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# **AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT**

## **ANNUAL REPORT FOR PROJECT YEAR TWO**

**APRIL 2013**

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**USAID Moldova - MCC Moldova  
AGRICULTURAL COMPETITIVENESS AND  
ENTERPRISE DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR TWO  
April 1, 2012 – March 31, 2013**

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## I. EXECUTIVE SUMMARY

The Agricultural Competitiveness and Enterprise Development project is a flagship value chain agricultural project, incorporating best practices design with an important window of opportunity for Moldovan high value agriculture (HVA). The project is unique in joint funding from USAID and MCC and will marry USAID's investments in the HVA sector with the irrigation rehabilitation, finance (Access to Agricultural Finance) and even road reconstruction benefits (e.g. getting product to market) that MCC has invested in.

As preferential treatment previously given to Moldovan exports to Russia is decreasing and supermarkets are rapidly gaining market share in both Moldova and Russia, the agricultural sector will have little choice but to invest and upgrade production and post-harvest standards to sell to supermarkets and export to a more diverse set of countries. ACED is leading the way in building capacity to make this transformational change.

The ACED project is transforming and upgrading the way Moldovan agriculture responds to market demand for high value agriculture. Year Two has set the foundation for significant impacts that will come. Already ACED has carried out a large number of activities and events, and farmers and retailers have begun to change their behavior, something that will continue to grow and create impact til the end of the project, and beyond. As an example of the achievements that can already be noted, the ACED end of year random sample survey noted that 66% of the farmers surveyed had adopted one or more techniques and practices they learned about in an ACED training event. Furthermore, by the end of Year Two the project reported the following:

- 3,001 producers have been trained to date, which is double the target for the end of the year. 1,926 farmers were trained in Year Two, and 33% of the farmers trained were women. They represent 38% of the farmers in ACED's Technical and Administrative Management Information System (TAMIS) who adopted new techniques and practices.
- \$1.87 million in sales were facilitated, even before counting the sales ACED learned about during the end of year survey, an impressive result considering the severe drought that caused a lack of export ready fresh Moldovan produce during 2012.
- A total of \$5.45 million in new investments have been reported, including more than \$4.7 million in much needed post-harvest handling infrastructure that will greatly help to upgrade the competitiveness of the targeted value chains.

The hard work carried out by ACED over the past two years is beginning to pay dividends, as can be noted in the success stories in Annex B, the information contained in the Monitoring & Evaluation report (Section IV) and the ACED End Of Year Survey Report in Annex C, as well as the items described throughout the report narrative that follows.



**Moldovan apples at Farmer Expo 2012**

## **II. BACKGROUND ON THE PROJECT**

The Agricultural Competitiveness and Enterprise Development (ACED) Project is a five-year project (2011-2016), which is jointly funded by the USAID Mission in Kiev 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) in March of 2011. The project's main objective (Component One: Growing HVA Sales) is to increase the competitiveness of the Moldovan agricultural sector, with a particular 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 which will benefit from the MCC-financed rehabilitation of central irrigation systems through the MCC Transition to High Value Agriculture Project (THVA). Approximately 80% of the project budget is devoted to Component One activities, with approximately one third of that amount being funding from MCC.

The ACED project's second element (Component Two: Enterprise Development in Transnistria) has been allocated approximately 16% of the total budget for activities and events specifically focused on economic development in the Transnistria region (also commonly referred to as the "Left Bank"). Under Component Two, the ACED project works to improve the competitiveness of micro, small and medium enterprises (MSMEs) and relevant Business Service Providers (BSPs) in Transnistria. The main objective of this Component is to support development of, and enhance the competitiveness of, Transnistrian MSMEs in the HVA and non-HVA agricultural value chains. Associated with this is assistance which will focus on Transnistrian BSPs that can provide essential technical and managerial services to the MSMEs that are the main focus of Component Two. This assistance program should lead to the creation of jobs and increased incomes in the region, and facilitate cross-Nistru business linkages that will 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 One of the project (Growing High Value Agricultural Sales). The value chain approach requires a comprehensive description and analysis of what happens to a product throughout its production, processing and marketing cycle. The VC approach examines the production process itself, as well as external factors such as government policy, credit availability, input supplies, etc. that are necessary to support and sustain the production process. In the case of agricultural projects like ACED, it also includes an analysis of post-harvest practices and post-harvest infrastructure availability (the cold chain, grading and packaging, transportation, etc.). An examination of target markets is a part of the process as well, in order to identify specific governmental and market requirements that producers will have to meet to be successful in those markets.

The value chain approach is based on specific products, and not on geographic localities. Interventions on behalf of a particular value chain might take place in many places, either simultaneously or over a given time period. They might include direct assistance to producers to identify new buyers and the understand the technical and commercial requirements of those buyers, as well as any 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 the efficiency of their

production processes. Government 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 their lending to value chain participants. Consolidators of various types (producer associations, cooperatives or individual traders) are assisted to develop effective systems for finding and buying the products they need and then with grading, storing, packing and delivering that product to their customers. Agro-processors are assisted to develop effective relationships with farmers and to obtain the raw materials they need 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 producers' and other value chain participants' ability to maximize their income from high-value agricultural activities. By beginning with an examination of market potential, the project avoids the possibility of encouraging farmers to become bigger and more efficient producers of a certain crop for which there is no good market or for which the required downstream packaging or processing capability does not exist.

The ACED project began with assessments of the HVA value chains currently active in Moldova and selected three Value Chains that best satisfied the following criteria:

- They have a strong current production base and potential for increasing the volume and quality of production.
- There is strong actual, or potential, international 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 selected to be the focus of development activities initially, with stone fruit (sweet cherries, peaches and plums) and other greenhouse vegetables planned for addition in later years.

The second step was to conduct end market studies in high priority markets to identify any commercial, technical or regulatory barriers to entering, or expanding the presence in, those markets and to provide concrete 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 a comprehensive value chain study for each targeted crop. These studies were then discussed with 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", "impact" stages to the final objective of increasing long term economic growth in Moldova. The original causal model for ACED has been refined and sharpened as the project has evolved with implementation.

**ACED COMPONENT I PERFORMANCE-BASED MANAGEMENT SYSTEM CAUSAL MODEL**



Carrying out end market studies, identifying investors and potential buyers interested in HVA products and developing the “Moldova – *taste makes the difference*” international promotional campaign (Component 1, Activity 1) has helped ACED to define the end market requirements included in the end market studies. The result is that all parties have a better understanding of the requirements of specific markets and are able to 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 in international markets. These outputs lead to a better understanding of traditional and new markets among value chain participants and potential buyers (Outcome level) as well as increased purchasing of local produce in Moldovan supermarkets.

The above activities and outcomes form a feedback loop so that market requirements inform both the producer training team (Component 1, Activity 2) and technical assistance team for value chain enterprise activities (Component 1, Activity 3), and they will lead to the training of at least

4,300 producers in improved production practices and new technologies. In addition value chain enterprises will 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” of these changes is that new investments are made, increased sales of HVA products both within Moldova and abroad are generated, and that local incomes increase.

ACED's Component 1, Activity 4 is aimed at improving the regulatory environment for the development and operations 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 positive 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 the preparation of 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, and enhanced food safety at home.

The underlying development hypothesis is that in addition to raising farmer incomes, these activities being implemented under ACED's Component 1 will lead to increased employment in rural areas and they will contribute to continued growth of the Moldovan economy.

ACED's Component 2 activities are aimed at strengthening MSME's in Transnistria. This work began with an analysis of MSME activities in Transnistria and an assessment of the capacity of local business service providers (BSPs) to assist them. Following completion of these assessments a targeted set of enterprise development and BSP training and technical assistance activities have been formulated which are aimed at increasing their production capacity and promoting cross-bank B2B linkages. At the “outcome” level these activities will

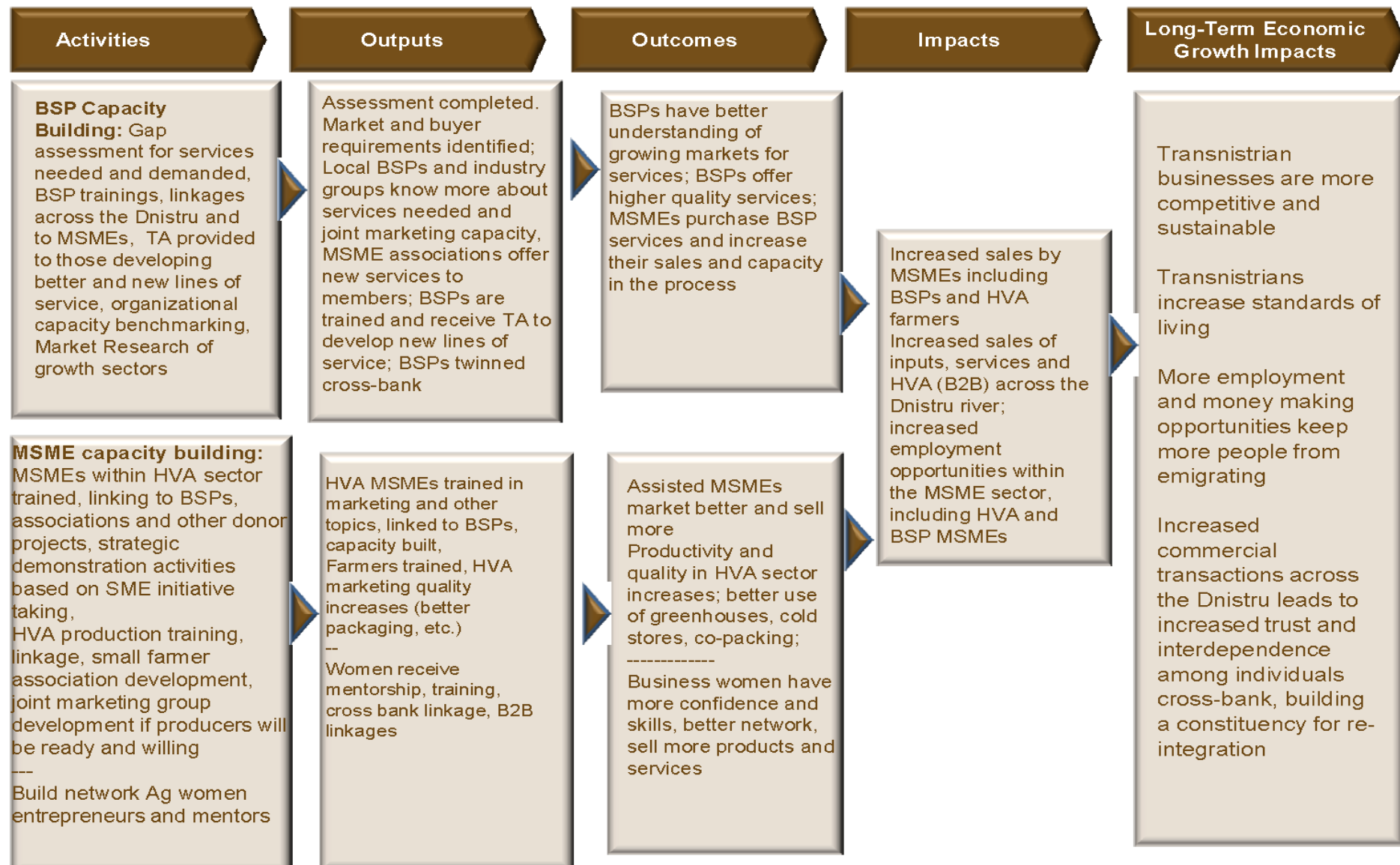


**Professor Lynn Long leading a training seminar for Moldovan sweet cherry producers.**



result in increased sales by Transnistrian MSMEs, and increased commercial interactions with the greater Moldovan market. The final result (“long-term economic growth impact”) will be that Transnistrian businesses are more competitive and sustainable, as well as better integrated with the Moldovan private sector. The following page contains the “Causal Model” diagram for ACED’s Component 2 – Enterprise Development in Transnistria.

**ACED COMPONENT II PERFORMANCE-BASED MANAGEMENT SYSTEM CAUSAL MODEL**



### **C. The Two Components of the ACED Project**

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

- 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
- Creating linkages between value chain enterprises and new markets

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

Component Two was designed to improve the operations of micro, small and medium-scale private enterprises in Transnistria, in any productive industrial sector, by providing direct training and technical assistance to those enterprises and enhancing the capacity of local business service providers to provide technical 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 activities in Transnistria was left purposely flexible, which was logical, given the dearth of real knowledge about private sector business activities in the region. A late start in implementation of Component Two, for reasons beyond the control of DAI, led to the planned assessment of needs in the targeted program areas getting underway in February of 2011.

The results of the needs assessment have led DAI to determine that a larger than expected portion of ACED’s work in the region can be focused on the same sort of HVA development work that is carried out under Component One, with an additional focus on increasing cross-river trade and other economic interaction. Over the course of Year Two project staff have continued to learn more about the business landscape in the Transnistrian region and plans for Component Two for Year Three have this part of the project focused almost entirely on HVA and other agricultural sectors. Assistance to select BSPs in the region will also focus on elements that are 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%) and the Millennium Challenge Corporation (25%). The objective of the Millennium Challenge Corporation (MCC) participation in co-funding the project is to ensure the provision of ACED project support to farmers who will benefit from the much larger MCC program designed to rehabilitate eleven 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 implementation team with regard to programming within the MCC-targeted CIS areas. This also includes impact evaluation requirements that constrain the implementation team's ability to operate Component One activities for maximum overall impact throughout Moldova.

ACED has included several MCC-specific progress indicators in its quarterly indicator tracking tables and will be implementing in Year Three a targeted training program to encourage small farmers within the CIS areas to take advantage of rehabilitated irrigation systems by entering into 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 activities, to enter into the ACED targeted HVA value chains or others that might be feasible in specific situations.

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

### III HIGHLIGHTS FOR YEAR TWO

Across the board, the ACED staff, consultants, subcontractors, and partners worked at full speed in Year Two. Some important highlights include:

- The Fruit Logistica show in Berlin was a building block for marketing and branding Moldovan HVA produce. It introduced Moldova to the (Western/European) world stage and established the fact that Moldova is an important source of HVA products.
- ACED launched the brand: "Moldova - Taste Makes the Difference."
- Due to STTA Don Harris's advice, the Linella supermarket on Alba Iulia Str. changed the layout of their produce section, and over the course of the year their produce sales increased by 20-30%.
- ACED has trained 3,001 producer/farmers to date, which is more than twice the target value set for the end of Year Two.
- There were many other successful training events, including study tours to Italy and Ukraine, the National Cherry Forum, and field days to visit cold storage sites using SO<sub>2</sub> pads and another cold store which uses forced air cooling.
- Several practical and useful guides were published for farmers such as the Greenhouse Design Manual, the Table Grape Production guide, and a Guide on Intensive Apple Production.
- Technical tomato production bulletins have been mailed monthly to 1,400 tomato growers throughout the year, while six technical electronic newsletters on various topics have been sent throughout the season to apple producers.
- ACED helped facilitate \$5.45 million in new investments including more than \$4.7 million in much needed post-harvest handling infrastructure, such as the Costesti joint packing house facility.
- ACED equipped the new Phytosanitary lab, created a horticulture development strategy for Moldova, built the capacity of local associations and BSPs to analyze regulations and lobby for change, and built the capacity of Agricultural officials to carry out regulatory impact assessments.
- ACED's Component Two is the largest and most extensive USAID enterprise development activity in the Transnistrian region to date. ACED held four training seminars for BSPs, eight for HVA producers, carried out two Technical Assistance assignments, two organization capacity assessments, multiple cross bank study tours, and laid the ground work for demo activities in Year Three.
- ACED has formed women's networks in five regions of Moldova, an important building block for assisting female entrepreneurs in the HVA sector to increase their confidence, HVA business know-how and ultimately their incomes.



**The Moldovan pavilion at the Fruit Logistica Trade Show in Berlin - February 2013**

## **IV PROJECT ACTIVITIES BY COMPONENT**

The following chapter describes activities implemented under ACED Components One and Two over the course of project Year Two. Descriptions of activities undertaken in the cross-cutting categories of the project are included in Section V of this report. Monitoring and evaluation indicators are reported in section VI.

### **COMPONENT 1: GROWING MOLDOVAN HVA SALES & EXPORTS**

The overall objective of ACED Component One 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 fundamental constraints they face in meeting buyer requirements and attracting private sector investment. Value chain analyses conducted by ACED in Year One identified the key constraints that limit the growth of Moldovan HVA. Year Two interventions were designed based on key strategic needs of the targeted value chains, to allow Moldovan producers to take advantage of opportunities in both the export and domestic markets.

#### **Activity 1.1: Develop & Expand Market Opportunities**

Activity 1 seeks to increase sales of high value agricultural products by linking producers, producer groups and traders to new buyers and by facilitating sales and trade deals. The main focus of this Activity is facilitating buyer linkages and transactions between Moldovan producers and/or exporters, and buyers in international and domestic markets. These activities build on contacts made during the end market studies and participation in international trade shows. This activity identifies market ready producers and producer groups to ensure the delivery of uniform quality products conforming to buyer specifications.

During Year Two, ACED developed marketing training material, both for individuals and cooperatives. This work will be ongoing and will have to be modified and re-emphasized at different times during the course of the life of the ACED project, running parallel to ACED's work in increasing post-harvest product quality.

The Marketing Team delivered marketing training to vegetable growers focusing on what needs to be improved upon, inclusive of, but not limited to, properly analyzing costs and driving down these costs through leveraging input supply companies and producing a consistent quality product. This cost analysis will be a sustained effort during the course of the ACED program and will involve modifications that have to take place to be competitive to meet the demands of new external markets.

A product specification guide was completed for a number of core products. This guide will be expanded upon as additional products warrant consideration and slowly become "mainstream" (for example if products like artichokes or asparagus will gain popularity in the Moldovan market).

Two retailers, Linella and IMC, have been trained on the proper handling of tomatoes and other key fresh products by STTA Don Harris. These trainings at the store level will continue in Year Three and will be part of Phase 2 of the retailer training program with these retailers, as well as initial training sessions with other key Moldovan retailers. Due to STTA Don Harris's advice, the Linella supermarket on Alba Iulia changed the layout of their produce

section, and over the course of the year produce sales increased by 20-30% whereas the manager said this translated into a 3% increase in total sales at that store.

ACED has prepared a Produce Care & Handling guide for retailers which has been completed with the help of STTA Don Harris as well as input from the marketing team. This guide helps supermarkets be more successful in marketing produce, which in turn helps Moldovan produce suppliers selling to these supermarkets.

Getting Moldovan producers to work in marketing cooperatives is a very challenging task due to the local mentality regarding cooperation. As a result, ACED has developed a strategy of carrying out incremental steps that will help producers change their mind about the necessity of cooperation over time. Compared to what was envisioned at the

beginning of the year, the Olguta Prod Cooperative was not able to develop and coordinate a sustained effort to meet the retailer requirements for vegetables in Moldova. There were a number of difficulties in Year Two in gathering the right mix of growers to work together, as well as financial limitations and the overall lack of flexibility to make changes that were necessary to interface with the retail community. As a result of the lessons learned from this process, ACED is continuing working hard to improve the supply side of the equation to better meet the retailer requirements in the months ahead and has begun using consultants to provide individual assistance to producer groups.

In the interim, ACED has worked with individual growers and assessed their ability to provide fresh vegetables to retailers. All the same, working collectively, as a cooperative or producer association, to drive down costs and improve overall quality will continue to be a key aim of project marketing assistance in the future.

ACED has taken on the responsibility of overseeing key shipments of products that resulted from the international trade shows to ensure that there were good arrivals whenever possible, and to enhance the probability of repeat sales. This was done primarily with shipments to Russia from deals that came out of the World Food Show in Moscow.

The ACED project, mainly through contacts made during end market studies and international trade shows, has linked export ready producers to external markets. The majority of this business was with apples, and in second place, grapes and some dried products. The drought during the course of 2012 created a large challenge to this activity.

In Year Three ACED will build on the roster of export contacts and plan a number of inward buyer visits from key potential customers to visit with the project's Key Marketing Partners ("select producers") in Moldova to establish further linkages and contract deals.



**American marketing expert Don Harris sharing techniques with Moldovan supermarket staff**



**Marketing Team leader Peter White at the Moldova booth at World Food Moscow**



ACED, with assistance from Pro Consulting, conducted an in-depth study of the transportation services offered within Moldova, focusing on truck rates/availability, the cold chain, and export certification requirements. This study, which was completed at the end of Year Two, will prove to be a great information resource and will provide guidance on the specific rates for key “truck lines” and general carrier information for contracted commercial deals that are quoted on a delivered basis.

In September, ACED organized a first time exhibit for Moldova at the World Food show in Moscow. The World Food show generated sales of \$612,565: with Russia accounting for \$523,840 and the balance of \$88,725 going to Kazakhstan. In February 2013, ACED organized the first ever Moldova booth at the Fruit Logistica show in Berlin. The star of the Moldova booth there was Lefrucom Ltd. (dried fruit and nut producer), which is continuing to interact with buyers met at the show. Both of these shows proved to be successful in generating sales and market linkages. In addition to introducing Moldova on the world stage via the Fruit Logistica show as a competitive supply country for select HVA items, ACED has developed the very well received marketing slogan “Moldova, Tastes makes the Difference” which will be the cornerstone of our branding thrust for all future shows where Moldova exhibits. This effectively conveys the differentiating factor for Moldovan HVA products that is simply the fresh natural taste which will be emphasized whenever possible to build this brand's reputation.



