

EUROPE & EURASIA BUREAU'S REGIONAL COMPETITIVENESS INITIATIVE (RCI)

In Southeast Europe and Former Soviet Union

RCI at a glance...

- Assist USAID Missions with:
 - Economic Growth
 - Job creation through competitiveness
 - SME development
- Centrally-funded and managed
- Implemented by SEGURA IP3 Partners LLC

Regional competitiveness activities complement and bolster the efforts of bilateral missions by solving problems that are beyond the scope of individual countries.

Despite recent economic growth across the region, incomes in many of the E&E countries still remain below pre-transition (1989) levels. Growth has been uneven, often propelled by commodity trade, and is inadequate to create sufficient and rewarding jobs. Poverty in the region has increased since 1989, and the region's per capita income reaches only one-fourth of the average of advanced economies. To address these issues, RCI encourages regional cooperation among USAID missions and projects throughout the E&E region.

Characteristics of RCI

The Soviet economic model that dominated almost all of the countries within E&E generated a great deal of trade and economic activity within the region. However, the collapse of the Soviet system disrupted many of these economic relationships. RCI's mission is to encourage more regional trade between these countries.

While RCI cannot directly affect the political relationships between countries, much can be done to improve economic relationships.

Establishing multi-country networks of firms and industries improves their overall competitive position vis-à-vis firms and markets in Europe and the world. RCI attempts to solve this problem through regional conferences that bring together businesses, NGOs and governments to remove obstacles to growth, improve workforce productivity, and facilitate trade within the region.

Program Targets: Information & Communications Technology, Trade, Agriculture, and Regional Business Environment

Information and Communications Technology Activities

- Support training for local software companies toward the Capability Maturity Model Integration (CMMI) certification, which can increase the ability of companies to win subcontracts with large multinationals such as Microsoft, Siemens and Bosch.
 - CMMI trainings and assessments have already taken place in: Bulgaria, Macedonia, Romania, Armenia and Moldova.
 - In 2007-2008, RCI will expand these programs to Albania, Bosnia & Herzegovina, Georgia, Kazakhstan, Kosovo, Montenegro, Serbia and Ukraine.



- Through trainings and workshops, the “Virtual Market Opener” will expand awareness in Southeast Europe about online market opportunities for students, entrepreneurs and micro-enterprises.
- Microsoft Technology Centers have been opened in Bulgaria, Croatia, Romania and Slovenia. RCI is conducting a feasibility study for development of a Technology Center in Macedonia.
- RCI is supporting the SEE e-Governance Center which opens in 2007. It will train and advise local governments to minimize the digital divide between SEE and older EU members, increase transparency, and improve government processes.

Regional Economic Integration Activities

- Regional conference bringing together USAID mission directors and their principal economic growth projects on how they might combine their efforts for common benefit.
- Facilitate cross-border trade in the Central Asian Republics and Afghanistan including a regional trade meeting in the fall of 2006.
- Hosted a conference in Southeast Europe linking supermarket chain buyers and food producers resulting in more than \$1 million in transactions.
- Commissioned a general assessment of the bulk commodity costs, production and trade, freight, and competitive advantages of specific countries. Identified steps to create a system capable of supporting demand-driven production, distribution efficiency, and a year-round supply solution.
- Organized two regional wine tours that brought Western journalists to Southeast Europe. The journalists then published articles about their trips in American and European magazines, which highlighted the strength of the wine industry and beauty of the region.

Cross Border Trade Activities

- Collaborate with the “Stability Pact for South Eastern Europe” on the elimination of non-tariff barriers (NTBs).
- Support the harmonization of data requirements and the alignment with international standards of customs regulations in Southeast Europe.
- Assess specific Southeast Europe border crossings to identify non-tariff barriers and then work with local customs officials to ease the cross border transportation of goods.
- Facilitate the streamlining of customs procedures in Central Asia.

Agricultural Sector Activities

- RCI is creating a regional database of local producers, which will then be used to bring together similar producers from across the region and match them with potential buyers.

Regional Business Environment

- Sponsored events in Kazakhstan in 2007 to bring organizations and SMEs together. The participants learned about international best practices and expand the number of SME business service providers in order to improve competitiveness and economic growth.
- A “Bosnia and Herzegovina Advisory Group” was established to focus on global tourism and coordinate budgetary support for tourism infrastructure development and manage cultural sites.

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