



REGIONAL COMPETITIVENESS INITIATIVE VOL 3 ISSUE 1
HIGHLIGHTING SUCCESSES OF USAID COMPETITIVENESS PROJECTS THROUGHOUT THE E&E REGION



HYBRID CORN PROVES MULTI-SECTOR SUCCESS

GEORGIA

In Lagodekhi district Zaza Somkhishvili was one of the first farmers selected to put Pioneer seed corn to the test. On a single hectare, high-yield seed corn, introduced by USAID/GEIL (Georgia Employment and Infrastructure Initiative) and used extensively in the United States and other developed nations, produced 13 metric tons (mt) of corn silage. This is more than four times the amount Somkhishvili harvested last year. Similar increases were seen in Shida Kartli, Samegrelo, and Imereti as well. Pioneer was interested in entering new rural markets so GEIL worked with them and brokered a deal in which the company donated 55 kilograms of the Pioneer maize seeds to 10 farmers as a demonstration for this year's crop. Based on this extraordinary success, Pioneer expects neighboring farmers will purchase the seed this year.

With the excess yields from his corn, Somkhishvili also ground his fodder for cattle feed and sold it to dairy farmers in the neighboring village of Tsodniskari. Dairy farmers benefit from the use of hybrid corn because it helps address animal productivity by

improving its feed. With a growing demand for dairy products produced with raw milk, animal productivity was an important step in increasing competitiveness.

In order to fully take advantage of the improvements hybrid corn can offer, GEIL worked with farmers in three regions of Georgia to improve the yields and quality of the corn used for feed. Additionally GEIL is working with local manufacturers to increase the demand and reintroduce affordable choppers previously used to grind the feed. With post harvest now complete, Georgian farmers have seen the results in improved yields, which have led to increased amounts of a more highly nutritious supply of livestock silage in the country.

The early successes experienced on the demonstration plots, which were achieved even through the tough times of war and adverse weather conditions across the country, have effectively demonstrated the advantages of growing hybrid varieties of seed corn. The sales for feed from the hybrid corn have exceeded \$220,000.

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THE ECONOMIC GROWTH OFFICE OF USAID'S EUROPE AND EURASIA BUREAU ANNOUNCES THE 4TH COMPETITIVENESS CONFERENCE

COMPETITIVENESS IN THE NEXT DECADE

Kiev, Ukraine: June 16 – 18, 2009

AGENDA, SPEAKERS, AND REGISTRATION DETAILS TO FOLLOW

PRINCIPAL THEMES AND PRESENTATIONS

- Using the Global Competitiveness Index to Develop and Monitor Economic Policy
- The Global Financial Crisis and its Effect on Foreign Direct Investment
- Workforce Competitiveness: Linking Economic Growth, Education, and Social Transition
- A Focus on Sectors: Information Technology, Authentic Tourism, Agribusiness, and Financial Sector

SUSTAINING DESIGN



Sitting Green contest logo

USAID, BELGRADE DESIGN WEEK LAUNCH FURNITURE COMPETITION

SERBIA

The 2009 Belgrade Design Week, in partnership with USAID, will feature for the first time a furniture design competition: Sitting Green. Using sustainable materials, competitors will create wooden home seating designs that can be produced in Serbia and exported to European markets. The entries will be judged by Tony Chambers, Editor-in-Chief of Wallpaper, an internationally recognized interior design magazine, among other design experts.

Winners will get the opportunity to work with a pre-screened Serbian furniture company to produce up to \$5,000 worth of industrially produced prototypes and will receive complimentary tickets to the Design Week's conference events.

Judging criteria are the effective use of sustainable materials, the innovativeness of the design, and the commercial viability of the design. The competition will bridge the gap between furniture design, production, and sales; promote new production; link Serbian designers to the international market; and promote Serbia as a source of innovative furniture design. It is also oriented toward environmental issues; designs must meet European environmental standards and must utilize eco-friendly materials in the design and manufacturing process in order to be eligible. Sustainable furniture is increasingly in demand by

environmentally conscious buyers due to its positive social, environmental, and economic impact.

