



Ministerul
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Agriculture, Regional Development and Environment

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Establishment of the 'Agency for the implementation of regional development and environmental projects and programmes'

In accordance with the Law on Government and the Law on Specialized Central Public Administration, in order to ensure the effective implementation of the state's policies in certain sub-areas or spheres of activity entrusted to a ministry, administrative bodies with the legal form of organization such as agencies, public services and state inspections may be created under the jurisdiction of that ministry. Thus, the Agency for the implementation of regional development and environmental projects and programmes is a separate organizational structure in the administrative system of a ministry, which will be set up to fulfil the duties of managing certain sub-areas or spheres of activity of the ministry. The Agency will be an institution subordinated to the Ministry of Agriculture, Regional Development and Environment (MARDE) and will manage regional development and environmental projects and programmes funded by the National Fund for Regional Development (NFRD) and the National Environment Fund (NEF).

The establishment of the Agency aims to separate the policy development functions from policy implementation functions, to improve

effectiveness of the activities of the regional development and environmental central authority, to adopt a NEF regulatory framework in line with the existing legal framework and best practices in this field; of course, in this regard, to enhance resource efficiency from both funds; in addition, to streamline the coordination of resource allocation from both funds for the same projects and common areas, as well as to avoid any duplication of the central authorities' functions in managing these two financial instruments.

The Agency will support MARDE in the implementation of regional development and environmental policies, will monitor and assess the projects and programmes funded by NFRD and NEF, as well as those implemented from other sources of funding, but related to areas of intervention of regional development and environmental programmes.

At the same time, the Agency will provide information, methodological and advisory support to project beneficiaries, funding seekers, other public authorities/institutions. It will also ensure the achievement of indicators for the implementation of environmental programmes and strategies, the National Strategie

for Regional Development (NSRD) and funded projects, as well as will make conclusions and recommendations for the National Coordination Council for Regional Development (NCCRD) and NEF Board of Administration.

In the past five years, financial resources totalling about 2.4 billion MDL have been allocated for regional development and environmental projects. The specialized central authority was responsible for the implementation and monitoring of these projects. According to the findings of the Court of Accounts, this situation is contrary to the principles of separation of policy development functions from policy implementation functions. Moreover, the project implementation capacity of the specialized central authorities cannot ensure the efficient and effective use of the resources. Therefore, it is necessary that an institution specialized in the implementation of management projects of the ministry is set up under MARDE.



Dorin Andros

State Secretary,
MARDE



Urban renewal – A new element of regional development policy in the Republic of Moldova



Igor Malai,

Head of the Department for Regional Development Policy, MARDE

Urban development policy is an important part of regional development policy, given that cities are geographic points that concentrate human activity and interaction. At the same time, urban environment provides jobs and services as a catalyst for creativity and innovation. However, unemployment, segregation, poverty, migration, including environmental pressures, also is widespread in cities.

The main factors of economic and social crisis are visible in disadvantaged neighbourhoods or areas. Where cities seek to compete in a globalized world, they must learn to cultivate potential of disadvantaged areas, ensuring the sustainability and competitiveness of cities. The establishment of urban renewal system in the Republic of Moldova aims to change the urban paradigm of how cities are planned, financed, developed and managed. This system is based on the current and future needs of cities, taking into account the specific features of each area.

'Urban renewal' is defined as a 'process of bringing the degraded urban areas out of crisis, performed in a holistic way by means of territorially integrated actions and carried out by local administrations through effective local, regional and national partnerships based on a renewal programme'. Urban renewal is a complex and innovative approach to problems and implies a creative thinking about solutions for an area or a city, considering that each neighbourhood, area or city has its own specific identity.

As a rule, urban renewal has 3 main elements: physical, economic and social, which are taken into account when designing and developing urban renewal programmes depending on the need for intervention in each of them. It is important that the renewal activities carried out be consistent with the general city development concept, which is clearly promoted by local authorities.

As with any process, the implementation of urban renewal activities strictly requires for the role and tasks of the institutions involved to be clearly set and defined. The MARDE's role is to create urban policies, initiate urban renewal practices and ensure the continuity of long-

term projects. At the same time, the Ministry will take measures to build the political framework and the conditions aimed to effectively implement renewal programmes and develop tools for sustainable urban development.

A very important element in the implementation of these ideas is building partnerships and projects with other public or private institutions to attract investment. That is why we encourage local authorities to cooperate with civil society in settlements more openly, to invite business representatives to participate, because renewal activity implies most of the socio-economic and urban aspects, therefore involvement in this process should be as wide as possible.

The success of urban renewal process lies in initiatives to revitalize the social-cultural sphere in the cities. Initiatives in this field can take a variety of forms, and the impact of their successful implementation helps in a most effective way to ensure the sustainability of urban renewal processes in other fields. The initiatives to revitalize the social-cultural sphere can be focused on: Modernization of education in disadvantaged urban areas and involvement

of young people; Initiatives aimed at the social revitalization of disadvantaged urban areas; Rehabilitation/modernization of the sports field; Initiatives related to the cultural revitalization of disadvantaged urban areas; Cultural heritage and exchange, restoration of historical and architectural monuments of public interest.

With regard to the restoration of the economic sphere in urban areas, we can find here the initiatives to: Support the development of economic infrastructure and rehabilitation of physical infrastructure; Support start-ups/newly created companies and/or small enterprises, including to develop business incubators, urban markets, logistics infrastructure; Strengthen capacities of local entrepreneurs, including the exchange of experience component; Develop and promote a local brand; Perform small-scale renovation and/or construction of infrastructure designed to support economic development in the area concerned.

