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AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT

ANNUAL REPORT FOR PROJECT YEAR THREE

APRIL 2014

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USAID Moldova - MCC Moldova
AGRICULTURAL COMPETITIVENESS AND
ENTERPRISE DEVELOPMENT PROJECT

ANNUAL REPORT FOR PROJECT YEAR THREE
April 1, 2013 – March 31, 2014

TABLE OF CONTENTS

<u>REPORT SECTION</u>	<u>PAGE NO</u>
I. EXECUTIVE SUMMARY	1
II. BACKGROUND ON THE PROJECT	2
III. HIGHLIGHTS FOR PROJECT YEAR THREE	9
IV. PROJECT ACTIVITIES BY COMPONENT	11
COMPONENT 1: GROWING MOLDOVAN HVA SALES & EXPORTS	11
Activity 1.1: Develop & Expand Market Opportunities	
Activity 1.2: Upgrade Production to meet Buyer Requirements	
Activity 1.3: Upgrade the Moldovan HVA Value Chain	
Activity 1.4: Improve the Enabling Environment for HVA	
COMPONENT 2: ENTERPRISE DEVELOPMENT IN TRANSNISTRIA	32
Activity 2.1: Build the Capacity of Business Service Providers	
Activity 2.2: Support the Development of Transnistrian MSMEs	
V. ACED PROJECT CROSS-CUTTING ACTIVITIES	39
1. Coordination with Other Donors	
2. Gender & Marginal Groups	
3. Environmental Compliance	
4. Sequencing with the Compact THVA	
5. Local Capacity Building for Moldovan BSPs	
VI. PROGRESS TOWARDS INDICATOR TARGETS	50
VII. ADMINISTRATION & CONTRACT DELIVERABLES	55
VIII. PROJECT BUDGET & LEVEL OF EFFORT	58
IX. REPORT ANNEXES	
Annex A: PMP Indicator Tables for Year Three	
Annex B: ACED Success Stories for Year Three	
Annex C: Year Three Random Sample Survey Report	

I. EXECUTIVE SUMMARY

The Agricultural Competitiveness and Enterprise Development project is USAID Moldova's flagship value chain agricultural project, incorporating best practices with an important window of opportunity for the expansion of Moldovan high value agriculture (HVA) production and sales. The project is unique in that it has joint funding from USAID and the Millennium Challenge Corporation (MCC) and will marry USAID's investments in the HVA sector with the irrigation rehabilitation, finance (the Compact's Access to Agricultural Finance Activity) and road reconstruction benefits (e.g., getting product to market) in which the MCC is investing.

The Moldovan agricultural sector has little choice but to invest in and upgrade its production and post-harvest standards in order to sell to supermarkets and export to a more diverse set of countries. This is because of the decline in preferential treatment given to Moldovan exports to Russia, gains by new supermarkets in market share, growing importance of consumer purchases of fresh fruit and vegetables, and the looming threat of a Russian import ban. ACED is providing critical support and guidance to producers and industry associations to help them make changes that will allow them to access new markets while continuing to export significant quantities of fruits and vegetables to the Russian market.



Visitors to the Moldova booth at the GulFood show in February 2014 sample dried fruit products on display.

ACED is assisting with the transformation of how Moldovan agriculture responds to market demand for high value agricultural products. Over the course of Year Three, ACED carried out a large number of activities and events, and producers and farmers have begun to change their behavior, something that will continue until the end of the project and beyond.

The project has facilitated \$15,646,409 in sales to date, the bulk of that coming in Year Three. By March 31, 2014, ACED had recorded the following results:

- 4,307 producers had been trained exceeding the Year Five life-of-project target in the project's PMEP. Of those, 1,223 producers reported that they have adopted improved practices, with 38 percent (468) of them being women.
- \$7.2 million in new investments have been reported, including more than \$5.3 million in much-needed post-harvest handling infrastructure that will upgrade the capabilities and competitiveness of the targeted value chains.
- As is noted above, ACED recorded more than \$15.6 million in sales facilitated, with 547 producers reporting having had sales facilitated, including 176 of those sales being from either women-owned or women-managed producers.

The tremendous efforts devoted to project activities by the ACED staff over the past three years are now paying significant dividends, as can be seen in the success stories included in Annex B, the information contained in the Performance Monitoring & Evaluation report (Section IV), and the information included in the ACED End-Of-Year Survey Report in Annex C. These items complement and enhance the events, activities, successes and impacts that are described throughout the narrative report that follows.

II. BACKGROUND ON THE PROJECT

The Agricultural Competitiveness and Enterprise Development (ACED) Project is a five-year project (2011-2016) jointly funded by USAID and the Millennium Challenge Corporation (MCC). The contract vehicle for ACED is a Cost-Plus-Fixed-Fee, Term, Level-of-Effort contract which was awarded to Development Alternatives, Inc. (DAI) at the end of March 2011. The project's main objective (Component 1: Growing HVA Sales) is to increase the competitiveness of the Moldovan agricultural sector with a focus on the production, processing, and marketing of high value agricultural crops. Activities within this Component are national in scope, with a special emphasis on those areas that will benefit from the MCC-financed rehabilitation of central irrigation systems under the MCC Transition to High Value Agriculture Project (THVA). Approximately 84 percent of the ACED budget is devoted to Component 1 activities, with approximately one-third of that being funding from MCC.

ACED's second element (Component 2: Enterprise Development in Transnistria) has been allocated approximately 16 percent of the total budget. This is for activities and events focused on economic development in the Transnistria region (also commonly referred to as the "Left Bank"). Under Component 2, the ACED project works to improve the competitiveness of micro, small and medium scale enterprises (MSMEs) and relevant Business Service Providers (BSPs) in Transnistria. The main objective is to support the development of, and enhance the competitiveness of, Transnistrian MSMEs in the HVA and non-HVA agricultural value chains. Associated with this is assistance to Transnistrian BSPs that can provide essential technical and managerial services to these MSMEs. This component, in turn, leads to the creation of jobs and increased incomes in the region and facilitates cross-Nistru business linkages that promote the integration of Transnistrian private enterprises into the broader Moldovan economy.

A. The Value Chain Approach

The ACED project design team settled on a value chain approach as the most effective way to address the ambitious objectives set out for Component 1 (Growing High Value Agricultural Sales). The value chain approach requires a comprehensive description and analysis of what happens a product throughout its their production, processing, and marketing cycle. This approach examines the production process as well as the external factors — such as government policy, credit availability, and input supplies — necessary to support and sustain the production, distribution and marketing processes. In the case of agricultural products, it also includes an analysis of post-harvest practices and post-harvest infrastructure availability (the cold chain, storage facilities, grading and packaging systems, transportation, etc.). An examination of the target markets also identifies specific governmental and end-market requirements that producers will have to meet to be successful in those markets.

The value chain approach is also based on specific products, and not on geographic localities. Interventions on behalf of a value chain might take place in many places, either simultaneously or over a given time period. Interventions might include direct assistance to producers to identify new buyers and understand the technical and commercial requirements of those buyers, as well as to identify regulatory and quality certification barriers that must be met. Assistance might be provided to input suppliers to help them register planting materials or agrochemicals that are new to Moldova, but necessary to satisfy end market requirements. Direct assistance can also be provided to primary producers to improve both the quality and efficiency of their production processes. Governments can be assisted with advice on adjusting the regulatory

environment or enhancing field inspection and food safety testing capabilities. Banks can be helped to develop appropriate loan products and increase the volume of their lending to value chain participants. Consolidators, such as producer associations, cooperatives, or individual traders, can be assisted with developing effective systems for finding and buying products they need, and with grading, storing, and packing and ultimately delivering it to their customers. Agro-processors are assisted to develop effective relationships with farmers in order to obtain raw materials on a schedule that maximizes their effective operating season.

In utilizing this methodology the project team analyzes, prioritizes, and addresses the critical factors that limit the ability of producers and other value chain participants to maximize their income from high value agricultural activities. By beginning with an examination of market potential, the project avoids encouraging farmers to become larger and more efficient producers of a crop for which there is no good market, or for which the required downstream packaging or processing capability does not exist in country.

Being consistent with the Value Chain approach, the ACED project began with summary assessments of the main HVA value chains active in Moldova and the staff eventually selected three Value Chains that best satisfied these criteria:

- They have a strong current production base and good prospects for increasing the volume and the quality of production.
- There is strong actual or potential international and/or domestic demand for any increased production of those products.
- Increased production does not present an unmanageable environmental risk to the natural environment or to farm workers or others.
- The value chains involve a large number of small farmers, including women.

The Apple, Table Grape, and Tomato Value Chains were initially selected as the focus of ACED development activities, with stone fruit (sweet cherries, peaches, and plums), other greenhouse vegetables and strawberries to be added in later years.

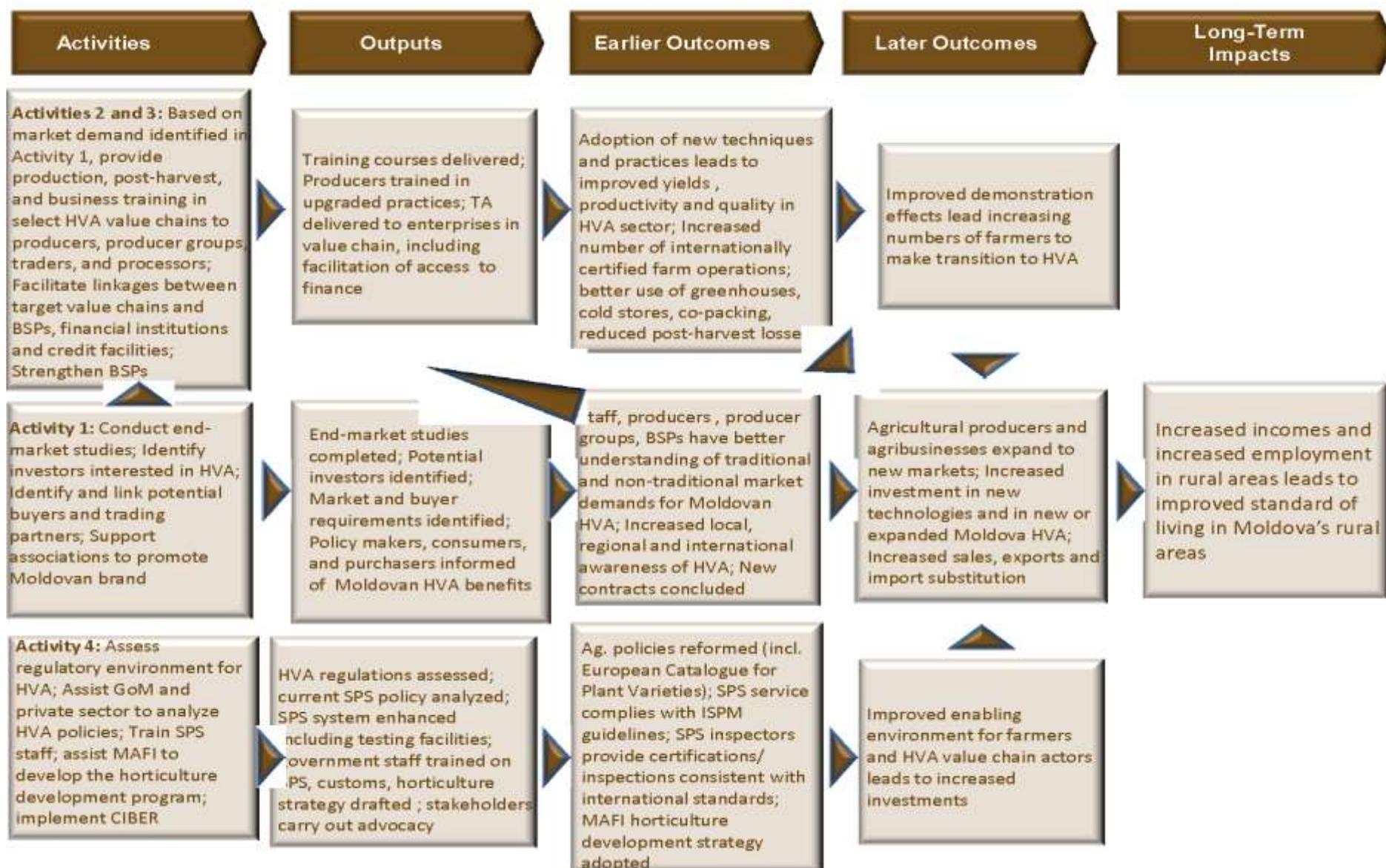
The second step was to conduct a series of end-market studies (EMS) in high-priority markets to identify commercial, technical, or regulatory barriers to entering or expanding producers' presence in those markets and to provide guidance on what would need to be done to penetrate those markets successfully. Russia, Romania, and the Moldovan market itself were the initial markets researched, followed by the Baltic States and Germany. The results of the end market studies were then integrated with other information gathered from value chain participants, and key informants in Moldova, to prepare comprehensive value chain assessments for each of the targeted crops. These studies were then discussed with producers and farmers, and other value chain participants, to develop a strategic action plan for each value chain.

B. The ACED Causal Model

The Causal Model on the following page illustrates the logical flow from the activities identified in the RfP (Request for Proposals) through the "output", "outcome," and "impact" stages, to the final objective of increasing long-term economic growth in Moldova. The original causal model has been refined and sharpened as the project has evolved with implementation.

AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT

ACED COMPONENT I PERFORMANCE-BASED MANAGEMENT SYSTEM CAUSAL MODEL



Carrying out the end market studies, identifying investors and potential buyers interested in Moldovan HVA products, and developing the **“Moldova – Taste Makes the Difference”** international campaign slogan (Component 1, Activity 1) has helped ACED to define the production and marketing requirements. The result is that all parties now have a better understanding of the requirements of specific markets and can adjust their operations accordingly. These adjustments make it possible for Moldovan producers and traders to expand into new markets at home and abroad, and thereby increase their incomes along the value chain and strengthen Moldova's position internationally.



Professor Lynn Long, from Oregon, leads a training seminar for Moldovan sweet cherry producers.

The project's activities and outcomes form a feedback loop so that market requirements inform both the producer Training Team (Component 1, Activity 2) and the Value Chain Team (Component 1, Activity 3), and this will allow the project to provide training to at least 4,300 producers in improved production practices and new technologies. In addition, value chain enterprises will be able to upgrade their facilities (or build new ones) based on increased access to finance and increased awareness of post-harvest best practices. At the “outcome” level these will generate increased production and better quality products coming off the farms and higher value products being supplied by packers and traders. The “impact” is that new investments are made, sales of HVA products both within Moldova and abroad are generated, and local incomes are increased.

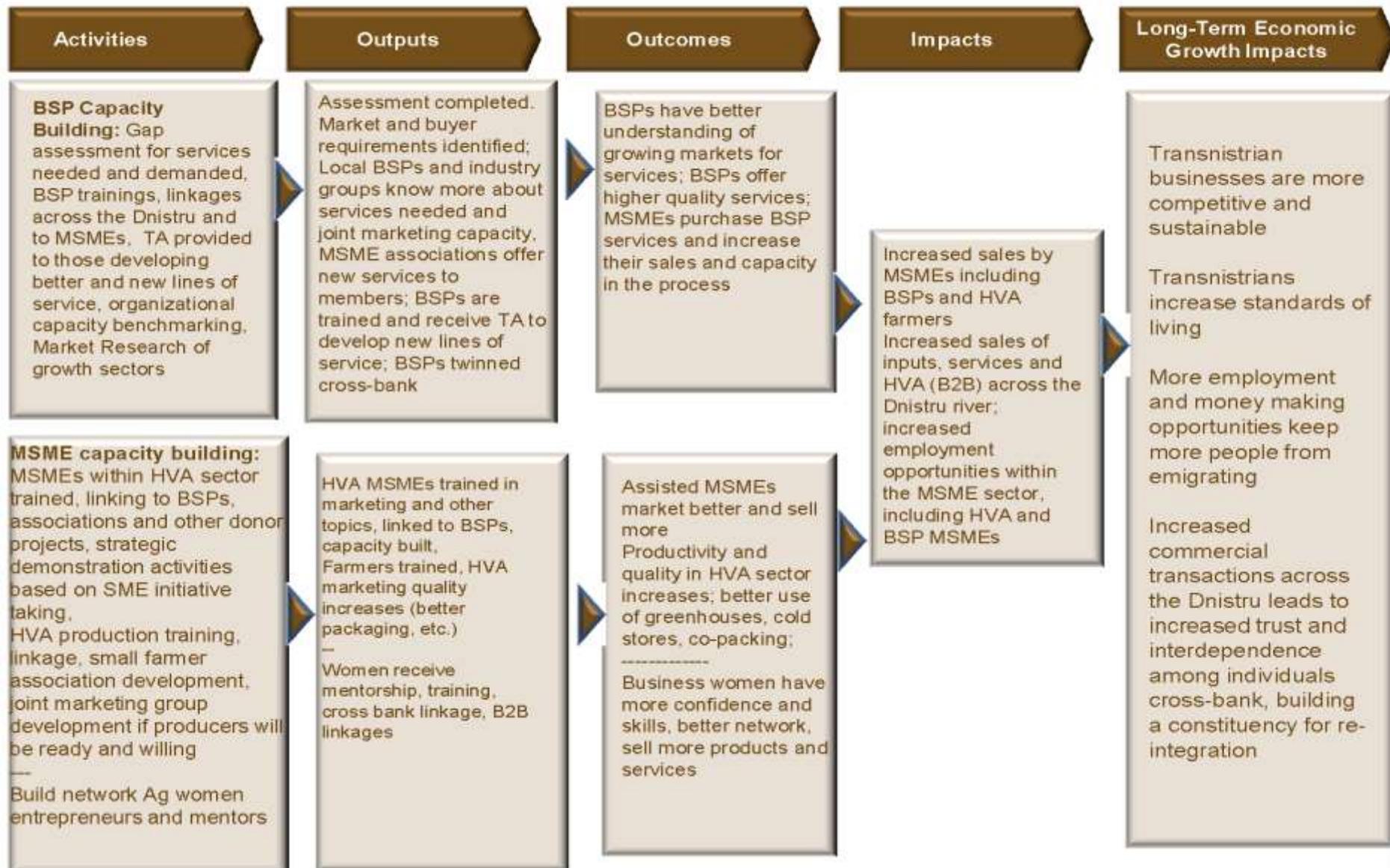
ACED's Component 1, Activity 4 is aimed at improving the regulatory environment for the development of HVA activities. Improving the ability of government agencies and private sector groups to analyze the potential or actual impact of government policies, regulations, and procedures will lead to policy reforms and a closer partnership between government and the private sector. Providing new equipment and supplies for the Central Phytosanitary Laboratory and the Phytosanitary Inspection Service, as well as preparing new reference materials and providing associated training for phytosanitary inspectors, will facilitate the process of harmonizing GOM policies with those of the European Union. This should lead to increased exports with enhanced food safety at home.

ACED's Component 2 activities are aimed at strengthening BSPs and MSMEs in Transnistria. This work began with an analysis of MSME activities in Transnistria and an assessment of the capacity of local BSPs to assist them. Following these assessments, a targeted set of enterprise development and BSP training and technical assistance activities were designed to increase their production capacity and promote cross-bank B2B linkages. At the “outcome” level, these activities will result in increased sales by Transnistrian MSMEs and increased commercial interactions and linkages with the greater Moldovan market. The impact will be that Transnistrian businesses are more competitive and sustainable, and better integrated within the overall Moldovan private sector.

The following page contains the DAI/ACED “Causal Model” diagram for ACED's Component 2 – Enterprise Development in Transnistria.

AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT

ACED COMPONENT II PERFORMANCE-BASED MANAGEMENT SYSTEM CAUSAL MODEL



C. The Two Components of the ACED Project

The original design of the ACED project included two separate components, with very little connection between them other than a shared management structure and operational infrastructure. Component 1 (Growing High Value Sales) was aimed at increasing the production and sale of high value agricultural products by small and medium scale commercial farmers on the so-called “Right Bank” of the Nistru River. The set of activities to be carried out under Component 1 would be based on a thorough analysis of the selected high-value agricultural sectors, and include:

- Technical training for producers to improve their production practices;
- Technical assistance to value chain actors to improve post-harvest practices;
- Improvements in the regulatory environment for the HVA value chains; and
- Creating linkages between value chain enterprises and new markets.

These activities and assistance elements are consistent with the technical approach for ACED which was described in detail in the previous sections.

Component 2 was designed to improve the operations of micro, small and medium-sized private enterprises in Transnistria, in any productive industrial sector, by providing direct training and technical assistance to those enterprises and by enhancing the capacity of local business service providers to provide technical services for those MSMEs. It was foreseen that while agriculture enterprises might be included in the mix of MSMEs assisted, the program would have no particular focus on that sector. The design of the activities in Transnistria was left flexible, which was logical given the dearth of real knowledge about private sector business activities in the region. A late start in the implementation of Component 2, for reasons beyond the control of DAI, led to the planned assessment of needs in the targeted program areas getting under way in February 2011.

The results of the needs assessment on the Right Bank led DAI to determine that a larger than expected portion of ACED’s work in the region would be focused on the same sort of HVA development work as carried out under Component 1, with an additional focus on increasing cross-river trade and other economic interactions. Over the course of Year Two, project staff continued to learn more about the business landscape in the Transnistrian region, and plans for Component 2 for Year Three focused almost entirely on HVA and other agricultural sectors. Assistance to select BSPs in the region also focused on those types of services that were most relevant to agriculture and food processing.

D. The Two Funding Organizations

Implementation of the ACED project is based on an implementation contract signed between USAID and DAI, the prime contractor. The program, however, is the first example of an activity jointly funded by USAID (75 percent) and the MCC (25 percent). The objective of MCC participation as a co-funder is to ensure that ACED will support farmers who will benefit from the much larger MCC program designed to rehabilitate a series of Central Irrigation Systems (CIS) along the Nistru and Prut rivers. There is no direct contractual relationship between DAI and MCC, or its Moldovan government implementation unit, the Millennium Challenge Account (MCA). There is, however, a Memorandum of Understanding between USAID and MCC that includes certain obligations for the ACED team with regard to project planning and programming. These obligations also include certain impact evaluation

requirements and restrictions that constrain the ability of the ACED team to implement and operate Component 1 activities for maximum overall impact throughout Moldova.

ACED has also included several MCC-specific progress indicators in its quarterly indicator tracking tables and implemented in Year Three, which includes a targeted training program to encourage and assist small farmers within the MCC CIS areas to take advantage of the rehabilitated irrigation systems by launching or expanding high value commercial agricultural production. Farmer groups that are formed as a result of this training will then be assisted through targeted training and technical assistance to enter into the ACED-targeted HVA value chains, or others that might be appropriate for local circumstances.

On an operational level, the ACED project is now cooperating more closely with MCC/MCA at the program level, with the launch of regular coordination meetings between key ACED staff and staff from MCC/MCA. ACED has also been very active in providing technical support for the MCA's Access to Agricultural Finance (AAF) activity, as well as in general information sharing, public relations, and coordination of training activities.

III HIGHLIGHTS FOR YEAR THREE

Across the board, the ACED staff, consultants, sub-contractors, and partners have maintained a high level of activity over the course of Year Three, and achieved significant impact. Some important highlights include:

- For the 12-month period from April 2013 to March 2014, the total value of **sales facilitated by ACED came to \$13.6 million**, which is approximately 85% of the cumulative sales results to-date of \$15.6 million.



A view of the "Moldova" booth at ProdExpo Moscow which two companies from each bank of the Nistru river.

- The successful branding of Moldovan HVA produce via the tagline "**Moldova – Taste Makes the Difference**" was implemented at four international trade shows in Year Three: Fruit Logistica Berlin, ProdExpo and World Food in Moscow, and the GulFood show in Dubai, with a large amount of interest, contacts, and sales being generated from all of these shows.
- During the year the ACED project provided **training to more than 3,000 farmers** for a total of 4,307 producer/farmers having been trained to date, a figure which already exceeds the ACED Life-of-Project (over five years) target for this indicator.
- High quality technical materials were developed and widely distributed by the project during Year Three. A good example is the **Apple Production Guide** which has been distributed free of charge to more than 1,800 apple growers in Moldova. A guide on the design of **Packing Facilities for Fresh Tomatoes** was also developed and distributed, and more than 3,000 copies of various technical bulletins have been distributed, by local mail, to farmers and producers on both banks of the Nistru River.
- On March 27th 2014, the ACED Training Team organized a **National Cherry Forum** in Chisinau that brought together more than 100 participants, representing producers, traders, input suppliers, and the scientific community. Consultants Lynn Long and Marlene Long from the US state of Oregon, both internationally recognized experts in cherry production and post-harvest handling, made presentations at the forum.
- Following USAID Website Governance Board approval, ACED launched the **Value Chain Support Center website**, locally known as AGROConect.md. This website provides the names and contact information of qualified service providers and technology suppliers, along with a description of the services and goods they offer. By the end of Year Three, the website already had more than 90 entities registered in its database, and more than 3,000 unique users had visited since its launch in October 2013 at Farmer-Expo.
- During this reporting year, **ACED provided significant assistance to 14 value chain companies to help them finance new investments** (mainly to finance post-harvest handling infrastructure). The assisted companies applied for long-term loans, based on ACED assistance, with a total value of more than \$400,000. More than \$890,000 has already been invested from their own and outside credit sources by these companies (the latter figure will increase as companies finalize their investment projects).

- Gibberellins (GA) have become an accepted part of fruit production systems in all of the major fruit producing countries around the world. In December 2013, with the support and encouragement of farmers and other stakeholders, the Moldovan Government approved the results of the tests performed on Gibberellins by ACED clients, describing the test results as “excellent”. Since then, **GA is now legally registered in Moldova, which improves Moldova’s competitiveness in table grapes and apples.**
- **ACED’s Component 2 is the largest and most extensive USAID-financed private enterprise development activity in the Transnistrian region** at this time. During Year Three, ACED Component 2 organized more than 40 events for BSPs, women in agriculture, and HVA producers, and put in place four production demo activities.
- ACED launched a sub-activity to support the formation of rural **Women in Agriculture Networks (WANs) in five regions of Moldova**, which is an important building block for assisting female entrepreneurs in the HVA sector to increase their confidence and productivity. These women’s networks are now carrying out grassroots action plans that each group has created based on their own individual needs. During Year Three, more than 50 WAN activities (seminars, roundtables, study tours, etc.) have taken place.
- As a follow-up to the significant amount of equipment ACED provided to the Central Phytosanitary Lab the project has provided **10 sets of lab equipment for the phytosanitary control points at the Customs Control Points responsible for import control, and 10 sets of lab equipment for the regional laboratories of the National Food Safety Agency** responsible for export certification.
- The project has reinforced the capacity and capabilities of the Central Phytosanitary Laboratory and SPS system, as **more than 220 phytosanitary field inspectors were trained by international experts** in modern screening and sampling methods.
- **ACED has also increased the capacity of local private industry associations and BSPs to analyze local laws and regulations and to lobby for change**, and built the capacity of Agricultural officials to carry out regulatory impact assessments.

IV PROJECT ACTIVITIES BY COMPONENT

The following chapter describes activities and events implemented under ACED Components 1 and 2 over the course of project Year Three. Descriptions of the activities undertaken as part of the cross-cutting categories of the project are included in Section V. The project's Monitoring and Evaluation indicators for Year Three are reported on in Section VI.

COMPONENT 1: GROWING MOLDOVAN HVA SALES & EXPORTS

The overall objective of ACED's Component 1 is to provide market development support and technical assistance to help producers and agribusinesses take advantage of Moldova's comparative advantage in HVA production, and to overcome the fundamental constraints they face in meeting buyer requirements and attracting private sector investment. The Value Chain Analyses conducted by ACED in Year One identified the key constraints that limit the development and growth of Moldovan HVA. Year Three interventions (as described below) were designed based on the key strategic needs of the targeted value chains to allow Moldovan producers to take advantage of opportunities in export and domestic markets.

Activity 1.1: Develop & Expand Market Opportunities

Year Three was a very active one, with most of the commercial sales having been generated from the international trade shows, and to a lesser degree by inward buyer visits. While during the first two years of the project significant time was allocated to the gathering of information through end market studies, interacting with Moldovan associations, and ongoing commercial exchanges to build a strong foundation, Year Three this was the year when export sales came to fruition. From April 2013 to March 2014 the total sales generated came to \$13.6 million, which is approximately 85 percent of the cumulative sales of \$15.6 million generated through the end of Year Three. Recognizing the cyclic nature of the fresh produce business, sales reports are still being received in for both fresh and processed sales. Export sales were realized in a number of countries including Russia, Romania, Germany, the U.K., and Kazakhstan to mention a few. As would be expected, based on the historical relations, Russia has continued to be Moldova's dominant export market for fresh fruit.

One of the biggest concerns regarding export sales of Moldovan fruit is the continuing dependence on the Russian market, which historically has provided good opportunities for many well established producers. The commercial landscape is now changing in Russia and there are many factors at work, such as the closing of the Povkrovka open market, a Russian recession, and the prospects of a ban on the import of Moldovan fruit based on international political factors. These factors continue to be critically important and linger in the minds of savvy producers, as does the growing importance of the need to move to new external markets and reduce the dependency on the Russian market.

During Year Three, the ACED project supported Moldova's participation in four important international trade shows: Fruit Logistica Berlin, ProdExpo and World Food in Moscow, and the GulFood show in Dubai. With the exception of World Food, all of these shows took place in February 2014, which demanded a concerted effort by the entire ACED Marketing Team, along with support from ACED administrative staff. Both the GulFood show and ProdExpo were shows where ACED participated for the first time and these shows have proven to be very productive for the participants. The following paragraphs will provide brief descriptions of these events, which were the main thrust of the Marketing Team's activity for the year. It is important to note the collaboration of ACED and UNDP working closely on both the Fruit

Fruit Logistica Berlin - Feb 4th to the 6th



ProdExpo Moscow - Feb. 10th to the 14th



GulFoods Dubai - Feb. 23rd to the 27th



Logistica and World Food Moscow shows, as this partnership worked out very well. The UNDP Aid for Trade project was instrumental in defraying some of the costs of the shows by helping finance the producers' expenses pertaining to airfare and lodging.

World Food Moscow: In September, in collaboration with the UNDP Aid for Trade (AfT) project, ACED and Moldova Fruct once again participated at the World Food show in Moscow. As in the previous year, this show proved to be very productive for the Moldovans with discussions on the entire range of products available from Moldova, but with the display featuring apples and table grapes. The Moldovan booth continued to use the well-received tag line "**Moldova – Taste Makes the Difference**" as the theme is now being utilized in all trade shows. ACED assisted the exhibitors to ship samples of their fruit to the show and the Moldovan apple samples looked as good as the fruit from Italy and Spain. Overall the event was a success and made a great contribution to enhancing the international profile and image of Moldovan fruit and producers. This is especially important result given the ongoing trade issues between Moldova and Russia regarding food products.

Fruit Logistica Berlin: The Fruit Logistica show highlighted fresh fruits and vegetables from all parts of the world and this marked the third year that ACED has had a booth at this prestigious event. As in previous years ACED rented 39 m² of space for a "Moldova" booth

that proudly conveyed the message “*Moldova – Taste Makes the Difference*” which was very well received. This year, ACED changed the look and feel of the booth to keep things fresh and natural. With the help of a new booth construction company — Studio-A-Tek from Poland — ACED promoted Moldova and its rich agricultural heritage on the world stage. ACED and Moldova Fruct proudly promoted key items such as apples and dried fruit (apples, cherries - sweet and sour, aronia berries, plums, melons, grapes and peaches) and discussed the range of Moldovan products that can be secured during the year.

There were good commercial contacts made, as exemplified by the visit of Carrefour Romania, which expressed interest in apples and which is in the process of negotiating future deals. There were also good requests coming from the Gulf, specifically for Red apples (Red chief or Star Crimsons) if Moldovan producers can achieve uniform sizing. There was good interest shown for walnuts, as there were visits from Edeka for this product that then led to a dried fruit discussion. As requested, samples have been sent to Germany for further review. Compared to the demand induced by a market shortfall the previous year, the overall demand for apples was not as great this year.

