



USAID
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COMPETITIVE ECONOMY PROJECT

The USAID Competitive Economy Project is a five and half year, \$15 million activity to strengthen the competitiveness of the Serbian food processing industry, particularly fruit and vegetable value chains to increase sales and exports of Serbian food products.

ACTIVITIES

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. It partners with business associations, leading industry firms, financial institutions, academia, and other stakeholders to create a sustainable support system for small- and medium-size enterprises (SMEs).

RESULTS

- 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 United States, and the Middle East. An additional 162 companies exhibited at trade shows in Serbia, including the Belgrade Food Shows for premium food in 2018 and 2019. The international fruit, vegetable, and wine fair and conference, Agro Belgrade, gathered 500 domestic and regional exhibitors in 2020, 2021 and 2022. As a result of these events, USAID-supported companies signed 540 contracts with a total value of \$40 million.
- The project, in partnership with industry leading companies (ILCs) and industry/trade associations, helped 164 SMEs 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 and 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. German retailer dm-drogerie markt replicated USAID's hub concept and partnered with USAID, helping 19 local SMEs develop 79 new products for sale in dm shops Serbia-wide. The Development Agency of Serbia is now looking for opportunities to sustain and replicate these business models.

- USAID developed business support initiatives with the Oblačinska Cherry Development Center and the Serbian Food Technology Council, helping companies and cooperatives develop 182 innovative, shelf-ready fruit and vegetable products made of the Serbian Oblačinska cherry.
- The project is helping to establish Serbia as a premium European wine destination, focusing on indigenous grape varieties' producers, such as Prokupac. USAID trained 65 wine producers in e-commerce, new technologies, and marketing to increase their competitiveness. USAID also supported the Prokupac days events, during which wineries recorded an increase in Prokupac sales by 30% to 60%, while Hotel/Restaurant/Cafe (HoReCa) sales increased from 15% to 50%.
- In cooperation with UC Davis, USAID helped the Belgrade Faculty of Agriculture introduce specialized food industry certification courses to improve workforce skills and increase competitiveness. Participants from 95 local companies completed the course.
- To support financing for micro agribusiness producers, USAID partnered with the Divac Foundation and the municipalities of Čajetina, Prijepolje, Ražanj, Svrlijig and Vranje to establish a revolving fund through which 61 local farmers received interest-free financing of approximately \$2,000 each, to invest in their growth and buy small machinery, hail protection systems, and seeds. New revolving funds have also been launched in Užice, Brus, Dimitrovgrad and Veliko Gradište in early 2022. The total value of all established funds is more than \$330,000.
- The project provided technical support to more than 70 SMEs applying for \$29 million in financing from various sources, including loans from commercial banks backed by a \$91 million Development Finance Corporation guarantee, supported by the Ministry of Agriculture and USAID. On top of external sources, SMEs also invested \$9 million of their own funds to drive developments in their own companies.

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

WHERE WE WORK

Nationwide

TOTAL FUNDING

\$15.1 million

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