Projects on modernization and rehabilitation of urban public spaces represent a visible element with significant impact on the external appearance of urban areas. The following can be attributed to this kind of initiatives: social activities in disadvantaged urban areas (for example, public events, festivals, sporting events, etc.); renovation/modernization of intensely used public spaces (for example, rehabilitation of a park or renovation of a market in disadvantaged urban area, etc.); renovation/modernization of isolated urban areas (for example, rehabilitation of infrastructure in isolated neighbourhoods, rehabilitation of a playground, a playing field, a market, a recreational area, etc.).

It is important that the residents be consulted on each initiative, then the sense of involvement in the ongoing processes will determine their final implementation.



National spatial planning: importance and role in country development

Spatial planning is a key tool for identifying and promoting principles of sustainable and balanced development of the territory in the medium- and long-term. The spatial planning documentation system is especially oriented towards the achievement of national and regional development objectives. This option helps avoid the duplication and overlapping when taking decisions on the development of a territory or a land, increase the efficiency in using human resources and public investment, and ensure a more balanced economic and social development across regions. Thus, the National Spatial Planning (NSP) is a document consisting of written and drawn parts relating to the planning of the entire territory of the country, whereby the existing situation is analysed, the goals, means and stages of spatial planning actions are defined, solutions are offered for a balanced development of territories and settlements in order to prevent and remedy failures.

The main objectives of the NSP contribute to:

- balanced economic and social development of regions and areas, taking into account their features;
- improvement of quality of life of people and human societies;
- responsible management of natural resources, environmental protection and cultural landscape;
- rational use of the territory by limiting the uncontrolled expansion of settlements and preserving the fertile farmlands;
- preservation and development of cultural diversity;
- development of a polycentric urban system and urban and rural relationships;
- ensuring of access to information and knowledge;
- sustainable development, prudent nature

management and protection, as well as the protection of cultural and archaeological heritage;

- development of sustainable and high-quality tourism;
- avoidance of natural hazards and prevention of disaster effects.

The role of spatial planning documentation is to analyse, identify problems and prospects for territory development, namely:

- Functional zoning of the territory (economic areas, polarization centres, administrative role, functional node);
- Dynamics of demographic and migration phenomena/population mobility;
- Directions of development of the economy, regional structures, economic activity sectors, localization of activities;
- Prospects for urban and rural development;
- Land engineering, water management, hy-

drotechnical facilities, etc.;

- Highways/transport corridors;
- Green belts around large cities;
- Localization of residential development areas;
- Landscape (cultural landscape) restoration;
- Development of sustainable and high-quality tourism;
- Macrogeographic phenomena.

The reality shows that governance based on spatial planning tools is more efficient, local potential is better harnessed, and territorial competitiveness increases under an integrated approach to functional areas, without limitation to administrative or other boundaries.



Olga Serbinos,
Head of Spatial
Planning Department,
MARDE



The main document on strategic territorial planning at the country level is the National spatial planning (NSP), which outlines the main tasks, measures and actions aimed at the national territory development, based on national policies harmonized/correlated with those of the European Union. According to the European Charter on Territorial/Spatial Planning (Council of Europe document adopted at the 6th European Conference of Ministers Responsible for Spatial Planning (CEMAT), 1983), spatial planning gives 'geographical expression to the economic, social, cultural and ecological policies of society directed towards balanced regional development and the physical organisation of space according to an overall strategy, in order to provide each individual with an environment and quality of life conducive to the development of his personality in surroundings planned on a human scale.'



Natalia Petrea,

the Mayor of Costesti village, Ialoveni district:

‘... It is important to love working with people and for people, in which case you will obtain results’

Costesti village in Ialoveni is one of the largest villages in the Republic of Moldova. This is a village with about 12 thousand people, with Natalia Petrea at the helm. She was elected Mayor in 2015, and almost 4 years later she implemented several projects, which, according to the villagers, 'have transformed the Costesti village. Natalia Petrea started her activity in the local public administration since the late 90s and over the years she has been working in several directions.

Dear Madam, Natalia Petrea, what is it like to be a woman Mayor?

Every adult, especially if holding a leadership position, knows how much sacrifice this position requires, regardless of gender. But if speaking about a woman Mayor, I can say that the efforts are even greater because of overwork in the field of engineering, which is mostly typical for men, but here the deputy mayor and a team of experts from the Mayor's Office support me. As for the rest, it is important to love working with people and for people, in which case you will obtain results, and 283 female mayors or 23% of the Mayor's Offices of the Republic of Moldova do this job very well, overcoming all kinds of obstacles and earning more trust on the part of the citizens.

How many regional development projects have you implemented or are under way?

In Costesti, a regional development project, commissioned in 2015, has already been implemented. This is about the grape packing and sorting facility, which at the time was a pilot project in the Republic of Moldova, and which, besides construction of the building, aimed to provide up-to-date equipment for 10 cold rooms with capacity of 1500 tons for storing grapes and other fruits. This is an investment of 15 million MDL, the cost of a project implemented by the Centru Regional Development Agency (RDA), and 12 million MDL of the Grapes Producers' Association of Costesti. The Association Members are investing up to now because they have merged and set up the Fructbioimpex Enterprise Cooperative. The Mayor's Office provided them with a Packing facility, and they pay the annual rent of 50 thousand MDL.

Currently, there is another regional development project in progress which aims to develop tourism in the area, namely the Costesti Tourism and Sports Complex. It started in 2017, and I believe that in 2019 we will be able to put it into operation. This project provides for an artificial carpet of 109 m x 72 m, two grandstands with a capacity of 1500 seats for supporters, changing room, etc. The project costs amount to 32 million MDL, of which 22 million MDL are offered by the National Fund for Regional Development (NFRD), and the rest is the contribution of the LPA and project partners.

