

Annex IV:

Summary Results from Focus Groups Discussion for the following projects:

- 1. Alternative Dispute Resolution – Pilot Project in Banja Luka, Bosnia and Herzegovina**
- 2. Financial Leasing Project in Albania**
- 3. Union of Chamber of Commerce in FYR Macedonia**
- 4. Financial Leasing in Serbia and Montenegro**
- 5. Swisslion HACCP FYR Macedonia**
- 6. Tigar Linkages, Serbia and Montenegro**
- 7. Corporate Governance Bosnia and Herzegovina**

Banja Luka Pilot Project on Alternative Dispute Resolution Focus Group Summary

Project Background and Objectives

Two focus groups (FGs) on a mediation pilot project in the First Instance Court of Banja Luka were conducted with 16 participants. This project is part of the Alternative Dispute Resolution Program (ADR) managed by the former Southeast Europe Enterprise Development (SEED) facility of the International Finance Corporation (IFC).

The FG discussions were held in the native language and then summaries were translated into English. An external moderator facilitated the discussions.

The first FG consisted of SME clients who previously used services provided by the Mediation Center in Banja Luka, which was funded by SEED. The second FG was conducted with independent mediators and judges of the First Instance Court of Banja Luka, who selected cases for mediation.

The primary objectives were:

- To determine the impact and reach of the ADR program and
- To explore recommendations on how to improve future ADR projects in PEP-SE.

The focus group discussions were held on September 13th, 2005 in Banja Luka, Bosnia-Herzegovina. The first focus group consisted of eight SME clients (5 male and 3 female), with the following job titles:

- 2 company managers
- 2 attorneys in private practice and
- 4 company attorneys (authorized agents for the companies)

Eight participants participated in the second focus group discussion (3 males and 5 females), of which there were:

- 3 mediators
- 4 judges
- President of the First Instance Court

Summary of Findings

Participants of both group FGs view mediation very positively and would likely use it again. They were satisfied with the process of mediation and with the cooperation of judges who recommend cases for mediation. Moreover, they were pleased with the trainings organized by SEED and cited the creation of the Association of Mediators (AOM) and the Center for Mediation as a critical outcome of SEED's work in the legal sector.

Overall, four primary themes emerged from the FG discussions:

1. Satisfaction with and benefits of the mediation process
2. A strong need to build greater public-awareness of mediation
3. Additional training is needed for all parties involved in mediation
4. Recommendations for improving mediation

1. Satisfaction and Benefits of Mediation

FG participants were in agreement on four positive aspects of mediation:

- Reduced time (quick resolution) and reduced costs (savings)
- Ability to quickly release funds from dispute to reinvest into their companies
- Positive sentiments and improved professional/business relationships after mediation
- Reduced number of court cases, some of which linger for many years

a. The most positive aspects of mediation mentioned by the participants were savings of both cost and time. In comparison to traditional court cases, mediation cases resolved disputes more quickly, incurred fewer expenses and the proceeds were agreed upon in a timelier manner.

One participant stated that he resolved four disputes in just 180 minutes, releasing nearly 3 million KM (approximately \$1.88 million):

“That is a cost of 16 543, 81 KM per minute. My personal opinion is that it is better to have 50 000 KM today than 100 000 KM in a year because you can invest this in equipment and production materials today and earn even more money than 100 000 KM.”

b. Use of Proceeds from Mediation Used to Reinvest in Company

Small businesses typically have critical money constraints. If a dispute is resolved quickly, the mediation proceeds can be wisely reinvested in the company. Participants said that they usually earmark released funds for salaries, equipment and working capital, which are critical for survival of the business.

c. Improving business and professional relationships

Participants stated that there are often little to no animosity between parties once a dispute is resolved by mediation. In fact, two participants who sat together in one FG were the disputed parties in a mediation session. Before mediation, they disagreed on many business issues. After mediation, they renewed their business and professional relationship. One emphasized that:

“The fact that both of us are sitting here together today is a very important thing. We made an agreement and we continue to run our business”.

d. Meditation can help not only judges by reducing of disputes on the Court but it can also “help to the whole community” and the court system as a whole. The participants

agreed that mediation has a future and can help the Court and judges to resolve a large number of disputes. One judge stated that:

“It can help a lot, because it reduces the number of disputes. With fast dispute resolution and a reduction in the number of cases, the Court system is improved.”

One mediator explained about a husband and wife who requested a divorce. When they came to mediation, they could not look at each and often turned their backs. One of them left several times during mediation. In the end, they quickly and mutually agreed on a settlement. One judge stated that such a dispute can often last from 10 to 15 years.

2. Public-Awareness Raising

The companies participating in the first focus group were extremely interested in raising public-awareness for mediation. They believed that the process of mediation can be much simpler once the public increases its knowledge of the topic. The judges and lawyers from the second FG cautioned that this needs to be done carefully done, since:

“We can’t say that everything will be solved by mediation, since it is not a magic stick. People will then think that you can do everything in mediation what the Court can’t do.”

The media would be one powerful means of increasing public-awareness of mediation. Participants suggested creating a public forum television or radio show on the topic of mediation by inviting judges, attorneys and mediators to discuss and debate issues on the topic. According to one participant, this type of media discussion could further spread knowledge on mediation beyond those involved in the process:

“It is wonderful that lawyers and judges are informed about mediation, but citizens do not know enough about this.”

3. Additional Training

The success of the round tables and seminars on mediation organized by SEED and the AOM increased the participants’ desire for additional training. One participant indicated that continued education on mediation is very important, not only for lawyers but even for businessmen and new judges:

“There is a need for additional training for judges and in particular for new judges who are not trained in mediation.”

Both judges and mediators indicated that an exchange of experiences with colleagues in mediation centers and courts in different countries would be very useful.

4. Recommendations for Improvements

Five recommendations were made for improvement of the mediation process, as PEP-SE plans future ADR projects:

- Eliminate the need to return to court to verify the outcome of the dispute once it is resolved in mediation
- Address and resolve the issue that some parties misuse mediation to stall the dispute process
- Costs of mediation should be appropriate to the monetary amount in dispute as well as the number of disputes per client
- An analysis of the type of cases resolved in mediation in order to guide judges in their selection of future cases
- A list of qualified mediators supplied by the AOM

a. A central issue mentioned by all participants in the FGs was the fact that after the dispute is resolved they must return to the court to verify this decision. This incurs additional costs of time and money which are a burden on both the court and the parties in mediation. Additionally, it may take several days or more to find a judge to verify the decision.

