be considered more as exceptions rather than a rule.

Another challenge recognized by the BSOs is that there are no people from the business sector in the commissions that decide on approving certain project proposals. This is identified as a problem because they believe that non-business people do not have a real understanding of the business / private sector and its importance.

When it comes to EU regional policies, most of the respondents are not very familiar with them or know little based only on personal readings. General impression is that they are not

aware of the relevance of this for their work, thus most of them think they do not need specially designed and organized informative sessions, trainings or workshops on this topic. However, some of the business sector respondents expressed interest and need in this kind of sessions / trainings (South-East region and North-East region).

When it comes to issues such as regional marketing and branding i.e. regions' promotion, most of the activities are tourism related or related to promotion of regions' capacities for investments as well as organization and participation in fairs. These kinds of activities are mostly organized in cooperation among the CRDs, municipalities and regional chambers but the examples of this kind of activities are not that common. In some regions (such is the East Region, Vardar Region, and Pelagonia Region) chambers are more proactive in activities like this, while in others (such are South-East region) the chambers are very passive and respond only to invitations to cooperate.

Most of the respondents from the BSOs reported need for training / workshop on regional marketing and regional branding with foreign, experienced experts.

Management skills

The following types of managerial trainings were identified as needed by the BSOs respondents: strategic planning, HR management and leadership. In addition to this - they expressed a need for soft skills trainings such are communication and presentation skills as well as advanced negotiating skills.

Their general attitude towards the capacities of regional managers in Macedonia is negative with few exceptions. Some of the respondents from BSOs complain on the insufficient expertise of people involved in RRD on a national as well as on local and regional levels. There are, however, few exceptions of good managers identified in CRDs, LED Offices and rarely on a national level.

Finances and Fundraising skills

Some of the interviewed BSOs are active in supporting their members by offering and organizing trainings on IPARD funds, CIP, CBCs, etc. while others have no activities of similar kind. They do not have systemized way of following open calls and available funds, and usually only respond to invitations by other organizations to partner on a specific project proposal.

Project capacities

Building capacities for writing projects are generally not in the focus of the BSOs. They usually partner with other organizations which prepare the proposals or they engage external consultants. Most of them do not even have project experience, but those who have are more willing to pay external consultant to do it for them rather than to use their own capacities for this. This is mostly because project application preparation is time consuming and requires attending certain trainings which is also time consuming. A recommendation given by one of the respondents whose organization is a little bit more experienced in project preparation and implementation was that it is better to have external consultants working with one of their staff members on preparation of specific project proposal (application) during the weeks / months when they need to prepare it and submit it, rather than to attend two or three days training. In this way, they believe, they would be most efficient, learn most through gaining guided practical experience, rather than to attend trainings and use what they've learned there in a real situation without "supervision" of an experienced person.

One of the interviewed chambers (from East region, Regional Chamber of Commerce Kocani) have made a list of people from different companies, members of their chamber, that com-

pose a team of experts in specific areas / fields for preparing project proposals, analysis and studies. The idea behind is to have available capacities for partnering with other organization in cases their involvement is needed in specific project proposal or some other kinds of co-operation is requested from their chamber.

Partnership capacities

The BSOs covered with this assessment generally have some kind of communication with municipalities and some of the NLI. In certain regions the organizations communicate and sometimes cooperate with them (East region, North-East region, Pelagonia region, and to some level - South-West region) as a direct result of CRDs' initiative and efforts, but in most regions this is not the case. Furthermore, this communication and cooperation primarily consists in taking part / participation to the events of regional or local importance (organized by the CRDs or by municipalities), and sometimes it consist in partnering on specific projects / application. Some of the BSOs also invite the municipalities to take part in their activities such as working meetings with foreign business organizations, chambers of commerce coming from foreign regions, study trips abroad etc.

More specifically, in some regions BSOs cooperate with municipalities and do not cooperate with the CRDs (this is in regions where CRDs lack the initiative and comprehensive approach, such in Vardar region and Polog region), in others there is no cooperation even with the municipalities (where the trust has been broken and there are previous unsuccessful examples of communication such as in South-East region), while in others the cooperation exists among all three types of bodies / organizations (Pelagonia Region, East Region, North-East Region).