How did you find out which projects are given priority for the settlement and residents of Costesti?

The type of projects has been determined by us together with active and persistent villagers, colleagues, councillors, in the course of public hearings, debates, individual discussions.

Which major problems do you face when identifying and selecting projects?

The most obvious problems in identifying and selecting projects are: the low interest of local councillors to participate in drawing up and implementing projects, the difficulty in identifying the contribution to project implementation, and the poor participation of communities in fulfilling the intentions of public interest.

Is it difficult for a woman to obtain funding for a project? Do you think that gender equality is respected?

There is no discrimination when drawing up projects and obtaining funding for them, but as for me women are more interested in extra-budgetary funding, because they probably know better how to manage money, because this is what they do in family and in accounting – the areas, where women usually dominate.

What should local authorities do to obtain more funding for local development projects?

They should provide financial support to the specialists to draw up projects, because there's nobody else to do that. Mayors have too many responsibilities that wear them out, and the Mayor's Office specialists have their own duties and also need more time to fulfil them. Being in my first year of mandate at the Mayor's Office, I asked counsellors to contract a specialist in this field

who would be adequately paid for the work he performs. Thus, we have obtained funding for regional and local development projects, such as:

- Construction of the aqueduct of 1500 m in the Girlea district and 400 m in the Centre, from artesian spring no. 1 to Stefan cel Mare street, with the installation of a hydrant, support provided by the East Europe Foundation – in the amount of 500 thousand MDL;
- Construction of the public lighting system at Moldova and Alexandru cel Bun streets, from the Centre to Deal la Mori – 3000 m – Diaspora (Government24) – 81900 MDL;
- Establishment of the 'Speranta' Community Centre for elderly persons – the East Europe Foundation in the amount of 300 thousand MDL and the Pro-Humanity Foundation in the amount of 27 thousand Euros;
- Construction of the public toilet – the Embassy of Slovakia – 80 thousand MDL;
- Construction of the toilet in the Public Library – Peace Corps – 42 thousand MDL;
- Modernization of the Public Library and its provision with new furniture, namely 12 tables and 40 chairs, as well as electronic equipment, a projector and a laptop – Peace Corps – 37 thousand MDL;
- Construction of the Tourism and Sports Complex with a capacity of 1500 seats – a project implemented by Centru RDA – 26 000 000 MDL;
- Creation of 5 parks in Costesti village – UNDP Moldova – 41 000 USD;
- Increase transparency and accountability of local government and public participation in Costesti village – Council of Europe – 10 thousand Euros.



Institutional environmental protection reform of public administration authorities

Environmental protection and rational management of natural resources are the fields that are still far from the desired level. This is felt by the entire country, in so far as we strive to guarantee and ensure safe conditions and a healthy environment for all citizens, balanced from an environmental point of view in the context of sustainable development of society.

With a view to addressing the existing situation, the Ministry of Agriculture, Regional Development and Environment (MARDE) is taking a number of actions, including organizational and administrative ones, in order to optimize and reorganize the authorities with special jurisdiction in the field of environmental protection. Thus, according to Law no. 185 of 21 September 2017 on amendments and additions to certain legislative acts, in order to implement the environmental protection policy in certain areas of activity of the central authority responsible for natural resources and environment, as well as to ensure the procedures on granting, suspension and withdrawal of environmental protection permits, the Environmental Protection Agency will be created and operate under its subordination.

The Agency will perform its tasks in the following areas of competence: protection of the atmospheric air and climate change, waste management, regulation of use and protection of water resources, pollution prevention (environmental impact assessment, strategic environmental assessment, state environmental expertise, environmental approval), protection of animal and plant kingdoms, of aquatic biological resources, biodiversity conservation and management of state protected natural areas, biosecurity, monitoring of the quality of the environment and of natural resources, management of the integrated environmental information system.

The main functions of the Environmental Protection Agency will be to ensure the implementation of public policy documents and of legislation in the field of environmental protection at the national and local levels; to provide technical support to substantiate draft public policy documents, laws and regulations in the field of environmental protection; to regulate and authorize the activities that have an impact on the environment, by issuing authorization documents to individuals and businesses to carry out activities with environmental impacts (authorizations, environmental agreements, permits, certificates, notifications, approvals and consents) provided for in the Nomenclature of permits approved by the

Law no. 160/2011 on the regulation of the entrepreneurial activity through authorization. The Agency will also monitor the quality of environmental factors (monitoring of the quality of water, air, soil, monitoring of forests and of state protected natural areas, monitoring of the condition and use of water and soil resources, monitoring of plant and animal kingdoms, monitoring of fishery, monitoring of subsoil condition, monitoring of air pollution, geological monitoring, monitoring of environmental pollution) in order to provide individuals and businesses with information on the quality of the environment, on development of the system of environment statistical indicators and to prepare and publish the National Report on the State of the Environment in the Republic of Moldova, and will create and manage cadastres and special registries, including will manage the information and data system in its fields of activity with a view to ensuring

the public access to environmental information.

At the same time, environmental control functions will be taken over exclusively by the Environmental Protection Inspectorate. Against this background, the Inspectorate's mission is to implement the state's policy on environmental protection and rational use of natural resources, to conduct government monitoring and supervision, to prevent and counter violations in the areas of competence, in order to ensure a high level of environmental supervision and protection, of public interests, environmental security of the state and other values protected by law and, in particular, protection of the atmospheric air, protection of aquatic resources, protection of flora, fauna and protected natural areas, protection of soil and subsoil, waste and chemicals management, rational use of natural resources, planned activities, and occupational safety.

