



USAID EDGE Project: A Case Study of Locally-Led Development

The USAID Economic Development, Governance, and Enterprise Growth (EDGE) Project works in all twelve Europe and Eurasia (E&E) countries supporting inclusive, resilient, and sustainable economic growth. The EDGE Project is a model of locally-led development and of utilization of local personnel and local organizations.

Overview

The EDGE project has three intermediate results to advance sustainable economic development. The first intermediate result (IR 1) of the EDGE project is to improve the business environment and reduce barriers to trade. The second intermediate result (IR 2) promotes financial sector stability and increased access to finance. EDGE's third intermediate result (IR 3) aims to improve competitiveness through value chains and trade

promotion. In addition, a cross-cutting intermediate results is to counter malign influences, corruption, and violent extremism. Economic development activities that have participation in at least two countries are implemented through EDGE's "Core Component." A flexible "Buy-In Component" is utilized by Individual Missions, other USAID Operating Units, and other donors. In the past year, EDGE has supported six buy-in projects that support local initiatives that advance EDGE goals.

Locally-Led Development

USAID Missions and EDGE Project staff work to ensure that all Project activities reflect the principles of locally-led development. The team engages with local counterparts to co-design activities to ensure local buy-in for activities and

to make sure that activities are addressing assistance needs identified by local counterparts. The team also implements all activities in close coordination and collaboration with local counterparts. See sidebar for an illustration.

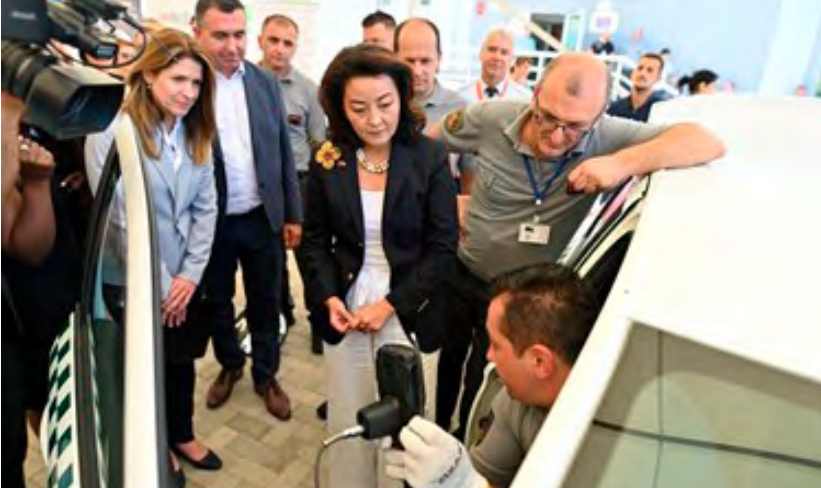
An Illustration of Locally-Led Development

EDGE activities to rebuild tourism in the EDGE countries involved local leadership to improve business practices, understand global trends in tourism, and establish connections with Western European and regional buyers. EDGE partnered with the Association of Hospitality Industry of Ukraine, National Association for In-Country Tourism in Moldova, and the Association of Tourism Organizations “Partnership,” the Global Healthcare Travel Council, and the USAID Moldova Competitive Project to organize an online forum to encourage coordination and best practices in the tourism industry. There was a total of 5,000 participants in the forum, and the leadership of the associations agreed to sign a Memorandum of Understanding for conducting projects and forums going forward.

Local Capacity Building

All EDGE activities aim to build capacity of local organizations and local systems so that they can support growth, create jobs through productive enterprise, and improve governance in the region. 5,406 beneficiaries participated in EDGE activities over the last year. The following list gives examples of capacity built through EDGE activities:

- EDGE supported compliance of EDGE countries with WTO TFA by conducting an assessment report reviewing the 12 countries’ implementation rate of WTO TFA provisions. The report was then distributed to government institutions, private sector associations, donors, and international and regional organizations. The needs identified by the assessment report were used to design two sets of trainings to increase the capacity of customs administrations in EDGE countries to utilize Post- Clearance System Based Audits (PCA SBA). A total of 86 post-clearance department managers and auditors from beneficiary countries attended, and many took steps to implement



recommendations

EDGE supported the establishment of a Joint Border Crossing Point between North Macedonia and Albania and provided a grant to the Customs Administration of North Macedonia to purchase equipment and tools for increasing the efficiency of border controls. This is one achievement in its support for implementation of trade integration and facilitation activities in the Central European Free Trade Agreement (CEFTA). EDGE organized a meeting with 70 representatives of local economic institutions to discuss an agenda to facilitate and grow trade.

