



REGIONAL COMPETITIVENESS INITIATIVE VOL 4 ISSUE 2 JULY 2010

HIGHLIGHTING SUCCESSES OF USAID COMPETITIVENESS PROJECTS THROUGHOUT THE E&E REGION



ABOVE Visitors take a mountain bike tour.

A New European Destination

GREETINGS FROM KOSOVO

With a past marked by upheaval and unrest, Kosovo is not known for its pristine scenery, charming bed-and-breakfasts, or ancient artifacts. USAID is looking to change that.



ABOVE Local artifacts

Having identified in-bound and internal tourism in Kosovo as an area with significant growth potential, USAID initiated several activities to promote Kosovo’s tourism products, targeting international residents in Kosovo.

On April 22 the Kosovo Tourism Association (KOTAS), with the support of the USAID Kosovo Private

Enterprise Program (KPEP), organized the second Travel Day Fair with the theme, “Stay the Weekend – Experience Kosovo.” The event, which hosted over 1000 visitors, included 70 experience providers exhibiting a variety of products and offers, including handcrafted objects, local wines and beers, B&B offers, and even mountain biking tours.

This event introduced two new initiatives supported by KPEP: the first Catalog of Tourism Offers, featuring 30 selected offers,

and the first tourism portal for Kosovo, www.KosovoGuide.com.

In May 2010, KPEP, in partnership with KOTAS, organized a Familiarization Trip for representatives of the Turkish tourism industry, showcasing major tourism attractions in Kosovo. The activity ended with a B2B event, which was an opportunity for Kosovo and Turkish tour agencies and operators to explore areas of cooperation. In addition, the Kosovo Chamber of Commerce and Izmir Chamber of Commerce agreed to sign a cooperation agreement and exchange experiences for the promotion and development of tourism.

Additionally, Kosovo is one of the six countries featured in the special supplement of National Geographic Travel Magazine, which was developed with the assistance of USAID.

“With its world-class scenery, mountains that rival the Alps, and family-owned bed and breakfast hotels offering traditional cuisine, Kosovo is a new and fascinating place to visit,” said Patricia Rader, USAID Kosovo director. “The National Geographic initiative will bring Kosovo to the attention of people planning to tour the western Balkans.”

TOUCHING HISTORY: PROJECTS MAKE CULTURE ACCESSIBLE TO VISION-IMPAIRED

ARMENIA

Hasmik Hovsepyan, a 25-year-old vision-impaired student, could hardly believe her fingertips. For the first time, she was reading a Braille panel at one of 14 historic and cultural sites.

“When my sister told me about this initiative, I said to her, ‘What are you saying, how can they do such a thing for us?’” said Hovsepyan, who studies in the Philology Department of Yerevan State University.

Hovsepyan can read about the Zvartnots Temple – where the panels were displayed last December – or about other popular sites which are now accessible for readers of Braille, thanks to the Armenian Monuments Awareness Project (AMAP) initiative and through the support of the USAID-funded Competitive Armenian Private Sector (CAPS) project. Like the standard panels installed by the project, the Braille information portals are produced in five languages: Armenian, Russian, English, French and Italian.

“There is no such thing in other places,” said Hovsepyan. “We do not even have books with Braille alphabet at our university; we record the lessons and study by listening to the recordings.” Indeed, the addition of Braille panels at major monuments is a unique gesture in Armenia and one that serves a dual purpose.

AMAP Chief of Party Rick Ney says that while the project’s aim is to promote tourism in Armenia by making information more



ABOVE A woman reads the Braille inscription at a historic site.

accessible and convenient, there is also another benefit. “We hope that this [Braille] initiative will serve as a reminder and as an example that people with special needs should not be ignored, and certainly should not be left out of opportunities to learn about Armenia’s rich heritage,” said Ney.