"Serbia has strong capabilities in design and education and there is a bright future for Serbia's furniture industry," said Michael Harvey, USAID Mission director. "In the past year, USAID helped the University of Belgrade Forestry Faculty students present their work during the Milan Design Week. We should be proud of these students, as they were invited to participate in Milan because their innovative designs beat out those submitted by students at hundreds of other universities worldwide."



The press conference announcing the Belgrade Design Week 2009 and Sitting Green competition.

Participation in Sitting Green is open to design professionals, students, and design enthusiasts who currently reside in Serbia. The winners will be announced during the opening ceremony of the Design Week, which will transform Belgrade into a

platform for the exchange of leading trends in creative industries, from May 25–31, 2009. In 2008 the Belgrade Design Week was recognized as one of the five most important design events in Europe by the renowned London Design Week.

USAID will retain some working prototypes from each winning design and will utilize these prototypes and price breakdowns to promote the export of these designs to international clients. Promotion of the winning designs will continue online throughout the remainder of the year.

FRESH IDEAS

AGRIBUSINESS DEVELOPMENT PROJECT HELPS MOLDOVAN APPLE EXPORTERS IMPLEMENT INNOVATIVE TECHNOLOGY THAT INCREASES PRODUCT QUALITY AND SHELF LIFE

MOLDOVA

Since 2004, the Agribusiness Development Project (ADP) has been assisting Moldovan companies in developing high-value agriculture that boosts their exports. This work includes providing support for planting high-yielding intensive and super intensive orchards and introducing new and upgraded cold storage facilities. Proper post-harvest handling is essential for maintaining quality and increasing shelf life needed to compete effectively in EU markets, as well as in the emerging CIS supermarket trade.

As part of its efforts to improve post-harvest practices in Moldova, ADP is promoting a technology called SmartFresh, used frequently in the United States, which enables apple exporters to achieve better fruit firmness and longer shelf life. Because prices peak in the late winter and early spring, use of SmartFresh technology can significantly increase the competitiveness of local exporters as it preserves the “orchard fresh” quality of the fruit for six months or more after it is put into cold storage.

SmartFresh is a patented technology that slows down the normal apple-ripening process when used in conjunction with modern cold storages. It is in common use in America and in EU countries but requires approval by government authorities for commercial use. To address this issue, ADP assisted Moldovan government researchers in the



Moldovan government researchers test apples.

fall of 2007 to set up formal research trials using apples provided by several leading apple producers.

The results of the trials confirmed that the new technology increased the quality and shelf life of stored apples and met all environmental and food safety standards. As a result of the ADP-supported research, the Moldova government approved SmartFresh technology for commercial use in the spring of 2008. Three members of the Moldova Fruit Association (that was organized in 2006 also with ADP support) are now using the technology in their cold storages and other exporters intend to start using it next season.

The introduction by Moldovan growers to modern technology promoting improved quality recently caught the eye of a major EU supermarket chain that is now expanding into the high-end Moscow supermarket trade. It approached the Moldova Fruit Association and is now in the process of negotiating a potentially long-term contract to buy high-quality SmartFresh apples from Moldova.

“By implementing this new technology we can be competitive on the high-quality segment of apples on export markets all year round.”

IGOR TCACI,
AGROPOMFRUCT LTD
DIRECTOR



GRANT BRINGS PRODUCER TO FOREFRONT OF MARKET

The new centrifuge line installed at Lars' facility.

MACEDONIA

Sushara Lars, founded in 1985, innovated a process for dehydrated vegetables involving custom-designed drying facilities, after it was privatized in 2000. Lars produces high-quality dried food ingredients such as cabbage, leek, green beans, pepper, broccoli, spinach, and cauliflower.

Individual farmers provide quality raw materials to Lars. Through contract farming agreements, the company provides seeds and fertilizer to its producers, which assures sustainable production and continuity of product quality. Lars supplies several Macedonian food companies with dehydrated products, but the majority of its production is exported to both regional and EU markets such as Holland, Germany, Italy, Croatia, Serbia and Montenegro, and Greece.