Overall, commercial sales were not as encouraging compared to other shows but there was the factor of creating a positive country image for Moldova, and reinforcing the strong Moldovan tradition of producing fresh and tasty fruit and vegetables, which is important to build upon in venues like this. In addition, there was good technological information digested by the producers and the procurement, by some, of sorting and grading machines that will be imperative to compete more effectively for future market entry.

ProdExpo Moscow: This year marked the first time that the ACED project has partnered with select companies to exhibit at the ProdExpo show in Moscow. During this five-day event ACED supported four separate booths, with the larger companies Orhei Vit, Alfa Nistru, and Natur Bravo each having individual booths that ranged from 12 to 18 square meters, combined with a common Moldova booth of 25 square meters that was shared by companies from both the Left and Right Banks of the Nistru river. The companies in the common booth from the Left Bank included Coval & Co, Fortuna Plus, Holpark LTD, and Agrotorginvest. There were also two companies from the Left Bank and were only observers at the show – the Tiraspol Baby Food Company and Rustas.

Each of the three larger companies (Natur Bravo, Orhei Vit, and Alfa Nistru) indicated that they were very satisfied with the results, which confirmed that they are still viable players in the Russian market and allowing them to establish new contacts that were very important to them. Orhei Vit was un-happy with the recent currency devaluation in Kazakhstan, as that market accounts for about 30 percent of their juice exports. The companies agreed that the contacts made in person at a show like this creates much more trust and confidence between parties than by contacting clients by email or phone. ACED staff could see the participants building relationships with various partners and clients during the week. The commercial sales from this show will be compiled over the course of the coming year, but ACED staff were very encouraged by the linkages made and expect good sales numbers.

GulFood Dubai: Overall, the GulFood show in Dubai was very productive and clearly showed the great demand for a number of Moldovan products in the Gulf region and other parts of the world — all new markets for Moldova. The products displayed included walnuts (kernels and in shell), apples, honey, and dried fruit (apples, cherries, melons, and dried whole plums). The overall tone of the show was very commercial with buyers from all over the world ready to take the initial steps in the contract process and often discussing very

large quantities. Based on what was learned, the show next year will showcase a greater range of Moldovan products, encompassing fresh, dried, processed and ingredients. This show is one that also provides Moldova with a tremendous opportunity to penetrate new markets for products used as ingredients and for finished products alike.

The response to Moldovan apples was very good across all varieties but the greatest was in the Red variety offerings and specifically Royal Gala. A big concern based on the interest shown from India, Egypt, Jordan, Iran, and Saudi Arabia was how Moldovan suppliers were going to get product to those destinations and keep the cold chain intact. The freight rates and logistics are important and must be understood ahead of time. For India, there were some huge requests made (up to 150 to 300 loads of apples per month) if Moldovan suppliers can work together and do things right. Most buyers also want smaller fruit – at around 100, 113 and 125 count in an 18kg box. The logistics element will be the key to keeping the cold chain intact with good arrivals while keeping product cost competitive.

The demand for walnuts was also incredibly large, mainly for kernels and ½ light halves, although a number of buyers expressed interest in mixed sizes. Most buyers were interested in 85/15 or 70/30 split halves to quarters. There were customers who were looking for 10+ truckloads per month, and one customer from India wanted 30 loads per month. There was also huge demand for walnuts from China, a market that likes the taste of the Moldovan product with the high oil content. The requests were continuous and the quoted Moldovan prices, although high to some, were justifiable as the customers loved the taste. There was also demand for walnuts in shell, which will be explored for the next season. Many of these contacts will start negotiating when the new crop is available in early fall.

The reception of Moldovan honey was also fantastic as all of the people who tried the honey varieties on display (May, Linden, and Poliflora) were very impressed with the taste. The Moldovan pricing (with honey at 4 to 6 Euros/kg and Honey combs at 8 Euros/kg) was well received and the leads generated were better than anyone expected. Sales should be substantial as there were requests for volumes as high as 30 loads. The local response was incredible as many said this is the best honey they had ever tasted.

The interest for dried fruit was steady and things went well. Serious interest was generated with five to six serious potential customers. A significant order was also finalized for dried apples from a German customer who was first met at the Fruit Logistica show a year earlier. The projected volume is 100 tons per year.

In summary, both ACED and the producers were very pleased with this show as the commercial potential is enormous. The most important thing to determine is a cost-effective means to deliver the products from Moldova. ACED and the producers now feel confident in being able to deliver shelf stable products (honey, dried fruits, and walnuts) to the Gulf and are continuing to work on the arrangements for perishable items, such as apples.

Retail Produce Development: During the year, ACED continued to provide assistance to the Linella and IMC retailers in improving their merchandising, handling, and rotation of fresh produce. With the proper use of the merchandising and handling guide and on-site training, ACED was hopeful of improving how fresh produce is merchandised in Moldova and how retail management views the importance of the produce departments in their stores. ACED conducted a three-month test program in a pilot store at Linella, with a designated person responsible for implementing these changes. ACED staff found that although there was some reduction in shrink, along with small increases in sales, the drive and acceptance from

upper the management at Linella was really not there. Generally, there seems to be a lack of focus on the produce category and it is not viewed as being critically important for the retail chain, which is contrary to the norm within the industry in western markets.

Based on the lack of initiative from the retail sector, ACED has taken a step backward with the initial intentions to support a Buy Moldovan campaign in the near term. It is imperative to have a variety of local products, on a continuous sustainable basis, on the shelf at all times and the timing is not suitable now to follow this path. ACED staff are continuing to consider this program, but it will have to wait until there are supply changes and upper management support at the store level to generate the proper return on investment.

In summary, Year Three has been a very productive one for the Marketing Team with a lot of activity and very good commercial results that ACED can build on moving into Year Four. The export landscape will continue to change and ACED will support the penetration of new markets and reducing dependence on the Russian market. Domestically, ACED continues to have challenges but the project will continue to offer assistance to local retailers, in a cost-effective way, with the hope of making the necessary inroads to alter upper management perception of the importance of the fresh produce category. This will be a pre-requisite for any real changes at supermarket retail within the domestic market.

Activity 1.2: Upgrade Production to Meet Buyer Requirements

Activity 2 is designed to help farmers upgrade their production and post-harvest handling techniques based on training and technical assistance that addresses the gaps in skills and abilities identified in the ACED value chain studies. Training modules were developed and explained in detail in the ACED Training and Demonstration Plan for the seven main value chains in Year Three: apples, table grapes, sweet cherries, tomatoes, cucumbers, plums, and peaches. During Year Three, more than 3,000 Moldovan farmers were trained.

Apple Value Chain Activities: In Year Three, ACED provided apple value chain training sessions in 10 separate communities which were focused on the issues of: tree pruning and management, chemical thinning of flowers and apple orchard upkeep, green operations and manual de-fruiting in orchards, new apple varieties, fruit storage particularities, planting apple orchards, and preparations for wintering in apple orchards. All of these topics were presented by local national consultants for an audience of 987 total participants.

Eight Farmer Field Days were also organized at the demo activity sites covering:

- ✓ Frostbuster for Frost Protection in Apple Orchards; and
- ✓ Using Weather Stations in Apple Orchards;
- ✓ Apple Tree Pruning in Intensive Orchards.

The major event organized by ACED within the Apple value chain activity, was the Regional Apple Forum which took place in Edinet. This event brought together more than 125 participants: apple producers, apple sector suppliers, and national and regional consultants. The participants (see photo at the right) were exposed to many types of new technologies and practices being implemented by apple producers with the support of ACED.



Meanwhile, six issues of the Apple Technical Bulletin were issued, and they were posted on the ACED and the AGROconect websites and distributed by mail to more than 500 apple growers. These bulletins covered the following topics: chemical thinning in apple orchards, preventing fruit dropping, intensifying apple colors with reflective film, pre-harvesting operations in apple orchards, the use of harvesting platforms, preparations in apple orchards for wintering, “occasional” diseases in apple orchards, tree pruning, and the harvest and market prognosis for the 2014 apple production season.

The Apple Fruit Seedling Production guide was published and distributed to more than 1,000 apple growers. The Apple Production Guide was re-published and also distributed to more than 1,000 producers. The Apple Production Guide was also translated into Russian and was printed and distributed to nearly 800 growers. Another apple sector guide — New Apple Varieties — was in development at the end of Year Three.

An international Study Tour on Modern Technologies in Pomiculture was organized in Umani, Ukraine, for 13 participants, including two national consultants. The study tour took place in April and it included lectures provided by foreign experts at the Uman’ National University of Horticulture presenting modern technologies for tree nurseries, fruit and berry production, crop protection and pruning, modern methods of pre- and post-harvest handling and storage of crops, and other issues related to intensive fruit growing.

On August 15th and 16th the ACED Fruit Production Specialist, Eugeniu Gudumac, participated at the 3rd International Conference titled “Apple Business of Ukraine & Russia – 2013” in Donetsk, Ukraine. The conference covered: global apple production forecasts, Ukrainian and Russian markets for apples, production and price forecasts prepared by Fruit-Inform, critical moments in apple growing, master-classes from sector experts, and new technologies of apple handling, processing and storage.

In 2013, a major area of farmer interest among the apple producers was chemical thinning. To respond to this interest, ACED hosted University of Massachusetts Professor of Horticulture Duane Greene in Moldova between June 2nd and the 8th. Professor Greene offered technical assistance to more than 10 companies that had started to implement this technology and offered a seminar on Chemical Thinning for more than 25 apple producers interested in implementing this technology. Professor Greene also recommended chemical thinning protocols for several apple varieties produced in Moldova.

Also during Year Three, the ACED Training Team established, or was in the process of establishing, several new demo activity sites:

- ✓ Using the Frostbuster technology for frost protection in apple production in Cotiujeni village, Briceni raion at Agrodenidan LLC.
- ✓ Using Weather Stations and New Apple Cultivars in an Apple Orchard in Domulgeni village, Floresti raion.
- ✓ Modern Post-Harvest Technologies for Apple Grading and Outbound Logistics in Birladeni village, Ocnita at Plaiul Birladean LLC.
- ✓ Using Reflective Films and Chemical Thinning in Apple Orchard Jora de Mijloc village, Orhei at Standard Vin LLC.

Sweet Cherry Value Chain Activities: The sweet cherry value chain was added to the ACED Activity 2 program as a result of increased interest on the part of farmers. Sweet cherry trainings were implemented in three communities, with the main one being Criuleni town – which is an MCC CIS zone. The trainings were focused on: setting up new sweet cherry orchards and winter preparation; new sweet cherry varieties; harvesting and post-harvest handling process; pre-cooling technologies; anti-rain, anti-hail and irrigation systems; IPM and fertilization systems for sweet cherry trees; dwarf sweet cherry tree management in intensive orchards; and cherry pruning and canopy formation in orchards. All of these topics were presented by national and international consultants and the training sessions attracted a total audience of 358 participants.

The major event of the year for the cherry value chain was the National Cherry Forum in Chisinau, which took place on March 27 2014. The main speakers were American short-term consultants Marlene and Lynn Long. Professor Lynn Long presented the main cherry varieties marketable on international markets as well as several canopy formation techniques that would save labor and increase the cherry yield in intensive cherry orchards. Marlene Long stressed that cherries are very easily and successfully marketed by Moldovan farmers from the farm gate, but when it will be necessary to transport them long distances it is necessary to pre-cool them using technologies based on hydro-cooling or forced air cooling. Also, the national consultant Ananie Pesteanu shared his experience gained from participation in study tours to in Italy and Bosnia & Hertegovina. Dr. Pesteanu underlined the main practices and technologies that can be applied by Moldovan producers with minimal inputs and expenses.



From May 21st to the 25th ACED organized a study tour on Modern Sweet Cherry and Berry Production Approaches and Technologies in Bosnia & Hertegovina for a group of 12 cherry and berry producers. The event was also complimented by the STTA assignment on Cherry production and post-harvest handling by Professor Lynn Long, who assisted more than 15 producers to implement a new form of canopy formation in their orchards and he reviewed with the national consultant the content of the Cherry Production Guide.

Two stone fruit bulletins were also produced, which covered cherry production and cherry tree pruning using the Kym Green Bush (KGB) technique. The bulletins were distributed to more than 500 producers starting with the 2014 production season.

Two demo activities related to the sweet cherry value chain were established this year, or are in the process of development:

- ✓ Using Support System, New Cultivars and Type of Canopy for Sweet Cherry Orchard in Criuleni town at “Tridenal” LTD.
- ✓ Use of Plastic Buckets for Sweet Cherry Harvesting in Năvârneț village, Fălești raion at “Amonti Agro” LTD.

Plum Value Chain Activities: Trainings for producers in the plum value chain were organized in three communities and focused on: plum tree pruning and IPM, plum orchard planting, particularities and preparation for wintering, green operations and manual thinning of plums; plum varieties; the fruit harvest, and precooling. All of the topics were presented by local national consultants with a total audience for the year of 288 participants.

A study tour to Serbia dedicated to Modern Plum Production Approaches & Technologies was organized by ACED between August 5th and the 9th for 16 plum producers. During the tour, participants visited various production and processing facilities, seedling production companies, and equipment manufacturers and dealers. This broad coverage of issues and topics enabled the participants to get a good understanding of plum varieties, plum pruning procedures and peculiarities, soil care and fertilizer application in plum orchards, integrated pest management for plum orchards, irrigation and fertigation practices, efficient irrigation water management, optimal fruit maturity, efficient harvest and post-harvest practices and the processing and marketing of plums. Part of the agenda was a technical seminar at the Cacak Fruit Research Institute which was delivered by its researchers. The agenda covered: rootstock used in Serbia and the “behavior” of plum scions, IPM and plum pox control, production of plum seedling material in the field and in vitro, certification process, behavior of the system rootstock-scion in diverse production systems, planting distances, plum tree training systems used in Serbia, and irrigation/fertigation of plum orchards.

The ACED technical bulletin on the Particularities of Plum Pruning was prepared and sent out to more than 500 stone fruit producers. ACED contracted several national consultants to develop the contents of the Plum Production Guide. A demo activity on Harvesting Bags in Plum orchards in Edineț town at Vrabie Victor FF is also being developed.

Peach Value Chain Activities: Trainings on the Peach Value Chain were implemented in three communities and they focused on: peach production, pruning and IPM techniques, peach orchard planting, particularities and preparation for wintering, green operations and manual thinning, new varieties of peach, and harvesting and post harvesting peculiarities. All topics were presented by national consultants with a total audience of 288 participants.

Between July 7th and the 14th ACED organized an international study tour to Italy on Advanced Peach Production & Post Harvesting Technologies, where the group was able to interact with the whole Peach value chain: production (available for the period), post-harvesting infrastructure and the marketing of peaches, and seedling production. Participants gained a good understanding of the value chain and were exposed to the most important peach production and post-harvest technology components.

Table Grape Value Chain Activities: During In Year Three ACED provided table grape value chain training activities in 11 communities around Moldova which were focused on: table grape vineyard planting particularities, table grape pruning and vine training, green operations in table grape vineyards, table grape crop quality management, and table grape harvesting and post-harvest care. All of the topics in these training sessions were presented by national consultants for a total audience of 290 participants. In addition four table grape demonstration activities were launched during this period:

- ✓ Implementing an Anti-Hail System by Covering the Grapes with Nets in Pelinei village, Cahul raion at Pelinița Loghin FF.
- ✓ Using Fertilization and Gable Vine Formation on Table Grapes Vineyard in Burlacu village, Cahul raion at Terravitis LTD.

- ✓ Implementing Girdling and Calcium (Ca) Treatment to Increase the Berry Quality in Vulcănești town at Codjebaş Svetlana FF.
- ✓ Using Weather Station and Manual Thinning of Clusters in Table Grapes Vineyards in Colibasi village, Cahul at Vin Nobil LLC.

Two Farmer Field Day training events were also organized at established demo activity sites covering winter pruning and fertilization particularities in table grapes vineyards.

Between the July 7th and the 13th ACED organized a study tour to Spain on Modern Table Grape Production Approaches & Technologies for 14 table grape producers and one national consultant. The core activities covered production, harvesting & post-harvest handling, marketing of table grapes, and table grape seedling production. The participants gained a good understanding of important production and post-harvest technology components.

Vegetable Value Chain Activities: ACED provided tomato production and post-harvest trainings in eight communities and cucumber training in three communities focused on: growing seedlings, production technology in the first cycle, technology of tomato production in the single vegetative cycle, greenhouse tomato and cucumber protection, tomato production technology in the second vegetative cycle, and greenhouse construction under the conditions in Moldova. ACED's national and international consultants presented these topics to approximately 500 discrete participants.

Eight greenhouse tomato and cucumber demonstration activities were established and one more is under way, covering: double layer cover film as an energy conservation technique, using mulch/cover film together with fertigation in tomato production, using cover film (mulch) combined with drip irrigation in tomato production, and using artificial LED lightening (spectrum red/blue) on cucumber seedling production.

At the demo activity sites, ACED organized several field day trainings dedicated to:

- ✓ Preparing the Seed Plot for Planting;
- ✓ Modern Technologies of Greenhouse Construction;
- ✓ Installation of an Improved Design Greenhouse;
- ✓ Improved Greenhouse Design with Ventilation;
- ✓ Energy Conservation Technique (Double Layer Cover Film); and
- ✓ Cover Film (Mulch) With Irrigation in Tomato Production.

The monthly tomato bulletin was republished and covered diverse topics related to tomato production. The bulletin was mailed out on a monthly basis to 400 tomato growers.

Cucumber production bulletins were sent via mail bi-monthly to more than 350 greenhouse growers and they covered: cucumber seedling production, planting cucumbers in greenhouses, cucumber production in open fields, IPM in cucumber production, quality requirements for fresh and processed cucumbers, and cucumber production using nets.

With support from the national consultants, ACED prepared the contents for the Cucumber Production Guide which will be distributed to cucumber producers. In addition, a Guide on Design of Packing Facilities for Fresh Tomatoes was prepared by STTA David Picha during his assignment in Moldova in May. Within the framework of the same assignment, Dr. Picha

delivered a seminar on post-harvest practices and packing house design for fresh fruits and vegetables. The seminar was attended by 34 vegetable growers and national consultants.

On August 5th and 6th, in partnership with Irrigata Crops LLC, ACED organized a short international study tour on Advanced Vegetable Production to Kahovka, Ukraine, for 20 vegetable growers. This group visited demonstration plots and local farms as well as post-harvest facilities. The activity aimed to expose the visitors to advanced technologies, new vegetable hybrids, modern greenhouse designs, and the soil and water testing methods in vegetable production used in Moldova's neighboring country.

A second study tour to Ukraine, the Early Vegetable Day in Zakarpatye, was organized in Zarechye, between April 19th and the 21st, where vegetable growers from Moldova gained knowledge on innovations in vegetable production (new hybrids, irrigation equipment, green house design) that can help them increase their production quality and yields.

Between August 14th and the 17th, eight producers from both banks of the Nistru river participated in a study tour to Romania on Hydroponic Vegetable Production. The group visited several vegetable production facilities using hydroponic production methods (producing mainly salads and cucumbers). The participants gained knowledge on technical matters related to year-round hydroponic production (nutrient solution, pH and EC control, greenhouse design, harvesting and post harvesting, food safety requirements). The vegetable growers were also acquainted with the equipment used for harvesting the vegetables and the design of small packing facilities for fresh vegetables, and learned about food safety requirements. Participants learned about marketing channels for fresh cut vegetables, including details on green lettuce varieties.



From February 27th to March 1st ACED organized a group visit for vegetable producers and national consultants to the Industrial Fair "Greenhouse Sector 2013" in Kiev, Ukraine, at the KievExpoPlaza Exhibition Center. This particular study tour exposed the vegetable growers from Moldova to advanced greenhouse designs and technologies, including: turnkey greenhouse construction, covering materials, climate control and automatic equipment, plant breeding, seedling and plant growing, modern technologies of "protected soil" cultivation, and plant processing and protection equipment.

ACED Vegetable Specialist Alexandu Bejan and Veaceslav Burlacu, a producer of tomatos, cucumbers and sweet peppers from Cahul (CIS zone), attended the experimental station Field Day training on July 17th in Ukraine which was organized by Rijk Zwaan, Ukraine. The focus of the event was new hybrids of tomato, cucumbers and sweet peppers. Participants had the opportunity to observe new hybrids of the Rijk Zwaan selection, and learn about harvesting and post harvesting techniques and marketing requirements.

Activity 1.3: Upgrade the Moldovan HVA Value Chain

ACED has developed and implemented a virtual Value Chain Support Center (VCSC) that provides technical assistance for producers, producer groups, and agribusinesses ready to expand and develop new and existing businesses in the HVA sector, but which require specific services and interventions beyond the general training and technical assistance provided under Activity 2. The VCSC provides a cost-share for consulting assignments to support initiatives that are within the strategic interest of ACED target value chains.

The VCSC provides its support through pre-qualified local and international BSPs. Pre-qualification was completed in Year One and application and qualification remains open for new BSPs wishing to provide services. Currently, the list of pre-qualified BSPs includes 18 companies (including one from Transnistria) and announcements have been placed in specialized national mass-media outlets to increase the number of pre-qualified BSPs in other fields, such as marketing services and food safety and quality systems. The VCSC maintains ongoing communication with the pre-qualified BSPs by sharing ACED-developed materials and other information that can help them deliver better services.

During this reporting year, ten Memorandums of Understanding (MoUs) were signed with value chain entities regarding cost-sharing of consulting services provided by local or international BSPs. Eight of those focused on feasibility studies or business plans involving upgrading of post-harvest infrastructure, with most being eligible for MCA AAF financing. A significant number of the cost-sharing MoUs were signed with companies operating in, or in close vicinity to, the MCC CIS command areas. For example, the VCSC assisted in:

- ✓ Development of the business plan for the expansion of the apple cold storage and addition of a forced-air pre-cooler to be built by Petru Maler FF, a grower operating in Jora de Jos CIS;
- ✓ The fruit cold storage feasibility study for Bologan Nicolae FF, a grower operating in Cosnita CIS; and
- ✓ Development of feasibility studies and business plans for Mocan-Com Ltd, Andridor Grup Ltd, Beccara Ltd from Anenii-Noi raion, and Nucul de Aur Ltd from Slobozia-Dusca.

The VCSC has complemented the investment development services with consultancy and linkage-building activities regarding technical and technological aspects of post-harvest handling infrastructure upgrading. For example, the VCSC:

- ✓ Linked TerraVitis Ltd (Cahul), TG-Forest Ltd (Straseni), Gheorghe Ciobanu FF (Drochia) and David-Agro Ltd (Anenii-Noi) with cold storage experts to develop the preliminary technical designs for facilities and investment budgets. The VCSC assisted the partners to access sources of financing and guided them through the loan application process.
- ✓ Provided customized consulting to the technical staff of Mialex-Nord Ltd and Solotrans-Agro Ltd – some of the largest Moldovan buyers and exporters of fresh fruit – regarding an assessment of fruit maturity and optimal storage conditions, thus allowing the companies to better market the fruit they buy from more than 30 grower-suppliers.

Following USAID Website Governance Board approval, ACED launched the VCSC website called AgroConect, which includes the profiles of the qualified service and technology suppliers, a description of the services and goods they offer, and contact information. The website already has more than 90 entities registered in its database and more than 3,000

returning users since its launch in October 2013 at Farmer-Expo. The image below shows part of one of the information pages on the AgroConect.md web site.



Improve HVA Financing, Especially Through the AAF Program: ACED has focused most of its access-to-finance activities on supporting value chain entities to obtain long-term financing through the MCC Compact's Access to Agriculture Finance (AAF) activity and through the International Fund for Agricultural Development (IFAD) in areas which are not covered by AAF (AAF has certain geographic restrictions because of its link to the irrigation zones that the Compact is rehabilitating).

In Year Three, ACED's Value Chain team provided significant assistance to 14 companies to finance investments, mainly for post-harvest handling infrastructure. Companies applied for long-term loans with a total value of more than \$400,000. In total, more than \$890,000 had already been invested by the assisted companies using their own sources and credits. (The latter figure will increase as companies finalize their investment projects.)

Companies that obtained financing with VCSC support cover the entire range of sizes of companies in Moldova. At one extreme are companies such as Agro Product Ltd and TG-Forest Ltd that invested more than \$400,000 in their packing houses and cold storage projects. Smaller projects are represented by companies such as "Mocan Com" Ltd, whose VCSC-supported business plan was approved by Moldova Agroindbank (MAIB) and a long-term loan of 40,000 Euros was issued under the terms of the MCC AAF program for construction of a new cold store facility in Floreni (Anenii Noi).

During Year Three, the VCSC continued supporting the construction of an integrated cold store/ pack house facility for the Costesti Table Grape Producers and Exporters Association with a total capacity of 1,800 tons (to be owned by the local mayoralty and rented to the growers and exporters). The total planned investment for the project includes \$1.2 million from the Regional Development Fund and \$800K from the private sector. Following the support provided by ACED during Year Two (concept development, preparation of a feasibility study, the facility technical design, and management training), ACED assisted project stakeholders to identify the best mechanism (both legal and the contractual

framework) to organize the public-private partnership for management of the pack house that will be owned by the local mayoralty. ACED actively included members of the Association in its assistance program (e.g., the Fruit Logistica fair and the Table Grape Cooperative Study Tour to Italy) so that the growers could maximize the value generated by the investment. Additionally, on October 12th project stakeholders hosted the Moldovan Prime Minister, Iurie Leanca, the EU Commissioner for Agriculture & Rural Development, Dacian Ciolos, and the Minister of Agriculture, Vasile Bumacov, in Costesti.



The VCSC and its sub-contractor AGROInform developed economic models for more than 50 HVA and non-HVA crops. Each includes an investment and crop operational budget, price data points for exports and local markets, and export/import volumes for the last three years. These models are to support the development of training programs for the Compact's CIS Zones and are extremely useful for benchmarking the data provided by financial institutions and investors when assessing loan applications and investment proposals. ACED is preparing these models for the AGROCONNECT web site so interested parties can use the data to prepare their own models and projections for new and existing crops.

Demonstrate Critical Value Chain Investments: The Value Chain team assisted Agrostar Ltd (from Transnistria) to implement a forced-air pre-cooler demonstration activity at their cold store facility south of Tiraspol. A one-day seminar and demo activity Field Day July 18 attracted more than 30 participants from the Left Bank who saw the forced-air pre-cooler in operation. The quality of stored fruit can be maintained more effectively if the fruit's core temperature can be lowered to the storage temperature rapidly before the fruit goes into the long-term storage facility. The use of pre-coolers can usually reduce the time needed to get the core temperature down to the storage temperature by more than half, thus increasing the storage life of the fruit and ensuring higher quality when it comes out of storage. One company (Agrostil) reported that it was convinced at the field day to adopt this technique. Its technical experts went back to Agrostar one more time to study the pre-cooler design and then built their own version and pre-cooled 15,000 tons of peaches as an experiment. As a result, they achieved sales of 52,000 Transnistria rubles (\$4 633) higher than they would have otherwise. They report that they plan to pre-cool even more this coming year.

In Year Three, several local study tours were organized for Moldovan farmers to visit modern cold stores and packhouse facilities that were established, or upgraded, with ACED project support. For example, the table grape pre-cooler at Famir-Com (in Manta, Cahul raion) hosted a visit by women from the ACED Women in Agriculture Network Program, while the peach pre-cooler at Ceteronis-ST (Doina, Cantemir) hosted a visit by the members of two producer groups receiving consulting support from ACED.

The ACED Value Chain Team is pleased to observe an increased adoption of improved table grape packing for long-term storage based on the use of the SO₂-generating pads that were

introduced by ACED in 2012 through a demonstration activity it organized in partnership with Norton Ltd from Stauceni. The host used the pads for all of the grapes that were stored at his cold store facility, and he has also become an importer-distributor in Moldova for this technology. ACED has been informed that more than 40,000 pads were ordered and used by eight companies, meaning that at least 600 tons of table grapes were stored in improved conditions this harvest season.

Over the course of 2013, ACED has seen an increased use of locally-manufactured cardboard to assemble the type of improved open trays that are increasingly being used by exporters. After several rounds of consultations with ACED Value Chain staff, Ceteronis-ST, the largest Moldovan peach producer, conducted a successful trial and later adopted this new box type from the Chisinau Cardboard Products Factory (www.kki.md). More than 700 tons of peaches were exported in this new box to a large retailer in Belarus.

Technical assistance by Ananie Pesteanu, an ACED national consultant, was offered to a series of apple growers to develop and implement fruit thinning strategies for their orchards using a mix of manual and chemical thinning methods. This activity is a logical continuation of previous ACED and Moldova-Fruct Association interventions (training seminars, innovation bulletins, etc.) to pilot the modern fruit thinning approaches needed to obtain apples with the correct size and good cosmetic properties (for details, see ACED Success Story 09 - New Thinning Strategy for Apple Growers).

Following on the approval of the latest PERSUAP amendment, ACED has subcontracted with researchers from the Agrarian University of Moldova to perform the field trials of gibberellins (GA3 and GA4+7) on Table Grapes. This activity is part of the joint effort with APESM (the Table Grape Association), Moldova-Fruct Association and L. Gobbi (a gibberellin supplier from Italy) to obtain official Moldovan registration of these key agricultural chemicals to improve the quality of table grape and apple production. Worldwide, competitive table grape production is not possible without the use of gibberellins, which increase the berry size and color and improve the bunch shape. The official efficacy trials have shown excellent results across several varieties and the technology was approved by the Moldovan authorities. ACED is working with the members of the associations to pilot the implementation of this technology in their vineyards (for details, see ACED Success Story 13 – GA Improves Grape Production).

ACED international berry fruit consultant Rick Dale visited Moldova in November to perform an assessment of berry production potential in the MCC CIS zones. He judged the climatic and soil conditions as being adequate for a range of berry crops, and local and regional market trends indicate there is a great market potential for these crops. But the consultant noted big deficiencies in the current grower practices regarding weed control, fertilization, and crop rotation. As part of Rick's assignment, he provided direct assistance to Lolly Berry, a client that intends to establish the first blueberry plantation in Moldova in 2014. ACED intends to use this plot as a demonstration site for this high value crop that is experiencing tremendous growth in international markets and which could be successfully grown in Moldova under the right soil conditions and production practices.

In March 2014, the Value Chain team supported by STTA Marlene Long provided targeted assistance to Ceteronis Ltd, a leading Moldovan sweet cherry grower, regarding the organization of harvesting, cooling, and packing operations of its fruits. As a result, the

company decided to invest in a hydro-cooler to achieve the quickest cooling of the cherries, enabling the company to meet the requirements of its buyers-retailers. This will be the first hydro-cooler operating in Moldova.

Association and Collaboration among Value Chain Entities: Since its launch, ACED has been active in stimulating the formation and development of various horizontal and vertical forms of cooperation through a series of roundtable discussions of the end markets study findings, as well as the effectiveness of the current Moldovan value chain structure.

To respond to the demands for assistance from groups of farmers, ACED designed and implemented a program titled: "Supporting the Creation of Joint Packing and Marketing Activities in Moldovan HVA Value Chains." Two selected sub-contractors (PromoTerra and AGROinform) provided support to 16 groups of farmers interested in joining together and exploring opportunities to establish formalized joint post-harvest handling and marketing operations. As part of this, participating farmers were exposed to the best international and local practices in establishing such operations and the feasibility of various business models. During the process various scenarios were evaluated, business plans will be developed, and support for organizational registration was provided.