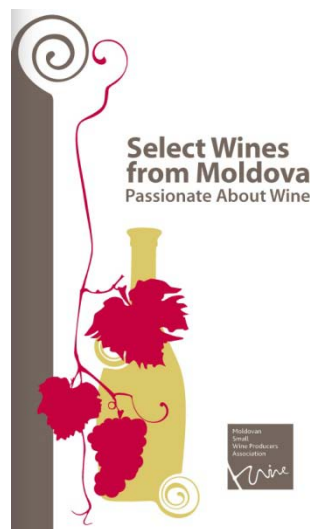
SMALL WINEMAKERS GAIN A VOICE, COMPETITIVE EDGE

MOLDOVA

For the past five years, USAID’s Competitiveness Enhancement and Enterprise Development (CEED) project has assisted the Moldovan wine industry in improving its winemaking and marketing skills to become more competitive on domestic and international markets.

The six members of the Association of Small Wine Producers represent a new wave in the Moldovan wine industry. These small producers are emerging in a country where, so far, only big wineries have been successful and are finding their way in a seemingly saturated market. Through CEED’s support in legislative lobbying, marketing publications, and pooled resources, the Association has given the individual small winemakers a voice.

With USAID support, the Association compiled and distributed a professional catalogue featuring their wineries, as



ABOVE Branding for the Moldovan small wine producers association

well as their new branding and logo. Association members were also encouraged to engage in proactive marketing. The wineries promote themselves now through social media and wine tastings both in Chisinau and at their vineyards.

The next important initiative supported by CEED concerns the elimination of legal barriers that small winemakers currently face pursuing their daily operations. CEED provided a legal advisor who, in collaboration with Association members and with recommendations from the Ministry of Agriculture, drafted a study to help streamline the regulations in the small winemaking industry. Legal improvements include defining a “small producer of wine” by production volume and determining reasonable license prices and standards for their capacity. The suggested improvements to current legislation would ease the start-up and operation procedures of small wine producers, which is critical for the development of small wineries.

TECHNOLOGY CENTER HELPS COMPANIES EXPAND, MODERNIZE PROCESSES

BOSNIA AND HERZEGOVINA

The Machine Tool Technology Center (MTTC) is a new state-of-the-art center for the machine tool industry in Bosnia and



ABOVE Demonstration of the modeling software.

Herzegovina. It was established with the assistance of the Excellence in Innovation (EI) project, which is financed by USAID and the Norwegian Ministry of Foreign Affairs. It is operated by seven prominent Bosnian companies from the machine tool industry.

The MTTC uses advanced 3-D computer-aided design/

computer-aided manufacturing (CAD/CAM) technologies to provide services to the growing

light manufacturing sector in BIH, in both plastic and metal products. Thanks to the Center, small and medium enterprises (SMEs) from the sector can obtain 3-D prints for rapid prototyping, 3-D scans for digitalizing objects, training, tool, and product design. Additionally, the MTTC has a fully equipped laboratory for training.

Bosnian SMEs are using the services from the MTTC to increase the value of their products by creating more complex tools, developing new designs, and consequently speeding up the development process. As a result, they are becoming more competitive and are able to respond to increasingly complex orders. During the past 12 months, over 30 companies have used the services of the MTTC.

For more information, please contact Mr. Sanscho Ramhorst at sramhorst@edc.org or visit www.mttc.ba

PHARMACEUTICAL BEST PRACTICES ADOPTED BY LOCAL MANUFACTURERS

ARMENIA

Armenia's pharmaceutical industry is steadily adopting Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) standards. This is the result of a continuous and systematic effort by the USAID-funded Competitive Armenian Private Sector (CAPS) Project toward introducing internationally-recognized pharmaceutical standards in the country.

Local pharmaceutical company assessments, completed by CAPS international consultants in 2008-2009, revealed the need to improve local production practices in compliance with GMP guidelines. Following the assessments, and in cooperation with government and educational institutions, internationally accredited GMP Training and Training of Trainers Courses were launched in May 2009. Since then, the locally-trained trainers have shared their experience with beginners through the GXP Center of Excellence (CoE) to ensure the sustainability of the program. The CoE, founded by industry stakeholders, already organized a series of GMP courses for pharmaceutical specialists.

