



## BUILDING MARDE ADMINISTRATIVE CAPACITIES FOR THE IMPLEMENTATION OF AGRIFOOD PRODUCTS PROMOTION POLICY

March 2022

SDGs:



Country: Republic of Moldova

Project Code: TCP/MOL/3701

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### Implementing Partners

Ministry of Agriculture, Regional Development and Environment (MARDE), Ministry of Agriculture and Food Industry (MAFI).

### Beneficiaries

Ministry of Agriculture and Food Industry, Agency for Intervention and Payments for Agriculture (AIPA).

### Country Programming Framework (CPF) Outputs

CPF Outcome: Priority Area 1: Increasing competitiveness of the agrifood sector. Output 1.2: Policy framework on internal and external market promotion of agrifood products designed and national capacities strengthened.



### BACKGROUND

The agricultural sector plays an important role in the economy of the Republic of Moldova, contributing, with the food industry, a significant share of gross domestic product (22.6 percent in 2017). Official statistics indicate that agriculture and the food industry account for 46.6 percent of total exports. The sector employs 33.7 percent of the total number of employed in Moldova, while 57.3 percent of the population still lives in rural areas. The development of the agricultural sector is thus an economic priority. With this in mind, the National Strategy on Agriculture and Rural Development (NSARD) 2014-2020 was adopted in 2014. The strategy contained three main strategic priorities and a number of specific objectives. The first of the three strategic priorities was to increase the competitiveness of the agrifood sector through modernization and market integration.



The promotion of agricultural products with high added value and the substitution of imports of agrifood products have been considered priorities in many recent government programmes. However, the lack of a strategic and institutionalized approach to the promotion of agrifood products affects the efficiency of the adopted measures. A lack of continuity and a limited capacity to absorb, develop and implement efficient tools and approaches must be addressed in order to strengthen inter-institutional and intersectoral cooperation in the development and implementation of annual agrifood promotion action plans, and to build administrative and institutional capacities in the development of marketing standards and quality policy. FAO assistance was requested in this regard. The aim of the project was to ensure a coherent, dynamic and coordinated policy framework leading to increased consumption of Moldovan agrifood products on the domestic and foreign markets. It should be noted that, following a change in government structure, MARDE was separated into three different ministries. The ministry now responsible for the agriculture sector is the Ministry of Agriculture and Food Industry.

### IMPACT

The project has built the capacity required to increase awareness of Moldovan agrifood products on the domestic, European Union and other foreign markets through the development of an effective system for their promotion, the preparation of an Action Plan for a food quality policy, the promotion of agritourism in two localities and the development of cooperation among agrifood producers.

### ACHIEVEMENT OF RESULTS

The outcome of the project was successfully achieved through the provision of analytical and technical support to improve the capacities of government staff, producer associations, rural communities and municipalities, and by piloting measures to promote agricultural and rural tourism, as well as agrifood products and traditional recipes, in two localities. The project supported MAFI in the efficient implementation of the NSARD 2014-2020 and contributed to actions designed to promote food products on internal and external markets, and to conduct monitoring and evaluation at policy level. This was achieved through the development of analytical documents, the promotion of agricultural and rural tourism, the promotion of local agrifood products and traditional recipes, and the enhanced capacities of the public and private sector to implement national quality policy.

The project strengthened the policy implementation and analysis capacities of over 15 public administration staff members representing two government institutions (MAFI and AIPA) and ten representatives of academia (Agrarian University of Moldova, National Institute for Economic Research), and improved the knowledge and skills of three associations of producers from Lalova, Cahul and Drochia, respectively. All three outputs were thus successfully delivered. One activity was only partially achieved as a result of COVID-19-related travel restrictions, and two activities were not carried out as they were not included by the Ministry in the list of priority topics for cooperation.

