

2020

# OR 2020-70717 Narrative Report COVID-19 Response Pooled Fund



# REDI

Roma Entrepreneurship  
Development Initiative

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Roma Entrepreneurship Development Initiative is currently implementing projects supported by three grants from different programs of the Open Society Foundations • (OR 2019 65015) – RIO: \$ 300 000, OR2018-45000 – \$ 1.2 M and OR 2020-70717 300 000 USD for COVID. This report will provide a detailed description of the development targets agreed with OR 2020-70717 emergency funding USD for COVID.

## EXECUTIVE SUMMARY

The COVID Pooled fund enabled us to build a much more intimate and constructive relationship between REDI and the grassroots movements in Romania, Macedonia, Bulgaria, Serbia and Italy. We started exploring opening operations in countries like Bulgaria, Italy, Albania, Slovakia, Czech Republic and Hungary because of the opportunities presented.

We started exploring using online tools to reach out to Roma communities by organizing (or joining) webinars, Facebook lives, and bluejeans calls on specific topics.

Moreover, in the past eight months, we closely interacted and strengthened the relationship between REDI and public financial and non-financial institutions from Serbia, Romania and North Macedonia. The joint advocacy efforts with the grassroots movements and the connection with the high-level politicians in each of the countries empowered REDI to become one of the key drivers in shaping new policy programs for accessing finance and supporting Roma entrepreneurs in the region.

**In Serbia**, we closely collaborate with the government and the Post Bank on developing a new loan product with 100% state guarantee; the program will be launched on January 1st, 2021.

**In North Macedonia**, we started the discussions with the Macedonian Development Bank and the Ministry of Labor and Social Affairs on piloting new programs for access to finance, formalization and digitalization of the Roma owned businesses. There are high chances that the Ministry of Labor and Social Affairs will adopt and implement a program proposed by us in their new Operational Plan for 2021.

In Romania and Bulgaria we are closely watching the government proposals for recovery and resilience programs funded by the European Commission in order to advocate for better inclusion of roma people.

### 1. RESULTS COVID 19 SUPPORT PROGRAMS

We offered the following support programs to Roma entrepreneurs:

1. REDI Call Center (partnership with RIO grassroots movements from the region)
2. Roma Digital Boost (partnership with Business Impact Lab and Startup Macedonia)
3. Going Entrepreneurial (partnership with ERIAC)
4. Roma Business Clubs (partnership with YUROM – Osman Balic)
5. REDI Recycling (partnership with GoGreen and PakoMak in Macedonia)

## 1.1 REDI CALL CENTER

### **Results:**

**Table 1: Number of people supported via the call center**

Country	North Macedonia	Serbia	Romania	Italy	Bulgaria
<b>Number of people supported</b>	<b>346</b>	<b>54</b>	<b>386</b>	<b>342</b>	<b>103</b>
Municipalities	Skopje, Bitola, Prilep, Kocani, Gostivar, Shtip, Tetovo, Kumanovo, Kicevo.	Belgrade, Niš, Leskovac, Valjevo, Kraljevo, Novi Sad, Pirot, Obrenovac	Bucharest, Mures, Dolj, Prahova, Gorj, Teleorman, Valcea, Salaj, Cluj, Hunedoara, Alba, Neamt, Iasi, Mehedinti, Sibiu.	Roma, Milano, Lazio, Florence,	Plovdiv, Sliven, Kotel, Simitli, Montana, Blagoevgrad, /field work/  Pazardjik, Razgrad, Gotse Delchev, Samokov, Stara Zagora, Teteven, Vratsa, Pleven, Vidin/personal contacts

## 1.2 ROMA DIGITAL BOOST

Roma Digital Boost Program is an e-Accelerator aiming to capacitate 60 Roma owned businesses with knowledge for transferring their activity from **traditional to digital companies**. We designed the program in partnership with Business Impact Lab and Startup Macedonia.

The program targeted Roma entrepreneurs from North Macedonia, Serbia and Romania. The entrepreneur profile invited to join the program focused on formal and informal business owners who needed support in transforming from traditional to online business, focusing on businesses affected by the COVID-19 pandemic.

We placed a unique accent on Roma women; thus, we have attracted a total number of 15 Roma women (out of 60 participants) to compete and win the 5000-euro digitalization prize.

The total cost of the training modules was 22 750 EUR, in which the partners contributed with 11 950 EUR in-kind contribution and 10 800 EUR was covered by REDI. Additionally, the partners provided free individual mentorship and consultancy to the participants from Serbia and Macedonia. REDI's field team members were present in all the individual mentorship sessions and learned the essential methods and steps for digitalization and brand identity.

