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**Competitiveness Enhancement and  
Enterprise Development II (CEED II)**

# Progress Report

Quarterly Report #01: January – March 2011

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# Quarterly Progress Report

Quarter 2: January – March 2011

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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## SECTION I

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### Quarterly Technical Activities

Chemonics International Inc. (Chemonics) and Dexis Consulting Group (Dexis) are pleased to submit to the United States Agency for International Development in Moldova (USAID/Moldova) this Quarterly Report for the Competitiveness Enhancement and Enterprise Development (CEED) II project. This quarterly report covers the three-month period from January 1 through March 31, 2011.

Below, in Section I, we summarize our progress to-date by targeted industry, discussing project accomplishments, problems (if encountered) and solutions. We also list all deliverables submitted during the period. In Section II, we present key results and impacts and report progress against PMP targets. Section III contains a summary of our planned activities for the next quarter. Section IV contains a report on the level of effort (LOE) and project expenditures.

#### **A. Project by Targeted Industry: Accomplishments, Schedules, and Problems**

##### **A1. Information Technology (ICT) Industry Activities**

###### **Activity 1: Assist Q-Lab to become an IT excellence center**

During the quarter, Q-Lab concept and strategy development process was started. Business service providers were consulted in order to identify the potential to serve as subcontractors for future Q-Lab training activities. At the initial stage it was decided to proceed based on a preliminary training needs analysis, conducted with ATIC member companies. Several trainings were organized by Q-Lab with foreign trainers. A series of other trainings were scheduled for the following months. A financial model for Q-Lab business planning was developed to serve as a basis for the future business planning.

###### **Activity 2: Expand vendor-based trainings**

To develop the Cisco network and increase its regional status, CEED II identified a leading instructor to represent Moldova's Networking Academy community at the annual European CATC (Cisco Academy Training Center) meeting Portugal, to share experiences and learn about the latest updates and innovations from Cisco. Also, as a result of consultations with Cisco community, CEED II is developing a concept of activities for further expansion of the IT related continuing education programs, offered by local academies, adding other important topics such as Linux OS and Open source. In order to expand the IT education to the K-12 level as started during CEED I with Cisco ITE program, and lead by CFBC, the later has identified a number of new schools and colleges willing to be included in the program, as well as schools already included in the program which need strengthening of their capacities and improvement of technical endowment.

###### **Activity 3: Annual IT Career fair**

After consulting the IT companies, members of ATIC, it was agreed that the event concept of IT Career promotion should be reconsidered and divided into two parts for different types of audiences and different objectives respectively: a) public awareness campaign for high school pupils and their parents aimed at promoting the IT career as an attractive opportunity, to be organized in late spring; and b) IT jobs fair for students at the IT related fields to help students make well-informed career decisions and for employers to choose good candidates for their job openings, to be held in autumn, in the beginning of academic year.

The best approach to IT career awareness campaign was identified to be a combination of online and offline communication, with videos be placed on major TV channels with national reach and online channels with high traffic; and live presentations in several schools from Chisinau, held by

representatives of IT firms. CEED II has developed the concept of the campaign and is assisting ATIC to arrange the partnership appropriate for the placements of this social campaign in the media, and collect the necessary funds.

#### **Activity 4: Organize IT start-up camps and build a start-up portal**

Based on research of the regional practices, CEED II is planning to create some partnerships to replicate some of the initiatives proven to be effective in promoting entrepreneurship, such as Launch48, an event aiming to bring together participants from different backgrounds and levels of experience in the web industry to think/plan/develop and launch one or multiple web apps in one weekend. Consultations with possible partners have been initiated and will continue in order to define the best possible ways to implement the entrepreneurship related activities in Moldova.

#### **Activity 5: Moldova ICT Summit organization**

CEED II is playing an active role in planning and organizing the 2011 Moldovan ICT Summit, May 18-19, 2011. CEED II assisted in developing of the agenda, proposing and contacting relevant speakers, selecting the PR and logistics company for the event, and updating the website. The Summit will be a high level event, with case studies from developed countries, discussions on the regional IT sector competitiveness potential, complimented by the cutting edge relevant technical/ technological topics covered by international and local speakers. Also new tracks were added to the Summit agenda of this year, which is aimed at online entrepreneurship and digital advertising.