### IMPLEMENTATION OF WORK PLAN AND BUDGET

The project encountered challenges related to the COVID-19 pandemic, as a result of which some activities were delayed. The project requested and was granted a no-cost extension of one year to allow the successful implementation of all the activities envisaged in the work plan. All project activities were implemented within the allocated budget.

With regard to risk management, the project team organized regular meetings at which risks were discussed and plans followed for their mitigation. The project did not pose any environmental or social risk for the country.

### FOLLOW-UP FOR GOVERNMENT ATTENTION

The project developed a series of policy recommendations in the analytical documents provided for MAFI and AIPA. It is recommended to further use and integrate relevant provisions of the provided policy advice and developed action plans into the framework of the new NSARD and the sector-specific programmes under development.

It is also recommended to further use the monitoring tool developed within the project for analysing the short-term effects of the subsidies developed for AIPA and MAFI in order to better design subsidy policies for agricultural producers

## SUSTAINABILITY

### 1. Capacity development

The sustainability of results is ensured by the analytical products developed for MAFI and AIPA. These will be used by the relevant departments and policy decision-makers in the design of new agricultural policies with a focus on promotion policies for agrifood products and the updating of current regulations. In addition, the knowledge capacities of MAFI, the Centre of Education and Rural Development (CEDR), AIPA and other stakeholders have increased as a result of the methodological workshops conducted by the project.

Evidence provided by the project was shown to have assisted the ministry to develop a new agricultural budget for 2022.

The project provided policy recommendations, action plans and inputs to the design and update of policies to be included in the new NSARD (currently under development), as well as being taken up in sectoral programmes and regulations (e.g. agriculture and rural subsidy regulation).

The project cooperated with various partners during implementation. Two Letters of Agreement were signed with local non-governmental organizations (NGOs) in the agricultural sector: the Federation of Agricultural Producers from Moldova (FARM) and CEDR. Both NGOs built their capacities in the field of policy monitoring, rural tourism, marketing standards, geographical indications (GI) and quality policy. A good level of cooperation was also established with producer associations and academia through meetings and consultations regarding the analytical and policy documents developed under the project.

Follow-up activities were designed by the project through the creation of various sectoral working groups within MAFI; these will ensure the participation of the trained staff in the implementation of the actions defined in the policy recommendations. In addition, the project contributed to the development of a monitoring tool for AIPA and MAFI for the analysis of the short-term effects of subsidies.

### 2. Gender equality

Gender considerations were taken into account at all stages of project implementation. More than 50 percent of participants in capacity-building activities were women, and several of the sectoral departments supported by the project had a woman as head of department. The results achieved by the project equally benefit all gender groups.

### 3. Environmental sustainability

Project activities did not have any impact on the environment, nor was this a specific objective. Environmental aspects regarding sustainable production were considered while preparing an application for GI registration in Lalova.

### 4. Human Rights-based Approach (HRBA) – in particular Right to Food and Decent Work

The project provided capacity-building to farmers in rural areas in the promotion of agricultural and rural tourism, as well as of local agrifood products and traditional recipes. These activities will contribute to increased opportunities with regard to the diversification of rural entrepreneurship.

## 5. Technological sustainability

The project had no objectives related to technologies. However, it contributed to the increased knowledge of MAFI and AIPA staff on topics of agrifood promotion, the monitoring of subsidies, agricultural policy monitoring and evaluation, greening agricultural policy in Moldova, policies in food quality, GI and products with protected designation of origin (PDO). At the same time, the capacities of farmers in the pilot communities in terms of agricultural and rural tourism and the promotion of local agrifood products and traditional recipes were developed. Given the high turnover in ministry staff, the project made every effort to involve staff at the decision-making level. Sustainability will also be ensured by the analytical documents and reports developed by the project. These materials, along with the monitoring tool for state subsidies developed for AIPA, will allow beneficiaries to continue working on the development of new policies and the updating of the current legal framework.

