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Sectoral Factsheet:

EU-funded initiatives in agriculture and rural development



EU-Moldova

Stronger Together

EU-FUNDED INITIATIVES

EU funded agriculture and rural development interventions in Moldova cover support to local public authorities', local community and SMEs for increasing agricultural competitiveness and the promotion of sustainable climate smart agriculture practices, as well as agricultural research, education and technical qualification (VET). A Twinning project supports the strengthening Ministry of agriculture and food industry regulatory capacities and strategic orientation, the National Payment Agency as well as the National Food Safety Agency.

Rural development measures focus at improving life quality across the country: increased access to high quality public infrastructures and services, diversified economic opportunities, community-led local development fostering partnerships between Local public authorities, Civic initiatives and private entrepreneurs.

ONGOING PROGRAMMES

EU4Moldova: Local communities

The overall objective is to improve the quality of life and to address the economic and social consequences of COVID-19 in selected local communities of the Republic of Moldova, thus contributing to their longer-term resilience.

The project is implemented as a TEAM EUROPE Initiative with Germany, Austria and Poland. It is co-financed by the German Federal Ministry of Economic Cooperation and Development (BMZ), the Austrian Development Agency (ADA) and Polish Aid.

Key results:

- *Improved capacity of local public authorities for effective and efficient **public service delivery** in the selected local communities.*
- *Improved **public infrastructure and public utilities performance** in the selected local communities.*
- ***Diversified economic opportunities** outside agriculture in the selected local communities.*
- Implementation of **community-led initiatives in support of local development** (supporting the LEADER approach to rural development)

ENI/2020/042-592

Location: Republic of Moldova

Duration: 09/2021-12/2025

Budget: EUR27.4 (EU: EUR16M)

Implementing partners:

Deutsche Gesellschaft fuer Internationale Zusammenarbeit (GIZ),

Austrian Development Agency (ADA),

Solidarity Fund Poland in Moldova (SFPL)

Twinning project ,Further support to agriculture, rural development and food safety'

This Twinning project strengthens the institutional capacities of national public institutions, the Ministry of Agriculture and Food industry (MAFI), the Agriculture Intervention and Payment Agency (AIPA) and the National Food Safety Agency (ANSA) in the design and implementation of agriculture, rural development and food safety policy and quality standards, in line with AA/DCFTA.

Key results:

- *National Legislation, regulating quality policy and marketing standards (mainly for live animals and animal products) are aligned with EU acquis and being implemented.*
- *The National Strategy and Programme for Agriculture and Rural development 2020 and beyond is adopted in line with EU policy for agriculture and rural development .*
- *The management of the rural development support measures in line with EU standards is improved.*

- *Capacity for inclusive and evidence-based design and implementation of agriculture, rural development and food safety policy in line with EU standards and the principles of public administration improved.*

ENI/2020/416-656

Location: Republic of Moldova

Duration: 09/2020-12/2022

Budget: EUR2M

Implementing partners:

Agramarkt Austria,
State Food and Veterinary Service of Lithuania,
Agency for Restructuring and Modernization of Agriculture, Poland.

Development of Rural areas in teh Republic of Moldova (DEV RAM)

ENI/2017/389-857

Location: Republic of Moldova

Duration: 12/2017-02/2022

Budget: EUR11.7M total
(EU:EUR8.98M; ADA: 2.72M)

Implementing partners: Austrian
Development Cooperation (ADA)

The project followed two destingued specific objectives:

1. Increasing the competitiveness of the agri-food sector through integration to domestic and global value chains in particular in the soya sector (Part I)
2. Strengthening the water supply and sanitation infrastructure in rural areas focusing on safe wastewater disposal in the town of Cantemir (Part II)

Key results:

Part I:

- **Market access for ,non-GMO' certified or organic products** has been improved: 16 value chain participants, including producers, traders and a processor, were certified with ,non-Genetic modified' or Donau Soja standard and sucessfully explored new markets, including in the European Union.
- 12 Vocational Educational Training colleges offer more attractive and **modernised training programmes** adapted to the agri-food labour market. More than 780 farmers, teachers and students from agri-food VET institutions participated in international-national study visits, internship programs and fairs.
- Soy variety genetic material was exchanged and cooperation agreements signed between the **Agricultural Research and Development** Institutions of the Republic of Moldova and their counterparts from Bulgaria, Serbia and Romania.

Part II:

- **A new wastewater treatment plant (WWTP)** benefitting **5,420 inhabitants** was built and is operational.
 - **A new sewerage system** was constructed with a total length of approx. 21.2 km and three new modern wastewater pumping stations have been installed.
 - Optimization works were implemented for the water supply system, which allows for a more efficient and sustainable operation and increases the pumping capacity of raw water **up to 60 m3/h**.
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Leader approach for rural prosperity in Moldova

Location: Republic of Moldova

Duration: 01/2020-02/2022

Budget: EUR1.4M total (EU:EUR1M; Polish Aid: EURO.4M)

Implementing partners: Solidarity Fund Poland in Moldova (SFPL), National Leader Network

The project aimed at creating a supportive environment for further functioning of the LEADER approach in the Republic of Moldova as a method that ensures sustainable development and modernisation of rural areas.