New mediation by-laws need to be drafted and adopted to address this critical issue.

b. Participants also cautioned that some clients try to misuse mediation for their own purposes as a way to delay the process. It was recommended that the mediation process should have a time limitation imposed for resolving the dispute. One participant stated that:

“I agree with the fact that sometimes mediation is misused in disputes, but what encourages me is that judges today explain this to both parties before the mediation process begins.”

c. Total costs for mediation are a large problem since clients have to pay both mediation costs and a court tax. The examples of other countries could be followed in this matter, according to one participant:

“It would be good if we released clients from the Court tax if they make an agreement by mediation. For example, this is the case in some other countries like Germany.”

A reduction of court costs is urgently needed. It was recommended that the costs of mediation should be commensurate with the size of the settlement, since smaller cases in dispute have proportionally higher expenses than larger cases.

d. One way to reduce the extreme back log of cases in the court system would be to undertake an analysis of the cases resolved in mediation. This would permit judges to make more informed decisions of the number and types of future cases that could be recommended for mediation. Criteria for selecting appropriate cases for mediation would greatly help to reduce the backlog of court cases.

e. The AOM should produce a list of qualified mediators who have good training and experience. This would be a critical resource provided by the Mediation Center for all parties who are interested in mediation, since judges are often not willing to make these recommendations.

Conclusions

The demand for mediation in Bosnia-Herzegovina continues to grow. As SEED metamorphoses in the Private Enterprise Partnership for Southeast Europe (PEP SE), its active role in mediation will help to meet this demand. The findings from the FGs conducted for the ADR pilot project in Banja Luka indicate that PEP SE has a unique opportunity for continued strengthening of this sector through its technical assistance and advisory services work.

Financial Leasing in Albania Summary of Focus Group Discussion

Project Background and Objectives

A focus group (FG) was held in Tirana on Leasing Projects managed by the former Southeast Europe Enterprise Development (SEED) facility of the International Finance Corporation (IFC).

The FG discussions were held in Albanian language and an external moderator facilitated the discussions.

The FG consisted of representatives from leasing companies, business associations, tax & law consulting firms, banks and Albanian ministries. The representatives, 7 participants present and another not in attendance, who sent comments in writing, are responsible in the following positions in their organisations:

- 4 managers (law firm, leasing company and banks)
- SME Expert, ministry
- Finance officer, leasing company
- President of Women Business Association
- Tax Adviser, consulting company

The primary objectives of this FG were:

- To determine the impact and reach of the Leasing Projects in Albania, and
- To explore recommendations on how to improve future leasing projects in PEP-SE.

Summary of Findings

(i) Participants of FG view the TA extended from SEED on leasing as very effective and consider it as an important contributor in the establishment and development of leasing market in Albania, which has remarkably increased access to finance for SME-es (in less than one year 3 leasing companies already established and leasing contracts on going).

(ii) Moreover, they were pleased with the trainings organized by SEED and cited these trainings to be very useful, given the unfamiliar complexity of leasing and almost non-existing sources of capacity building on the subject.

(iii) While, apparently, medium to big sized companies already started benefiting from leasing, SEED initiative has strongly increased the awareness of micro-small businesses, which consider leasing as the most accessible financing alternative.

(iv) While appreciating the significant SEED contribution so far, further involvement of PEP-SE is very much required by all participants, emphasizing the facilitation of state-business relationship on leasing.

Overall, four primary themes emerged from the FG discussions:

1. Benefits and satisfaction with the leasing TA provided by SEED
2. Strong need for greater public awareness on leasing
3. Additional training is crucial
4. Recommendations to further successful leasing law implementation

1. Benefits and satisfaction with the leasing TA provided by SEED

FG participants were in agreement on four positive aspects of leasing TA:

- a) the adopted leasing law provides a clear reference and reduces barriers
 - b) developed the leasing market
 - c) increased productivity by investing in up to date technology
 - d) grown interest and awareness on leasing benefits.
- a) In comparison to traditional ambiguous legal reference on leasing (Civil Code, Law on Security Charge, Law on Banks) the Leasing Law comprehensively includes all aspects of leasing relations and provides for a more flexible legal framework than before as far as the creation of leasing companies is concerned. One participant, a legal adviser, stated that:

“Due to SEED continuous commitment, the legal disputes in law drafting process were competently settled, leading to the law approval. The impact was immediate. Surprisingly, the first leasing company was established prior to the law approval by the Parliament, 2 others were founded after approval and another is in the constitution process.”

In addition, another participant, from Central Bank, the former licensing authority for leasing companies, said:

“The Leasing Law provides much more favourable conditions than before; it stimulates non-bank companies to start a leasing business as well. Just think about the previous capital barrier requirements: 200,000,000 Albanian Leks, unaffordable for Albanian leasing companies....”

- b) Leasing market developed
- Participants emphasized that the impact was evident in both sides, in supply and demand for lease financing. While the leasing companies started to build their operational system and identify potential clients, on the other side the number of clients has been increased rapidly. A representative from leasing company stated that:

“After less than one year operation, we really can’t cope with the increasing demand. We receive much more requests than before (from new clients), as well as frequent phone calls. We were unprepared to some extent, and despite the increasing demand we carefully analysed the risk of each transaction.”

Another admitted that:

“I consider the participation in SEED leasing training as a good source of client acquisition; I have met 2 clients in trainings”

c) Increased productivity by investing in up to date technology

As it came out from interviews, after leasing law adoption it is a shown tendency from the Albanian businesses to purchase up to date machinery and vehicles, in order to increase their productivity, as well as their profits by releasing more funds for working capital uses. One participant stated that:

“Most lease contracts include the lease of transport and distribution vehicles, as well as personal cars. The demand for lease of machinery is also high, but because of present unclear leasing fiscal treatment, only a few agreements have been signed.”

Another participant added:

“I’m in the process of assisting a large company in concluding a leasing contract for the purchase of a modern production line”.

d) Grown interest and awareness on leasing benefits

Almost all participants stated that due to the awareness campaign launched by SEED before and after law approval and trainings delivered, the interest of various stakeholders has been increased and businesses are much more aware of the leasing benefits. A participant, representing a women association with 20,000 female members interestingly expressed:

“We had no clue about leasing. We realised leasing benefits only after SEED trainings and our visit in Serbia. Since that time we have mobilised the required capital through members and will establish a leasing company to serve the needs of micro to small business, whose access to finance is almost impossible and typically they have critical money constraints for growth. To this regard, SEED assistance would be appreciated.”.

2. Strong need for greater Public-Awareness

The participants in the FG were extremely interested in raising public-awareness for leasing. They believed that the leasing market can be further developed once the public increases its knowledge of the topic. The state and business representatives mentioned that an awareness campaign should address micro to small businesses, since:

“Medium to large size companies have their own expertise and information resources, whereas small businesses barely are able to use the internet.”