At the same time, the Inspectorate reserves the right to bring legal proceedings before the courts to recover environmental damage caused by pollution and/or irrational use of natural resources in all areas, as well as to suspend the permits issued by the Environmental Protection Agency in the field of natural resources use, if the environmental legislation is infringed.

The reorganization of the administrative system in the designated area will bring about changes in the activities of all environmental authorities. Thus, the Moldosilva Agency, the Apele Moldovei Agency, the Agency for Geology and Mineral Resources, the State Hydrometeorological Service will be reorganized, and the Fisheries Service will be wound up.



Vadim Stingaci,
Deputy Head,
State Ecological
Inspectorate



Draft Law on Chemicals – goal and benefits



Svetlana Bolocan,
Head of Department for
Waste and Chemicals
Management Policy,
MARDE

Currently, chemicals management in the Republic of Moldova is addressed in a fragmentary manner and does not provide sufficient security for the environment, human health, animals and other living organisms. The field of chemicals management is currently regulated by the Law on the Regime of Harmful Products and Substances (no. 1236/1997), which provides for the basic legal framework for the

production, storage, transportation and use of chemicals and chemical products, import and export, in order to eliminate, reduce or prevent impact of these products and substances on humans and the environment. However, this law is not consistent with the European framework and international environmental treaties to which the Republic of Moldova is a party. As a result, a legal vacuum has been created in the field of sustainable chemicals management, since the Republic of Moldova, on one hand, assumes international obligations, and, on the other hand, the internal mechanisms for their implementation are insufficient.

In order to remove existing gaps, the draft of the new Framework Law on Chemicals, approved by Government Decree no. 1032 of 08 September 2016 and submitted to Parliament for examination and adoption as a matter of priority, has been developed; this draft, if adopted, will replace the old Law no. 1236/1997 on the Regime of Harmful Products and Substances. The draft law has been developed with the support of the Swedish Chemicals Agency (KEMI) and has received a positive evaluation by European experts.

Being envisaged as a framework law for regulating the placement of chemicals on the

market and partially harmonized with 13 European acts, the draft Law proposes a single regulatory framework and basic approaches to the management of chemicals, chemical mixtures and products for their placement on the market with a view to protecting the environment, health human, animals and other living organisms. This law also applies to products containing dangerous substances or mixtures. At the same time, the draft sets up a platform for implementing the European Union framework by adopting or transposing European regulations in the field, as well as a platform for transposing the provisions of international treaties to which the Republic of Moldova is a party.

The Law on Chemicals and its implementation mechanism will also establish other regulations concerning good laboratory practices, chemicals test methods, etc.

The implementation of the draft Law on chemicals will ensure local consumer's protection through the appropriate legislative framework and by ensuring the consumers with goods and products containing chemicals that meet European standards. The domestic market will also be provided with safer chemicals, resulting from government measures to prohibit the placement on the market of chemicals and chemical mixtures that pose a risk to human health and the environment and which have been prohibited



Accordingly, the adoption of the law will implement the policy documents approved by the Government of the Republic of Moldova and international treaties to which the Republic of Moldova is a party, will establish the integrated chemicals management throughout their lifecycle and will set up a platform for promoting and approving regulations. The provisions of the new law will establish

internationally, and by forcing economic operators to comply with the rules on labelling, classification, packaging, storage, sale and use of chemicals. In addition, harmonization of the system of classification and labelling in Moldova makes it easier for manufacturers of chemicals and chemical mixtures from Moldova to act on a global market.

Thus, it is expected that the incidence of diseases caused by effect of chemicals that pose a risk to health will decrease, that the level of labour productivity will increase due to reduction in the number of diseases in employees caused by lack of mechanisms to inform and prevent dangers and that social insurance costs for disability caused by disease due to the lack of public awareness of the risks associated with certain dangerous chemicals and the lack of integrated chemicals management will be reduced.

Moreover, prevention of the placement on the market of dangerous chemicals and chemical mixtures, in particular bioaccumulative and persistent substances will help essentially improve the state of the environment, and, hence, the quality of life of the population, animals and other living organisms.



What does the new law on waste imply?

Waste is a significant source of environmental pollution, and inadequate waste management increases volume and toxicity of waste. For example, in the cities of Chisinau and Balti about 420-400 kg of waste per person, or approximately 1.15 – 1.10 kg/day are accumulated each year, and in district centres this figure ranges from 0.25 to 0.9 kg/day. The increase in consumption over the past decades inevitably leads to the global increase in volumes of municipal solid waste.

The main actions in setting up a system for proper waste management include the implementation of a legislative, regulatory and technical framework in line with the principles of the European Union (EU) directives. The environmental legislation in the EU currently contains about 20 directives on the collection, treatment, recovery and disposal of waste. These directives emphasize the creation of a 'recycling society', extending producer responsibility for providing the products which are harmless for the environment and human health both when used and after the product become 'waste'.

Adoption of international regulations in the integrated waste management is of crucial importance to prevent and reduce the impact of waste on the environment, ecosystems, living organisms and human health, to prevent imports of dangerous technologies and products in the country, as well as to halt the increase in dangerous waste accumulation in future and to contribute to the development of green national economy.

In this context, in order to harmonise national laws with European laws, the Law on waste was developed and establishes the legal framework and measures to protect the environment and human health, including by preventing or reducing the adverse effects of waste production and management and the overall effects of using resources and by increasing the efficiency of their use. The provisions of the law aim to help implement commitments undertaken by our country after the ratification of international treaties establishing waste management requirements, including by regulating and establishing measures to prohibit and/or restrict hazardous substances in products or articles.