#### **Activity 6: Moldova IT Sector Positioning Paper**

CEED II held several discussions with the Ministry of Information Technology and Communication and the World Bank eTransformation project and agreed in principle to jointly commission a study that would identify the correct positioning of the Moldovan IT industry by subsectors and formulate competitiveness-building activities in the that the Government and other industry stakeholders can execute in the future. Definition and initial implementation of the ICT competitiveness program will be supported through technical assistance activities under the Governance eTransformation project funded by the World Bank, and CEED II will co-participate in the research at the initial stage.

#### **Activity 7: Organizing B2B events in target countries**

CEED II in partnership with UNDP has been preparing the study tour/business mission to Czech Republic for a group of companies from Moldova and its Transnistrian region. The participating companies operate in IT and business support services. The process included identification of organizations and companies to meet and visit in the Czech Republic. An entire program has been developed according to Moldovan and Transnistrian companies' interests. It will include visits and working sessions within IT related clusters, as well as B2B meetings. The mission will take place May 3-6, 2011. In total, 16 companies and organizations from both sides of Nistru will take part in the event. The group of companies will be accompanied by 1 CEED II consultant.

#### **Activity 8: Develop ATIC strategy and promotion plan**

Discussions were held with ATIC management and it was decided that strategy development is not an urgent activity as the organization is in a very dynamic stage and prefers to postpone it for later.

#### **Activity 9: Improve the legal framework**

Several consultations were held with ATIC board and management, Ministry of Economy and Ministry of ICT, in order to identify the specific needs and ways to improve the legal framework affecting IT Companies. Negotiations are being held with Price Waterhouse Coopers to define a periodic service tailored for IT companies: legal pocket guide, focused on tax advisory services.

## **A2. Textile Industry Activities**

### **Activity 1: Assist own brand apparel companies in brand development/rebranding**

During the quarter an information letter was circulated among the apparel companies informing them about the CEED II project and its activities. The letter was sent to 41 apparel companies. It was mentioned that one of the most important activities of the project is to assist apparel companies to move to the schemes of higher value added, one of which is own label. It was also mentioned in the letter that only the apparel companies committed to improvement of their marketing activities will be selected for assistance. The project received a request letter from “Ionel” company asking for help to launch a new women brand. The work will begin during the upcoming quarter.

### **Activity 2: Enhance product design capabilities of own-brand apparel companies**

Because Moldovan apparel companies that produce based on own label have different specializations (produce different product lines), it was decided to start the assistance with one product line – women’s clothes. Based on this, CEED 2 selected 6 companies for project support (i.e. Tricon JSC, Mobile Ltd, Vistline Ltd, Artizana Ltd, Intercentrelux Ltd and Odema JSC). Thereafter, we started the recruitment process in order to select one international freelance designer. For this purpose a letter was sent to the Romanian Design Association, Fashion Consulting Group from Russia, the French design company “Promostyl”, and two freelance designers from Italy and one from Lithuania.

### **Activity 3: Color forecast training delivering for won brand apparel companies**

Planning for this activity proceeded in parallel with Activity 3. We intend to organize the color forecast training in May as the kick-off to our in-company design assistance. During the quarter, discussion were held with several possible providers and local sponsors. Finally, a Belgian company was identified as the best provider and APIUS as the local counterpart.

### **Activity 4: Assistance in image building and preception increasing of domestic products**

Work on this activity did not begin during the quarter, but will during the next one.

### **Activity 5: Enhancement of export activities of Moldovan garment producers**

CEED II, in collaboration with MIEPO, helped several apparel companies participate in the XXXIV Federal Trade Fair for Apparel & Textile (Textillegprom) which took place in Moscow, February 15-18, 2011. The following companies participate: Mobile Ltd, Ionel Jsc, Infinity ltd, Steaua reds JSC, Lenicris Ltd, Odema JSC. The companies established numerous contacts with a number of Russian clients. Upon return, they started to process and analyze the established links and contacted the related clients; as a result, the apparel companies expect positive replies from the established contacts.

