



# REGIONAL COMPETITIVENESS INITIATIVE (RCI) NEWSLETTER

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*PROMOTING COMPETITIVENESS THROUGH INFORMATION TECHNOLOGY, INVESTMENT, TRADE, AGRICULTURE, TOURISM, AND REGIONAL INTEGRATION*

## INTERNATIONAL STANDARDS FOR CONSTRUCTION: SERBIA



Andjelko Kovacevic, Vice president of the Serbian Chamber of Commerce, at the podium.

Thanks to an initiative supported by the USAID Serbia Competitiveness Project, 14 leading Serbian construction firms convened in Belgrade at the Serbian Chamber of Commerce on October 3 to sign a Declaration to formalize their commitment to establish a National Association of Consulting Engineers and become a member of FIDIC (International Federation of Consulting Engineers). By joining FIDIC, Serbian companies will increase their ability to compete in international markets and bid on internationally funded projects in Serbia. The joint initiative of the Serbian construction companies and the USAID Competitiveness Project is supported by the Serbian Chamber of Commerce and the Ministry of Trade and Services.

“FIDIC is the largest worldwide organization for internationally recognized standards in managing construction projects,” said Mr. Zoran Djordjevic, CEO of Yu Build. “Major

investors such as the World Bank and EBRD, leading commercial banks, and investment funds all require that their projects be implemented according to FIDIC standards, which makes consultants and engineers who comply with FIDIC standards immediately more competitive during bids for either local or regional projects.”

Peter Boswell, General Manager of FIDIC, who attended the event in Belgrade, noted that the importance of FIDIC lies in the promotion of high-quality standards and the requirement that firms conform to a code of ethics and that “in those places where FIDIC standards are respected, corruption is almost non-existent.” FIDIC counts nearly three million consulting engineers as active members.

According to Ms. Katarina Vukovic, Senior Industry Advisor for the USAID Competitiveness Project, “the project’s research and analysis concluded that forming this association and subsequent accreditation by FIDIC will have a significant impact on the ability of Serbian firms to compete in the local and international market and increase their exports and sales.” The Project is continuing to work to develop the statute, charter, and other documents required for the registration of this association. ❖

## PLANNED RCI EVENTS FOR THE WINTER AND SPRING OF 2009

- 2nd Regional Tourism Round Table in Tirana, **Albania**
- 5th Regional Agribusiness Round Table, location TBD
- Regional Workforce Development Workshop in Skopje, **Macedonia**
- Regional Caucasus Workshop, location TBD
- RCI Annual Conference, location TBD
- Regional Conference on Finance and Investment Attraction for the Business, location TBD

*Look for event invitations in the near future and we hope to see you there!*

**For more information on future events or articles in this newsletter, please contact the RCI Team at [rci@bcserdon.com](mailto:rci@bcserdon.com)**

## NETWORK LINKS PEOPLE AND GOVERNMENT OFFICES: GEORGIA



MagtiCom completed the first stage of the Georgian Government Network (GGN) project in November 2008 some three months ahead of schedule. More than 400 government offices across Georgia have been interconnected by a modern, secure, high-speed network. Services include Internet, telephone services, video-conferencing, and technical support.

“E-governance” was an exotic notion to most Georgians in 2006, when the Office of the State Minister on Reforms Coordination launched the nationwide Government of Georgia Network (GGN) initiative. The GGN offers a reliable network to connect remote agencies. The ability to exchange a large volume of data at high speed is important for organizations having more than one branch, such as state entities, banks, microfinance companies, and businesses.

Innovative procurement by the government improves and expands the technology infrastructure while reducing the government’s ICT costs. The USAID Business Climate Reform drafted technical specifications for the competitive procurement and helped

review proposals. Mobile provider MagtiCom built the infrastructure at its own cost in return for the government’s guarantees of a minimum number of users.

Significant savings have already been achieved, with some costs reduced by 75 percent. All of the regional offices of the Civil Registry Agency have now been connected, which has facilitated registration and support for those internally displaced by the Russia-Georgia conflict. Georgia’s Social Security Agency reports that networking its regional offices has reduced the time required to process aid applications from two weeks to two days while saving \$654,000 in processing costs.