The media would be one powerful means of increasing public-awareness of leasing. Participants suggested creating a special rubric with successful stories in the written media or television discussions. The establishment of a widely spread regional info network would contribute for that and the state representative stated:

“We believe that PEP-SE will assist us in the future in rising awareness on leasing”

A ministry representative said that:

“More and more people want us to explain about leasing and we count on further SEED assistance on rising awareness about leasing”.

3. Additional Training

The success of the round tables and trainings on leasing organized by SEED so far increased the participants’ desire for additional training. One participant indicated that continued education on leasing is very important, not only for the business but even for the judges and tax officers:

“There is an immediate need to train the judges on leasing law implementation and leasing itself as a financing instrument”

One participant indicated that an exchange of experiences with companies in other countries in the region would be very useful, since:

“Hearing about real experiences helps more than ex-cathedra lectures”

The proposal from one participant on organising tailor –made training for various groups of interest had the agreement of the rest of the group, considering that:

“A training tailored for micro businesses may require a different terminology than that for bankers or car dealers”

Taking into account that the delivered trainings were too short and theoretically oriented, trainings involving group work, case studies and more practical instructions would be more effective. Related to that, a participant stated that:

“One day training on leasing seems to me not enough to address all complexities related to the topic.”

4. Recommendations for Improvements

Four recommendations were made for improvement on leasing law implementation:

- a) urgent need to speed up with the draft and approval of further regulations
- b) address and resolve the issue of leasing fiscal implications
- c) establishment of Leasing Association
- d) future TA on leasing should include more intensively local expertise

a) A central issue mentioned by all participants in the FG was the fact that after the law approval, the responsible ministries didn't proceed with the draft of regulations foreseen by the law. As most of participants stated:

“The delay will create serious problems to leasing business in Albania, because of the fiscal unclear situation regarding VAT and deductible expenses .If the regulations will not be approved together with the fiscal package, usually by the end of year, the leasing demand will be adversely affected ”

A representative from ministry reiterated the need for TA for the above, stating:

“We hope that PEP-SE will provide the required assistance in completing the law with respective regulations”

b) Participants also cautioned that the leasing fiscal policy in Albania must foresee tax incentives in order to provide for a competitive financing market and contribute to the reduction of informality; reportedly, the informality rate is estimated at 40%. One participant said that:

“If leasing will be treated as normal transaction, the application of VAT on the interest will make it uninteresting for our clients, who in turn would better prefer a loan, which moreover doesn't imply strict rules for use of funds transparency”

One of participants complained that:

“Presently, we can't advise our clients on favourable leasing tax implication, because we are ourselves confused on that”

c) The establishment of a Leasing Association, as was agreed by participants, would assist leasing stakeholders in upgrading their know how through international expertise as well as by lobbying to the government. A participant emphasized:

“If we organise ourselves and send our request to the government we can avoid delays and misinterpretations by tax authorities. SEED could contribute in founding of this association and could initiate working groups or round tables by interfacing between state and businesses”

d) As it came across in discussions, the local expertise hired by SEED during the law drafting and adoption as well as during trainings has proved to be very helpful. Partly due to SEED contribution, the local service providers are offering higher service quality and have widened their clientele bases. In this regard one participant stated:

“I would continue to provide further services to leasing projects and contribute to smoothly adapt models from the region to the Albanian business environment. But, PEP-SE should revise former fees and update information on local market. I have worked for other World Bank projects in Albania and the treatment was better”

Conclusions

The demand for leasing financing in Albania continues to grow rapidly. The findings from the FG conducted for the leasing project in Albania indicate that PEP SE has a great opportunity to play an active role for strengthening of this sector, and improve access to finance to all businesses through its technical assistance and advisory services work.

Union of Chambers of Commerce (UCC), Skopje, FYR Macedonia Summary of Focus Group Discussion

Project Background and Objectives

The Union of Chambers of Commerce (UCC) in Macedonia is comprised of the Industrial Chamber of Commerce, Trade Chamber of Commerce, Services Chamber of Commerce and Agriculture Chamber of Commerce. The UCC is a non-government business association formed to create a suitable environment for the development of small and medium enterprises in the country. It is believed that the UCC is on its way to become the strongest legitimate representative of the private sector in Macedonia. Officially established in September 2004 with more than 300 member SMEs, it currently has over 1000 members. Technical assistance and training were provided to the UCC by the former Southeast Europe Enterprise Development (SEED) facility of the International Finance Corporation (IFC).

The Focus Group discussion was held on September 20, 2005 in Skopje, Macedonia. Participants were 6 Members of the UCC, each who had participated in the technical assistance provided by SEED:

- The president of the UCC
- The secretary of the UCC
- The president of the Industrial Chamber of Commerce
- The president of the Trade Chamber of Commerce
- Two entrepreneurs

An external moderator facilitated the discussions in the native language and an interpreter provided simultaneous translation. Summaries were then translated into English.

The primary objectives of the Focus Group were:

- To determine the short term impact of the SEED's intervention
- To explore recommendations on how to improve future projects.

Summary of Findings

The participants in the discussion were active members of the UCC, and are also owners or managers of small and medium enterprises. They have utilized the services of the UCC and each of them attended trainings that were organized by SEED. Many of the participants were particularly satisfied with the technical assistance received, which helped them to begin conversations with the government. But they also stated that the level of collaboration changed with the new government that is now in place, requiring more determination and additional skills and training. Each offered their gratitude to SEED and to the support that SEED has provided to them in order to make their work more successful.

In general, five primary themes emerged from the FG discussions:

1. Satisfaction and benefits of support of SEED
2. Building networks and strategies for promotion of the UCC
3. Public-Awareness Raising
4. Additional training needed
5. Recommendations for improvement

1. Satisfaction and benefits of support of SEED

- a. The technical support provided by SEED encouraged the members of UCC to make this new business association the strongest legitimate representative of the private sector in Macedonia. According to some of the participants:

“The fact that the SEED stood behind all of our activities was critical. The IFC logo was used everywhere by the UCC to show the support received and was appreciated by many of our counterparts. This made a big difference and had a great influence on our work” – President of the UCC.

“SEED encouraged us to be persistent in our work and objectives for the UCC. That helped us to realize our mutual goals and interests and helped to influence the government to change certain legislative regulations and to create favorable conditions for small and medium enterprises.” – President of the Trade Chamber of Commerce.

- b. Knowledge and skills obtained throughout the trainings on the project.

- Practical implementation and the applicability of the training.

“During one brain storming training organized by SEED, I got several concrete ideas for solving problems in my own business which I used.” – An entrepreneur

- Preparing the budget

“The budget training and planning helped me to manage the assets, resulting in a larger profit for the company.” – An entrepreneur.