**Moldovan participants (and the Moldovan Ambassador) at the Fruit Logistica 2013 show**

Two very interesting shows that are geared more for the processor side of the business (World of Private Label and Sial/Anuga) have not been visited, as the Marketing Team believed it would be better to wait and move this activity to Year Three after additional processor information is gathered and analyzed. ACED is now making contacts in this sector and has received some positive feedback on the processors' desire to work with the project. In the coming year ACED will explore further marketing opportunities, including the potential of exhibiting at these shows next year. The first step that will be taken will be to visit the World of Private Label in Amsterdam at the end of May with two processors to gather information to use for a decision whether to exhibit in 2014. ACED is also looking at the possibility of visiting Anuga in October with other processors to see if exhibiting would be a cost effective measure and one that we could build upon. To date, no work has been done with IQF facilities, and this is an area that will be further explored in the months ahead.



**Moldovan producers seeing new equipment for apples during a study tour to Poland**

On an on-going basis the ACED project has worked with various marketing associations, such as Moldova Fruct and the Table Grape Association, to better firm up the supply side of



the equation pertaining to contracts/deals and the associated volumes and quality that the market demands. The Marketing Team has identified specific growers who have the desire to expand into new markets and who are willing to make the modifications needed to make this happen. This initial group of growers called “Key Marketing Partners” will attend international trade shows and will interface with the inward buyers who will visit Moldova in the months ahead in Year Three.

In Year Two there were two inward buyer visits that took place, and these were developed from linkages made at the World Food Moscow show. These inward buyer visits led to sales of three different commodities, and they were a very effective way to have buyers meet producers directly with the objective of establishing longer-termed relationships that developed over time to no longer need continuous monitoring from ACED. The key with these visits is to know the buyer’s expectations and his/her conditions and then to make the connection with the producer who can deliver on these expectations. Because of the good results with inward buyer visits in Year Two, ACED plans 15 new inward buyer visits that will be a very important process for growing ACED’s commercial sales and making connectivity in the upcoming year.

One concise End Market Study was conducted for the market for cherries and grapes in Poland in February. During this study, a few very good market linkages were established. These linkages will lead to inward buyer visits that will take place during the production season in the months ahead. The EMS for Belarus has been pushed back and should take place in the third quarter of Year Three. No plans have been made as of yet for an EMS in Ukraine, although the Ukraine has already been visited many times by project staff as part of smaller study trips and information has been gathered each time.

A commercial brochure highlighting Moldovan HVA products, along with key associations involved and transportation services, was printed up for the World Food Moscow show and then it was further improved for the Fruit Logistica show. For World Food Moscow a brochure was prepared in English and translated. The new modified brochure will now be translated into Russian for World Food 2013, which will take place again in Moscow in September.

In June, the ACED project, in collaboration with the CBI, successfully delivered a two-day seminar on exporting into the E.U. and all the inherent requirements. This seminar was very informative and well received, with over 20 participants attending.

During Year Two, ACED modified plans for the “Buy Moldovan” campaign. Step one was providing seminars on merchandising and handling so that product at the store level is better perceived and



**A field day training for table grape producers.**



**Training is conducted throughout the year.**

the overall produce aisle is more productive and profitable, while ACED builds relations with the supermarkets and gains their confidence for future recommendations. In order to develop consumer awareness of Moldova's local produce there are plans in Year Three to promote the "Moldova, Taste Makes the Difference" slogan at the store level, but this will not be a full blown marketing campaign. In Year Two spending marketing dollars on advertising Moldovan products, which were not available due to the drought, would have been counterproductive because it would have generated more traffic at the store level looking for Moldovan produce, causing consumer dissatisfaction.

Ongoing discussions with producers, as well as events, on quality requirements in new markets, have been carried out with both Left Bank and Right Bank producers in different locations. However, the most effective way for producers to digest all the requirements in new markets is hearing this from the buyers directly when the inward buyer visits take place.

### **Activity 1.2: Upgrade Production to meet Buyer Requirements**

Activity Two is designed to help farmers upgrade their production and post-harvest handling techniques based on trainings that address gaps identified in our value chain studies. Training modules were developed and explained in detail in the ACED Training and Demonstration Plan for the three main value chains in Year Two: apples, table grapes, and tomatoes. At the end of year two, over 3000 Moldovan farmers have been trained, more than double the end of Year Two target.

#### **Apple Value Chain Activities:**

In Year Two, ACED provided apple value chain trainings in 14 communities. The trainings were focused on the following topics: 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 preparation for wintering. All the topics were presented by national consultants for an audience of 455 discrete participants.

Meanwhile, six electronic newsletters have been issued and posted on ACED's website or distributed via e-mail to all apple growers. The newsletters presented the following topics: new apple varieties, bacterial diseases in multi-annual orchards, calcium - a main nutrient to improve the quality of apples, the EU apple crop forecast for 2012 in the main regions, mites - consequential apple pests, intensifying apple colors with reflective film, protecting apple trees from hail, the role of potassium in apple orchards, tensiometer - an efficient way to determine the optimal timing for orchard irrigation, and fresh apples quality and marketing.

During the year, a guide on Intensive Apple Production has been published and distributed to more than 1000 apple growers.

In the period of November 11th-18th, 2012 the study tour "Advanced Apple Post-Harvest Infrastructure" was organized in Italy. Sixteen participants attended the study tour. In



**A demonstration activity, conducted at a client site, on the use of SO<sup>2</sup> pads for grapes.**

addition to visiting apple production and post-harvest companies, they also participated at the InterPoma Exhibition. As result of this study tour \$637,881 was invested in high quality seedlings, and \$1340 was invested in fruit quality testing devices.

### **Table Grape Value Chain Activities:**

In Year Two, ACED provided table grape value chain trainings in 12 communities. The trainings have been focused on the following topics: table grape vineyard planting particularities, table grape pruning and vine training, green operations in the table grape plantations, table grape crop quality management, table grape harvesting and post-harvest care. All the topics have been presented by national consultants for an audience of 553 discrete participants.

Two table grape demonstration activities have been initiated during this period: forced-air cooling to increase table grape quality and use of SO<sub>2</sub>-generating pads to increase table grape shelf-life.

Two field days have been organized at these demo activities sites: in Manta on December 5<sup>th</sup>, 2012 for 42 table grape growers and cold storage operators and in Stauceni on November 23<sup>rd</sup> for 48 participants.

Meanwhile, the Guide “Table Grape Production: Black and Rose Varieties” has been published and distributed to more than 1000 table grape growers.

Furthermore, video clips have been taken while in the field that will be used for producing videos on table grape production and post-harvest handling. The editing will be completed in 2013.



**ACED has published a number of technical guides and manuals for Moldovan producers.**

On May 3, 2012 an ACED national consultant delivered a training of trainers (ToT) seminar on green operations including berry and bunch enlargement for 11 local consultants used as contractors by the RTSPs that provide training logistical support for table grape growers at the regional level.

Last, ACED plans to bring an international Table Grape postharvest handling expert in 2013 because it wasn't possible to find one in 2012 due to the overlapping production seasons.

### **Tomato Value Chain Activities:**

During the period ACED provided tomato value chain trainings in six communities. The trainings have been focused on the following topics: growing tomato seedlings, the tomato production technology in the first cycle, the technology of tomato production in the single vegetative cycle, greenhouse tomato protection, the tomato production technology in the second vegetative cycle, and greenhouse construction under the conditions of the Republic of Moldova. ACED's national consultants have presented these topics to 529 discrete participants.

During the reporting period 8 tomato demonstration activities have been initiated. The topics covered are the following: double layer cover film as an energy conservation technique, using mulch/ cover film together with fertigation in tomato production, and using cover film (mulch) combined with drip irrigation in tomato production.



The monthly tomato bulletin was published and covered diverse topics related to tomato production. The bulletin has been mailed monthly to 1400 tomato growers.

On May 25th, American STTA, Gregg Short, delivered a seminar on Greenhouse design appropriate for Moldova for 20 participants: farmers, scientists, representatives of specialized companies. In addition to the seminar during his assignment, Greg Short provided on-site consulting for six greenhouse producers, visited specialized companies and elaborated a Guide on Greenhouse Design. The guide was translated in Romanian and Russian and distributed to participants at ACED seminars or upon the request.

In the period of 15-18 August, in partnership with Irrigata Crops LLC, ACED organized a Study Tour on Advanced Vegetable Production to Kahovka, Ukraine for 32 vegetable growers from Moldova. Participants in the study tour had the opportunity to visit vegetable farms, test fields of Irrigata Crops LLC, and a laboratory for testing soil and water quality. Upon their return Farmers reported making new investments such as Vitalii Grecu in the Transnistrian town of Ternovca who was convinced in Kahovka that he should install drip irrigation and since did so.



**Moldovan participants on a field visit during the Kahovka, Ukraine study tour.**

With the main purpose of sharing the experience of the Study tour in Kahovka and presenting the technologies and equipment available for the next production season, ACED organized two regional forums on vegetable production in collaboration with Irrigata Crops. Forums were organized in Edinet on 23 January, 2013 and 91 vegetable growers participated from the northern region of Moldova, and on February 7th, 2013 for 46 vegetable growers from the central part of the country.

### **Other and Cross-Cutting Activities:**

In the period May 25<sup>th</sup> to June 3rd, 2012, ACED organized a Study tour to Italy on Modern sweet cherry production approaches and technologies for 9 cherry producers from Moldova. Participants in the Study tour visited cherry farms practicing intensive production systems, post-harvesting facilities, and met with Italian researchers and representatives of National Cherry Association.



**Moldovan cherry producers on a site visit during the ACED organized study tour to Italy.**

As result of this study tour, in collaboration with LGVD Agro LLC, the Ministry of Agriculture and Food Industry, on 13 June, 2012 ACED organized the National Forum of Cherry Producers. The main speakers were Chiara Etiopi, researcher on cherry production from Italy, and consultants of Italian Consulting LLC. 96 cherry growers, researchers, state representatives participated at the Forum. They learned about cherry production in Italy, marketing tools, and projects in the sector. The Forum ended with a round table dedicated to new varieties of cherry registration process in Moldova and the problems identified as result of CIBER analysis of the sector.

Over the Year, ACED delivered 2 four-day session on GlobaGAP for 38 participants in total. Also during the reporting period, 4 HACCP seminars (including one in TN) have been delivered to 94 participants.

The Training and Demonstration Activity Plan was revised and submitted to USAID and is annexed to the ACED Year Three Work Plan.

### **Activity 1.3: Upgrade the Moldovan HVA Value Chain**

ACED has developed and implemented a virtual Value Chain Support Center which provides technical assistance for producers, producer groups and agribusinesses considered 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 Two. The VCSC provides a cost-share for consulting assignments in support of initiatives that are within the strategic interest of ACED targeted value chains.

The VCSC provides its support through pre-qualified local and international BSPs. The process of pre-qualification was initiated in Year One and is remains open for new BSPs. Currently, the list of pre-qualified IDSPs includes 15 companies; announcements and pre-qualification announcements were placed in specialized national mass-media in order to increase the number of BSPs in other fields, such as marketing services and food safety and quality systems. The VCSC maintains on-going communication with the pre-qualified BSPs by sharing ACED-developed materials or other relevant information that can help



**Apple producer Victor Scutaru has used VCSC assistance to finance a new cold store facility.**

them deliver better services. For example, in response to the expressed need of IDSPs for a better understanding of market information sources, ACED organized a 1-day training session on this topic with participation of eight pre-qualified IDSPs. As a result of the training, ACED noted tangible improvements in the market analysis section of the business plans developed by training participants.

To date 12 MoUs were signed with value chain entities regarding cost-sharing of consulting services provided by local or international BSPs, 11 of those focused on feasibility studies or business plans involving upgrading of post-harvest infrastructure, most of these being eligible for MCA AAF financing.

A significant part of the cost-sharing MoUs was signed with companies operating in or in close vicinity to MCC CIS command areas. For example:

- The VCSC assisted in the development of the business plan and the technical design of a table grape cold storage to be built by “Vulpe E.” Ltd, a company operating in Cahul-Zirnesti CIS area;
- The VCSC assisted in development of the business plan of a fruit cold storage to be built by “Nisvinex” Ltd, a company operating in close vicinity to Grozesti CIS area;

- The VCSC assisted in development of the business plan for the upgrading of a fruit and vegetable cannery owned by Basconserv Ltd that is operating in close vicinity to the Leova CIS area.

In the second part of Year Two, as part of Component 2 activities, the VCSC provided assistance to two companies from the Left Bank (EvroRostAgro and Kalvil) in elaboration of their strategic development plans. The hired international consultants implemented an iterative approach in close communication with the companies by 1) analyzing export market trends and production technological approaches and 2) developing actionable 5-year plans for planting new orchard blocks and building the required post-harvest infrastructure.

In addition to assistance for individual companies, in Year Two the VCSC has piloted the assistance for fresh produce marketing groups (including cost-sharing of consulting assignments), including the Costesti Table Grape Producers and Exporters Association referenced further below.

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

- Tridenal Ltd, a leading stone fruit producer located within Criuleni CIS command area, has received consultancy services for the design of forced-air precooling tunnels and was linked with local precooling equipment suppliers. Additionally ACED provided support for the development of AAF mandated environmental review documents. The company intends to renovate a currently non-functional cold storage facility and will apply for AAF funding for this upgrade.
- The VCSC linked Petr Cara FF (Cahul) and Victor Cordeleanu FF (Cantemir) with cold storage experts to develop preliminary technical designs for their planned table grape cold storage facilities and to develop their investment budgets. The VCSC assisted both partners in assessing various sources of financing and is guiding them through the loan application process.
- A site visit to a modern grape and apple cold storage facility located in Pleseni, Cantemir, was organized for the management and technical staff from the Rustas company on the Left Bank. This site visit is part of the process for preparing the design for a planned new fruit and berry pack house for the company. During the site visit Rustas was also able to develop linkages with potential equipment suppliers for their pack house.
- The VCSC provided follow-up technical assistance to the companies it supported in developing business plans to finance PHH investments: Victor Scutaru, Zgura-Agro and Iuminav-Grup received guidance on apple harvesting and storage, while PPD&CMC was supported in establishing linkages with potential buyers of its wooden boxes: growers and exporters.

During Year Two, ACED finalized the development of the (draft) VCSC website, which includes profiles of qualified service providers and technology suppliers, description of the services and goods they offer, and contact information. Currently the website is under review by USAID Website Governance Board and VCSC plans to officially launch it during the Farmer-2013 expo.

### **Improve HVA Financing, Especially Through the AAF Program**

So far, 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 IFAD in areas not covered by AAF.

To date, ACED has provided significant assistance to eight companies to finance their investment (mainly in post-harvest handling infrastructure) through long-term loans with a total value of 2.96 million USD, with additional 0.64 million USD having already been invested from the own sources of the assisted companies (the latter figure will increase as companies finalize their investment projects).

A highlight of VCSC assistance is Victor Scutaru FF, a first-time borrower that used AAF funds to build a modern apple packing house with a 2000MT cold storage. The good implementation of PHH practices and technologies allowed the farm to sell its fruit with a 15-20% premium over the average market prices (for details, see ACED Success Story 04 – Family Farm Adopts new Technologies).

On December 6th the Government of Moldova approved the list of projects to be financed from the Regional Development Fund between 2013 and 2015. The approved list includes the construction of an integrated cold store/pack house facility for the Costesti Table Grape Producers and Exporters Association with a total capacity of 1860 tons (to be owned by the local mayorality and rented to the Association). The total investment in the project is expected to include a 75% government contribution and it will cost approximately \$1.5 million. ACED has provided support to the association throughout the project, including concept development, preparation of a feasibility study, the facility technical design, and management training during the Table Grape Marketing Study Tour to Italy (for details, see ACED Success Story 02 - ACED Supports Construction of First Packing House for Table Grapes in Moldova).

As part of the implementation of its Access to Finance Action Plan, ACED organized a value chain finance training for 7 local banks and 7 pre-qualified IDSPs. Mary Miller, DAI Value Chain

Finance expert, presented the concept of value chain finance and the benefits of this approach for banks and value chain entities. Two case studies were developed based on the real business challenges of two Moldovan exporters of tomatoes and table grapes that were later visited by the training participants. The field visit program included the tour of a modern tomato greenhouse to showcase the potential of modern production technologies.

Following the recommendations of STTA Mary Miller and as part of the implementation of its Access to Finance Action Plan, ACED developed a guide for agriculture producers on “Dealing with Bankers”. This guide will help potential agribusiness borrowers better understand the bank lending process and be more effective in their efforts to seek bank financing for their activities. The guide will be extensively distributed as part of ACED



**A Round Table meeting, held at the ACED office, with local bank representatives.**



Training Program for CIS areas, and it is hoped that it will facilitate the financing of farmers transitioning to HVA.

### **Demonstrate Critical Value Chain Investments Using Appropriate Technology**

ACED has worked with KKKI, the main local manufacturer of corrugated cardboard, since September 2011 to determine the minimum technical specifications and launch production of a cardboard type meeting the quality requirements of two “Moldova-Fruct” Association members that procured and installed the first open tray formers. During the year KKKI made a series of investments in its corrugating line and in August 2012 the latest cardboard specification successfully passed the tests of tray-former operators. As result, Moldovan apple exporters will have access to a modern type of packaging at a competitive cost.

Based on the knowledge gained during the ACED-organized “Cooperation in Joint Marketing and Sales in the Italian Table Grape Value Chain” study tour, table grape growers organized a series of meetings to discuss the adoption of a common type of export packaging. The consensus decision was to test a 50x30cm wooden box with masonite side panels; the advantages of this box being improved esthetics/branding and easier palletization. The participating members of APESM trialed the box during the 2012-13 marketing season and currently ACED is supporting APESM to review results and make the decision for the next marketing season.

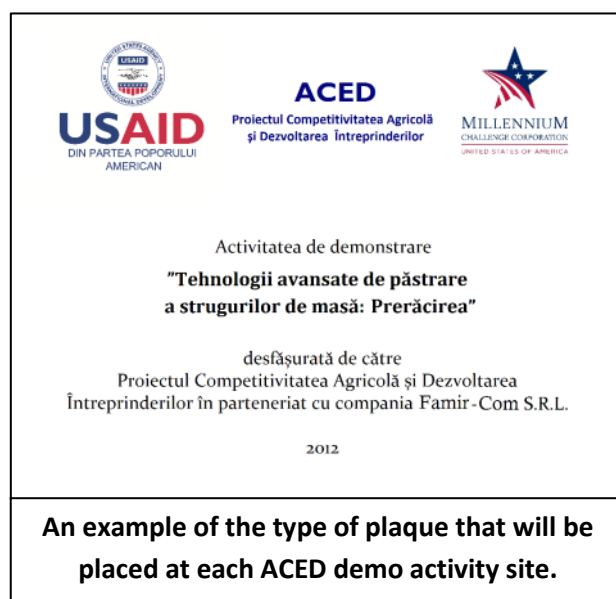
To promote the adoption of improved post-harvest technologies and practices ACED designed and implemented two PHH demonstration activities in Year 2:

In conjunction with Famir-Com Ltd, ACED implemented the demonstration entitled “Forced-air pre-cooling technology for table grapes” at the partner’s cold storage facility in Manta village in the Cahul district (a site close to the MCC CISRA command area);

In conjunction with Norton Ltd, ACED implemented the demonstration entitled “Forced-air precooling technology and SO<sub>2</sub> generating pads for improved table grape storage” at the partner’s cold storage facility in Stauceni in the municipality of Chisinau.

After activity implementation, ACED organized field days at these sites with the total participation of 90 growers, cold storage owners, and exporters.

Both ACED-supported table grape precoolers were designed and built by refrigeration equipment suppliers that participated in the Cold Chain Study Tour to Turkey, which was organized by ACED and the WFLO in 2012. Another two forced-air coolers were built by farmers not involved with ACED demonstration activities. ACED is pleased that efforts to promote precooling technology and to increase the technical abilities of local BSPs (technology suppliers) have brought changes that the project is seeking (for details, see ACED Success Story 03).





### **Association and Collaboration among Value Chain Entities**

ACED has been active in stimulating the formation and development of various horizontal and vertical forms of cooperation through a series of round table discussions of the end markets study findings, as well as the effectiveness of the current Moldovan value chain structure.

In Year Two ACED organized the “Cooperation in Joint Marketing and Sales in the Italian Table Grape Value Chain” study tour for the table grape value chain entities. The study tour objectives were to: i) Identify the best practices in organizing the post-harvest handling, marketing and sales in the Italian table grape value chain; and ii) Facilitate the interaction among the group participants in order help them agree on the most plausible strategy for this season and potential future steps. The results of the tour exceeded ACED expectations, as several participants immediately invested in improved PHH infrastructure and initiated communication with their fellows regarding a deeper marketing and sales cooperation. Both ACED partners in PHH demos described above participated in the Italian study tour

To respond to the demands for assistance from groups of farmers, ACED issued an RfP titled: “Supporting the Creation of Joint Packing and Marketing Activities in Moldovan HVA Value Chains”. Two selected sub-contractors (PromoTerra and AGROinform) will support groups of farmers interested in joining together and exploring opportunities to establish formalized joint PHH and marketing operations. As part of this activity, participating farmers will be exposed to the best international and local practices in establishing such operations and the feasibility of various business models. During the process various scenarios will be evaluated, a business plan will be developed, and support for organizational registration will be provided. The first batch of groups to be supported by this activity includes the stone fruit growers from Criuleni, one of MCC CIS command areas.