CEED II also identified an important trade show for which we will sponsor companies’ participation in September – Zoom by Fatex Trade Fair in Paris. CEED II got in contact with its organizers and got the collective offer that has been communicated to local companies. Since Moldova will participate for the first time in this show, all new participants will have to apply with a filled in questionnaire and get the approval of the organizers. This is done in order to accept only companies of high profile.

### **Activity 6: Promote trade and investments into the industry via B2B events**

During the quarter, CEED II coordinated with the organizers of a UNDP-funded study trip and B2B mission to Poland for apparel companies. Two representatives from CEED II will participation.

CEED II also organized an onward journey to Lithuania to visit several apparel industry stakeholders and learn about their successful experience setting up a design center for apparel exports.

### **Activity 7: Enhancing Productivity for increased competitiveness of apparel companies**

Based on the request received from apparel companies, 3 apparel companies were identified and selected for assistance: “Ionel” JSC – a large company, “Rodica Nunu Betak” – a small company and “Eurostar Moldova” Ltd – a medium size company. The three apparel companies demonstrated a high commitment for the assistance. The assistance will be provided by the local STTA Production specialist, Demian Usanli. The assistance to Ionel has already started.

It was decided that Demian will provide a training on productivity enhancement, focusing on important technical aspects of productivity, such as production planning and launch, quality control, increased efficiency of operators, and tracking of work in progress. The training will be held in May.

Also, CEED, in cooperation with Moldovan CAD distributor Global Service, decided to hold a training during which the Jemenii software solutions for pattern design will be demonstrated. This training will also be held in May. Apparel company representatives and educators will participate.

Finally, CEED II announced its plans to develop a pilot project for automation of production processes. Three apparel companies (Codru Ltd, Iuvas Ltd and Tricon JSC) expressed their interest to be assisted in implementation of professional technology software. In order to select a local IT company to develop and implement production software CEED II prepared an RFP which was sent to the IT Association and was sent to its members. Three IT companies (UNISIM\_SOFT Ltd, ALFA SOFT Ltd and NET INFO Ltd) expressed their interest to develop and implement such a product.

### **Activity 8: Consolidate cluster through development of member-based organizations**

As part of CEED II’s effort to encourage the Moldovan textile industry to establish a more active industry association, we arranged a visit by Ms. Maria Grapini, of Timisoara, Romania, February 17-21, to meet with leaders of the Moldovan textile industry; the light industry association, APIUS; and the Ministry of Economy to discuss her experience as the founder of FEPAIUS (Federația Patronală a Textilelor, Confecțiilor și Pielăriei), the leading textile and apparel association of Romania. Ms. Grapini discussed with her Moldovan counterparts:

- How and why FEPAIUS was created, focusing on: the benefits of having a sector professional association; organizational statute, mission, vision, strategy; the organizational structure, duties and rights, members, member fees, etc; and domain of the activities provided.
- Promotional mechanism used to attract new members.
- Activities organized and delivered by association for its members and non-members.
- Cooperation with other national and international organizations and associations.
- Practices for collaboration with the Government.
- Lessons learned as a Director of FEPAIUS and as beneficiary of being a member company.

She offered advice on how Moldovan apparel companies can join their efforts in order to create and develop strong association with clear mission and effective activities to benefit its companies.

### **Activity 9: Explore the opportunity to set up an Excellence Center**

The visits to Poland and Lithuania outlined in Activity 6 will contribute to CEED’s understanding of how an excellence center could be launched in Moldova. However, during the quarter, several discussions were organized with possible local sponsors. No definitive plans have yet been made.

### **Activity 10: Assist Filatura-Ungheni to ensure high efficiency in yarn production**

During the quarter, CEED II discussed with Mr. Kevin Lordan concerning his interest and availability for an assignment with Filatura-Ungheni. He confirmed his interest and we are now in the stage of developing the SOW so that the work can begin next quarter.