Implementation of the nationwide GGN has also helped facilitate delivery by the government of an increasing array of electronic citizen services, including e-abstracts of property registrations, electronic filing of tax returns, and faster customs clearance times for traders.

GGN also helps facilitate the process of obtaining an identification card in Georgia. If any document is missing from the application, there is no need to visit other institutions to obtain them as all necessary documents can be received electronically.

The strength of GGN e-governance lies in its reliability, uninterrupted power supply, and low cost, which together can be estimated to save the government \$12.5 million annually. ❖

## IT TRAINING WITH MICROSOFT AND CISCO: MOLDOVA

With support from USAID’s Competitiveness Enhancement and Enterprise Development (CEED) program, six Moldovan educational institutions are now offering students the opportunity to acquire practical IT skills through training in Cisco and Microsoft technologies.

In August, the Moldovan College of Finance and Banking became the first of five schools to start Cisco Certified Networking Associate (CCNA) classes through its newly registered Cisco Local Academy. Three universities with IT faculties will follow suit and launch their own CCNA classes by February 2009. Moreover, the Academy of Economic Studies in Moldova (ASEM) opened Moldova’s first Microsoft IT Academy last October and started classes in systems administration (MCSA certification pathway) in November.

By February 2009, ASEM plans to add Web/Windows developer courses (MCPD/MCAD certification pathway). These courses are a timely response to the rising demand for skilled IT professionals within Moldova.



Dr. Sergiu Tutunaru of ASEM explains the Microsoft curriculum to students.

The existing lack of professionals with IT skills is a major constraint to growth in the ICT industry and also affects non-IT companies that are seeking to employ IT professionals.

CEED support for these initiatives has ranged from motivating and assisting the school administrators to launch the programs, sponsoring train-the-trainer programs for CCNA instructors, designing and distributing promotional materials about the programs, and helping to cover some of the initial start-up costs for materials and equipment. Corporate representatives from Cisco Systems and Microsoft Corporation have also provided invaluable support and guidance to make these initiatives successful. ❖



Students at the College of Finance and Banking learn how to enroll in CCNA classes at the Academy launch in May.

## ARMTECH CONGRESS 2008 ENGAGES GLOBAL IT COMMUNITY: ARMENIA



Karen Vardanyan, Union of IT Enterprises (UITE) Armenia; Hovhannes Avoyan, Sourcio, Armenia; Sassun Saugy, G2IA, France; Michel Davoudian, Ozone, France; Hayk Chobanian, Norq Information Analytical Center, Armenia.

ArmTech 2008, the second annual global Armenian high-tech industry conference was held from October 5 to 6 in Yerevan as part of Armenia 2008 IT Month. Organized in collaboration with local and Diaspora IT industry representatives, this momentous event was designed to provide effective networking between high-

tech professionals interested in engaging in the global Armenian community and the nation's rapidly developing technology sector.

The conference attracted more than 400 high-tech professionals from academia, business, and government in Armenia and around the globe. Participants networked and discussed the opportunities and challenges of taking Armenia's high-tech economy to the next level as players on the global stage. The conference was held under the official auspices of the Prime Minister of the Republic of Armenia and supported by leading high-tech industry corporations, academia, international organizations, and the U.S. and Armenian governments.

ArmTech 2008 built its success on the previous year's highly productive ArmTech Congress 2007 hosted in San Francisco, which had opened new opportunities for Armenian IT companies to showcase their products and services, meet potential investors and business partners, and establish other contacts with important members of the global IT and high-tech community. ❖

## ABASTUMANI BACK ON GEORGIA'S TOURISM MAP



Kapa Hotel is now open for business year round.

"I am really happy to say that even during this late-autumn season, now that we have a heating system the guests are still coming to our hotel to spend a few days in Abastumani," said Nato Kapanadze, Manager of Hotel KAPA in Abastumani. "We opened in 2004 and our hotel has always been very popular among visitors during the summer season. We hadn't been able to receive tourists during winter because we had no heating system." Even though more and more tourists visited their hotel, the growth of their business was constrained by its seasonality.