To address the specific issues regarding the financing of PHH investments by marketing coops or other joint marketing organizations, ACED, AGROinform and the World Bank’s Moldova Agricultural Competitiveness Project organized a roundtable titled “Financing Opportunities for Postharvest Infrastructure Investments by Agricultural Producer Groups”. This event had good participation from the leading Moldovan banks, microfinance institutions and IDSPs. One of the major topics discussed was the need to develop new financing products or/and to adjust the current loan products to this type of clientele. The event organizers expressed the willingness to provide further support to the financial institutions that are open to finance PHH investments by joint marketing organizations.

With support from ACED, Moldova-Fruct Association has implemented a package of activities aimed at increasing the visibility in the Moldovan apple value chain. As part of these activity, the association developed monthly reports on fresh apple stocks in Moldovan cold storages, tracked on a weekly basis the ex-works prices for exported apples and disseminated to the participating companies information about the market situation and prices in EU and Eastern Europe markets. In mid-January, the volume of stored apples was 25% higher than estimates for the previous season at this stage, highlighting the increased cold storage capacity, but also the difficulties the sector has had in maintaining the pace of exports with the new conditions created after the Russian Federation joined the WTO. Field visits were made to cold stores that reported quality issues and recommendations were made to growers and cold store operators, so that the same problems can be avoided during

future seasons. This exercise has increased the flow of product and price information among apple value chain members, and it will be used as a foundation for the future ACED interventions related to trust-building among VC participants.

### Capacity Building for Moldovan Business Service Providers

In the months of November and December 2012, ACED supported the “Moldova-Fruct” Fruit Growers and Exporters Association to organize a series of training events that were led by international experts:

- “Modern Technologies in Apple Production. Fruit Wall and Mechanical Thinning,” which was held in Chisinau and Edinet with the participation of 54 growers, including 10 from Transnistria;
- “Using Weather Stations for Disease Prevention and Irrigation Management: Concept of a National Network of Weather Stations,” held in Chisinau with the participation of 34 growers, including two from Transnistria;
- “Peculiarities of Apple Production for Long-Term Storage: Long-Term Storage Technology for Apples,” held in Chisinau and Edinet.



**An iMetos weather station which is now being used by Moldovan farmers with ACED support.**

ACED took on the role of mentoring the “Moldova-Fruct” staff in preparing the event agendas, identifying participants, and in documenting and analyzing participation and feedback.

In January 2013, ACED provided cost-share for a Study Tour to Poland on Modern Technologies in Apple Production and Post-Harvest Handling that was designed and coordinated by the Association. This study tour included six ACED participants, six Moldova Fruct participants and one ACED staff member. In addition to visits to apple orchards and apple processing facilities, the group participated at the MTAS International Fair of Fruit Farming Agrotechnology (<http://www.mtas.pl>) in Warsaw.

As result of its improved abilities to organize training events, the Association was competitively selected to serve as a RTSP for ACED training events in Briceni and Ocnita districts in 2013.

### Attracting Foreign Investment

Two members of the ACED team participated in the workshop titled “Republic of Moldova: Opportunities for Exporters and Foreign Investors” co-organized by MIEPO, UbiFrance and the Moldova-France Chamber of Commerce, which was held on February 28th in Bucharest, Romania. This event brought together more than 40 French companies which are currently operating in Romania and which have an interest in extending their operations to Moldova. The ACED Chief of Party and the Value Chain Investment Specialist moderated a break-out discussion focused on agriculture and agribusiness and presented a series of potential

investment opportunities, with a particular focus on the opportunities that will be created following the MCC investments in CIS rehabilitation in Moldova.

#### **Activity 1.4: Improve the Enabling Environment for HVA**

The objective of this activity is to identify and address policy issues and government regulations that may inhibit new investment and increased exports of HVA products. In addition, ACED will strengthen the Moldovan Government's capacity for food safety testing, inspection and certification, to enforce food safety standards domestically, and to provide certifications required for export, increasing the acceptability of Moldovan agricultural products in key international markets while conforming with EU standards. ACED is implementing two Sub-Activities under this component of the project, as follows:

#### **Activity 4.1 - Improving the Enabling Environment for Moldovan HVA**

During project Year Two the ACED project completed the following in this Activity:

##### **1. *Investor Road Map***

The Investor Road Map guide outlines the essential steps to be followed 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 it highlights a number of 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 with ACED and it aims to attract both domestic and foreign investors into the Moldovan HVA sector. It was approved by USAID in early 2012 and it can be downloaded from the ACED web site.

##### **2. *Regulatory Impact Assessment (RIA) manual***

This manual was conceived as a guide for carrying out Regulatory Impact Assessments on regulations with a potential impact on agriculture. The manual was designed as a support to the Methodology for Carrying out Regulatory Impact Assessments and Monitoring Regulatory Act Efficiency, which was approved by Government Resolution (GR) No. 1230, and it contains recommendations for applying good practices that will contribute to the development of a better quality RIAs. The manual was reviewed and improved based on the results of a seminar organized by BRC and ACED for ten representatives from the Ministry of Agriculture and the General Inspectorate for Phytosanitary and Seed Control, as well as ACED staff, on issues of Regulatory Impact Analysis. Also, ACED has been working with the RIA Secretariat as well as key staff in the Ministry of Agriculture to develop a guide that will be used for regulatory impact analysis.

##### **3. *CIBER - Priority regulatory constraints for Moldovan HVA sector and recommendations for their removal***

The CIBER activity (Competitiveness Impacts of Business Environment Reform) began with preparatory activities undertaken by DAI STTA Ulrich Ernst. Working closely with DCoP Ion Perju, and other members of the ACED team, Dr. Ernst provided guidance on several specific aspects of ACED's work in the area of improving the business environment, including the identification and analysis of the key regulatory constraints affecting the targeted value chains. Mr. Ernst developed a detailed methodology for the use of the CIBER methodology (Competitiveness Impacts of Business Environment Reform) to analyze the

key constraints and he presented a training session on CIBER for ACED staff and representatives of six local BSPs to prepare them to carry out the CIBER analysis on behalf of ACED and/or sector-specific advocacy groups.

Based on a work plan developed by AID (a local NGO) and the ACED team for the CIBER process, a series of workshops and interviews with high value agriculture producers were organized. Representatives of the “Moldova Fruct” association, the “Table Grapes Producers and Exporters Association”, the “Vegetables Producers Association” along with selected MAFI representatives actively participated in the workshops. During the first phase, 17 constraints were selected for further analysis, out of 29 presented to the value chain entities. Each value chain had major issues that were different from those identified by the participants in other value chains. Overall, the most pressing issues are: access to water, import taxes for a series of key inputs, compulsory variety registration and the lengthy procedure needed to obtain the phytosanitary certificate and other supporting documents.

As result, the AID team developed a report covering the main constraints in the apple, table grape and tomato value chains and presented it at a workshop organized at the Ministry of Agriculture on September 7th. This workshop was chaired by Agriculture Minister Mr. Vasile Bumacov and moderated by AID director Igor Gorasov. About 30 agricultural producers, from the affected value chains, participated in this workshop and actively took part in the debates on identified constraints. Rick Ernst, ACED consultant, actively participated in all discussions and offered recommendations for a better CIBER approach.



**ACED Deputy CoP Ion Perju being interviewed by a TV reporter on ACED's plans & activities.**

In the context of the CIBER report, the advocacy campaign is the next step and it will consist of a series of actions designed to influence decision makers, who are empowered to draft/promote/adopt necessary legislative provisions to eliminate or mitigate the identified constraints for the benefit of the affected group, i.e. agricultural producers of the three value chains: apples, tomatoes and table grapes.

#### **4. *Launch the advocacy campaign for the constraints identified by 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 of the advocacy campaign will be to promote the adoption of regulatory changes that will relieve some of the constraints identified by the ACED CIBER study. The specific regulatory issues to be covered are as follows:

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

The contractor will assist private sector associations and representatives to present their case for priority reforms of the current legal and regulatory framework that undermine value chain competitiveness.

#### **5. *Elaboration of Horticulture Development Program***

One of the activities that was not included in the ACED Year Two workplan was preparation of a national Horticultural Development Program for the Ministry of Agriculture. An RfP for the drafting of a strategy for a Horticulture Development Program (HDP) for Moldova was announced by ACED in May 2012. Two very strong proposals were received from local service providers, and AID (a local NGO) was awarded the contract. This activity was undertaken at the request of the Ministry of Agriculture and Food Industry (MAFI) and was carried out in conjunction with a working group approved by Minister Vasile Bumacov. ACED's Deputy Chief of Party (Ion Perju) was also a member of this working group.

Based on the work plan prepared by AID and ACED to develop the HDP, a series of workshops and interviews with high value agricultural producers were organized. Representatives of "Moldova Fruct", the "Table Grape Producers and Exporters" and the "Vegetable Producers" associations, as well as Ministry of Agriculture representatives, actively participated in these workshops. ACED and AID organized a workshop on the Horticulture Development Program at the Academy of Public Administration in February 2013. The final version of the HDP was presented to thirty participants, including local representatives from the raion level and interested agricultural producers. Everyone took an active part in the debate on the main priorities proposed for the horticultural sector, as listed in the HDP. According to the protocol from the workshop, signed by the Deputy Minister of Agriculture, Mr. Chitoroaga Stefan (who was head of the working group responsible for HDP development), MAFI has accepted the final version of the HDP. The next step will be for the Ministry to have the HDP approved by Government.

### **Activity 4.2 - Strengthening SPS and other quality standards**

#### **1. *Providing equipment for central phytosanitary laboratory***

After long discussions with the Central Phytosanitary Laboratory and the General Inspectorate for Phytosanitary Supervision and Seed Control, ACED and the management of these institutions agreed on a set of laboratory and inspection equipment which was to be supplied by the ACED project. Subsequently, the list was officially accepted by the Ministry of Agriculture and Food Industry (MAFI) and by USAID. Preparations were completed, and the RfP for tenders for the supply of the SPS lab equipment, both locally and internationally, were issued in October 2011. The ACED team, with support from DAI's home office and lab specialist Maria Beug-Deeb (T&M Associates, an ACED sub-contractor), evaluated the offers. Due to the highly technical nature of the procurement, this process required much more time than anticipated, and it was only in the third quarter of 2012 that the majority of the equipment had been delivered to ACED. The equipment was transferred to the lab by ACED and properly installed by the individual vendors, and the laboratory staff received training on the use of the equipment. The equipment installed at the Phytosanitary Laboratory, officially was transferred to the lab on October 5th 2012, during an event organized by the Moldovan Government, the American Embassy and USAID.

## **2. Providing equipment for the phytosanitary customs control points.**

There are 20 sets of equipment designed to be provided to the phytosanitary customs control points, and to verify their condition key ACED staff visited several of these customs check points at the Moldova borders responsible for import control (Leuseni, Giurgiulesti-Galati, Giurgiulesti-Port, Ocnita-Valcinet, Ocnita-Otaci, Briceni, Briceni-Criva, Chisinau-Calea Ferata, Chisinau-Airport, Terminal Chisinau- Botanica). In addition, several centers responsible for export certification were visited, including Chisinau, Balti and Briceni. Most of these points were found to be in poor condition to make effective use of the equipment being provided. ACED then held meetings with the Deputy Minister and the Deputy Head of the GIPSSC to discuss the findings of the field visits, to suggest necessary improvements at certain sites and to consider a revision of the list of 20 sites slated to receive new equipment. As a result the Ministry and the GIPSSC have proposed to offer ten sets of equipment to the most important phytosanitary customs check points and ten to the most active centers responsible for export certification. During this period, the DCOP and STTA Tom Deeb held several Meetings at the Ministry of Agriculture and the GIPSSC. The main subject of discussion was the capacity building program for phytosanitary inspectors and customs check point inspectors.

## **3. Reference materials**

As part of the capacity building program for the phytosanitary inspectors and customs check point inspectors the ACED project developed a comprehensive reference book for phytosanitary inspectors, including photos, descriptions and suggested control techniques for more than 150 different pests and plant diseases. This book has been published and distributed to all phytosanitary inspectors, including the phytosanitary inspectors at the customs check points and this manual will be used in the training program.

## **4. Preparation of an RIA for ISPMs**

ACED has signed a contract for the preparation of an RIA for **International Standards for Phytosanitary Measures** (ISPMs) with the Business Research Company (BRC). The selected subcontractor will be responsible for the development of an RIA covering the implementation of International Standards for Phytosanitary Measures. The contractor will assist staff from the Ministry of Agriculture and Food Industry who are charged with policy development. The contractor will focus on the RIA process, on evaluating policy options, and on choosing the best alternative. For the first stage the ACED project selected the most important ISPMs which affect Moldovan HVA, including:

- a. ISPM 07. Phytosanitary certification system
- b. ISPM 08. Determination of pest status in an area
- c. ISPM 12. Phytosanitary certificates
- d. ISPM 15. Regulation of wood packaging material in international trade
- e. ISPM 20. Guidelines for a phytosanitary import regulatory system
- f. ISPM 23. Guidelines for inspection
- g. ISPM 28. Phytosanitary treatments for regulated pests
- h. ISPM 31. Methodologies for sampling of consignments

## 5. Training for phytosanitary inspectors

One of the activities planned for 2012 was training on export certification for about 300 phytosanitary inspectors around the country and about 100 inspectors at the border stations to strengthen the government's SPS/food safety inspection system.

ACED has worked diligently with its subcontractors to develop and execute timely action plans to support a complex and expansive project. ACED has worked with subcontractor T&M to identify the needs and develop training agendas for the phytosanitary inspectors. However, during this process the government of Moldova took the decision to create a new National Food Safety Agency (NFSA) which would bring all the disparate laboratories and inspection bodies in Moldova under one roof. Due to this uncertainty, ACED determined it would be best to delay these activities for a short period to give the NFSA time to get organized. These activities have now been accelerated and are moving forward quickly.

Also, the ACED team has developed a Scope of Work for an SPS Laboratory Staff Training & Mentoring program. The purpose of this proposed activity will be to update the skills and knowledge of eight phytosanitary laboratory specialists (mycologist, entomologist, bacteriologist, virologist, nematologist, molecular biology specialist (PCR)) and herbologist) on specific methods, and the equipment used, for testing for the presence of insects, mites, nematodes, bacteria, fungi, viruses, virus-like organisms and parasitic plants on fruits and vegetables, and on the PCR methods and protocols. This will assist the laboratory in meeting the requirements of the laboratory accreditation schemes based on ISO 17025:2005. This SOW has been approved by USAID and ACED is in discussions with a laboratory in Romania which may carry out this work.



**The American Ambassador and the Prime Minister of Moldova inspect the SPS lab.**



## COMPONENT 2: ENTERPRISE DEVELOPMENT IN TRANSNISTRIA

The two main objectives of Component Two 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. In recognition of the high political sensitivity relative to USG funded activities in Transnistria, this ACED project component will continue to be implemented in close collaboration and consultation with USAID and the US Embassy.

Project Year Two has marked the completion of one full year of activities in Transnistria for the ACED project. ACED received clearance to travel to Transnistria at the end of January 2012 and the team quickly launched a rapid assessment of needs and opportunities in the region starting on January 31<sup>st</sup>. The needs assessment was completed in May of 2012 when the Rapid Needs Assessment report was formally submitted to the USAID Mission, in conjunction with a strategy for rolling out activities in the region.

The basic strategy that resulted from the assessment was to start by expanding HVA activities developed under Component 1 into the Transnistrian region, while maintaining select targeted activities to support MSME and business service provider training and support more broadly.



**A Moldovan consultant assesses a woman-owned strawberry farm in Transnistria.**

For most of the project year, Component 2 was not able to operate at full capacity due to requests for information from local authorities, and uncertainty related to the ramifications of these requests. First, the head of the Transnistrian Donor Coordination Committee (DCC) requested that ACED make a presentation of the project. Second she then requested that ACED present the project to the entire donor coordination committee, and then the DCC requested that ACED present the project to the local authorities responsible for agricultural development. In December, the DCC requested that ACED present a written summary of the project to the DCC which could be available for those on the committee who don't attend the meetings. During some parts of the year the project put public ACED activities in Transnistria on hold as a result of these requests and the uncertainty surrounding the consequences of the stance of local authorities towards the project.

Despite these issues and delays, a significant amount of work has been carried out in the region and some important results have been achieved. Successes include building trust and local partnerships, especially with the Belyi Most Small Farmer's Association; five well-received training seminars for small farmers using greenhouses; and three trainings for tree fruit producers. There were also four training seminars held for business services providers on the topics of business planning, marketing services, the business of consulting and a successful seminar on the realities of exporting to Russia based on the Russian End Market study (for BSPs, traders and farmers). Two organizational capacity assessments, paired with strategic development recommendations, were carried out for Transnistrian BSPs, as well as eighteen cross-bank linkage activities, including several joint Right Bank-Left Bank



study tours. Two consulting assignments have also been carried out in Transnistria through the VCSC (business development plans for EvroRostAgro and Calvil orchards).

To date, the ACED project has assisted sixteen individual business service providers (several of them more than once) who have reported that they have been better able to serve 58 micro enterprises, and 93 SME clients in the Transnistria region.

As the year comes to a close ACED has received feedback from producers that new investments have been made and new techniques are in use because of ACED assistance. An example of this is found in the success story contained in Annex B. 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.



**A strawberry field day organized for farmers from Transnistria and the Right Bank.**

## **Activity 2.1: Build the Capacity of BSPs to Improve MSME Competitiveness**

### Sub-Activity 2.1a - Conduct BSP Market Studies

The Rapid Needs Assessment that the project undertook in early 2012 provided an overview of the local market for business services in Transnistria. This activity, in turn, has fed information and data into the implementation of Sub-Activity 2.1b, described below.

### Sub-Activity 2.1b - Carry Out Business Services Gap Analysis

One strategic activity identified in the Rapid Needs Assessment was to conduct a gap analysis outlining the match-up between the demand for businesses services and the local market's capacity to provide those services in Transnistria. A high level analysis of the gap between supply and demand was carried out by ACED, and continues to be refined on an on-going basis as the staff interacts with BSPs and carries out Organizational Capacity Assessments on a rolling basis.

This Gap assessment will be further fleshed out under the market research capacity building activity recently launched by ACED. Each participating company will be required to carry out a practical research exercise that either looks at the demand for, or the supply of, services in Moldova or neighboring markets.

### Sub-Activity 2.1c - Build BSP Capacity

As a result of the Gap assessment, project staff prepared a workplan designed to build the capacity of BSPs to offer missing services in demand in the local market.

In May, ACED brought together a group of Transnistrian BSPs for a group presentation of the ACED project. Thirty two professionals attended, representing 24 individual BSPs. During the meeting, ACED offered all BSPs participating the opportunity to receive an organizational capacity assessment with strategic recommendations for development from experts on the ACED team.

The Belyi Most Small Farmers' Association and BSP InvestPMR have had an organizational capacity assessment completed by ACED. The capacity assessment looks at the BSP from all angles of organizational development, including strategy, marketing, management, HR, services offered, client management, and financial management. These assessments have been followed by strategic development recommendations from ACED consultants and they will also serve as a baseline that can be used to see how much those organizations develop by the end of the project.

The ACED Export Marketing Specialist presented the key findings from the Russia End Market Study for Fruit in a seminar in Tiraspol on September 6<sup>th</sup>, 2012. More than 20 participants attended, including several BSPs such as the ERRD, the Transnistrian Chamber of Commerce and Industry, InvestPMR, and Belyi Most.

On November 13<sup>th</sup> ACED provided a training on business planning for business service providers in Tiraspol. Co-trainers were Adrian Cojucaru (ACED staff) and Ivan Uzun (a Transnistrian Consultant). The training was well-attended with 27 participants and received strong feedback marks.



**Transnistrian producers posing with ACED CoP Jim Herne and USAID representative Rodica Miron at the Farmer 2012 Expo in Chisinau.**

On February 1<sup>st</sup> ACED organized a training seminar titled “An Introduction to Marketing Services for BSPs” in Tiraspol in partnership with the Transnistrian BSP InvestPMR. Sixteen participants attended this event, as did Rodica Miron the project’s COR from the USAID Mission. The audience was very diverse, from beginners to experts, but the participants stayed engaged until the end, asking many questions, and the requested further training on their feedback forms.

As a follow-up seminar, on March 14<sup>th</sup> ACED organized a training seminar on “How to Develop and Manage a BSP” which was delivered by Gary Kilmer (see photo at the right). This training seminar attracted twenty one participants who actively participated by asking and responding to questions. At the end of the seminar, participants gave high scores on their feedback forms and requested further training topics, such as market research and strategic planning.



**Former ACED CoP Gary Kilmer on assignment as a DAI consultant, at a seminar in Tiraspol.**

## **Activity 2.2: Support the Development of MSMEs in the Transnistria Region**

For Year Two, ACED planned to start MSME support activities with a focus on HVA and exploring movement into other MSME sectors later in the project. By the time the Year Three workplan was under preparation, ACED had determined that this was a good strategy for the Component 2 program and recommended maintaining the general focus on the HVA and BSP sectors for the foreseeable future, and USAID has approved this approach as the most promising for maximizing impact.

Sub-Activity 2.2a - Establish Relationships with Transnistrian Private Sector

The ACED project has gotten off to a strong start in establishing professional working relationships with the Transnistrian private sector. The Russia EMS seminar was critical in demonstrating the real value that the ACED project can provide to the larger exporters and farmers (Medium sized enterprises).