### **A3. Wine Industry Activities**

#### **Activity 1: Spreading viticulture best practices: “Demonstrative plots” project**

During the quarter we had several meetings with relevant actors of wine sector who would participate in and contribute to the realization of this activity. We had discussions with a couple of small winemakers (Ion Luca, Sergiu Galusca), the President of Association of Grape producers (Sergiu Vesca) and the director of Stauceni National College of Viticulture and Winemaking (Mihai Maciuca). A final decision concerning this activity is pending.

#### **Activity 2: Strengthening Association of Small Winemakers (ASW)**

During the quarter, CEED supported members of the ASW and F’ autor to participate at the Good Wine Trade Fair, in Bucharest, Romania (March 11-13, 2011). In addition, we agreed to help ASW re-edit and re-print its Catalogue for the Small Winemakers Association. CEED also assisted ASW in formulating a position on the implementation of the Geographical Indication (GI) system for Moldova wines, presented to the Ministry of Agriculture.

#### **Activity 3: Improve public-private dialogue and create sustainable models for collaboration between private sector and Government**

CEED worked closely during the first months with all sector associations and the Ministry of Agriculture and Food Industry (MAFI) and had individual meetings with all stakeholders in order to establish a basis for improved public-private dialogue.

First, CEED has facilitated and assisted the public-private dialogue by organizing and participating in about four meetings with sector stakeholders to develop the *2011 Sector Promotional Plan* for Moldovan Wines. At the end of this exercise, CEED facilitated the signing of a *Memorandum of Understanding* on February 24, 2011 concerning implementation of the promotion plan by MAFI and 5 wine associations. By this document, a public-private Council for Promotion wine established to coordinate all promotion activities. CEED has organized and facilitated all the meetings of the Council for Promotion to-date.

Based on the success of the discussions around the Promotional Plan, CEED initiated and organized meetings and discussions about consolidation of the wine sector associations and forming a “unique voice” in the dialogue with public authorities. At the end of these discussions, CEED, with support from CBI, organized a meeting on March 22 at Cricova winery on “Strengthening private sector and perspectives for public-private dialogue improvement”. More than 30 people attended representing 15 wine stakeholder organizations. At this event a *Declaration of Partnership* was signed between nine associations, who agreed to future consultations concerning a formalized model of cooperation.

#### **Activity 4: Improve the business environment and reform legal and regulatory framework**

In the context of Moldova’s application to the European Investment Bank for a €75 million credit to stimulate the production of wines of Geographical Indication (GI) and of Protected Designation of Origin (PDO), MAFI started drafting regulations for the GI/DPO system. This new system involves new conditions for planting, winemaking, commercialization of wines and use of geographical denominations. At the request of private sector associations, but also MAFI, CEED got involved in

the development of this new system by providing its expertise and assistance to MAFI and its experts. An important issue at the initial stages of developing the new GI/DPO system was to separate this issue from one of developing a country brand. In this context, a study on the opportunity of a National GI versus Country brand was presented to MAFI on March 10, 2011 with the final result at MAFI agreed to deal with these issues separately, however still in parallel. The CEED wine industry manager is participation in the working group designated by MAFI for implementation of GI/DPO for wines. Furthermore, during March 28-31, 2011, she accompanied a small group of MAFI specialists on CEED-sponsored a study visit in Bucharest, Romania, to learn about the Romanian's experience in developing a GI/DPO system.

### **Activity 5: Support the expansion and the viability of the Moldovan Wine Guild (MWG)**

On March 10, CEED organize a meeting for the presidents of MWG companies, where they discussed the strategic development of MWG, the necessity of enlarging to new members, and improving the management quality. CEED assisted the MWG to developing a financial plan, which was submitted to members for acceptance. CEED also supported the printing of a new edition of the MWG catalogue in advance of the ProWein trade fair which took place March 27-29.