Nato and Gocha Kapanadze seized the opportunity to participate in the Competitive Grant Program announced by USAID's SME Support Project. The grant helped them to complete the heating system installation as well as to renovate, upgrade, and decorate

the hotel. Following the renovation, the hotel hosted more than 185 guests during the summer season as compared to 130 in the previous year. The increase in business following the renovations made it necessary to hire three more employees. In addition, the hotel has 14 indirect beneficiaries – the farmers that provide the hotel with dairy and meat products, vegetables, and fruit.

The hotel offers ten comfortable guestrooms, a lounge area with cozy sofas and armchairs, an appealing dining area, a comfortable bar, and a billiard room. The hotel has also upgraded its service offerings, which now include digital SAT TV, Internet access, a conference hall for rental, a playground for children, parking spaces for guests, a car wash, laundry services, and sightseeing tours. The tours include historical sites in the region such as Zarzma, Chulevi, Sapara, Vardzia, Khertvisi as well as local sites such as the Abastumani Astrophysical Observatory and Kharagauli National Park in Borjomi. The hotel also has a newly upgraded bilingual Web site that boasts its improvements: [www.hotelkapa.ge](http://www.hotelkapa.ge). ❖

## GEORGIAN WINE BREAKS INTO U.S. MARKETS

A Russian trade embargo imposed in March 2006 barred Georgian winemakers from their traditional and most important export market, where about 89 percent of Georgian wines were sold. At that time Georgian wines were unknown in the USA. The challenge was to work with the wineries to adjust their quality, price, labels, and consistency to meet the demands of the USA market. With USAID support, Georgian wines are now entering the U.S. market. Paul Gregutt, wine adviser and columnist of *The Seattle Times* believes, “Georgia has what it takes to become the next overnight success in the ever-trendy wine business.” This was accomplished, with the collaboration of USAID’s Business Climate Reform and AgVantage projects, through education and direct involvement by U.S. wine buyers with the ability to place purchase orders and build Georgia’s brand.



Mildiani wines displayed at Whole Food Markets stores in the United States.

The first large-scale export of Georgian wines, totaling 10,500 bottles from Vinoterra and Tsinandali Old Cellar, worth \$48,000, has been bottled and shipped to Seattle. Priced from \$8.99 to \$11.99, the three wines – Rkatsiteli and two brands of Saperavi – are currently featured in 11 Whole Foods stores in the Northwest, including four large stores in Washington and seven smaller stores in Oregon.

American wine experts are taking notice. “I found Saperavi to have a distinctly spicy nose that reminds me of black pepper. The flavors are fresh and straightforward with lots of tart blueberry-raspberry fruit. The Rkatsiteli reminds me of a fresh Sauvignon Blanc blended with some Pinot Gris and has enticing fruit aromas and flavors that bring to mind pears and white peaches,” claimed Richard Kinssies, a freelance wine writer, director of the Seattle Wine School and owner of Wine Outlet. ❖

## TOURIST SITES BETTER EQUIPPED TO HOST VISITORS: ARMENIA

Five popular Armenian tourist sites – Garni Temple and the surrounding attractions, the historic district of Gyumri, Zvartnots Temple, Noravank Canyon, and Khor Virap Monastery – provide tourists with an enhanced experience. Up to ten well-designed information boards at each of these popular locations inform visitors in five languages about the history and significance of each of the monuments.



Folklore dance performed in front of Garni Temple.

This exciting initiative aimed at upgrading the Armenian tourist attractions came from the “Armenian Monuments Awareness Project” NGO and industry stakeholders including the Ministry of Culture, CAPS Project, VivaCell MTS, and the Italian Honorary Consulate. Signage and information boards help visitors recognize the Armenian monuments and understand the value of the country’s rich historical and cultural heritage. Multilingual information provides effective communication for a broader audience.