- Promotion of the UCC outside the Chambers in order to increase the membership and organize promotional round tables

“Business people that participated in UCC activities immediately recognized our potential and goals, which resulted in increasing membership”- President of the Trade Chamber of Commerce.

- Lobbying instruments and means of communication with the government

“SEED showed us that we have the power to tell a specific minister that if he does not want to hear our needs and influence changes in the law regulations, we will then wait for him to leave his post, and when the new minister comes to the same post – we will try again.” – An entrepreneur

It should also be noted that one participant stated that lobbying the government with this type of approach would never work in Macedonia.

2. Building networks and strategies for promotion of the UCC

The participants pointed out the need for building networks and strategies for promoting the UCC. They also mentioned the need for attracting new members and establishing formal methods of communication with current and potential members

“We also need help in retaining members and also showing them that as a member of the Chamber they have a lot more benefits for managing their own businesses. After all, our motto is ‘The voice of more people is heard.’ ” – President of the Trade Chamber of Commerce.

3. Public-Awareness Raising

There is a strong need to build greater public-awareness about the benefits of membership in a non-governmental business association for SMEs. In Macedonia the business community perceives that if they are active in an organization closer to the Government, their business activities will be more successful and in some way privileged.

“There is fear of being a member of non-governmental association due to its different treatment by the governmental “– An entrepreneur.

The participants of FG agreed that SEED can help to raise public awareness and also help them to spread the process of public awareness. They suggested several items for that process to continue such as: marketing campaigns, organizing round tables and workshops where they will have open discussions to address key issues.

4. Additional training needed

The need for additional training was frequently mentioned. Additional knowledge and skills will help UCC members improve their self-confidence and increase the activities inside the Chamber. By doing so, the UCC will be stronger, more organized and more secure in presenting its concerns to the governmental institutions.

“SEED helped us to build an excellent roof and facade on the institution where the activities of the UCC take place, and created an environment for the small and medium enterprises to function. But we need support in order to fill in the inside and to strengthen our position. This will help to increase membership”- Secretary of the UCC.

5. Recommendations for improvements:

- Creating a body which will be a mediator between the activities of the government and the UCC. One participant stated that:

“We need one independent body that will help us to better communicate with the government institutions, in order to improve the whole working environment”- President of the UCC.”

- Researching the political interests of Narodna Banka
- Forming a regulatory board
- Enabling experts to make changes, additions and implementations in the laws
- Implementing systems of standardization

The overall view of the participants was summarized by one individual:

“SEED’s help was enormous, but if we stop right here it may happen that all our activities will stop. I do not have to stress it more, but your help would be of great importance to us” – President of the UCC.

A priority for UCC’s future work with SEED/PEP-SE will be further support of UCC’s activities. This will help UCC to become more self-sustainable, have an efficient managerial body and improve communications with the government. SEED/PEP-SE can also help to build capacity and advocacy through annual business surveys and organized public-private dialogue sessions.

Conclusions

During the discussions of the Focus Group, participants clearly showed that SEED’s technical assistance and support for establishing the UCC was of great help for its members. The knowledge that participants acquired through the seminars and courses which SEED organized could be easily applied to the activities of the UCC. The participants’ skills were improved and they were encouraged to work on their own independent activities and to discuss their own business concerns with the government. The demand for this type of training in Macedonia continues to grow and PEP-SE can clearly play a central role in helping UCC achieve their goals.

Financial Leasing Serbia and Montenegro Summary of Focus Group Discussion

Project Background and Objectives

A Focus Group was held on 16th September 2005 in Belgrade on Leasing in Serbia-Montenegro (S-M). Seven participants attended: The Deputy Minister for Economy, Finance and International Cooperation, two representatives of the Leasing Association (the former president and current secretary) and four representatives of leasing companies. There were two women and five men. Leasing projects were managed by the former Southeast Europe Enterprise Development (SEED) facility of the International Finance Corporation (IFC).

The FG discussions were held in the native language and then summaries were translated into English. An external moderator facilitated the discussions.

The primary objectives were:

- To explore the impact and reach of the Leasing program and
- To determine future needs for and the viability of the leasing market in Serbia-Montenegro

OUTCOMES OF SEED INTERVENTIONS

Raising the general level of awareness and knowledge of leasing was mentioned as the primary result of SEED training in Serbia and Montenegro. Participants stated that new knowledge was acquired through these trainings by attendees from SMEs, including banks that later adopted leasing as a product. The leasing companies represented stated that they benefited from SEED's training through better promoting their businesses and in gaining access to potential clients.

That training was more or less for people that had not previously had contact with leasing. (Leasing company)

In Serbia almost nobody even knew what leasing was when we were starting out...At a press conference held at the Media Center I recall that not a single journalist posed a question (because they did not have a clue what it was about). It was at a SEED training that we first became informed about leasing. That is where I obtained a certain level of knowledge that I later applied in the Association. (Leasing Association)

We got one of our largest clients in the following way. He attended a SEED training and concluded that leasing would suit him. At the training they mentioned existing leasing companies and he made a list. The next day he started making calls ... In some places nobody answered the phone; in some cases they answered and gave basic information but did not have time for a detailed conversation ... That is how he called us and we got the contract – not because we were the cheapest, but because we answered the telephone, were courteous and helpful and were prepared to meet with him the following day. (Leasing company)

... Those trainings were useful in relation to small and medium enterprises and the outcomes, at least in our case, could be seen gradually. Two or three days after the training people from the invited companies were already calling and making enquiries. (Leasing company)

Other than the statistical data that participants said was only accessible at SEED training, leasing companies did not mention concrete benefits received from the training. Leasing companies had management staff that were familiar or experienced in the leasing experiences of neighboring countries so that internal education had already provided a general introduction to leasing for employees. For this reason, SEED training was evaluated as not well-tailored to their needs and reduced their future participation.

... Companies that existed then had the good fortune that their directors mainly had experience in leasing from neighboring countries so that we were familiar with leasing. (Leasing company)

I attended the SEED training. It was not much more than leasing theory, security, regulations and accounting – we all practically had that prepared before we even went to the training. (Leasing company)

As there were no trainings to develop specific knowledge and skills in leasing, the companies had to conduct this type of training themselves. At the startup of their activities they did not have the capacities (time and human resources) to do this effectively, and as a result only on-the-job training was conducted. The interest and need of companies to pay for training of new personnel was left unutilized. Further, FG participants stated that as the companies developed operations, new issues and problems arose, which could have been resolved more effectively with specific training opportunities.

