

# EXAMPLES OF AgBiz SUPPORT

- » International experts to assist companies to plan and implement business expansion projects;
- » Financial support to reduce the risk associated with new market or new product development and entry, especially for export markets;
- » Financial support for one time costs associated with helping processors and marketers develop sustainable linkages with suppliers of raw materials;
- » Technical and financial support to help producers organize themselves into sustainable and competitive groupings;
- » Technical and financial support to develop and implement transitions from industrial or bulk sales to higher value added products;

**Note:** all AgBiz support is provided on a cost sharing basis.

## USAID's AgBiz Program

Mitropolit Teodosij Gologanov 57 • 2nd floor  
 1000 Skopje • Republic of Macedonia  
 Tel.: (+389 2) 321 7060 • Fax: (+389 2) 321 7060 ext.111  
[www.agbiz.com.mk](http://www.agbiz.com.mk)

# CRITERIA AgBiz USES TO SELECT PROJECTS

Will the project:

- » Involve one of the selected value chains?
- » Be consistent with GoM objectives and EU integration?
- » Be implemented within the next two years?
- » Be very unlikely to have a negative environmental impact?
- » Increase exports or substitute imports, i.e., increase the Macedonian-origin market share (local or export) of agriculture-based products?
- » Increase employment?
- » Benefit a large number of people?
- » Be sustainable (managerially, economically, environmentally, & socially)?
- » Achieve a comparative and/or competitive advantage in a well identified market?
- » Stimulate a shift from lower to higher value added products?
- » Have proponents that provide a significant proportion of the total cost?
- » Have proponents with the potential managerial capacity to successfully develop and implement it?
- » Have proponents with a good understanding of and viable plans to address potential challenges and constraints with the products and in the sub-sector and enabling environment?

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## WHO WE ARE



## WHAT WE DO



**AgBiz program** is funded by USAID and implemented by ARD, Inc. Through innovation and leadership, ARD, Inc., helps people across the world create the essential conditions for successful economic development. Since it was founded in 1977, ARD has led more than 600 projects in Africa, Asia, Europe, Eurasia, Latin America and the Caribbean.

The goal of the four-year AgBiz Program is to increase economic growth in Macedonia through expanded, environmentally sustainable production and sales of value-added agricultural products by enabling producers and processors to compete regionally and globally. This will produce greater incomes for agricultural processors and producers, and ultimately higher revenues for government.



## OUR OBJECTIVES

By supporting agriculture/agribusiness sector growth in the Macedonia economy, AgBiz will:

- » Better enable agribusinesses to understand, identify and enter new export food and beverage markets;
- » Increase producers' and processors' capacity to understand and meet market demand for value added food products;
- » Enhance market linkages between producers, processors, and traders;
- » Improve business management and operations throughout integrated agribusiness value chains; and
- » Produce greater incomes for agricultural producers and processors, and create new employment opportunities.

USAID's **AgBiz program** will promote enhanced competitiveness and stronger value chain linkages in the following ways:

**Fast-Track Transactions Identification:** Every AgBiz program intervention must lead to commercially viable and sustainable transactions. Lasting commercial relationships are always based on a series of successful, near term, positive cash flow and profit-generating transactions that build trust and mutual confidence.

**Sub-sector and Value Chain Prioritization:** Since AgBiz must leverage and focus its resources for optimal impact, we will support competitiveness enhancement activities in a limited number of high opportunity value chains. These targeted value chains will be researched and identified in fiscal Year One and their competitiveness enhanced in subsequent years.

**Value Chain Competitiveness Enhancement Opportunity and Constraints identification:** Identification of the most viable target markets will be achieved in close cooperation with participants in the later links in the selected value chains, and via market-based research when needed.

**Support Program Development and Implementation:** AgBiz support will be structured as a package of competitiveness enhancement services needed by a firm, or grouping of firms or producers (AgBiz customers) in the selected value chains.

We may provide direct technical support to customers via approved support projects, and/or share the cost of implementing a project with the customer in order to capitalize on the identified opportunities and/or overcome the constraints to competitiveness in high opportunity markets.

**Policy and Institutional Reforms:** Once high priority policy and/or institutional constraints have been identified via project implementation experience, AgBiz will stimulate dialogue with the Government of Macedonia through business associations and USAID. We will strengthen the capacity of local associations to lobby effectively with government officials, and advocate for an enabling environment that supports competitive and sustainable legitimate transactions.

**Financing Secured for Customers:** AgBiz, working in concert with our partner Crimson Capital, will help customers in the selected value chains secure cost and terms effective financing for their projects, i.e., competitiveness enhancement activities and sales contracts. In addition to bank financing, we will explore and promote trade financing, leasing, equity and other financial products, and loan guarantee programs such as USAID's Development Credit Authority, and innovative public-private partnerships as related to USAID's Global Development Alliance.