## **Results:**

- Out of the total of 77 applicants, 60 Roma owned businesses were selected and participated in the program
- 28 Roma owned businesses developed business plans and competed for the 5000 Euro prize
- 3 Roma women won the first prize of 5000 Euro
- 25 Roma owned businesses received additional awards and mentorship support on digitalization

In January 2021, we reach out to the participants who completed the full program and received additional support from REDI to evaluate their progress and needs. We managed to collect information from 19 participants who directly benefitted from the program.

Most of the winners who received financial support invested in purchasing new materials, equipment, and online tools, while some are still in the investment process.

According to the participants' results, after the program, most of them successfully transitioned to the digital business, increased the brand's quality and visibility, and improved the marketing content with good quality photos, logo, etc. A small portion of the participants in the investment process will be able to identify the program's impact on their business activity later.

47% of the participants increased their sales after the program, 11% faced challenges because of COVID, and 42% did not answer our question or said it is too early to assess the program's impact.

Furthermore, in the evaluation process, we received a request for further support from 81% of the interviewed participants. The number of requests is an important indication for shaping and improving the program in 2021.

## **Learned lessons:**

- The program should be organized in the national language for each of the countries separately.
- The profile of the participants should be narrowed with more specific characteristics and targeted group.
- Mentorship should be offered to the ones who request support, and it should be for one year.
- All participants should complete the program and receive financial support.
- REDI team should build a close relationship with the participants and evaluate their progress quarterly.

### 1.3 GOING ENTREPRENEURIAL

#### **Description of the program:**

In cooperation with ERIAC, REDI is supporting the informal Roma artists in producing art through entrepreneurship components. The program aims to assist low-wage, informal and gig workers in the context of COVID-19.

#### **Results:**

- 11 cultural entrepreneurs received 5000 Euro grant to launch their business
- Seven cultural entrepreneurs received mentorship support on developing and creating a business plan

The seven artists, provided with mentorship support by REDI, are implementing their project ideas. Until now, each of them has managed to progress and create important outcomes such as identifying partners and signing contracts, launching new fashion collections, selling instruments and clothes, teaching music, brand identity, etc. Some of the artists requested an extension for their projects and mentorship support for a longer-term.

### 1.4. ROMA BUSINESS CLUBS (SERBIA)

#### **Description of the program:**

In August 2020, we started focusing on organizing Roma entrepreneurs in Serbia in parallel with discussions with senior officials in Serbian Post Bank and the president of Serbia's office. This initiative came out due to the online conversations that we organized in March and April, during which entrepreneurs raised the issue of lacking the power to influence government measures.

#### **Results:**

- Mapped 200 Roma entrepreneurs interested in being part of the Roma business clubs
- Significantly increased our visibility in Serbia and attracted different stakeholders and donors such as GIZ, Divac Foundation and government institutions. The discussions with GIZ and DIVAC are continuing and could result in joint projects.
- A core group of Roma entrepreneurs and experts form the Roma Business Clubs

## 1.5 REDI RECYCLING

### **Description of the program:**

REDI Recycling aims to legalize the Roma informal waste collectors and organize them to collect the non-hazardous waste, i.e., plastic and cardboard-paper from buildings, institutions, and companies. After the waste is collected, it should be separated and treated so after being sold at a better price or brainstorming ideas for recycling, upcycling opportunities for the added value of the plastic waste.

### **Results:**

- Legally established company as REDI Recycling
- Defined business model for social enterprise
- Identified critical partners for supporting the company (Go-Green, Helvetas, SIDA, European Environmental Bureau)
- Obtained legal permission (license) to collect the waste

## 1.6 SUPPORT TO ALBANIAN SHKOZA MARKET

### **Description of the program:**

In collaboration with OSF Albania, REDI initiated the program on supporting Roma entrepreneurs from Shkoza market to purchase clothes by providing them with a guarantee mechanism scheme. After assessing the market needs and specifics, we initiated a support package for entrepreneurs in Shkoza Market that will offer financing solutions for buying clothes. We provided administrative funds of 5.000 USD to form a pilot entity and recruited two specialists that will help introduce a guarantee mechanism in purchasing clothes.

The aim is that in the following 12 months the entrepreneurs will use three times the amount provided in the guarantee mechanism (15.000 USD) (insertion in the market - reimbursement from the entrepreneurs - insertion of the reimbursed amounts).

### **Results:**

- ongoing process
- We initially allocated 15.000 USD for local support but found that it was difficult to provide direct loans and grants to entrepreneurs, as these amounts would be most likely cover direct personal costs and emergencies.
- We allocated an additional 5.000 USD in September to cover operational costs for an entity (support instrument) acting as a guarantee mechanism within the selected local supply chain that will manage the 15.000 USD as guarantees in the benefit of entrepreneurs.

