



USAID
FROM THE AMERICAN PEOPLE

Promoting Competitiveness through IT, Investment, Trade, Agriculture, Tourism, and Regional Integration

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USAID - Europe and Eurasia Bureau
Regional Competitiveness Initiative (RCI)

South Caucasus Workshop

Promoting Best Practices in ICT, Tourism and Business Services Delivery and Prospects for Regional Integration and Cooperation

The Regional Competitiveness Initiative (**RCI**) and the Business Growth Initiative (BGI), in cooperation with **USAID** Armenia and the CAPS Project, joined efforts to organize the South Caucasus Workshop, which was held on June 24-25, 2008 in Yerevan, Armenia.

The event brought together regional experts and practitioners in information and communication technologies, tourism, and business services delivery. Jointly, they focused on identifying the best practices and prospects for regional integration and cooperation in the South Caucasus. The event highlighted practical lessons learned, as well as successful approaches and programs from across the Caucasus, South East Europe and beyond. The workshop turned into a meeting point for over one hundred local business entrepreneurs, nongovernmental and government officials, **USAID** Mission and project representatives from Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Macedonia, Moldova, Serbia, UK, and the USA.



Mr. Stephen Silcox speaking during closing session DAY 2; moderator Mr. Stephen Eastham

The workshop also provided a half-day working session, which allowed participants to suggest potential areas for regional cooperation. The discussion focused the attention of participants on both existing opportunities for private businesses and professional organizations to cooperate and industry sectors that potentially could offer a competitive edge in the Caucasus. Participants examined regional cooperation from the different perspectives of the private sector and government.

The workshop concluded with a **Next steps** session, in which participants agreed on specific actions that could be the first steps in enhancing regional cooperation in tourism and information technologies, thereby strengthening competitiveness in the South Caucasus.

For more information, please contact The RCI Team at rci@bcserdon.com .

UPCOMING RCI EVENTS:
Regional Tourism Meeting
23 September, Ohrid, Macedonia

Regional AgBiz Meeting
25 September, Tirana, Albania

For further details, please contact The RCI Team at rci@bcserdon.com



Albanian Essential Oils Find New Markets in US

Organic certification and buyer linkages open doors for Albanian producers

An Albanian producer, a Belgian buyer, a Vietnamese laboratory, and an American market – it's a story fit for the era of the global economy, and it comes complete with a happy ending for Albanian essential oil producer Xherdo, which finds itself at the threshold of important new markets in the United States.

This story began with leadership by Enterprise Development and Export Market Services (EDEM) in a presentation about Albania at the International Federation of Essence and Aroma Trade (IFEAT) 2007 Conference in Budapest. Mr. Luc Vossen, Director of the Vossen & Company based in Brussels, attended the presentation. Vossen & Co. is an essential oils distributor that specializes in value-added and particularly organic products, but previously focused mostly on oils from Nepal and Vietnam. Following the IFEAT Conference, and supported by interest from the Albanian Essence Producers and Cultivators Association (EPCA), EDEM arranged an inward buyer mission for Mr. Vossen in December 2007. He met with essential oils producers, harvesters, harvest collectors, transportation companies, and a representative of the organic certifying body in Albania. Local production techniques and equipment were showcased, as well as Albanian exporters' capacity to adhere to organic harvesting and processing principles.

Mr. Vossen took several samples of sage, thyme, oregano, melissa, rosemary, lavender, juniper, laurel, myrtle, and fir for testing at an international laboratory in Vietnam. Based on sample results, Mr. Vossen placed his first shipment orders, from EDEM client Xherdo in the beginning of 2008. The total export value is currently \$100,000 of organically certified essential oils. The cooperation with the Vossen company also helped Xherdo to enhance the quality of the final export products by using filtering systems that were suggested by Mr. Vossen. This cooperation has been very successful, and will continue in the future.

For more information, please contact Cynthia Steen at Cynthia.Steen@dai.com.

Bosnia and Herzegovina "Clean is Beautiful" campaign

Put the Right Thing in the Right Place



USAID Mission Director, Jane Nandy speaking at the opening of the campaign

The public opinion research carried out by the USAID Cluster Competitiveness Project (USAID CCA) during the summer of 2007, showed that two thirds of the population is of the opinion that the state of environment in BiH is unsatisfactory. This is perceived as the largest obstacle to further development of tourism. With the evident problem of unregulated and unmanaged areas where people started open dumping of trash, and also dirty rivers and picnic sites, the research became the motive behind the initiation of a public awareness campaign throughout BiH.

USAID CCA in partnership with the BiH relevant ministries and the Packaging Waste Management Association BIHPAK launched the "Clean is Beautiful"

campaign with tag line "Put The Right Thing in The Right Place" at the conference held in Sarajevo on March 18 2008.