In addition to the assistance offered through its two subcontractors, the Value Chain Team organized important international Study Tours to Poland and Italy and a Trade Mission to Germany for growers involved in the joint activities program:

- ✓ ACED sent 12 apple growers on a one-week Study Tour to Poland to examine how Polish growers organize themselves into cooperatives and farmer associations to improve their production capabilities and marketing functions. The group visited Polish farmer apple cooperatives and observed some of the latest technologies in the apple industry, including harvesting, post-harvest handling, sorting, grading and packaging machinery. The group participated in lectures and presentations by the managers of these co-ops and learned much about how these groups are organized and how working together enhanced their ability to meet market demands.
- ✓ A similar study tour to Italy was organized for 11 table grape growers representing the four groups receiving targeted ACED assistance. Representatives of AIPA (agricultural payments agency) and the World Bank-funded Moldova Agricultural Competitiveness Project also participated. The group learned about best practices in public sector support for the creation and development of producer marketing organizations.
- ✓ From February 20-25, the Value Chain Team supported a group of tree fruit nursery material producers to go on a five-day trade mission to Friedrichshafen and Karlsruhe, Germany. The purpose was to allow these nursery producers to meet with Artevos, an important German producer of seedling material for the tree fruit industry. These producers have been discussing with Artevos the development of commercial links so this group and Artevos could start cooperating on the propagation of Artevos seedlings in Moldova, sub-contracting with Artevos to produce plum seedlings for them, or representing Artevos in the Moldovan market to promote new seedling varieties in Moldova. The group also participated in an international fruit fair in Friedrichshafen.

Currently, most of the groups are at the business planning stage, and ACED support will be continued in Year Four. Some have already passed the planning stage and are implementing their development strategies. The groups of apple growers from

Varatic/Riscani, table grape growers from Budesti/Chisinau, and the group of stone fruit nurseries already applied for registration as marketing cooperatives (cooperative de întreprinzători). Basan-Agro cooperative of table grape growers from Cimislia contracted a \$460,000 loan from MAIB for the construction of a joint packinghouse with cold storage. The first tranche of \$80,000 was already disbursed for the building the foundation and connecting the site to the local utility services.

In November, the walnut producers group, which has been receiving technical assistance from ACED, formally registered as an association, and the group hired Mr. Stefan Novac as its Interim Executive Director. The Association continues to be supported by ACED in the field of export marketing (one member represented the association at GulFood in Dubai), post-harvest infrastructure development, and organic walnut production.

As part of “Supporting the Creation of Joint Packing and Marketing Activities in Moldovan HVA Value Chains” program, ACED provided consulting and legal assistance to the two Moldovan fruit associations that focus on apples regarding options for merging the two organizations. The active participation of individual members from both organizations in ACED study tours, and a common national booth at the latest trade fair, contributed greatly to improving the communication between the associations and among the members. This has also led to mutual understanding by the members of the need to have a single organization representing the fruit industry in Moldova. A joint assembly meeting of the two associations took place on December 19, where they agreed to merge.

ACED in partnership with the Ministry of Agriculture and the Cimișlia local administration provided financial and technical support to the Moldovan Grape Producers and Exporters Association (APESM) for the organization of the National Forum on the Table Grape Industry in the town of Cimișlia on September 8th. Participants heard presentations and debated issues facing the industry and shared perspectives on future development of the wine and vine sector. Presentations were made on technological innovations and the registration of new grape varieties. Participants discussed issues related to the production of table grapes in the EU and CIS countries, Moldova’s exports and trade, as well as the harmonization of the legislative and regulatory framework with European Union requirements.

In cooperation with the Moldova-Fruct Association, ACED supported the participation of a group of Moldovan apple growers and crop advisors (including three companies from the Left Bank) at an international workshop in Nemirov, Ukraine. Experts from Poland, Italy, and the Netherlands shared their experience in key topics for the development of a competitive apple industry in Moldova, such as fruit thinning, fertilization, mechanization of harvesting processes, and storage technologies.

In cooperation with APESM (the Table Grape Association), ACED supported the participation of a group of Moldovan table grape growers, researchers, and crop advisors at the Golden Bunch of Grapes 2013 conference and exposition in Simferopol, Ukraine, in August. This activity was complementary to the Table Grape Study Tour to Spain held earlier this year and allowed participants to obtain a better picture of latest technologies and market trends, particularly those in Ukraine and perspectives from the Ukraine and Russian markets.

Activity 1.4: Improve the Enabling Environment for HVA

ACED's Activity 4 seeks to improve the competitiveness of the HVA value chain, and increase access to markets, by creating a more market-responsive local policy environment. Major challenges include restrictive import licensing requirements and tariff protection for the domestic industry. ACED focuses on the enabling environment for the HVA sector and specifically on limiting the harmful effects of regulations and on SPS issues. Previous donor work in the policy area has been extensive, so ACED considers these previous efforts and targets two or three tangible, high-return policy refinements each year. In the interest of building local capacity and ensuring sustainability, ACED works with HVA producer associations, implementing government agencies, and other stakeholders to make changes in legislation and turn high-potential, high-return policy concepts into instituted programs.

ACED is implementing two Sub-Activities under this component: Sub-Activity 1.4.1 - Improving the Enabling Environment for Moldovan HVA, and Sub-Activity 1.4.2 - Strengthening SPS and other Quality Standards:

Sub-Activity 1.4.1 - Improving the Enabling Environment for Moldovan HVA

During the course of project Year Three, the ACED Activity 4 Team completed the following:

Investor Road Map: The Investor Road Map outlines the essential steps for establishing and operating an agribusiness in Moldova, such as company registration and licensing, staffing and related labor laws, and acquisition of financial and operating inputs. It offers guidance to local and foreign companies and individuals looking to invest in Moldova's HVA sector (fruits, vegetables, and table grapes) and highlights key steps in dealing with Moldova's public authorities throughout the investment process. This guide was developed by the consulting firm BIS under a sub-contract and aims to attract both domestic and foreign investors into the Moldovan HVA sector. It was approved by USAID in early 2012.

A contract to update and improve the ACED Investor Road Map was awarded to Business Intelligence Services (BIS) during Year Three. The guide has attracted great interest among farmers as well as government institutions and foreign investors. More than 2,500 copies of the guide have been distributed via the Ministry of Agriculture, MIEPO, the Chamber of Commerce and Industry, the producer's associations and others, as well as through ACED participation at local and international exhibitions. Since the legislation discussed in the guide has changed, the guide has been updated and improved. All of the subjects described in first version of the Investor Road Map have been reviewed and revised, and the new version can be downloaded from the ACED website.

Development of Regulatory Impact Assessments (RIAs) for International Standards for Phytosanitary Measures (ISPMs): ACED signed a contract for the preparation of RIAs for a series of ISPMs with the Business Research Company (BRC). The sub-contractor was responsible for developing RIAs covering a group of International Standards for Phytosanitary Measures (ISPMs). ACED received, and accepted, the BRC report on these ISPMs with the following materials:

- ✓ A preliminary RIA (developed according to the government-approved Moldovan methodology) for the harmonization of Moldovan legislation with ISPM No. 7.
- ✓ Draft amendments to Moldovan regulations to harmonize them with ISPM No. 7.
- ✓ A preliminary RIA (developed according to the government-approved Moldovan methodology) for the harmonization of Moldovan legislation with ISPM No. 8.

- ✓ Draft amendments to Moldovan regulations to harmonize them with ISPM No. 8, which includes a draft Decision of the National Agency for Food Safety with two annexes.
- ✓ A preliminary RIA (developed according to the government-approved Moldovan methodology) for the harmonization of Moldovan legislation ISPM No. 12.
- ✓ Draft amendments to Moldovan regulations to harmonize them with ISPM No. 12.
- ✓ A preliminary RIA (developed according to the government approved Moldovan methodology) for the harmonization of Moldovan legislation with ISPM No. 15.
- ✓ Draft amendments to Moldovan regulations to harmonize them with ISPM No. 15, which includes a draft Decision of National Agency for Food Safety with two annexes.
- ✓ An RIA for ISPM No. 20 - Transportation.
- ✓ Draft amendments to Moldovan regulations to harmonize them with ISPM No. 20.
- ✓ A preliminary RIA (developed according to the government-approved Moldovan methodology) for the harmonization of Moldovan legislation with ISPM No. 23.
- ✓ Draft amendments to Moldovan regulations to harmonize them with ISPM No. 23, which includes a draft Decision of National Agency for Food Safety with two annexes.
- ✓ An RIA for ISPM 28 - Phytosanitary Treatments for Regulated Pests.
- ✓ Legal drafting for ISPM 28 - Phytosanitary Treatments for Regulated Pests.
- ✓ An RIA for ISPM 31 - Methodologies for Sampling of Consignments.
- ✓ Legal drafting for ISPM 31 - Methodologies for Sampling of Consignments.

The ACED DCoP also organized several meetings with the BRC staff and Ministry representatives responsible for this activity. Materials provided by the BRC were prepared in close collaboration with Tamara Roznerita, the Head of the Phytosanitary Department at the Ministry of Agriculture and Food Industry.

On December 5th, the complete set of materials for the eight ISPMs were delivered by the DCoP to the Minister of Agriculture during an official meeting between USAID/Moldova Country Director Kent Larson and Minister Bumacov. Minister Bumacov thanked USAID for the support and quality of the materials prepared by ACED. At the same time, the Minister asked USAID to continue its technical assistance in the same domain and to support the elaboration of RIAs and legal drafts for an additional 14 ISPMs, which are closely related to the signing of the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU. Mr. Bumacov also underlined the importance of the ACED assistance for the central Laboratory certification to comply with international standard ISO 17025.

The Advocacy Campaign for Constraints Identified by the CIBER Study: Following a public tender process, a contract for the preparation of an advocacy campaign was awarded to the Moldovan NGO AID in early 2013. The objective was to promote the adoption of regulatory changes that will relieve some of the constraints identified by the ACED CIBER study. Specific regulatory issues covered were as follows:

- ✓ Compulsory plant variety registration;
- ✓ Import taxes on key inputs (insulation panels, greenhouses and cardboard);
- ✓ Poor regulation of access to water for irrigation; and

✓ Expensive access to the electricity grid;

The contractor assisted Moldovan HVA private sector associations and industry representatives to present their case for priority reforms to the legal and regulatory framework that would improve value chain competitiveness.

Achievements

Within the talks held by the project and the industry associations with MAFI, all socio-economic and regulatory arguments and analyses were presented for the elimination of the existing constraints with a view to ensuring high-performance agriculture.

1. Compulsory registration of plant varieties

According to the conducted study, amendments to the legal acts regarding the testing and registration of new plant varieties would impact a lot of entities: producers and importers of new varieties, producers and exporters of fruit and grapes, service providers, and the public at large, as well as the public authorities responsible for regulating new plant varieties.

A number of stakeholders have been interviewed, including representatives of the National Agency for Food Safety (ANSA), State Agency for Intellectual Property of Moldova (AGEPI), Scientific and Practical Institute for Horticulture and Food Technologies (ISPHTA), representatives of agricultural associations, importers and local producers of planting material, and other professionals working in this sector. The impact analysis focused on horticultural products, specifically planting materials for fruit and vines, as high value agricultural products.

The foreign expert was Ivana Dulic Marcovici, a former Minister of Agriculture, Forestry and Water Management from Serbia (2004-2006), and Deputy-minister of Serbia (2006), who also participated in the analysis and development of recommendations. As a result of the analysis, draft regulatory acts to amend the relevant legal acts have been developed. The implementation of such amendments will have a significant positive impact on the development of the multiannual HVA crops: fruits and table grapes.

As a result, Government Decision No. 964 of 04.12.2013 on supplementing section 29 of the Regulation on Testing and Introducing New Varieties in the Catalogue of Plant Varieties was adopted. This provides for reducing the terms of testing agricultural crops **from 3 years to 1 year “in the same conditions, for the varieties listed in the EU Common catalog of plant varieties”** <http://lex.justice.md/md/350548/>.

Unfortunately, as the EU common catalog does not contain information on fruit and table grape varieties, this modification does not solve the problems for fruits and table grapes, and so work on this issue will continue.

2. Import duties for insulated panels, greenhouses and cardboard boxes

After the corresponding tariff positions were identified within the meetings held, an initiative on the elimination of these duties was prepared. An official letter with this proposal was sent by the industry associations to MAFI.

According to the Law on Customs Tariff No. 1380 of 20.11.1997, which has been recently amended and became effective on 01.01.2014, the following tariff positions remained the same, with just a 1% decrease of the tariff for the import of cardboard boxes.

(<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=319952>). According to our discussions with Ministry of Economy representatives, this constraint will be completely removed starting with January 1, 2015, based on the DCFTA with the EU.

3. Ambiguous regulation of access to lake water for farmers, for irrigation

On this lake water issue a signification achievement was made. The ***“Regulation on the Use of Waters from Water Accumulations for Community Needs, Irrigation and Fish-farming”*** No. 807 of **16.10.2013** was developed and approved, which sets out the basic rules for use of water from lakes and other public basins, allowing free access by farmers to water depending on their needs, as proposed by the project and industry associations.

(<http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=349955>)

4. Prohibitive costs for access to the electrical grid in non-residential areas

A series of actions have been undertaken, among which are the identification of the regulatory gaps, development of a legal analysis, and a cost-benefit analysis, which presented and justified the benefits of excluding this bottleneck.

The costs imposed by the power suppliers on the consumers are often extremely high compared to the needs for electrical power. For instance, in order to connect a site which is located a long distance from the power lines to the electrical grid, the consumer has to cover the costs for the purchase of electrical equipment (power transformer, pillars, electrical cable), as well as the costs for design, installation, and mounting of such equipment.

After analyzing the regulatory framework, an initiative was proposed to amend and supplement the existing legislation that regulates the connection of farmers’ post-harvesting and processing facilities to the power grid situated outside the residential area.

Sub-Activity 1.4.2 - Strengthening SPS and Other Quality Standards

Providing equipment for the Phytosanitary Customs Control points: There are 20 sets of equipment that have been provided to the Phytosanitary Customs Control points, and to verify their condition the ACED Deputy Chief of Party, Ion Perju, and ACED Project Food Safety Specialist, Andrei Cumanici, accompanied by representatives of the NFSA, visited at the beginning of year several phytosanitary inspection points around the country which are responsible for the custom checks on food imports. Most of the inspection centers which are now under the NFSA were found to be in good condition and they are able to make effective use of the equipment that ACED will be providing them.

On July 25th the laboratory equipment for 20 phytosanitary inspection centers was formally transferred to the NFSA during a public event organized in Hincesti by the Moldovan Government, the U.S. Embassy, and USAID. At the same time, all of the 300 phytosanitary field inspectors received field kits and reference materials from ACED to assist them to carry out their inspection duties around the country.



The ACED Chief of Party and the Deputy Chief of Party organized several meetings with newly appointed National Food Safety Agency director Mr. Ion Sula and agency specialists. The agendas included the capacity building program for phytosanitary service and Customs checkpoint inspectors, as well as pending decisions on the distribution of ACED-supplied equipment for the phytosanitary Customs checkpoints at the border stations.

Ion Perju, the ACED DCoP, conducted several field visits to the regional phytosanitary control offices at Customs terminals (Industrială, Cricova and Petricani) and, accompanied by USAID representative Rodica Miron, visited one of the most important control points at Leuseni Customs in order to monitor the installation and utilization of the sets of equipment donated to the NFSA. It was determined that the equipment was correctly installed at these particular offices and being used for product testing. It should be noted that the NFSA did not implement all of the ACED requirements for the donation of this equipment. None of the offices visited has direct access to water and sewer systems, and inspectors have to go to other offices to get water for use in their area. The DCoP and the Food Safety Specialist will continue monitor of the phytosanitary offices which received equipment.

Training for phytosanitary inspectors: Based on the contract between ACED project and BioLab SRL, three Romanian experts provided six seminars (of two days each) to Moldovan SPS Field Inspectors regarding harmful organisms, parasitic plants, and other contaminants whose introduction and spread in Moldova is under quarantine. The training seminars were organized mostly in the regions, with seminars being held in Edinet, Briceni, Balti, Orhei Hincesti and Chisinau. A total of 170 inspectors (66 women and 104 men) participated. A final, two-day seminar for the SPS inspectors from Gagauzia, which was provided with Russian translation, took place in Chisinau on December 10-11.

Laboratory QMS for the ISO 17025 Standard: Following on the finalization of a contract with BioLab SRL, ACED sent three Moldovan lab specialists to Romania for training July 22-26. This group was accompanied by the ACED Food Safety Specialist, Andrei Cumpănici. Another group of four lab specialists was trained in Romania July 29-August 2. All of the central SPS laboratory specialists benefited from training provided by Romanian experts.

A Scope of Work was developed for the elaboration and implementation of a Quality Management System based on the ISO 17025:2005 requirements within phytosanitary laboratories. The purpose is the elaboration and implementation a Quality Management System (QMS) at the Central SPS Laboratory that will comply with the ISO 17025:2005 standard, along with at least one validation method per department (Mycology, Entomology, Bacteriology, Virology, Nematology and Molecular Biology) at the laboratory. Biolab Com SRL was selected as the proposed experts have unique extensive knowledge and practical experience in Phytosanitary Laboratory Certification ISO 17025 as well as the ability to deliver the training in Romanian. After in-depth discussions with Biolab representatives and laboratory specialists, ACED signed a contract with Biolab only for the first phase-to conduct an assessment of the existing Quality Management System of the Central Phytosanitary Laboratory relative to its compliance with the requirements of ISO 17025:2005 and to identify specific areas where the QMS and the systems and procedures used by the lab are not compliant with ISO 17025 and suggest appropriate corrective actions.

COMPONENT 2: ENTERPRISE DEVELOPMENT IN TRANSNISTRIA

Project Year Three work in the Transnistrian region was carried out at a fast pace with strong results. There were six international study tours and one Right Bank study tour. Left Bank participants also attended four international trade fairs. There were 26 seminars and farmer field days. A regional women's network was launched in Transnistria and there were a series of roundtables followed by eight seminars designed to meet women's needs.

Year Three has also marked the completion of two full years of activity in Transnistria for the ACED project. ACED received clearance to travel to Transnistria at the end of January 2012 and the needs assessment was completed in May of 2012. The two main objectives of Component 2 are to support the development of micro, small and medium scale enterprises (MSMEs) in Transnistria, and to strengthen the ability of local business service providers (BSPs) to provide services to those MSMEs.

The basic strategy that resulted from the assessment was to start by expanding the HVA activities implemented under Component 1 into the Transnistrian region, while maintaining select target activities to support business service provider training. This proved to be a good strategy, and as per the Year Three workplan, the focus within the MSME sector has been on developing enterprises in the high value agriculture sector. Whereas Project Year Two had some stop-and-go interactions with the local authorities (requests for information, etc.) such issues have been ironed out so that in Year Three, the ACED project activities have proceeded without hindrance or interruptions.

The PMEP targets for Component 2 have been significantly exceeded as of the end of Year Three and important results have been achieved. Successes include building trust and local partnerships. ACED was pleased to see the successful launch of training activities in partnership with two RTSPs carrying out event logistics: Bely Most in Chitskani and Parcani/Ternovca (focused on greenhouse vegetables and strawberries), and Capital Consulting Company (CCC) for treefruit in an "all Transnistrian region" capacity. As one of their deliverables, both groups created a database of producers by target value chains that will be of use in multiple ways (for inviting farmers to events, estimating total production, using to mail technical bulletins, identifying study tour participants, etc.). Having in place the IQCs with these partners will facilitate the provision of new trainings and events locally.

Meanwhile, there were three training seminars held for business service providers on the topics of market research, how to export from Moldova and sales and negotiations. There were 60 cross-bank linkage activities, including more than 10 joint Right Bank-Left Bank study tours, trade fairs and inward buyer visits. Four consulting assignments have also been carried out in Transnistria through the VCSC to date. To date, the ACED project has assisted 16 individual business service providers (the majority of them multiple times) who have reported that they have been better able to serve 76 micro enterprise clients, and 136 SME clients in the Transnistria region.

As Year Three came to a close, ACED had received feedback from producers that new investments have been made and new techniques are in use because of ACED assistance. Two examples can be found in the success stories contained in Annex B (Roman Gratilov, who added heating and double layer film to his greenhouse after visiting Serbia, and Andivita Ltd. who used the ACED business plan to win \$15,000 in seed funding for mushroom production). In the coming year, the results achieved will multiply as new techniques and

investments turn into increased sales and profits for producers and business service providers, engendering a demonstration effect with other regional businesses.

Highlights for the Year:

- ✓ Participation in International trade fairs under the common booth “***Moldova – Taste Makes the Difference***” slogan at World Food Moscow and ProdExpo, as well as visitations to the Fruit Logistica show in Berlin and the inclusion of participants in almost all of the the Component 1 study tours in this year.
- ✓ Regular issues of the ACED Technical Bulletins have been mailed to more than 300 farmers in the Transnistrian region via Posta Moldovei.
- ✓ Launch of the regional Transnistrian Women in Agriculture Network, followed by an active schedule of eight well-attended events for the women participants.
- ✓ Implementation of international Study Tours - to Italy for Advanced Apple Production and to Serbia for a cross-bank group of Vegetable Producers interested in agricultural cooperative development.
- ✓ Two successful demo activities were launched: fruit pre-cooling systems, and modern strawberry production with mulch and drip irrigation. Both have led to other farmers in Transnistria adopting the demonstrated techniques.

During Year Three, after having been only a participant at the regular Transnistria donor committee meetings, the ACED project made an extensive presentation on project activities on the Left Bank at one of the donor coordination meetings in Chisinau.

Sub-Activity 2.1: Build Capacity of BSPs to Improve MSME Competitiveness

On April 26th, the Component 2 manager, the Transnistria Coordinator and National Consultant Gavrilov met with the Director of the Tiraspol Agricultural Scientific Research Institute (NII), Dimitrii Gradinar. Gradinar was generally open to collaboration but particularly interested in seeing whether or not ACED could help connect potential Right Bank clients with their catalogue of varieties and hybrids of vegetables and melons, potatoes and perennial herbs. He provided two catalogues in color to ACED and asked that ACED keep in touch for future collaboration. He also mentioned that he would check with NII experts to see if any are available on a consulting basis to be trainers at ACED vegetable trainings. Subsequent to these meetings, staff of these two organizations began to participate in ACED trainings and study tours, including two NII staff who attended the study tour to Cahovca Ukraine, and three Ag faculty staff who attended the apple training session and the training on “Providing Extension Services.”

In the third quarter, ACED provided a training for BSPs and HVA companies on sales and export of HVA from Moldova. At this training we introduced the ACED guide “How to Export From Moldova.” ACED Market Linkage Specialist Peter White spoke about sales, negotiations, and creating trust and a relationship with the client. Lilian Cipciriuc presented the process for Transnsitrians to get registered and export from Moldova, and Andrei Cumpanici presented all the steps related to phytosanitary certification for export. The guide was very popular and companies continue to request copies. It was particularly useful for consultants (such as those from Novi Gorozont consulting company, Capital Consulting Company, and the Transnistrian Chamber of Commerce and Industry) and for companies who planted super intensive orchards in the last few years that will be starting to export next

year (like Calvil and EvroRostAgro). One producer who recently went through the process of beginning exports and getting registered with Moldovan Customs explained her positive experience to the group (that at Customs she was provided help with paperwork, etc.).

ACED also met with the Bely Most small farmers association and discussed their association development plans and priorities. The head of the association reported that after attending Farmer Expo last year, she received and distributed various sales leads to other members of the association such as orders for onion, pears, and Chinese cabbage. She also noted that there were even requests for export orders, and that because of this she thinks that the members need to work on improving quality, standards, and selling good quality to the local market, in order to be ready and have the right quality for export in another year.

Sub-Activity 2.2: Support the Development of MSMEs in Transnistria

This year, the ACED Component 2 Team organized a number of cross-bank study tours **that** went to a variety of locations for both treefruit and vegetable producers.

ACED organized the study tour to Northern Italy titled “Advanced Apple Production & Post-harvest Technologies and Infrastructure” for a cross-bank group from October 27th to November 3rd. The 10 Left Bank participants (plus one Right Bank farmer, national consultant Pesteanu, and ACED Expert Eugeniu Gudumac) gave glowing feedback on the tour. One Transnistrian producer expressed a strong desire to get GlobalGAP certified and another medium-sized women-led producer expressed interest in orchards starting to work together for packing and sorting for an export company. Several producers looked at various investments, including one producer setting up a meeting to look at seedlings, and others crunching numbers related to equipment purchases. All producers reported having gained something very useful from the study tour. The study tour was organized by the Moldovan-registered company Italian Consulting. On December 2nd, at their own initiative, Italian Consulting set up a follow-up meeting with participants in Tiraspol, and due to a linkage made by ACED, the meeting was hosted by Capital Consulting Company (CCC). CCC and Italian Consulting are in discussions about working together in the future.

Between November 11th and the 15th, ACED organized the cross-bank study tour to Serbia on cooperative development for vegetable producers. Five Left Bank growers from Bely Most small farmers’ association attended, three Right Bank vegetable cooperatives sent five representatives, and the two ACED producer group subcontractor BSPs each sent representatives. The group provided glowing feedback about the study tour. On the tour, the issue of how and why to cooperate with other small farmers was discussed extensively with Serbian representatives. Secondary themes explored included production of vegetables and strawberries with site visits, and conversations about the EU pre-accession process. Bely Most members report interest in new investments based on what they saw in Serbia and mentioned that they had a very useful cross-bank interaction with the three Right Bank cooperatives who attended.

Other important study tours included:

- ✓ The "Advanced Technologies for Greenhouse Vegetable Production” in the Zarechye region of Ukraine in April.
- ✓ Tree fruit study tour in Umani, Ukraine in May.

- ✓ Study tour to the “Berries of Ukraine - 2013: Frozen Produce & Fresh Market” conference in Mykolaiv, Ukraine, May 15-17. The partner organizations on this study tour are the Bacifera Moldovan Berry Association, as well as women from the Women's Network group from the Right Bank. Participants reported being very satisfied with the event and several stated that they would implement new techniques seen there.
- ✓ On June 14 there was a Modern Cherry production study tour organized on the Right Bank for Left Bank farmers. The tour visited modern cherry orchards in Gura Buiculi, Carahasani, and Olanesti. Eighteen farmers attended and their feedback was overwhelmingly positive. The farm that participants said they would most like to replicate was the last farm visited in Olanesti, which was spotlessly clear of weeds and very modern, including recently constructed cold storage.

International trade fairs:

Transnistrian participants actively participated under the booth “*Moldova – Taste Makes the Difference*” in Moscow at Both World Food Moscow in September and at ProdExpo in February. Between February 10th and 14th, ACED supported four Transnistrian companies to participate at the ProdExpo show -- two as exhibitors under the booth “*Moldova – Taste Makes the Difference*” and two walking the show for leads, contacts, and learning. Participants were very positive about the contacts they made and information they gathered. After the show, Holpark (Parcani) shipped a container of canned vegetables (valued at \$19,000) to Israel (a new market them) as a result of ProdExpo and the other Transnistrian company who was displaying in the joint booth reported many leads and that she was in the process of discussions and negotiations with these leads.

At the end of May, one Right Bank company (Orhei Vit), one Left Bank company (Rustas), and the ACED Export Market Linkages Specialist (Alex Belschi) attended World of Private label trade fair in Amsterdam, Holland. From the Moldovan delegation, Rustas was the star of the show with much interest in their frozen green peas (as it was a poor harvest in Europe this year), as well as some interest in their sweet corn.

Also related to marketing, in the summer there were two trips in conjunction with the **ACED Key Marketing Partners** activity:

- ✓ On July 2nd, two representatives from a Kazakh company visited Agrosnab (Bendery), Agrostar and Levada (Camenca). The Kazakh company was interested in apples and plums and discussed with Agrosnab the possibility of buying dried fruits.
- ✓ On August 14th, Lilian Cipriciuc accompanied an inward buyer visit from Petyorichka, Russia. The group visited Polius Agro, Agrostar and Livada Servic. Buyers had positive conversations with each enterprise and said they would be in touch about orders. Agrostar already got a contract from Petyorichka and is going to invite Petyorichka representatives for more detailed discussion.

Component 2 Completed 15 training events in Year Three:

On November 22nd, STTA Rick Dale gave a seminar on the blueberry market, production, and varieties and raspberry production and post-harvest overview. It was hosted in Chitskani by Bely Most small farmers association, and a mix of farmers attended, including the larger farm Calvil that sent three of its staff since they say they are very interested to plant blueberries. The seminar was well received and a lot of information was covered. There are some farmers interested in planting blueberries, whereas other farmers already have and/or

are interested in producing raspberries. Thirty-five participants attended and provided glowing feedback.

On April 26, ACED held a training “The Technology of Strawberry Cultivation -- Agricultural Activities in the Spring” for strawberry producers. The trainer was National Consultant Trofim Gavrilov from Anenii Noi. Fifteen producers attended and provided overwhelmingly positive feedback. Bely Most organized the logistics, their first job under their new contract with ACED as a Regional Training Service Provider. Their work was a team effort, showing that their organizational capacity is increasing over time. The vast majority of producers rated the seminar as “excellent” (5 out of 5) in all categories and said that they planned to implement the techniques presented, including planting in mulch, one-year varieties, and soil testing.

On May 23rd, ACED held the second strawberry training organized in partnership with our new Chitskani regional training service provider Bely Most. National Consultant Gavrilov and International STTA David Picha both presented, focusing on harvest and post-harvest topics. The farmers provided positive feedback, and attendance more than doubled compared to the first strawberry training, a sure sign that farmers are finding the training valuable and spreading the word. The training included a blind taste test of varieties and field visit to Larisa Colomichenco’s family farm field in Copanca. ACED’s USAID COR visited the seminar and said she was impressed with the field visit, as Colomichenco reported having learned about modern strawberry production techniques through various USAID-sponsored trainings and study tours. Additionally, a group of 10 Gagauzian women joined for the seminar and field visit. Even though they faced a three-hour commute, the women said it was worthwhile to see a successful production site and learn about this business.

On May 30th, national consultant Docent Manziuc conducted a peach tree “Regulating Fruit Size and Green Operations” training at the CCC office in Tiraspol followed by a field visit at host Agrostil in Parcani. Participants provided positive feedback, asked a lot of questions, and even asked Manziuc to stop off and provide some small consultancies along the way to the field visit. Participants also expressed interest in a Right Bank modern production technology cherry study tour that ACED organized for June 14th.

On June 18th, there was a Modern Greenhouse Tomato production training with national consultant Omeliuc in Chitskani in partnership with Bely Most (RTSP). On September 6th, ACED organized the apple training "Apples: New Varieties, Harvesting Techniques, and Quality Standards." The seminar was delivered by National Consultant Bucarciuc and ACED expert Andrei Cumanici in partnership with the RTSP CCC in Tiraspol. Twenty-four participants attended, including three female faculty from the Agro College, and actively asked questions. Evgenii Bojco from Polius Agro asked Andrei Cumanici to visit his cold storage and provide additional specific information on when to harvest, how to test apple firmness, and what temperature to store apples. This consultancy was provided in the following week as a follow-up activity.

On December 13th the Training "Orchard Protection in Apple Production" was delivered by ACED expert Buciuceanu. Twenty-one participants attended and provided glowing reviews, and stood up to say a few words and officially thank him for his very useful information. Furthermore, the ACED-produced Advanced Apple Production guide was distributed for the first time in Russian. Participants were very enthusiastic about receiving a copy.

A Training on Modern Greenhouse Cucumber Production was given on July 26 in Chitskani, with national consultant Omeliuc in partnership with the RTSP Bely Most. Approximately 15

producers attended and provided positive feedback. There was a field visit to a female managed family farm in Chitskani with two modern greenhouses.

On August 22, ACED organized the plum training "Plums: New Varieties, Harvesting Techniques, and Quality Standards." The seminar was delivered by Consultant Pesteanu and ACED expert Andrei Cumpanici. Feedback was positive and 13 people attended.

Other Component 2 trainings included:

- ✓ On November 8th, ACED provided the seminar "Peach and Plum Orchard Planting Particularities and Preparation for Wintering" in Tiraspol at the CCC offices. The trainer was ACED National Consultant Manziuc.
- ✓ An Apple Plant Protection seminar was delivered in Tiraspol by National Consultant Ghenadie Buciuceanu on January 31st covering pest management in intensive apple orchards. This was a very popular seminar with enthusiastic participation and feedback.
- ✓ On December 20th, National Consultant Manziuc from the Ag university provided the training "Apple Pruning Particularities in Season 2014" in Tiraspol.
- ✓ The "Cabbage Family (Cruciferous vegetables) Quality Standards and Quality Production" seminar on March 1st was presented by ACED Food Safety Specialist Andrei Cumpanici and national consultant Alexandra Braghis.
- ✓ A Plum Pruning and IPM seminar was also offered on March 1st by National Consultants Manziuc and Braghis.
- ✓ On March 14th, a soil-testing seminar was offered in conjunction with RTSP Bely Most in Parcani with a joint group from Parcani and Chitskani and presenter National Consultant Lidia Catarau. Participants submitted soil samples and received detail soil test results, as well as instructions on how to prepare their soil in order to better grow their target crops. Twenty-five farmers received detailed soil test analysis.
- ✓ On March 22nd, ACED organized the seminar Peach Pruning and IPM with national consultants Manziuc and Braghis and RTSP CCC in Tiraspol.