According to the National Statistical Service (NSS) 510,287 international tourists visited Armenia in 2007 and this figure is growing by 20 percent every year. A joint survey on international travel to Armenia has shown that a core reason for tourists visiting Armenia is the cultural heritage. However, the low ranking on value for money indicates that the visitor experience is not commensurate with the cost

of the trip. “Absence or lack of signs and information at tourist sites makes the visit less enjoyable and even frustrating.” Hayley Alexander, CAPS Chief of Party mentioned in his speech at the presentation of the outdoor information panels at Zvartnots. “By offering signs and quality information, we move Armenia closer to world best practices – a minimum requirement for tourists traveling thousands of miles.” ❖

## INTERNSHIP AND JOB PLACEMENT PROGRAM LAUNCHED: MACEDONIA

On November 26, the USAID Macedonia Competitiveness Project launched the National Internship and Job Placement Program and the Internship and Job Placement Web Portal. The ceremony was attended by more than 150 participants representing educational institutions, the business community, Macedonian government, and human resources organizations. Keynote speakers included USAID Macedonia Mission Director Michael Fritz, Macedonian Minister of Economy Fatmir Besimi, Deputy Minister of Education and Science Lindita Kazimi, and Ministry of Labor and Social Policy State Counselor Stojan Trajanov.

Macedonia's Internship and Job Placement Program is designed to support educational institutions (vocational schools and universities) with internship placements for their students, provide students with employable skills training, and help them find internships and/or jobs. It also assists companies with their recruitment efforts by providing the most up-to-date and largest database of jobseekers and students looking for internships, which significantly reduces their hiring costs.

The USAID Competitiveness Project is anticipating that more than 3,000 students and jobseekers will register and actively use the services of the Web portal in their search for internships and jobs within the first year of the program. The goal is to facilitate 500 internships of which 50 percent will lead to permanent jobs in the first year. In addition, more than 250 companies are expected to register and use the Web portal as a cost-effective tool for recruiting skilled employees. The trilingual portal, [www.mojakariera.com.mk](http://www.mojakariera.com.mk), is an efficient, low-cost, widely accessible, and easy-to-use matchmaking tool between students and jobseekers and companies. It is scheduled to become fully operational by mid-December.

In the second part of the event, the Workforce Development Task Force held a roundtable discussion on the topic: "*Internships, internship methodology, legal framework for internships in Macedonia.*" This Task Force is an expert working group composed of stakeholders in the labor market who are working together to reduce the gap between workforce supply and demand, make recommendations for actions to enhance the quality of the workforce, and establish a framework for this ongoing dialogue. ❖

## LINKS

### REGIONAL USAID MISSION WEB SITES

**Albania:** <http://albania.usaid.gov>

**Armenia:** <http://armenia.usaid.gov>

**Azerbaijan:** <http://azerbaijan.usaid.gov/>

**BiH:** [www.usaid.ba](http://www.usaid.ba)

**Georgia:** <http://georgia.usaid.gov>

**Kosovo:** [www.usaid.gov/missions/kosovo](http://www.usaid.gov/missions/kosovo)

**Macedonia:** <http://macedonia.usaid.gov>

**Moldova:** <http://moldova.usaid.gov>

**Serbia and Montenegro:** <http://serbia-montenegro.usaid.gov>

**Ukraine:** <http://ukraine.usaid.gov> ❖

### OTHER USEFUL LINKS

**BGI** — <https://www.businessgrowthinitiative.org/Pages/default.aspx>

**BiH Tourism** — <http://www.bhtourism.ba/eng/>

**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>

**The DOT-COM Alliance** — <http://www.dot-com-alliance.org/>

**MACEDONIAN BUSINESS ENVIRONMENT ACTIVITY** — <http://www.bea.org.mk/>

**CENTER FOR ECONOMIC ANALYSES** — <http://www.cea.org.mk/>

**USAID Serbia Competitiveness Project** — <http://chf.az/?q=en/about/competitiveness-project>

**Standing Conference of Towns and Municipalities** — <http://www.skgo.org/code/navigate.php?ld=59>

**Western Balkans** — <http://www.western-balkans.info/htmls/home.php> ❖