Generally, BSOs are not satisfied with the communication and cooperation with the NLI, and in some regions neither with the cooperation with municipalities. This is mostly due to the bad and too complicated way the decision making processes is organized on a national and regional level because of which they find these institutions slow and inefficient, as well as due their over-politicized attitude, lack of understanding for the business sector's needs, and position and the role it could have in RRD.

Most of the business support organizations have had opportunities to exchange experiences with other regions outside of Macedonia and find these kinds of opportunities valuable and very useful. In this manner, as they claim, they are not just learning new positive examples on how things can be well organized and improved, establishing business cooperation and similar, but are also creating partnerships for future joint projects / cooperation (bilateral, cross-border, etc.).

Public Private Partnership

Although rare examples of PPPs can be found in some regions, generally this kind of cooperation is still not very "popular" in Macedonia. Namely, there are cases of PPPs in almost all regions but their number is really small (sometimes even one or two per region). The reasons for insufficient PPPs reported by the BSOs respondents are several, and one of the most frequently mentioned was the monopoly of some of the public enterprises. Another is the insufficient communication and cooperation in general between the private sector on one side and the public sector on the other. Mostly the cooperation is based on personal contacts, memberships in political parties and personal interests. Asked about PPPs, BSOs leave an impression of not paying too much attention to this instrument as a possible way of cooperation, with strong potential to enhance RRD. Although, they believe that PPP is an excellent instrument that should be used more often, BSOs see numerous obstacles for its utilization in Macedonia. Namely, there is general skepticism in the ways PPPs are conducted in Macedonia (in

an untransparent way) thus there is distrust towards this kind of cooperation. The overall image is that business sector lacks information and knowledge about the mechanism on how PPP works and what are the ways to establish it. Moreover, they think public bodies don't have this knowledge and are not aware of the benefits it can bring to everyone. Therefore they think that organizing joint events for the business sector, CRDs, municipalities and other relevant parties where the legal aspects of PPP will be explained and discussed, where real examples of successful PPPs (from Macedonia and from other countries) will be presented, and experiences transferred to the participants is needed.

Soft skills and other important working skills

Most of the BSOs respondents (with only two exceptions) have never attended any soft skills training and reported a need for these kinds of trainings. More specifically, they think trainings on communication skills, presentation skills and negotiating skills will be very useful because they believe this could help improve the communication among the institutions, relevant stakeholders and bring them personal benefit as well (in their businesses).

Conclusions and identified needs:

- **Need for improvement of the cooperation between the BSOs and the CRDs and LED Offices** - the CRDs and LED Offices need to be more proactive in their effort to include the BSOs into their activities. During the preparation of this analysis, it was difficult to approach some of the BSOs, however, at the end their opinion was taken into consideration. By putting more effort, the CRDs and LED Offices will gain the perspective that they need in their line of work, and that is the perspective of the businesses. The BSOs have very negative impressions of the local and regional institutions. They complain of inefficiency, complicated procedures, over-politicized administration, lack of capacity etc. This image has to be improved starting with joint workshops, where LEDs and CRDs would present the services they offer and how they can contribute to the businesses' advancement. Proper, joint action plan needs to emerge to strengthen the collaboration between these stakeholders.
- **Need for more information on the RRD and increase of the awareness about the objectives that the CRDs, LED Offices and BSOs share in this area** - the impression is that these organizations / bodies are not aware of their mutual goals, joint interests etc. Joint training related to understanding the importance and power of the joint approach needs to be conducted.
- **Need for enhanced and more effective utilization of the RRD instruments** - Some of the regions have had training related to RRD instruments¹ (this mostly refers to the four regions with GIZ support), but some haven't had such trainings. Those regions that have received training regarding RRD instruments need to put more work on the implementation of the conclusions agreed on those trainings. On the other hand, those regions lagging behind need to receive proper support related to this issue. Nevertheless, it is important to notice that the BSOs are important partner related to this topic and should be regarded as such.
- **Need for information on the EU regional policies** - the BSOs are very little familiar with the EU regional policy and its funds. Training on this topic is needed. However, their engagement in this training would be a challenge considering their lack of interest. The impression is that they are not really aware of the relevance of this topic and the benefits they could have with their involvement.