There were two major **demonstration activities** established during 2013: one on pre-cooling at Agrostar and the other on modern strawberry production in rows with mulch and drip irrigation with Bely Most. Demo activities typically include a presentation of associated knowledge followed by a field visit.

On June 13th, the DCM from the US Embassy, Kara McDonald, and USAID COR Rodica Miron visited the Strawberry demo activity field day in Cremenciug. The pair also visited one other ACED beneficiary farm in Copanca. The lead farmer explained that she got the technology about how to plant under mulch from the USAID/Farmer to Farmer Program, but that ACED assistance and study tours have greatly helped her to increase her profitability. The field day was presented by national consultant Gavrilov and attended by 24 farmers and it received positive feedback.

On August 27th, ACED provided a strawberry demonstration activity field day "The Cultivation of Raised Beds and Strawberry Planting," in partnership with the Bely Most Small Farmers Association. National Consultant Trofim Gavrilov presented and provided technical materials to the 18 farmers attending. Feedback was positive and farmers were interested in the new methods: row beds formation, use of drip tapes and mechanized mulch placement carried out by a machine that performs all these operations in one passing. This practice provides a

dependable heavy crop of high quality, which was confirmed by farmers who used the demo equipment purchased in the frame of the ACED project.

On October 17th, there was the third Strawberry demo field day, "Fertilization and Fall Operations on Strawberry Farms," in Crimenciug village led by National Consultant Gavrilov and organized by RTSP Bely Most. The event was well attended with 25 participants who provided positive feedback. It was the third and final field day related to the Strawberry demo activity with Bely Most Association in Cremenciug.

ACED provided a training and post-harvest demo activity (pre-cooling) visit on July 18th on Peach Variety and Harvest Quality Standards. National Consultant Docent Manziuc and ACED Specialist Andrei Cumpanici made presentations and the event was organized in partnership with the RTSP CCC at the Agrostar company site. More information, including the results, is provided up above in the Activity 3 section.

In early 2014, several new demonstration activities were set up, including modern greenhouse seedling production at Fics in Ternocva and three different demos linked to weather stations and other innovations. The following demo field days took place:

- ACED held the first farmer field day on "How to Construct a Double Layer Greenhouse" on February 5th for a group from Chitskani presented by a staff representative from the input supplier Dinamica Tur Ltd. and assisted by national consultant Nicu Bejan.
- This event was repeated on February 13th for a group from Parcani led by Nicu Bejan, including an indoor seminar in Parcani followed by a field visit to Fics Ltd. in Ternovca. This was the first event to be organized by Bely Most as the RTSP for the Parcani/Ternovca area and had quite a good turnout with 34 participants registered, including several women from the ACED Women in Agriculture Network. Feedback was positive, including from one female participant expressing interest in hosting a demonstration activity.
- On March 21st, ACED organized the first field day for the Chemical Thinning and Weather Station for Apple Production Demo at Agrostil Ltd. in Parcani, with logistics organized by RTSP CCC and a presentation by national consultant Buciuceanu.
- On March 28th, ACED organized the first field day for the Apple Demonstration Activity on Weather Stations, Reflective Covers and Post-Harvest Handling Care in Camenca with logistics organized by RTSP CCC and national consultant Buciuceanu presenting at Livada Servis Ltd.

All of the 2014 demos will continue into Project Year Four, including new ones that have been set up for the current production season.

On June 7th and 8th, ACED attended the Transnistria Investment Forum organized by the Transnistrian Chamber of Commerce and Industry. Rodica Miron, Kent Larson, and Jim Herne attended and we able to evaluate the business atmosphere for investment, and Andrea Chartock, Natalia Murahovscaia, and Adrian Cojucaru attended the roundtable on Agribusiness. Interestingly, the moderator noted that ACED has provided great assistance to agribusinesses and one of ACED's beneficiary, Calvil, presented an investment project that was the result of ACED's support to prepare a multi-year orchard business development plan. The Director of Calvil, Andrei Birna, explained to the audience that with the help of ACED a very high quality development plan was created for their company.

V. ACED PROJECT CROSS-CUTTING ACTIVITIES

In parallel, and in coordination with, the Component 1 and Two activities, the ACED contract envisages a number of “cross-cutting” project activities that complement, and are incorporated into, each of the other sub-activities in the program. These crosscutting activities address some of the major overarching concerns of USAID, such as Environment and Gender, and within the ACED project they are significant elements of the overall program. The following sections identify and describe the main Cross-Cutting activities that the ACED project completed during project Year 3 (April 2013 to March 2014):

Coordination with Other Donors

During Year 3 the ACED project continued to collaborate and cooperate greatly with other donors and project partners. ACED has taken concrete steps to expand the partner network of donors and other projects. The following were the main donor coordination activities for this past year:

Donor Coordination Meetings

- The ACED CoP and the DCoP continued to regularly participate in USAID-organized quarterly Agricultural Project donor coordination meetings. These meetings, held at various project offices in Chisinau on a rotating basis, have seen good participation from projects focused on agriculture and agribusiness.

World Bank

- The Donor Coordination Meeting held at the World Bank office in Chisinau proved useful for working through the effects of the Spring 2013 Moldova political crisis. Later, the December meeting spawned discussions with Olga Sainciuc and Dumitru Croitoru about the important World Bank Moldova Agricultural Competitiveness Project. Olga expressed interest in ACED’s Fruit Logistica trade fair, and Mr. Croitoru provided information on participating in the World Bank project’s grants program for agricultural producer groups.
- The ACED CoP met at the USAID Mission to discuss land consolidation with Mr. Mika-Petteri Torhonen, a Senior Land Policy Specialist from the World Bank in Washington.

Monthly COP Meetings

- The ACED CoP organized monthly CoP lunches to foster information sharing and cooperation. Jim Herne, Doug Griffith, and Kelly Siebold met first in May at the Codru Hotel to discuss current events in Moldova, explore collaboration, and discuss common concerns. USAID CoPs Frederick Yeager, Evan Tracz, and Scott Johnson were among those participating in subsequent meetings.

Food Safety Colleagues

- In late April, the ACED CoP, DCoP, and USAID COR participated in a donor meeting called by Mr. Gaberi, head of the new National Food Safety Agency, to review donor commitments to the agency and identify additional resources. The COR explained in some detail the activities that ACED would undertake to assist.
- In November in Bucharest, the CoP accompanied by the ACED Food Safety Specialist visited the Romanian Central SPS Lab and RENAR, the agency that would certify the Moldovan SPS laboratory in the ISO 17025 standard, and made plans to get assistance with the certification process for the Moldovan lab.

- The ACED CoP, DCoP, and USAID's Rodica Miron further discussed food safety in a March meeting with the newly appointed National Food Safety Agency director, Mr. Ion Sula. The discussions focused on phytosanitary capacity building and equipment.

UNDP Aid for Trade

- ACED and the UNDP Aid for Trade Project worked closely on Moldovan agribusinesses' participation and marketing at regional trade shows, including in the selection of participants, building of booths, editing and translation of marketing materials, and dividing of costs. Shows included the World Food Moscow and Fruit Logistica Berlin.

Europe-Based Colleagues

- EU Twinning Project: ACED and Twinning Project Manager Matt Brown discussed safety training related to pesticide use, with the Twinning Project utilizing ACED's Safe Pesticide Use Guide.
- EU Economic Support for Rural Areas Project: ACED supported the planning and budgeting of Mark Le Seelleur, a consultant with EU implementer GFA Consulting Group, with consultation as well as reports and studies that ACED had recently prepared.
- EU Eastern Partnership Program: In January, ACED participated in an event hosted by the Ministry of Agriculture and featuring representatives from other EU and Eastern Europe agricultural ministries to address common challenges and future EU assistance.
- European Business Association: ACED met with Mariana Rufa to discuss collaboration with the EBA. Our ensuing participation in the EBA Annual Event in February will likely lead to ACED Year 4 seminars on export requirements.

CNFA

- ACED participated in August and September closeout events by CNFA, high-profile affairs that included a rich sharing of results from CNFA's 20-plus years of experience in Moldova. The August event featured the CNFA's Farmer-to-Farmer program's assistance to the dairy industry. The September event in Chisinau included the Minister of Agriculture, USAID Country Representative, and CNFA vice president from Washington, as well as beneficiaries making presentations on how CNFA assistance helped them grow their businesses.

USAID Colleagues

- Discussions with USAID's Peter White, Tom Tjerandsen, and Doug Griffith, CoP for USAID CEED II, about assistance to the wine industry. Tom provided useful suggestions based on his experiences in Chile, while ACED offered assistance at the producer level for wine grapes.
- In September, the ACED CoP, Moldova Minister of Agriculture Vasile Bumacov, and U.S. Ambassador William Moser participated with CEED II as models on Moldova's annual Fall Fashion Walk. The event by Din Inima (Brands of Moldova) marketed a broad range of Moldovan apparel and footwear manufacturers.
- ACED Gender Specialist Elena Brinza and the CoP met with Michael Schieder, head of the Mission in Moldova for People in Need. PIN was awarded a grant from the USAID Mission for a program targeting rural women, and so we discussed

collaboration. Elena and women from ACED's Women in Agriculture Networks attended the PIN opening ceremony.

- USAID Bureau Environmental Officer William Gibson and Mission Environmental Officer Peter Luzik met the ACED office to review issues related to compliance with USAID environmental regulations. The visitors toured the Central Phytosanitary Laboratory to see equipment that ACED had donated and question lab staff. The ACED COR later sent a message saying the visitors were very pleased: "DAI is doing a great job."
- Communication Specialist Aurel Stratan supported USAID participation in the Orhei Field Day in early November.
- Also in November, the ACED CoP met with Charles Davis from the USAID Mission in Kiev to review the project and discuss post-project sustainability, emphasizing ACED's extensive use of local subcontractors and consultants.

CEED/SEAF

- In April, the ACED CoP and DCoP participated in launch event for CEED Moldova (Center for Entrepreneurship & Executive Development, not to be confused with USAID's CEED II). This activity funded by SEAF and the Argidius Foundation established a mentoring program for young entrepreneurs. ACED suggested collaboration if CEED identified Moldovan entrepreneurs involved in agriculture and HVA production. Further discussions were held in September and collaboration seems promising.

Winrock

- In June, ACED discussed collaboration with Elizabeth Markovic from Winrock International about privately-funded activities in Moldova that Winrock is implementing, such as the Moldova Micro-Enterprise Development Activity (MEDA) and ADVANCE project that works with rural women.

Private Investors

- In September, the CoP met with Ted Gillman of Crito Capital and Sergiu Bulbas of Mobias Banca to review investment opportunities in Moldova, investment related reports prepared by ACED, potential investment clients, and BSPs to help with business plans and feasibility studies.

Polish-Moldovan Chamber of Commerce

- In November at the well-attended ACED Apple Forum in Edinet, Tomasz Vogtman, president of the Polish-Moldovan Chamber of Commerce, made a presentation on facilitating joint ventures between Polish and Moldovan companies in agriculture.

MIEPO

- In February, ACED along with Rodica Miron and Doina Nistor discussed collaborations for ACED's Year 4, which most likely would include the participation of ACED in a national forum on exporting procedures hosted by MIEPO.

ISRA

- In February, ACED participated in the ISRA Irrigation Conference and presented the training plan as well as activities being undertaken by the ACED Women in Agricultural Networks initiative.

United Nations

- In March, ACED and representatives of the UN International Organization for Migration discussed participation in a conference/workshop for returning migrants.

Gates Foundation

- In March, ACED participated in the launch for Phase Two of the Gates Foundation-funded Novateca program to assist libraries throughout Moldova. ACED presented technical materials and manuals that the project has been providing to the libraries.

MCC/MCA

The ACED and MCC/MCA teams coordinated and collaborated throughout the project year, including:

- *ACED Gender Program:* In September, ACED met with Andrei Stratulat and Eugenia Ganea from MCA to review the progress and status of the ACED Gender Program and open channels for future conversation and clarification.
- *Prut CIS Zones:* In July, ACED completed field work for MCC/MCA in assessing options for crops and products suitable for the lower Prut CIS zones (Cahul and Chircan-Zarnesti). Horticulturist David Picha met with many individuals, conducted field trips, and provided a debriefing to ACED and MCC/MCA staff. In August, ACED received the consultants' draft report assessing options for crops and products suitable for these zones.

Also in July:

- The ACED team met at the MCC office in Chisinau with Forrest McKennie and Cynthia Berning from MCC Washington on what could be done to increase the prospects for sustainability following the end of the Compact in 2015.
- ACED supported the MCC office in Moldova's seminar on leadership for prospective members of the Women in Agriculture Networks.
- ACED supported the USAID Mission, U.S. Embassy, and MCC office on the handover in Hincesti for the phytosanitary laboratory. Attendees included the U.S. Ambassador, new Moldovan Prime Minister Iurie Leanca, and Deputy Minister of Agriculture. The Ambassador presented certificates to 20 directors of Moldovan testing laboratories.

Other MCC/MCA Collaboration:

- In August, the ACED CoP and Andrea Chartock met at the USAID office with visiting MCC Washington staff Jolyne Sanjak, Deputy Vice President for Technical Services, and Jonathan Brooks, Managing Director for EAPLA, and provided the visitors with an overview of the ACED program and review of activities the project has been undertaking to assist farmers in the CIS Zones.
- In September, a final CIS report was distributed to the USAID, MCC, MCA, and ACED staff. Consultants David Picha and Travis Greenwalt made a presentation in early September and collected comments and suggestions. There was general agreement that the training and technical assistance programs should be tailored to the needs and circumstances of each of the zones and begin in early 2014.
- In September, ACED met with the OIG team reviewing the implementation of the MCC Compact. The CoP provided observations and comments from ACED's perspective.

- ACED was contacted by Gabriel Popescu, a Commercial Attache from the U.S. Embassy in Bucharest, regarding possible participation in the World Ag Expo in Tulare, California.
- In January and February, ACED met multiple times with MCC, MCA, and USAID to discuss prospects for USAID Moldova providing continuing support for the WUAs, rehabilitation of the two lower Prut CIS zones (Chircan-Zarnesti and Cahul), and training and technical assistance to farmers. Attendees included MCC Washington's Kristin Penn, MCC contractor Andy Keller, and Gary Merkley from the ISRA component. ACED submitted a draft activity plan for the CIS zones.
- In March, ACED hosted project and donor representatives to discuss the trade shows that ACED supported in February. Representatives from USAID, MCC/MCA, and the UNDP agreed that continued participation is essential for the expansion of Moldova's international markets but that changes to the terms of participation were needed to secure more productive participation.
- Also in March, the ACED technical leads and representatives from MCC and MCA discussed the Year 4 workplan for training and technical assistance to CIS zone farmers, and in particular farmers in the Lopatna and Criuleni zones.

Donor Coordination in Transnistria

The ACED project in Y3 supported multiple events that brought together donors and other stakeholders dedicated to promoting economic growth in Transnistria. Highlights include:

- The Transnistrian International Investors Forum in Tiraspol organized by the Transnistrian Chamber of Commerce and Industry. The team met the USAID Country Representative, ACED COR, and representatives of the U.S. Embassy in Chisinau, and was complimented by a local official on our significant assistance to Transnistrian farmers and agribusinesses.
- World Bank Washington visitors: In July at the USAID office, the ACED COP and Andrea Chartock discussed potential World Bank-funded activities in Transnistria.
- Transnistrian Donor Coordinating Meetings: Meetings were held in October, December, and March. The first meeting struggled to get beyond political topics such as the 5+2 talks and migration between Moldova and Transnistria. One participant suggested that future agendas dedicate time for both political and development discussion. Our December meeting focused on practical issues relating to planning and implementing activities, and led to a follow-up meeting between ACED and UNDP that served to better inform each group of the other's activities and open communication channels. The March meeting featured a presentation and Q&A by Component 2 Manager Andrea Chartock.

Gender & Marginal Groups

Women in Agriculture Network (WAN) Activity

- During the first half of Year 3, the ACED Gender Specialist developed the scope of work for Phase II of the WAN activity and each regional organization prepared workplans. Budgets were finalized and one-year indefinite quantity contracts drafted for and signed by the service providers. Based on women's requests, partners began implementing training and study tours on agricultural production and other subjects, workshops and roundtables, mentoring, and informal networking.

Northern and Central Regions WAN (implemented by AGROinform)

AGROinform first held organizational meetings with Network Advisory Group members, who established appropriate dates for events to ensure the highest attendance, aligning certain events with the most appropriate seasons and stages of production. Highlights included:

- Seminars on the Creation and Operation of Joint Producer Groups in Balti (north) and Chisinau (center). Each convened more than 20 women and promoted cooperation and association. Attendees learned rules for forming producer groups. ACED and the World Bank MAC-P projects were presented as resources.
- Seminars on Farm Management in Glodeni, Orhei, Nisporeni, Falesti, Edinet, Singerei, Calarasi and Anenii Noi, each hosting around 15 women. Discussion on what constitutes business costs, and how to calculate costs, income, profits and cash flow, necessities when deciding which crops to grow and for applying for a loan.
- Business Planning Seminar in Chisinau, where WAN members became familiar with the contents of a business plan, SWOT analysis, and how to identify competitors and plan sales.
- Seminars on Farm Management in Donduseni, Drochia, Hincesti, and Telenesti. Between 20-25 women participated at each.
- Seminars on Business Planning in Balti and Chisinau. Twenty-four women were trained on planning, presenting their company, SWOT analysis, analyzing competitors, and identifying appropriate markets.
- Income Report Preparation workshops in Edinet, Riscani, and Drochia with presentations from Fiscal Inspectorates. Nearly 50 women learned how to fill out income reports, calculate taxes, and file by deadline. The women found the workshops practical, and they were conducted in time for income tax filing.
- Interregional meetings for members from Hincesti, Nisporeni, Orhei and nearby raions for women to discuss, socialize, and exchange experiences.
- Women from Hincesti visited a quail farm to learn about the business and were surprised and impressed, and several were interested in starting their own.
- Seminars in Riscani and Edinet on Essential Skills for Internet Use such as information searches, e-mail, and Skype.
- Seminar in Riscani on Accident Prevention in Agricultural Enterprises.
- Workshop on Alternative Energy Sources in Balti, a well-attended event featuring the UNDP Energy and Biomass Project specialist. A successful producer of briquettes, Liliana Abramciuc, shared her personal experiences in producing this type of biofuel.

Southern Region (implemented by Contact Cahul)

Contact Cahul implemented our Women in Agriculture Network activities in the south. Highlights included:

- Basic Computer Skills Development courses in Cahul, Causeni, Leova, and Stefan Voda. In Cahul, Causeni and Leova the courses were held in the Centers for Access to the Internet set up by the Novateca Program and implemented by IREX Moldova in cooperation with USAID and the Gates Foundation. The course in Cahul was co-financed by the NGO DVV International within the Life Learning Program. Running for

12-15 days with 10-15 participants at each, the courses helped women learn to operate programs such as Microsoft Word and Excel, use e-mail and Skype, and navigate the Internet.

- Fiscal Reporting and Modifications in Fiscal Legislation roundtable brought together 20 women and two men in Cahul. An expert from the Fiscal Inspectorate discussed reporting requirements, forms use, and due dates, stressing the importance of keeping good records on costs and revenues.
- Study visit on table grape cold storage techniques with a small group in Manta, Cahul. Women were shown the chambers where the table grapes are stored and impressed by their appearance and good quality. A lot of discussion on production, contracting, and marketing.
- Accounting seminar focused on general principles, the legal framework, primary documents, and accounting records.
- Seminars on Women's Leadership in Leova and Cimislia. The women learned about different styles of management, team leadership, and decision making and got to know each other through practical group exercises.
- Access to Finance workshop in Cimislia with 35 participants. ACED Technical Assistance Specialist Adrian Cojocaru presented the main financial resources accessible to agricultural producers and the structure of a business plan necessary to apply for a loan.

The Gagauzia Region (Implemented by the Association of the Women of Gagauzia)

Implemented by the Association of the Women of Gagauzia, highlights from the Gaguzian WAN included:

- Women's Leadership Skills training in Comrat for 20 women who learned to deal with stressful situations, increase self-confidence and improve behavior regardless of the situation. The women shared personal experiences from their day-to-day entrepreneurial work.
- Basic Computer Skills Development courses in Comrat and Ceadar-Lunga for 20 women. Feedback was extremely positive in terms of usefulness and understandability.
- Farm Marketing seminar in Comrat where more than 20 women learned basic marketing, farm marketing, and how to make the products marketable and attractive.
- Access to Finance workshop in Comrat for 20 participants delivered by ACED Specialist Adrian Cojocaru on resources targeting the agricultural sector.
- Tomato Seedling Production seminar in Comrat and delivered by ACED consultant Nicu Bejan. More than 15 small- and large-scale vegetable producers attended.
- Cucumber seedling production seminar in Comrat presented by Nicu Bejan, with heavy interest in fruit and vegetable production and greenhouse construction.

Transnistria (Implemented by the Chamber of Commerce and Industry of Transnistria)

ACED implementing partner the Chamber of Commerce and Industry of Transnistria identified women in agriculture from the six raions in collaboration with regional partners and local authorities. They organized focus groups with women in Tiraspol, Bender, Grigoriopol,

Dubasari, Ribnita and Camenca, most from the high value agriculture sectors, with a few from livestock and cereals. Participants were introduced to the action plan for the development of the Transnistria WAN and shared their views, delegating one woman from each region for the Transnistria WAN advisory group. Highlights included:

- First meeting of the network advisory group members in Tiraspol, where members reviewed the plan and decided on topics and crops for seminars. They also asked for a seminar on cereal cultivation, while postponing livestock to 2014.
- Seminars on Planning and Personal Growth, with each convening more than 20 women who learned how to establish and achieve goals. They planned to start businesses in agriculture such as planting orchards or setting up greenhouses and applying SWOT analysis.
- Seminars on the Development of Mini-Processing Facilities for Fruit and Vegetables in Ribnita and Tiraspol that included visits to a cannery in Camenca and mini-processing facility of Holpark.
- Three-day course on the development of small businesses in rural areas, including seminars on legal issues, marketing of agricultural products, accounting and taxes, and basic PC skills that averaged 22 women participants per topic.

Other Gender Related Activities

- In mid-May, ACED supported 17 berry producers at Berries of Ukraine 2013 in Mykolaiv, Ukraine. Included were producers from the right and Left Banks as well as women representing the WANs from the North, Center, South, and Gagauzia. Participants met with berry producers, learned new production and post-harvesting techniques and practices, and participated in a field visit.
- Also in May, Strawberry Production Technologies Spring Operations was organized in Chitchani, Transnistria. Ten women of the Gagauzian WAN attended and exchanged experiences.
- In July, the ACED Gender Specialist co-organized a women's training event with MCC and MCA featuring communications expert Leslie Tucker. The event focused on how to communicate effectively: in life, in business, and within the Women in Agriculture Network. ACED provided translators and translation equipment and catering for the event, which was held at the MCA offices. The women who participated from the three regions provided overwhelmingly positive feedback.
- In October, ACED co-financed the Forum of Women Leaders from Rural Areas held at the Codru Hotel in Chisinau. The event was organized by Soros-Moldova, AGROinform, and ACED. It gathered approximately 70 participants from the rural areas, one-third being women from the economic sector, mostly from agriculture. Attendees shared success stories and common issues. The economic session focused on business startups, development in rural areas, and women's limited access to finance, information, and networking. Proposals from the forum will be monitored in the lobbying process and tracked for implementation by a group of five women suggested by participants.
- In November, ACED's Gender Specialist participated at the National Forum of Young Entrepreneurs organized by Winrock in Chisinau and gave a presentation on ACED

activities, including of the regional WANs, as an opportunity for young entrepreneurs specialized in high value agriculture.

- In February, the ACED Gender Specialist presented the WAN development activity at the annual conference of the MCC/MCA Irrigation System Reform Activity. ACED used this opportunity to publicize WAN.
- In March, the ACED Gender Specialist presented the WAN activity at the SGE Group of Practitioners Meeting organized by MCA. SGE members work in the rural areas along the road rehabilitation zone, and can spread the word about WAN opportunities to women from those villages.

Environmental Compliance

In Year Three, ACED updated our PERSUAP and expanded and deepened our environmental compliance activities. It was decided with the Mission Environmental Office that not all activities would need an Environmental Review. Instead, ACED would prepare a description of environmental mitigation measures being taken for each activity, with the MEO and BEO deciding which would require an ER. Highlights of ACED's Year Three Environmental Compliance Activities:

- ACED's Environmental Specialist prepared checklists and training materials for our regional training service providers. Included was a guide in both Russian and Romanian on the safe use of pesticides, as well as the detailing of environmental requirements in procurement and administrative documents.
- Key ACED staff (the CoP, the DCoP, the Environmental Specialist and the Training & Value Chain Specialists) met with USAID Regional Environmental Advisor William Gibson and the Mission Environmental Officer Peter Luzik to discuss environmental compliance, and follow-ups were proposed. The group along with Rodica Miron visited the Central Phytosanitary Laboratory, observed new equipment that ACED had donated, and asked questions about environmental mitigation measures implemented at the lab and the ISO 17025 certification process.
- ACED's third IEE amendment (which also includes a PERSUAP Amendment) was approved by the USAID Regional Environmental Officer, allowing ACED to move ahead with a number of activities. The list of pesticides approved for use by USAID (and ACED) was updated, translated into Romanian and Russian, and made part of ACED training and its website.
- In September, the Environmental Specialist attended a workshop on "Pesticide Authorization & Principles of Risk Assessment" organized by the EU-funded Twinning Project, and continued assisting other elements of the ACED project.
- ACED continued updating designs for production and postharvest activities and finishing relevant environmental documentation for closed-out activities. The Environmental Specialist prepared a list of factors that helped in identifying five future, suitable demonstration sites in Transnistria.
- Since ACED would be extending its activities, preparation began of a new PERSUAP Amendment to include crops such as berries, walnuts, and cabbage. A list of new pesticides was identified and IPMs developed.
- Contract language for Regional Training Service Providers for 2014 was updated and included more detailed clauses describing environmental monitoring requirements.

- ACED continued preparing new demonstration activity designs and implementation of approved ones. Each MoU signed between ACED and the demonstration activity partner included an annex with the environmental monitoring and mitigation plan. The host is informed of the requirements and expected to implement its part.
- The ACED Environmental Specialist reviewed all procurement requests so that demonstration activity documents included approved environmental requirements and highlighted the needed documentation to be presented by the vendor or service provider. In Q4, for example, the ACED Environmental Specialist assisted in the procurement for seven demonstration activities, five in the Transnistria region. ACED staff and the contracted RTSP perform monitoring visits at demonstration activities, documented by completion of the Environmental Monitoring Checklist.
- Since ACED would be expanding the range of crops targeted for production training and demonstration activities, ACED prepared and submitted to USAID a new PERSUAP Amendment to include blueberries, cabbage, gooseberries, raspberries, and walnuts, and the updated information on pesticides approved by USAID for ACED. Since the Moldovan Government improved its legislation this year, the new PERSUAP Amendment included the updated list of Moldovan legislation in environmental protection, crop production, fruit and vegetables processing, human safety during work, and other ACED-related fields.

Sequencing with the Compact THVA

In Year 3, key staff from ACED, MCC, and MCA met in April and June to plan and coordinate activities for the Compact THVA. ACED was asked by MCC to assess best land use in the two CIS zones on the lower Prut river. These low-lying zones have a very high water table. Some areas have salinity problems and some are continuously flooded. MCC requested that ACED bring out an Ag Economist and Agriculturalist for this effort.

Ag Economist Travis Greenwalt and Agriculturalist David Picha performed their site work and analysis in June and July. By September, their report and the plan for the CIS zones were approved. The plan addressed construction on the irrigation zones and schedule for ACED training and technical assistance.

Activity highlights included:

- The ACED team intensified its contact with the MCC/MCA team to better understand the situation in the CIS zones and design training and technical assistance to support farmers to transition to HVA. ACED's collaboration over the summer with MCC/MCA picked up greatly, as described above in the Coordination with Other Donors section.
- David Picha returned in November to assist development of training and technical assistance. He met with Gary Merkley from ISRA and visited the CIS zones of Lopatna and Criuleni. In Lopatna, David met with a key farmer in the area and inspected nursery fields and orchards as well as the main pump station on the Nistru River and main irrigation fields. In Criuleni, David met with members of the WUA and discussed their farming activities and intentions for the future and saw the progress made by the construction company.
- Berry fruit consultant Rick Dale also visited in November to assess the production potential of the CIS zones. He judged the climatic and soil conditions as adequate for a range of berry crops, and local and regional market trends indicated there was a

great market potential. Rick also noted big deficiencies in grower practices regarding weed control, fertilization, and crop rotation. He provided assistance to Lolly Berry SRL, an ACED client planning to establish the first blueberry plantation in Moldova. This farm is located in Nisporeni, close to the Grozesti CIS zone, and ACED intends to use this plot as a demonstration site for this high value, high potential crop.

Local Capacity Building of Moldovan BSPs

ACED continued to make extensive use of local business service providers (BSPs) for the implementation of project activities and events. ACED generally seeks BSPs via a full and open competitive bidding process. Administrative and technical staff review bids and decide on which bidder provides the best value for money for the project before awarding a contract. This bidding process and the resulting work and collaboration supports the development of local capacity of Moldovan BSPs. In Year 3, this included ACED contracting:

- The National Federation of Agricultural Producers of Moldova (AGROInform) and AODER Promo-Terra for the creation of joint production and marketing groups. They worked for ACED on a task order basis. These organizations conducted a number of events under the subcontract, working with groups to optimize their marketing and promotional efforts.
- The Chamber of Commerce and Industry of the Republic of Moldova (CCI) to support a study tour to Spain focused on modern table grape production methods and technologies.
- Two organizations from the Left Bank that supported ACED training and demonstration programs in Transnistria.
- Business Research Company to develop regulatory impact analyses for new International Standards for Phytosanitary Measures and promote changes in regulatory constraints related to testing and registration for new plant varieties. These analyses were presented to the Minister of Agriculture by the Deputy CoP during a meeting at the Ministry in late November.
- Local NGO Alternative Internationale de Dezvoltare to develop a campaign to lobby and advocate for changes in the regulatory constraints identified in the CIBER analysis and support implementation of the advocacy campaign.

These are but a few examples of the subcontracting activities that ACED undertakes on a regular basis. Each is an assistance program for the contracted BSPs and serves as a continual process of capability development.