In June Andrei Cumpanici, Adrian Cojucaru, Andrea Chartock and Natalia Murahovscaia from ACED met with the Children's Food Factory and Rustas Farm to introduce the project and establishing relations with key players in the private sector.

On June 20<sup>th</sup> the CEO of the newly planted intensive apple orchard (EvroRostAgro) from Transnistria came to Chisinau for a consultation with visiting expert Ievgeni Naichenko. He also met with Petru Stratan of Moldova Fruct and visited a Moldovan farm with cold storage facilities, learning about the mistakes to avoid that were made by the first Moldovan super intensive apple orchards as they expanded and added cold storage. Later, he applied for and received Technical Assistance through ACED's VCSC.



**Training for Transnistrian farmers.**

To expand the range and scale of training offered in the Transnistrian region, ACED has issued three Requests for Proposals seeking bids from regional training service providers (RTSPs) based on the Transnistrian region. Following a review and selection process, ACED intends to contract with RTSPs for the following activities:

- One RTSP will provide greenhouse vegetable and strawberry production trainings and organize a demo activity in Chitskani and the surrounding area,
- A second RTSP will provide greenhouse vegetable production training services and organize a demo activity in the Parcani/Ternovka area, and
- The third RTSP will provide training for tree fruit growers and additional tree fruit based demo activities across the region.

These RTSPs will help ACED increase its outreach to different farmers in the private sector who will then be invited by the RTSPs to ACED events.



**ACED Food Safety Specialist Andrei Cumpanici conducts a food safety seminar in Tiraspol.**

Sub-Activity 2.2b - Provide Targeted Training and Technical Assistance

The first post-assessment producer training seminar was held in Chitskani on June 1<sup>st</sup>. The topic of the seminar was the use of new varieties, mulch, packaging and drip irrigation for high technology Strawberry production. The PowerPoint presentation was followed by a farm visit in the Right Bank town of Copanca. The picture at the right shows the group with the consultant during the visit to the Right Bank.



In May the ACED project organized a joint Right Bank - Left Bank international study tour to Umani, Ukraine as a joint training session on tree fruit technology. This study tour also included a visit to a nearby professionally operated cold store. Members of Moldova Fruct joined from the Right bank. After the tour the head of Moldova Fruct, as well the Director of Beliy Most, both sent emails thanking ACED for the useful training and information they had received in Umani.

ACED also carried out training on new varieties and quality requirements for Tomato and Sweet Peppers in August. PowerPoint presentations on new hybrids and quality standards were followed by a taste test of different hybrid varieties and the group was asked to vote on which ones were the best. This was followed by a field visit to a greenhouse producer (and seedling supplier) in the village of Sykleya. This seminar was visited by COTR Rodica Miron and Kent Larson, Moldova USAID Country Director. Feedback forms completed by the participants were all positive, with the vast majority of participants rating the seminar either very good or excellent.

On September 20<sup>th</sup> the ACED project organized a Cold Storage study tour with Transnistrian farmers to Stauceni and Costesti to see two different models of cold storage ownership and management. Farmer feedback was excellent, and two producers mentioned that they will build cold stores in the near future, while all farmers said they would like to find a way to start accessing cold storage in order to increase the prices they can receive for their produce. One of these farmers has since established a simple technology cold store that is being jointly used by four producers.

On October 26 the seminar “New Apple Varieties and Technologies on Apple Production and Storage” was delivered in Chisinau for more than 20 participants from Transnistria. National consultants presented new varieties of apples, modern production techniques and storage that apple growers can use in their orchards to produce the best quality fruit. Feedback forms were all positive, with the vast majority of participants rating the seminar either very good or excellent.

On November 30<sup>th</sup> an ACED contracted Right-Bank consultant delivered a one-day seminar on “Greenhouse Design for Local Conditions” in Chitskani. Twenty-one producers attended this event and the ACED Greenhouse Design Manual was distributed to the participants. The producers attending said they found this seminar very practical and useful.

In early 2013 ACED signed Technical Assistance contracts for business plan development, for multi-year company development programs, for the EvroRostAgro and Calvil orchards which are located in Transnistria. ACED will provide a 50% cost share for each business plan due to its strategic nature and the fact that it offers good potential for a demonstration effect to incite other Transnistrians to invest in HVA production. The EvroRostAgro assignment has been completed and accepted, with positive feedback and the Calvil business plan is currently under development.



**Tomato and sweet pepper tasting in Chitcani.**

Sub-Activity 2.2c - Build Economic Bridges Across the Nistru

There were many successful cross-bank linkage activities in the year, below is a list of some of the highlights:

- On Friday May 11<sup>th</sup> a round table on greenhouse vegetables was organized in Dubasarii, followed by farm visits. Capital Consulting Company (CCC) was the local partner who organized the round table and after the event, the director of CCC had discussions with farmers about forming a regional farmers' association. Farmers expressed interest in visiting the farm of Nico Bejan (the agronomist who facilitated the round table for ACED). ACED organized this follow-up trip on May 31<sup>st</sup> when 10 farmers went by bus to the farm in Puhaceni (including three who joined from Chitskani). The farmers learned about advanced tomato seedling production (use of mulch, cassettes, drip irrigation, row layout, and vine training). Farmers reported learning very much from seeing this advanced Moldovan farm. Two Transnistrian farmers have begun to buy seedling inputs for their greenhouses there. Similarly, the round tables in Parkani and Chitskani, which were also facilitated by Nico Bejan, have also led to individual visits of farmers from each location to Puhaceni.
- Meanwhile, Docent Manziuc from the Chisinau Agricultural University reported getting calls from farmers he met during field visits. One farmer from the company Agrostar wanted to get his opinion whether or not it was too late to prune in the summer since they didn't manage to get it done in the spring. Other calls related to plant protection resulted in an ACED Tree Fruit Plant Protection Seminar in Slobozia in July.
- The Strawberry training that took place in Chitskani in Transnistria included a field visit to Copanca, across the checkpoint into the Right-Bank. Some farmers in Transnistria rent land in Copanca, and others also expressed interest in learning more about this, including cost and availability of labor, terms of rental, etc.
- One Transnistrian company took part in the weather station training in Chisinau, which was presented in Russian since the international trainer came from Ukraine. We learned from the Moldova Fruct association that this same farmer joined Moldova Fruct after becoming acquainted with them at the training.
- Separately, two Transnistrian farmers requested contact information for apple seedling producers. We sent them a list of providers from the Right Bank based on our analysis in the apple value chain study.
- ACED sent a joint group of Right and Left bank farmers to the Umani Ukraine tree fruit seminar (mentioned above), this included several members from Moldova Fruct. The head of the Bely Most association spoke intensively with the Moldova Fruct members and reported gaining useful information for her association's development.
- The August Kahovka Study tour in Ukraine included six Transnistrian participants (out of 32), five from Bely Most, and the sixth a Parkani greenhouse producer. Participants gave positive feedback and said that they learned very much from this event. Traveling by bus and staying in the same hotel was a concrete way to build relations, trust and business contacts.
- In October, the Bely Most Small Farmers' Association participated at the Farmer Expo in Chisinau with a booth sponsored by ACED. Bely Most reported afterwards that they were able to make a huge amount of useful contacts there, including with input suppliers,

different organizations like the Moldova Farmers' Federation, service providers, as well as greenhouse farmers willing to exchange knowledge and supplier contacts. Furthermore, they report that they are achieving some success in attracting new members, which have already increased by 50%.

- ACED invited Transnistrian apple producers to The Moldova Fruct Apple Seminar on the 29th November on Modern Apple Production which was presented by an international consultant. Ten participants attended from Transnistria, (one third of the total).
- The Kolomichenko family farm was introduced to several Chisinau supermarkets, including a facilitated session where they brought samples of their Chinese cabbage.
- ACED invited apple producers to the Moldova Fruct training on weather stations on December 5<sup>th</sup> at the ACED conference room. Transnistrian participants have since expressed interest in establishing weather stations, and EvroRostAgro has purchased one for their orchard via Moldova Fruct.
- During Farmer Expo in Chisinau ACED held a seminar for Apple producers at the ACED offices. It included two presenters from the Right Bank and was followed by the group going to tour Farmer Expo.
- ACED introduced Kalvil and Moldova Fruct to each other by email and then followed up by phone. Kalvil has now joined the association Moldova Fruct.
- ACED invited Transnistrians to join their right bank counterparts in discussions the MoldoRussian Investment Forum jointly organized with the Moldovan CCI. Several Transnistrians participated, including the head of Beliy Most, Larisa Kolomichenko.
- Between January 9<sup>th</sup> and the 14<sup>th</sup> ACED organized a study tour to Poland focused on modern technology in apple production and post-harvest handling together with the Moldova Fruct association. The study tour included five (out of a total of 18 participants) participants from the Left Bank. On a score of 1 (poor) to 5 (excellent) the average feedback score for the event was 4.81 (the lowest average score representing between "very good" and "excellent" score) to straight 5s "excellent" for feedback on the indicator "usefulness of study tour." All of the five Transnistrian participants noted that they will introduce new techniques or practices seen in Poland within the near future and as noted in the indicator section, this study tour has even lead to some sales having been facilitated.
- ACED organized a study tour for three managers/key decision makers from the Rustas company brought them to see cold storage operations on the Right Bank and to meet with a Moldovan cold storage service provider on February 1<sup>st</sup>.

All of the above provides evidence that each of the ACED events taking place create Right and Left bank person-to-person business connections that continue to develop over time.

## **IV. ACED PROJECT CROSS-CUTTING ACTIVITIES**

In parallel, and in coordination with, the Component One and Two activities, the ACED contract envisages a number of “Cross-Cutting” project activities that compliment, and are incorporated into, each of the other sub-activities in the program. These cross-cutting activities are based on some of the major overarching concerns of USAID, such as Environment and Gender, and within the ACED project they will be significant elements of the overall program. The following sections identify and describe the main Cross-Cutting activities that the ACED project completed over the course of Year Two.

### **Coordination with Other Donors**

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

The ACED Chief of Party and the Deputy Chief of Party have continued to regularly participate in the USAID organized quarterly Agricultural Project donor coordination meetings. These meetings are held at various project offices in Chisinau, on a rotating basis, and over the past year there has been good participation from among the various projects that are focusing on agriculture and agribusiness.

During the fourth quarter of Year Two the Chief of Party, the Deputy Chief of Party and the Value Chain Specialist met with key staff from the new World Bank Agricultural Competitiveness project at their office. This meeting was an introductory one, and relatively quickly it led to some collaborative activities being implemented, such as the Round Table for bankers on new investment opportunities in post-harvest facilities for HVA. This was an activity that was held at the ACED office, and there will be additional cooperation and collaboration in this area in the future, as well as collaboration on the two project’s planned assistance to the Moldovan SPS laboratory.

Over the course of the first two years of the ACED project there has been a good working relationship with the EU Twinning Project, and ACED staff has held many meetings with the Project Manager, Matthew Brown. During the fourth quarter of the year the Chief of Party, the Deputy Chief of Party and the ACED Food Safety Specialist once again met with Brown to discuss future coordination and collaboration between the two projects.

Early in 2013 the Chief of Party and the Component 2 Lead met with Wicher Slagter, the new EU Director, to discuss the situation in Transnistria. Slagter had recently arrived and was looking to learn from our experience with implementing activities on the Left Bank.

On a regular basis, the Component Two manager has participated in Donor Coordination meetings organized by the EU delegation taking place at the World Bank offices in Chisinau. These meetings take place approximately once a month and all projects working in Transnistria share information and lessons learned.

The month of January 2013 also marked the first session of the joint coordination meetings between the ACED project, USAID and staff from the MCC/MCA offices. This meeting was held at the ACED office, and the participants held a broad ranging discussion of the upcoming activities and issues of common concern. On the ACED side the Chief of Party, the M&E Manager and the Specialists for the Training and Value Chain programs participated. On the MCC/MCA side there was good representation as well, and all agreed

that the meeting was a good format for fostering better cooperation and collaboration and ACED will continue to organized these meetings on a regular basis.

In February of 2013, the ACED project, in collaboration with the UNDP Aid for Trade Project, organized the first ever Moldova booth at the Fruit Logistica trade show in Berlin, and the event has been judged a success by everyone who participated. The design of the booth, and the brochure that was prepared for the show, were jointly financed by ACED and the Aid for Trade project, and these items have set the tone and style for all of the future international trade show exhibits which will be supported by the ACED project.

During the second quarter of Year Two, the ACED project was also effectively collaborating with the UNDP's Aid for Trade Project to plan joint support for the Moldova Pavilion at the World Food Moscow show in September 2012. ACED and the UNDP jointly supported this major event to introduce the new slogan "Moldova, Taste Makes the Difference" to trade show visitors and the begin raising the image of Moldovan produce in that important market. This active cooperation continued in other areas (producer training, study tours, other trade shows) as the two projects seek to avoid duplication in our programs and make the best possible use of available development resources.

As discussed above, the ACED VCSC continued to provide technical assistance in the area of financial planning, and loan application development. This assistance included a number of clients that are applicants for financing from the AAF program, and from the IFAD financing program, as follows:

- Petru Cara FF, Petru Pascal FF and Ecaterina Vulpe Ltd (all from the Cahul raion, table grape and stone fruit coldstores) are potential AAF applicants.
- Romfruct from Colicauti, Briceni and Noptile Albe Ltd from Singerei (apple coldstores) are all potential applicants to the IFAD program.
- LGVD-Agro Ltd (table grape and stone fruit packhouse with a coldstore) is a potential applicant to the IFAD program.
- Agro-Product Ltd from Colicauti, Briceni (a super-intensive apple orchard) is a potential applicant to the IFAD program.

ACED, AGROinform and the World Bank Agricultural Competitiveness Project organized a roundtable on "Financing Opportunities for Post-harvest Infrastructure Investments by Agricultural Producer Groups", with the participation of leading Moldovan banks, microfinance institutions and IDSPs. This forum took place during the first quarter of 2013 and the purpose of the forum was to expose the financial institutions to opportunities for loan products that will be created by the World Bank project.

During the first quarter of 2013, as the final event in the ACED supported program to develop a national Horticultural Development Plan (HDP) for the Ministry of Agriculture, ACED and the HDP sub-contractor AID, organized a workshop to present the final draft of the Moldovan Horticultural Development Plan at the Academy of Public Administration. At this event, which was well attended by regional agricultural representatives from the Raions, the final version of the HDP was presented to the group, and following the debate the Ministry of Agriculture formally accepted the final version of the HDP.

During Year Two the ACED project provided information to several visiting and local teams working in related technical areas, including a USAID team focusing on Bio-Diversity, a



World Bank team studying the effectiveness of current Customs procedures, Italian Consult on the joint sponsorship of a forum for sweet cherry producers, and the Chamber of Commerce and Industry on the Golden Autumn Exhibition in Moscow.

### **Impact Evaluation Activities**

This Year, the ACED project continued to provide support to the ongoing MCC/MCA impact evaluation effort. On January 31<sup>st</sup> members of the ACED team went to the MCA office for a phone call with Washington where MCC's Impact Assessment Lessons Learned were briefly summarized.

On March 12<sup>th</sup>, four members of the ACED team joined MCC and MCA staff for a full afternoon of meetings to see a presentation on the MCC lessons learned, to conduct an exercise on recreating the Compact Logical Framework, and to participate in a session on communications. The communications section was particularly useful as participants were encouraged to be open and honest, and a number of issues were brought into the open.

On March 15<sup>th</sup> the ACED Chief of Party, the Deputy Chief of Party and the M&IE Manager spent the morning meeting once again with MCC and MCA staff. Meeting topics included: a cost benefit analysis of the impact evaluation, statistical limitations of the impact assessment, and an ACED presentation of initial findings from the just completed end of the year random sample survey. Following this meeting, ACED sent MCC the 2013 training plan and provided information about further training plans.

This Year, ACED included a new section in the quarterly report regarding the indicators that are related to the CIS zones. In addition, throughout the quarter several emails were exchanged with MCC/MCA regarding the publicly stated name of the impact evaluation. In the end, a mutually agreed solution was to call it the "GHS Evaluation" and not the "ACED Evaluation."

### **Gender & Marginal Groups**

During this reporting period, most of Phase One of the women's network development activity has been completed. In January, ACED partner organizations contracted for this activity continued organizing roundtables in their regions (see photo at the right – the Round Table in Orhei, Central Region) which targeted women who own or manage farms or agricultural businesses. The average participation in these roundtables during the quarter was 25 participants. The agendas used for these roundtables were standardized across all regions to use a similar approach on a national basis.



**Women's networking round table in Orhei.**

The agendas used for these roundtables were standardized across all regions to use a similar approach on a national basis.

The ACED project Gender Specialist presented the ACED project and its main activities, after which the women introduced themselves. Following that there was a brainstorming session where the women worked together, or in groups, to identify problems, needs, preferences and ideas, and to propose solutions to those problems. All of the findings from these meetings have been recorded by the implementers so they can be further used for

network action planning. Additionally, several women volunteers were confirmed by vote for each of the network advisory groups (NAG).

A number of general observations from the round tables with women producers have been developed and the following are the main issues identified:

- The women are not totally aware of the benefits of networking and information exchanges. The current ACED process is going a long way to raise their awareness.
- Women are willing to communicate and learn from each other, but they do not have a platform for that. The roundtables have shown that women lack opportunities to meet periodically and exchange the knowledge they already possess. At these roundtables they have already started to exchange contacts and information with one another.
- Women identified many problems that ACED cannot directly solve. However, solutions to some of these problems that are outside the scope of the project could be found through other ways and means (e.g. other projects, activities, etc.).
- Women from the South seemed to be more enthusiastic and ready to take action regarding developing their business and situations, while women from the North lack optimism. Therefore, even more so in the North, there is a need for women to be encouraged and stimulated by stories of other successful women.

In February and March, the regional NAGs held two meetings. The photo below to the right is of the Southern group meeting which met in Chisinau in March. The first NAG gathering focused on creating mission statements and general concepts on how to proceed in developing regional networks. The second get-together was designed to work out regional action plans for the networks to get them functioning. NAG members suggested different types of actions including training on farm management, basic computer skills, time management and leadership. They also plan some study and experience exchange visits on the production of HVA crops.

Further steps are needed for partner organizations to draft the action plans and present them to ACED for feedback. Additionally, ACED will organize a meeting for all partners involved to present the action plans for each region and discuss other cross-regional activities that might be worth organizing for a better interconnectivity and cooperation between the regional networks. The Transnistrian partner organization, the Chamber of Commerce and Industry, will take part in this meeting, since they are about to be contracted by ACED for women's network development activity in the Transnistria region.

Women from the networks will be encouraged to participate in any and all events organized by the ACED project, including training seminars, international study tours and trade fairs, etc. Three women from the Northern and Southern regional networks have already taken part in Study Tour to the Greenhouse Industry Fair in Kiev, Ukraine.



**A Women's Network round table with the southern region network advisory group.**

Women have been active participators in the ACED project and this will only increase in the coming year with the launch of the women's networks. Below is a summary of some of the key indicators disaggregated by women in Year Two:

- Sales facilitated by ACED in project Year 2 (by women-owned/managed farms/firms were US\$ 228,908 which is 12.5% of the sales during this period.
- Meanwhile, exports by women-owned farms/firms were US\$225,000 (16.9% of the total facilitated by ACED.)
- ACED trained 630 women (32.7% of the 1926 farmers trained) in Year 2.
- There were 177 female Producers adopting new techniques and practices:
  - (37.5% of 472 total in Year 2)
- Investments: US\$344,158 from women owned/managed firms (7.10% of the total)
- Companies assisted (women-owned/managed farms/firms):
  - 23 (15.6%)
- Companies adopting improved t/p (women-owned/managed farms/firms|):
  - 2 (16.6% of the total)

Note that in the gender assessment it was discovered that women-owned and managed companies are far fewer as company sizes and sophistication increases in Moldova. Therefore, the lower numbers of participation at the women owned/managed firm level seen above was logically predicted at that time. As can also be seen from the numbers above, ACED has exceeded our gender target of a minimum of 30% of those trained being women. It is interesting to note that 37.5% of the noted adoptions of techniques and practices in ACED TAMIS is modestly higher than the percentage of women participating in trainings.



**ACED CoP Jim Herne hands out certificates to participants at the GLOBALG.A.P. seminar.**

### **Environmental Compliance**

In Year Two, the Safe Use of Pesticides training was included in the ACED Training Plan. According to ACED monitoring data in April 2013, the topic on safe use of pesticides was included in 42 production seminars. Those seminars were attended by 1025 agricultural producers. This Year the environmental specialist carried out 10 environmental reviews for production activities and two for post-harvest activities.

In Year Two, ACED continued the preparation and implementation of nine greenhouse demonstration activities. During this period the ACED Environmental Specialist met with demonstration activity partners to explain the environmental requirements included in the EMMP for each demonstration site, and she made a visit to one of the partners implementing a greenhouse demonstration activity (in Taxobeni village, Falesti district).

During this year, ACED completed the National Horticultural Development Program (HDP) and this incorporated comments from participants in the HDP working group, and those

provided by the ACED Environmental Specialist. A Memorandum of Understanding was prepared, and signed, with the ACED partner regarding following the rules on the safe use of the Frostbuster technology before, and during, presentations to seminar participants.

Over the course of Year Three the ACED project (Apr '13 to Mar '14) plans to provide some limited support for training and demonstration activities related to the use of Gibberellic Acids for the treatment of table grapes, sweet cherries and apples. Gibberellic Acids are not currently approved for use in Moldova, although a supplier of these agents has applied for approval and the ACED activities will support this approval process. Before implementing these activities ACED has added these compounds to the third amendment to its PERSUAP which is presently being reviewed and considered by the Mission Environmental Officer.