1) RD instruments include institutional instruments (the institutions), financial instruments (the funds), marketing instruments etc.

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- **Need for soft skills capacity building** - the BSOs have clearly recognized the need for soft skills training and a joint (LED Offices, CRDs and BSOs) capacity building on this topic should be considered.
 - **Need for creation of database of consultants to be used by BSOs in the project proposals writing** - the BSOs expressed clear interest in working with external consultants on project proposal writing. Data base, consisting teams of experts, individual experts, organizations interested in partnership etc. should be created in order to serve the stakeholders. Different areas of interest should be included in the date base.
 - **Need to promote the PPP as a regional development tool** - the BSOs have expressed interest in undertaking joint training with the CRDs and LED Offices in PPP, especially in regards to the legal aspects of PPP and best practices. Additionally, this training would be an excellent opportunity to improve the collaboration and communication between these stakeholders.

4.4 Key findings for National Level Institutions (NLI) involved in RRD

Total of nine respondents from relevant NLI were targeted within the frames of this assessment. They were representatives from Ministry of Local Self-government, SEI - Secretariat for European Affairs within the Government of RM, the Cabinet of the Deputy Prime Minister in charge of Economic Affairs and the Bureau for Balanced Regional Development. The main criteria used for their selection was based on the involvement of the representatives in RRD. Only the representatives active in the field of RRD were taken into consideration and the selection was done upon consultation with GIZ RED and own experience.

The NLI are responsible for setting the legal framework for regional development, assisting the regional stakeholders in the preparation of certain documents, managing the funds for regional development delegated to the MLS and monitoring and evaluation of the municipalities and centers for regional development.

Several challenges have been identified by all of the respondents from the NLI during this assessment:

First, the main challenge is the redistribution of funds dedicated to RRD made recently by the NLI which influence the process of implementation of projects funded by the available national programs. Very often in practice, the project applications submitted by the CRDs for the calls announced by the BRD get approval but due to lack of finances they cannot be implemented.

Second, the communication level between the MLS and the BRD is not on a satisfactory level and needs intensification. This is mainly due to the fact that the delegation of the tasks among the institutions is not completely clear and many of the decisions are made politically.

Third, even though the legal framework for regional development is set, the implementation is not on a satisfactory level.

General issues

Most of the respondents form NLI interviewed within this assessment were young and eager to learn. In this sense, they need a lot more practical experience and trainings so they can improve their work performance.

According to the Law on Balanced Regional Development, 1% from the GDP needs to be allocated for achieving balanced regional development. However, some of the NLI admit that this amount foreseen for regional development is not completely provided.

RD content related topics

Most of the NLI respondents stated that there is necessity of changing the Regional policy in Macedonia and its harmonization with the EU Regional Policy. This mostly refers to the institutional set up, i.e. set up of an Agency responsible for regional development that will manage the resources allocated for regional development. In this sense, successful examples from the EU should be taken into consideration.

Some of the respondents from the MLS noted that the RRD in Macedonia is too depended on the donors. Although foreign support is welcomed, the central government needs to be more proactive in this regard.

According to the respondents from the NLI, there is a general feeling that the municipalities do not have clear understanding of the role the CRDs have.

All of the respondents have basic knowledge of EU Regional Policy; nevertheless training on this topic is more than needed.

Management skills

Almost all of the respondents considered that the regional managers have sufficient management knowledge in regional development, yet they believe there should be continuous trainings for leadership skills, organizational skills, share of experience and learning the best practices.

Finances and Fundraising skills

The NLI are aware of the different sources of financing. However, they expressed a need for training for those programs and funds that cover the regional development. It is important to be mentioned that they are more interested in the practical implementation aspect of the programs.