The law regulates a new mechanism applied in most European countries, namely the principle of 'extended producer responsibility', representing a set of obligations imposed on manufacturers, either individually or collectively, to restore and recover or recycle end-of-life products, by natural or legal persons (product manufacturer)

who professionally design, produce, process, treat, sell/ import batteries and accumulators, electrical and electronic equipment, vehicles, oil and packaging. This will help develop, produce and sell the multiple use products and reduce the quantities of waste in the environment.

At the same time, the Law establishes the procedure for authorizing waste management activities, including hazardous waste, in line with the provisions of the Law on the regulation of the entrepreneurial activity through authorization.

The implementation of the law will positively affect the environment, its components and ecosystems, given that the law is primarily intended to determine the necessary measures to protect the environment and human health by preventing or reducing the adverse effects of waste production and management, including hazardous waste. At the same time, the implementation of the law will help fulfil international commitments undertaken by the Republic of Moldova after the ratification of international environmental treaties, which will be useful for sustainable development at the national, regional and international levels.



Valentina Tapis,
State Secretary
for Environment,
MARDE



The Green Climate Fund – a new opportunity to adapt to climate change

In December 2015, the first universal agreement to tackle climate change was adopted. 195 states adopted the Paris Agreement at the Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC). This Agreement directs global actions to hold the increase in the global average temperature to well below 2°C. At the same time, it is the first universal and legally binding multilateral agreement in the field of climate change since 2020.

The Republic of Moldova joined the global aspirations to reduce greenhouse gas emissions in 2016 by signing the Agreement and following its ratification – through the Law no. 78 of 4 May 2017.

Currently, the most important financial mechanism of the Paris Agreement is the Green Climate Fund (GCF) – a multilateral fund created by industrialized countries as part of the United Nations Framework Convention to help developing countries limit or reduce their greenhouse gas emissions and adapt to climate change. Currently, the GCF project portfolio worth US\$ 13 billion is distributed for 76 projects.

In order to benefit from the Fund's sources, countries must designate a National Designated Authority (NDA) as the country's official representative. In the Republic of Moldova, the function of DNA will be performed by the Ministry of Agriculture, Regional Development and Environment (MARDE) as a specialized central au-

thority of public administration implementing the government and environmental policies.

At the same time, development of a country Programme of adaptation to climate change and climate change mitigation is the first mandatory step in an effort to obtain funding. All institutions dealing with the areas affected by climate change will be involved in this process with a view to promoting new funding opportunities and streamlining cooperation and collaboration in the development of the country Programme.

GCF can offer Projects of various categories, starting with several hundred thousand USD and continuing with hundreds of millions of USD. In order to receive financial support from this Fund, a country must demonstrate that it has the capacity to develop, promote and implement such projects. Micro, small, medium and large projects will be funded. Investments can be in the form of grants, loans, stocks or guarantees. No project will be implemented if it is not feasible and does not refer to climate. In other words, the project should contribute to reducing greenhouse gas emissions and adapting to climate change. The total amount that the Republic of Moldova can benefit from GCF is not limited, but the country needs to have the capacity to attract such projects.

Also, in the context of the fight against global warming, as well as in line with obligations to UNFCCC, the Republic of Moldova is committed to unconditionally reduce greenhouse gas

emissions by approximately 67% by 2030 compared with the 1990 level.

Against this background, the Green Climate Fund offers funding opportunities to reduce greenhouse gas emissions and adapt to climate change.

In order to strengthen its capacity and ensure effective communication with the Fund's Secretariat, as well as to improve the institutional framework aimed at facilitating access to the Fund's financial resources, the Ministry of Agriculture, Regional Development and Environment receives support as part of a project 'Support for the Republic of Moldova' in setting up and strengthening the Designated National Authority, in establishing the strategic framework and developing the national programme to join the Green Climate Fund (GCF). The project is funded by GCF and implemented through the Climate Change Office. Thus, the ministry will provide the necessary support for the development of knowledge for the purpose of gaining the necessary experience for our country to benefit from the largest possible number of projects funded by the Green Climate Fund (GCF).



Veronica Lopotenco,
Head of Air Pollution
and Climate Change
Department, MARDE

Agriculture and Rural development in Moldova

Malcolm Ross,

Team Leader, Technical Assistance for the Implementation of Sector Reform Contract: "European Neighbourhood Programme for Agriculture and Rural Development" (ENPARD) Project

The European neighbourhood programme for agriculture and rural development (ENPARD) is a policy initiative that is part of the EU's commitment to promote inclusive growth and stability in its geographical neighbourhood, recognizing the importance of agriculture in terms of food security, sustainable production and rural employment. The ENPARD programme was founded in March 2011 and was expanded to the countries of the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine) in June 2012.

The Financing Agreement between Moldova and the European Commission responsible for ENPARD was approved by the Government in Chisinau on Wednesday, March 25, 2016. Through this Programme, the Republic of Moldova will receive a total of **64 million euros** (paid in several instalments). The money is and will continue to be paid until 2019 and is invested in the promotion of the sustainable and inclusive economic growth in agriculture and sustainable development.

The aims of the Programme are to re-structure and modernize agriculture, to support the sustainable management of natural resources, and to improve the quality of life and work in rural areas. Agricultural Service Providers will be the main partners for the programme. Farmers, farmers associations, rural families as well as other private sector stakeholders will be the ultimate beneficiaries.

ENPARD's expected results include the strengthening of co-operation amongst small farmers and improved performance of the institutions engaged in agriculture. ENPARD is articulated in different components. The architecture of the programme illustrates the comprehensive approach agreed between the European Union and the Government of Moldova in the agriculture sector. The programme addresses reforms and the implementation of the National Strategy for Agriculture and Rural Development (NARDS) that the Moldovan Government is, and will, carry out in the years 2016 - 2020. The programme targets the establishment and the strengthening of small farmers which may become the backbone of the agriculture sector in the country.