### **Activity 6: Promote wine consumption in Moldova and increased sales on domestic market**

CEED contacted potential trainers for a sommelier training to be delivered in May. The concept was developed in partnership with the Moldovan Sommelier Association. After evaluation several options, Master Sommelier Brigitte Leloup (Vice-President of the Association of Sommelier of Europe) was chosen as the trainer.

### **Activity 7: Support to wine industry in positioning, branding and promotion**

The first milestone was achieved with the development of the joint Sector Promotional Plan for 2011, approved by the MOU signed on February 24, 2011 between MAFI and 5 wine associations. Subsequently, CEED held discussions with wine sector stakeholders to gauge their interest in a national wine brand – a country brand – and found interest for such an initiative very high; albeit with various perspectives on the issue.

On March, 10, 2011, MAFI Ministry Bumacov confirmed MAFI's interest in participating at the development of a country brand and constituted a working group for this purpose. CEED is a member of the work group and took the lead to develop a concept paper about how a country brand might be developed in Moldova. The concept will be discussed with the Council for Promotion and then presented to the Ministry in April for review and comment. (In order to realize this result a series of activities will be undertaken and all those activities will be consulted and approved by the private and public sector players. This public-private process and the success depend on the abilities of both sides to tackle complex issues and cooperate in new policies implementation.)

### **Activity 8: Enhance the promotion and increase sales of Moldovan wines in target markets**

During the quarter, CEED participated in several activities aimed at increasing wine sales, as follows:

CEED supported the participation of 5 small winemakers of ASW and F' Autor to Good Wine Trade Fair in Bucharest, Romania on March 11-13, 2011.

CEED helped 8 companies, the members of the MWG and F' autor, to participate at ProWein in Dusseldorf, Germany, March 27-29, 2011. The group had a common stand, done in a very professional way. All the companies made good contacts and had discussions with old and new clients. The CEED TIP Advisor also participate at ProWein where he:

- Visited and observed the competition countries performance and promotion;
- Supported Moldovan companies to exhibit their products;
- Attended events organized within the trade fair (countries presentations);
- Tasted wines from different countries to establish benchmarks for Moldovan wines; and
- Observed and collected complains/proposal for next year's participation of Moldova.

Finally, CEED II organized a tasting of 6 selected red wines in Germany from Acorex, DK Intertrade, Basa Vin, Lion Gri, Et Cetera and Purcari. In each major city there is a "wine lovers group" that meets several times a year and taste different wines. Later on they start buying it via internet. We identified such an organization in Hamburg and did a thematic tasting on March 26, 2011. We received a report of the tasting and a list of recommendations for pricing and positioning of Moldovan wines as well as best-selling wines in the target segment to be used as benchmarks.

### **Activity 9: Facilitate investment and financing of Moldovan wineries**

CEED II organized a study trip to Bucharest, Romania, for the specialists of the MAFI, aimed to study Romanian experience in implementation of a GI/DPO system for wines. Republic of Moldova needs urgently to draft and adopt a legal framework for the creation and registration of GIs and DPOs, in order to start benefiting from the €75 million credit line of the EIB.

CEED II started an activity that will answer important questions related to financial situations of Moldovan wineries and what would be the best interventions to support its recovery. Background information has been collected and analyzed, and now a sample of companies will be interviewed. The report shall describe the situation of the wineries regarding:

- existing debts and debts ratios
- major creditors and re-paying schemes
- destination of used loans
- destination of the needed loans
- types of equipment needed (%) (grape-growing, primary processing, secondary)
- size of the needed financing
- suitable conditions for financing (periods, types, interest rates)
- types of financing most needed (short or long terms loans, equity investment, merging & acquisitions, etc.)
- mortgage and collateral guarantee capabilities
- existing sources of financing: local and external (regional banks, venture funds etc.)
- leasing equipment versus cash loans' needs (in %)
- major impediments to access finance from the mentioned providers
- wineries' views regarding the best ways to implement the EIB loan, role of Ministry of Agriculture, PIU, associations and other stakeholders
- support needed by the wineries to improve finance access
- expected result of EIB loan successful implementation for the industry in terms of product quality, market access and positioning