VI. PROGRESS TOWARDS INDICATOR TARGETS

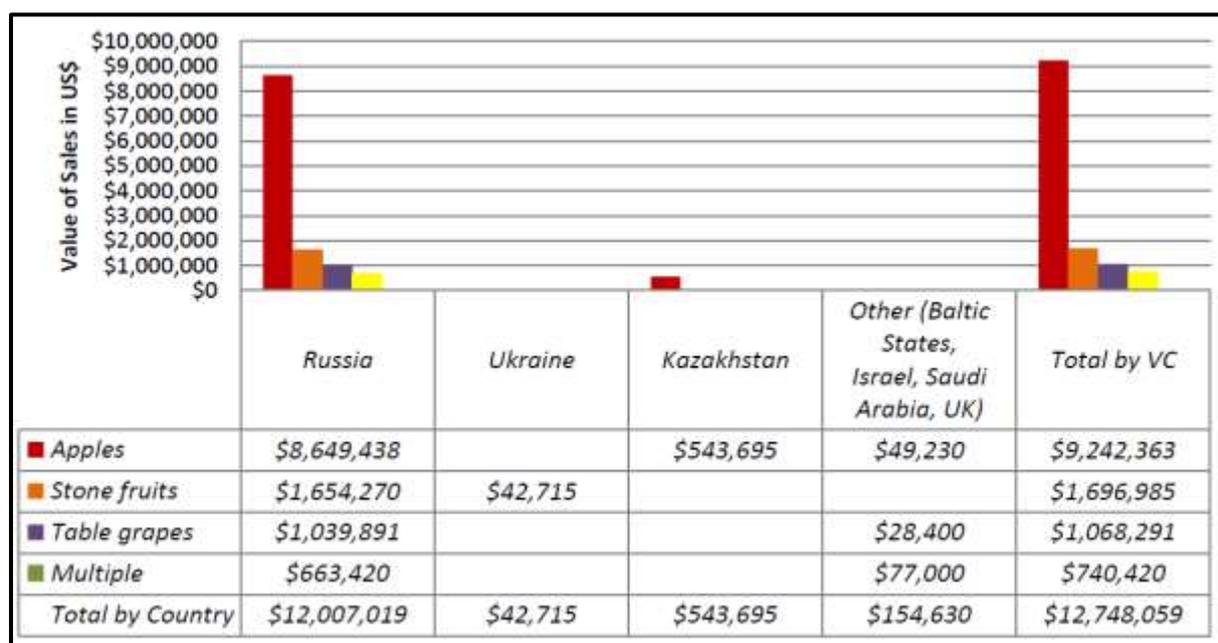
Over the course of Year Three, the ACED project has far exceeded the vast majority of the PMEP targets due to the responsiveness of project beneficiaries and dedication of ACED project staff. As a striking example, ACED had a training target of 2,500 producers by the end of Year Three, but in fact the project has trained more than 4,300 producers, which exceeds the life-of-project target for this indicator. In rare instances where PMEP targets need more attention, the technical team has met and appropriate plans have been prepared to fill these gaps during the course of Years Four and Five. The following paragraphs include discussions and analyses of the PMEP targets by project activity, and the PMEP Annual Indicator Tables are included as Annex A to this report.

Component 1, Activity 1: Develop & Expand Market Opportunities

Moldovan high value agriculture annual export data has been extracted from the UN Comtrade database. Moldova's total HVA exports for calendar year 2013 increased by nearly 33% when compared to the 2010 export baseline. A significant increase of 46% was registered for preserved (processed) products. In contrast, there was a significant decrease by 27% for vegetables. In the value chains that the ACED project targets, tomato exports decreased by 30% and apple exports decreased by 4.5%. Table grape exports increased by 17% and stone fruit exports (cherries, peaches & plums) increased by 23% when compared to the baseline figures.

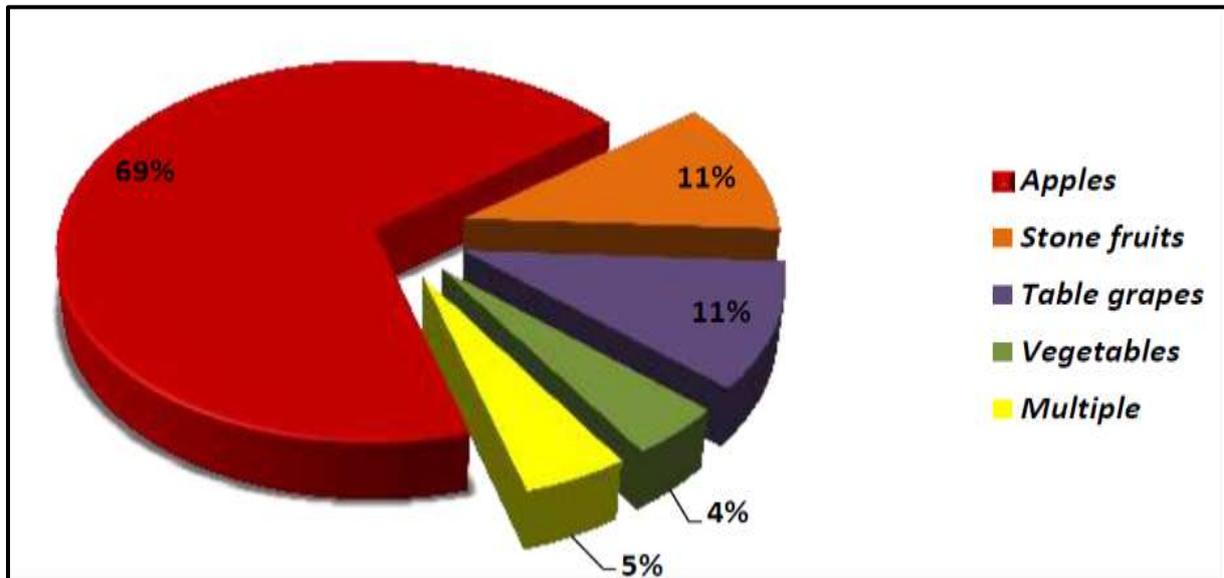
The ACED project has facilitated total cumulative sales of \$15.6 million through March 2014. This represents sales facilitated, and tracked, by the marketing, training and technical teams, and includes a number of facilitated sales which were identified by the end of year Random Sample Survey. Figure 1, shown below, indicates graphically the percentage distribution of the sales reported by each value chain. The highest percentage of sales facilitated by ACED was for apples (69%), followed by stone fruit and table grapes (11% each), with vegetables (4%) and multiple products (4%) making up the balance.

Figure 1: Percent of Total Sales by Value Chain



Export sales facilitated by ACED occurred in the following value chains: apples, stone fruit, table grapes and multiple products (processed vegetables, fruit and sweet corn), with the largest amount of sales having been facilitated for apples (see Figure 2). Exports to Russia made up 94% of the total, followed by Kazakhstan (4%). Small quantities of apples were exported to the UK and Saudi Arabia. The total amount of exports exceeds \$12 million.

Figure 2: Value of HVA Exports by Value Chain and Export Destination



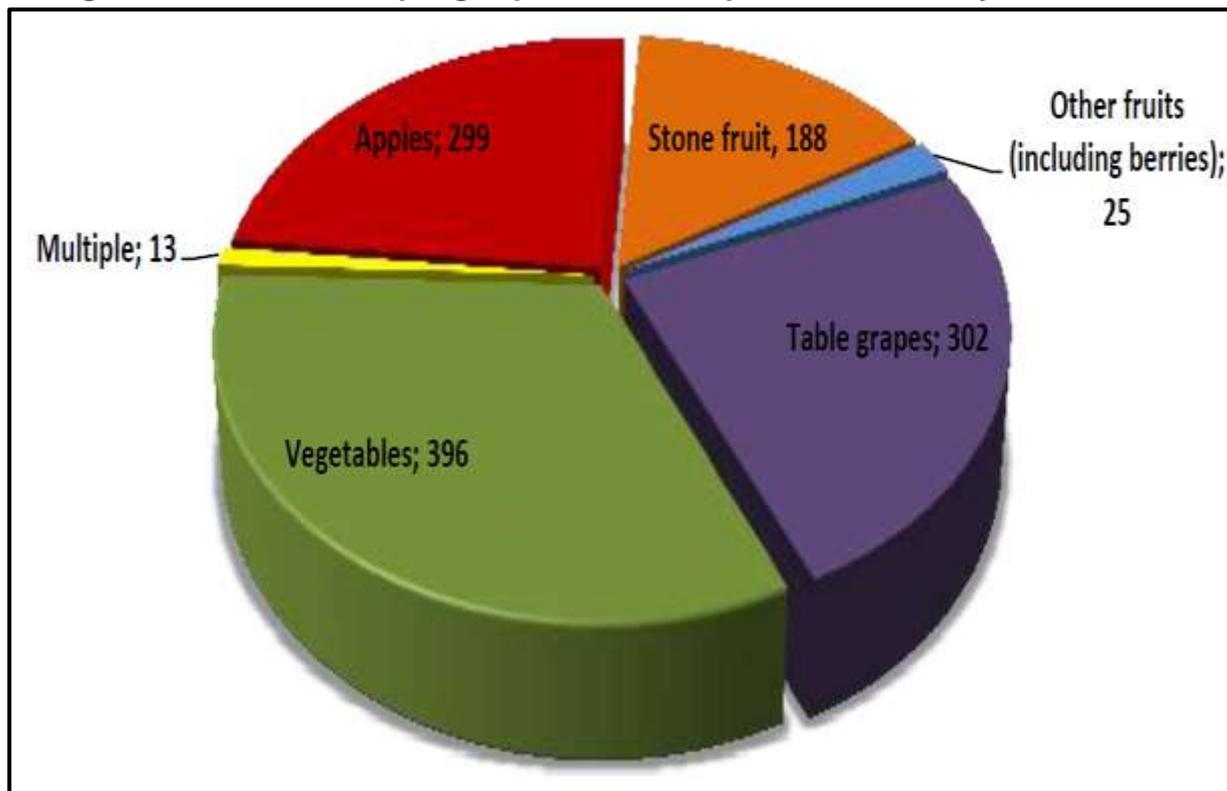
There were 547 producers with sales facilitated by ACED as noted in the TAMIS system, of which 176 (32%) were women-owned/managed farms/firms. More than half of the total sales reported comes from producers and suppliers, which processing enterprises reported to ACED (which are sales facilitated by ACED assistance). Approximately 40 producers reported repeat sales as a result of previous linkages, or from additional assistance provided by ACED. The assistance provided to producer groups in the coming year will be part of a concerted effort to help to broaden the scale of the sales facilitated.

Component 1, Activity 2: Upgrading Production to meet Buyer Requirements

Due to the large number of technical seminars organized during the first, second and third years of the project, ACED has trained nearly double the number of producers as planned by the end of Year Three (4,307 trained, versus a target of 2,500). In addition the number of women trained represented 32% of total discrete training participants, which slightly exceeds our long-term target for women trained of 30%.

Producers adopting improved techniques and practices rose to a cumulative 1,223 through the end of March 2014. Most adopters were active in the vegetable value chain (32%), followed by table grapes (25%) and apples (24%) (see Figure 3). Again, the representation of women was significant for this indicator, with women representing 38% of the total adopters. Producers reported that the adoption of new techniques and practices has been applied on an area of 4,458 ha, which exceeds by 24% our Year 3 target of 3,600 ha.

Figure 3: Producers Adopting Improved Techniques & Practices by Value Chain



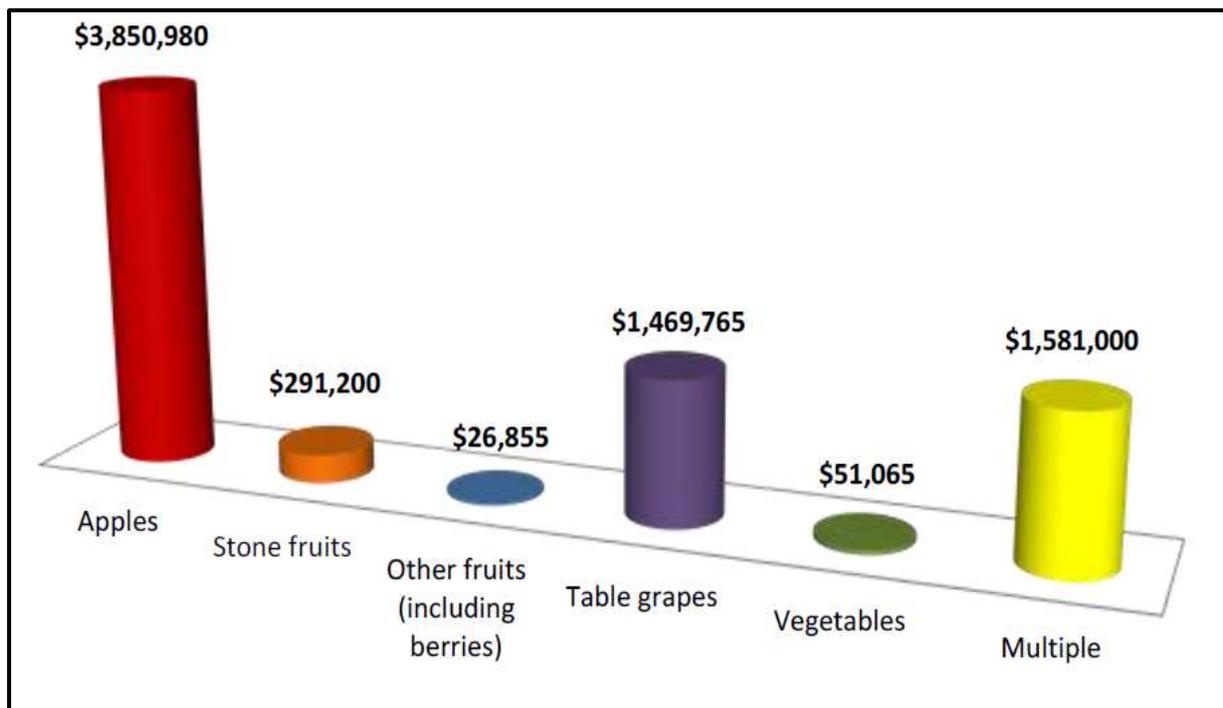
Component 1, Activity 3: Upgrade the Moldovan HVA Value Chain

Before the ACED project was launched, four fruit and vegetable processors (Natur Bravo Cupcini JVC, Natur Bravo Florești JVC, Eco Vit Ltd and Orhei Vit JVC) implemented food safety management systems and were certified according to the ISO 22000 standard “Food Safety Management Systems - Requirements for any Organization in the Food Chain.” As a follow-up to this certification, in Year Three ACED provided training for the food safety and technical specialists (microbiologists, technologists, quality assuring specialists) at these four companies based on the Codex Alimentarius Standards, the ISO 22000:2005 standard, Moldovan National Legislation and European Legislation, and these activities have been recorded in the TAMIS system.

As a result, these companies have improved their food safety systems by making changes to their production processes, documenting their procedures and improving their records. These changes were made based on the guidelines and recommendations included in the local national legislation which mirrors current EU regulations (which are international standards). As these four processors implemented these systems based on EU regulations, they have been counted towards achieving the target in indicator 1.3.1 -- Adoption of international food safety and quality standards. Additionally, seven producers are now in the process of implementing GlobalGAP and are expected to be certified by the end of 2014.

The total value of new investments facilitated by ACED through March 2014 amounted to \$7.27 million, with more than \$3.8 million having been invested in the apple value chain. A total of \$1.4 million was invested in the table grape value chain and another \$1.5 million was invested in facilities that can be used for multiple value chains (see Figure 4 on the next page for additional information on the distribution of investments).

Figure 4: Value of New Investments by Value Chain



As of the end of Project Year Three, ACED beneficiaries reported having made the following investments based on assistance provided by the project:

- \$5,322,062 was invested in cold stores, packing houses, pre-cooling chambers, sorting lines and wooden box manufacturing lines;
- \$1,266,126 was used to purchase new, improved, seedling materials (new varieties) for vineyards and orchards;
- \$149,611 was invested in branch crushers, weather stations, weed cutting machines, and irrigation sprinklers;
- \$507,220 was invested in greenhouse construction and/or renovation, and for drip irrigation systems set up in greenhouses and open fields; and
- \$25,846 was invested in other equipment such as quality control equipment, pH testers, soil humidity sensors, telescopic pruners, and long-handle shears.

The total number of beneficiaries reporting investments facilitated is 156, of which 50 are woman-owned/managed farms or firms. The number of discrete enterprises receiving technical assistance from ACED totals 263, more than three times our cumulative target of 70 enterprises to have been assisted by the end of Project Year Three. Fifteen percent of these enterprises were woman-managed or owned.

ACED has found that 36 Value Chain enterprises have adopted improved Post-Harvest Handling techniques and practices. Most have adopted pre-cooling techniques, improved storage techniques, or maturity prediction and assessment techniques.

Component 2, Activity 1: Transnistrian BSP Capacity Building

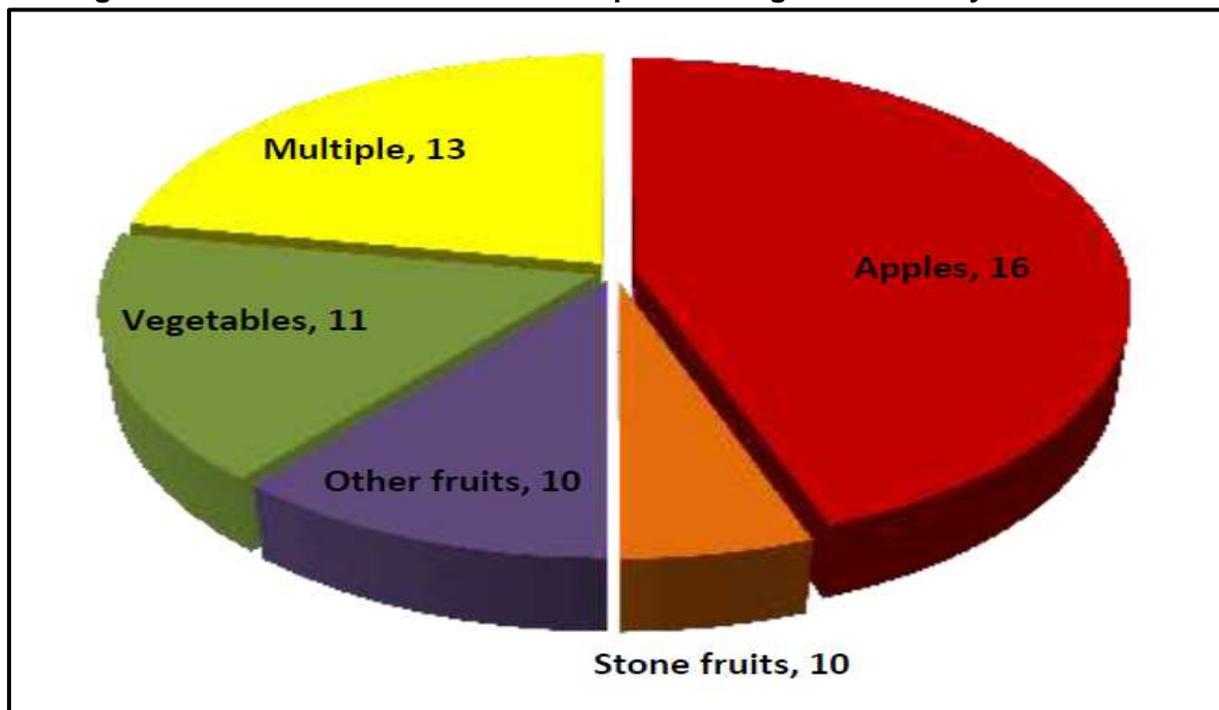
Under Component 2, ACED has exceeded all of the PMEP indicator targets for Year Three. Component 2, Activity 1 was designed to build business service provider capacity so that

local BSPs can have a multiplier effect on local businesses they serve. ACED has assisted 16 Transnistrian BSPs who in turn are now better able to provide needed business services to the 88 microenterprises and 137 SME clients they have reported assisting over the course of the first three years of the project.

Component 2, Activity 2: Transnistrian MSMEs Development Support

Over the first three years of the project, there have been 60 cross-bank enterprise linkage activities facilitated by ACED. The largest number were related to the apple value chain. The graph below represents the distribution of these activities among the Value Chains.

Figure 5: Number of Cross-Bank Enterprise Linkage Activities by Value Chain



ACED’s End of Year Three Random Sample Survey

A random sample survey of producers trained was carried out by ACED staff from February to April of 2014. Fifty-four percent of the sample (producers trained by ACED) had adopted one or more practices as a result of ACED’s assistance. In addition, the sample reported sales of more than \$1.2 million that they indicated were due to ACED assistance. If the results of this sample were extrapolated to the entire population of trained individuals, it could be estimated that ACED has already facilitated well over \$50 million in sales.

The end-of-year survey also provided staff with a valuable learning experience and chance to reflect upon the quality of the data captured and contained in the project’s TAMIS system. More information on these topics can be found in the full End of Year Three Random Sample Survey Report, which is attached as Annex C to this report.

VII. ADMINISTRATION & CONTRACT DELIVERABLES

ACED continued to provide the USAID Mission and MCC/MCA offices with the reports and other documents that are prescribed in the ACED contract. These include the annual workplans and reports, quarterly and monthly reports, monthly activity schedules, and other periodic reports. At this time (Q4, 2014), the Year Three Annual Report is the only outstanding report and the preparation of this report has been delayed by the added reporting and documentation demands following the onset of the crisis in Ukraine. This has included multiple revisions to the activities planned for Year Three, as well as making the arrangements for, and preparing the documentation for, a number of high level U.S. government visitors from Washington and Kiev.

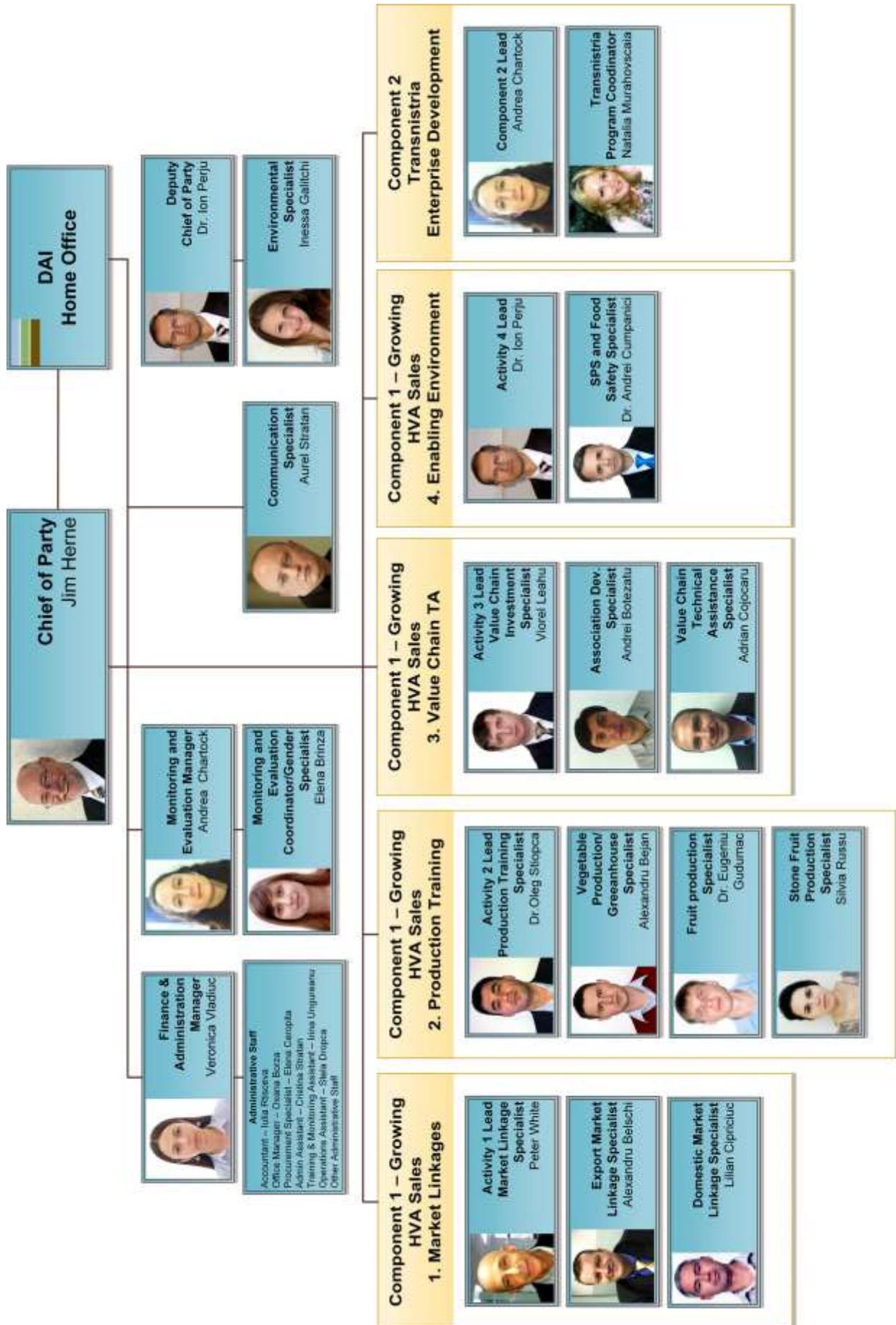
Over the course of Year Three, the ACED project carried out a tremendous number of goods and service procurement actions, both for office operations and technical activities, to support the implementation of the ambitious Year Three Workplan. The contracting vehicles used have included direct awards, fixed price purchase orders, blanket purchase agreements, and indefinite quantity contracts. These contracts and awards have been mainly issued to Moldovan vendors, although a significant number have been awarded to vendors from other countries.

Through these procurement actions, the ACED project has purchased equipment from a diverse group of vendors and established a significant number of field-based demo activities on topics ranging from primary production to harvest and post-harvest technologies. In addition, ACED organized more than 20 international study tours, with the participation of producers from both banks of the Nistru River, and provided technical assistance through the Value Chain Support Center by sub-contracting with pre-selected service providers. Two sub-contractors provided assistance on the joint marketing of producer group creation, and other foreign contractors constructed the booths for four major international trade shows: World Food Moscow, Fruit Logistica Berlin, ProdExpo Moscow, and GulFood Dubai. ACED also equipped the Central Phytosanitary Laboratory and 20 border inspection stations with additional technical equipment and provided technical assistance through specialized training to the laboratory and the Moldovan National Food Safety Agency.

The equipment purchased for demo activities has been provided to the host farmers on a temporary use basis, and property titles will be transferred to them following the completion of the demo activities. As needed, ACED will submit requests for the final disposition of non-expendable demo equipment to the Contract Officer.

Project Personnel and the ACED Organization Chart

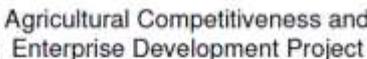
A few organizational changes have occurred over the course of Year Three. ACED recruited Andrei Botezatu to fill the position of Association Development Specialist following the resignation of Roman Palanciuc. Elena Ceropita was promoted from Administrative Assistant to Procurement Specialist after Grigore Cernenchii resigned from the project. Cristina Stratan was then hired for the Administrative Assistant position. Irina Ungureanu was hired on a temporary basis as Training & Monitoring Assistant to replace Tatiana Semcova while she is on maternity leave. Sergiu Merioara, the ACED in-house translator, left the project and this position has remained vacant. Stela Dropca was recruited for the newly created position of Operations Assistant. A revised Organizational Chart for the ACED project at the end of Year Three is shown on the following page.



Project Deliverables

During project Year Three, ACED has continued to submit the regular reports as required in the contract to the USAID Mission in Chisinau. During the year the Chief of Party has continued to work on improving the content and appearance of periodic reports, in particular the Monthly Event Schedules and the Monthly Status Reports. Since the start of Year Three, the Monthly Event Schedules have been using a new format which identifies each event by project component & activity, and which highlights cross-bank events. The Monthly Status Reports have also been improved, with the addition of pictures and graphics, along with sections covering the Cross-Cutting Activities and Communications. The ACED project has also been more diligent in the preparation of project Success Stories, and during Year Three the project has prepared six Success Stories, using the prescribed USAID format. Copies of these stories are attached as Annex B to this report.

The format for the Monthly Event Schedule (formerly called the Monthly Activity Schedule) has undergone the most change, with a shift in focus from a broad range of internal and external events and activities to a focus more on events intended for project clients, which would also be of interest for the project's COR and other USAID, MCC or Embassy representatives to attend. As a result, the new format lists training events, international study tours, seminars, workshops, consultant presentations, demo activity field days and other similar events. The new format also includes more extensive background information on the activity, including a short description, the date time and location of the event, any partner organizations involved, and suggested USG representative participants. Events implemented by Component 2 (intended for Transnistrian clients) are also highlighted. An image of the first page of the Monthly Event Schedule for March 2013 is shown below.

  					
ACED Project Monthly Event Calendar - February 2014					
Event Date(s)	ACED Comp/Activity & Event Type	Event Location & Time	Event Description & Purpose	Partner Organizations	USG Representation?
Feb 05 - 07	Component 1 Activity 1 - Marketing - Intl Trade Show	Fruit Logistica 2014 Berlin, Germany	ACED, in partnership with the UNDP Aid for Trade project and Moldova Fruct, will support a "Moldova - taste makes the difference" booth at Fruit Logistica 2014 . Approximately ten producers will receive support to display their products.	Aid for Trade, Moldova Fruct, Ministry of Agriculture, producers	COR?, MCC?, MCA?
Feb 05 (tentative)	Comp 2, Activity 2 - MSME Development - Field Days	Tomovca (Transnistria) to be held at Fics, Ltd Time TBD	ACED and the RTSP for Transnistria, Bely Most, will organize the first Field Day for the Construction of a Double Layer Greenhouse demonstration activity at the site of the host farmer, Fics, Ltd.	ACED staff, Bely Most, local staff from the greenhouse supplier Dinamica Tur Ltd, and the host farmer	COR?
Feb 10 - 14	Component 1 Activity 1 - Marketing - Intl Trade Show	ProdExpo 2014 Moscow, Russia	ACED, in partnership with a group of Moldovan food processing companies, will support a "Moldova" booth at ProdExpo 2014 . ProdExpo is focused on processed foods, and seven Moldovan companies will exhibit at this show.	Orhei-Vit, Natur-Bravo, Alfa-Nistru and four smaller processors	COR?
Feb 13 (tentative)	Comp 2, Activity 2 - MSME Development - Field Days	Tomovca (Transnistria) to be held at Fics, Ltd Time TBD	ACED and the RTSP for Transnistria, Bely Most, will organize the second Field Day for the Construction of a Double Layer Greenhouse demonstration activity at the site of the host farmer, Fics, Ltd.	ACED staff, the RTSP for Parcan/Tomovca, local staff from the greenhouse supplier Dinamica Tur Ltd, and the host farmer	COR?
Feb 14 (tentative)	Comp 2, Activity 2 - MSME Development - Training Seminars	Chitskani (Transnistria) Time & Location TBD	ACED and Bely Most, one of the RTSPs for Transnistria, will hold a one day training seminar on Chinese Cabbage Production and Quality Standards .	ACED staff, Consultant Bragas, the RTSP Bely Most and farmers-producers from the Chitskani region	COR?
Feb 16	Cross Cutting - Gender - WAN for Gagauzia	Comrat (UTA Gagauzia) Time & Location TBD	The ACED sub-contractor for the Women's Agricultural Network in Gagauzia will organize a one-day seminar on Tomato Production in Greenhouses for members of the WAN in Gagauzia.	Association of the Women of Gagauzia	COR?, MCA?
Feb 17 - 23	Component 1 Activity 3 - Value Chain Intl Study Tour	Warsaw & Grojec, Poland	The ACED Value Chain Team will send a group of twelve apple growers on a one-week Study Tour to Poland to examine how Polish apple growers organize themselves into coops and farmer associations to improve their prospects.	The ACED sub-contractors working on the joint marketing program along with the groups of apple growers	COR?, MCA?
Feb 18 - 21	Component 1 Activity 4 - Enabling Environment - SPS System Training	Chisinau, Institutul Munci 09:00 to 17:00	Andrei Cumpianci, the ACED Food Safety Specialist, will present a four day technical seminar on the Implementation of GlobalGAP Systems in food companies for interested project client firms.	ACED staff, ACED project client producers and food processing companies	COR?, MCA?
Feb 23 - 27	Component 1 Activity 1 - Marketing - Intl Trade Show	GulFood 2014 Dubai, UAE	ACED, in partnership with Moldova Fruct and the newly formed Walnut Association, will support a "Moldova - taste makes the difference" booth at GulFood 2014 . Eight producers and associations will receive support for this event.	Moldova Fruct, Walnut Association, selected producers	COR?, MCC?, MCA?
Feb 27 - 28	Component 1 Activity 4 - Enabling Environment - SPS System Training	Chisinau, Institutul Munci 09:00 to 17:00	Andrei Cumpianci, the ACED Food Safety Specialist, will present a four day technical seminar on the Implementation of Food Safety and HACCP Systems in food companies for interested project client firms.	ACED staff, ACED project client producers and food processing companies	COR?, MCA?

