

Data Sheet

USAID Mission:	Kosovo
Program Title:	Private Sector Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	167-0130
Status:	Continuing
Planned FY 2006 Obligation:	\$6,289,000 AEEB
Prior Year Unobligated:	\$1,928,000 AEEB
Proposed FY 2007 Obligation:	\$6,691,000 AEEB
Year of Initial Obligation:	1999
Estimated Year of Final Obligation:	2008

Summary: USAID's private sector growth program aims to increase incomes and create employment by strengthening the competitiveness of key Kosovo industries. Technical assistance, training, and financial support to the livestock, construction materials, and fruits and vegetables sector are opening new production and trade opportunities for Kosovo's nascent small and medium enterprise sector. Additional work in strengthening business associations, introducing new credit products, and facilitating private-public dialogue will help ameliorate economy-wide constraints to business growth and profitability.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Private Sector Competitiveness (\$6,289,000 AEEB, \$1,927,827 AEEB carryover). The USAID program will continue to increase the capacity of local enterprises to produce and manufacture products that can command a better price in domestic and global markets. This will be accomplished through improved adoption and enforcement of quality standards, strengthening marketing and management capacities, improving production and processing efficiencies, and creating market linkages. USAID advisors work to improve communication and streamline practices throughout the value chain to ensure that the benefits of higher-quality production are shared through the entire sector. In FY 2006, emphasis will be placed on key products which have shown the greatest potential to improve livelihoods. These include berry processing, wood flooring, and dairy products. USAID will focus on strengthening business support organizations through technical assistance and training to business and industry associations, as well as accounting and management training providers. More effective public-private dialogue will help align government policies, public initiatives, and private-sector investment behind a common set of goals. USAID anticipates transferring \$1.6 million to DCA (from FY 2005 carryover funds) to support provision of loans to agribusiness enterprises and increase availability of long-term loans to small and medium enterprises (SMEs) through a local bank. Such credit products will enable growing small and medium enterprises to access new equipment and technology needed to upgrade production. USAID expects its private sector growth efforts will create more than 600 new jobs in key sectors, increase exports to over 8% of imports, and continue to encourage businesses to enter the formal economy. Principal contractors: Chemonics (prime), Crimson Capital (sub), International Fertilizer Development Center (sub), The Services Group (sub).

FY 2007 Program:

Improve Private Sector Competitiveness (\$6,691,000 AEEB). USAID's program will intensify activities within the livestock, construction materials, and fruits and vegetables sectors. As key opportunities for export continue to emerge, USAID will place greater emphasis on improving the capacity of supporting institutions, such as relevant vocational training institutes, standards implementation agencies, and business service providers. Targeted technical assistance to relevant Kosovo Provisional Institutions of Self-Government (PISG) will ensure that appropriate regulations and procedures are in place to support key export opportunities. USAID will also seek to establish public/private partnerships to encourage greater adoption and extension of improved technology and practices in the agricultural sector. Through continued coordination with other donors and the PISG, USAID may launch support for an additional sector, such as information technology or mining. Principal contractors: Chemonics (prime), Crimson Capital (sub), International Fertilizer Development Center (sub), The Services Group (sub).

Performance and Results: USAID's enterprise development work is focused on economic sectors with the greatest opportunity to enhance Kosovo's participation in regional markets, create full-time jobs, and stimulate investment. It is envisioned that by the end of 2008, USAID-supported firms will attract more than \$20 million in new investment and create more than 1,700 new jobs. More importantly, these key economic sectors will have the requisite skills and institutions to continue generating viable trade opportunities beyond USAID assistance.

The USAID program has made considerable progress towards these goals. During the reporting period, which was the first full year of program implementation, more than 295 full time jobs were created and \$2.3 million of new investment made as a result of USAID assistance. Dairy farmers were able to introduce new products and initiate regional exports, resulting in increased economic activity throughout the value chain. Among milk producers working with USAID, monthly yields have increased by 66% over the past year.

In order to ensure the sustainability of enterprise development initiatives, USAID has devoted considerable effort to creating institutions capable of replicating successes in promoting trade and competitiveness. This year, USAID formed three industry associations which are already mentoring small businesses. USAID also helped the Ministry of Agriculture, Forestry, and Rural Development and the Ministry of Trade and Industry draft and adopt international product standards. Improvements in product quality and greater market access helped USAID client companies to increase sales of by 19% during the past year.

Additionally, substantial progress was made in developing trade relationships with neighboring countries, especially in the dairy, meat, precious stone, and wood flooring sectors. Executing these trade opportunities will greatly accelerate investment and job creation.

US Financing in Thousands of Dollars

Kosovo

167-0130 Private Sector Growth	AEEB
Through September 30, 2004	
Obligations	92,353
Expenditures	87,907
Unliquidated	4,446
Fiscal Year 2005	
Obligations	5,296
Expenditures	5,166
Through September 30, 2005	
Obligations	97,649
Expenditures	93,073
Unliquidated	4,576
Prior Year Unobligated Funds	
Obligations	1,928
Planned Fiscal Year 2006 NOA	
Obligations	6,289
Total Planned Fiscal Year 2006	
Obligations	8,217
Proposed Fiscal Year 2007 NOA	
Obligations	6,691
Future Obligations	0
Est. Total Cost	112,557