The NARDS confirms the recognition by the Government of the Republic of Moldova of importance of the agri-food sector and rural development and is a precondition for their long-term development. It acts as the framework for policy makers to identify the major problems and to help in identifying optimal solutions. At the same time, the Strategy is used as a tool to plan and programme all necessary measures and to secure financial budgetary resources, international development partners and financial institutions for the implementation of the proposed agenda.

This support provided through the ENPARD is coupled to several Technical Assistance projects with a budget of 11 million Euro all of which aim to support the Ministry of Agriculture, Regional Development and Environment (MARDE) and National Agencies with the implementation of the NARDS. One of these is the Project "Technical Assistance for the implementation of the sector reform contract: European Neighbourhood Programme to Agriculture and Rural Development (ENPARD)" 2,63 million Euro which specifically offers technical support to MARDE.

The overall objective of this project is to support the "ENPARD Moldova – Agriculture and Rural Development" Budget Support Sector Reform Contract (BS SRC). Specific project objectives include:

- improving the capability of the government to achieve agricultural and rural development policy objectives and;

- providing a wide range of capacity-building and institutional-strengthening to promote agricultural and rural development policies and reforms.

The planned outputs include:

- Improved capacities of MARDE, its subordinated agencies and units and NFSA in the preparation, management and reporting of the budget support sector programme,
- implementation in accordance with the procedures, standard documents and guidelines applicable to the Budget Support Programme
- Improved capacities of MARDE, its subordinated agencies and units and NFSA in planning and implementation of the sector development policy
- also, to reinforce the sectors' policy dialogues and aid coordination.

Achievements

Several important achievements have been accomplished and are attributable to policy decisions and investments in the agri-food sector in recent years.

1. There was a 30 % increase in investments in agriculture in 2017 compared with that in 2016, amounting to some 1.5 billion lei. The number of applications for investment also increased by 34% compared with 2016.
2. Exports of products of vegetable origin increased in 2017. Exports of fruit

amounted to about 200 000 tonnes, of which 157 000 tonnes went to the CIS 16 000 tonnes to the EU. For the first time the export quota for plums and prunes was exceeded; cherries were also exported for the first time to the EU. The number of businesses exporting to the EU has also increased and now stands at 277 broken down as follows: 38 Table grapes, 9 fresh apples; 53 fresh plum; wheat 55; barley 36; corn 29; sugar 2; Ethyl alcohol 5.

3. The hail protection service has been strengthened with seventeen protection points being built last year, increasing the protected area by 11% or some 215 thousand hectares. Of the 6000 or so projectiles procured for 2017, some four and a half thousand were used.
4. There has been a significant increase (5% over 2016) in the area of farmland on which "conservation agriculture" is practiced. Conservation Agriculture is based on three main principles: minimal soil disturbance, maintaining soil cover throughout the year and improved crop rotations.
5. During 2017 Moldovan wines have won over 300 medals in 2017 with 60% of these being gold and 10% "Grand Gold". Wine exports from Moldova now reach some 40 countries. National Wine Day organized in 2017 brought together a record number of 47 local producers of wines and brandies, including 12 emerging small producers and three wineries all under the country slogan of "Moldovan wine – a living legend". Over 30 wine products exhibited at the feast were launched for the first time.

Challenges

Agriculture is a major contributor to Moldova's economy with the sector accounts for about one-third of Moldova's gross domestic product and about 45% by value of all exports. It is also one of the main employers and available statistics indicates that some 31 % (2016) of the workforce is oc-



cupied in the agri-food industries which is equivalent to about 390.000 people. The country has also ideal climactic and geographical conditions for growing a wide range of grains, fruits and vegetables. Nevertheless, the agri-food sector faces several challenges over the coming years, including, inter alia, the following:

1. Land degradation and desertification have had significant negative consequences. Moldova has unique agricultural land resources, characterized by productive Chernozem soils (about 70%) and a high, agricultural utilization rate (>75%). At the same time, due to poor land management soils are subject to erosion and other soil degradation processes that reduce agricultural productivity. Land privatization and parcelling, lack of crop rotation and anti-erosion measures, non-implementation of recommendations and best practices for soil conservation constitute a challenge for efficient land resource management.

2. Although Agriculture is an important contributor to the value of exports in the last few years but there is a continuing need to increase the competitiveness of agribusiness exports and reorientation of production towards high value markets such as the EU are important challenges for the private sector. This will require the introduction of new varieties and significant im-

provements in food safety standards and traceability. Post-harvest facilities (such as handling of produce, storage, sorting and grading, packaging and labelling) are critical in ensuring access to external markets.

3. Slow development of land markets and consolidation of land plots, which delays the transfer of an essential production factor, land, from less efficient to more efficient agricultural producers. About 86 per cent of producers have holdings of less than 2 hectares, 12 per cent have holdings between 2 and 5 hectares and only 2 per cent of farmers have holdings of more than 5 hectares.

Future activities

A critical issue in promoting rural employment and income generating opportunities is the access of farmers and rural entrepreneurs to financing of their activities in this context, MARDE is currently exploring options for the establishment a financing facility in the form of a **Guarantee Fund for Agriculture and Rural Development Loans (GFARDL)**. It is hoped that this will be operational in 2018.

Other new initiatives which are designed to help the development of the agriculture and rural development include the **introduction of a system of advance payment of subsidies to young farmers, women-farmers, and for the small agricultural producers** for a wide range of investments by adoption of the "Law on the principles of subsidizing the agricultural producers" adopted by the Parliament (Law no. 276 of 16 December 2016). Article 23. This radical change in the system of payments of subsidies is expected to further stimulate investment in Agriculture.