A comprehensive pesticide use guide, for fruit and vegetable producers, has been prepared and is ready for publishing in two languages: Russian and Romanian. In addition, all project activities this past quarter have been screened for environmental impact prior to execution. All training materials were also checked for compliance, by the Environmental Specialist, with IEE Amendments #1 and #2 in a similar manner.

In the end of April ACED submitted the Environmental Status Report to USAID, and in May, ACED will submit the 2<sup>nd</sup> PERSUAP amendment.

### **Sequencing with the Compact THVA**

In January the ACED team invited ISRA and MCC/MCA staff to participate in a coordination meeting with relevant ACED staff members. This meeting included key staff from the ISRA project, as well as relevant MCC and MCA staff. This meeting was very useful for all involved, and ACED will continue to organize similar such meetings on an as-needed basis.

During February and March ACED staff participated in two of the Water User Association (WUA) annual general meetings and made presentations on the ACED program, and the project's training and technical assistance activities that WUA members can take advantage of. ACED would have participated in all of the meetings, but notice of the time and location of the meetings was received just as project staff were heading to Berlin for Fruit Logistica. There was also a problem with staff availability for some of the dates the meetings were held, as staff that would be best for this type of meeting were otherwise engaged. ACED will continue to liaise with the WUAs, as the training program for the CIS zones is developed.

During the month of March the ACED program participated extensively in both the assessment mission being conducted by Pat Hanneman and the MCC evaluation review process which was conducted with staff from the Mathematica sub-contractor. Specific activities were as follows:

- A number of ACED staff members held meetings with, and collaborated directly with, Pat Hanneman on his assessment mission, during both the first visit in February which was focused on the AAF activity, and during the second visit in March which was focused on the THVA activity. The assistance during the first visit was mainly in the form of meetings with the ACED CoP and key staff members to determine the degree and extend of ACED involvement with the AAF activity. During the second visit the CoP, the M&IE manager, and other key staff participated in meetings at the MCA offices, and traveled with Pat on some of his field trips to visit with WUAs and to see the CIS zones. The ACED CoP, along with the USAID COR for the ACED project, also participated in Pat's final de-briefing on March 22<sup>nd</sup>.

- The ACED CoP and the project's M&IE manager participated in a number of meetings with MCC/MCA staff to review the assumptions underlying the ongoing evaluation of the overall MCC Compact in Moldova. In addition the ACED Gender Specialist met separately with MCC staff to review the gender based activities being undertaken by the ACED project and to insure that all aspects of the gender program are being captured in the reports.

Based on a request that ACED has received from MCC regarding the disaggregation of some of the quarterly report indicators into those that are within the CIS zones and those that fall outside of the CIS zones ACED has prepared the following table:

### **ACED Indicators Disaggregation by CIS Areas**

<b>Indicator</b>	<b>Current Quarter (Jan to Mar '13)</b>	<b>Project to Date (Apr '11 to Mar '13)</b>
<b>1.2.1 No. of producers trained as result of ACED</b>		
<i>MCA CIS areas</i>	36	356
<i>Outside of MCA CIS areas</i>	506	2464
<b>TOTAL</b>	<b>542</b>	<b>2820</b>
<b>1.2.2 No. of producers adopting improved practices (or applying improved techniques) as a result of ACED</b>		
<i>MCA CIS areas</i>	13	99
<i>Outside of MCA CIS areas</i>	95	409
<b>TOTAL</b>	<b>108</b>	<b>508</b>
<b>1.3.4 No. of HVA enterprises assisted by ACED (excluding Transnistria)</b>		
<i>MCA CIS areas</i>	0	4
<i>Outside of MCA CIS areas</i>	28	143
<b>TOTAL</b>	<b>28</b>	<b>147</b>
<b>1.3.5 No. of VC enterprises adopting improved practices as result of ACED</b>		
<i>MCA CIS areas</i>	0	0
<i>Outside of MCA CIS areas</i>	1	12
<b>TOTAL</b>	<b>1</b>	<b>12</b>

Farmers within the Central Irrigation Systems to be rehabilitated by the MCC Compact Program are included in value chain development activities. Nine communities in these areas have been included in the list of ACED training sites and we expect that at least three will become sites for production demonstration activities. Two CIS communities were randomly selected by MCC to be a part of the control group for the purposes of impact evaluation and are therefore not eligible to take part in ACED production training activities.

The ACED team has also been active in the start-up of the AAF lending activities. The availability of AAF funds is in line with ACED's objective of increasing the availability of cold chain and other post-harvest facilities to commercial producers throughout Moldova. ACED has provided direct or indirect assistance to 17 potential AAF borrowers. Several of these borrowers have loan applications in various stages of the approval process, including some with MCA or MCC and others with the banks. Four AAF loans totaling \$1.25 million have been approved for ACED assisted enterprises to date.

### **Local Capacity Building of Moldovan BSPs**

As was the case during the previous quarter, the ACED project has continued to support the development of local capacity by Moldovan BSPs. During this quarter, the following events took place to support this objective:



- This “Moldova-Fruct” Fruit Growers & Exporters Association took the lead on organizing a study tour to Poland for apple growers, with ACED project assistance.
- The ACED project has contracted with three Moldovan BSPs for assistance in the creation of the National Women in Agriculture Network.
- ACED, as has been the case in past years, has contracted with 13 separate service providers this past quarter which will act as Regional Training Service Providers (RTSPs) for the project over the course of 2013.
- By the end of the quarter ACED had finalized the selection and contracting arrangements for assistance to support the creation of joint packing and marketing groups within the HVA sector. These two organizations will each work with 10 groups of farmers to foster the creation of these types of organizations.
- In a manner similar to the method used on the Right Bank, the ACED project will issue a call for proposals from Transnistrian BSPs for the provision of technical training and demonstration activities on the Left Bank. It is expected that three separate BSPs will be contracted for these services over the course of 2013.
- ACED has contracted for the services of two Moldovan BSPs that will be preparing business plans for commercial farming operations on the Left Bank. In addition to helping to develop BSP capacity, this activity will also foster greater cross-bank activities and cooperation within the HVA sector.
- ACED will be contracting with local service providers over the course of the year for the design and implementation of international study tours for both Right Bank and Left Bank participants. The next study tour to be contracted out is one planned for Table Grape growers to Spain, which will take place in the next quarter.

These are but a few examples of the sub-contracting activities that the ACED project undertakes on a regular basis. Each of these sub-contracts is an assistance program for the contracted BSPs, and they serve as a continual process of capability development for these local business service providers.

## VI. PROGRESS TOWARDS INDICATOR TARGETS

In Year Two, the ACED project far exceeded the vast majority of PMEP targets due to the dedication and hard work of project the staff. For example, ACED's target was to have trained 1,500 producers by the end of Year Two, but the actual achievement is 3,001 trained producers. In the few instances where PMEP targets need more attention, the technical team has met and made appropriate plans to fill the gaps, either during Year Two (for example sales and investments which have now exceeded yearly targets) or during Year Three. The text that follows will provide a discussion and analysis of the targets by activity, and the Annual Indicator Tracker tables are included as Annex A to this report.



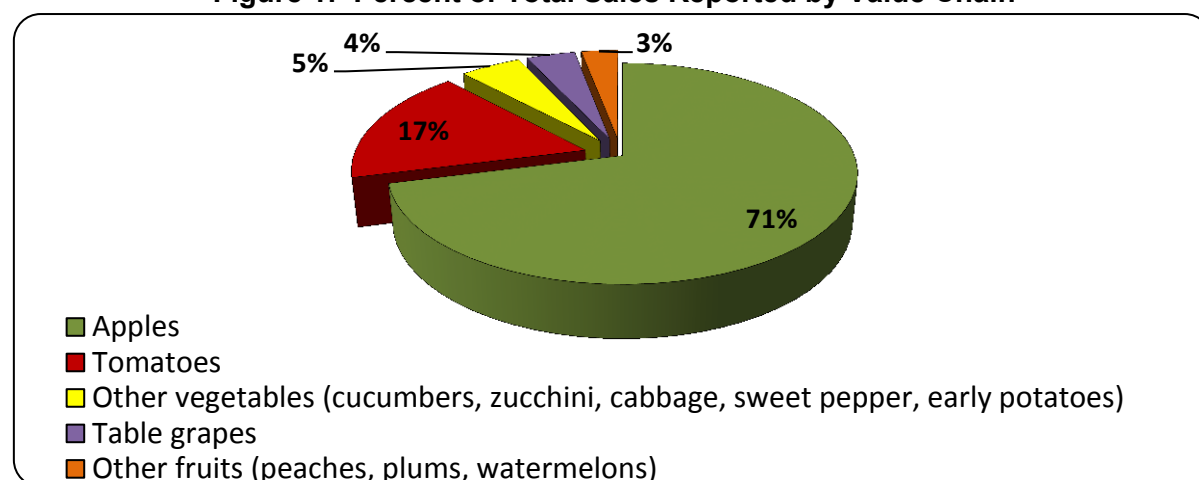
**Artur Bobirca earned more than 1.1 million lei as a result of ACED marketing assistance.**

### **Component 1, Activity 1: Sales**

Moldovan high value agriculture (HVA) export data for 2012 has been extracted from the UN Comtrade database. Moldova's total HVA exports have increased by 20% when compared with the 2010 export baseline. A major increase, with 22.8%, was registered for fresh fruit exports. In contrast, there was a significant decrease of 38% for vegetable exports. In the ACED target value chains, tomato exports have decreased by 30% and apple exports decreased by 21%, while table grape exports increased by 5% compared to the baseline. A 70% increase of HVA exports to non-traditional markets was registered in 2012.

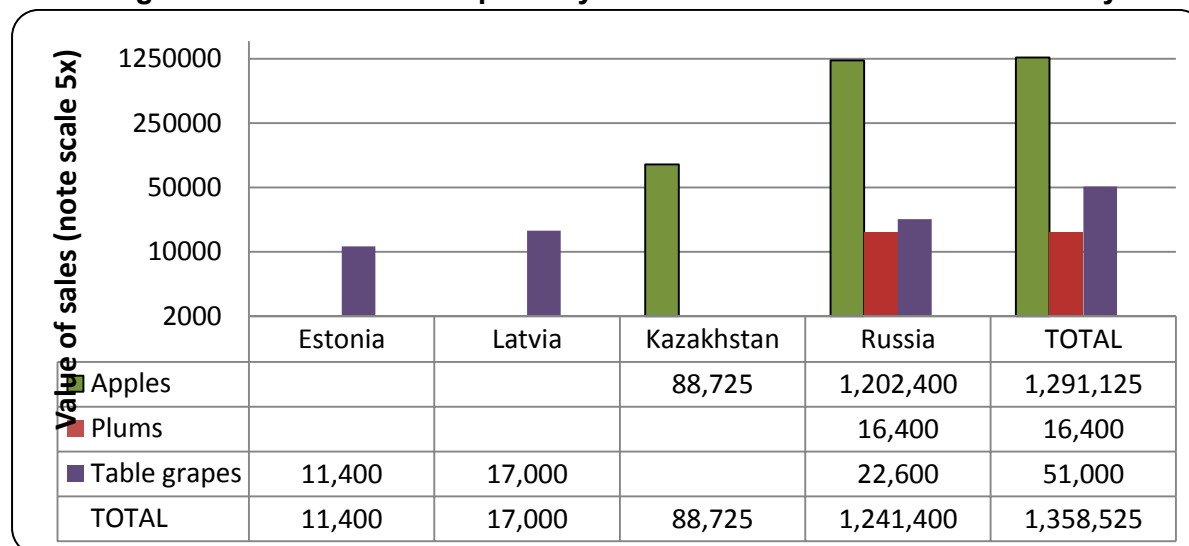
The ACED project has facilitated total cumulative sales of \$1.87 million through the end of March 2013. This represents sales facilitated and tracked by the marketing and technical teams, but does not take into account the large number of facilitated sales which were revealed by the end of year Random Sample Survey (the RSS report is attached as Annex C). Figure 1, below, shows the percentage of sales by value chain as reported in the TAMIS data. The highest percentage of sales facilitated by ACED was for apples (71%), followed by tomatoes (17%) and then other vegetables, tables grapes and other fruit with 5% or less.

**Figure 1: Percent of Total Sales Reported by Value Chain**



Export sales were facilitated by ACED in the following value chains: apples, plums, and table grapes, with the largest amount of sales facilitated being for the apple value chain (see Figure 2). Exports to Russia made up 91% of the exports, and this was followed by Kazakhstan (with 7%), and the Baltics (with 2%).

**Figure 2: Value of HVA Exports by Value Chain and Destination Country**



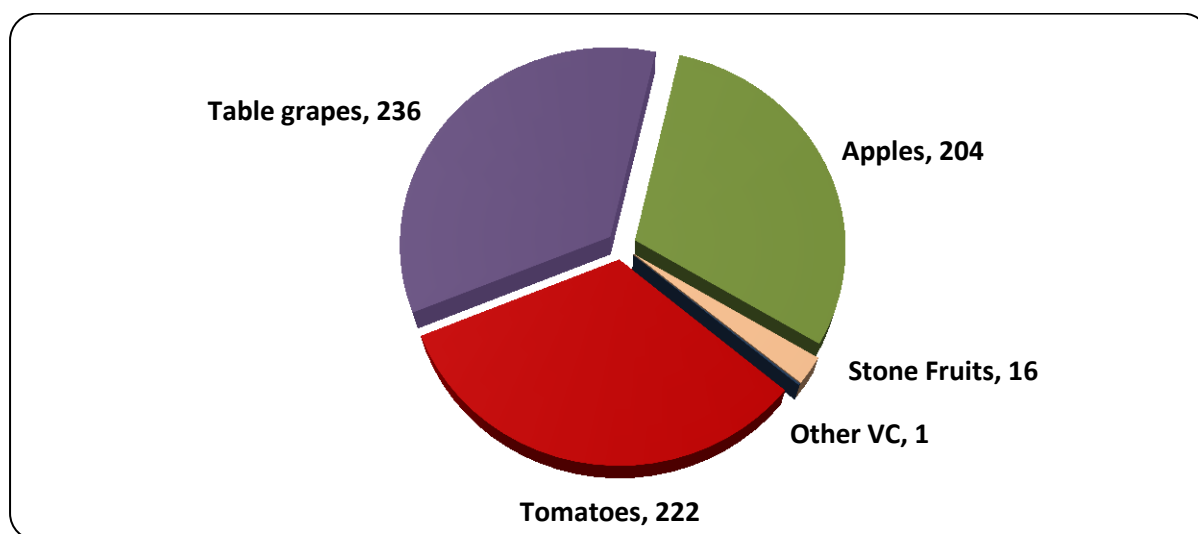
There were 43 producers with sales facilitated as reported in the TAMIS system, and most producers reported repeat sales as a result of previous linkages, or assistance, provided by ACED. The assistance to be provided to producer groups in the coming year will be part of a concerted effort to help to broaden the scale of sales facilitated.

### **Component 1, Activity 2: Producers Trained and Adopted Techniques & Practices**

Due to the large number of seminars organized during the first and second year of the project, ACED has exceeded the Year Two target for the number of producers trained by a factor of two (3,001 trained vs the 1,500 target). Women represented 31% of total number of training participants, slightly exceeding our long term target for women of 30%.

Producers adopting improved techniques and practices rose to a cumulative 679 through the end of March 2013. Most adopters were in the table grape value chain (35%), followed by tomatoes (33%) and apples (30%) (see Figure 3). Women represented 39% of the adopters of new techniques and practices. Producers reported the adoption of new techniques and practices on an area of 2,339 ha, which exceeds by 56% our Year Two target of 1,500 ha.

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

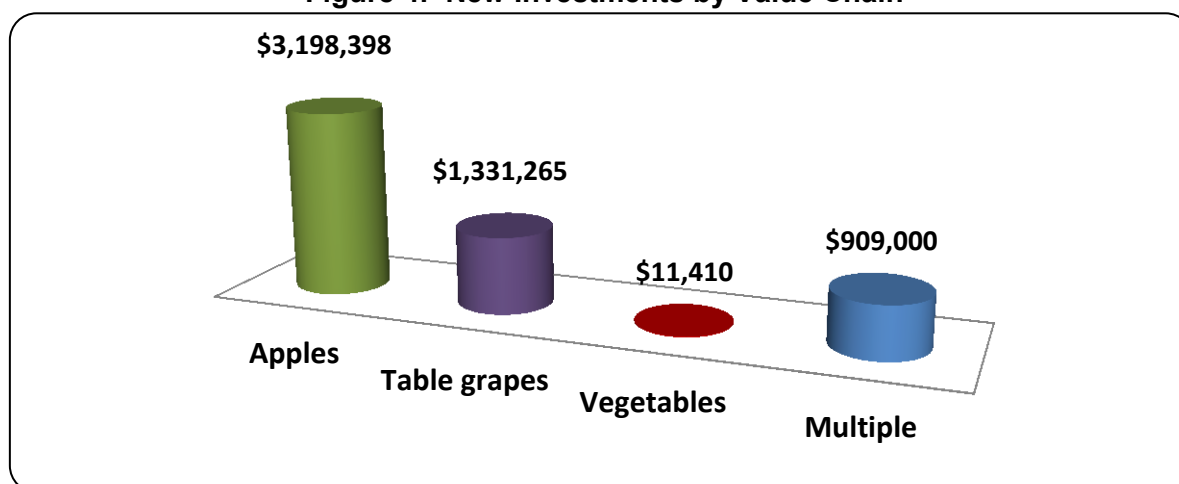


**Component 1, Activity 3: Value Chain Technical Assistance**

For the number of ACED-supported Value Chain entities adopting international food safety and quality standards, one producer adopted the GlobalGAP standard, while another five are now in the process of implementation of new standards and they are expecting to be certified by the end of September 2013.

The total value of new investments facilitated by the ACED project through March 2013 amounted to \$5.45 million, of which more than \$3 million were invested in the apple value chain. Approximately \$1 million was invested in the table grape value chain and nearly \$1 million in facilities that can be used for different value chains (see Figure 4).

**Figure 4: New Investments by Value Chain**



Investments were made in the following items over the course of the first two years:

- \$4,705,442 was invested in cold stores, packing houses, pre-cooling chambers, a new sorting line, and in wooden box manufacturing,
- \$645,026 was used to purchase new seedling material,

- \$81,000 was invested in branch crushers, weather stations, weed cutting machines, and sprinklers,
- \$11,410 was invested in drip irrigation systems,
- \$7,195 was invested in other post-harvest equipment: quality control equipment, pH testers, soil humidity sensors, telescopic pruners, and long-handle shears.

The total number of clients with investments facilitated is 92, of which 27 are woman-owned/managed farms or firms.

The total number of discrete enterprises receiving technical assistance from ACED has come to 149, compared to the PMEP cumulative target of 30 enterprises to have received assistance by the end of Project Year Two. Seventeen percent of these enterprises were woman-managed and/or owned. ACED has had 20 Value Chain enterprises adopt improved Post-Harvest Handling techniques & practices. Most of them used pre-cooling, implemented new storage techniques or used maturity prediction and assessment techniques.

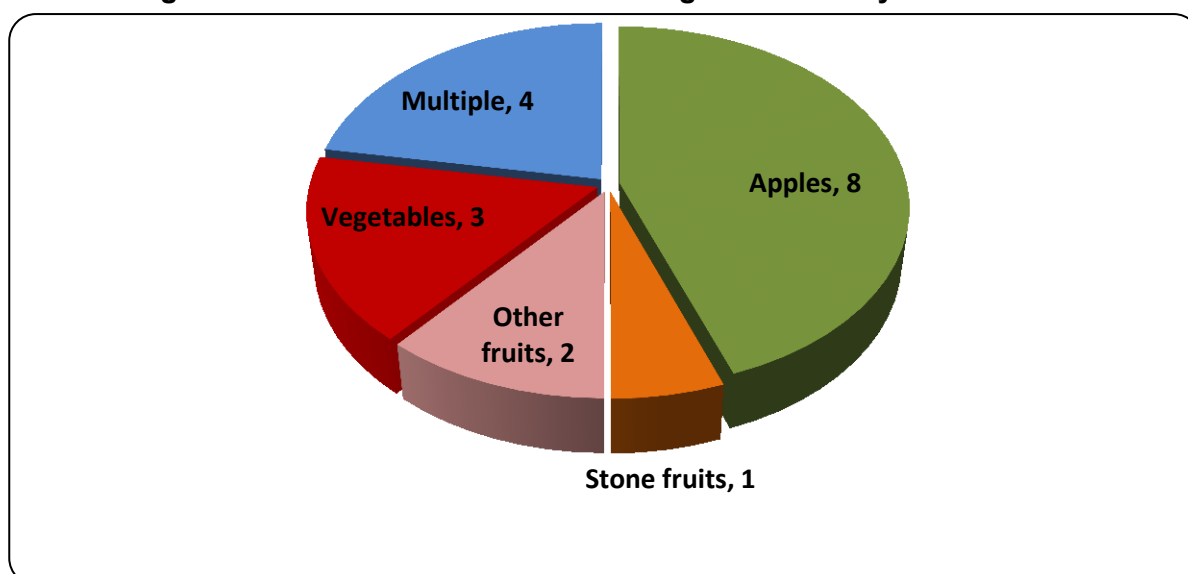
#### **Component 2, Activity 1: Transnistrian BSP Capacity Building**

Under Component 2, the ACED project has exceeded all indicator targets for Year Two. Component 2, Activity 1 was designed to build business service provider capacity so that local BSPs will have a multiplier effect on local businesses they provide services to. ACED has assisted a total of 16 Transnistrian BSPs, who in turn are now better able to provide business services to their 58 microenterprise and 93 SME clients.