## **A4. Cross-Cutting Activities**

### **Activity 1: Develop partnership and alliances for trade and investment promotion**

CEED II started its partnership building activity with meeting with relevant people within Ministry of Economy (Ion Lupan), since he is a leading person in external trade policy development. However, since MIEPO's former director has resigned, the Ministry decided to reorganize this agency in order to improve its efficiency. CEED II project participated in the working groups on this aspect and provided its comments and recommendations. In our opinion, the new model should allow MIEPO to

develop, attract and implement donor-funded projects and multilateral programs. This would position MIEPO on the same level with its other direct competitors (e.g. the Chambers of Commerce) and would allow an appropriate funding of the institution. The new statute of the organization should clearly establish the areas and level of MIEPO's involvement in projects and programs. In order for MIEPO to have a special position on the market, it should get the status of a public institution with an autonomous mechanism of financial administration.

### **Activity 2: Export financing tools review and training/conference**

Work on this activity did not begin during the quarter, but will during the next one.

### **Activity 3: Prepare target industries for EU-MD Free Trade Agreement implementation**

The implementation of that activity depends of the progress that Moldova has in the negotiation process with the EU. At this moment the mechanism of how to set a sustainable and efficient mechanism of discussions and involvement is being developed. CEED II staff has met several times Deputy Minister Calmac and Director of CCI Sergiu Harea. The work will continue next quarter.

### **A5. New Industries**

During the quarter, CEED II efforts were concentrated on launching activities in the three existing targeted industries and on general project start-up activities. As such, no efforts were made to identify the new targeted industries. This will occur during the next quarter so that a recommendation can be made to USAID by the end of May 2011, as per the approved work plan.

### **B. Deliverables**

During the quarter, CEED II submitted the following deliverables per contract requirements:

<b>Deliverable Name</b>	<b>Submission Date(s)</b>
Project Work Plan: Year One, FY2011: February 2011 – September 2011	Draft: February 8, 2011 Final: February 11, 2011
Performance Monitoring Plan (PMP)	Draft: February 8, 2011 Final: March 7, 2011
Environmental Mitigation and Monitoring Plan (EMMP)	Draft: February 8, 2011 Final: March 7, 2011
Monthly Report, January 2011	February 15, 2011
Monthly Report, February 2011	March 15, 2011

## SECTION II

### Results and Impact

#### A. Quantitative Results

The table below presents our progress to-date against the targets set for selected indicators. We are not reporting for all indicators because for some reporting will only be possible after our database is complete; other indicators, such as increasing in enterprise sales and investment, will be reported only in annual reports; and for others there is nothing to report because this is only the first quarter of our activity. For a complete description of our M&E system and indicator definitions, please refer to the project Performance Monitoring Plan.

Final indicators	Detailed Description	Target	Actual	Difference
		Y1	Q1,Y1	
<b>Objective 1: Productivity of targeted industries increased.</b>				
<b>Expected Result 1.1: Use of improved technologies and business processes within target industries increased</b>				
<b>Enterprises receiving project-related assistance to improve their knowledge, processes, and technologies</b>	Number of enterprises receiving direct or indirect assistance from the project to improve their knowledge about how to enhance productivity and about better processes and technologies in which they can invest	50	17	-33
<b>Expected Result 1.2: Capacity of the workforce in targeted industries increased</b>				
<b>Participants in project-related trainings or capacity building programs</b>	Number of workers and students that receive training as a result of project assistance. This can include trainings directly delivered by the project, or trainings facilitated by the project and delivered by other cluster actors, including enterprises or academic institutions	700	88	-612
<b>Objective 2: Trade and investment in targeted industries increased</b>				
<b>Expected Result 2.1: Quality of products and services produced by enterprises in targeted industries improved</b>				
<b>Assisted enterprises participating in project-related programs to enhance trade and investment capacity</b>	Number of project assisted enterprises receiving training on topics related to investment capacity building and improving trade	50	17	-33
<b>Expected Result 2.2: Positioning and promotion of products and services from targeted industries in strategic markets improved</b>				
<b>Assisted enterprises exhibiting at trade shows or participating in business-to-business (B2B) events</b>	Number of enterprises participating or exhibiting at trade shows or B2B events (foreign or domestic)	20	17	-3