## 6. Economic sustainability

The project provided technical assistance for the improvement of policies and the enhanced capacities of government staff to implement a sound legal framework. Policy recommendations developed by the project will thus be further implemented and will generate a mobilization of resources for the domain of agrifood promotion. The evidence provided by the project supported ministry staff in developing the new agricultural budget for 2022.

All the products developed by the project are available to beneficiaries. All the analytical materials were submitted to the main beneficiaries (MAFI and AIPA). Promotional products for the pilot communities (flyers, road signs and maps) were distributed to the beneficiary farmers during field activities.



## DOCUMENTS AND OUTREACH PRODUCTS

- ❑ **Ignat, A.** 2020. *Overview of the food security situation in the Republic of Moldova before and during the COVID-19 outbreak*. Chisinau. 50 pp.
- ❑ **Moxey, A & Boincean. B.** 2021. *Report on Agriculture and Climate Change: Analytical Needs, Technical Options and Policy Choices for Moldova*. Chisinau. 33 pp.
- ❑ **Madan, S.** 2021. *Analysis of two support sub-measures from the subsidy programme related to promotional activities (Sub-measure 1.9 Stimulating promotional activities and Sub-measure 1.8 Stimulating the establishment and functioning of agricultural producers' groups)*. Chisinau. 41 pp.
- ❑ **Madan, S.** 2021. *Action Plan on the implementation of the strategic recommendations for promotion of the Moldovan agrifood products*. Chisinau. 9 pp.
- ❑ **Madan, S.** 2021. *Analytical Action Plan for the Agency of Intervention and Payments in Agriculture*. Chisinau. 10 pp.
- ❑ **Cimpoies, D.** 2021. *Regulatory Impact Assessment (RIA) on the draft Government Decision on the approval of the Regulation on procedures for the approval of specifications and the verification of compliance with the specifications of agrifood products with protected designations of origin, geographical indications and traditional specialties guaranteed*. Chisinau. 10 pp.
- ❑ **FARM.** 2021. Two geographical maps on local agritourism attractions in Chetrosu, Cahul and neighbouring communities. Chisinau.
- ❑ **FARM.** 2021. Two tourist-oriented leaflets (flyers) regarding local tourist attractions and production in Cahul and neighbouring communities including honey production and processing and the local tourist attractions and the local organic production in Chetrosu and neighbouring communities. Chisinau. 8 pp.
- ❑ Two video materials on local tourism attractions and local production in Chetrosu and Cahul.
- ❑ Two roll-ups in Romanian and English aimed at promoting the activities carried out by FAO office in the Republic of Moldova.

## ACHIEVEMENT OF RESULTS - LOGICAL FRAMEWORK

<b>Expected Impact</b>	<b>Ensuring a coherent, dynamic and well-coordinated implemented policy leading to increased consumption of Moldovan agrifood products on the domestic and foreign markets</b>		
<b>Outcome</b>	Support to MARDE in an efficient implementation of the National and Rural Development Strategy 2014-2020, to the specific actions planned for internal and external markets food promotion		
	<b>Indicator</b>	Increased level of consumption and export. Formalized policies on agrifood export and internal consumption promotion.	
	<b>Baseline</b>	0	
	<b>End Target</b>	Increased competitiveness achieved through modernization and structural development.	
	<b>Comments and follow-up action to be taken</b>	The project supported MAFI in the implementation of the NSARD 2014-2020 and contributed to specific actions planned for internal and external market food promotion, and policy monitoring and evaluation. This was achieved through the development of analytical documents and the piloting of promotion instruments with producers in Drochia and Cahul on how to develop agricultural and rural tourism, promote local agrifood products and traditional recipes, and the enhanced capacities of the ministry and producers to implement national quality policy. In total, the project strengthened the policy implementation and analysis capacities of over 15 public administration staff members representing two agencies (MAFI and AIPA) and ten representatives of academia (Agrarian University of Moldova, National Institute for Economic Research), and improved the knowledge and skills of three associations of producers from Lalova, Cahul and Drochia-Chetrosu.	
<b>Output 1</b>	Strengthened MARDE institutional capacities to coordinate and implement the promotion policy of Moldovan agrifood products		
	<b>Indicators</b>	<b>Target</b>	<b>Achieved</b>
	Number of technical consultations.	Events (two training events and workshops) for approximately 60-70 persons.	Yes
<b>Baseline</b>	0		
<b>Comments</b>	Under the promotion policy, the project and stakeholders considered the implementation of two support measures and elements of the national strategy related to food promotion and rural tourism development. The output of the project was achieved through the development of a series of analytical documents and the conduct of two validation workshops.		
<b>Activity 1.1</b>	Strengthening of inter-institutional and intersectoral cooperation in the development and implementation of annual agrifood promotion action plans		
	<b>Achieved</b>	Yes	
	<b>Comments</b>	The update of the Action Plan on the promotion of agrifood products was developed after validating the relevance of the activities proposed in the Action Plan with producer associations (FARM, the National Farmers Federation of Moldova, Moldova Fruct and the Association of Milk Producers). Suggestions from associations were incorporated into the document.	