Following local pharmaceutical manufacturer requests, CAPS, in collaboration with the GXP CoE, held an inaugural 5-day GMP Validation course in May 2010. Validation in the pharmaceutical industry is defined as the documented act of demonstrating that a procedure, process, and activity will consistently lead to expected results. Validation is an essential part of pharmaceutical GMP standards and an important element of Quality Assurance, as a tool for ensuring production consistency and compliance. All production steps must be



ABOVE Pharmaceutical company employees

validated and documented in order to ensure consistent, traceable, and good quality production.

The core value of the course was the practical validation exercises. The course took place at the facilities of Medical Horizon pharmaceutical company and 17 specialists attended from local pharmaceutical production companies, the Scientific Center for Drug & Medical Technology Expertise and the National Institute of Health. During the course, participants learned how to develop, in practice, a validation master plan, how to identify critical processes, make risk evaluations, and carry out all other validation aspects. Based on the feedback by participants from local companies in the training course, this will help specialists prepare their companies for GMP compliance, which in turn will expand their range of markets.

BETTER QUALITY TABLE GRAPES FOR INCREASED EXPORTS

MACEDONIA

GD Tikvesh is the leading table grape producer, marketer, and exporter in Kavadarci, a town in the Tikvesh region of Macedonia. The company recently improved its grape handling and marketing processes thanks to modernizations afforded by a USAID AgBiz Program Business Expansion Grant.

“The old inefficient and marginally effective irrigation system had to be replaced with a new one,” said Jordancho Gjorchev, sales manager for the company. “The previous system didn’t provide a sufficient supply of water, and therefore the company suffered significant yield losses. But this was only part of the problem.”

As a result of less than optimal use of protective substances, the grapes produced were of lower quality due to burned skins and the lack of proper post-harvest treatment therefore gained low market prices.

With the grant, the company upgraded their existing packing center by installing a new pre-cooling facility and a new irrigation system. After completion of the project, which ended in March 2010, the new packing center equipment allowed full humidity control, a sulfur supplying system, handling control of all processes, and a higher level of energy efficiency.



ABOVE Jordancho Gjorchev inside the new cooling facility at GD Tikvesh.

The company completely renewed and modernized the traditional packaging process and developed a packaging center that added value and made their final table grape product more attractive and marketable. The project has enabled GD Tikvesh to have high quality products and customize their product offer in terms of packaging, weight, color, taste, and sugar content, according to customers’ preferences.

“By modernization of the grape cultivating process, the company has dramatically increased quality and yields and has achieved much greater production,” said Gjorchev. “With this investment, GD Tikvesh reinforced their company identity, strengthened its position in traditional ex-Yugoslav markets and started expanding into other foreign markets.”

Since 2007 GD Tikvesh has been a regular participant in a range of AgBiz activities for capacity enhancements such as B2B meetings, trade fairs, study tours and training. The company has utilized the information and experience gained during these events and successfully utilized it to develop new and substantial export business transactions, resulting in nearly €700,000 of additional export sales, increased purchases of raw material by almost €300,000, and the creation of 86 jobs.

FOREST STEWARDSHIP COUNCIL CONFERENCE

BOSNIA & HERZEGOVINA

The Fostering Interventions for Rapid Market Advancement (FIRMA) Consortium, sponsored by USAID and the Swedish International Development and Cooperation Agency (SIDA), is a five-year project that supports three major sectors of the Bosnia and Herzegovina economy: wood processing, tourism, and light manufacturing.

The FIRMA wood processing team and the Chamber of Commerce of the Federation of Bosnia and Herzegovina jointly organized an all-day Forest Stewardship Council (FSC) Conference to address the insufficient number of certificates and overall level of certification for forests and wood processing companies. According to the FSC, being certified means “that you comply with the highest social and environmental standards on the market.”

Over 65 participants attended the conference including representatives from national, federal and cantonal level ministries; forest authorities and forest management companies; chambers of commerce; wood-processing companies; business associations; research and development institutions; international projects; and other stakeholders.

The participants confirmed that the current level of wood product exports to the EU could decline due to the lack of FSC certificates. As a result, the economic sustainability of forestry in the country is at risk. Attendees to the event developed draft action plans for the forestry and wood processing industry in order to mobilize the responsible institutions in the forestry sector to systematically address this issue. They expressed their satisfaction with the conference accomplishments and the anticipated outcome of the action plans.

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