

Data Sheet

USAID Mission:	Europe Regional
Program Title:	Private Enterprise Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	180-0130
Status:	Program Support Objective
Planned FY 2006 Obligation:	\$500,000 AEEB
Prior Year Unobligated:	\$1,389,000 AEEB
Proposed FY 2007 Obligation:	\$227,000 AEEB
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2008

Summary: Building on existing bilateral competitiveness and microenterprise activities, assistance under this program promotes the competitiveness of small- and medium-sized enterprises and microenterprise development in the region.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Private Sector Competitiveness (\$500,000 AEEB, \$198,000 AEEB carryover, \$1,190,900 AEEB prior year recoveries). The Regional competitiveness Initiative (RCI) aims to increase the competitiveness of small- and medium-sized enterprises (SMEs) in the region. It builds on, complements, and adds a regional dimension to existing bilateral programs.

Working in collaboration with more than ten mission-funded competitiveness projects in seven countries in Southeast Europe, RCI has identified three major sectors with multi-country interest: agriculture, information technology, and rural tourism. In the agricultural sector, RCI has identified seven regional supermarket chains that are interested in buying fresh products from local producers, and is helping build a modern supply chain to link supermarkets with producers. In the information technology sector, RCI is working with the Bulgarian Software Institute to upgrade the quality standards and production efficiencies of software companies in Bulgaria, Macedonia, Serbia, Romania, and Albania. In the rural tourism sector, RCI is helping to link individual country websites to create multi-country specialized travel routes promoting themes as culture, art, food and wine, and recreation. Contractor: Segura/IP3 (prime).

To effectively address the significant "knowledge gaps" in the area of business skills among SME entrepreneurs and their executive and department managers in the Southeast and Central European region, USAID will provide support for the Centers for Entrepreneur and Executive Development (CEED). The Bulgaria pilot site was launched in 2005, and is now functioning at full capacity. A second location is planned for opening in Romania in 2006, and discussions are underway for a site in Croatia as well. This activity is implemented by the Small Enterprise Assistance Fund (SEAF).

Additionally, the program will provide support to the region for microenterprise development through a direct grant to the Microenterprise Center to provide technical assistance throughout the Southeast European region and a grants program to implementers using innovative approaches for microenterprise development. The program supports the testing of "poverty tools" relevant to the region intended to better measure the poverty of microenterprise clients in the region. Contractor/grantees: Microenterprise Center for Central and Eastern Europe (prime).

FY 2007 Program:

Improve Private Sector Competitiveness (\$227,000 AEEB). The assistance to selected industry clusters in Southeast Europe will continue. RCI will work with groupings of businesses to better understand the demands of the markets, to improve the business environment directly impacting the cluster, to improve the productivity and value up and down the supply chain, and to participate actively in cross border trade. Efforts to link business, government, and civil society leaders will be continued as well as support for the CEED.

Performance and Results: Although RCI has been in operation less than a year, significant results are already being realized. It is noteworthy that so many different countries and projects are working together collaboratively toward common goals. For example, in agriculture, at the end of a two-day meeting in Belgrade in October 2005, more than \$1 million in purchase agreements had been negotiated between agricultural producers and regional supermarket chains. A major U.S. investor is currently examining the feasibility of undertaking the bulk purchase and resale of feed grains throughout the region that could result in lower prices for farmers and an investment of up to \$20 million in foreign direct investment.

US Financing in Thousands of Dollars

Europe Regional

180-0130 Private Enterprise Development	AEEB	DA	FSA
Through September 30, 2004			
Obligations	69,906	1,506	300
Expenditures	68,980	1,506	0
Unliquidated	926	0	300
Fiscal Year 2005			
Obligations	1,017	0	0
Expenditures	130	0	300
Through September 30, 2005			
Obligations	70,923	1,506	300
Expenditures	69,110	1,506	300
Unliquidated	1,813	0	0
Prior Year Unobligated Funds			
Obligations	1,389	0	0
Planned Fiscal Year 2006 NOA			
Obligations	500	0	0
Total Planned Fiscal Year 2006			
Obligations	1,889	0	0
Proposed Fiscal Year 2007 NOA			
Obligations	227	0	0
Future Obligations	0	0	0
Est. Total Cost	73,039	1,506	300