Activity 1.2	Strengthening institutional capacities of the MARDE in economic and promotion policy analysis in order to determine, based on the production potential of the Republic of Moldova, strategic markets as well as implement monitoring and evaluation system.	
	Achieved	Yes
	Comments	<p>An overview of the national food security situation before and during the COVID-19 outbreak was developed, as well as a report on estimating support for the agricultural sector. The main aim of the report was to analyse the current structure and level of public support to the agricultural sector and its development over more than one decade. Based on the Organisation for Economic Co-operation and Development (OECD) Producer Support Estimates methodology, the report evaluates the level and structure of support to farmers resulting from agricultural policy, and emphasizes trends in the support structure. The report also provides first recommendations and potential policy actions in order to increase the efficiency of public support to agriculture. The results were validated in the framework of a workshop with representatives of MAFI and AIPA.</p> <p>A report on assessing the short-term impact of agricultural budget support in the country using an online questionnaire was developed. For this purpose, a methodology was developed and consulted with AIPA and MAFI. The results were discussed in the framework of a validation workshop with representatives of MAFI and AIPA.</p> <p>A report on Agriculture and Climate Change: Analytical Needs, Technical Options and Policy Choices for Moldova was developed. The results of the report were presented and discussed at a validation workshop with representatives of MAFI and AIPA.</p> <p>An analytical report on two support sub-measures from the subsidy programme (Sub-measure 1.9: Stimulating promotional activities; and Sub-measure 1.8: Stimulating the establishment and functioning of agricultural producers' groups) was developed. The report includes an analysis of the geographical structure of exports, the prioritization of areas to be restructured/modernized to be export-oriented in line with trends in foreign markets, and the identification of deficiencies within institutional policy and domestic legislation that prevent a more intense promotion of agrifood products. The report includes policy recommendations that were discussed at a workshop with relevant departments of MAFI and AIPA.</p> <p>A report on the analysis of the long-term impact of farm support measures in Moldova was developed. The report covers methodology, descriptive statistics of the farm survey data collected, the results of Propensity Score Matching analyses of a range of farm performance indicators and policy recommendations. For this purpose, a sampling strategy of agricultural producers was developed, followed by a survey of 800 farmers, beneficiaries and non-beneficiaries of subsidies. The report results and policy recommendations were validated in an online consultation with stakeholders.</p> <p>An analytical Action Plan for AIPA was developed and consulted with AIPA and MAFI.</p>
Activity 1.3	Strengthening institutional capacities of the MARDE in marketing agrifood products	
	Achieved	Yes
	Comments	<p>A specific objective (Ensure a coherent, dynamic and well-coordinated promotion policy leading to increased awareness and consumption of Moldovan agrifood products on the domestic and foreign markets) for the future strategy for agriculture was provided to MAFI. The document listed the problems identified and priority directions that can help to improve the situation and achieve the goal. An updated Action Plan on the promotion of agrifood products was developed. The field examination and demonstration trips (see Output 3), followed by recommendations, also contributed to the achievement of this activity.</p>