Final indicators	Detailed Description	Target	Actual	Difference
		Y1	Q1,Y1	
<b>Objective 3: Public-private dialogue improved leading to a better business environment for targeted industries.</b>				
<b>Expected Result 3.2: Private sector capacity for advocacy and policy analysis increased</b>				
<b>Participants at project-related trainings or workshops about advocacy or policy analysis</b>	Number of participants at project-related trainings or workshops about lobbying, advocacy or policy analysis	50	56	6
<b>Policy or position papers published or commissioned by assisted associations or member-based organizations</b>	Number of policy or position papers published or commissioned by associations or member-based organizations, including industry strategy papers, policy review papers, memoranda between private and public sector, etc.	5	2	-3
<b>Expected Result 3.3: Understanding by the public sector of private sector concerns and actions taken to improve conditions for targeted industries increased</b>				
<b>Consultative meetings or events between representatives from the public and private sectors as a result of project assistance</b>	Number of consultative meetings or events between representatives of the public and private sectors to discuss ways to improve the business environment facing targeted industries	10	4	-6

## SECTION III

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### Planned Activities (April – June 2011)

The following activities are planned for next quarter. Most were introduced in CEED II's Year 1 Work Plan; some activities are new. For activities requiring an outlay of external resources, i.e. CEED short-term consultants and/or funds from the Sector Enhancement and Enterprise Development (SEED) Fund, an activity plan that summarizes the purpose of the activity, the rationale and justification for it, the expected results, the roles, responsibilities, and anticipated cost-share of each party involved, and the timeframe for the activity has been developed by the CEED advisor responsible for the activity. Scope(s) of Work are developed for consultant(s) as needed.

#### **A1. Information Technology (IT) Industry**

- Conduct 3 trainings with Q-Lab and start developing the 3-year strategic plan
- Conduct training of trainers for IT courses at universities and colleges on Linux
- Implement the IT career promotion campaign online and offline
- Working on IT start-up's event to be held in September
- Organize the 2011 Moldova ICT Summit, May 18-19
- Develop the TOR for the IT industry competitiveness study and position paper and clarify all the co-sharing and procurement details with the partners
- Undertake the business mission to Czech Republic
- Support the development of proposals to improve legal framework.

#### **A2. Textile and Apparel Industry**

- Start assistance for Ionel to develop a new brand for women clothes
- Conduct a color forecast training and launch in-company assistance on apparel design
- Select companies for participation at ZOOM by FATEX exhibition and start preparations
- Continue assistance on productivity enhancement for Ionel apparel company
- Start the assistance on productivity enhancement program for two additional companies ("Rodica Nunu Betak" II and "Eurostar Moldova" Ltd)
- Conduct a training on productivity enhancement

#### **A3. Wine Industry**

- Discussing feasibility of the demo plots project with wine sector stakeholders and other institutions having relevant experience.
- Print new catalogue for ASW. Draft proposals for modifications of actual laws in order to eliminate barriers and constraints for small winemakers. Assist ASW in finding potential new members of ASW.
- Assist private sector associations in creating a model of sustainable cooperation and agreeing on a common work agenda with MAFI.
- Assist MWG to develop new services, increase revenues and agreeing on policies of enlargement to new members.
- Assisting Council for Promotion and MAFI at developing and agreeing on a concept for wine country brand development and organizing activities at this end.
- Finalize the survey the Wine Industry Finance/Investment Needs and present conclusions to Program Unit Implementation of MAFI.
- Assist private sector and MAFI to implementation of the system and regulations on GI/DPO for wines in Moldova.