USAID Moldova - MCC Moldova

**AGRICULTURAL COMPETITIVENESS AND ENTERPRISE
DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR THREE
APRIL 1, 2013 – MARCH 31, 2014**

Annex A: PMEP Indicator Tables for Year Three

ACED PMEP QUARTELY REPORT TRACKER

Nr.	Performance Indicator	Disaggregation	Current Quarter (Jan-Mar 2014)	Project to Date	Annual Target /Year 3/	Life of Project Target
COMPONENT 1: Growing HVA Sales						
1.0.1	^ Increase in annual profits among ACED-assisted producers and agribusinesses located outside of areas targeted in the CIS Rehabilitation Project funded under the MCC Compact	TOTAL	N/A	N/A	N/A	20%
		<i>Women owned or managed farms/firms</i>	0	0		
		<i>Value Chain</i>				
1.0.2	* Percent change in high-value agriculture exports	TOTAL	N/A	20.0%	15% over baseline \$182,382,126 (with re-exports excluded)	35%
		<i>HS Codes (minus exceptions noted in PMEP and re-exports)</i>				
		<i>07 (Vegetables)</i>	N/A	-38.4%		
		<i>08 (Fruits)</i>	N/A	22.8%		
		<i>20 (Preserved products)</i>	N/A	16.4%		
1.0.3	* Percent change in high-value agriculture exports in our selected target value chains	Targeted Value Chains			15% over baseline	50%
		<i>0702 (Tomatoes, fresh or chilled)</i>	N/A	-30.3%		
		<i>080610 (Grapes, fresh)</i>	N/A	5.4%		
		<i>080810 (Apples, fresh)</i>	N/A	-21.1%		
1.0.4	* Change in dollar value of high value agricultural exports to non-traditional export markets	TOTAL	N/A	70.2%	10% over baseline \$78,920,570 (with re-exports excluded)	25%
		Targeted Value Chains				
		<i>0702 (Tomatoes, fresh or chilled)</i>	N/A	-100.0%		
		<i>080610 (Grapes, fresh)</i>	N/A	506.0%		
		<i>080810 (Apples, fresh)</i>	N/A	-0.3%		
1.0.5	Number of visitors to ACED- sponsored web resources	TOTAL	5411	16150	15000	50000
		Web Site				
		<i>ACED web site: total visits</i>	3960	22500		
		<i>ACED web site: unique visitors</i>	2153	11430		
		<i>Agroconnect: total visits</i>	5119	7920		
		<i>Agroconnect: unique visitors</i>	3258	4720		

^ Indicator to be reported by MCA's Impact Assessment Contractor

*** Indicator reported annually**

ACED PMEP QUARTELY REPORT TRACKER

Nr.	Performance Indicator	Disaggregation	Current Quarter (Jan-Mar 2014)	Project to Date	Annual Target /Year 3/	Life of Project Target
Component 1, Activity 1: Develop and Expand Market Opportunities for Moldovan HVA						
1.1.1	Value of annual HVA sales facilitated by ACED on behalf of Moldovan producers or producer groups (domestic and exports)	TOTAL	\$1,144,980	\$13,877,745	\$US 4 mln	\$US 21 mln
		<i>Women owned or managed farms/firms</i>	\$270,545	\$4,837,882		
		<i>Value Chain</i>				
		<i>Apples</i>	\$482,810	\$9,350,542		
		<i>Stone fruits</i>	\$91,990	\$1,771,031		
		<i>Other fruits</i>	\$0	\$2,813		
		<i>Table grapes</i>	\$91,950	\$1,607,234		
		<i>Vegetables</i>	\$414,870	\$1,061,645		
	<i>Multiple</i>	\$63,360	\$84,480			
1.1.2	Value of HVA exports facilitated by ACED on behalf of Moldovan producers and producer groups	TOTAL	\$1,123,120	\$12,125,198	\$US 2.5 mln	\$US 15 mln
		<i>Women owned or managed farms/firms</i>	\$268,705	\$3,342,237		
		<i>Value Chain</i>				
		<i>Apples</i>	\$482,810	\$8,842,742		
		<i>Stone fruits</i>	\$73,000	\$1,717,685		
		<i>Table grapes</i>	\$91,950	\$1,068,291		
		<i>Vegetables</i>	\$412,000	\$412,000		
			<i>Multiple</i>	\$63,360		
1.1.3	Number of producers reporting transactions facilitated by ACED	TOTAL*	359	547	500	1500
		<i>Women owned or managed farms/firms</i>	109	176		
		<i>Value Chain</i>				
		<i>Apples</i>	4	48		
		<i>Stone fruits</i>	17	52		
		<i>Other fruits</i>	1	2		
		<i>Table grapes</i>	2	33		
		<i>Vegetables</i>	8	85		
	<i>Multiple</i>	327	327			
^ Indicator to be reported by MCA's Impact Assessment Contractor						
* Indicator reported annually						

ACED PMEP QUARTELY REPORT TRACKER

Nr.	Performance Indicator	Disaggregation	Current Quarter (Jan-Mar 2014)	Project to Date	Annual Target /Year 3/	Life of Project Target
Component 1, Activity 2: Upgrade Production in the HVA Value Chain						
1.2.1	Number of producers trained as a result of ACED (Milestone)**	TOTAL**	366	4244	2500	4300
		<i>Women</i>	<i>100</i>	<i>1373</i>		
		<i>Value Chain</i>				
		<i>Apples</i>	<i>158</i>	<i>1001</i>		
		<i>Stone fruits</i>	<i>59</i>	<i>746</i>		
		<i>Other fruits</i>	<i>0</i>	<i>86</i>		
		<i>Table grapes</i>	<i>46</i>	<i>1031</i>		
		<i>Vegetables</i>	<i>100</i>	<i>1247</i>		
	<i>Multiple</i>	<i>3</i>	<i>133</i>			
** The total includes cross-cutting VC training participants that cannot be desaggregated by VC						
1.2.2	Number of producers adopting improved practices (or applying improved techniques) as a result of ACED	TOTAL	133	1139	1200	2800
		<i>Women</i>	<i>34</i>	<i>435</i>		
		<i>Value Chain</i>				
		<i>Apples</i>	<i>27</i>	<i>277</i>		
		<i>Stone fruits</i>	<i>56</i>	<i>184</i>		
		<i>Other fruits</i>	<i>6</i>	<i>7</i>		
		<i>Table grapes</i>	<i>6</i>	<i>294</i>		
		<i>Vegetables</i>	<i>25</i>	<i>364</i>		
	<i>Multiple</i>	<i>13</i>	<i>13</i>			
1.2.3	^Number of additional hectares under improved technologies or management practices as a result of ACED	TOTAL	395	4457	3600	8400
		<i>Women owned or managed farms/firms</i>	<i>20</i>	<i>536</i>		
		<i>Men owned or managed farms/firms</i>	<i>375</i>	<i>3921</i>		
		<i>Association-applied</i>	<i>0</i>	<i>0</i>		
^ Indicator to be reported by MCA's Impact Assessment Contractor						

ACED PMEP QUARTELY REPORT TRACKER

Nr.	Performance Indicator	Disaggregation	Current Quarter (Jan-Mar 2014)	Project to Date	Annual Target /Year 3/	Life of Project Target
Component 1, Activity 3: Upgrade Support for Development of the HVA Value Chain						
1.3.1	Number of ACED-supported VC entities adopting international food safety and quality standards	TOTAL	0	1	10	20
		<i>Women owned or managed farms/firms</i>	0	1		
		<i>Value Chain</i>				
		<i>Table grapes</i>	0	1		
1.3.2	Value of new investment in Moldovan HVA farms and value-chain businesses assisted by ACED	TOTAL	\$698,300	\$6,968,630	\$US 7 mln	\$US 15 mln
		<i>Women owned or managed farms/firms</i>	\$100,000	\$604,697		
		<i>Value Chain</i>				
		<i>Apples</i>	\$176,600	\$3,838,600		
		<i>Stone fruits</i>	\$91,700	\$139,200		
		<i>Table grapes</i>	\$0	\$1,464,265		
		<i>Vegetables</i>	\$0	\$18,565		
<i>Multiple</i>	\$430,000	\$1,508,000				
1.3.3	Number of clients benefiting from assistance leading to HVA investments including farmers, farmer groups and enterprises	TOTAL	8	135	70	150
		<i>Women owned or managed farms/firms</i>	1	44		
		<i>Value Chain</i>				
		<i>Apples</i>	4	51		
		<i>Stone fruits</i>	3	7		
		<i>Table grapes</i>	0	13		
		<i>Vegetables</i>	0	59		
<i>Multiple</i>	1	5				
1.3.4	Number of HVA enterprises assisted by ACED	TOTAL***	30	263	53	120
		<i>Women owned or managed farms/firms</i>	4	40		
1.3.4.1	Technical assistance	SUB-TOTAL	14	123	n/a	n/a
		<i>Women owned or managed farms/firms</i>	2	20		
		<i>Value Chain</i>				
		<i>Apples</i>	5	19		
		<i>Stone fruits</i>	0	14		
		<i>Table grapes</i>	1	18		
		<i>Vegetables</i>	0	12		
<i>Multiple</i>	8	60				
1.3.4.2	Enterprise events/trainings	SUB-TOTAL	21	176	n/a	n/a
		<i>Women owned or managed farms/firms</i>	2	27		
		<i>Value Chain</i>				
		<i>Apples</i>	4	18		
		<i>Stone fruits</i>	1	9		
		<i>Table grapes</i>	6	26		
		<i>Vegetables</i>	0	13		
<i>Multiple</i>	10	110				
***The total is discrete enterprises, however, we break out (non-discrete) by type of assistance (technical and events/trainings) to show the total number of enterprises assisted per type of assistance.						
1.3.5	Number of VC enterprises (such as processors, cold stores, supermarkets, etc) adopting improved practices as a result of ACED	TOTAL	7	36	35	75
		<i>Women owned or managed farms/firms</i>	1	5		
		<i>Value Chain</i>				
		<i>Apples</i>	1	21		
		<i>Stone fruits</i>	0	3		
		<i>Table grapes</i>	0	3		
		<i>Multiple</i>	6	9		

ACED PMEP QUARTELY REPORT TRACKER

Nr.	Performance Indicator	Disaggregation	Current Quarter (Jan-Mar 2014)	Project to Date	Annual <i>Target</i> /Year 3/	Life of Project Target
Component 1, Activity 4: Improving the Enabling Environment for HVA						
1.4.1	Number of agricultural policy reforms carried out as a result of ACED project intervention	TOTAL	1	1	1	5
		<i>Governmental Institutions</i>	<i>primarily affecting MAFI and Ministry of Environment</i>			
1.4.2	Number of consultative processes involving communication between government and private sector as a result of ACED assistance (Milestone)	TOTAL	2	16	18	30
1.4.3	Moldova SPS service achieves compliance with IPPC, ISPM Guidelines 7, 20 and 23	N/A			August 2015: Moldova SPS service achieves compliance	
1.4.4	The Central Phyto-sanitary Lab is certified to ISO family of standards and/or another appropriate international standard as confirmed by a Certification or Accreditation body. This could include ISO 9001 (management standard), ISO 17,025 which is a lab certification standard or another international standard.	N/A			Certification achieved	

ACED PMP QUARTELY REPORT TRACKER

Nr.	Performance Indicator	Disaggregation	Current Quarter (Jan-Mar 2014)	Project to Date	Annual Target /Year 3/	Life of Project Target
Component 2, Activity 1: Enhance the Capacity of Transnistria Business Service Providers to Provide Services to MSMEs Resulting in Improved MSMEs Competitiveness						
2.1.1	Number of microenterprises receiving business development services from ACED-assisted entities (less than 10 employees, this includes household farmers)	TOTAL	7	76	10	20
		<i>Women owned or managed farms/firms</i>	5	27		
		** Value Chain				
		<i>Apples</i>	1	1		
		<i>Vegetables</i>	0	60		
		<i>Multiple</i>	3	3		
2.1.2	Number of small and medium enterprises (SMEs) receiving business development services from ACED-assisted entities	TOTAL	5	136	30	75
		<i>Women owned or managed farms/firms</i>	1	28		
		** Value Chain				
		<i>Multiple (tree fruit)</i>	4	6		
2.1.3	Number of trainings for business service providers (BSPs) and industry/business associations to better serve the needs of the business community	TOTAL	0	6	5	9
		<i>Women owned or managed BSP participating</i>	0	11		
		** Value Chain				
		<i>Vegetables</i>	0	1		
		<i>Multiple</i>	0	5		
2.1.4	Number of business service providers (BSPs) and industry/business associations assisted to better serve the needs of the business community (receive training, consultation, study tour, etc)	TOTAL	0	16	6	9
		<i>Women owned or managed BSP firms</i>	0	11		
Component 2, Activity 2: Support the Development of MSMEs in Transnistria						
2.2.1	Number of cross-bank enterprise linkage activities facilitated by the Contractor over 5 years	TOTAL	13	60	3	7
		<i>Women owned or managed farms/firms participants</i>	24	62		
		Value Chain				
		<i>Apples</i>	4	18		
		<i>Stone fruits</i>	1	8		
		<i>Other fruits(berries)</i>	0	11		
		<i>Vegetables</i>	3	11		
		<i>Multiple</i>	5	12		
** To be reported if in project targeted value chains						

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**AGRICULTURAL COMPETITIVENESS AND ENTERPRISE
DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR THREE
APRIL 1, 2013 – MARCH 31, 2014**

Annex B: ACED Success Stories for Year Three



SUCCESS STORY

New Thinning Strategy for Apple Growers

ACED's promotion of the use of chemical thinning techniques will greatly improve the quality of Moldovan apples.



Photo: ACED Project staff

This photo shows Grigore Macovei examining the apples being harvested in his orchard in northern Moldova. During the 2013 season he used the technique of chemical thinning to improve the quality and consistency of the apples that he harvests. He has been impressed with the effects of thinning on his harvest, and he will be continuing to use it.

Over the course of 2012 & 2013 ACED organized a series of seminars and demonstration activities on the use of chemical thinning in apple orchards. This was done in partnership with the Moldova Fruit association, and with the participation of American, Dutch and Italian specialists. These activities, and this topic, are part of a broad program of support for the Moldovan apple industry. ACED will be organizing similar activities in the future, including a study visit to Italy on apple production & post-harvest handling in late 2013.

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Grigore Macovei inspects the harvesting in his orchard as a tractor pulls a train of wooden containers with fresh apples out of his super-intensive orchard in Șoldănești District, northern Moldova. The fruit will be stored in a nearby cold store and it will stay there until January, when the marketing season begins for his company, Agrochem-Impex. Mr. Macovei says this season he expects to have twice as much fruit as in 2012 - more than 30 tons per hectare - and the quality of his apples is much better. "The apples are almost all the same size, 7 to 9 centimeters on average, and they have consistent color within the same variety. I counted between 85 and 100 apples on each tree, in spite of having a few rounds of hail earlier in the season."

This good performance is due in part to chemical thinning Mr. Macovei carried out on his 17 hectares of apples early in the production season. He learned of chemical thinning through his participation in an ACED training program on tree pruning & thinning and production risk management, which the project offered last year. Grigore also received in-field assistance from a Moldovan agricultural consultant, working with ACED, who helped him gain confidence and provided practical guidance.

Chemical thinning is an established practice used by apple and other fruit growers in the spring. Thinning is done to reduce the number of apples on the tree, and this increases the average fruit size and quality and the apples harvested will have a more consistent color. Chemical thinning in Moldova is a new fruit production technology and ACED has taken the lead in promoting this technology in the apple industry. In addition to seminars and technical assistance, the technology is on ACED's new technical website AGROCONNECT.md, which is a web-based tool to provide technical assistance to participants in the high value agriculture sector in Moldova.

Chemical thinning, and other techniques promoted by ACED, will help Mr. Macovei and other small farmers who produce apples, to obtain a larger harvest, more consistent and higher quality fruit and to sell their fruit for a higher price. Grigore will be welcoming buyers to his cold store in mid-winter.



SUCCESS STORY

Small Changes Can Have a Big Impact

ACED's technical assistance with supermarket chains is designed to increase demand and foster links with farmers.



Photo: ACED Project staff

This photo shows ACED retailing consultant Don Harris at the IMC supermarket that has made changes based on his plan and recommendations. Don provided the managers of IMC with a series of recommendations regarding the produce department, which they have implemented. The store is now bright and colorful, and more welcoming for the customers.

Don's recommendations have changed completely the appearance and feel of the produce department in the largest IMC supermarket. The area is bright and airy, the produce is well lit and nicely displayed, and it is organized by category. A wine dispenser that was at the entry to the store has been replaced by racks of in-season fruit & vegetables, and customers have commented to the management that this has been a nice change. IMC is continuing to make changes, and sales will continue to grow.

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One of the goals of the ACED project is to create new market opportunities for Moldovan farmers, both domestically and internationally. To compete in international markets, particularly in markets in Western Europe, Moldovan farmers will need to meet the hygiene, quality and packaging standards that are expected in those markets. The emerging supermarket chains in Moldova offer an excellent "training ground" for these farmers, as these stores seek high quality fruit & vegetables.

At this point, fresh produce sales by supermarkets represents only 10% to 20% of the total fresh produce sales in the country, but supermarkets are continuing to expand their penetration in the domestic market for fresh produce. The supermarkets in Moldova have not been exposed to the fresh produce marketing systems used by the major supermarket chains in the western markets, and as a result their produce sections are usually unappealing. To address this issue, the ACED project has begun a program of assistance to selected supermarkets to assist them to upgrade their skills in fresh produce marketing.

American retailing consultant Don Harris, who has more than 30 years of experience in the US produce marketing business, has been brought in to assist with this program. Don has conducted produce marketing seminars in Chisinau for the staff from local supermarkets, as well as providing individual consultations with selected supermarket chains. He has also prepared a produce retailing guide that will be the basis for future technical assistance and training on produce retailing.

With the IMC supermarket chain, Don provided their managers with a recommended layout of the produce section in their largest store. This included the removal of non-related products (such as a wine dispenser at the entry to the store) and replacing that with in-season fresh local produce. He has also advised them on pre-display preparation for the produce, and helped them to prepare a wall chart giving temperature and humidity recommendations for all the fresh items in the store. Following the re-organization at this store, produce sales increased by 15% in the week following the changes.



SUCCESS STORY

Weather Stations Improve Fruit Quality

ACED has provided a wide range of technical assistance and training for apple growers, with very positive results.



Photo: ACED Project staff

This photo shows Ms. Aliona Mandatii, the manager of Domulterra SRL, addressing a group of more than 100 apple growers from northern Moldova at the Apple Forum organized by the ACED project in Edinet, in November of 2013. Aliona spoke to the group regarding the positive results she had received following the guidance provided by the ACED project.

Domulterra now has the ability to produce high quality, attractive, apples and they have a cold store that they can use to store the apples until spring of the following year when prices are higher. The next step in Domulterra's development will be the addition of a grading and sorting line, which will allow the company to provide apples that are the correct size and exactly what the customer wants. With this addition, apple markets from around the world will be open to Domulterra, and other progressive apple growers in Moldova.

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Agricultural innovations and new technologies are becoming an indispensable part of the fruit production process in Moldova, making valuable contributions to farmer efforts to save money and resources and to increase crop quality. A good example of the adoption of new technologies is the company Domulterra from the Florești District which received assistance from ACED and has reported extraordinary results with apple production.

Domulterra SRL has implemented a number of the technologies recommended by ACED, and in May 2013 it installed an iMetos weather station in their super-intensive apple orchard. According to the company's manager, Aliona Mandatii, the weather station has helped them to reduce their expenses for pesticides and other inputs by 10%. "We could assess the situation in our orchard via many factors, and the weather change warnings arrived 24 hours before impact, so we were able to take the measures necessary to avoid problems, especially those linked to diseases and pests," Mrs. Mandatii reported.

Thanks to the weather station, it was also easy to determine the optimum period for chemical thinning of the fruit. The stations also help determine best timing for irrigation and this reduces water consumption to the amount needed, and no more. The weather stations ensure a high degree of accuracy in forecasting the weather conditions and the state of the environment (soil, water, air, solar radiation level, etc.) and provide farmers with the information needed to combat pests and diseases.

This year Domulterra reported a harvest of 45 tons per hectare in their orchard, with 70% of the fruit having a size of 80 mm or larger. Their sales for the year were 400 tons of the Gala variety and 100 tons of the Golden variety, with 20% being exported and the rest being sold on the domestic market. Domulterra works with all of the supermarket chains in Chisinau – IMC, Green Hills, Linella and Nr.1, which generally pay 12 MDL (almost \$1) per kilogram, or 30% more than the international markets offer. "In 2013 we exported apples to Russia only, but we are already looking for alternate markets and we are planning to export to the European Union next year."



SUCCESS STORY

Ideas from Serbia are applied in Moldova

ACED uses international study tours to give farmers a chance to see new technologies that can be useful in Moldova.



Photo: ACED Project staff

This photo shows Mr. Gratilov (right), a member of the small farmer association White Bridge in Transnistria, standing in front of his greenhouse. Following the ACED study tour to Serbia Roman invested about \$20,000 in his greenhouses to put in a heating system and to add a second layer of plastic film to allow him to produce earlier in the growing season.

Roman Gratilov says that "ACED seminars give me the opportunity to learn about new innovations in farming and information that farmers need, such as information about plant protection techniques. For me it was very useful to attend the soil testing seminar and get the tests results carried out by ACED". Roman also says that "it is always a lot of work for farmers and their children in the village, but it is very positive when children get to see the whole process, and to assist and share in the results of this work."

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Roman Gratilov is a member of the small farmer association known as White Bridge (Beily Most) in the Moldovan region of Transnistria and he is an active participant in ACED technical seminars, field days, and international study tours. Roman has informed ACED that because of what he saw when he was on an ACED study tour to Serbia in 2013 he became convinced that he needed to invest in heating (a boiler) and double layer films for his back yard greenhouses.

In addition to the technical elements of the things that he saw in Serbia, Roman really appreciated the fact that farmers there were organized into cooperatives to work together as a group. He believes that cooperatives can provide better results for small farmers, particularly if they wish to grow. As for technical innovations he saw in Serbia most impressive was a greenhouse with geo-thermal heating and a double layer of plastic film. He immediately decided to implement these innovations on his farm as he realized that it would be more profitable than how he has been producing cucumbers.

Mr. Gratilov has now upgraded his greenhouses with heating systems and double layer films so that he can grow cucumbers earlier in the season to have them available for sale from the middle of March through to the middle of June. He will also have a second cycle of cucumber production in the fall, and both of these production seasons will be more profitable than the normal season because they are outside of the peak growing season. He has also opened up his greenhouse for a field visit from participants at a recent ACED seminar, all of whom were very impressed, actively asked questions and some of whom are likely to follow his example.

Roman operates a small family farm in Chitskani, which is an area known for vegetable production located just to the south of Tiraspol. He has two greenhouses with a total area of about 10 ares where he grows cucumbers and tomatoes. He, his wife and his three children work the farm and he says that based on how things are going so far in 2014, he expects to be four times more profitable than last year.



SUCCESS STORY

Gibberelic Acid Improves Grape Production

ACED's support for the use of gibberellins will greatly improve the quantity and quality of Table Grapes grown in Moldova.



Photo: Dmian Minov, TerraVitis SRL

This photo shows the dramatic impact that the application of Gibberellins can have on fruit development and productivity in table grape vineyards. These grape bunches are from the Gibberellin trials conducted at the Terra-Vitis vineyard where GA₃ (a Gibberelic Acid compound) was used on the grapes during fruit development.

Gibberellins are plant hormones that regulate fruit growth and influence various developmental processes, including stem elongation, germination, dormancy, flowering, enzyme induction, and leaf and fruit growth & aging. When properly applied, they increase the size, firmness, and sugar levels of the fruit, while minimizing certain forms of mechanical injury. Gibberellins are not substitutes for good horticultural practices, such as good pruning, irrigation, nutrition and pest control, which are vital to successful production.

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Since the early 1960s, when they were first commercially used on table grapes in California, Gibberellins have become an accepted part of the fruit production systems in all of the major fruit producing countries around the world. Gibberellins (GAs) are plant hormones that regulate fruit growth and they influence various developmental processes, such as stem elongation, germination, dormancy, flowering, enzyme induction and leaf and fruit aging. Commercial forms of gibberellic acid are now commonly used on table grapes, apples and other crops.

While Moldova is an important producer of table grapes, Gibberellins are not commonly used because up until now they have not been legally registered for use in Moldova. To address this issue the Agricultural Competitiveness and Enterprise Development Project (ACED) organized a seminar on "The Application of Gibberellins in Table Grape Production" which was attended by the major table grape producers in the country. The participants discussed prospects for the use of Gibberellins in Moldova and reviewed the results of its application on various table grape varieties. ACED specialists also presented a concept for a pilot project on the implementation of Gibberellin technology in Moldovan vineyards.

This event was part of the registration process for these natural growth regulators (GA₃ for table grapes and GA₄₊₇ for apples), which represents an important leap forward for Moldovan agriculture. For this process ACED partnered with the Agricultural University of Moldova, the Moldova-Fruit Association, the Table Grape Producers & Exporters Association, and the Italian agricultural supplier L.Gobbi. These growth regulators were tested by well-known Moldovan companies, such as Terra-Vitis, a table grape producer in Cahul, and Dacfruct, an apple producer in Orhei. The Moldovan Government approved the results of the tests performed by the ACED clients in December of 2013, describing the test results as "excellent".

The use of Gibberellins will now play a vital role for Moldovan fruit farmers, allowing the production of better quality fruit and more abundant crops. These growth regulators will also make Moldovan products more competitive in international markets. Now that the Gibberellins have been legally registered, the ACED Project will start a process of promoting the use of these regulators with technical training for local farmers.



SUCCESS STORY

ACED Assists Rural Women in Agriculture

ACED’s Women in Agriculture Networks program provides rural women with information needed to be successful.



Photo: ACED Project staff

The photo above shows Marina Petriman, the co-owner of Andivita Ltd, in their strawberry plot with her family. Marina has been able to greatly increase her strawberry yield based on ACED technical assistance, and her family company was recently awarded an EU program grant for \$15,000 based on a business plan that ACED provided partial financial assistance for.

Marina Petriman says that “The ACED Women in Agriculture Network gave me the opportunity to study the development of different agribusinesses as I met women who had achieved success with their businesses. It was very important for me to learn how to enter, and to be strong, in the market when talking to other farmers. I see now that such meetings give an opportunity for experienced businesswomen to share their knowledge and give advice to others, and it provides beginners an opportunity to share their knowledge about modern trends and innovations.”

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Marina Petriman learned about the ACED project in early 2013. She has a small (micro-enterprise) business called Andivita Ltd which she manages together with her husband, Andrei. Since she learned about ACED, she has attended four ACED training seminars and she even traveled from Transnistria to the right bank to participate in a seminar. During these seminars Marina learned about an ACED program that provides partial funding for the cost of a business plan or feasibility study, and to help them expand their business Marina and Andrei applied for a business plan for mushroom production.

Because they are a very small business the cost share for them was only 25% of the cost for the plan, and they agreed to cover their share up front. In addition, Marina joined ACED’s Women in Agriculture Network (WAN) program in Transnistria when it was launched in the fall of 2013. The network was created to offer rural women opportunities to network, learn about new ideas and sources of funding and to gain skills based on the needs identified in the ACED Gender Assessment report. During her participation in the WAN events she learned about an EU project’s business plan contest.

The Petrimans were very happy that they received their ACED plan in time to use it as the basis for an application to the business plan contest. Based on the assistance received from ACED they were awarded a grant for \$15,000 to partially fund their new mushroom growing operation. They have already started to establish this business and it will begin mushroom production in August 2014.

In addition to being pleased with the information and the networking opportunities provided by the WAN, Marina reports that based on the ACED technical seminars she has decided to increase the size of the drip irrigation system in her strawberry fields and she has adopted new perpetual varieties (these varieties provide multiple crops per year, instead of just one with traditional varieties). Ms. Petriman said she has also improved her strawberry production due to information on fertilizers and plant protection techniques received from ACED.

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**AGRICULTURAL COMPETITIVENESS AND ENTERPRISE
DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR 3
APRIL 1, 2013 – MARCH 31, 2014**

Annex C: ACED Year 3 Random Sample Survey



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AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT

YEAR THREE RANDOM SAMPLE SURVEY REPORT

MAY 2014

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AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT

YEAR THREE RANDOM SAMPLE SURVEY REPORT

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AGRICULTURAL COMPETITIVENESS AND
ENTERPRISE DEVELOPMENT PROJECT**

YEAR THREE RANDOM SAMPLE SURVEY REPORT

TABLE OF CONTENTS

REPORT SECTION	PAGE NO
1. Executive Summary	1
2. Introduction to the Survey.....	2
a) Purpose and Objectives	
b) Methodology and Staffing	
3. Main Findings of the Survey.....	3
a) Training Attendance and Period	
b) Adoption Rates by Value Chain	
c) Types of Techniques and Practices Adopted	
d) Investments by Value Chain	
e) Sales Data by Value Chain	
f) Learning about the Season	
g) Other Findings	
4. Data Quality Assessment	22
5. Random Sample Survey Conclusions	26

1. Executive Summary

A random sample survey of farmers & producers trained over the course of the project to date was carried out by ACED from February to April of 2014. Fifty-one out of 110 training participants randomly selected said that they had adopted techniques and practices (T/Ps) due to ACED assistance.

Based on these adopted techniques & practices, participants in the random sample survey reported that they have generated additional sales of more than \$1 million based on the assistance provided by the ACED project. Apart from that, various investments were identified, totally amounting to \$183,585 USD. If one were to extrapolate the results of this survey sample to the overall population of trained farmers, one could say that ACED has already facilitated well over \$50 million in added sales and over \$7 million of investments. In summary, the survey allowed the ACED team to learn that key project indicators are well on track.

This end-of-year survey is the second such survey, both times being carried out by the ACED M&E Team, and it has given project staff an opportunity to reflect upon the quality of the data currently in the project's TAMIS system.

More information on all of these topics can be found in the following sections of this report on the Year Three Random Sample Survey.

2. Introduction to the Survey

a) Purpose and Objectives

This report presents the results of the ACED end-of-year random sample survey (RSS). The analysis presented is mainly related to the data collected on techniques & practices (T/Ps) adopted by training participants, and the added sales reported by these producers. The sample was taken from the list of those who attended ACED training events over the first three years (2011, 2012 and 2013) of ACED project implementation. Related themes, such as data on problems faced by producers during the 2013 production season, as well as a data quality assessment, are also covered in this report.

The objectives of the survey include: internal learning, data quality assessment (for example, to compare this data with data already provided by the regional training service providers contracted by ACED to organize regional training sessions), and an evaluation of project results. Data used from this survey will provide a point of triangulation that can be compared with the data already gathered, and that data which the project team has been learning about as they interact with beneficiaries. Some of the data collected will also be used for reporting purposes (such as adoption rates, and sales facilitated).

b) Methodology and Staffing

This survey attempted to gather data from a total of 110 randomly selected ACED training participants, out of a total of 3947 individual participants who have participated in ACED training events. Data on all the trainees was exported into an Excel file from the ACED Technical and Administrative Management Information System (TAMIS), which is a proprietary DAI internal project-based data management system. Out of 110 trainees who were randomly selected, the survey interviewer was actually able to speak with only 98 of the farmers, which is the realized sample. In order to collect all possible data, as a solution for those people who couldn't be reached by phone, the interviewer contacted company representatives, who could provide the answers, or another survey participant from the same location who could provide other contact data than the one recorded in TAMIS.

With a 95% confidence level, the realized sample size of 98 provides the collected data with a 9.78% confidence interval (in other words, ACED can be 95% sure that a resulting outcome has a +/-9.8% margin of error). The survey used individual phone calls to each individual selected as the interview method. A sample survey questionnaire was developed by the M&E Team, in consultation with the project's technical teams. The methodology developed for the first end-of-year survey, was largely maintained. Nevertheless, the questionnaires were partially updated based on lessons learned from the previous year. A current ACED employee was tasked with calling the selected farmers and creating an Excel spreadsheet with the data collected.

3. The Main Findings of the Survey

The 110 participants randomly selected were disaggregated by the Value Chain (VC) focus of the particular training events they attended (see Figure 1 below).

