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COMPETITIVE ECONOMY PROJECT

The USAID Competitive Economy Project (Project) is a six-year, \$15 million activity to strengthen the competitiveness of the Serbian food processing industry, particularly the fruit and vegetable (F&V) value chains to increase sales and exports of Serbian food products.

ACTIVITIES IN SERBIA

The Project stimulates system-wide support and investments in the food processing industry to increase sales and exports, creating a model that can be replicated in other sectors. The Project partners with business associations, leading industry firms, financial institutions, academia, and other stakeholders to create a sustainable support system for SMEs.

RESULTS TO DATE

- USAID, in partnership with the Serbian Chamber of Commerce, the Development Agency of Serbia the Ministry of Agriculture and industry associations, supported the participation of 93 companies in international trade fairs in Europe, the U.S. and the Middle East. An additional 162 companies exhibited at trade shows in Serbia, including the Belgrade Food Show for premium food organized by USAID in 2018 and 2019. USAID-supported companies signed 309 contracts with a total value of \$12 million.
- The Project in partnership with Industry Leading Companies (ILCs) and Industry/Trade Associations, helped 164 small and medium-size enterprises and 3,231 fruit and vegetable growers enter new, high-value, export supply chains. In 2020, five ILCs generated \$6.9 million in additional sales, negotiated 50 new contracts, providing market access for over 420 small farms, primarily from underdeveloped parts of the country.
- The Project designed a business support model hub to help premium food producers enter new markets. More than 37 SMEs received support to upgrade their products and place 90 new premium products on the shelves of major domestic retail chains.

- USAID worked with business support initiatives, including the Oblačinska Cherry Development Center and the Serbian Food Technology Council to help companies and cooperatives develop and place 182 innovative, shelf-ready fruit and vegetable products on domestic and international markets. German retailer *dm-drogerie markt* replicated USAID's hub concept and partnered with USAID to help 19 local SMEs develop 79 new products for sale in dm shops Serbia-wide.
- The Project is helping to establish Serbia as a premium European wine destination, focusing on autochthonous grapes varieties' producers, such as Prokupac. USAID trained 32 wine producers in e-commerce, new technologies and marketing to increase competitiveness.
- In cooperation with UC Davis, USAID helped the Faculty of Agriculture introduce specialized food industry certification courses to improve workforce skills and increase the competitiveness. Participants from 83 local companies completed the course.
- To support alternative financing options for micro agribusiness producers, USAID joined Čajetina municipality and the Divac Foundation to establish a revolving fund through which 19 local farmers received interest-free financing of 2,000 USD each, to invest in things like small machinery and hail protection systems.
- The project provided technical support to SME-s and increased access to financing through a \$90 million joint loan portfolio guarantee set up with the Ministry of Agriculture, the Development Finance Corporation, Serbia's Development Fund and commercial banks. More than 100 agribusinesses applied for \$27.2 million in financing.

ADDITIONAL INFORMATION

PROJECT FUNDING

U.S. Agency for International Development (USAID/Serbia)

PROJECT IMPLEMENTATION

Cardno Emerging Markets USA, Ltd.

KEY COUNTERPARTS

Ministry of Agriculture, Forestry and Water Management; Chamber of Commerce and Industry of Serbia; Serbian Development Agency.

PROJECT DURATION

April 2017 – September 2022

TOTAL FUNDING

\$15.1 million

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