Within the future 12 months we agreed on at least 3 turnovers of the provided amount within the market. Based on recent field feedback, set-up of the mechanism in progress.

### 1.3 ADVOCACY AND FIELD OUTREACH

In **Serbia**, the government commits to providing **2 million Euro** support to guarantee the loan scheme developed by REDI and the Postal Saving Bank. The new loan scheme's announcement is planned to occur immediately as soon as the government transfers the 1 million Euro guarantee fund for the program's first phase. Once the pilot shows successful results, the government will invest an additional 1 million Euro for the second phase.

In **Macedonia**, we have launched similar discussions with the government and the Macedonian Development Bank to create new mechanisms for the economic empowerment of Roma. We would expect the government to provide less than 1 million Euro support for a new loan scheme. Since the discussions with the government are going very slow and their commitment is very low, we do not have high expectations that the government will have the same generosity as the Serbian government.

However, we have succeeded in convincing the **Ministry of Labor and Social Affairs** to accept our proposal on formalizing and digitalizing **50 Roma owned businesses** and including our proposal in the new Operational Plan for 2021. In this program, the government will allocate **250 000 EUR non-refundable grants** for unemployed Roma.

#### **Results:**

- Established strong collaboration with the Serbian government and Post Bank RS and Macedonian Bank and Macedonian Development Bank
- Secured new affordable loan product with a 100% guarantee mechanism for entrepreneurs in Serbia (in the process of finalizing)
- 361 newly mapped Roma entrepreneurs in Serbia in partnership with Opre Roma
- 43 trained Roma field officers engaged in doing excessive mapping on the field in Serbia and Macedonia
- Proposed a new pilot program on formalization and digitalization for Roma entrepreneurs in Macedonia
- 476 newly mapped Roma entrepreneurs in Macedonia
- Field operations relaunched in Bulgaria and 70 newly mapped Roma entrepreneurs on the field

**SUMMARY – PROGRAM RESULTS AND NEXT STEPS**

Program	Budget Spent in 2020	Achieved Results	Next Steps
<b>1.Roma Call Center</b>	<b>8530 USD</b>	<ul style="list-style-type: none"> <li>➤ Established eight call centres in the operations (RO, MK, RS, BG) and expansion countries (IT, HU, CZ, SK)</li> <li>➤ 1,231 Roma supported in Romania, North Macedonia, Serbia, Bulgaria and Italy to access government measures, funds, and develop their businesses further</li> <li>➤ Outreached to 49 Roma municipalities in the five countries</li> </ul>	<p>The Roma Call Center will continue supporting Roma entrepreneurs with providing information to access government measures and other business development opportunities in RO, MK, RS, and BG).</p>
<b>2.Roma Digital Boost</b>	<b>39 068 USD</b>	<ul style="list-style-type: none"> <li>➤ Out of the total of <b>77 applicants</b>, <b>60 Roma</b> owned businesses were selected and participated in the program</li> <li>➤ <b>28 Roma</b> owned businesses developed business plans and competed for the 5000 Euro prize</li> <li>➤ <b>3 Roma women</b> won the first prize of 5000 Euro</li> <li>➤ <b>25 Roma</b> owned businesses received additional awards and mentorship support on digitalization</li> <li>➤ <b>In Serbia</b>, those who received mentorship support after two months increased their followers on average <b>by 87.8% on Fb and 41% on Instagram</b></li>   <li>➤ <b>Impact: 47%</b> of the participants increased their <b>sales after the program</b>, <b>11% faced challenges</b> because of COVID, and <b>42% did not answer</b> our question or said it is too early to assess the program's impact</li> </ul>	<p>The RDB program will focus on supporting the pilot project on formalization and digitalization of 50 Roma owned businesses in North Macedonia.</p>
<b>3.Going Entrepreneurial</b>	<b>29 408 USD</b>	<ul style="list-style-type: none"> <li>➤ <b>11 cultural</b> entrepreneurs received <b>5000 Euro</b> grant to launch their business</li> <li>➤ <b>Seven cultural entrepreneurs</b> received mentorship support on developing and creating a business plan</li> </ul>	<p>The REDI team will offer mentorship support to those who will request it in 2021.</p>
<b>4.Roma Business Clubs</b>	<b>2368 USD</b>	<ul style="list-style-type: none"> <li>➤ <b>Mapped 200 Roma</b> entrepreneurs interested in being part of the Roma business clubs</li> <li>➤ Organized conference with key stakeholders which significantly <b>increased our visibility</b> in Serbia and</li> </ul>	<p>In the first part of 2021, the Roma Business Club will be operational in</p>