Fig. 1: Total number of participants by the VC focus of the training events

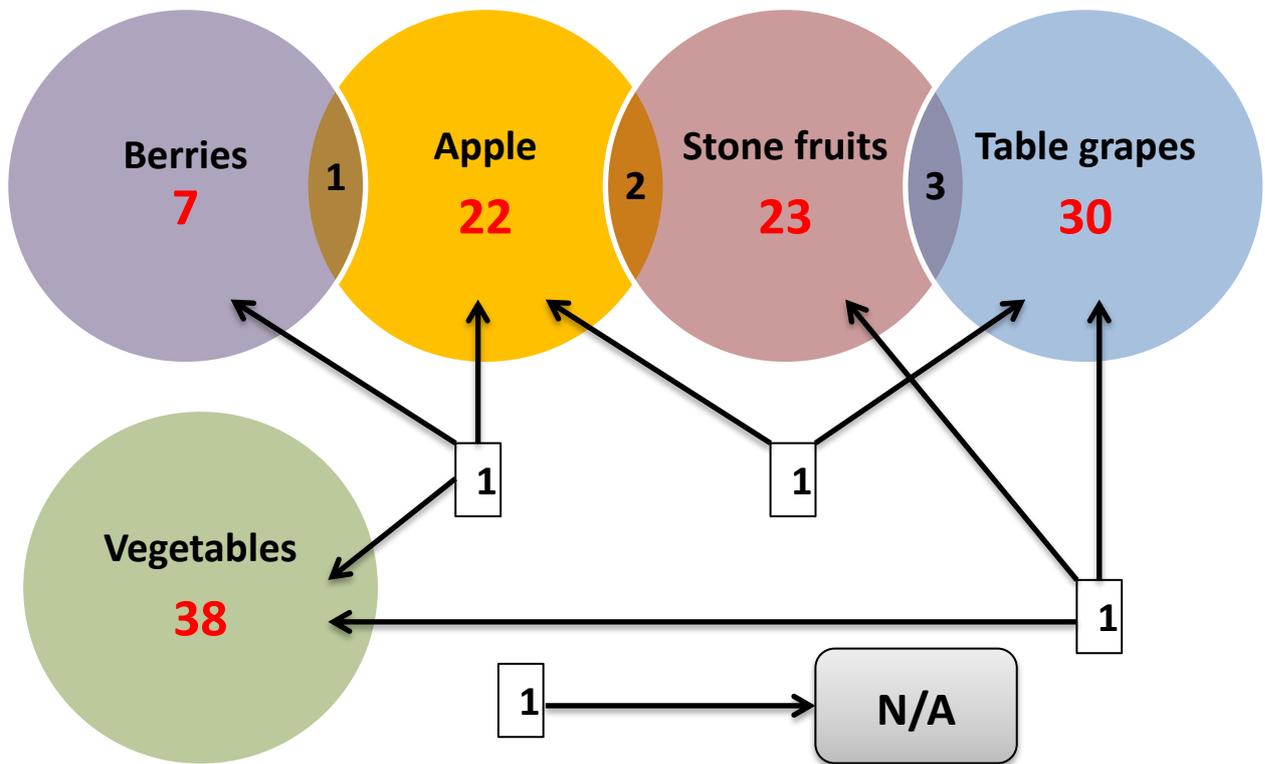


Chart legend:

The numbers in red are broken out by non-discrete producers to show the total number of participants by VC. The producers include participants that attended events in more than one VC; this is reflected by the numbers in black in the overlapped areas of circles and in boxes.

All the numbers in this chart represent people trained on 1 or more Value Chains within 1 or more training events. A person who participated in more than 1 training on different value chains was asked to provide information separately on each value chain.

N/A – This producer attended a training (applicable across value chains on marketing) that has been classified as not applicable for value chain production training

Of the 12 participants who could not be contacted, the reasons were the following:

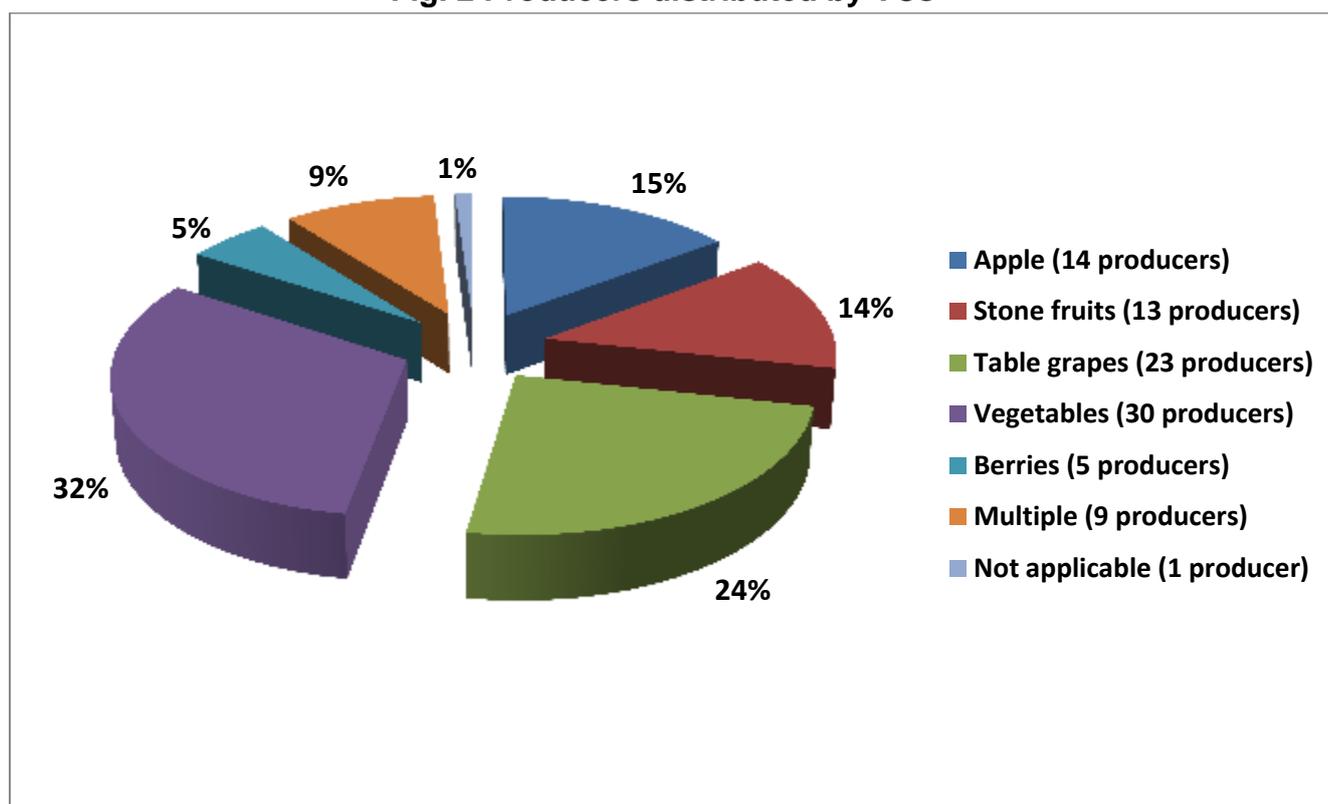
- Seven producers could not be reached because of the lack of a phone number, incorrect phone numbers or being offline, even though they were called several times over a period of a few weeks.
- Three producers could not be reached, due to their geographical location or physical availability (being at the hospital, emigrated or other reasons), which was learned from discussions with their relatives.

- Two producers were declared deceased by their family members.

From the 98 people contacted, only 95 were interviewed. The other 3 persons were not interviewed, as they turned out to be a combination of local consultants, who were separately assisting local farmers, and non-producers.¹ Any such data that called into question the registration sheets from the RTSPs was reported to the training team for further investigation.

From the 95 participants interviewed, 14 were trained on the apple VC, 13 – on different stone fruit VCs (specifically on peaches, plums and sweet cherries), 23 – on the table grape VC, 30 – on the VCs related to vegetables (particularly tomatoes and cucumbers), 5 – on the berry VC, 9 – on various VCs from the above mentioned categories and 1 – on a training (applicable across value chains on marketing) that has been classified as not applicable for value chain production training. Therefore, in this report we will mostly refer to, and disaggregate data by the 6 main VC groups: “Apples”, “Stone fruits”, “Table grapes”, “Vegetables”, “Berries”, “Multiple” and “Not Applicable”. The data related to producers who fell into the “Multiple” VC category will be disaggregated by specific VCs, when possible.

Fig. 2 Producers distributed by VCs



¹ The target audience for ACED production trainings is producers, though it periodically happens that non-producers also attend our events. In 2012, as the project staff realized that counting producers was proving problematic, ACED added a specific box on the sign in sheets for participants to check in order to identify if they are producers. For the few trainings that occurred in 2011 this option was missing. Thus, from the three non-producers identified by the random sample, two of them attended trainings in 2011, and just one in 2012.

a) Training Attendance and Period

In order to check training attendance, the interviewer verified the participant’s full name, phone number, company name and number of training events he/she participated in with the data in the TAMIS system, to avoid any errors, in cases where there were participants with the same name.

From the 110 participants, the slim majority (51%) attended just one training (Table 1). This pattern can be observed in each value chain. Nevertheless, this doesn’t apply to the producers who were trained on “Multiple” VCs, since the majority of them attended 5 and more training events (4 out of 8 producers).

**Table 1: Training attendance rate for 110 randomly selected participants
(source, ACED TAMIS records)**

Nr. of trainings attended	Apples	Stone fruits	Table grapes	Vegetables	Berries	Multiple	N/A	Total attendance/ nr of training events	
1	12	9	15	15	4	0	1	56	51%
2	2	4	5	10	1	2	0	24	22%
3	2	1	2	6	0	1	0	12	11%
4	0	2	3	3	0	1	0	9	8%
5 and more	1	2	0	2	0	4	0	9	8%
Totals per VC	17	18	25	36	5	8	1	110	100%

By reviewing the records in TAMIS, it was possible to see that the main part of those who were not reached by phone were producers who attended only one training (10 out of 12 producers). If we compare the data on the producers in the survey with data on the producers contained in TAMIS, we see that in TAMIS the proportions are quite similar. Thus, from all producers registered in TAMIS, 2,827 attended 1 single training event (62%), 790 producers attended 2 trainings – 17%, 362 attended 3 training events – 8%, 201 attended 4 training events – 4%, 109 attended 5 trainings – 2%, and 245 attended more than 5 trainings – 5%. It is worth mentioning that 3 producers of the mentioned 245 attended more than 20 training events.

The table below provides us with data on the most recent training attended to date for the selected participants in the survey. It reflects how recently they interacted with ACED, although it doesn’t reflect the frequency of trainings attended.

Table 2: The last training reference for 110 participants (source, ACED TAMIS)

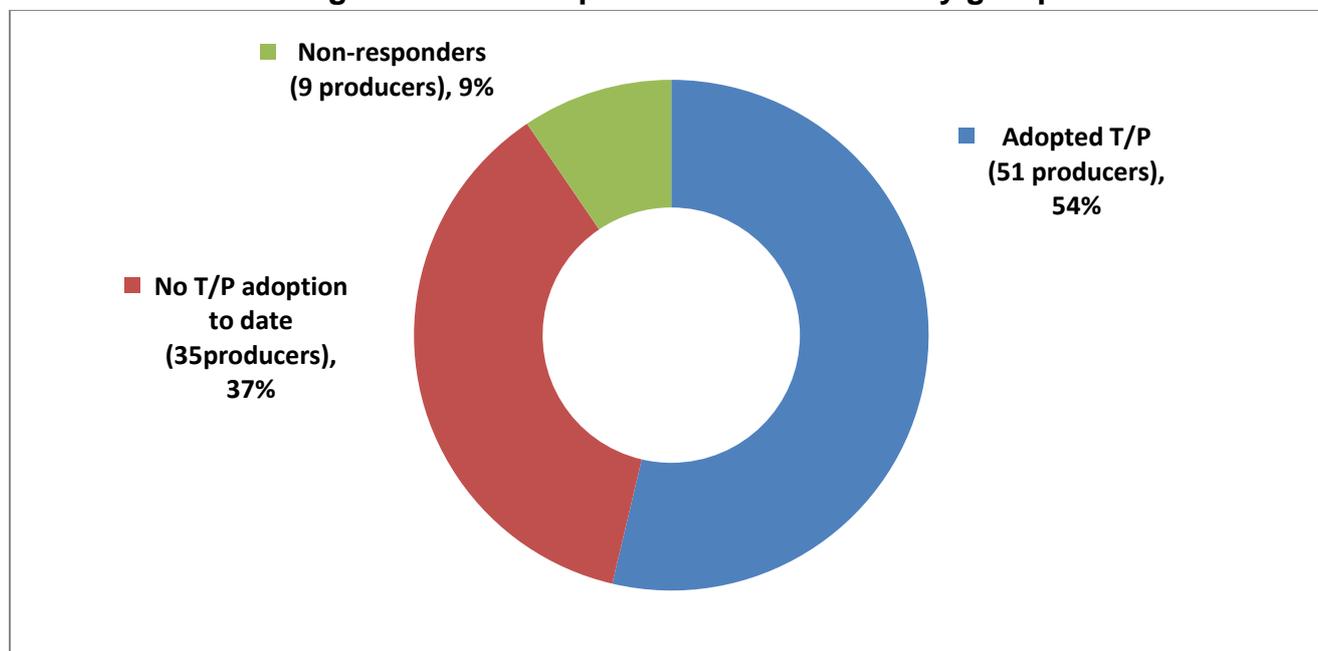
<i>Last training of the producers</i>	<i>Apples</i>	<i>Stone fruits</i>	<i>Table grapes</i>	<i>Vegetables</i>	<i>Berries</i>	<i>Multiple</i>	<i>N/A</i>	<i>Total attendance/ nr of training events</i>	
2011	0	3	0	2	0	0	0	5	5%
2012	7	1	14	10	1	2	1	36	33%
2013	10	13	11	24	4	7	0	69	63%
Totals per VC	17	17	25	36	5	9	1	110	100%

b) Adoption Rates by Value Chain

The 95 participants surveyed were classified into three groups, as follows:

1. Group One – producers who implemented new techniques and practices (T/Ps), revealed through the survey, or those who only confirmed the T/Ps already reported by the RTSP and introduced in TAMIS;
2. Group Two – producers who didn't implement any techniques and practices as a result of ACED training events;
3. Group Three – producers who couldn't answer the questions of the survey or who didn't want to be bothered.

Fig. 3 Interviewed producers distributed by groups



The percentage of the adopters identified among the survey producers, i.e. 54%, is much higher than the overall proportion noted in TAMIS, which is only 28%. This indicates that the current impact results recorded by the project are likely underreported. A similar situation was noted in the previous year's survey where the adoption rate percentage was

even higher than reported this year (66%), and yet the percent of those trained with T/Ps adopted as recorded in TAMIS was even lower (17%).

Not all the producers questioned made clear their reasons for not implementing any of the techniques and practices which they were trained on. Nevertheless, some of the reasons reported by the producers who didn't adopt any T/Ps are as follows:

- Lack of financial resources – 5
- Are still planning to plant – 4
- The producer has other sources of information on T/Ps to be implemented – 3
- The producer was out of the country for a long time – 1
- Bad weather conditions - 1
- Lack of business partners - 1
- Didn't implement T/Ps on any VC targeted by the project – 1 (*more details on this case below*)

Before passing to a more detailed review of the techniques and practices adopted, one case identified through the survey should be mentioned as an example of the complexity of the results that can follow from ACED activities. Although included in the list of producers who didn't implement any techniques or practices as a result of the one and only ACED training event attended focused on a vegetable VC, the producer stated that he did implement some of the innovations he learned about (namely, the use of pallets and the use of peat for seedling production), but on flowers. Nevertheless, he was quite pleased with the results achieved, and expressed his gratitude to the project team.

As observed in Figure 3, a total of 51 producers reported that they have adopted one or more T/Ps as a result of the training provided by the ACED project. Out of 51 producers, it's worth emphasizing three categories:

One: Producers identified as new adopters, by means of the survey;

Two: Producers who reported adopting new T/Ps, adding to the one(s) already registered in TAMIS;

Three: Producers confirming the T/Ps they have already adopted, which is a confirmation of the TAMIS records.

Table 3: Producers adopting T/Ps, by categories (source, ACED TAMIS)

Category no.	Apples	Stone fruits	Table grapes	Vegetables	Berries	Multiple	Total No of adopters per No of T/Ps	
<i>One</i>	2	2	6	11	2	2	26	51%
<i>Two</i>	3	5	1	4	0	3	17	33%
<i>Three</i>	3	0	3	3	0	1	14	27%
Totals per VC	8	7	10	18	2	6	51	100%

In accord with the results of this survey, compiled by Value Chain in the table below, 10 farmers adopted techniques & practices in the apple value chain, 11 farmers adopted techniques & practices in stone fruit VCs, as well as 12 farmers in the table grape VC, 19 farmers in the vegetable VCs, and 3 farmers in the berry value chain. Out of these 51 identified adopters, the highest practice adoption rate, being approximately 37%, is for just one (1) technique & practice being adopted, approximately 31% adopted two (2) techniques & practices, approx. 25% adopted three (3) techniques & practices, and approx. 12% adopted four (4) or more techniques & practices.

Table 4: Adoption Rates by Value Chain of those Interviewed (source, ACED TAMIS)

Number of Techniques – Practices	Apples	Stone fruits	Table grapes	Vegetables	Berries	Total No of adopters per No of T/Ps	
<i>1 T/P</i>	3 (1)	2 (1)	4	9	1	19	37%
<i>2 T/Ps</i>	2 (1)	3	4 (1)	6	1	16	31%
<i>3 T/Ps</i>	2	6 (3)	1	3	1 (1)	13	25%
<i>4 or more T/Ps</i>	3	0	3 (1)	1 (1)	0	6	12%
Totals per VC	10	11	12	19	3	Total producers from Group 1 = 51	

** The number in brackets emphasizes the number of producers who were trained on multiple value chains*

If we look at the overall adoption rate of the random sample of 110 training participants, we find an adoption rate of 46% (51 out of 110).

The table below shows the proportions of the techniques and practices adopted throughout the project's first, second and third years.

**Table 5: Techniques and Practices adopted, by Year and Value Chain
(source, ACED TAMIS)**

<i>Year of adoption</i>	<i>Apples</i>	<i>Stone fruits</i>	<i>Table grapes</i>	<i>Vegetables</i>	<i>Berries</i>	<i>Total T/Ps</i>	
2012	11	2	16	12	1	42	28%
2013	25	22	19	24	2	92	61%
2014	0	2	0	11	3	16	11%
Totals per VC	36	26	35	47	6	150	100%

Most of techniques and practices shown in this table were adopted by the surveyed producers in 2012. The pattern doesn't apply to all the value chains, as the trainings events on berry VC were almost exclusively held in the third year of the project.

c) Types of Techniques & Practices Adopted

The pie charts on the following pages provide information on the types of techniques & practices adopted by the farmers, with data on the number of farmers adopting each T/P. As a general rule, farmers were more likely to adopt new techniques that have a relatively low cost of implementation. This tendency can be seen in the charts, in that the techniques & practices most heavily adopted generally cost less to implement than the ones less frequently adopted. However, the spectrum of adopted T/Ps is quite large and includes some techniques that would have a larger investment requirement, such as pre-cooling for apples and cherries (2 producers in total) and branch-crushing for an apple orchard (1 producer). These were mostly implemented by larger producers.