A farmer bought from us a bulldozer and regularly made repayments, however, he did not pay for comprehensive insurance. That led us to ask, 'what is wrong with this picture?'. It turned out that he had sold the bulldozer and of course no longer cared about insurance! When we sought police intervention, they did not understand what wrong with this. (Leasing company)

A young woman took a car from us and went on a trip. When the police stopped her and saw that the owner of the car was a company, they asked for travel instructions from the company. She explained that she had leased the car, but that did not help to resolve the situation. (Leasing company)

... At that time there were a lot of things that were unclear, that needed to be clarified in relation to treatment of expenses and other things that we were trying to get from various sides. That is what we need in the future—for the training to be in a number of phases, for it to be educative, and then to focus on specific needs. (Leasing company)

Participants stated that the awareness raising campaign resulted in a significant increase in awareness of the general concept of leasing, but for specific institutions and their officials (e.g. police, Automotor Association, parliamentarians and politicians in general), it is still necessary to have additional information or training that will assist them in responding more appropriately to cases related to financial leasing.

For individual clients interested in vehicles, leasing company employees will explain things to them. But the problem really lies in those official institutions because we cannot train them. (Leasing company).

IMPROVEMENT OF LEASING LEGISLATURE IN SERBIA AND MONTENEGRO

The activities of SEED in the creation and adoption of the legislative base for financial leasing is evaluated by participants as the most significant support to leasing companies in Serbia and Montenegro. This is primarily due to the adoption of the Law on Financial Leasing that has established their work and created a favorable business environment.

The passing of the Law on Financial Leasing was of great significance as the interpretation of the existing law on the territory of Serbia practically did not enable management of financial leasing. (Leasing company)

If it were not for the Law, I do not think that we would have started work, but rather would have simply tracked what was happening. It is a lot more secure after the Law. (Leasing company)

The links that have been established between the Government and leasing companies was also mentioned as one of the best impacts of the SEED leasing project. However, participants consider that the potential of enterprises was not sufficiently explored in the work on development of financial leasing legislation. As a result, the Law is weaker.

Perhaps much more significant than training are the contacts that SEED attempts to establish between leasing companies and the ministries. (Leasing company)

In my opinion there was too little involvement of enterprise in the creation of the Draft. (Leasing company)

Participants also stressed that the Montenegro government saw more credibility in the opinions raised by leasing companies. As a result, in Montenegro, the Law on Financial Leasing managed to avoid/overcome most of the shortcomings of the Serbian law.

SEED, together with the Central Bank made an initial proposal that went to public discussion. We then organized together several roundtable discussions. The outcome was the proposed draft legislation which was criticized by potential leasing companies. All interested parties considered that something needed to be changed, added, modified, etc. All interested parties came to support the roundtable and later there was

the opportunity for online discussion to comment on the draft legislation. I think that the first version of the law underwent numerous, significant and essential changes as a result of the comments of entrepreneurs and potential clients of these services. (Ministry of Finance of Montenegro)

... They had more understanding for industry than was the case here. (Leasing company)

The final conclusion is that SEED's engagement in this field was ceased prematurely and that in Serbia new laws have been passed that represent a step backwards and a significant narrowing of the range of work of leasing companies. Participants consider that this perceived regression would not have occurred if SEED had continued with its involvement. The low level of familiarity and knowledge within political circles related to leasing greatly contributes to a misunderstanding of its role in the economic development of the country. Additionally, the Leasing Association and individual companies are not strong enough to lobby effectively.

The Law has certainly sped up many things and clarified some things ... but at the same time new issues have arisen and there are more detailed issues that require further action and further work. (Leasing company)

I think that the problem is in that, as far as I know about Mr. Vinkic, is that he considers that we are stimulating spending. (Leasing company)

...The significance of leasing for the development of SMEs is still not understood here, particularly in countries that are in transition. (Leasing company)

SEED and IFC in essence have a (respected) name that enables them to establish better communication with the Government and National Bank than does the Association. (Leasing Association)

SIGNIFICANCE OF THE ASSOCIATION OF LEASING COMPANIES

Participants stressed that there had not been a sound base for the formation of the Leasing Association, but that after initial difficulties, there have been positive effects achieved as evidenced through the (quantitative and qualitative) strengthening of the sector. However, participants consider that after the withdrawal of SEED that this influence has significantly lessened. The undoubtable significance of the Association was illustrated through the example of the favorable terms of registration of leasing activities negotiated through the Association. It was also concluded that the poor communication within the Association has retarded its effectiveness and undermined (an already fairly shaky) credibility in government circles.

Perhaps it was the right time for the forming of an Association, but leasing companies were probably not aware of how necessary that was and there were some difficulties in work at the start. ... We (leasing companies) did not even manage to get together to work out a plan and program for the functioning and work of the Association. We did not have enough time or people to do that. (Leasing company)

The Association could have ironed some things out. In that way, some things could have been avoided if contact with the government had been established on time ... That is where SEED can do more, in my opinion. (Leasing company)

... As an Association, without the support of institutions like the World Bank, we cannot have much of an influence on Government. (Leasing Association)

...It (Leasing Association) will strengthen in the future and will achieve that which is expected of it. That is essential, definite and something that we all agree is needed. (Leasing company)

As the Agency was established after the Law on Financial Leasing we had a problem as we had to register existing contracts. We (the Association) then negotiated with the Government and managed to persuade them to give a 50% discount. This is evidence that we can act in a manner that benefits our members. (Leasing Company Association)

FUTURE ACTIVITIES

The general conclusion was that financial leasing in Serbia and Montenegro has developed very quickly and that performance figures indicate fast growth. However, there has not been time for the internal strengthening of the sector and its establishment within the country. For this reason, participants consider that they still need SEED (or a similar organization) to support them.

My opinion is that SEED withdrew too early from all of this and we were left to our own devices, but that we were too young for this ... We do not have the strength that is needed. We do not have the contacts in order to be able to have an influence through lobbying. (Leasing company)

CONCLUDING OBSERVATIONS

It is recommend that any additional trainings be “longitudinally tailored” to be relevant and accessible not only at the start-up phase of leasing companies, but also during business development. Training should also be tailored to the specific needs of the target group.

Participants mentioned various goods that can be obtained thorough leasing. The leasing company representatives stressed that a smaller proportion of their business goes to automobiles and that a series of other activities are financed in this manner (construction machinery, printing industry, photography, cosmetic industry, food industry, agricultural equipment, medical equipment, etc.). Even automobiles obtained through leasing are often used for commercial purposes and these are mainly locally produced 'Zastava' automobiles, which suggested that domestic production is also being stimulated.