The BiH Ministry of Foreign Trade and Economic Relations representative Mr. Reuf Hadžibegić, and USAID Mission Director in BiH Ms. Jane Nandy, opened the conference. Close to one hundred participants had the opportunity to learn from entity ministries, tourism business associations, raw material processors, and NGOs about the wide range of environmental improvement activities currently underway and planned.

This campaign encourages both local organizations and wide population to take a more active role in resolving the cleanliness issue, as it is considered the largest obstacle to further development of tourism.

The "Clean is Beautiful" Campaign envelops several activities, such as: media advertisements, the program to work with elementary school pupils in Banjaluka, Sarajevo, Bugojno, and Sanski Most; the presentation of the report on Establishment of Regional Depots; support to the enhancement of the process of solid waste removal from river Vrbas; involvement of horticulture engineers and technicians in the landscaping of school yards; and similar activities. In addition to this 20 local waste collection companies have actively participated in the campaign by putting the campaign stickers on their trash bins across B&H.

USAID CCA, implemented by Emerging Markets Group, was a four year project focused on development of wood processing and tourism sectors in B&H from Aug, 2004 to Aug, 2008.

For more information, please contact David King at dking@usaidcca.ba



Career Fair Stimulates Employment Qualified jobseekers find positions within the expanding tourism sector

The first-ever Tourism Career Fair in Armenia was organized by Competitive Armenian Private Sector (CAPS) on May 7, 2008 in collaboration with five major institutions offering tourism courses. Already more than fifteen jobseekers have found jobs in their area of specialization. Students and graduates of the European Regional Academy, Russian-Armenian (Slavonic) University, Yerevan State University and Yerevan State Armenian-Greek College of Tourism have all received job offers and are now employed with local travel and tour agencies, hotels, resorts, and the Armenia International Airports.

A good example of the success of the initiative is Ms. Marine Arakelyan, a third-year student of the Slavonic University, who attended the Career Fair hosted by the European Regional Academy, approached several recruiting companies and introduced herself. Five companies invited Marine for interviews in the next two weeks. From three offers received, she accepted the best suiting for her position and is now successfully employed.



CAPS has also supported the establishment of the Tourism Bridge Career Center at the Slavonic University in 2007. Many students and graduates of Slavonic University have secured job placements thanks to services offered by the Career Center. Additionally, CAPS Workforce Development Consultant Miche Grant’s Job Search Seminars in the fall of 2007 have taught jobseekers many tools that are obligatory for a job search. *For more information, please contact Arevik Kyokhyan at akyokhyan@caps.am.*

Georgian Banking Training Center Designed to Boost Georgia’s Banking Sector



GBTC Graduates

Established in October 2007 by the Association of Banks of Georgia (ABG) and the Caucasus University (CU) with the financial and technical support of **USAID**’s SME Support Project and commercial banks of Georgia, the Georgian Banking Training Center (GBTC) has been actively engaged in the elaboration and implementation of various training courses and programs. The SME Support Project in coordination with the ABG arranged for the licensing of the Hellenic Bank Association and the Hellenic Banking Institute course material meeting European banking standards. The Center has been designed to provide Georgian banking sector professionals with the skills required by Georgia’s expanding financial sector which previously had no unified

training system to meet international and European standards.

As Zurab Gvasalia, President of Association of Banks of Georgia specifies, “the primary objective of the GBTC is to address the needs of the Georgian banking sector and provide training programs for professional bankers that will meet international standards and certification requirements.” ABG believes that professional training and re-training of banking sector staff is expected to ensure the sustainable development of the banking sector in Georgia and create new jobs in the growing financial sector.

To this end, “the Georgian Banking Training Center provides its trainees with the European Foundation Certificate in Banking [EFCB], with a special preparation course for EFCB certification exams. This qualification is already being offered to all European countries and is based on European standards,” explains Levan Gogoladze, Head of GBTC. Numerous other courses are being added as the GBTC develops its curriculum, all of which is based on the specific needs of the banking community. In total, the GBTC has trained over 120 students to date. It should also be noted that the GBTC is already operating on a self-sustainable and profitable mode, due to the banking community’s firm commitment to the center.

*For more information you can visit **GBTC website:** <http://www.gbtc.ge>*



Does LED offer a different point of entry for managing competitiveness enhancement?

by Howard Ockman, Chief of Party, USAID Local Economic Development Project

The Local Economic Development Project in Ukraine is not *per se* a **USAID** competitiveness project. The results of this Project suggest, however, that local economic development (LED) provides a good entry point for encouraging competitiveness into a developing economy.

In its four years, the Project has helped 76 municipalities in Ukraine create strategic economic development plans. The plans vary in content and title, but all have a similar objective: to focus and mobilize business, government, and community toward economic growth. All of the plans are created by committees constituted by at least 51% business representatives, and the remainder by representatives from academia, business associations and the mayoral administration. The plans are adopted by Local Councils as laws, and an implementation unit is established inside the mayor's administration offices to execute the strategy. Most plans propose steps to attract strategic investors to the cities. Though not every one of the Project's partner cities has landed a big investor, collectively, they have realized \$700 million of inflowing investment and the addition of about 12,000 jobs, all achieved pursuant to the strategic plans.