Fig. 4: T/Ps adopted on Apple VC

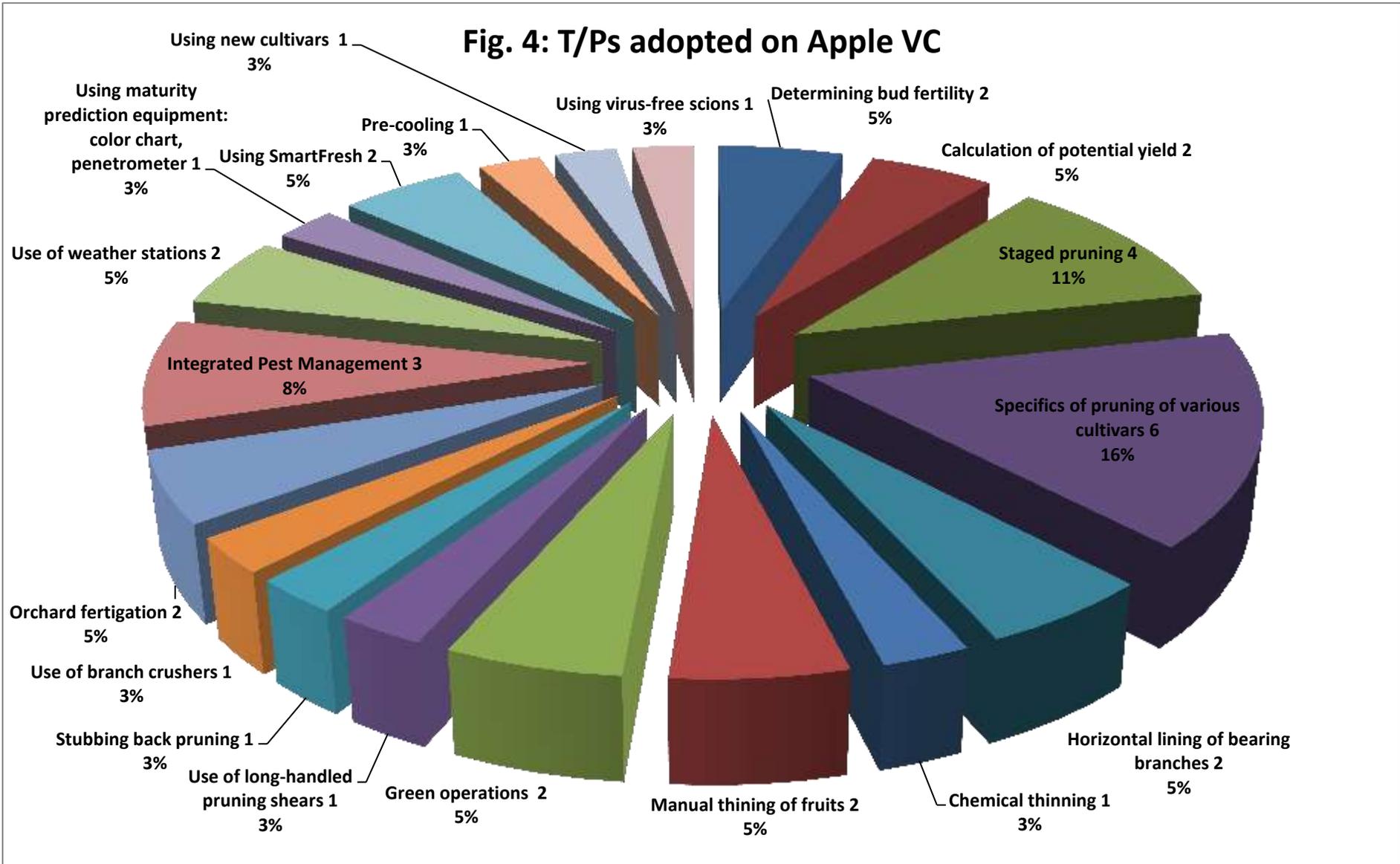


Fig. 5: T/Ps adopted on Stone Fruit VCs

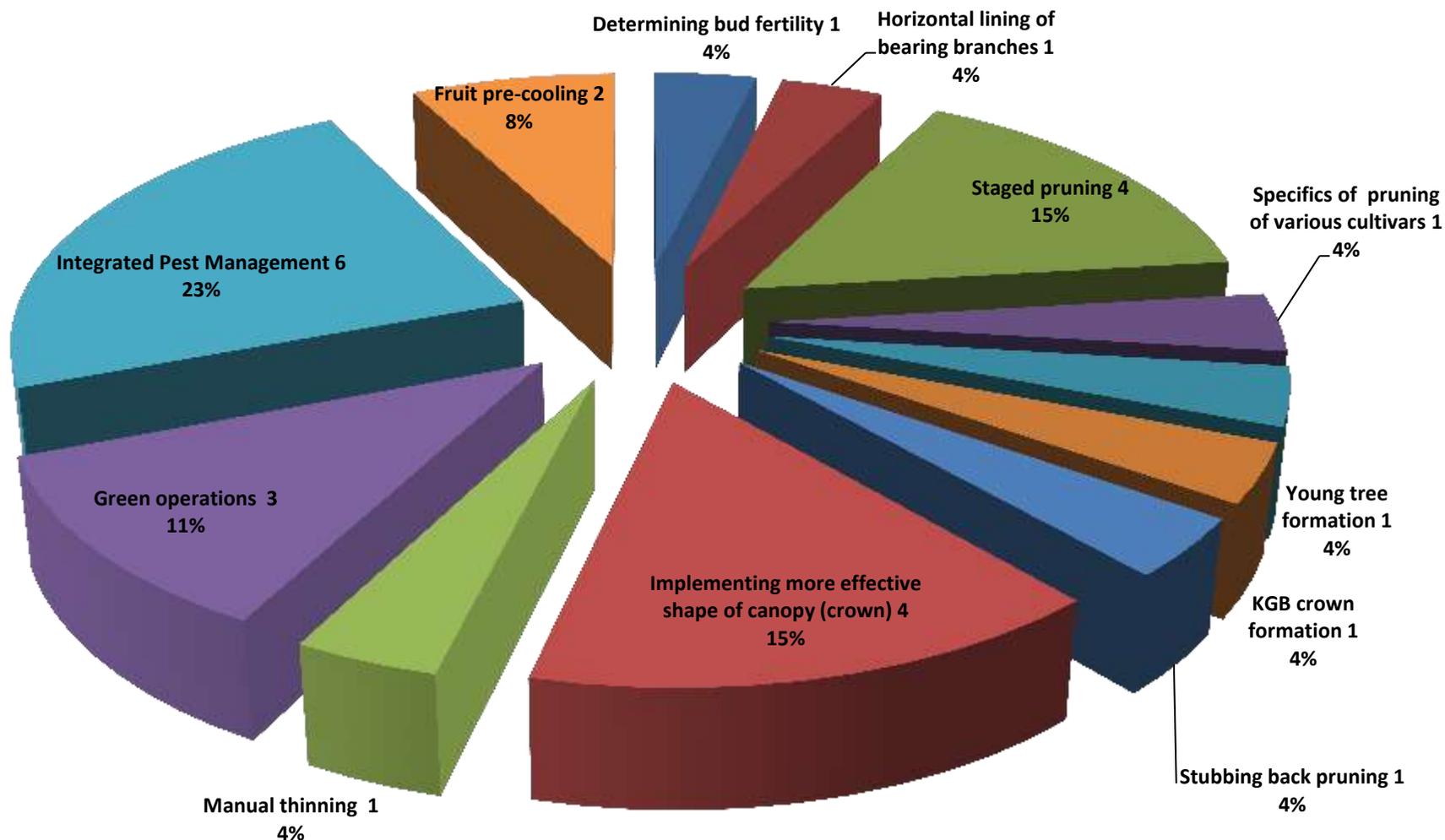


Fig. 6: T/Ps adopted on Table Grape VC

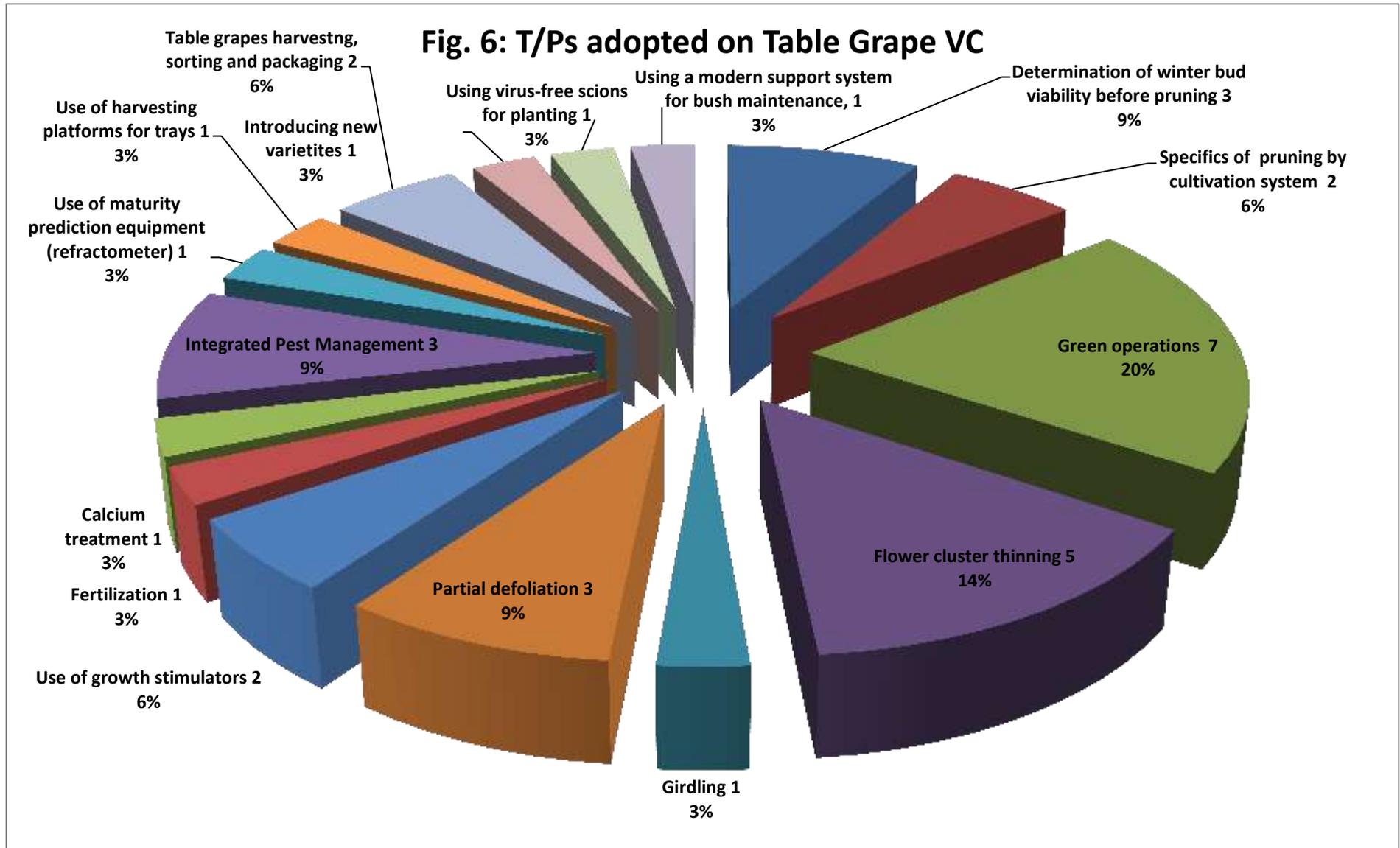


Fig. 7: T/Ps adopted on Vegetable VCs

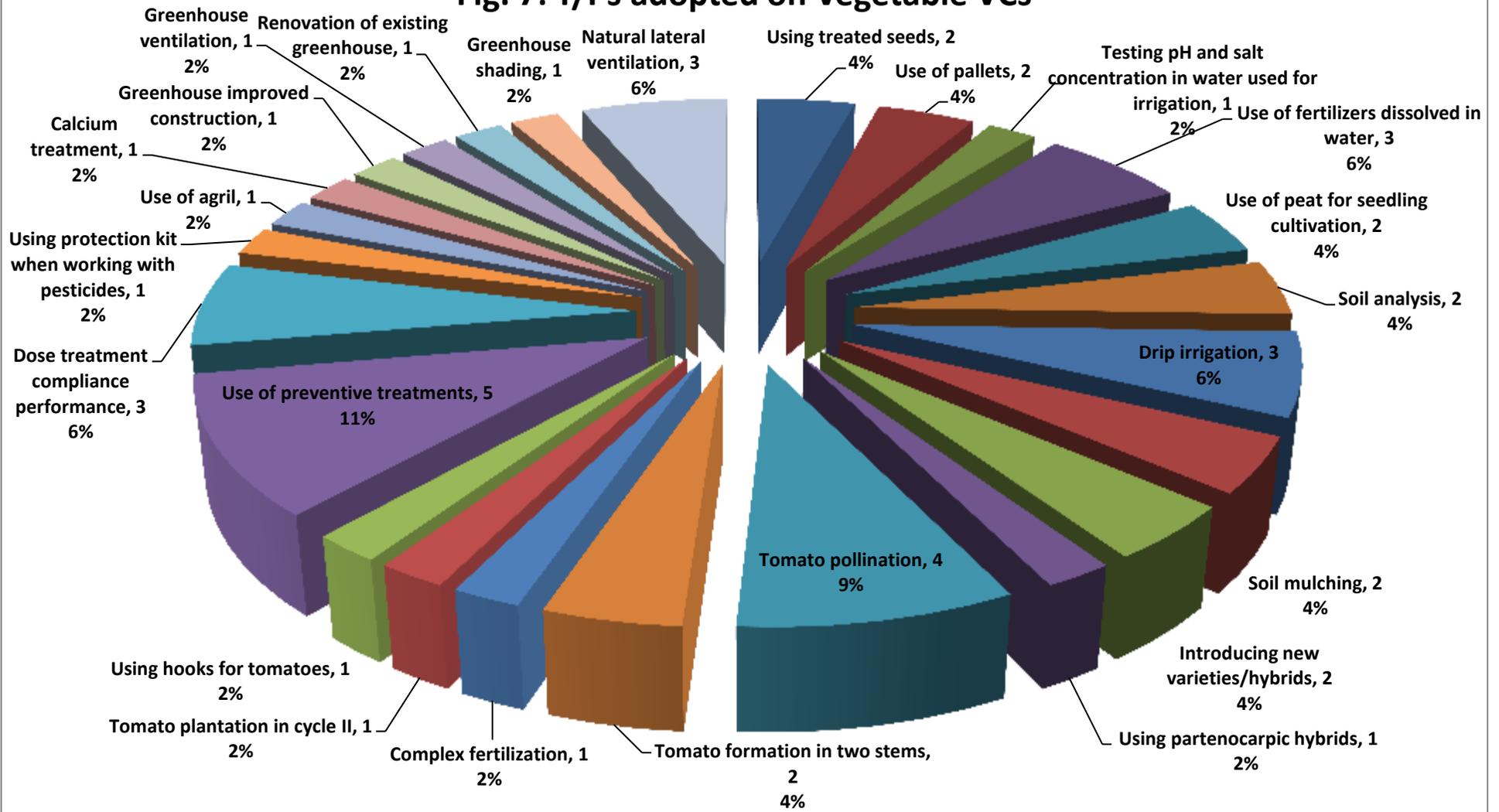
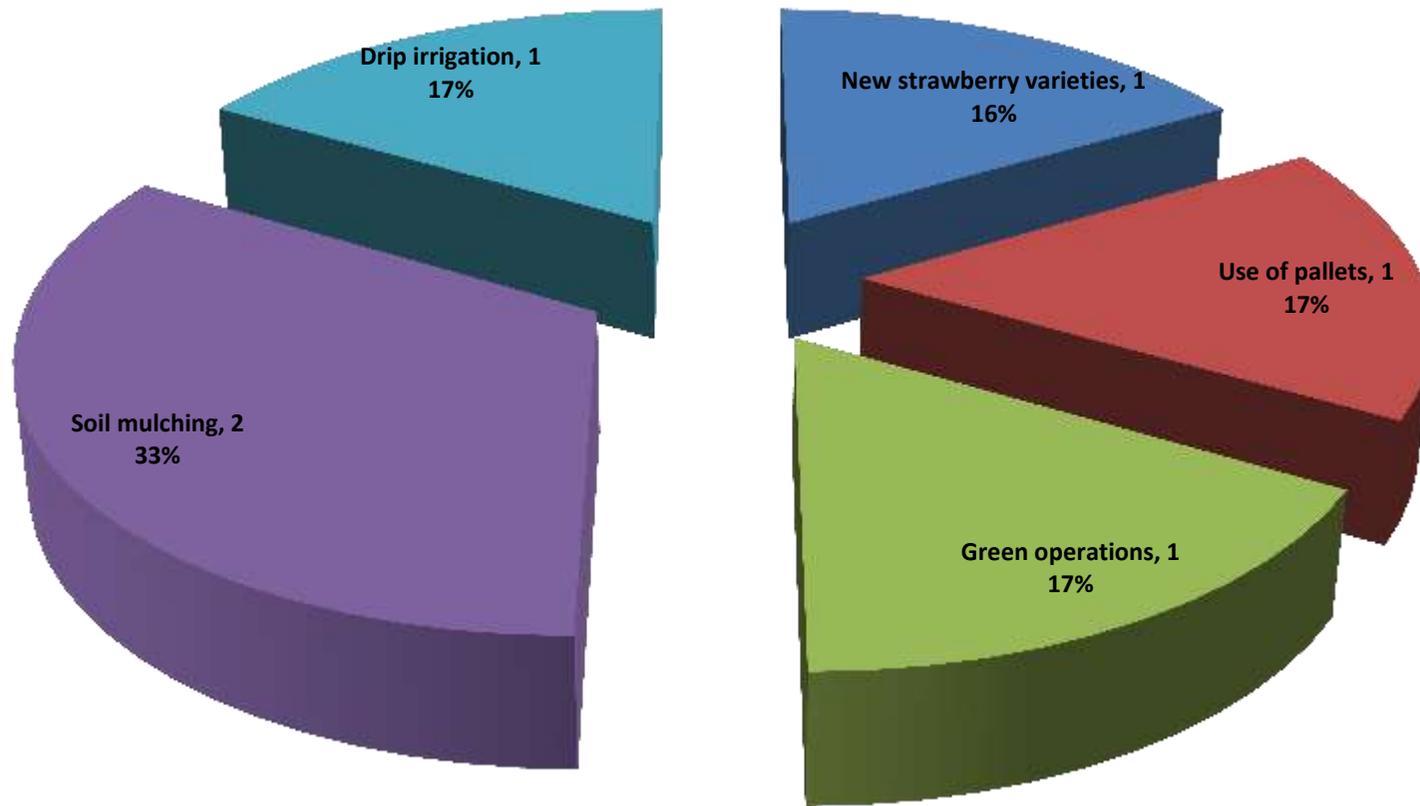


Fig. 8: T/Ps adopted on Berry VC



d) Investments by Value Chain

As a result of the survey, some participants reported investments, with a total of \$183,585 in new investments being reported. These investments are directly linked to the techniques and practices that have been adopted. The main part of this total (\$152,000 or 83%) represents a large procurement of a refrigerator for pre-cooling, made by a cherry producer, who credited ACED with providing relevant information to him and his staff through various training events. Apart from that, one producer of table grapes and vegetables undertook various investments in both value chains (particularly the procurement of greenhouse plastic, shadowing nets, a drip irrigation system, mulch film, and boiler for heating), related to his vegetable production, and the procurement of a new variety of root stock, wire and locks, for his table grape production), amounting to \$18,000 which represents 10% of the total investment number.

Also, an apple producer mentioned several investments he had made thanks to the ACED training (particularly, the procurement of branch crushers and a weather station), accounting for 7% of the total investments, or \$12,380. One of the berry producers also reported some investments having been made in procuring new strawberry seedlings, mulch cover film and a drip irrigation system, with the total amount of these being \$1,205 or 1% of the total investments reported.

e) Sales Facilitated Data by Value Chain

In the ACED PMEP, the indicator "Sales Facilitated by ACED" is defined as follows (bold has been added for emphasis):

*"The **Dollar value of HVA sales** originating from Moldovan producers and producer groups **assisted by ACED**. The producers, producer groups, and/or consolidator/exporter sourcing from them will have received assistance from the project for it to be counted. Under this indicator, a "facilitated sale" is defined **broader than the usual linking of a buyer and seller**. As ACED is learning market requirements and then providing training and TA based on those requirements, in the cases where **producers sell more as a result** (even if not specifically linked by ACED to the buyer), this falls under a broader definition of facilitated sales. As per the contract footnote 16, facilitated sales are defined as those resulting from ACED's "direct assistance and follow-on sales". "This means that the project (staff member, hired BSP, STTA consultant, project activity/ event, project communication tool such as newsletter or website):*

- *Linked a beneficiary to a buyer through e-mail, phone, meeting in person, supply of contact information, information gained in an end market study, the Marketing Information System (MIS) system; a Trade fair, a study tour, or other project event. After a linkage is created, all future sales between those two parties will be counted.*
- ***Provided training** or Technical Assistance to a value chain actor on marketing or market requirements (**including production**, certification, management and post-harvest handling) **that help them to increase their sales.**"*

While the ACED staff regularly track sales facilitated with traders and consolidators who have been linked to buyers, one of the main objectives of this random sample survey was to look at sales facilitated at the producer level based on the definition of "Sales Facilitated by ACED" contained in the ACED PMEP. ACED has primarily been tracking sales facilitated at the larger producer and trader level (for example, those who participate in trade fairs or who host visits from inward buyers), but has not tracked sales at the level of producer trainees, particularly the smaller ones.

Based on the definition above, sales are counted as having been "facilitated" based on two pre-conditions:

1. Respondents had to have adopted at least one technique or practice based on participation in ACED's training assistance, and
2. When specifically queried, respondents replied that the ACED assistance had led to an increase in their sales².

In cases where both prerequisites were met, sales revenues were counted beginning with the month following the month of practice adoption.

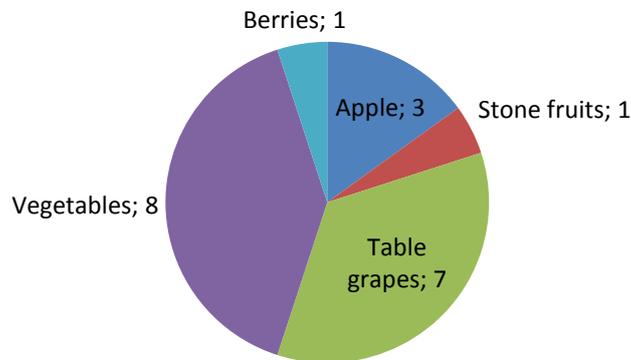
Out of the 51 producers who adopted new techniques & practices thanks to ACED:

- 19 reported their sales (see Figure 9);
- 19 couldn't or didn't want to provide the full data on sales, and
- 9 reported no sales, due to the following reasons:
 - Didn't have enough crop to sell, thus it was designated only for personal consumption – 3 participants
 - Don't have any yield yet – 4 participants
 - The crop was destroyed because of hail – 2 participants.

The sales data provided by these by producers is shown by VC in the chart on the following page.

² Compared to what the sales would have been without ACED's assistance that same season.

Fig. 9: Producers reporting increased sales, by VCs

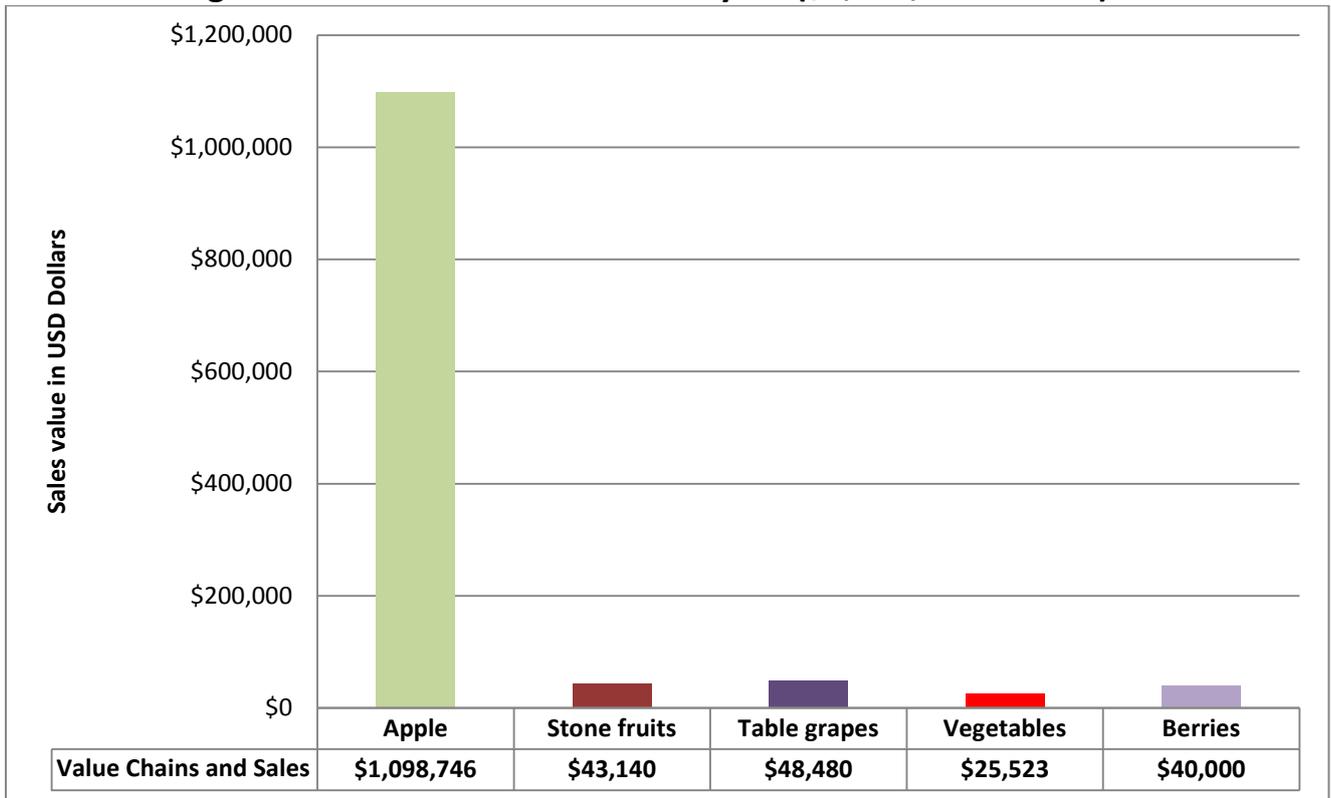


Note: One of the producers presented sales data included in 2 value chains: Table Grapes and Vegetables.

Producers reported their sales data in Moldovan Lei (MDL). To convert the sales data to US dollars ACED has used the average exchange rates for Lei to Dollars for the 2012 and 2013 calendar years (12.59 and 12.11 MDL/dollar, respectively) to convert the sales to dollars. The total value of sales facilitated based on the methodology mentioned above was **\$1,255,889** (see Figure 10 on the following page).

The proportion of sales from apples is much greater than that from the other value chains. This is mainly due to the fact that there are a number of large-scale producers who represent this sector, one of which was selected for participation in the survey. By comparison, the vegetable producers are usually small farmers owning small plots of land and producing crops in relatively small quantities. Unfortunately, ACED is not able to replicate this pattern on all of the value chains surveyed, as in the Stone Fruit and Berry VCs only one producer in each group has provided relevant data on sales.

Fig. 10: Value of Sales Facilitated by VC (\$1,255,889 in total)



Tables 6, 7, 8, 9, and 10 shown below and on the following pages, provide details on the sales reported by some of the individual producers in each VC. These tables also allow for some cross referencing of the new techniques adopted by producers.

Table 6: Apple Value Chain Sales Data and T/P adopted		
Category	Value of Sales (USD)	New Techniques Adopted
Producer 1	\$87,346	Staged pruning, Peculiarities of pruning of various cultivars, Manual thinning of fruits, Green operations, Use of branch crushers, Use of weather stations, Using maturity prediction equipment: color chart, penetrometer; Using SmartFresh
Producer 2	\$975,500	Determining bud fertility, Staged pruning, Peculiarities of pruning of various cultivars, Horizontal lining of bearing branches
Producer 3	\$35,900	Calculation of potential yield, Staged pruning, Peculiarities of pruning of various cultivars, Orchard fertigation, Integrated Pest Management
TOTAL	\$1,098,746	

Table 7: Stone Fruit Value Chains Sales Data and T/P adopted

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques Adopted</i>
Producer 1	\$43,140	Implementing more effective shape of canopy (crown), Green operations, Integrated pest management
TOTAL	\$43,140	

Table 8: Table Grape Value Chain Sales Data and T/P adopted

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques Adopted</i>
Producer 1	\$14,500	Peculiarities of pruning by cultivation system, Green operations, Table grapes harvesting, sorting and packaging
Producer 2	\$230	Green operations
Producer 3	\$7,540	Green operations, Flower cluster thinning, Girdling, Use of growth stimulators
Producer 4	\$840	Green operations, Flower cluster thinning
Producer 5	\$6,000	Determination of winter bud viability before pruning, Flower cluster thinning, Partial defoliation, Use of growth stimulators
Producer 6&7	\$18,750 <i>Note: the techniques and practices were collected of both producers who are working on the family farm and who fell in the survey together</i>	Green operations, Flower cluster thinning, Integrated pest management
Producer 7	\$620	Peculiarities of pruning by cultivation system, Green operations, Flower cluster thinning, Partial defoliation, Fertilization, Calcium treatment, Use of maturity prediction equipment (refractometer), Use of harvesting platforms for trays, Table grapes harvesting, sorting and packaging; Introducing new varieties, Using virus-free scions for planting, Using a modern support system for bush maintenance
TOTAL	\$48,480	

Table 9: Vegetable Value Chains Sales Data and T/P adopted

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques Adopted</i>
Producer 1	\$53	Use of preventive treatments
Producer 2	\$560	Use of peat for seedling cultivation
Producer 3	\$480	Soil analysis, Drip irrigation, Tomato pollination
Producer 4	\$640	Introducing new varieties/hybrids, Use of preventive treatments
Producer 5	\$560	Tomato formation in two stems
Producer 6	\$7,200	Use of preventive treatments, Dose treatment compliance performance
Producer 7	\$14,100	Using treated seeds, Use of pallets, Testing pH and salt concentration in water used for irrigation, Use of fertilizers dissolved in water, Soil analysis, Soil mulching, Introducing new varieties/hybrids, Tomato pollination, Tomato formation in two stems, Complex fertilization, Tomato plantation in cycle II, Using protection kit when working with pesticides, Greenhouse improved construction, Greenhouse ventilation, Renovation of existing greenhouse, Greenhouse shading, Natural lateral ventilation
Producer 8	\$1,930	Use of pallets, Natural lateral ventilation
TOTAL	\$25,523	

Table 10: Berry Value Chain Sales Data and T/P adopted

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques Adopted</i>
Producer 1	\$40,000	Use of pallets, Soil mulching
TOTAL	\$40,000	

Most producers sold their products in the wholesale market (90%), with this pattern being the same as was revealed by last year's Random Sample Survey analysis. This outlet was especially common for apples, table grapes, strawberries and cherries. The retail open air market was popular for tomatoes and partially for table grapes, although the main part of these value chains' production was traded at the wholesale market. The only sale for export discovered through the survey was for apples, where the destination countries were the Russian Federation and Belarus. Also, a single producer surveyed reported working with supermarkets.

Table 11: Sales share by market type						
Market type	Apples	Stone Fruits	Table Grapes	Vegetables	Berries	Average
Total sales	\$1,098,746	\$43,140	\$48,480	\$25,523	\$40,000	-
Wholesale	93%	100%	93%	63.8%	100%	90.0%
Open air	0%	0%	7%	34.5%	0%	8.3%
Supermarket	0%	0%	0%	0.4%	0%	0.1%
Export	7%	0%	0%	1.7%	0%	1.8%
TOTAL	100%	100%	100%	100.0%	100%	100.0%

f) What ACED Learned About the Season

When asked about problems producers faced during the 2013 production season, the majority of respondents referred to natural disasters, mostly to hail, which affected the producers across all of the value chains and from all of the regions. Nevertheless, the region of the country most affected by hail was the south, as one of the producers complained that it had hailed six times in his village. A large part of the apple crop, and the peaches and table grapes were compromised because of this reason. Fortunately, the producers of vegetables, many of whom grow their crops in greenhouses, were somewhat less affected by the incidence of hail.

On a smaller scale, other producers, mostly of table grapes and some of the vegetable and cherry producers complained of heavy rains, which fell with bad timing and they partially destroyed the results of the season's work.

Several producers of vegetables complained of diseases that affected their crop. A single producer mentioned frost and drought as production problems faced in the 2013 season.

Many producers have lowered their prices, compared with the prices they had set during the 2012 season. The latter pattern was due to the lower quality of the products, which were mainly spoiled by either hail or rain, as well as because of the low prices set on the market by other producers.

While most of the surveyed producers who adopted techniques and practices answered the questions regarding changes in yield and sale prices, some were reluctant to provide

these details. From the available data, it appears that only 53% of the surveyed adopters were able to increase their yields when compared with previous years.

Question: Did you increase yield in 2013 compared to previous years?

Value Chain	Yes	No	Same
Apples	4	3	0
Stone Fruits	4	5	0
Table Grapes	6	3	0
Vegetables	12	4	2
Berries	1	0	0
TOTALS	27	15	2
	53%	29%	4%

Meanwhile, 22% of the adopters increased the price they received when compared to previous years. Among the value chains, table grapes fared particularly poorly compared to apples and vegetables. In the case of the vegetable producers, the number of producers who reported an increase and those who reported a decrease in prices is almost equal; this fact reflects the local markets' heterogeneity.

Question: Did you Increase the Price/kg in 2013 compared to previous seasons?

Value Chain	Yes	No	Same
Apples	2	3	0
Stone Fruits	1	3	1
Table Grapes	0	7	1
Vegetables	7	6	4
Berries	1	0	0
TOTALS	11	19	6
	22%	37%	12%

Some of the surveyed producers who answered the question on yield are not reflected in the subsequent data on prices, as a consequence of the spoiled crop which could not be sold, mostly due to hail.

The table on the following page summarizes those that said they increased their profits compared to 2012, and the reasons why, as well as those who didn't and what the producers mentioned as the reason why not. Not all of the producers were able to provide a reason for their answer.

Agricultural Competitiveness & Enterprise Development Project

Question: Did you increase your profit in 2013 compared to 2012?

Value Chain	Yes	Reasons for Profit Increase:	No	Reasons did not increase profit:
Apples	1	1. The quality of the crop increased, thanks to all the T/P adopted and the weather station	4	1. Hail 2. Low prices set by monopolist traders 3. Hail 4. Diseases; not enough rains
Stone fruits	2	1. Better prices 2. The yield increased because of the good weather	4	1. Hail 2. Hail 3. Hail 4. Hail
Table Grapes	1	1. Sold more in retail, for a better price	8	1. Investments not recovered, it was the first yield year 2. Rains in a bad timing 3. Hail 4. Hail 5. A lot of spoiled crop because of the rains 6. Hail 7. Too much rain 8. Investments not recovered, it was the first yield year
Vegetables	5	1. Use of peat; acquiring more experience in production 2. Higher prices, but the investments were barely recovered 3. The price and yield increased 4. Disease prevention measures applied 5. Good weather conditions and all the implemented T/Ps	7	1. High spending to maintain the greenhouse; Low quality seeds 2. Diseases 3. Lower prices because of different varieties used in different seasons 4. Diseases 5. Lower prices, due to cheap foreign production 6. High spending on logistics 7. Investments not recovered
Berries	1	1. Soil mulching led to an earlier yield, sold for a higher price	0	
Total	10	Increased profit	23	Did not increase profit
	20%		45%	

Two surveyed producers – one from the Table Grape VC and the other from the Vegetable VC – didn't calculate their profits. Apart from that, four producers of vegetables stated that they obtained the same profit as in the previous season, due lower prices on the market, although the quantity of crop that they had produced and sold was increased.

g) Other Problems

Many producers of vegetables, who were selling their crop mostly on the retail market, complained of problems regarding marketing. In this sense, they explained that they were facing many difficulties in finding a marketplace and reiterated this issue in the suggestions' part of the survey.

Others stated that their unmet expectations of exporting the fruit production to the Russian Federation spoiled their profit plans and led to huge disappointments. Nevertheless, some of the producers who are only planning to plant a fruit orchard mentioned that they would do their best to align to the European Union's (demanding) market requirements.

4. Data Quality Assessment

a) Data Quality Issues

This end-of-year survey was a chance to take a critical look at the data quality currently contained in the project's TAMIS database. Although, as shown in Table No. 3, the regional service providers have carried out a significant share of the work related to following-up on the trainings, the results of the survey made clear that the issue of the actual results being under-reported is still pertinent, as mentioned in the previous end-of-year survey. Thus, from the randomly selected 110 participants, a total of 26 did not have any indication that they had adopted practices in TAMIS, although many of them had adopted practices, and often multiple practices. Further information on these findings is provided in the following sections:

For the Apple Value Chain:

At the start of the survey, 13 of the surveyed participants didn't have any practices adopted listed in the TAMIS database. Of those, the survey learned that 3 actually had adopted a total of 11 new techniques & practices:

- 1 participant - 1 practice,
- 1 participant - 2 practices,
- 1 participant - 8 practices.

For the Stone Fruit Value Chain:

At the start of the survey, 14 participants didn't have any practices adopted listed in the project's TAMIS system. Of those participants, the survey revealed that 3 of them had implemented a total of 6 new techniques & practices:

- 1 participant - 1 practice,
- 1 participant - 2 practices,
- 1 participant - 3 practices.

For the Table Grape Value Chain:

At the start of the survey, 23 participants didn't have any practices adopted as listed in the project's TAMIS system. Of those participants, the survey revealed that 6 of them had implemented a total of 23 new techniques & practices:

- 2 participants - 1 practice,
- 3 participants - 2 practices,
- 1 participant - 3 practices,
- 1 participant - 12 practices.

For the Vegetable Value Chain:

At the start of the survey, 27 participants didn't have any indication of practices having been adopted in the TAMIS system. Out of those 27 it was found that 12 had implemented a total of 35 new techniques & practices:

- 5 participants - 1 practice,
- 5 participants - 2 practices,
- 1 participant - 3 practices,
- 1 participant - 17 practices.

For the Berry Value Chain:

At the start of the survey, all of the participants in this value chain, i.e. 7, didn't have any indication of practices having been adopted in the TAMIS system. Out of those 7 it was found that 3 had implemented a total of 6 new techniques & practices:

- 1 participant - 1 practice,
- 1 participant - 2 practices,
- 1 participant - 3 practices.

As instructed, the M&E Team member who carried out the survey made note of every data quality issue that arose during the survey process. Below is a summary of the problems she noted:

1. One participant's name was wrongly recorded in TAMIS. This case was revealed after contacting another company contact, who had the same surname, and who stated that he was the only person who had this surname, working at the company, which was later confirmed by checking the ACED archive. Thus, all of the relevant data from the TAMIS file for the corrected name was introduced into the spreadsheets.
2. Two participants, one representing one of the biggest enterprises in the Transnistrian region, refused to give any sales data, stating that it is confidential.
 - Apples/Stone fruits - 1 participant,
 - Stone fruits - 1 participant.
3. There were two participants who didn't confirm that they are implementing the practice as was reported in the TAMIS system based on the RTSP reports. This seems to be due to the fact that they were planning to implement the relevant practice, but it was reported that the practice had already been adopted:
 - Vegetable Value Chains – 2 participants (note, both were corrected in the TAMIS system).

4. There were five participants who had the wrong phone number stored in the TAMIS database, but ACED was able to find the correct numbers, with the help of the other participants or other sources:

- Apples - 1 participants,
- Stone fruits - 1 participant,
- Table Grapes – 1 participant,
- Berries – 1 participant,
- Not applicable – 1 participant.

5. There were several participants for whom an additional phone number (mobile, home, or person in charge of the company) was needed, so that the interviewer could reach the participants:

- Apples – 1 participant,
- Table Grapes - 2 participants.

6. There were two participants with incorrect or non-existent phone numbers (without recourse):

- Apples - 1 participant,
- Vegetables – 1 participant.

7. There were three participants who ACED learned during the survey that they are not producers (as discussed above). The target audience for ACED production trainings is producers, though it periodically happens that non-producers also attend our events. In 2012, as project staff realized that counting producers was proving problematic, ACED added a specific box on the sign-in sheets for participants to check in order to identify if they are producers. For the few trainings that occurred in 2011 this option was missing. Thus, from the three non-producers identified by the random sample, two of them attended trainings in 2011, and just one in 2012.

- Apples - 1 participant (equipment supplier, invited by ACED to participate in a training),
- Stone fruits - 1 participant (local consultant, who is not involved in production),
- Vegetables – 1 participant (local consultant, who is not involved in production).

8. There were three participants, for whom the representatives of their respective companies answered the questions of the survey, since the participant could not be reached by phone.

- Apples - 2 participants,
- Stone fruits - 1 participant.

9. There were four participants, who couldn't answer the questions, because they participated in the training event(s), replacing the actual production managers of their companies or family farms. The latter also couldn't answer the questions of the survey, because they were either unaware of the shared information from the training event, or were physically unavailable to answer the questions of the survey.

- Apples - 1 participant,
- Table grapes - 1 participant,
- Vegetables – 2 participants.

10. There was one participant, who was very confused about the topic and the date of the ACED training event attended, since the surveyed producer attended only one training event in total, which took place 3 years ago. When reminded of the details concerning the event, the participant added that he didn't adopt any techniques and practices as a result of the seminar.

- Stone fruits – 1 participant.

In line with the last case, the ACED M&E Team decided to avoid this type of confusion for the next end-of-year survey and select the random sample only from the list of producers trained in the last one to two years of the project, to be finalized in the coming year.

Any data collection is imperfect and an MIS system will always contain some small errors, flaws and/or incongruities with the actual results achieved. In line with this, ACED has a data collection system which doesn't collect 100% of the information regarding who adopted a practice (and all the practices they adopted), rather ACED collects data from those that happen to report this, and then includes it in the TAMIS system. ACED is also heavily dependent on the results reports from the Regional Training Service Providers (RTSPs) who are supposed to follow up with participants and submit reports quarterly.

In an effort to be more efficient, the system is designed to prioritize capturing the first practice adopted by a person, and there is no incentive to capture and note additional practices adopted by the same producers. ACED is only reporting on the number of producers who adopt practices and techniques but not the numbers of techniques and practices adopted. It is interesting to note that according to the survey, the adoption rate of 54% is almost twice as high as the current adoption rate noted in the TAMIS system (28%). The survey noted a 66% adoption rate last year.

As a result of the survey, the phone interviewer discovered that many producers couldn't indicate any approx. data on sales, not even for the previous production season. This reluctance can be related to how much taxes they owe or that they didn't feel confident to share this data with a stranger. Apart from that, some small farmers are not keeping records on their profits and revenues, this being previously

mentioned in the report. Nevertheless, from the lessons learned last year, the M&E team was not too focused on questions related to profit in the survey due to uncertainty about data quality. Furthermore, one of the lessons learned for the project staff, as it was from the previous end-of-year survey, was that more of an effort still needs to be made in the coming years to train farmers on record keeping and profit calculations, and a joint effort between the marketing team, the Activity 3 team, and the rest of the staff is currently under development to address this need. This, of course, would not only help the M&E effort, but also help farmers better manage their businesses.

An additional element of the data quality assessment was to take the opportunity to review the PMEPE indicator table line by line and suggest minor improvements that make the wording even clearer than it was already. These suggested changes to the PMEPE will be submitted to the COR under separate cover with a request for approval.

5. Random Sample Survey Conclusions

In summary, the ACED M&E Team believes that the end-of-year survey was a worthwhile effort that has provided significant insight into the results being achieved by the project. Discrete results noted in the survey have been added into TAMIS in time for inclusion in the Year Three annual report. The lessons learned with the current and previous year's surveys are of extreme importance to the project team and will be applied in practice accordingly, in order to achieve the defined targets.

The ACED team will have a special session in the coming quarter to assess the survey results and to disseminate the information and incorporate lessons learned into ongoing programming. Furthermore, the high level of reporting on the techniques & practices adopted, and the valuable sales results reported, have been an encouragement to the project staff that have been working diligently from day one of the project. The team is continuously committed to improving its work and using the feedback and experience from each end-of-year survey in setting its work planning for the coming year.