	Capacity development activities		
	Achieved	Yes	
Activity 1.4	Comments	<p>Four validation workshops and one methodological workshop were held with representatives of MAFI and AIPA.</p> <p>A validation workshop on the analysis of the survey of 118 recipients of subsidies from the National Fund for the Development of Agriculture and Rural Areas, managed by AIPA, was held in hybrid format on 2 November 2021.</p> <p>A validation workshop on the presentation and discussion of recommendations from the budget review according to OECD methodology, a case study on United Kingdom and European Union experience in greening agricultural policy and addressing climate changes in policy, and a discussion of general policy recommendations was held online on 5 November 2021.</p> <p>A validation workshop on the presentation and discussion of recommendations from the analysis of long-term effects (based on the survey of 800 farmers) was held online on 10 December 2021.</p> <p>A validation workshop was held to present and discuss recommendations from the analysis of two support sub-measures from the subsidy programme related to promotional activities. On 6 December 2021, a capacity-building seminar on agricultural policy monitoring and impact assessment took place in a virtual format. The presentation covered methodologies aimed at calculating OECD-type policy monitoring indicators and Propensity Score Matching as a quasi-experimental approach of impact assessment. The operationalization of policy objectives was also explained. The presentation, together with references to further methodological literature, was made available to all participants. Over 25 people from MAFI, AIPA, Agrarian University and the National Institute for Economic Research were trained.</p>	
Output 2	Strengthening MARDE institutional capacities in development of the quality of Moldovan agricultural products and foodstuffs		
	Indicators	Target	Achieved
	Action plan for the development of food quality policy prepared. Recommendations for developing food processing sector.	Two training events, including one study tour.	Partially
Baseline	0		
Comments	This output was partially achieved. The activities conducted are described below.		
	Strengthening institutional capacities in food quality policy, in particular, geographical indications (GI)		
	Achieved	Yes	
Activity 2.1	Comments	<p>Discussions with the MAFI focal point were held on the homologation of technical specifications and verification of compliance with the specifications of agrifood products with PDO, GI and traditional specialties guaranteed (TSG) and on problems to be reflected within the regulatory impact analysis, as well as on the organizational aspects of collaboration. National legislation on agrifood products with PDO, GI and TSG was analysed and information gathered on identified development barriers of agrifood products with PDO, GI and TSG. Two alternative scenarios, based on European experience, were proposed.</p> <p>A Regulatory Impact Assessment on the draft Government Decision on the approval of the Regulation on procedures for the approval of specifications and the verification of compliance with the specifications of agrifood products with PDO, GI and TSG was developed and submitted to MAFI.</p> <p>Technical input regarding PDO specifications for macerated fruits was developed for the Association of Producers from Lalova.</p> <p>An analytical note on GI was developed for MAFI.</p> <p>An awareness-raising round table for over 35 participants on the importance and promotion of Protected GI, PDO and TSG was held on 29 December 2021 in Lalova.</p>	
Activity 2.2	Strengthening institutional capacities in the food quality policy, in particular, traditional products		
	Achieved	Partially	
	Comments	<p>Training and a study tour were organized to support the institutional implementation and promotion of the traditional product identification programme. The study tour for mayors of Moldovan villages on experiences of rural tourism in European Economic Community countries did not take place as a result of travel restrictions caused by the COVID-19 pandemic. However, the promotion of traditional products was covered in the workshop on GIs and traditional products (Activity 2.1).</p>	

