

ECONOMIC DEVELOPMENT, GOVERNANCE AND ENTERPRISE GROWTH (EDGE) ACTIVITY

KEY FEATURES

Period of Performance

August 14, 2019 - July 28, 2023 (with one-year option period)

Regional Coverage

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Kosovo, Serbia, and Ukraine.

Implementing Partners

International Development Group, LLC (IDG)
Chemonics International (sub)
Economic Integration Forum (EIF) (sub)

Project Office Contacts

Skopje, North Macedonia



USAID EDGE Project

Chief of Party: Jasminka Varnaliev

jvarnalieva@internationaldevelopmentgroup.com

Ukraine-Moldova-Belarus Sub-regional

Representative (Ukraine): Sergii Nerprii,
snerprii@internationaldevelopmentgroup.com

Caucasus Sub-regional Representative

(Georgia): David Lelashvili,
dlelashvili@internationaldevelopmentgroup.com

Buy-in Project Offices contacts

Yerevan, Armenia

Business Enabling Environment Activity

Project Director: Gayane Dallakyan
gdallakyan@internationaldevelopmentgroup.com

Tirana, Albania

Support for Private Sector (SPS)/ Promoting Regional Integration through networking and cooperation (PRINC)

Project Director: Enio Jaco
ejaco@internationaldevelopmentgroup.com

Chisinau, Moldova

Competitiveness Transition Activity (MCTA)

Project Director: Tatiana Durllestan
tdurllestan@internationaldevelopmentgroup.com

BACKGROUND

EDGE is a 4- to 5-year, up to \$21 million, regional activity in Europe and Eurasia (E&E) that aims to create inclusive, sustainable economic growth and to support intra-regional and Euro-Atlantic integration. EDGE is managed by the E&E Bureau in Washington and works closely with USAID Missions and projects in the region.

EDGE generates synergies among the USAID projects working in economic growth and brings together stakeholders across countries to work on mutual problems, giving the E&E portfolio a regional dimension.

COMPONENTS

Core component activities promote regionalization, reduce barriers to trade, and support the growth of SMEs in three key value chains: 1) fruits and vegetables; 2) incoming eco/agro/cultural tourism; and 3) textiles and wood processing/furniture production. Across the three value-chains, ICT opportunities for digitization are promoted. All core activities engage participants from at least two countries. (Budget ceiling: \$9.7 million)

The **buy-in component** allows for quick mobilization of activities in any EDGE country and may be for bi-lateral or multi-country/regional activities. Buy-ins can be from individual USAID Missions or Operating Units and can fall under any of EDGE's three IRs. EDGE has completed two and currently manages four buy-in activities in total amount of \$6.7 million. (Budget ceiling: \$11.3 million)

GRANTS

Both the core and buy-in components include a grants-under-contract (GUC) mechanism to promote capacity building and sustainability of local organizations, government entities, and private sector. EDGE completed 12 grants, and currently manages six regional grants under the core component, and three bilateral grants under the buy-in component.

ACTIVITIES

IR 1: Improved Business Enabling Environment (BEE) and Reduced Barriers to Trade

Sub IR 1.1: Reduced Barriers to Cross-Border Trade and Investment (core and buy-in) EDGE is helping countries harmonize and converge with the European Union *Acquis* and WTO Trade Facilitation Agreement (TFA) to create a level playing field for trade and investment. EDGE

conducted an assessment of compliance with priority WTO TFA provisions and is implementing trade facilitation support initiatives in the following areas:

- Implementation of advanced approaches to enhancing border procedures, such as authorized economic operator program, risk management, and post-clearance audit
- Supporting implementation of trade integration and facilitation activities in Central European Free Trade Agreement (CEFTA) countries in line with Common Regional Market (CRM) 2021 – 2024
- Enhancing cross-border cooperation and streamlining of border procedures at common border crossings
- Assisting implementation of revised rules of origin
- Facilitating peer-to-peer sharing and exchange of best practices across countries and regions

Sub IR 1.2: Improved BEE with Enhanced Stakeholder Participation (*buy-in only*)

EDGE is helping think-tanks, NGOs, and business associations to identify specific reforms needed and to organize public-private dialogue and advocacy that systematically raises public awareness, effectively advocates for moving reforms from conceptualization through drafting laws and regulations, approval by governments and parliaments, and to effective implementation. EDGE buy-in activities include:

- Armenia Business Enabling Environment Activity
- Albania Support for Private Sector
- Promoting Regional Integration through networking and cooperation in Albania, North Macedonia, and Serbia
- Moldova Competitiveness Transition Activity

IR 2: Improved Financial Sector Stability and Increased Access to Finance (*buy-in only*)

Sub IR 2.1 A More Stable Financial Sector Supported by the Adoption of and Compliance with Key International Standards; and Sub IR 2.2: Expanded Sources of Capital Leading to Improved Access to Finance

EDGE can help promote financial stability and access to finance through buy-in activities such as:

- Advising and training on improving financial sector supervision and prudential regulation
- Strengthening deposit insurance programs
- Strengthening anti-money laundering
- Supporting non-banking financial institutions
- Increasing financial literacy among SMEs
- Assessing feasibility of alternative financing tools
- Supporting credit risk-based lending

IR 3: Improved Competitiveness through Value Chains and Trade Promotion

Sub IR 3.1: Improved Business Sophistication (*core and buy-in*) EDGE activities improve the business sophistication and capacity of high potential E&E firms in the three value chains by enhancing SME marketing, competitiveness, compliance with international standards, and workforce skills, by maximally utilizing local business service organizations (BSOs). Activities are focused on:

- Market and product development
- Training on certifications and standards
- Digital transformation
- Workforce development
- Operations and productivity improvement
- Management enhancement
- Access to finance (including to EU sources)
- Inventory control

Sub IR 3.2: Improved Market Integration and Expanded Market Linkages (*core and buy-in*) EDGE activities improve market integration and expand market linkages through building capacity of processors, traders, and exporters to help ensure quality and access to export markets. Activities include:

- Supporting SMEs to participate in B2B meetings, exporter and buyer missions, trade fairs, etc.
- Improving export marketing: branding, packaging/labeling, customer relations, pricing
- Supporting e-commerce solutions for SMEs as response to Covid-19 pandemic
- Supporting country and regional branding and marketing campaigns