... Automobiles are perhaps 30% of our complete activity – passenger vehicles. In relation to commercial vehicles, that serve the purpose of business activities, they certainly contribute to the development of businesses as vehicles are essential to some for transport. We have financed items from cars to airplanes and also production equipment. (Leasing company)

The Airport has bought cars for the Belgrade Airport through Raiffeisen Leasing. (Leasing Association)

The equipment in firms here in Serbia is very old. The time has come for change of equipment even in agriculture. For example, some farmers have a harvester 'Zmaj' which is thirty years old, and they lose five percent of their harvest. They now leased a new harvester and their production has greatly improved. (Leasing company)

We have a strong presence in the public sector and have even financed locomotives and medical equipment for the private and public sector. (Leasing company)

Swisslion & HACCP, FYR Macedonia Summary of Focus Group Results

Project Background and objective

HACCP was a project managed by the former Southeast Europe Enterprise Development (SEED) with the goal to develop an environment where the Small and Medium Enterprises (SME) will have access to knowledgeable local consultants to assist them in HACCP implementation, increase the awareness of HACCP, increase number of companies that hold a HACCP certificate and as a result, increased and easier export of these companies into EU and USA.

Participants of Focus Group that was held on 20 September, 2005 at the Swisslion factory in Skopje, Macedonia were:

- The owner of Swisslion factory
- 2 members of HACCP team, employees in Swisslion
- 2 HACCP local consultants
- An external moderator facilitated the discussions
- A translator

All participants to the FG took part to the activities that SEED organised on HACCP in the Country, and those of them who work at Swisslion were directly involved in the adoption of HACCP by their company. Swisslion introduced HACCP, but is still waiting for certification.

The Focus Group discussion was held in the native language and then summaries were translated into English.

The primary objectives of the Focus Group were:

- to determine the short-term impact of SEED project
- to explore recommendations how to improve the project in the future.

Summary of Findings

Participants to the Focus Group expressed their satisfaction with the support given by SEED to the adoption of HACCP in Swisslion.

They also underlined a huge demand for adoption of new production standards in the food production sector in Macedonia. The adoption of these standards by further producers will increase safety on their production and will impact on their possibility to export to the EU and US markets.

Overall, primary themes *emerged* from the FG discussions were:

- Satisfaction and benefits of the introduction of HACCP
- Need for a public-awareness campaign about HACCP
- Need for additional training for all involved in HACCP
- Recommendations for further assistance

1. Satisfaction and benefits of the HACCP

a) Setting up of excellent working relations with structures and professionals involved in HACCP implementation. (It is very important the creation of a climate where SMEs will have opportunities to acquire knowledge and skills for the adoption of new standards in their production cycle.)

- It was said by some participants that there is the need to exert political pressure on national government agencies as to create a National HACCP Accreditation body

“After the activities that SEED helped us to carry out, HACCP became an object of discussion for accreditation; now steps need to be undertaken in this direction.”

- Training of Auditors

“SEED helped us to meet several experts in different domains of food quality and standards of production, which determined the need of implementing HACCP standards” – said the independent consultant.

- Compiling of a dictionary

“With the help of SEED a working group was setup, and prepared a dictionary of terms in food production, which will become the standard reference for the food domain” – also said the consultant.

- Organising workshops and roundtables

“For the first time in Macedonia, with SEED’s help, a successful meeting was held- with the participation of experts on food production and processing.”

- Implementation of HACCP in factories for food production

“The things that I learned during training and implementation of HACCP saved to my Company a lot of money, and gave me the opportunity to better organize my production, to expand it, and to make industrial investments. We also opened a new line of production” - said the owner of Swisslion.

“HACCP allows us to reorganize the work of our staff in order to improve the quality of our production” – said by the member of the HACCP team.

b) Concrete and applied knowledge and skills

“The knowledge and skills gained thanks to the HACCP project made my company 70% export oriented and made our products known outside Macedonia.” – added the owner.

“During the implementation of HACCP, our weaknesses were identified; consequently, we took action to improve our production process. Since I made the necessary corrections, I feel more serene”- concluded the owner.

“SEED helped the internal HACCP team to decide without any influence from other departments; the team had the possibility to control the production process and made suggestions for changes; in other words the HACCP is independent in its decisions” – said a member of the HACCP team.

2. A strong need to build greater public-awareness of HACCP

Besides the fact that HACCP is a regulative standard, still the large public ignores the importance of the adoption of these standards. That is why the participants in FG insisted on the need to organize public-awareness campaigns. They believed that public awareness can leverage the demand from even more companies to implement HACCP.

3. Need for additional training

The need for future additional training was underlined.

“After meeting with the HACCP experts we came to the conclusion that our mutual goals are to improve the quality level of our production; in order to do that we need some supplementary training” – explained the owner of Swisslion.

“SEED with its experts encouraged the domestic experts to get involved and help to implement the HACCP” –the consultant of the Swisslion.

“There is an enormous need for additional training, but at the moment there is a limited offer in the local market” – said the independent consultant.

4. Recommendations for improvement

The process of implementing HACCP in Macedonia has begun; in order to achieve its results, there is a further need of support, such as:

- Need for presenting HACCP to further food producers

“ The trainings for food producers, for presenting and education of HACCP will improve the level of production, export and also the need always to look for repro materials that have HACCP,” – said the independent consultant.

- Setting up of a regional training center for HACCP

The independent consultant suggested the idea to setup a Balkan (regional) training center for HACCP.

Conclusions

In Macedonia it is felt the absence of an Accreditation body in charge with certification of HACCP consultants and with companies accreditation.

Moreover, it is considered that the duplication of responsibilities related to food production and HACCP among different Ministries is another negative factor.

As SEED metamorphoses in the Private Enterprise Partnership for Southeast Europe (PEP SE), its active role in HACCP implementation in Macedonian companies is very important.

**Tigar Linkages Project Serbia and Montenegro
Summary of Group Discussion**

Project Background and Objectives

The Private Enterprise Partnership for Southeast Europe (PEP-SE) of the International Finance Corporation (IFC), previously known as the Southeastern Europe Enterprise Development facility (SEED), organized a group interview with participants of SEED's cooperation program with "Tigar", a tire and rubber company based in Serbia-Montenegro.

The group interview was held in the native language and than summaries were translated into English. An external moderator facilitated the discussion.

The primary objectives were:

- To explore participant views of SEED's activity
- To explore possible role of PEP-SE in future help to company

The group interview was held on September 21, 2005 in Belgrade, Serbia and Montenegro. The group consisted of 4 participants (1 female and 3 male), with the following job titles:

- 1 company manager
- 1 shop foreman
- 1 independent consultant
- 1 affiliate store foreman

0 Summary of findings

The participants were very satisfied with the results accomplished during their work with SEED. They mostly pointed out the great progress that the company has made since the SEED training. They explained the different aspects in which, thanks to SEED, improvements have been accomplished. Also, they discussed their future needs.