Arch of International Friendship, Kiev, Ukraine

These successes have led us to ask if strategic economic planning in municipalities or even multi-city territories may provide a practical alternative, or perhaps a complement, to the cluster or sector-based approach to building competitiveness. LED strategic planning in economic localities can spawn many of the positive characteristics of competitiveness: public sector commitment to improving the physical and regulatory business environment; strategic thinking about growing jobs and investment; value-chain development; scientific innovation that is commercially directed; labor force development complementary to economic growth; and a public community that is educated about the benefits of quality enterprises and businesses.

We believe that LED community strategic planning is a workable mechanism for managing the introduction of competitiveness to a developing economy. An economic territory with research institutes and universities, diversified businesses, dominant anchor businesses, and an available, skilled work force presents options for the implementer. One strategy has been to attract strategic incoming investment as primary firms that will mobilize a supply chain of local producers and service providers, use skilled labor and bolster linkages with universities, and itself represent state-of-the-art technology. But large, modernizing indigenous firms can serve the same purpose, and we have had good success enlisting their commitment to municipal plans as well.

Local economic development is a powerful engine of change. As a tool for enhancing and promoting competitiveness, we believe it has significant potential and merits further exploration.

For more information you can contact Mr. Howard Ockman hockman@led.net.ua

ANNOUNCEMENTS

In South East Europe - Our Macedonian IT partners, the Chamber of Commerce for Information and Communication Technology (MASIT) invites you to the "**6th South East European Information Technology Associations Conference (SEEITA) and the 5th MASIT Open Days**" which will take place at the **Inex Gorica Hotel**, in **Ohrid, Macedonia on September 21-23, 2008**.

For more information and registration, please visit www.seeita.org



USAID Enhance Competitiveness of Macedonian Agribusiness Export Markets



USAID's Mission Director and representatives from USAID and Grant Awarded Companies after the formal act of signing of the Agreements

On July 3, 2008, **USAID's** AgBiz Program organized Grant Agreement Signing Ceremony for Macedonian agribusinesses working in the wine, fresh vegetable, processed vegetable and wild gathered product sectors. The export-focused projects that will be implemented by these companies will require a total investment of over USD 3.2 million and are projected to result in increased export sales of over USD 28 million by the end of 2010. The AgBiz project signed contracts with nine Macedonian companies.

The projects will enhance the export competitiveness of the agribusinesses by supporting training, marketing activities, technical assistance, physical facilities expansion and advanced equipment acquisition. Most of the projects will support the businesses to move into value added products, develop or expand share in new export markets, expand processing or packing capacity and improve productivity.

The goal of the Program is to enable agribusinesses to identify, understand and sustainably enter export markets for value-added products; enhance market linkages between producers, processors and traders; improve business management, operations and competitiveness; achieve greater incomes for agricultural producers and processors; and create new employment opportunities.

Since March 2007, **USAID's** AgBiz has worked with more than 130 agribusiness firms in five value chains; and made at least 17 improved technologies practices available to customers and provided short term trainings to 216 customers.

For more information, please contact *Natasha Stankovic* at nstankovic@agbiz.com.mk

LINKS

Regional USAID Mission Websites:

Albania: <http://albania.usaid.gov>
Armenia: <http://armenia.usaid.gov>
Belarus: <http://belarus.usaid.gov>
BiH: www.usaid.ba
Bulgaria: www.usaid.gov/locations/Europeeurasia/countries/bg
Central Asia: <http://centralasia.usaid.gov>
Croatia: www.usembassy.hr/usaid
Georgia: <http://georgia.usaid.gov>
Kosovo: www.usaid.gov/missions/kosovo
Macedonia: <http://macedonia.usaid.gov>
Moldova: <http://moldova.usaid.gov>
Romania: <http://romania.usaid.gov>
Serbia and Montenegro: <http://serbia-montenegro.usaid.gov>
Slovenia: www.usaid.gov/locations/europe_eurasia/countries/si
Ukraine: <http://ukraine.usaid.gov>

Other useful links:

BGI
<https://www.businessgrowthinitiative.org/Pages/default.aspx>
BiH Cluster Competitiveness Activity - <http://www.usaidcca.ba/index.php?lang=eng>
BiH Foreign Investors Council - <http://www.fic.ba/>
BiH Tourism - <http://www.bhtourism.ba/eng/>
Emerging Markets Group - <http://www.emergingmarketsgroup.com/>
CAPS – Competitive Armenia Private Sector
<http://www.caps.am/>
EDEM - <http://albania.usaid.gov>
Georgian Business Training Center (GBTC)
<http://www.gbtc.ge>
MACEDONIA AGRIBUSINESS ACTIVITY (AgBiz)
<http://macedonia.usaid.gov>

For more information about RCI or to submit your news, please contact:

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