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# REGIONAL ACTIVITY ECONOMIC DEVELOPMENT, GOVERNANCE AND ENTERPRISE GROWTH ACTIVITY



## Goals

Create inclusive, sustainable economic growth

Bolster intra-regional and Euro-Atlantic integration

## Duration

Aug 2019 – July 2023

## USAID Funding

Up to \$21 million for activities in Albania, Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Kosovo, Serbia, and Ukraine

## Implementing Partner

International Development Group, LLC

### in collaboration with

- Chemonics International
- Economic Integration

## Key National Partners

- Customs Administration
- Agency for Promotion and Support of Tourism

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## BACKGROUND

Despite the progress achieved over the years, North Macedonia's economy still needs to improve its competitiveness and enhance cross-border trade. Most small and medium-sized enterprises (SMEs) still use outdated technology, lack management, marketing, and digital skills, and are not well integrated in regional and global supply chains. USAID contributes to North Macedonia's efforts to improve economic security and growth.

## PROGRAM DESCRIPTION

The Economic Development, Governance and Enterprise Growth Activity (EDGE) works to enhance the business enabling environment and reduce barriers to cross-border trade and investment by helping countries to harmonize and converge with the European Union Acquis and the World Trade Organization Trade Facilitation Agreement. EDGE supports implementation of trade integration in Central European Free Trade Agreement countries in line with the Common Regional Market Action Plan 2021–2024.

The program supports the growth of SMEs in three key value chains: 1) fruits and vegetables; 2) incoming eco/agro/cultural tourism; and 3) textiles and wood processing/furniture production. It helps them improve their business sophistication and enhance their marketing, competitiveness, workforce skills, and compliance with international standards by promoting increased use of local business service organizations as well as digital transformation.

EDGE improves market integration and expands market linkages by building the capacity of processors, traders, and exporters to ensure quality and access to export markets.

Through this activity, USAID provides grants to build the capacity and sustainability of local organizations, government entities, and the private sector. EDGE brings together stakeholders across countries to work on mutual problems and achieve economic growth.

## ACHIEVEMENTS AND IMPACT

- To reduce delays of products crossing borders, North Macedonia and Albania signed a bilateral framework agreement to establish a Joint Border Crossing Point at Kjafasan-Qafe Thane, the largest border crossing on Pan-European Transport Corridor VIII. Customs employees from both countries visited Croatia where they gained practical knowledge from customs officers about their experiences with joint border crossing points between Croatia and Bosnia and Herzegovina. Customs officials also gained skills in Post Clearance Control System-based Audit and Risk Management.

- The GrowBiz training and coaching project began in 2020, in partnership with the non-governmental organization (NGO) LinkAcross, to help tourism, agriculture, or light manufacturing businesses grow and increase sales. With GrowBiz support:

- More than 70 businesses expanded their abilities in areas such as strategic

management, digital marketing, and export strategy

- Nineteen businesses have new production skills for creating promotional videos
- Nine SMEs began implementing business growth strategies developed during ten months of personalized business coaching from experienced U.S. business coaches
- An in-depth Workforce Assessment was conducted on the three key value chains—as well as the ICT value chain—in the Western Balkans.
- Ten business service organizations now provide value-added services in the key value chains, and more than 475 representatives of 212 SMEs in those chains gained skills to enhance their competitiveness, increase their sales and marketing skills, and improve their digitalization.
- SME representatives gained new skills and engaged in business-to-business meetings through participation in the following regional events:
  - Fifth Macedonian Travel Marketplace (in partnership with the National Association for Incoming Tourism of Macedonia)
  - New Deal Europe Marketplace and Forum 2021 and 2022
  - Improving the Competitiveness of the Textile and Apparel Industry through Digitalization workshop – (in partnership with the Macedonian Textile Trade Association)
  - Study visit to Croatia on the green economy and agriculture (in partnership with the Rural Development Network)
  - Belgrade Food Show and AgroBelgrade 2022 Fair
- Nineteen companies created digital transformation strategies, and through co-financing, eight developed websites and e-commerce solutions to enhance their digital transformation, increase sales, and improve overall business sophistication [in partnership with the Macedonian Association of Information Technology (MASIT)]
- Nine fruit and vegetable SMEs obtained international food certifications (HACCP, ISO 9001:2015, ISO 22000:2018 and IFS) (in partnership with Integrated Quality Systems), for which they invested over \$750,000.
- Rural, eco, and adventure tourism stakeholders from the Western Balkans jointly developed eight attractive cross-border and value-added tours, and launched the Explore Balkans tourism web portal (in partnership with the Regional Rural Development Standing Working Group in Southeast Europe)
- Local NGOs, SMEs and government institutions contributed \$1.45 million as their cost-share in EDGE grant activities.

