



# Moldova

Moldova gained independence from the USSR in 1991. In January 1992, Moldova introduced a market economy and liberalized prices, resulting in a period of high inflation and a decade-long crisis. Despite these economic difficulties, Moldova's favorable climate and good farmland make agriculture a strong potential source of economic growth. In 1993, with these factors in mind, ACDI and VOCA began providing technical assistance to improve farmers' livelihoods and strengthen the Moldovan economy.

## Farmer-to-Farmer Program Helps Develop Effective and Sustainable Businesses

Through the **Farmer-to-Farmer (F2F) Program**, VOCA began sending its first volunteer consultants to Moldova in March 1993. Early assignments built the capacities of private farmers, agricultural enterprises and associations. To strengthen the legal foundation of Moldova's new market economy, volunteers helped draft legislation on land ownership in 1995 and rural credit union formation in 1998.

In late 1997, ACDI/VOCA began enhancing volunteer impact through demonstration funds. A new small grants component of F2F allowed



for the purchase of equipment, such as small farm machinery, as well as small quantities of inputs. Volunteers used the funds to establish test plots. One volunteer, for example, set up test plots for American and Moldovan apple varieties. Moldovan consultants helped local producers develop business plans to ensure the test plots were sustainable.

From May 1998 to September 1999, the Moldova F2F program disseminated over \$20,000 in demonstration funds through 15 projects. Since VOCA first began work in Moldova, over 100 volunteers have completed assignments in fields such as storage and marketing of agricultural products, cooperative development, processing and privatization. >>

## Assistance to Micro, Small and Medium Enterprises

ACDI/VOCA also implemented several significant projects to strengthen enterprises and bolster economic and technical linkages. In 1995, ACDI/VOCA helped register a Moldovan NGO called **ADSISTO** (“assistance”). For several years, ADSISTO coordinated short-term projects funded by the World Bank, USAID, Technical Assistance to the Commonwealth of Independent States (TACIS) and other donors. ADSISTO is now a private company specializing in building linkages and networks among Western and Moldovan interests. ADSISTO has provided a variety of technical and consulting services to micro, small, and medium enterprises (MSMEs), associations and NGOs.

Beginning in late 1996, ACDI/VOCA increased its work with small- and medium-sized enterprises (SMEs) in Moldova and Ukraine through the **Alliance for Collaboration on Enterprise Development** project, funded by USAID. Through technical assistance, this project supported privatization, capital market development, SME development and agricultural sector restructuring. Business volunteers worked within group systems to provide enterprise management, partner and joint venture assistance and business plan development. In addition, the leadership of newly created associations participated in an “East-to-East” exchange, visiting similar organizations in Eastern Europe. During these exchange sessions, participants learned best practices and established both organizational and commercial partnerships.

## Alleviating Poverty through Technical Support

To reduce poverty and empower poor communities, ACDI/VOCA implemented the pilot phase of the **Moldova Social Investment Fund (SIF)** project in 1997. A World Bank infrastructure rehabilitation program, SIF received additional funding from the United States and Japan. The program offered funding to local private organizations for microprojects aimed at social recovery and poverty alleviation.

Working closely with the World Bank and USAID, ACDI/VOCA managed funding, provided technical assistance to staff and supervised administrative policies and micro-project selection. ACDI/VOCA also helped forge partnerships between communities, local NGOs and governments to ensure project sustainability. These efforts established SIF as an autonomous, locally managed organization capable of implementing 75 to 100 microprojects annually.

## Recent Regulation and Climate Adaptation

ACDI/VOCA returned to Moldova in 2006 to implement the **RAISE PLUS Agricultural Policy, Legal and Regulatory Reform (APLR)** project, funded by USAID. As a subcontractor to Abt Associates, ACDI/VOCA provided technical assistance to the government of Moldova for the legal and regulatory reform of its agricultural sector, including the reorganization of the Ministry of Agriculture and Food Industry (MAFI).

ACDI/VOCA designed a fundamental reorganization plan of MAFI geared toward developing private sector agriculture and agribusiness.

The result was an institutional structure that can better facilitate robust and higher value private sector agribusiness growth in the country. APLR also provided technical assistance to the government on a variety of topics: privatization of government agricultural enterprises, structural modification of agricultural taxes and subsidies, restructuring of government regulators and assistance with drafting new laws and regulations.

ACDI/VOCA's current five-year project funded by the Millennium Challenge Account, the **Irrigation Sector Reform Activity (ISRA)**, aims to make Moldova's agricultural sector more resilient against the effects of climate change. Agricultural activities are an essential contributor to Moldova's economy, but a 2009 United Nations Development Programme (UNDP) report suggests that climate change could decrease the surface water available in Moldova by 16-20 percent within the next 15 years. Agriculture will suffer if water availability decreases, so ISRA aims to improve national water resource management.

By the end of the project, ISRA will establish the enabling environment and institutional capacity required to ensure effective management (operations, maintenance and financing) of the rehabilitated irrigation systems. The program also hopes to improve Moldova's capacity to manage its limited water resources in light of increasing demand for

water and the expected effects of climate change. To achieve these goals, ACDI/VOCA is providing short-term technical assistance to build local institutional capacity of water user associations and to manage rehabilitated irrigation systems. In particular, the short-term technical assistance focuses on organizational development and management, agricultural productivity improvements, on-farm water management and legal water policy improvements.

ACDI/VOCA is well positioned to continue its role in strengthening the agriculture sector of Moldova, thus contributing to the economic growth of this young nation. We will be able to provide ample technical assistance to help farmers and other members of the agricultural chain meet the challenges ahead.

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