The participant responses mainly fell into two categories:

1. Satisfaction with the visible improvements in various aspects of the company during their work with SEED
2. Further need for support in the development of the company

Satisfaction with the visible improvements in the various aspects of the company during their work with SEED

The participants named three aspects in which visible improvements have been accomplished:

- Attitudes of employees have been more positive.
- Improved communication within the company
- Increased level of work and improvement in the organization of the company

a) A great benefit received through the work with SEED was the change in the thinking of the employees as well as the acceptance of changes among the employees. Those changes should enable a creation of new, positive business philosophy, orientated towards the market and towards gaining new skills needed for the success and growth of the company.

According to participants:

“The trainings really helped us to choose the best candidates, those who are really for higher ranking positions and who will lead the company into the future.”

“I think that what was discussed here was mostly accepted. It is probably going to be even better. It takes time for ideas to start working. It takes time for us, the employees, to realize and accept that change. So, it depends on us.”

“It took time to change the way of thinking of the employees. That was the hardest job, and it took three years. Some of the employees are still trying to change their way of thinking. What we have learned from the SEED trainings we have really tried to apply, and 90% of what was recommended we have probably applied. We could not have learned these skills otherwise if we didn't have SEED to help us.”

“Everyone knew that something should be changed, but an independent consultant from outside came in and said: ‘This is the way it should be, this should be done this way’. The way of thinking was that the company could only be changed from external opinions. The problem was not among us, the young

ones, but there are lots of older people who were afraid of any change, especially when it comes from the outside.”

- b) The importance of successful communication in different parts of the company, as well as with the clients, was strongly pointed out.

Comments of the participants included:

“There was poor communication between the base, main office and store. This has significantly changed. We are working on improving it even more. This is what has changed and what I think SEED has played a large role in. That means everything has changed. All areas of communication have really improved, and I can say that SEED significantly changed that.”

“Some would find this funny, but we practiced role-playing salespeople and customers. I think this is the base of selling. This was also worked on a lot. It was different before with the operations of the company. The training influenced a lot. Everyone knows each other now. The relationship between the stores has greatly improved. That means that you have to have a team, a real team...a real one can do a lot. If the team is happy, half the work is done.”

“Even simple things like common courtesy were improved in the company.”

- c) The improvement of running a business was accomplished with the cooperation of SEED in different fields. The “Tigar shop” accepted a new organizational structure, formed a regional network started opening new services; they established a system of merged stores; market research was done and the necessary appraisal of needed information technology was conducted. According to the participants' opinion, that was a very complicated process, but one in which SEED greatly helped:

“SEED suggested a new organizational structure including the establishment of a regional network and a division of the market into 3 regions, which the "Tigar" store fully accepted. SEED also recommended opening up new services...at this moment, now, there are 65 "Tigar" stores, of which 5 are services and there are 3 more planned. This means, there were not any services at the start, just the 80 stores. With SEED's suggestion, a system of 'franchising' was made, which we later re-named as affiliated stores. This was the first time that "Tigar" did something that resembled market research. We set 3 goals involving tires, rubber footwear and sports equipment and received an entire study done by consultants trained by SEED, with which we were very satisfied. That basically means that with all SEED contributed to everything—starting with local consultant down to international consultant and the others who were included in the "Tigar" store. We can now start to see the results of all this work. From my point of view, I'm very impressed from an educational standpoint. Overall, I'm satisfied.”

"The training that we have had ranges from marketing to the development of business plans, to, in general, the organization of one department of a factory, as I can speak as a manager of a department where I am the manager. We have also benefited a lot by the software that has been introduced.»

"Some increase in turnover occurred, but not much. Before the SEED intervention Tigar did not even know how many sales they did in each store. Tigar Trade expected a 4% to 5% increase in sales for 2005 and based on data available. We expect a sales increase of 6% to 7% for 2006.

The Need for Further Support in the Development of Enterprises

On several occasions the participants stressed that they required further support in their work. Most frequently they mentioned the following two aspects:

- Additional training
- Assistance in obtaining credit

a) The participants expect continued support and ongoing, new activities.

As some remarked:

"The greatest assistance is modernization, and the availability of information about global trends in our field."

"Further action, more training, and holding regular meetings from time to time... For something to be constantly going on, something positive, of course."

"For years there has been nothing here. All of us have been aware of this, with some more aware than others. But somehow we did not apply ourselves. That's how we are. We need some kind of action. Some support is always necessary."

"We always want to see that SEED is here."

b) One of the most important ways of offering support is the availability of contact with various financial institutions which can assist in securing different forms of credit.

In the words of one participant:

"The main link between Tigar commerce and the Tigar corporation and SEED should be towards financial institutions and some improvement of our image with financial institutions. And, at the end of the day, the link between us and IFC or other institutions is in obtaining credit. I know what the biggest problem is in our market. The other partners would love for us to offer them better conditions to buy machines to allow them to open their services. That was an earlier plan. We now no longer have anything left of those potential financiers. We are trying

something with domestic banks, but I think that the role of SEED would be critical between Tigar and financial institutions which are willing to invest.“

Conclusion

SEED has played a very positive role in the reorganization and work of Tigar commerce. There exists a great need for the continued support which PEP-SE (Private Enterprise Partnership for Southeast Europe) is able to offer.

Corporate Governance, Bosnia and Herzegovina

Summary of Group Discussion

Results from SEED's Intervention

In the group discussion there were four participants (all men), one of whom was a SEED trainer and the other three had attended a SEED training seminar. The discussion was mainly based on the training experience and suggestions for future activities in the framework of the corporate governance project. Participants stressed that the primary benefit participants received from the training provided by SEED is mainly 'filling in' knowledge that they already had, given that they all had a number of years of work experience in corporate governance.

I think that I was among those people that, because of a small gap in knowledge, listened to everything in order to try and complete that mosaic... Accordingly; I can say that I was satisfied. (Participant SEED training)

A participant in the "Management of Contracts" training, who conducts training for staff in his company stressed that the training taught him about additional methods that he could utilize, which he did use in his work.

I learned some from training from the Trainer... I really did try and use some, not all, of the things I heard. It was beneficial to my work. (Participant SEED training)

However, this same participant did mention that the interest level of participants in the training was quite low. He considers that SEED organized the training very well but that the oversight may have been in the selection of participants (inappropriately selected or insufficiently prepared) and that this had a negative impact on overall effectiveness.