Project capacities

Generally speaking, the civil servants working on a national level are familiar with project cycle management, but they all need more training on this topic.

With respect to monitoring and evaluation, they find it to be very important since so far they have only been working on approving the projects for regional development. In the next period they will need to do a lot more monitoring and evaluation themselves, and because of that capacity building in this area is essential.

Partnership capacities

The collaboration among the stakeholders is not on an adequate level. One of the main causes for this is because many of the institutions do not understand the role they play in the process of RRD.

The transfer of experience is very important. Some of the employees in the NLI institutions lack the experience and this is something that can be improved with more study visits. Exchange of experience with other countries is useful for their line of work which is why they believe that more events should be organized in the future.

Public Private Partnership

In order to establish this kind of cooperation (PPP) there is a need of clarifying the role of the business sector in the partnership. The private sector and the government (national or local), both need to identify the benefits of such mutual collaboration. So far, the level of collaboration is very low. One way of improving this partnership is to adopt and adjust the experiences from other countries with similar successful experience.

Soft skills

All of the interviewed respondents recognize the importance of development of good soft skills and have identified a need for trainings in both basic and advanced level. Most of them have attended some training for communication skills, but further improvement is needed.

Conclusions and identified needs:

- **Need for better definition of roles and responsibilities of NLI involved in the RRD** - CEED and IBF noticed that NLI are not completely clear with their authorities when it comes to RRD. Namely, in the process of scheduling the meetings for the interviews, some of them even several times, replied they are not relevant to discuss issues such as RRD.
- **Need for improvement of the planning skills of the MLS representatives and BRD representatives planning skills** - in some cases, for projects submitted by the CRDs and approved by the relevant national bodies, there was a lack of financial support. This weakness needs to be eliminated by training for strategic and financial planning.
- **Need for improvement of the collaboration between the MLS and the BRD** - the MLS and the BRD need to enhance mutual cooperation. Unfortunately, even though RRD is a field where a lot of capacity building efforts have been carried out, the impression is that they are not clear on their roles with respect to regional development, and that the delegation of tasks is also not clear. There is a need for joint workshop for clarifying what are the roles of these institutions and their competencies. The difficulties and misunderstandings between the MLS and the BRD need to be explored.
- **Need for setting up one institution responsible for RRD** - the BRD does not have its own financial resources to work with, which makes the approval and transfer of resources for RRD projects more complicated. Therefore, the establishment of an Agency responsible for regional development that will manage the resources allocated for regional development needs is to be taken into consideration. Of course, such step has to be undertaken based on good and strong analysis where all positive and negative arguments are considered.
- **Need for capacity building related to EU Regional Policy and funds** - since the NLI representatives have had many trainings related to EU regional policy and funds, they are more interested in the practical implementation of the programs. However, they recognize the need to be informed at all times of the funds and programs available.
- **Need for capacity building for Monitoring and Evaluation** - the MLS and the BRD in the next period will have a lot of activities related to monitoring and evaluation and therefore capacity building in this area is essential.
- **Need to promote the PPP as a regional development tool** - the roles of the involved parties in the partnership need to be clear. Furthermore, through this training, the benefits of mutual collaboration between the private sector and the Government (national or local) need to be identified.

5. Recommendations for future steps

Conclusions about the identified capacity building needs and recommendations for future actions for each of the 4 surveyed stakeholder groups were presented in the previous chapter.

Summarized table, showing the needs that are common for most of the surveyed and should be considered as priority in planning of the future steps, is presented below:

Identified Needs	RRD Stakeholder			Recommendations
	CRDs	LED Offices	BSOs NLI	
Need for improvement of the communication between the relevant stakeholders in the RRD in Macedonia	X	X	X	Organization of joint workshops, networking events and training programs for participants from CRDs, LED Offices, NLI and BSOs on topics that are of common interest would help in initiating better communication and further cooperation
Need for capacity building in project proposals writing related to complex programs, such as IPA and other EU funded calls	X	X		Organization of practical training in project proposals preparation and project cycle management
Need for fundraising capacity building	X	X		Organization of practical trainings for gaining fundraising skills and learning practical techniques for approaching different donors
Need for capacity building for promotion and marketing	X			Organization of practical trainings for regional promotion, branding and marketing
Need to promote the PPPs as a regional development tool	X	X	X	Organization of joint trainings for both public and private sector participants
Need for management capacity building	X			Organization of tailor made training program for advancing management skills of managers and second level employees in the CRDs
Need to define "What regional project should be about?"	X	X		Organization of workshops and round tables to discuss the objective of having regional projects and possible benefits to be gained with their implementation
Need for information on the available EU and non-EU funds		X		Organization of one-day workshops to present the available EU and non-EU funds which LED Offices are eligible to apply for, with practical information on the how to conduct the project proposal process
Need for capacity building for Monitoring and Evaluation		X	X	Organization of practical trainings for Monitoring and Evaluation
Need more information on the RRD and enhanced and more effective utilization of available RRD instruments			X	Organization of one-day workshops or round tables to present the objectives of RRD, its importance and benefits that it brings to different stakeholders, as well as RRD instruments available to achieve these objectives
Need for information on the EU Regional Policy			X	Organization of workshops to present the EU Regional Policy, available funds and benefits it brings
Need for soft skills capacity building	X	X	X	Organization of joint soft skills training program with participation by all four types of stakeholders

Annex 1. List of surveyed RRD stakeholders

	Institution	Number of respondents	Region
1	LED Office - Municipality of Novo Selo	1	South-East Region
2	LED Office - Municipality of Gevgelija	1	South-East Region
3	LED Office - Municipality of Valandovo	1	South-East Region
4	CRD of Southeast region	2	South-East Region
5	Regional Chamber of Commerce - Strumica	1	South-East Region
6	Regional Chamber of Commerce - Gevgelija	1	South-East Region
7	LED Office - Municipality of Shtip	1	East Region
8	LED Office - Municipality of Probishtip	1	East Region
9	LED Office - Municipality of Vinica	1	East Region
10	CRD of East Region	2	East Region
11	Regional Chamber of Commerce - Kochani	1	East Region
12	LED Office - Municipality of Gostivar	1	Polog Region
13	LED Office - Municipality of Tetovo	1	Polog Region
14	LED Office - Municipality of Mavrovo	1	Polog Region
15	CRD of Polog Region	2	Polog Region
16	Chamber of Commerce of North-West Macedonia	1	Polog Region
17	LED Office - Municipality of Ohrid	1	South-West Region
18	LED Office - Municipality of Struga	1	South-West Region
19	LED Office - Municipality of Makedonski Brod	1	South-West Region
20	CRD of Southwest Region	2	South-West Region
21	HOTAM - Hotels' Association	1	South-West Region
22	LED Office - Municipality of Gazi Baba	1	Skopje Region
23	LED Office - Municipality of Aerodrom	1	Skopje Region
24	CRD of Skopje Region	2	Skopje Region
25	Union of Chambers of Commerce	1	Skopje Region
26	LED Office - Municipality of Chashka	1	Vardar Region
27	LED office - Municipality of Veles	1	Vardar Region
28	CRD of Vardar Region	2	Vardar Region
29	Regional Chamber of Commerce - Veles	1	Vardar Region
30	LED Office - Municipality of Kumanovo	1	North-East Region
31	LED Office - Municipality of Rankovce	1	North-East Region
32	CRD of Northeast Region	2	North-East Region
33	Regional Chamber of Commerce - Kumanovo	1	North-East Region
34	LED Office - Municipality of Prilep	1	Pelagonia Region
35	LED Office - Municipality of Bitola	1	Pelagonia Region
36	CRD of Pelagonija Region	2	Pelagonia Region
37	BSC Business Start-Up Incubator Bitola	1	Pelagonia Region
38	Ministry of Local Self-Government	3	National Level Institution
39	Bureau for Regional Development	4	National Level Institution
40	Secretariat for European Affairs (SEA) with the Government of RM	1	National Level Institution
41	The cabinet of the Vice-Prime Minister of the Government of RM	1	National Level Institution

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