#### **Component 2, Activity 2: Transnistrian MSME Development**

There were 18 cross-bank enterprise linkage activities facilitated by the ACED project through to the end of March 2013. The largest number of these events were related to the apple value chain. Figure 5 is a graphical representation of activities by value chain.

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





**End of Year Random Sample Survey**

A random sample survey of producers trained was carried out by the ACED project during the period between January and March of 2013. Sixty-six percent of the sample (producers trained by ACED) had adopted one or more practices or techniques based on assistance received from ACED. Furthermore, the producers surveyed reported that the ACED assistance had helped them generate additional sales of more than \$2 million. If this data is extrapolated to the total population of producers trained, it could be estimated that ACED has already facilitated well over \$20 million in additional sales. Meanwhile, the end of the year survey also provided the project with a valuable learning experience, and a chance to assess the accuracy of the current data captured in the project's TAMIS system. More information, and a full report on the methodology and results of the Random Sample Survey, are contained in Annex C to this report.

## **VII. ADMINISTRATION & CONTRACT DELIVERABLES**

### **Key Project Administrative Activities**

Over the first two years of project implementation the ACED project has effectively refined and streamlined the administrative procedures for the project and at this time these activities can be accomplished effectively and efficiently. As the administrative workload for the project has increased, project management has determined that additional administrative support is needed in the area of procurement. Late in Year Two a decision was taken to add a Procurement Specialist to the administrative staff contingent of the project, and at the end of the year candidate interviews were under way. It is expected that an individual will be selected for this position early in Year Three and that this person will be able to assume this new position by the beginning of May 2013.

ACED has continued to provide the USAID Mission with the reports and other documents that are prescribed in the ACED contract. These include the annual workplans and annual reports, quarterly and monthly reports, the monthly activity schedules and other periodic reports. During the last half of Year Two the ACED project worked on upgrading the content and appearance of the reports it prepares, and this process will continue. ACED also prepared a report on its DEC submissions, and has committed to getting DEC submissions up to date early in Year Three. Over the course of Year Two, many of the earlier reports and documents that were prepared by the ACED project have been re-formatted to insure that they have a consistent appearance and are attractive and well formatted internally.

### **Project Personnel and the ACED Organization Chart**

Over the course of Year Two there were a few organizational changes with the project, and the most important of those was the change in Chief of Party at the end of September 2012. Gary Kilmer, who had been CoP since the launch of the project left the project, and resigned as a full time employee of DAI, and Jim Herne, who was the Deputy Chief of Party on the Serbia Agribusiness Project, moved from Belgrade to Chisinau to take over.

The other significant personnel change during Year Two was the resignation of Roman Palanciuc, the Project's Association Development Specialist. Roman had been with the project for most of the first two years and he had played a key role in the financial assistance efforts. ACED has already begun the process of identifying a replacement for Roman, and the hope is that a new person can be in this position within the first quarter of Year Three. A revised Organizational Chart for the project is included on the following page.

Another potential addition to the ACED staff could be someone to focus on the assistance activities targeted at the MCC/MCA CIS zones. While the plans for Year Three include some training sessions that would provide an introduction to HVA production in the CIS zones, in Year Four ACED would most likely launch targeted, custom tailored, training programs for the first CIS zones that will receive irrigation water. These programs would be more intensive and focused, and would benefit from more intensive and direct supervision. In this case ACED would expect to hire someone to take on this role, in the fourth quarter of Year Three or the first quarter of Year Four.

## **Project Deliverables**

During project Year Two the ACED project has continued to submit the regular reports, as required in the contract, to the USAID Mission in Chisinau. During the second half of the year the Chief of Party has worked to improve the content and appearance of these periodic reports, and in particular the Monthly Event Schedules and the Quarterly Reports. The ACED project has also begun to be more diligent in the preparation of Success Stories, and over the last half of Year Two the project prepared eight individual Success Stories, using the prescribed USAID format. Copies of these stories are attached as Annex B.

The Chief of Party has also proposed a slight modification to the reporting requirements in the contract, which reduced somewhat the number of paper copies that were needed, reduced the need for report translations, and eliminated a second submission of the Environmental Status Report at the end of each project year. The table below provides a summary of the current reporting requirements for the ACED Project.

**ACED Project  
USAID Reporting Schedule**

<b><i>Report Type</i></b>	<b><i>Due Date</i></b>	<b><i>Format</i></b>	<b><i>Language</i></b>	<b><i>Required Contents</i></b>
<b>Monthly Event Schedule</b>	5d before end of month	Electronic (pdf)	English	Dates/Location/Events
<b>Monthly Status Report</b>	5d after end of month	Electronic (pdf)	English	Summary/problems/progress
Monthly Financial Report	7d after end of month	Electronic (Excel)	English	Broken down by CLIN
Quarterly Accrual Report	15d prior to end of quarter	Electronic (Excel)	English	Expenditure status (accrued)
<b>Quarterly Report</b>	10d before end of quarter	2 paper and 1 CD copy	English	Progress/deviations/targets
<b>Annual Workplan</b>	15d before start of year	2 paper and 1 CD copy	English & Romanian	Activities/methodologies/timeline
<b>Annual Report</b>	30d following end of year	2 paper and 1 CD copy	English & Romanian	Accomplishments, results and PMEP update, also Include Env Status Report
<b>Annual Supplemental Report</b>	October 20 <sup>th</sup> annually	2 paper and 1 CD copy	English & Romanian	Activities, Donor Coordination Lessons learned
<b>Project Completion Report</b>	15d before end of contract	2 paper and 1 CD copy	English & Romanian	Narrative & financial

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 that are involved, and suggested USG representative participants. Events implemented by Component 2 (intended for Transnistria clients) are highlighted. An image of the Monthly Event Schedule for March 2013 is shown on the following page.

## Agricultural Competitiveness and Enterprise Development Project



### Agricultural Competitiveness and Enterprise Development Project



**ACED Project Monthly Event Calendar - March 2013**

Event Date(s)	ACED Comp/Activity & Event Type	Event Location & Time	Event Description & Purpose	Partner Organizations	USG Representation ?
Mar 1*	Component 2 Activity 2 - MSME Development	AgroStar Office - Pervomaik 11:30 to 16:00	Technical training on pruning of peach and apple trees, with a classroom presentation and field demonstrations to follow. Attendees will be apple, peach and plum farmers from the Pervomaik region.	AgroStar, Transnistria	COTR?
Mar 1	Cross Cutting - Gender Activities	Comrat - Location TBD	The ACED Gender Specialist will meet with the implementing partner and the nascent regional Women's Networks from Gagauzia to develop a draft action plan and discuss the activities they have proposed.	Association of Women in Gagauzia	COTR
Various	Component 1 Activity 2 - Production Training	01/03 - Copanca 01/03 - Pervomaik TBD - Trebisauti	Technical training on pruning apple trees, with a classroom presentation and field demonstrations to follow. Attendees will be apple farmers from the regions involved.	CB din Tighina, AgroStar, Moldova Fruit Association	TBD
Mar 2	Component 1 Activity 2 - Production Training	Ungheni - Location TBD	Technical training on pruning plum trees, with a classroom presentation and field demonstrations to follow. Attendees will be apple farmers from the Ungheni region.	Centrul de Schlarizare si Informare din Ungheni	TBD
Mar 5 - 6	All Components & Activities	Odiseu - Vadul lui Voda	Annual Workplan development conference - A two-day meeting to discuss results achieved and to plan activities & events for the ACED project for Year Three (Apr '13 - Mar '14)	USAID and MCC/MCA	COTR
Mar 8	Component 1 Activity 1 - Market Linkages	ACED Conference Room Time TBD	The ACED Marketing Team will host a group of tomato growers to the office to continue discussions relative to the formation of a producer cooperative to supply fresh vegetables to the supermarket chains operating in Moldova.	None	COTR?
Mar 8 - 9	Component 1 Activity 1 - Market Linkages	Warsaw, Poland	Two members of the ACED Marketing Team will visit Warsaw to conduct an End Market Study on the Polish market for Table Grapes and Cherries. The team will focus on collecting information from the wholesale market and supermarkets.	None	None
Mar 12 - 13	Component 1 Activity 4 - Enabling Environment	TBD	The ACED DCoP and representatives from MAFI and the FSA will visit phytosanitary checkpoints and internal departments to insure these locations have proper conditions to receive the equipment to be donated by the ACED project.	MAFI, FSA	COTR
Mar 14*	Component 2 Activity 1 - BSP Capacity Building	Tiraspol - Chocolat Restaurant 11:00 to 16:00	Visiting consultant Gary Kilmer will conduct a one-day seminar in the "Business of Consulting" for Transnistrian Business Service Providers. The intended audience is owners and managers of BSP clients of the ACED project.	None	COTR?



### Agricultural Competitiveness and Enterprise Development Project



**ACED Project Monthly Event Calendar - March 2013**

Event Date(s)	ACED Comp/Activity & Event Type	Event Location & Time	Event Description & Purpose	Partner Organizations	USG Representation ?
Mar 14 - 15	Component 1 Activity 4 - Enabling Environment	Chisinau, Labor Institute 09:00 to 17:00 daily	This will be a two-day seminar, presented by Andrei Cumpenici, on the basic principles of HACCP and other food safety procedures. The target participants are the owners and managers of local food processing firms.	None	COTR
mid-March - dates TBD	Component 1 Activity 3 - Value Chain TA	1 - Bujor, 2 - Hincesti & Budesti, 3 - Chisinau & Ceadir-Lunga & Cioburciu, 4 - Stefan-Voda (4 events in total)	ACED will conduct four separate regional meetings to introduce the training process the project will be undertaking to facilitate the creation of producer groups. This will be the launch event for this new project activity.	None	TBD
Various mid-March	Cross Cutting - Gender Activities	Chisinau - Southern group Chisinau - Central group Balti - Northern group	The ACED Gender Specialist will meet with the implementing partners and the nascent regional Women's Networks from the South, Center and the North to develop a draft action plan and discuss the activities they have proposed.	Contact Cahul, Agrolinform	COTR
Dates TBD	Component 1 Activity 2 - Production Training	TBD - Edinet TBD - Navimet TBD - Olanesti	Technical training seminars on pruning sweet cherry trees, with a classroom presentation and field demonstrations to follow. Attendees will be sweet cherry farmers from the regions involved.	Agrolinform Edinet, AO Cutazatul, AgroAssistentia	TBD
Dates TBD	Component 1 Activity 2 - Production Training	TBD - Ruseni TBD - Cotuieni TBD - Tribisauti	Technical seminars on IPM and fertilization systems for apple trees, with a classroom presentation and field demonstrations to follow. Attendees will be apple farmers from these regions.	Agrolinform Edinet, Moldova Fruit Association	TBD
Dates TBD	Component 1 Activity 2 - Production Training	TBD - Soroca TBD - Copanca TBD - Pleseni	Technical seminars on IPM and fertilization systems for apple trees, with a classroom presentation and field demonstrations to follow. Attendees will be apple farmers from these regions.	TerraAgroNord, CB din Tighina, CB din Cahul	TBD
Mar 28	Component 1 Activity 4 - Enabling Environment	Food Safety Agency Time TBD	This event will be the official hand-over of the laboratory equipment donated by ACED to the newly formed Moldovan Food Safety Agency. This will include the central lab equipment as well as the equipment for the control points.	MAFI, FSA	COTR, Mission Director, Ambassador?
Late Mar to Early Apr	Cross Cutting - Gender Activities	Chisinau - Location and time to be determined	The ACED gender team will meet with the implementing partners and the regional Women's Networks from all regions to discuss activities, exchange ideas and review and strengthen their draft Action Plans for the coming year.	Association of Women in Gagauzia, Contact Cahul, Agrolinform	COTR, Mission Director?

\* The asterisk and the light green highlight indicates events that will take place on the Left Bank.

**USAID Moldova - MCC Moldova**

**AGRICULTURAL COMPETITIVENESS AND  
ENTERPRISE DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR TWO  
APRIL 1, 2012 – MARCH 31, 2013**

**Annex A: PMEP Indicator Tables for Year Two**



## ACED PMEP INDICATOR TRACKER

Nr.	Performance Indicator	Disaggregation	Through Mar 2013	Year 2 Target	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	<table><tr><td>TOTAL</td><td>N/A</td><td>N/A</td><td>20%</td></tr><tr><td>Women owned or managed farms/firms</td><td>0</td><td></td><td></td></tr><tr><td>Value Chain</td><td></td><td></td><td></td></tr></table>	TOTAL	N/A	N/A	20%	Women owned or managed farms/firms	0			Value Chain													
TOTAL	N/A	N/A	20%																					
Women owned or managed farms/firms	0																							
Value Chain																								
1.0.2	* Percent change in high-value agriculture exports based on new data available for 2012	<table><tr><td>TOTAL</td><td>20.0%</td><td>5% over baseline</td><td>35%</td></tr><tr><td>HS Codes (minus exceptions noted in PMEP and re-exports)</td><td></td><td>\$182,382,126 (with re-exports excluded)</td><td></td></tr><tr><td>07 (Vegetables)</td><td>-38.4%</td><td></td><td></td></tr><tr><td>08 (Fruits)</td><td>22.8%</td><td></td><td></td></tr><tr><td>20 (Preserved products)</td><td>16.4%</td><td></td><td></td></tr></table>	TOTAL	20.0%	5% over baseline	35%	HS Codes (minus exceptions noted in PMEP and re-exports)		\$182,382,126 (with re-exports excluded)		07 (Vegetables)	-38.4%			08 (Fruits)	22.8%			20 (Preserved products)	16.4%				
TOTAL	20.0%	5% over baseline	35%																					
HS Codes (minus exceptions noted in PMEP and re-exports)		\$182,382,126 (with re-exports excluded)																						
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08 (Fruits)	22.8%																							
20 (Preserved products)	16.4%																							
1.0.3	* Percent change in high-value agriculture exports in our selected target value chains based on new data available for 2012	<table><tr><td>Targeted Value Chains</td><td></td><td>5% over baseline</td><td>50%</td></tr><tr><td>0702 (Tomatoes, fresh or chilled)</td><td>-30.3%</td><td></td><td></td></tr><tr><td>080610 (Grapes, fresh)</td><td>5.4%</td><td></td><td></td></tr><tr><td>080810 (Apples, fresh)</td><td>-21.1%</td><td></td><td></td></tr></table>	Targeted Value Chains		5% over baseline	50%	0702 (Tomatoes, fresh or chilled)	-30.3%			080610 (Grapes, fresh)	5.4%			080810 (Apples, fresh)	-21.1%								
Targeted Value Chains		5% over baseline	50%																					
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080610 (Grapes, fresh)	5.4%																							
080810 (Apples, fresh)	-21.1%																							
1.0.4	* Change in dollar value of high value agricultural exports to non-traditional export markets based on new data available for 2012	<table><tr><td>TOTAL</td><td>70.2%</td><td>4% over baseline</td><td>25%</td></tr><tr><td>Targeted Value Chains</td><td></td><td>\$78,920,570 (with re-exports excluded)</td><td></td></tr><tr><td>0702 (Tomatoes, fresh or chilled)</td><td>-100.0%</td><td></td><td></td></tr><tr><td>080610 (Grapes, fresh)</td><td>506.0%</td><td></td><td></td></tr><tr><td>080810 (Apples, fresh)</td><td>-0.3%</td><td></td><td></td></tr></table>	TOTAL	70.2%	4% over baseline	25%	Targeted Value Chains		\$78,920,570 (with re-exports excluded)		0702 (Tomatoes, fresh or chilled)	-100.0%			080610 (Grapes, fresh)	506.0%			080810 (Apples, fresh)	-0.3%				
TOTAL	70.2%	4% over baseline	25%																					
Targeted Value Chains		\$78,920,570 (with re-exports excluded)																						
0702 (Tomatoes, fresh or chilled)	-100.0%																							
080610 (Grapes, fresh)	506.0%																							
080810 (Apples, fresh)	-0.3%																							
1.0.5	Number of visitors to ACED- sponsored web resources	<table><tr><td>TOTAL</td><td>8678</td><td>10000</td><td>50000</td></tr><tr><td>Web Site</td><td></td><td></td><td></td></tr><tr><td>ACED web site: total visits</td><td>8678</td><td></td><td></td></tr><tr><td>ACED web site: unique visitors</td><td>4618</td><td></td><td></td></tr></table>	TOTAL	8678	10000	50000	Web Site				ACED web site: total visits	8678			ACED web site: unique visitors	4618								
TOTAL	8678	10000	50000																					
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▲ Indicator to be reported by MCA's Impact Assessment Contractor																								
* Indicator reported annually																								
**To be reported if in project targeted value chains																								

## ACED PMEP INDICATOR TRACKER

Nr.	Performance Indicator	Disaggregation	Through Mar 2013	Year 2 Target	Life of Project Target
<b>Component 1, Activity 1: Develop and Expand Market Opportunities for Moldovan HVA</b>					
1.1.1	Value of annual HVA sales facilitated by ACED on behalf of Moldovan producers or producer groups ( <b>domestic and exports</b> )	<b>TOTAL</b> <b>Women owned or managed farms/firms</b> <b>Value Chain</b> Apples Stone fruits Other fruits Table grapes Vegetables	<b>\$1,867,168</b> <b>\$227,845</b>  \$1,327,045 \$51,200 \$2,400 \$83,555 \$402,968	<b>\$US 1.25 mln</b>	<b>\$US 21 mln</b>
1.1.2	Value of HVA <b>exports</b> facilitated by ACED on behalf of Moldovan producers and producer groups	<b>TOTAL</b> <b>Women owned or managed farms/firms</b> <b>Value Chain</b> Apples Stone fruits Table grapes	<b>\$1,358,525</b> <b>\$225,000</b>  \$1,291,125 \$16,400 \$51,000	<b>\$US 1 mln</b>	<b>\$US 15 mln</b>
1.1.3	Number of producers reporting transactions facilitated by ACED	<b>TOTAL</b> <b>Women owned or managed farms/firms</b> <b>Value Chain</b> Apples Stone fruits Other fruits Table grapes Vegetables	<b>43</b> <b>6</b>  15 3 0 9 16	<b>200</b>	<b>1500</b>

## ACED PMEP INDICATOR TRACKER

Nr.	Performance Indicator	Disaggregation	Through Mar 2013	Year 2 Target	Life of Project Target
<b>Component 1, Activity 2: Upgrade Production in the HVA Value Chain</b>					
1.2.1	Number of producers trained as a result of ACED (Milestone)**	TOTAL** Women  Value Chain  Apples Stone fruits Other fruits (strawberries) Table grapes Vegetables Multiple	3001 939  716 459 11 865 865 85	1500	4300
** The total includes cross-cutting VC training participants that cannot be disaggregated by VC					
1.2.2	Number of producers adopting improved practices (or applying improved techniques) as a result of ACED	TOTAL Women  Value Chain  Apples Stone fruits Table grapes Vegetables Other fruits (strawberries)	679 265  204 16 236 222 1	500	2800
1.2.3	▲ Number of additional hectares under improved technologies or management practices as a result of ACED	TOTAL Women owned or managed farms/firms Men owned or managed farms/firms	2339 451 1888	1500	8400
▲ Indicator to be reported by MCA's Impact Assessment Contractor					

ACED PMEP INDICATOR TRACKER					
Nr.	Performance Indicator	Disaggregation	Through Mar 2013	Year 2 Target	Life of Project Target
<b>Component 1, Activity 3: Upgrade Support for Development of the HVA Value Chain</b>					
1.3.1	Number of ACED-supported VC entities adopting international food safety and quality standards	TOTAL Women owned or managed farms/firms Value Chain Table grapes	1 1 1	5	20
1.3.2	Value of new investment in Moldovan HVA farms and value-chain businesses assisted by ACED	TOTAL Women owned or managed farms/firms Value Chain Apples Table grapes Vegetables Multiple	\$5,450,073 \$344,158 \$3,198,398 \$1,331,265 \$11,410 \$909,000	\$US 3 mln	\$US 15 mln
1.3.3	Number of clients benefiting from assistance leading to HVA investments including farmers, farmer groups and enterprises	TOTAL Women owned or managed farms/firms Value Chain Apples Table grapes Vegetables Multiple	92 27 40 11 38 3	25	150
1.3.4	Number of HVA enterprises assisted by ACED (excluding Transnistria)	TOTAL *** Women owned or managed farms/firms	149 25	30	120
1.3.4.1	Technical assistance	SUB-TOTAL Women owned or managed farms/firms Value Chain Apples Stone fruits Table grapes Vegetables Multiple NP (non-producer)	79 13 13 13 10 25 5	n/a	n/a
1.3.4.2	Enterprise events/trainings	SUB-TOTAL Women owned or managed farms/firms Value Chain Apples Stone fruits Table grapes Multiple NP (non-producer)	81 15 6 1 7 19 48	n/a	n/a
***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 Women owned or managed farms/firms Value Chain Apples Stone fruits Table grapes	20 3 15 2 3	20	75

## ACED PMEP INDICATOR TRACKER

Nr.	Performance Indicator	Disaggregation	Through Mar 2013	Year 2 Target	Life of Project Target
<b>Component 1, Activity 4: Improving the Enabling Environment for HVA</b>					
1.4.1	Number of agricultural policy reforms carried out as a result of ACED project intervention	TOTAL	0	0	5
		<i>Governmental Institutions</i>	0		
1.4.2	Number of consultative processes involving communication between government and private sector as a result of ACED assistance (Milestone)	TOTAL	11	10	30
1.4.3	Moldova SPS service achieves compliance with IPPC, ISPM Guidelines 7, 20 and 23	N/A		Audit passed. 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 PMEP INDICATOR TRACKER

Nr.	Performance Indicator	Disaggregation	Through Mar 2013	Year 2 Target	Life of Project Target
<b>COMPONENT 2: Enterprise Development in Transnistria</b>					
<b>Component 2, Activity 1: Enhance the Capacity of Transnistria Business Service Providers to Provide Services to MSMEs Resulting in Improved MSMEs Competitiveness</b>					
2.1.1	Number of microenterprises receiving business development services from ACED-assisted entities (less than 10 employees, this includes household farmers)	<b>TOTAL</b> <i>Women owned or managed farms/firms</i> <b>** Value Chain</b> Vegetables	58 18 57	6	20
2.1.2	Number of small and medium enterprises (SMEs) receiving business development services from ACED-assisted entities	<b>TOTAL</b> <i>Women owned or managed farms/firms</i> <b>** Value Chain</b> Multiple (tree fruit)	93 12 2	15	75
2.1.3	Number of trainings for business service providers (BSPs) and industry/business associations to better serve the needs of the business community	<b>TOTAL</b> <i>Women owned or managed BSP participating</i> <b>** Value Chain</b> Vegetables Multiple	4 11 1 3	3	9
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)	<b>TOTAL</b> <i>Women owned or managed farms/firms</i>	16 11	3	9
<b>Component 2, Activity 2: Support the Development of MSMEs in Transnistria</b>					
2.2.1	Number of cross-bank enterprise linkage activities facilitated by the Contractor over 5 years	<b>TOTAL</b> <i>Women owned or managed farms/firms</i> <b>Value Chain</b> Apples Stone fruits Other fruits Vegetables Multiple	18 7 8 1 2 3 4	1	7

**\*\* To be reported if in project targeted value chains**

**USAID Moldova - MCC Moldova**

**AGRICULTURAL COMPETITIVENESS AND  
ENTERPRISE DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR TWO  
APRIL 1, 2012 – MARCH 31, 2013**

**Annex B: ACED Success Stories for Year Two**



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## SUCCESS STORY

# Modern Pruning Increases Fruit Yield

**Agriest-Com is using a new pruning method on their 160,000 tree orchard based on USAID assistance.**



Photo: ACED Project

The image above shows Mr. Cojocaru out among the cherry trees that he planted in his orchard a couple of years ago. The adoption of the KGB pruning and tree management method will reduce his need for field labor, improve the quality of the fruit from the trees and increase his harvest. He will be promoting the method among his neighbors as well.