On the side of SEED this was a good idea – well organized, good people brought in to conduct it, competent, skilled, but I do not know how much of an end effect it had. The main reason for this was the lack of interest and involvement of participants. (Participant SEED training)

Participants that attended the "Using Corporate Governance to Attain Company Goals" training assessed that this training would have been more beneficial if the participants had had more prior knowledge about the topic. As was the case, there was a diverse profile among participants (students, private entrepreneurs, cantonal and municipal civil servants, and professional state institution personnel) and the content presented had to be adapted to the various participant categories. So participants benefited only from parts of the training (and meanwhile they sat and listened to already well known information or

were not able to follow the flow of the discussion, depending on their background). According to one participant:

There were people in attendance that I do not believe I have anything new to tell on the subject, while for others everything said was new. ... Then the question arises of what level to go to with fundamental concepts on the one hand, and on the other how far to go with some narrow professional specialist situations? (Trainer in SEED training)

The volume of topics that were treated in the course of the seminar, given the amount of time available, was considered to be very ambitious and participants consider that as a result not all topics were treated fully. This had a negative impact on the level of benefit derived by training participants.

I think that two days is about right for one rounded topic...Perhaps there were somewhat too many questions, too many topics in the morning, two in the afternoon – a total of eight topics in two days. (Participant SEED training)

Participants assessed that the Trainer did his job very well but that in the future it would be preferable for two trainers to lead. They consider that the two-day training with a very demanding schedule is too much of a burden for one person, and that it could be more interesting for participants.

The trainer was qualified. Compliments to the organizers in terms of the selection of trainer. (Participant SEED training)

For the sake of seminar dynamics, people would like to see at least two or three faces. Also for the sake of bringing out of various opinions, comments, approaches to various issues.... (Participant SEED training)

Direct intervention (consulting services) within companies was also stressed as a part of SEED activities that participants consider to have been successful. They view the advantage of this approach to be SEED activities being based on the specific conditions of operations in individual companies and direct assistance in acquiring and implementing knowledge and skills.

One participant gave an example of effective SEED intervention:
It was stock feed production where SEED brought in a foreign consultant that assisted in stock feed production methods. Other people from SEED together with us did an approximation of the financial effects of this – the market, etc. They received useful suggestions about where they may have problems, what are the risks in that business, where and for what reason they may encounter cash flow problems, how to forecast these things, etc.

It seems to me that this method of direct work with companies, direct insight into its problems ... has given good results as far as I know. (Participant SEED training)

I think that this is the greatest benefit from SEED. (Participant SEED training)

Future Training

Participants suggested three basic areas for future PEP-SE activities in the framework of the corporate governance project: direct consulting in companies (with company management as well as with supervisory boards and shareholders), trainings (management, supervisory board members, students), and public information services.

It is necessary to work with shareholders, funds as shareholders, the state as a shareholder. (Trainer in SEED trainings)

I would like to stress that education, particularly of members of supervisory boards. That is certainly a top priority for us. (Participant SEED training)

That information service should simply be able to answer the question: ‘I have shares, what should I do with them?’ (Trainer in SEED trainings)

Recommendations for future training are based upon overcoming the mentioned weaknesses in the SEED training attended by participants. They suggested that the market conditions need to be taken into account more closely in the planning of seminars – to first establish the needs in relation to corporate governance, then carefully select participants and topics to be treated. On the basis of their personal experience, participants stated that the general level of knowledge in Bosnia and Herzegovina in relation to corporate governance is very low. They consider that PEP-SE needs to start with this fact in the planning of future activities. (Topics proposed for which participants consider there is a need are: differences between shareholder and employee relations, legal profiling of corporate governance in individual companies, grey market and share theft, shareholder responsibilities, importance of transparency and publication of financial reports.)

I would like for SEED to avoid possible mistakes. It is necessary to drop the level of the program, at least at the beginning, to a very, very low level. (Participant SEED training)

Ask colleagues in PIFs about the kind of problems they encountered of the kind that people want their certificates back. (Trainer in SEED trainings)

The need for engaging in these three types of activity are illustrated by an example given by a participant:

People were given certificates on which it is written that they own some shares, then the director of a very respectable firm, an awarded manager, says, ‘If you sell that, you don’t come to work on Monday. If you need the money, then sell to me at the price I set.’

One participant gave a clear example of the lack of knowledge about the basic principles of corporate governance among people that should be practicing it:

Recently I saw in the newspaper an interview with the president of the supervisory board of a very important B&H company that has been much in the focus of public interest lately. The journalist asked: ‘the half-yearly statement has been adopted. Can you tell us what the financial performance was and what are the plans of the company of which you are president of the supervisory board?’ This gentleman responded, ‘ Our Company has adopted a code about not sharing business secrets including performance results.’

Participants consider that the trainings would be more effective if the selection of participants was conducted in two stages. The first could be an advertisement in the newspapers, as this provides a means for identifying interested and motivated students. Following this, based on the level of knowledge about the planned topic (which participants consider can be established through a brief questionnaire or focus group), candidates would be categorized and for each of these groups separate training would be conducted.

It is necessary to have some sense of the level of knowledge of participants. (Participant SEED training)

Equalize it. (Trainer in SEED training)

Perhaps they should simply take a list of companies and make a random selection – close their eyes and choose 15-20 firms and invite the directors, board members, individual major shareholders – to a group discussion where there would not be a set topic at all but rather just talk about management. Then you would hear what people know and what they do not. (Participant SEED training)

Participants stressed the need for continuous education and suggested the planning of a series of trainings targeted at certain categories that would provide them with complete appropriate knowledge about corporate governance.

I think that it would be good to take a multilevel approach to educational training. To focus on certain groups and at the start provide the basic level of information and after that to gradually build on the knowledge offered. (Participant SEED training)

Participants suggest that in certain trainings, it would be best to directly invite company representatives as a significant proportion of those that need to conduct corporate governance, since they do not have sufficient knowledge on the subject and it is not reasonable to expect their self-initiative in registering for training.

I would go for direct invitations toward people in companies. Invite directors and managers in companies directly and provide them the opportunity to listen to this. (Participant SEED training)

Often those are not people that have a low level of knowledge, but rather have the wrong kind of knowledge. (Trainer in SEED training)

Participants also stressed that given the complex nature of corporate governance, that careful selection of trainers needs to be made and that trainers of various profiles need to be provided.

Corporate governance is not only something that lawyers should discuss but also economists (for explanation of the financial side and structure of corporate governance systems), and psychologists (to assist people in conceptualizing their non-material rights). (Trainer in SEED training)

One participant described an example that illustrates how individual trainings should be conducted for future PEP-SE activities. This was presented as a positive experience on which to model future activities:

SEED approached my company and said pretty much this: “You have some three or four thousand companies in Bosnia and Herzegovina in your data base – give us that data so that we can go directly to company representatives, to directors. You are experienced in that, so tell us what you think would be interesting for people.” On the basis of those suggestions a SEED program was developed and sent directly to directors and that seminar was conducted over the weekends for about a month. Attending there were representatives of large companies such as the General Director of ‘Elektroprivreda’, directors of telecom etc. (Participant SEED training)