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PARTNERSHIP ON FACTORING

WHAT IS THE FACTORING PROJECT?

USAID's Factoring Project is a \$700,000, three-year activity to accelerate the growth of micro-, small- and medium-sized enterprises (MSMEs) by increasing their use of factoring, a financial transaction in which a business sells a credit-worthy accounts receivable (usually an invoice) at a discount to a financial services firm. Factoring can increase MSMEs' effective working capital and improve their cash-flow, thus enabling them to engage new contracts and clients, expand their markets, increase their competitive edge, and enhance their overall competitiveness.

WHAT HAS BEEN ACCOMPLISHED?

- The project has conducted ten round tables with local MSMEs across multiple cities in North Macedonia including Shtip, Kavadarci, Prilep, Kicevo, Veles, Skopje and Strumica, and special target groups like the Exporters' Club and the Manager's Club at the Economic Chamber of Macedonia, increasing MSME awareness of opportunities available for using alternative financing. More than 400 MSMEs have attended multiple events and presentations on factoring as an alternative source of finance.
- Established communication with Factor Chain International and participated at the Fifth EU Factoring and Commercial Finance Summit in March, 2019 with representatives from the Macedonian Bank for Development promotion, Kapital, Halk and Komercijalna Banks.
- The first round table with the Macedonian Banking Association, on December 19, 2018 was attended by 16 representatives from 9 different banks.
- A workshop was conducted for the Internal Auditors Association, training representatives from the legal and regulatory sector on the legal aspects of using factoring.
- The project visited the Serbian Association of Factoring, ABL Factor Doo Belgrade to discuss the benefits of establishing an association for factoring that is regulated by law.
- Letters of collaboration have been signed with the Economic Chamber of Macedonia, Academy of Judges and Public Prosecutors, and the Centre for Development of the Vardar Planning Region to provide a framework for joint cooperation.