*Mihai Cojocaru was formerly with the Agricultural University in Moldova, and he was responsible for the management of a 6,800 experimental orchard at the university. He is now a private farmer and has an 11 hectare fruit orchard that he planted a couple of years ago. Assistance from the USAID/MCC financed ACED Project will help him to reduce costs, improve quality and increase his annual harvest. His goal is to "change the Moldovan agricultural landscape."*

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There is a saying in Moldova that "Big trees produce big crops". But that saying may no longer be true after the introduction of a new, more modern, pruning technique that allows smaller trees to provide a fruit harvest comparable to more normal-sized trees.

Mihai Cojocaru is a farm owner in Criuleni District in eastern Moldova and his firm, Agriest-Com SRL, established a new 11 hectare orchard two years ago to produce seedlings on demand. He likes to think of himself as a researcher. "I started growing trees out of curiosity," says the 65-year-old businessman. "I brought home new tree varieties from various parts of the world, for testing. I wanted to see how they adapted to Moldova."

Mr. Cojocaru recently learned of the Kym Green Bush (KGB) pruning method, a technique that allows small trees to bear an increased amount of fruit, through an Agricultural Competitiveness and Enterprise Development Project (ACED) training program. ACED is a joint United States Agency for International Development (USAID) and Millennium Challenge Corporation (MCC) program to promote high value agriculture in Moldova.

The KGB pruning and orchard management method promoted by ACED, popular among fruit producers around the world, was developed by Kym Green, an Australian fruit grower. Because the technique is little known in Moldova, ACED production specialists are promoting the benefits of KGB to Moldovan farmers and suppliers.

Less labor, larger crops, better quality fruit, easy harvesting, and more time for storage and transportation makes KGB an effective investment, thinks Mr. Cojocaru. He expects his orchard will produce 20 to 25 tons of fruit per hectare in a couple of years. He also intends to cover the orchard with anti-hail protection and a micro-sprinkler irrigation system to ensure quality and avoid losses. The KGB method will allow Mr. Cojocaru to greatly increase the yield from the trees he planted two years ago.



## SUCCESS STORY

# ACED Feasibility Study Leverages \$1.2M

**ACED project assistance to a Costesti farmer group will result in an investment of \$1.65M for a new fruit packing house**



Photo: www.usaid.gov/1800

The image above shows the operation of a packing house of a similar type to what the table grape farmers in Costesti will be building in 2013. The funding from the Central Regional Development Agency will provide seed funding for the farmer group which will be required to cover 25% of the total cost of the new packing house.

*The local communities will benefit from this project by collecting rental fees from the packing house, which will go into the local budget, and from jobs that will be created. Table Grape Producer Associations from Vulcanesti and Cahul, and a producer group from Stefan Vodă have also asked for ACED assistance to develop similar projects in their areas. Helping Moldova's fresh fruit and vegetable farmers and processors to increase fruit quality, and sales and exports are ACED's main goals.*

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Moldovan table grapes have been long famous in the ex-Soviet and European markets, but packaging & quality constraints have limited their market potential. To address this problem, the Agricultural Competitiveness and Enterprise Development Project (ACED), a joint program of the US Agency for International Development and the Millennium Challenge Corporation, helped Costesti Village in the Ialoveni District to bid for funding from the Central Regional Development Agency for a new packing house.

The project, titled "Producer Group and Packing House for Modern Marketing Services," will benefit the Association of Table Grape Producers and Exporters of Costesti Village, and will be implemented by the village with ACED's assistance. Other partners include the Ministry of Agriculture, the Central Regional Development Agency, the Moldovan Association of Grape Producers and Exporters, and the FructAgroCom Farmer Cooperative.

ACED supported Costesti by developing the project concept in the spring of 2012, and drafting the application for funding in July. The packing house will cover 2,000m<sup>2</sup> and will be located on a plot already allocated by the Mayor. This packing house will cost 20M Lei (\$1.65M), and approximately 15M Lei (\$1.2M) will come from the Central Regional Development Agency. The balance will be contributed by a table grape producer group to be formed in the central part of the country, and this group will be the owner/operator of the packing house. ACED provided co-financing for the project feasibility study.

There are more than 1,400 producers of various fruit varieties and table grapes in the central region of Moldova, and about 200 of them will form the producer group that will be the key suppliers of quality fruit for this new packing house. The ACED project will also provide Good Agricultural Practices (GlobalGAP) training in modern production technology, harvesting, post-harvesting handling, and marketing to the new producer group.



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## SUCCESS STORY

# Pre-Cooling Improves Export Potential

**Four farmer clients have added pre-cooling systems to their storage facilities based on ACED training activities.**



Photo: ACED Project staff

Mr. Vasile GUZUN (owner of Norbit LTD) demonstrates the high quality of his table grapes during an ACED training event at his cold store facility. The pre-cooled grapes stored there have maintained their high quality even after three months in storage. They are still in perfect shape for the Christmas festivities in Moldova which take place in early January.

*As was made clear in the ACED Table Grape Value Chain Analysis, table grapes are the third largest high value agricultural export product by value, following apples and nuts. The regional markets are growing, but unfortunately Moldovan products are visually unattractive and this limits their export value. Activities such as pre-cooling, the use of SO<sub>2</sub> pads, and other new technologies will help Moldovan producers increase the quality of their exports and become more competitive.*

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The ACED Value Chain Analyses, conducted in the first year of the project, highlighted the importance of the wide-scale adoption of pre-cooling as a major factor in adding new HVA export crops. The quick cooling of fruit is paramount to maintaining quality on the long trip to the consumer for fresh fruit. To date, pre-cooling technologies have been mostly ignored by Moldovan farmers because they know very little about the value added by pre-cooling. Farmers also relied on advice from local refrigeration suppliers, who had limited knowledge of the technologies.

The ACED strategy to address the "lack of pre-cooling" was to educate both parts of the equation – the farmers and the hardware suppliers. Pre-cooling was a key topic in the ACED table grape value chain workshops and training program. A study tour was organized for the most active table grape growers to observe modern post-harvest technologies in Italy, the leading European producer of table grapes. On the supply side, ACED organized a study tour to Turkey for leading refrigeration equipment suppliers, and post-harvest facility designers, to educate them on modern cold chain solutions.

The results have surpassed ACED's expectations, and "pre-cooling" has now become the key buzz-word in the Moldovan table grape value chain. Three companies have added forced air tunnels to their cold stores, and one producer of table grapes and stone fruit built a dedicated pre-cooling facility with four forced-air tunnels. The total investment by these clients is estimated at \$400,000. These facilities were built by local equipment suppliers that were part of the ACED study tour to Turkey.

Each of the seven forced-air tunnels now installed can pre-cool 20 to 40 MT per day. The growers expect that in 2013 the pre-coolers will handle at least 4,500 MT of fresh fruit, bringing increased incomes to growers, pre-cooler operators and exporters, while foreign consumers will be able to enjoy the taste of fresh Moldovan fruit.



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## SUCCESS STORY

# Family Farm Adopts new Technologies

**Mr. Scutaru and his four sons have significantly improved the competitiveness of their farm with ACED technical assistance.**



Photo: Scutaru Family Farm

The picture above shows the ACED Food Safety Specialist (right) advising Victor Scutaru on the procedures needed to obtain GlobalGAP certification. GlobalGAP is a widely accepted certification for food products in western markets. With this certification the Scutaru FF will be able to export to many western markets.

*The Scutaru Family Farm is approved for exports to Russia, but as market conditions change they need to look to western markets to continue to grow. With ACED assistance they have obtained new certifications and they have built a new 2,000 Ton cold storage facility on their farm. As Mr. Scutaru says "Although apples from Poland and Turkey look better, Moldovan apples are much more tasty (Taste makes the difference) and can be competitive in international markets with the adoption of new production and storage technologies."*

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[www.usaid.gov](http://www.usaid.gov)

A critical factor for Moldovan farmers to compete in international markets for fresh fruit and vegetables is the adoption of new plant varieties and cultivation techniques, and the installation of appropriate storage and post-harvest handling systems for their fruit. The Scutaru Family Farm, from Edinet in northern Moldova, is a good example of how ACED assistance can prepare Moldovan farmers to face the challenges of new export markets.

The Scutaru family has been operating their farm for nearly ten years now, and all along the way they have been adopting the latest varieties and production methods. Their farm is a good example of the "super intensive" method of apple production, and ACED has assisted them with training and technical assistance relative to harvesting and post-harvest handling. A critical element that was missing from their farm was an appropriate storage facility to hold their apples after harvest so they could take advantage of seasonal price increases for apples.

The Scutarus turned to ACED for assistance, and the project's Value Chain Team worked with them to prepare a business plan that they used to apply for a loan from the MCC Access to Agricultural Finance (AAF) facility. Based on the plan prepared they received a \$600,000 loan, which represented about 40% of the cost of a new, modern, cold storage facility for their farm. The new storage facility was completed in 2012, and was used for their fruit, and fruit from a neighbor farmer, in the 2012 season.

In addition to access to financing, the ACED project has helped them with securing GlobalGAP certification for their farm (an essential certification for many western markets), installing a weather station in their orchard, and using the weather data for a better plant protection. With ACED assistance the Scutarus sold their apples for higher than average market prices (15% to 20% higher) and their apples were on display at the Moldova booth at the Fruit Logistica international trade show in Berlin in February 2013.





## SUCCESS STORY

# Weather Stations Assist Fruit Growers

**ACED assists farmers with new technologies, and the weather stations will help them respond to adverse climate events.**



Photo: Pessl Instruments GmbH

The picture above shows an iMETOS® ag weather station in a vineyard. All relevant weather data are regularly measured by the station and automatically sent to an iMet climate data base. The station is powered by batteries recharged by a solar panel. The iMETOS® ag uses local GSM coverage and a SIM card for operations.

*A station like the iMETOS costs between €3,000 and €5,000, and it can be equipped with up to 80 individual sensors. Sensor data is uploaded every 15 to 60 minutes and is transmitted via the local cell phone network to the Pessl database in Austria. Pessl then uses the data to develop detailed seven-day forecasts for the individual farmer, and individual models of the state of the plants and the local environment. The forecasts and models are e-mailed to the farmer and can be used to predict weather events and pest infestations.*

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Apple growers in Moldova, as is the case around the world, are highly dependent on weather for their livelihoods. With the impact of global climate change increasing, the ability to predict the weather is becoming an essential skill for modern fruit growers. Fruit is heavily affected by frost, drought, hail and rain. In an effort to assist these producers, the Agricultural Competitiveness and Enterprise Development (ACED) project, in partnership with other donors and the Moldova-Fruit Association, has collaborated on the introduction of small remote weather stations at the orchard level to provide these growers with a higher degree of protection from adverse weather.

Following an informational seminar organized by ACED in early 2012, and some follow-up on-site assistance with interested farmers, seven apple growers purchased and installed iMETOS® weather stations. With an additional seminar, and promotion from Moldova-Fruit, a total of 40 iMETOS® weather stations have now been installed in Moldova and a nascent weather station network has been formed. The producer of the stations, Pessl from Austria, has now set up an office in Moldova and plans to deliver another 160 iMETOS® stations by the end of 2013.

"Weather stations can insure a high degree of accuracy in forecasting weather conditions and the state of the environment and they provide farmers with information they need to combat pests and plant diseases", said Gottfried J. Pessl, CEO of Pessl Instruments GmbH. "Moldovan agriculture, which has been hit hard by negative climatic factors a number of times in recent years, is highly exposed to climate risks, therefore it is essential for Moldovan farmers to obtain accurate weather forecasts within the context of global climate change," he underlined.



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## SUCCESS STORY

# Moldovan Farmer Sells to Supermarkets

**ACED project market linkage assistance allowed Mr. Bobirca to begin selling his vegetables to a local supermarket chain.**



Photo: ACED Project staff

Mr. Artur Bobirca, manager of the Bobirca Gheorghe farm near Orhei, standing in front of one of the IMC supermarkets in the Moldovan capital of Chisinau. In 2012 Mr Bobirca sold nearly \$80,000 of fresh vegetables to IMC and another supermarket. This was the first time he had sold to supermarkets, and it has changed the nature of his family business.

*Linking producers with new markets, both domestic and international, is one of the key functions of the ACED project. As supermarkets continue to expand in Moldova, and many of Moldova's traditional markets, producers will be forced to improve their quality and packaging to meet international standards. Mr Bobirca is a good example of what a progressive farmer can do when provided with the right kind of assistance and given the opportunity to sell into more demanding markets.*

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The cucumbers are nearly ready for harvest, and there are plenty of them inside the large greenhouses of the Bobirca Gheorghe farm near Orhei. Most of this produce will be sold to Chisinau supermarkets beginning in April, when their customers are increasingly looking for fresh local produce after a long cold winter. For Artur Bobirca and his family, which operates the farm, the new marketing cycle actually began in mid-March, with his early radish crop.

Mr Bobirca manages the family farm, which cultivates a total area of 7.0 hectares (17 acres) with tomatoes, pepper, eggplant, cabbage, cucumbers, radishes, and more. These crops are grown in open fields and in greenhouses, and the greenhouses have expanded to cover more than 2.4 hectares (6 acres) over the past two years. Artur's experience with local supermarkets began in 2012, when the Agricultural Competitiveness and Enterprise Development Project (ACED) linked him with the IMC and Fourchette supermarket chains in Chisinau. Last year, these retailers bought vegetables worth 1.1 million lei (\$88,700) from the Bobirca Gheorghe farm – mainly tomatoes, cucumbers, sweet peppers, and watermelons.

"We had never worked with any supermarkets until ACED helped us find common commercial interests" Artur recalls. "We started supplying produce to the supermarkets via consolidators, and then directly. We managed to sell one ton of tomatoes a week to the supermarkets, for a better price than the open market would offer. Our sales to supermarkets last year accounted for one third of our sales, and we intend to double that in 2013."

Following this experience, Artur Bobirca won't be stopping anytime soon. He is negotiating with a third supermarket chain, Linella, and he is also looking for opportunities to sell through small and medium-sized fresh produce stores in Moldova. His supply range now includes more than 20 crop varieties, with salads and cherry tomatoes having been added as the latest items in his assortment.



## SUCCESS STORY

# Moldova Enters Western HVA Markets

**For the first time ever, Moldova had a booth at the largest fresh produce trade show in Europe – Fruit Logistica 2013 in Berlin.**



Photo: ACED Project/ACED

The photo above shows the Moldova booth at Fruit Logistica 2013. The design of the booth was very modern and striking, and the use of the "Moldova – taste makes the difference" logo and tag line was very clearly displayed on the booth. Visitors to the booth were impressed with the display, and surprised by the fresh taste of the Moldovan apples available for sampling.

*Linking Moldovan producers with new international markets is an important function of the ACED project. Fruit Logistica provided ACED clients with an excellent opportunity to present their wares, and to meet many potential buyers. Fruit Logistica 2013 generated more than 150 commercial leads for the participants, and many of these contacts will be hosted on buyer visits to Moldova during the summer of 2013. The booth design and the promotional brochure were highly praised by visitors to the Moldova booth.*

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As part of the former Soviet Union, Moldova has historically seen Russia as the best market for its high value agricultural (HVA) products. As a result, Russia continues to be the largest export market for Moldovan products, but the picture is changing and this market is not as secure as in the past. Supermarkets are expanding quickly in Russia and they are imposing strict requirements on suppliers, in line with western markets. Russia has joined the WTO and that will open up Russia to new, much more serious, competition for the products Moldova sells.

In response to this challenge, Moldova needs to diversify markets for its products, and the logical way to go for the future is to the west, and specifically into the European Union. The best place to start is with the major international trade fairs that are organized on an annual basis, and the best fair for Moldovan HVA products is the Fruit Logistica fair in Berlin. Fruit Logistica brings together 2,500 exhibitors and nearly 60,000 visitors for an event that is un-matched for market linkage possibilities.

In February of 2013, for the first time ever, there was a "Moldova" booth at the Fruit Logistica fair.

With support from ACED and the UNDP, the booth gave select Moldovan producers an opportunity to present their products and meet with buyers in a fast paced and vibrant atmosphere. The booth prominently featured the new logo that has been developed for Moldovan HVA products, which includes the tag line "taste makes the difference." This highlights the fresh natural taste of Moldovan fruit and vegetables, and their unique organoleptic properties.

This event successfully put Moldova "on the map" and it will be the first of many trade show exhibits to be supported by the ACED project. The next show will be World Food Moscow in September 2013, to be followed by Fruit Logistica and GulFood, both in February 2014.







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## SUCCESS STORY

# ACED Assists Transnistrian Small Farmers

**ACED's partnership with Beliy Most, a Transnistrian Farmer Association, is paying dividends for their farmer members.**



This photo shows Larisa Colombeico, President of the Beliy Most farmer association, assisting an ACED consultant trainer to provide in-the-field instruction to members of the association on Strawberry production techniques. Members who have adopted the new techniques presented at the seminars have seen dramatic increases in quality and yield.

*In addition to supporting productivity growth for Left Bank (Transnistrian) farmers, ACED activities foster the creation of personal business linkages across the Nistru river. ACED and Beliy Most have organized cross-Nistru study tours for their farmer members, including one where a bus load of farmers visited cold store facilities on the Right Bank. Based on the simple designs seen, one member has built a 20-ton "low budget" storage facility that he uses jointly with three other farmers from the Beliy Most association.*

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Some women entrepreneurs are known to seize the day. This is particularly true of greenhouse farmer Larisa Colombeico, who is president of the Transnistrian Small Farmer Association known as Beliy Most (White Bridge). Shortly after the ACED project was launched, Larisa showed up at the office in Chisinau asking for technical support for the association. Ever since, she and her members have actively participated in ACED events, including domestic and international study tours, business trainings, production trainings, and round-tables.

Based on the close working relationship that ACED has with Beliy Most, the project supported the association to organize a booth for themselves at the 2012 Farmer Expo in Chisinau. Larisa and her members appreciated the support received from ACED and they have credited ACED's assistance with helping Beliy Most to attract new members. They now have 57 paying members, which Larisa says is a 50% increase in membership from what they had when they began working with ACED.

In May of 2012, five Beliy Most members participated in an ACED organized study tour to Ukraine to study "Advanced Technologies for Vegetable Production". During this tour the farmers visited demonstration plots and local farms as well as post-harvest facilities for vegetables. During the tour the participants gained knowledge on innovations such as new hybrids, irrigation equipment and greenhouse design, enabling them to increase production quality and yields. Upon her return, Larisa decided to start using a new technology in her strawberry production – mulch on 2,5 hectares, as well as expanded use of drip irrigation. She reports that before utilizing this combination of mulch and drip irrigation, she lost an average of 50% of her harvest when compared to her current yields.