As one of the key players in the Macedonian vegetable processing industry, Lars is making a significant contribution, enhancing the competitiveness of the processed vegetables value chain. USAID's AgBiz Program recognized Lars as a good potential customer, and on July 3, 2008 awarded Lars with

\$20,000 to implement the "Improve and Increase the Productivity and Capacity of Vegetables Drying" project. The total value of the project is approximately \$200,000.

Less than six months after the grant agreement signing ceremony, the project had helped Lars upgrade its position as the leading Macedonian producer, marketer, and supplier of dehydrated products. AgBiz helped Lars secure additional equipment including a centrifuge for preparing vegetables for drying. The centrifuge increased productivity by 25 percent, reduced production costs by 20 percent, assured environmentally friendly production and thus enabled the company to export more dehydrated products. This enabled them to buy up to 16 tons per day of raw materials grown by local producers, as compared to 12 tons before the AgBiz-supported project. In 2009 Lars will increase its exports by nearly 20 percent to regional and international markets.

"After many contacts with people and companies in Europe, and various market research studies, we concluded that Macedonia has excellent potential to export dehydrated vegetables and fruits."

DARKO NASKOV, OWNER OF SUSHARA LARS

COMPETITIVENESS PROJECT HELPS ATTRACT EQUITY INVESTMENT

MACEDONIA

In cooperation with Budapest-based Euro-Phoenix Financial Advisors, the USAID Competitiveness Project held the second seminar on attracting foreign capital and investment to Macedonia on December 5, 2008. At this seminar Macedonian companies consulted with a number of private equity investors and business advisors on how to make their companies as attractive as possible to strategic partners.

"The global economy is increasingly competitive and Macedonia needs to attract foreign investors and capital in order to stimulate Macedonian

companies' growth and ability to perform in the global market place," said Michael Fritz, USAID Mission director, at the opening of the seminar. "Access to capital is the key. Through this seminar USAID is raising Macedonian companies' awareness of financing strategies and helping them attract new investment and increase their competitiveness."

Pending successful completion of negotiations and company valuation, more than \$15 million of new capital will be invested in these companies over a four- to five-year period. More information can be found at USAID Macedonia Competitiveness Project: www.mcp.org.mk.

UPCOMING EVENTS

2nd Regional Tourism Round Table in Tirana, Albania February 16
Regional Workforce Development Workshop in Skopje, Macedonia
March 12-13
RCI Annual Conference in Kiev, Ukraine June 16-18
Regional Caucasus Workshop location TBD
5th Regional Agribusiness Round Table location TBD

LINKS

REGIONAL USAID MISSION WEB SITES

Albania: albania.usaid.gov
Armenia: armenia.usaid.gov
Azerbaijan: azerbaijan.usaid.gov
BiH: www.usaid.ba
Georgia: georgia.usaid.gov
Kosovo: www.usaid.gov/missions/kosovo
Macedonia: macedonia.usaid.gov
Moldova: moldova.usaid.gov
Serbia and Montenegro: serbia-montenegro.usaid.gov
Ukraine: ukraine.usaid.gov

OTHER USEFUL LINKS

BGI: www.businessgrowthinitiative.org
BiH Tourism: www.bhtourism.ba/eng
CAPS – Competitive Armenia Private Sector: www.caps.am
EDEM: albania.usaid.gov
Georgian Business Training Center (GBTC): www.gbtc.ge
Macedonia Agribusiness Activity (AgBiz): macedonia.usaid.gov
The DOT-COM Alliance: www.dot-com-alliance.org
Macedonian Business Environment Activity: www.bea.org.mk
Center for Economic Analyses: www.cea.org.mk
USAID Serbia Competitiveness Project: www.compete.rs
Standing Conference of Towns and Municipalities: www.skgo.org
Western Balkans: www.western-balkans.info
Varazdin Microsoft Information Center: www.microsoft.com/croatia/msptc/en
European Software Institute Center Sofia: www.esicenter.bg/en
Center for Entrepreneurship and Executive Development Network: www.ceed-global.org
Albania National Tourism Agency: www.albaniantourism.com
Exploring Macedonia: www.exploringmacedonia.com
Montenegro Adventures: www.montenegro-adventures.com
National Tourism Organization of Serbia: www.serbia.travel