<b>Activity 2.3</b>	Strengthening institutional capacities in the marketing standards, in particular, vegetable and dairy products		
	<b>Achieved</b>	No	
	<b>Comments</b>	Following consultations with MAFI on priority support areas for the project, this was not listed as a priority for cooperation.	
<b>Activity 2.4</b>	Strengthening institutional sub-sectoral capacities on how to improve economic environment for diversified food processing		
	<b>Achieved</b>	No	
	<b>Comments</b>	Following consultations with MAFI on priority support areas for the project, this was not listed as a priority for cooperation.	
<b>Output 3</b>	Enhancing of producer associations' capacity-building in relation to the implementation of promotion policy		
	<b>Indicators</b>	<b>Target</b>	<b>Achieved</b>
	An action plan of the pilot project to promote rural tourism developed and implemented for three villages.	Two training events, including one study tour.	Yes
<b>Baseline</b>	0		
<b>Comments</b>	<p>One aim of the project was to enhance producer associations' capacities in the implementation of promotion policy, mainly by organizing events to develop agricultural and rural tourism and by promoting local agrifood products and traditional recipes. The implementation of two pilot projects in two localities contributed to achieving this aim. The localities - Cahul and Chetrosu - were identified in consultation with the Administrative Board of the National Network for Rural Development as the sites with the most significant agritourism potential. Training, field examinations and workshops were held in these localities. MAFI representatives attended most events. Training was provided in the organization and management of rural tourist entities. About 18 participants in Cahul and 28 participants in Chetrosu, comprising agricultural producers, owners of tourist locations, and representatives of local and regional public administration, learned techniques to promote tourism and agrifood products specific to their areas.</p> <p>Two training events on the promotion to tourists of local traditional organic agrifood products in Chetrosu and Cahul were attended by 29 participants in Chetrosu and 22 participants in Cahul, respectively.</p> <p>Two field examinations and demonstration trips for the respective communities, followed by the development of recommendations, took place. These were attended by 50 participants, farmers, entrepreneurs, representatives of local public authorities and people interested in rural tourism. During the tours, visitors had the opportunity to discover tourist attractions and taste traditional food prepared from local products. The aim of the tours was to popularize the identified tourism locations, but also to exchange experience among actors from the south and north of the country, who are interested in promoting rural tourism.</p> <p>Recommendations were developed on the promotion of local tourism and honey production and processing for Cahul and neighbouring communities, based on the field examination trips. These were elaborated based on the specific qualities of the communities.</p> <p>Promotional materials were developed to increase awareness of rural tourism and food diversity.</p>		
<b>Activity 3.1</b>	Organizing events to develop agricultural and rural tourism and promotion of local agrifood products and traditional recipes		
	<b>Achieved</b>	Yes	
	<b>Comments</b>	Two projects in two localities (Chetrosu and Cahul) were piloted in order to develop agricultural and rural tourism, and to promote local agrifood products and traditional recipes. Training in the most important aspects of organization and management of rural tourism and in the promotion of local traditional organic agrifood products was organized in Chetrosu and Cahul. Field examinations and demonstration trips were organized for both communities, followed by the development of recommendations for the promotion of local tourism and production. These were discussed at workshops in Chetrosu and Cahul.	
<b>Activity 3.2</b>	Developing of promotional materials for tourist sector on rural tourism and food diversity		
	<b>Achieved</b>	Yes	
	<b>Comments</b>	<p>The following information and promotional materials aimed at building awareness of rural tourism and food diversity were produced.</p> <ul style="list-style-type: none"> <li>- Two geographical maps of Drochia and Cahul districts were prepared.</li> <li>- Leaflets (500 copies) on tourist attractions and organic production in Drochia district were designed and edited.</li> <li>- Leaflets (500 copies) on tourist attractions through biodiversity, traditions and culture in Cahul were designed and edited.</li> <li>- Sixteen road signs were set up at the identified tourist attractions.</li> <li>- Twelve mass-media articles were developed and published, and four success stories were developed and disseminated.</li> <li>- Two videos on the promotion of tourist attractions in Cahul and Chetrosu were developed.</li> </ul> <p>The coordination and preparation of materials were provided by the project.</p>	



**Partnerships and Outreach**

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