State subsidies to young farmers for business in the agri-food sector



Galina Petrachi,

Head of the Department for Rural Development Policies and Programmes, MARDE

For the first time, the Government decided to allocate subsidies in advance, in particular, to youth and female farmers who want to start a business in the agri-food sector. The main goal is to enhance young people's confidence to invest in the agricultural sector and boost at least 300 business ideas, thus creating 500 new jobs, especially, in rural areas. The subsidies allocated in advance are an opportunity for the young people who have ideas, but

lack the necessary funds. To this end, a Regulation on the allocation of advance payments for start-up projects has been developed and approved, the Law on the principles of subsidizing agricultural producers and the National Strategy on Agricultural and Rural Development for 2014-2020 have been approved. According to these documents, the subsidies in advance will be granted on the basis of investment projects submitted by agricultural producers who carry out an economic activity for the first time.

Main areas of intervention

The Regulation covers the start-up projects related to investments in the production of vegetables and fruit on protected areas (greenhouses, solariums, tunnels); the investments in the establishment, modernization and clearance of multiannual plantations, including vineyards and fruit plantations, in the equipment and technological renovation of the livestock farms, including the purchase of breeding stock and the maintenance of their genetic fund, as well as in the development of post-harvest and processing infrastructure.

All those who want to benefit from this project will have to develop a business plan, which will serve as basis for the selection of projects. The future beneficiaries of the project must have knowledge in the field. If they don't have knowledge in the agri-food sector, they can address to consulting companies where they will attend

training courses regarding the sector they base their project on. If they have these training courses - 40 hours - they are allowed to participate. The beneficiary pays only 50% of the fee of courses they need to attend. Those who have knowledge in the field are not required to attend these courses.

The young people who will convince the authorities that they have the skills to do advanced agriculture and that they will create at least one job in the village, have high chances to receive subsidies in advance from the state. We put the emphasis on the development of villages. Another criterion is the creation of jobs. If the legal form of organization is the farmer's household, at least one job must be created. In other cases, the beneficiary of subsidies must have two employees or one full-time employee and three-day labourers. Those who demonstrate that they can launch and develop an agricultural business in less than two years also have chances.

This year, about 45 million MDL, i.e. 5% of the National Fund for Agriculture and Rural Development will be allocated for start-up projects, and every farmer is entitled to 650 thousand MDL at the most. The Regulation sets out several eligibility criteria. The most important ones are that the producers must provide co-financing, from the first two months since project approval.

The financial support will be offered in two tranches. The first part will represent 75% of the subsidy value and will be granted at the time of signing the contract, while the second part of 25% will be transferred upon the launch of the business, which must be done within two years.

Documents required for application

The application file for start-up projects will include the following documents:

1. the standard application form for the subsidy in advance;
2. the business plan for 5 years, which demonstrates the feasibility of the investment project;



3. in case of farmer's households, the copy of the registration certificate and the statement of establishment;
4. the copy of the education diploma/certificate confirming the qualification of the agricultural producer in the field, with the total course duration of at least 40 hours;
5. the declaration regarding the accuracy of information and of the presented documents;

at least 3 offers for the equipment/machinery to be purchased under the investment project;

6. the supporting documents that demonstrate the availability of co-financing of at least 10% of the value of eligible costs of the investment project;
7. the declaration on undertaking to pay the remaining amount for co-financing in order to implement the project in case it is selected.

The applications for advance payments will be examined by the Agency for Intervention and Payment in Agriculture (AIPA) in accordance with the procedures stipulated in the Regulation. The evaluation and final selection of the investment projects that have met the eligibility criteria will be conducted by the Evaluation and Selection Committee. Then, the beneficiary will be notified about the selection of the financing file and will have 60 days from the first notification to submit the documents confirming the capacity of co-financing of at least 35%. Such confirmation will serve as grounds for signing the contract on financial support. Otherwise, the application may be rejected.

After signing the contract, the beneficiary must not exceed the term of project implementation - two years. The beneficiary will be monitored throughout this period. The AIPA employees will carry out field visits to monitor the progress of beneficiaries. If the provisions of the contract are not complied with and the check will identify irregularities, the contract may be terminated and the financial support will have to be repaid.

The subsidies in advance will be granted on the basis of investment projects submitted by farmers who carry out an economic activity in the agri-food sector for the first time and are not affiliates of another agricultural producer. The farmers can receive this financial support only once.



Japan's experience in marketing and promotion

The promotion of exports and agri-food marketing are particularly important for the Republic of Moldova, thanks to the role that agriculture plays as a main branch of national economy. In order to ensure capacity development in marketing and promotion of exports, I had a fortunate opportunity to learn from Japan's experience. For this purpose, between June 24 and 28 July 2018, with the support granted by the Japan International Cooperation Agency (JICA), funded by the Japanese Government, I participated in an advanced training course, entitled "Market oriented export promotion strategy /Marketing strategy".

and funnelled to export-oriented industries. Prioritizing certain industries does not imply disadvantaging other industries. The most important aspects for exporters are access to information, financing and markets. This requires an entity/body, which may ensure cooperation at both informational and operational levels.

The consumer demand may be transformed into business opportunities given that a company is willing to innovate, develop and launch products that consumers want. Employing marketing research methods, a company estimates whether there is a market for new products and what is the target client segment (target market).

ments, constitute the main instrument for leveraging the full export potential of the country.