EDGE partnered with local associations to address needs identified in the analysis of the Wood/ Furniture Value Chain. This included a series of webinars on digitization and ERP (Enterprise Resource Planning) software systems to improve efficiency and competitiveness. The webinars were held in cooperation with the International Forestry and Wood Association Bosnia and Herzegovina (INTERFOB) and the Institution for Professional Education of Adults-WMTA, both from Banja Luka. There were 73 attendees and several regional businesses represented at the events.

EDGE collaborated with the USAID Competitive Economy project to support fruit and vegetables processors from WB6 countries to participate in the Belgrade Food Show Fair of 2020. This activity helped strengthen networking, understanding of

new trends, and back to business after COVID-19, with the aim to increase sales and profit for local producers.

EDGE's grants under contract mechanism also provides local opportunities to advance EDGE'S objectives, such as the project "Increasing Competitiveness through Strengthening Fruit and Vegetable Value Chains" in Macedonia and Kosovo. A grant was awarded to Integrated Quality Systems (IQS), which partnered with the Association of Fruits and Vegetable Processors of Kosovo to survey opportunities for improved market linkages and technology transfer and offer trainings in Albanian and English on how to optimize production quality and safety. The project also carried out a GAP assessment of infrastructure for 41 companies, offered training on procedure and standards for 40 companies, and resulted in 13 companies completing certification audits.

A grant was issued to AHK Azerbaijan with partners in Georgia, Belarus, and Ukraine to conduct the project "Joining forces to make SMEs stronger: Diversification and Innovation through partnership" which aimed to boost competitiveness of SMEs in those countries and promote new business connections with domestic suppliers with German international investors, with specific interest in promoting female entrepreneurship. This included an SME Development Forum and eight tourism companies' participation in ITB Berlin, which reached 65,700 users and offered networking to potential partners and clients.

Below is a detailed list of EDGE counterparts and highlights capacity built through EDGE activities.

Utilization of Local Organizations and Personnel

Wherever local talent exists, EDGE utilizes local personnel and local organization to provide assistance. All twelve full-time EDGE employees are local, resident in the countries where EDGE has offices – North Macedonia, Armenia, Moldova, and Albania. Of 74 consultants, 58 are local and 16 are international. EDGE uses 8 local subcontractors and has given Grants Under Contract (GUCs) to 15 grantee organizations.

EDGE Personnel

- 12 local EDGE Employees
- 58 Current Country National (CCN) consultants
- 10 Third Country National (TCN) consultants
- 6 US Expatriates (USX) consultants



Local Subcontractors

- ACT LLC, a Georgian firm that surveyed the impact of COVID-19 on small and mid-size enterprises in the region.
- GLCC Solutions LLC, a Georgian firm that assessed compliance with World Trade Organization (WTO) Trade Facilitation Agreement provisions.
- Strategic Development Consulting (SCD), a North Macedonian firm that assisted Grantees with delivering training courses and technical assistance.
- TÜV Nord Cert, a North Macedonian firm that delivered auditor training.
- National Association for Incoming Tourism in Macedonia (NATIAM) held a back to business networking event.
- Union of Civil Society Organizations Rural Development Network of North Macedonia (RND), planned, coordinated, and oversaw a study visit trip of rural development representatives.
- Smart Solutions, an IT provider in North Macedonia.
- Creative Business Solutions (CBS): An Albanian consulting firm, supports IDG by providing operational and technical oversight for the SPS and PRINC Buy-Ins.

Local Grantees

EDGE Core

- ≡ **Active Albania:** Aims to increase offerings of tour operators for inbound tourism to Albania, Kosovo, Montenegro, and North Macedonia by introducing a new tourism product called “Pack Rafting” that is innovative and eco-friendly. The

product was a development under the expertise of the World Rafting Federation.