- Based on the commitment of MAFI, initiate creation of a working group for reform of the wine legal framework;
- Organize sommelier course in Moldova for professionals but also for amateurs.
- Develop a questionnaire on exporting markets and survey the inquiry on Moldovan companies.
- Assist participation of Moldovan companies to Vinexpo tradefair, Bordeaux, in June, 2011.
- Assist Moldovan companies interested in penetrating and increasing sales on Chinese market by: trainings, sharing market researches, developing master plans for Chinese market, participating and Guangzhou tradefair, June, 2011.
- Assist the designated by Council for Promotion working group to organization and developing organization concept for promotional events on Polish and Czech markets;
- Assist small winemakers and other interested companies producing top premium wines to accessing Romanian and Ukrainian markets.

## SECTION IV

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### Technical and Administrative Support

#### A SEED Fund

During the quarter, Chemonics prepared and submitted to USAID a request for Grants Under Contracts authority. In addition the PMU began drafting the SEED Fund Manual which will outline all the procedures and guidelines governing grants, subcontracts, and SEED Fund usage.

#### B. Project Communications

*General.* Throughout the reporting period, the project main communications efforts were focused on the development and production of the basic CEED II communications materials that would be compliant with the USAID branding regulations, and followed by the project team members in their everyday communication with the stakeholders. Among the communications products created during the reported period the following ones should be highlighted:

- CEED II logo in English & Romanian versions, related templates, Project Fact Sheet, CEED II banner, business cards, door plaque, etc. were developed and are used for the project communications purposes, following the USAID branding guidelines.
- CEED II project description was submitted and placed on USAID|Moldova Mission web site (see [http://moldova.usaid.gov/moldova\\_economic.shtml](http://moldova.usaid.gov/moldova_economic.shtml))
- CEED II banner roll screen was designed and printed, and is used for the project activities.
- A mutually beneficial, leveraging CEED II resources, contract with Infotag News Agency was negotiated and signed.
- CEED II banner was placed on <http://www.infotag.md/> web site with the link to USAID|Moldova Mission: [http://moldova.usaid.gov/moldova\\_economic.shtml](http://moldova.usaid.gov/moldova_economic.shtml)
- The appropriate disclaimer and project logo were placed in the Moldova Wine Guild Catalogue, and on Moldova ICT Summit website( <http://www.moldovaictsummit.md/index.php/en/partners->)
- USAID CEED II logo stickers for the “Consolidation of Moldovan Private Wine Sector, and Perspectives for Public-Private Dialogue Improvement” Roundtable folders were printed and used for the event. The activity related photos were processed and placed on CDs to be disseminated among the event participants.
- Participation of CEED II Wine Industry Advisor, Diana Lazar, in the “Top Wine” project event was mentioned in the “Wine as a Piece of Art” article in March 2011 issue of Profit magazine.
- The tender for the CEED II web site design & development was opened, including the announcement for the call for proposals placed in Logos Press newspaper, and disseminated through the ATIC companies contact list.
- ATIC was consulted on their banner and other promotional materials development and production.

*Stakeholder meetings.* Introductory meetings were held with key ministries, including the Ministry of Agriculture and Food, Ministry of Economy and Trade, and Ministry of Information Technology and Communication to inform them about project activities. In addition many meetings were organized with other project stakeholders and businesses.

*USG/USAID site visits:* CEED II organized one site visit to Ionel for a visiting delegation from the State Department’s EUR/ACE Bureau. In addition, CEED II facilitated several visits to Ionel by the advance team for Vice President Joe Biden.

### **C. Monitoring & Evaluation**

During the quarter we commissioned the database design project using independent consultant Corneliu Duca and discussed with him the system requirements. The project will be divided into three phase and will be completed by the end of July 2011. In parallel, we developed all of the standard M&E forms for the project, i.e. baseline data collection, quarterly data collection, and MOU.

### **D. Administration and Finance**

*Accounting.* The project's finance and administrative system are advance thanks to our ability to build on policies, procedures, and systems form CEED I. However, in mid-March a home office project accountant, Anthony Latta, travelled to Moldova to train the new project account on Chemonics' accounting system, oversee the initial entry of all accounting transactions since the project began, and conduct an internal audit of our procedures.

*Equipment.* During the period, all CEED II's office furniture and computer was delivered an installed. The office is now fully functioning and we are now fine-tuning our systems for optimal performance.

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.