The project focusses on increasing institutional capacities of Local Action Groups (LAGs) to implement local development strategies for integrated local growth. Advocacy and support for central authorities to design the legal framework, as well as the promotion of the LEADER approach as public policy for rural development are important components of the Action.

Key results:

- 165 communities were involved in **local development** processes through 30 Local Action groups with over **1,300 active members** and covering over a third of the national territory.
- The LEADER Rural development Fund 2020 funded **230 Micro-projects** (small infrastructure development, agriculture production and processing, tourism, culture etc.), that created **273 new jobs in the rural areas**, thereof 71 (26%) being permanent.
- **17 partnership projects** were implemented between Local Action groups (EU-LEADER Partnership Fund).
- The regulatory and implementation **framework for the LEADER approach in Moldova** was strengthened: LAGs can now register as Legal entities (special law). The National LEADER Network was established and 11 Regional Forums and 1 National Forum organised.

Civil society engagement in improving the rural development processes and promotion of efficient models for sustainable local development

ENI/2020/404-643

Location: Republic of Moldova

Duration: 02/2019-04/2022

Budget: EUR636,670 (EU:EUR573,000)

Implementing partners: ASOCIATIA OBSTEASCA FEDERATIA A AGRICULTORILOR DIN MOLDOVA (FARM) / National Farmers Federation in Moldova

Objective of this project is to enhance the role of National and Regional Rural Networks in promoting governance and accountability through participatory and inclusive processes, recognizing the value of different stakeholders' contributions.

Key results:

- Facilitation of active engagement of the civil society actors in the agro-rural policy dialog (consultations on draft laws, participation in local and regional consultations, preparation of policy papers etc.).
- Institutionalization of the National Rural development Network with central and local public authorities, representatives of business and Civil Society Organizations as a permanent framework for policy dialog, consolidating resources and capacity of various stakeholders and creating synergy between local/regional levels' needs and national policies.

SYNERGIES WITH OTHER PROGRAMMES

As agriculture and rural development require a multi-sectorial approach, synergies exist with a number of EU funded interventions in the areas of infrastructure development and environment, Private sector and SME support, education, Local public authorities territorial and administrative reform, among others.

BACKGROUND

Agriculture remains a central pillar of Moldova's economy: The agricultural sector employs over 21 percent of country's labour force, but agricultural production accounts only to around 12% of Moldova's GDP or 16% including the agri-food processing industry. 57 % of the population continues to live in rural municipalities with underdeveloped social, economic and building infrastructure and limited access to economic activities outside of agriculture.

The strategic vision of the **National Strategy for agriculture and rural development 2022-27** is the development of a competitive agri-food sector, centred on high potential value chains, environmentally-friendly and climate-resilient, which enhances food security and safety and provides better rural well-being and living conditions. The strategy defines four overarching strategic objectives: 1) to strengthen the potential of the agricultural sector resilient to climate change, 2) promote smart, efficient and sustainable farming practices, 3) develop the local market and increase export potential, and 4) support sustainable socio-economic rural development.

The **National Fund for agriculture and rural development** is the main Government support vehicle for the development of the sector. Its budget for agriculture and rural development interventions/subsidies is administered by the National Agency for interventions and payments in agriculture (AIPA) of the **Ministry of agriculture and food industry (MAFI)**. In 2022 the Fund's allocation amounts to 1535.0 million lei (approx EUR65M).

INEQUALITY IN ACCESS TO SERVICES

Moldova has the lowest urbanization rate on the European continent. Urban-rura disparities remain high:

Urban-rural disparities in the Republic of Moldova (2020)

Indicators	Urban	Rural
Employment rate of the population	47.0 %	35.6 %
Disposable income (monthly	3500	2600

OPPORTUNITIES

The country has favourable agro-ecological conditions and rich 'black' soils suitable for the production of high valuable crops. Main export products are primarily cereals, fruits, vegetables, alcoholic beverages (wine and spirits). More than half (52%) are directed to the EU with a positive trends over the past years.

Agriculture continues to be the most prominent economic activity in the rural areas of Moldova and a solid basis for the development of a vivid agri-food sector and agro-industrialization. Modernisation and market integration, in the proximity to the European Union, can play a key role in increasing the competitiveness of the agri-food sector.

CHALLENGES

Agricultural productivity remains comparably low and vulnerability to extreme weather conditions and the impact of climate change. Unsuitable land use practises increasingly cause soil degradation and loss.

Access to land, technologies and services as well as a agri-food sector skilled workforce is limited – in the rural areas frequently eroded by the migration of the productive youth and aging of the rural population.

Food safety, phytosanitary and veterinary/animal health standards and certification requirements remain a challenge to food business operators, especially micro, small and medium businesses.

averages per person), MDL		
Absolute poverty rate	14.0 %	35.3 %
Endowment of housing stock with aqueduct	96.0 %	56,8 %
Equipping the housing stock with sewerage (public network)	78.0 %	3.4 %

Source: National Statistical Office

SYNERGIES WITH OTHER PROGRAMMES

OPPORTUNITIES