In the light of the above, a number of recommendations for our country has been presented to us, namely:

Drawing up of a programme aimed at promotion of agri-food products;

Facilitation of development, recognition, operation of groups of agricultural producers;

Establishing regional agri-food centres, based on a public-private partnership, where the producers will sell their agricultural products and use the services needed to export their products;

Establishing "virtual" trade centres for ensuring communication and promotion of national brands, which will lead to creation and appearance of new distribution operators;

Facilitating creation and development of agritourism services in the development regions;

Enhancing the capacities of agricultural producers in the field of value-added products and marketing of agri-food products;

Japan is the third most important donor for the Republic of Moldova, granting our country financial aid amounting to 155 million US dollars, whereas the assistance directed toward social and economic growth of developing countries, granted by the Government of Japan, is coordinated by the Japan International Cooperation Agency (JICA).



Silvia Dragomir,
Senior consultant,
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The training programme focused on developing a new approach to the promotion of exports from developing countries to developed countries, with an emphasis on developing value-added products based on the potential needs of target markets. To attain this goal, skills related to market research, product development, branding, promotion and communication with potential clients are essential. Encouraging and diversification of exports is a key element to cover the balance of trade, create new decent jobs and ensure sustainable economic development.

The majority of exports from developing countries are mainly in the form of raw materials and less processed products. Inferior quality of products, insufficient marketing and promotion are barriers to exporting of value-added products. Hence the need for an additional contribution for local products, which concerns processing, packaging and storage of raw materials, which will allow exporting value-added products.

The exports may be increased by the cumulative effect of foreign and local investments, which must be integrated in the technological chains of foreign investors

the products or services are consumed or experienced. In the end, the consumers are active decision-makers.

Investments, particularly direct investments and those that connect small and medium-sized enterprises to foreign direct invest-

ments, constitute the main instrument for leveraging the full export potential of the country.



„Medical care is provided in warm conditions..“

„Last winter was cold, stinging cold ... I recall not being able to warm my hands, even after leaning on to a hospital radiator for half an hour. I went to the bathroom, thinking I would keep them for a short while under warm tap water. But, no luck there, I found no warm water ...“, this is the account of Mrs. Elena from the village of Bahmut, Calarasi district, about one of her previous experiences in the Calarasi District Hospital. I met her in the Hospital's halls. In the winter of 2016, Mrs. Elena was hospitalized at the „Infectious diseases“ ward of the Calarasi Hospital. She had a food poisoning, which tormented her „... for about 10 days. The hardest thing to endure was the almost total lack of warm water. You had to be lucky to catch the right moment ... We took showers according to a schedule. Nowadays, things have changed drastically.“

German money for heating and warm water

One year apart, but such a radical change. How was that possible?

This year, on March 1st, the Heating Plant and the solar panel system for water heating were unveiled. The German Development Cooperation through GIZ via its project „Modernization of Local Public Services in the Republic of Moldova“ (MLPS) funded the refurbishing of the Heating Plant and the installation of solar panels. The total cost covered amounted to 8.4 million MDL. Funds granted by the German Government.



Cooperation and working together: Key elements

The involvement of all actors was crucial for the completion of these works. Thus, a number of entities participated in the work process, namely Calarasi District Council, Calarasi District Hospital, Centru Regional Development Agency (RDA), Ministry of Agriculture, Regional Development and Environment, with financial backing provided by GIZ. „Only thanks to the synergy, coordination which all the involved parties had at each phase, it was possible to implement the project in a rapid, efficient and sustainable way“, Alexandru Marian, project manager of the „Increasing Energy Efficiency (EE) of the Calarasi District Hospital“, the person who monitored and ensured the smooth running and carrying out of works, told me.

Oleg Secieru, the head of Project Management Department

The citizens. The main beneficiaries of this project

Mrs. Silvia Bobescu, the hospital director, tells us that „...the human or the patient is the most important factor in this equation. It is a joy for us to have a refurbished boiler room and running hot water at all taps in the hospital. We never dared to dream that in such a short span of time, we would be having access to such amenities. For this we have to thank GIZ and the German People“.

Each year around 9 thousand patients will benefit from the services provided by the Calarasi District Hospital, one of these patients is Mrs. Maria from the village of Bahmut. „Better to be healthy and in no need of hospitals“, she told us at the farewell, „...but, we are humans and, sooner or later, we have to enter through these doors. But, once we are in, it is good to receive not only healthcare services, but also basic living conditions ...“. Heating in wintertime and hot tap water are among those basic living conditions.

Technical details about these two investment projects:

- The coordination was under the supervision of the project „Modernization of Local Public Services in the Republic of Moldova“, implemented by German Development Cooperation through GIZ;
- Financial backing provided by the Government of the Federal Republic of Germany;
- The works had been carried out and monitored by the Centru Regional Development Agency and Calarasi District Council.
- The refurbished Heating Plant provides heating, whereas the installed solar panel system ensures hot tap water for the entire Calarasi District Hospital. Moreover, the refurbished Heating Plant and the installed solar panel system for heating tap water reduces the carbon dioxide emissions by up to 40%.



The design and refurbishing works for these two investment projects took about a year to complete. „These works were executed in record time, but qualitatively“, Veaceslav Coscodan, head-engineer of Calarasi District Hospital said. „We began working on these two projects in August of 2017 and by the mid of December, the newly installed boilers had already been fully operational and were providing heating for the Hospital. Since March of the current year, the solar panel system for heating water, also became fully operational“. Nonetheless, an important factor, according to Mr. Coscodan, was „the works design phase, which lasted from February to June of the last year. We planned everything in great detail, and only then began working.“



ment within Centru RDA, shares the same opinion: „It was a joint effort, everyone made its contribution. Each and all of us had made all possible efforts and, together, succeeded in attaining the desired result: The Heating Plant is refurbished and the solar panel system for heating water for the district hospital [installed and running]“.