		<p>attracted different stakeholders and donors such as <b>GIZ, Divac Foundation, government institutions</b>. The discussions with GIZ and DIVAC are continuing and will result in joint projects.</p> <ul style="list-style-type: none"> <li>➤ Established a <b>core group</b> of Roma entrepreneurs and experts for the Roma Business Clubs</li> </ul>	<p>Serbia and later replicated in RO and MK.</p>
<b>5.REDI Recycling</b>	<b>6917 USD</b>	<ul style="list-style-type: none"> <li>➤ Registered REDI Recycling company</li> <li>➤ Obtained license (permission) for collection and transportation of non-hazardous waste</li> <li>➤ Developed business model (model of social enterprises)</li> <li>➤ Straightened relationship with Pakomak and GoGreen</li> <li>➤ Initiated discussions with Helvetas and Sida for a joint project supporting our initiative</li> </ul>	<p>The company will be operational and will create a team of 10ppl (five waste collectors) providing services to 400 buildings in Skopje.</p>
<b>6.Shkoza market support</b>	<b>20 325 USD</b>	<ul style="list-style-type: none"> <li>➤ ongoing process</li> <li>➤ We initially allocated 15.000 USD for local support but found that it was difficult to provide direct loans and grants to entrepreneurs, as these amounts would be most likely cover direct personal costs and emergencies.</li> <li>➤ We allocated an additional 5.000 USD in September to cover operational costs for an entity (support instrument) acting as a guarantee mechanism within the selected local supply chain that will manage the 15.000 USD as guarantees in the benefit of entrepreneurs.</li> </ul>	<p>Follow up on the allocated resources and field work in Shkoza market</p>
<b>7.Advocacy</b>	<b>46 921 USD</b>	<ul style="list-style-type: none"> <li>➤ Established strong collaboration with the <b>Serbian government and Post Bank RS and Macedonian Bank and Macedonian Development Bank</b></li> <li>➤ Secured new affordable loan product with a <b>100% guarantee mechanism</b> for entrepreneurs in Serbia (in the process of finalizing)</li> <li>➤ <b>361 newly mapped</b> Roma entrepreneurs in Serbia in partnership with Opre Roma</li> <li>➤ <b>43 trained Roma</b> field officers engaged in doing excessive mapping on the field in Serbia and Macedonia</li> <li>➤ Proposed a <b>new pilot program</b> on formalization and digitalization for Roma entrepreneurs in Macedonia</li> <li>➤ <b>476 newly mapped</b> Roma entrepreneurs in Macedonia</li> <li>➤ Field <b>operations relaunched in Bulgaria</b> and 70 newly mapped Roma entrepreneurs on the field</li> </ul>	<ul style="list-style-type: none"> <li>➤ Follow up on all the advocacy actions</li> </ul>

## REQUEST FOR A NO-COST EXTENSION

Some of our initial assumptions in April (while the lockdowns were in effect) were invalidated in June when the grant program became operational.

For example, we had initially planned to spend around 130 000 USD for a program enabling Roma entrepreneurs in Suto Orizari. However, the management team decided to postpone the initiative in Suto Orizari since our crucial partner on the ground was not ready to provide loans with 0% interest rate due to fears of sending the wrong signal.

We then decided to focus more on building a relationship with state-owned public bodies to develop joint programs which should provide grant funding to informal entrepreneurs while the state-owned bank should provide 0% interest rate loans to the same cohort with REDI field teams providing technical assistance.

We would like to request the permission to prolong the period to spend the grant to May 1st, 2021 and provide the final report on June 1st. In the first part of the project, we spent **153 537 USD** and we postponed the expenditure of **146 463 USD** which we would like to spend as follows:

In 2021, for the extended project period we plan to implement the following programs:

Proposed Initiative	Proposed budget REDI	Leveraging potential / partner
<b>Roma Digital Boost Program: the focus will be to support the pilot project on formalization and digitalization of 50 Roma owned businesses</b>	<b>30 000 USD</b>	RCC:35000 EUR Ministry of Labour and Social Affairs in North Macedonia: 250.000 EUR.
<b>Supporting 50 Roma entrepreneurs with online shops and tools to digitalize:</b>  REDI will prepare and provide Digital kits to an estimated 50 Roma entrepreneurs that will be identified	<b>38 000 USD</b>	/
<b>REDI Recycling</b>	<b>20 000 USD</b>	Helvetas – 30 000 USD European Environmental Bureau (expected 30 000 USD) Pako Mak / Green Group
<b>Advocacy in Brussels and member states on the use and monitoring of PNRR programs to support roma communities</b>	<b>58 463 USD</b>	Roma field movements