≡ **Caucasus Environmental Ngo Network (CENN):** Supports the growth of smalls and mid-size enterprises (SME) from Georgia, Armenia, and Azerbaijan involved in the sustainable tourism value chain by developing and promoting the Caucasus Region as a Unique Tourist Destination, working on improving marketing and branding, using modern information and communication technology (ICT) tools, and improving business sophistication.

≡ **Georgian Farmers' Association (GFA):** Promotes agritourism and improved regional partnerships among South Caucasus countries by training and increasing product sales of agritourism enterprises in Georgia, Armenia, and Azerbaijan.

≡ **German/Azerbaijani Chamber of Commerce:** Works on fostering the competitiveness of SMEs from Azerbaijan, Georgia, Ukraine, and Belarus from the selected three value chains to promote new business linkages of domestic suppliers with German international investors by establishing cross-regional cooperation, accelerating digital transformation, and promoting female entrepreneurship.

≡ **ICT Hub Serbia:** Improves the digital skills of tourism businesses in Serbia, Bosnia and Herzegovina, and Montenegro by enabling them to use open-source ICT tools and digital platforms such as Booking.com, Trip Advisor,

Google for businesses, Mailchimp, Instagram, and other tools to increase their competitiveness and sales.

≡ **Integrated Quality Systems (IQS):** Supports SMEs producing fresh and processed fruit and vegetables from North Macedonia and Kosovo to implement and obtain certifications in international standards such as BRC, IFS, HACCP, ISO 22000, FSSC 22000, ISO 9001 that will enhance their exports to international markets.

≡ **Linkacross – Skopje:** Assists SMEs from North Macedonia and Albania in all three value chains to prepare and implement Business Expansion Plans that will result in expanded market linkages, new buyers, and growth.

≡ **Macedonian Chamber of Information and Communication Technologies (MASIT):** Supports SMEs from targeted value chains (fresh and processed fruit and vegetables, apparel and textiles, wood processing, and tourism) from North Macedonia, Kosovo, and Serbia by developing Digital Transformation Strategies and increasing their e-sales.

≡ **The Customs Administration Of The Republic Of North Macedonia:** Works on strengthening North Macedonia and Albania Customs and Border agencies' capacity to establish and perform joint controls at the Kjafasan - Qafe Thane border crossing, in line with European Union (EU) and international standards and best practices of Border Control Points at external EU land borders.

≡ **Regional Rural Development Standing Working Group in SEE (SWG):** Brings together ecotourism, rural tourism, and adventure tourism stakeholders from rural cross-border regions of the Western Balkans countries to jointly develop and sell attractive cross-border and value-added tourism packages. This is being done by: increasing the level of integration, capacity, and marketing of ecotourism, rural tourism and adventure tourism value chains in rural cross-border regions of the Western Balkans; strengthening the cooperation among their participants; and obtaining endorsement (by national authorities responsible for rural development) of relevant policy recommendations related to inbound tourism in rural areas in the Western Balkans.

Grants for Advocacy on Privatization (GAP)

≡ **Transparency International Ukraine:** The project aims at building civil society sector's capacity in ensuring fair and transparent privatization of state and communal property developing monitoring tools, ensuring proper communication of key messages on privatization and lease, and increasing the State Property Fund of Ukraine's capacity.

≡ **Internews Ukraine:** Supporting the implementation of the Privatization Communication Strategy whereby the public will

have access to real-time information and a clear understanding of the privatization process and its benefits for the Ukrainian society.

Moldova Competitiveness Transition Activity (MCTA)

≡ **National Inbound Tourism Association of Moldova (ANTRIM):** Supporting post pandemic recovery of Moldova's tourism sector through implementing activities, events, and tourism services and experiences that aim to strengthen Moldova's role as an international tourist destination.

≡ **The Light Industry Employers' Association (APIUS):** Supporting post pandemic recovery of Moldova's light industry sector as it aims to increase the competitiveness of its members on the local and international market. APIUS represents the community of Moldovan fashion producers of knitwear, clothing, footwear, accessories, etc.

≡ **ZIPHOUSE Design Hub (ZipHouse):** Supporting post pandemic recovery of Moldova's light industry sector through providing activities like fashion shows, fashion events, popup shops, etc. to highlight and promote the talent of young fashion designers and encourage community engagement and industry collaboration within the light industry sector.