Larisa says that the best ACED event was a dynamic seminar on strawberry production. She planted strawberries using the new technology presented, including a variety that reaches 70% of full production in the first year, compared to only 10-15% with older varieties. Larisa continues to take an active role in helping ACED organize trainings in Chitskani for local farmers.

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**AGRICULTURAL COMPETITIVENESS AND  
ENTERPRISE DEVELOPMENT PROJECT**

**ANNUAL REPORT FOR PROJECT YEAR TWO  
APRIL 1, 2012 – MARCH 31, 2013**

**Annex C: ACED Year Two Random Sample Survey**



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CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

# **AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT**

## **YEAR TWO RANDOM SAMPLE SURVEY REPORT**

**APRIL 2013**

This publication was produced for review by the United States Agency for International Development. It was prepared by Development Alternatives, Inc. for the Moldova Agricultural Competitiveness and Enterprise Development (ACED) Project, USAID contract number AID-117-C-11-00001.



# AGRICULTURAL COMPETITIVENESS AND ENTERPRISE DEVELOPMENT PROJECT

## YEAR TWO RANDOM SAMPLE SURVEY REPORT

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AGRICULTURAL COMPETITIVENESS AND  
ENTERPRISE DEVELOPMENT PROJECT**

**YEAR TWO RANDOM SAMPLE SURVEY REPORT**

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# **1. Executive Summary**

A random sample survey of farmers & producers trained over the course of the project to dates was carried out by ACED from January to March of 2013. Sixty-six percent of the 108 training participants randomly selected said that they had adopted techniques & practices (T/P) 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 \$2 million based on the assistance provided by the ACED project. 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 \$20 million in added sales. \

This end-of-year survey has provided a valuable learning experience for the ACED M&E Team, and it has given project staff a chance 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 Two 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) for 2013. The analysis presented is mainly related to the data collected on techniques & practices (T/P) adopted by training participants, and the added sales reported by these producers. The sample was taken from the list of those attending ACED training events during both 2011 and 2012. Related themes, such as data on problems faced by producers during the 2012 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 may also be used for reporting purposes (such as adoption rates, and sales reported).

### **b) Methodology and Staffing**

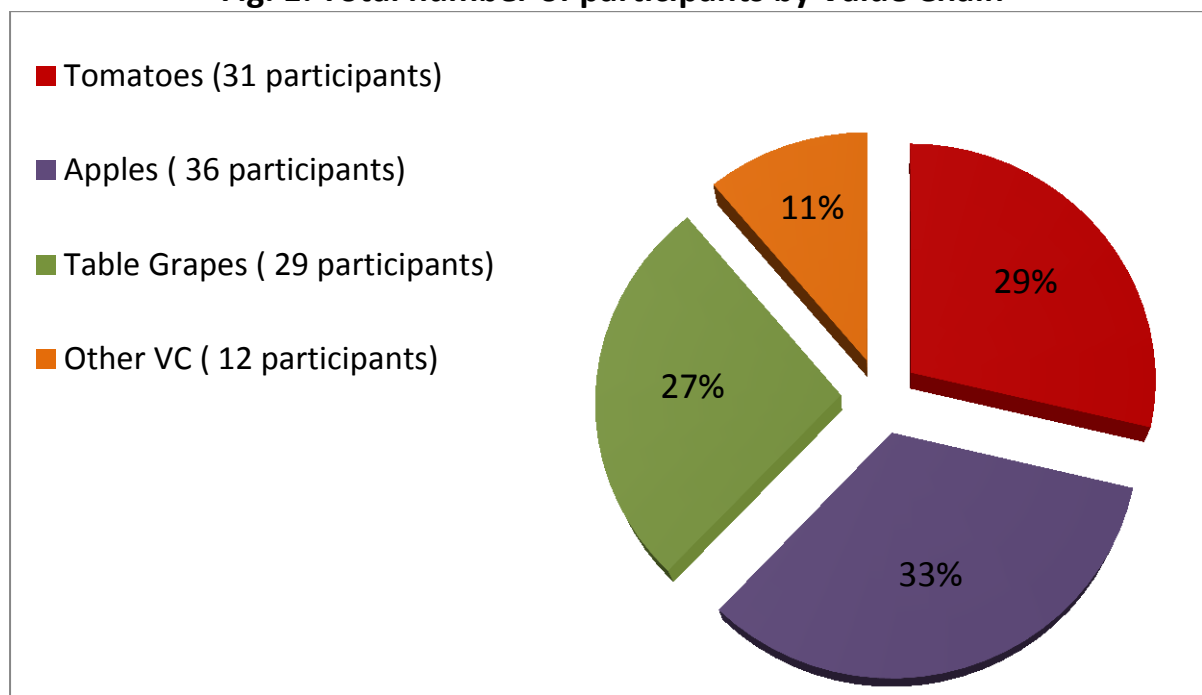
This survey attempted to gather data from a total of 108 randomly selected ACED training participants, out of a total of 2,285 individual participants who participated in ACED training events. Data on all the trainees was exported into an Excel file from the ACED Technical and Administrative Management Information System (TAMIS), which is a DAI proprietary internal project based data management system. Out of the 108 trainees which were randomly selected, the survey interviewer was actually able to speak with only 92 of the farmers, which is the realized sample.

With a 95% confidence level, the realized sample size of 92 provides the collected data with a 10.01% confidence interval (in other words, ACED can be 95% sure that a resulting outcome has a +/-10% 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 Training Team. Before the phone survey began, ACED field tested the survey questionnaire by using it on a facilitated focus group of tomato farmers who were attending an end of season event focused on the issue of soil testing. It was also distributed to a few other groups of farmers to fill in at the end of similar soil testing round tables. After reviewing the quality of the data collected, the questionnaire was modified and finalized for the phone survey. A former ACED employee, who was already familiar with interviewing farmers, was hired on a part time contract to call farmers and create an Excel spreadsheet with the data collected. She also participated as an observer in the facilitated field test.

### 3. Main Findings of the Survey

The 108 participants randomly selected were disaggregated by the Value Chain focus of the particular training event they attended (see Figure 1 below).

**Fig. 1: Total number of participants by Value Chain**



From the total participants randomly selected, only 92 were interviewed (ie: called and reached by phone). A total of 16 participants from the random sample were not interviewed for the following reasons:

- Three of those selected turned out to be non-producers<sup>1</sup>.
- Five producers had emigrated to other countries, which was learned from discussion with their relatives.
- Eight producers could not be reached because of incorrect phone numbers or being offline, even though they were called several times.

From the 92 participants interviewed, 30 were apple growers, 25 were table grape growers, 28 were tomato growers and 9 were growers of cherries, peaches, or strawberries. Therefore, in this report we refer to, and disaggregate data by, three main value chains: “Apples”, “Table grapes” and “Tomatoes” plus the additional category “Other value chains (VCs)” that includes cherries, peaches & strawberries, with all three combined into one category.

<sup>1</sup> The target audience for ACED production trainings is producers, though 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 to identify them as producers. For the few training sessions 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**

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 108 participants, the majority (94%) attended just one training (Table 1). Within the same value chain, no more than three participants surveyed attended more than one training event. We have three participants who attended three training events: one in apples, one in table grapes, and the one circled in the table that went to two trainings in peaches and one in table grapes. The latter was classified under "Other VCs" because he is primarily a peach producer.

**Table 1: Training attendance rate for 108 participants (source, ACED TAMIS)**

<b><i>Nr. of trainings attended</i></b>	<b><i>Apples</i></b>	<b><i>Table grapes</i></b>	<b><i>Tomatoes</i></b>	<b><i>Other VCs</i></b>	<b><i>Total attendance/ nr of training events</i></b>
<i>1 training event</i>	33	28	31	10	<b>102 (94%)</b>
<i>2 training events</i>	2	0	0	1	<b>3 (3%)</b>
<i>3 training events</i>	1	1	0	1	<b>3 (3%)</b>
<b><i>Totals per VC</i></b>	<b>36</b>	<b>29</b>	<b>31</b>	<b>12</b>	<b>108 (100%)</b>

By reviewing the records in TAMIS, it was possible to see that those who were not reached for an interview were all producers who attended only one training. If we compare the data on the producers in the survey with data on the producers contained in the TAMIS system, we see that in TAMIS, there are 796 producers who attended 2 or more trainings (33%), 389 producers who attended 3 or more trainings, 191 who attended 4 or more trainings, and 103 who attended 5 or more trainings.

### **b) Adoption Rates by Value Chain**

Out of the 92 participants surveyed, a total of 71 reported that they adopted one or more techniques & practices (Table 3) based on the training provided by ACED. Specifically, 22 farmers adopted techniques & practices in the apple value chain, as well as 21 farmers in the table grape VC, 22 farmers in the tomato VC, and 6 farmers in the other value chains. Out of these 71 adopters, 31 adopted three (3) or more techniques & practices, 24 adopted two (2) techniques & practices, and 16 adopted just one technique & practice. The highest practice adoption rate (44% of those interviewed) is for three and more techniques & practices adopted per farmer.



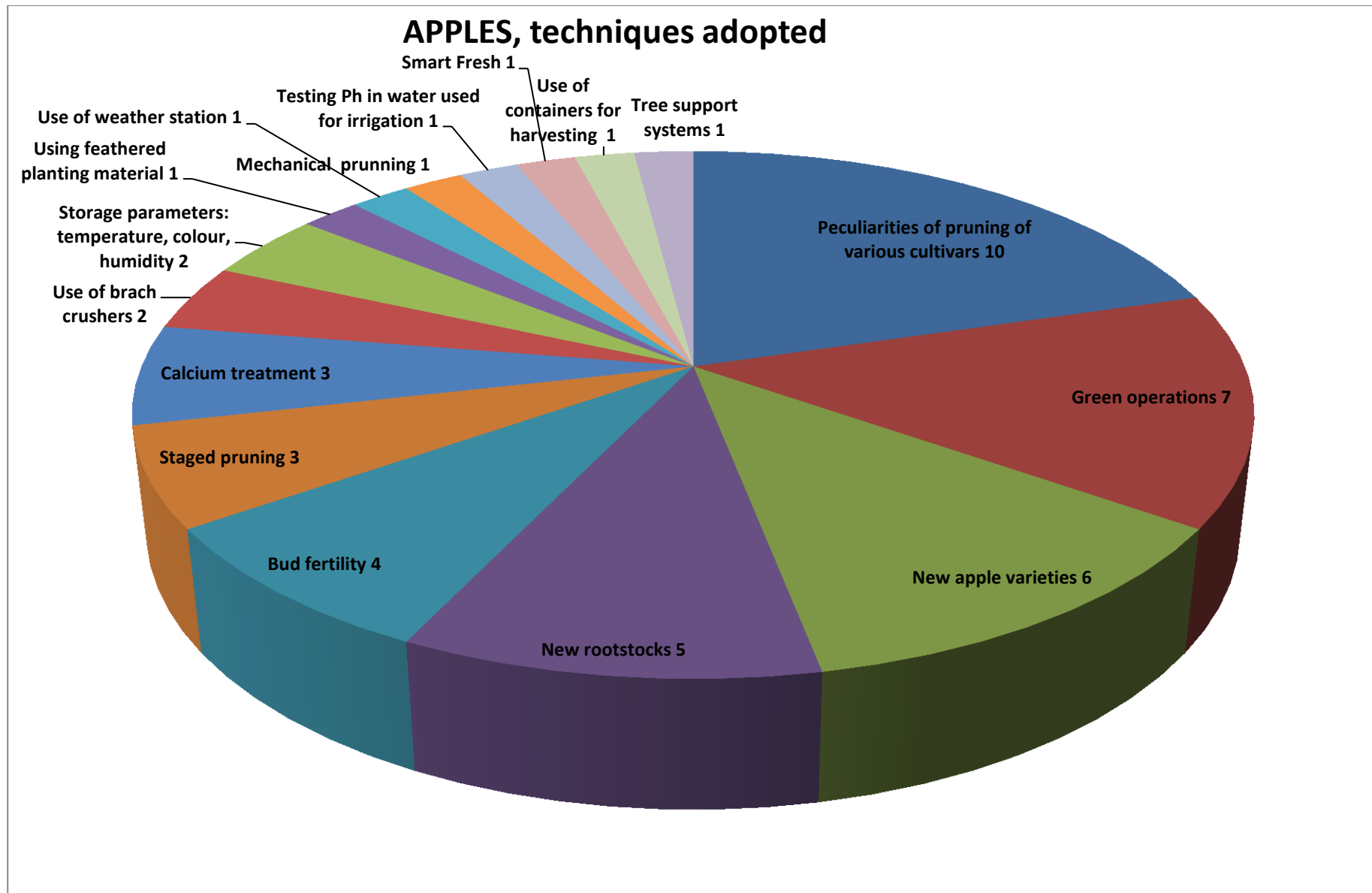
**Table 2: Adoption Rates by Value Chain of those Interviewed**

<i>Number of Techniques – Practices</i>	<i>Apples</i>	<i>Table Grapes</i>	<i>Tomatoes</i>	<i>Other VCs</i>	<i>Total No of adopters per No of T/Ps</i>
<i>1 T/P</i>	7	3	5	1	<b>16</b> (23%)
<i>2 T/Ps</i>	7	8	6	3	<b>24</b> (33%)
<i>3 or more T/Ps</i>	8	10	11	2	<b>31</b> (44%)
<i>Total No of adopters per VC</i>	<b>22</b>	<b>21</b>	<b>22</b>	<b>6</b>	<b>71</b> (100%)

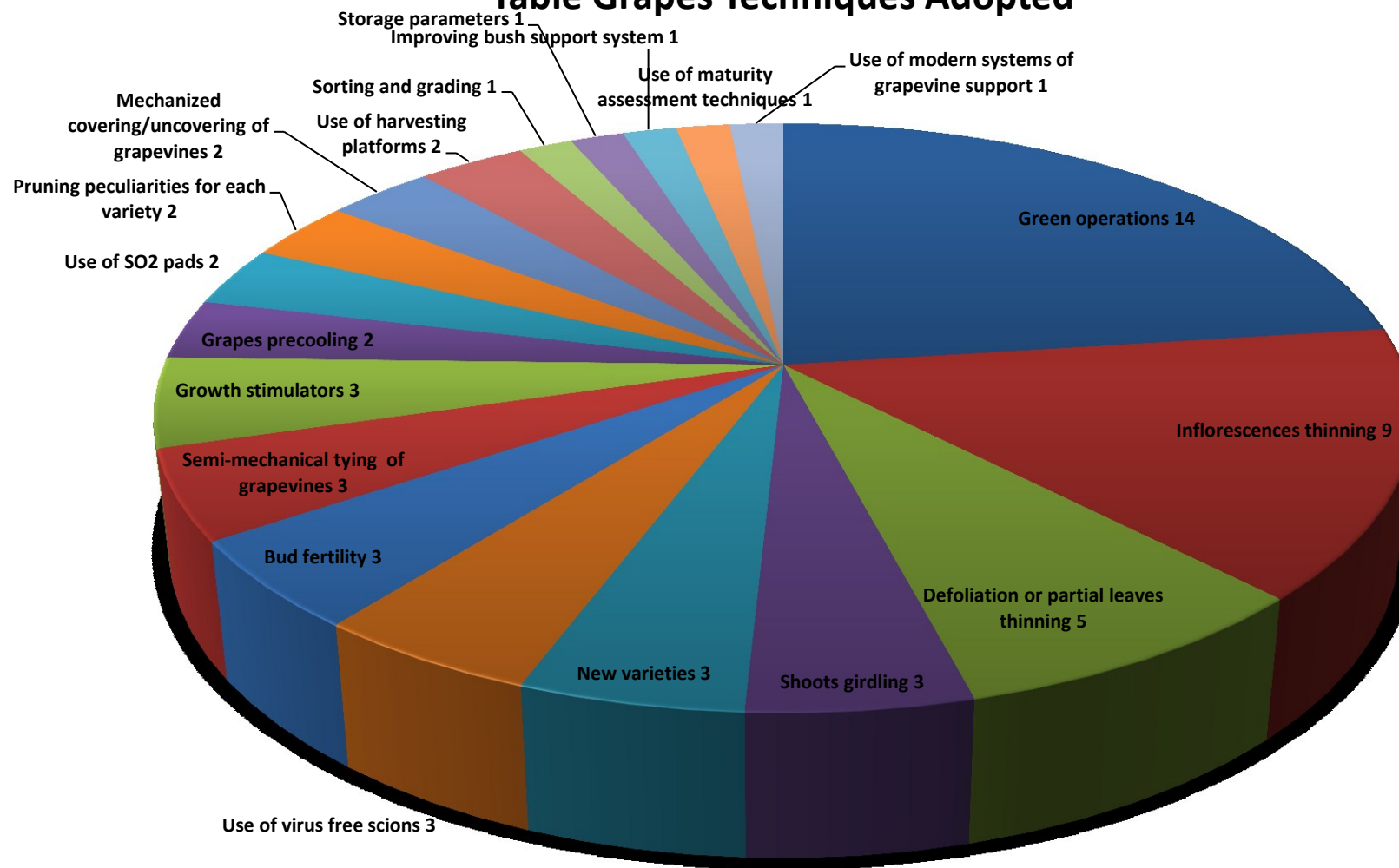
If we look at the overall adoption rate of the random sample of 108 training participants, we find an adoption rate of 66%.

### **c) Types of Techniques & Practices Adopted**

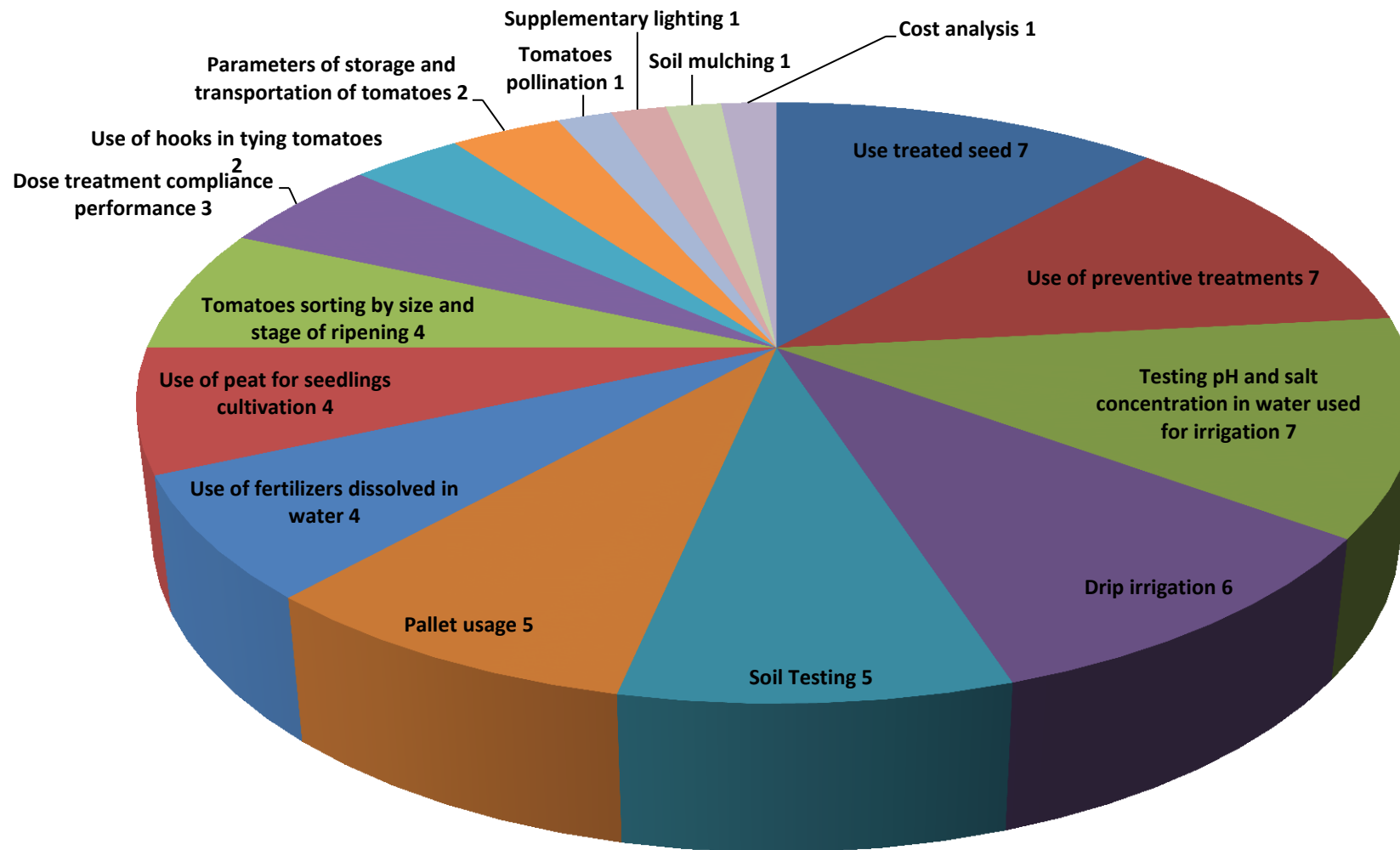
The pie charts on the following pages provide information on the types of techniques & practices adopted by the farmers, with data on the number of farmers adopting each technique or practice. As a general rule, farmers were more likely to adopt new techniques that have a relatively low cost of implementation. 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 heavily adopted. There are however, a few exceptions that can be seen in the chart, such as drip irrigation for tomatoes (6 adopted), new apple varieties adopted (6 producers purchased new varieties), and new table grape varieties adopted (3 producers purchased new varieties).



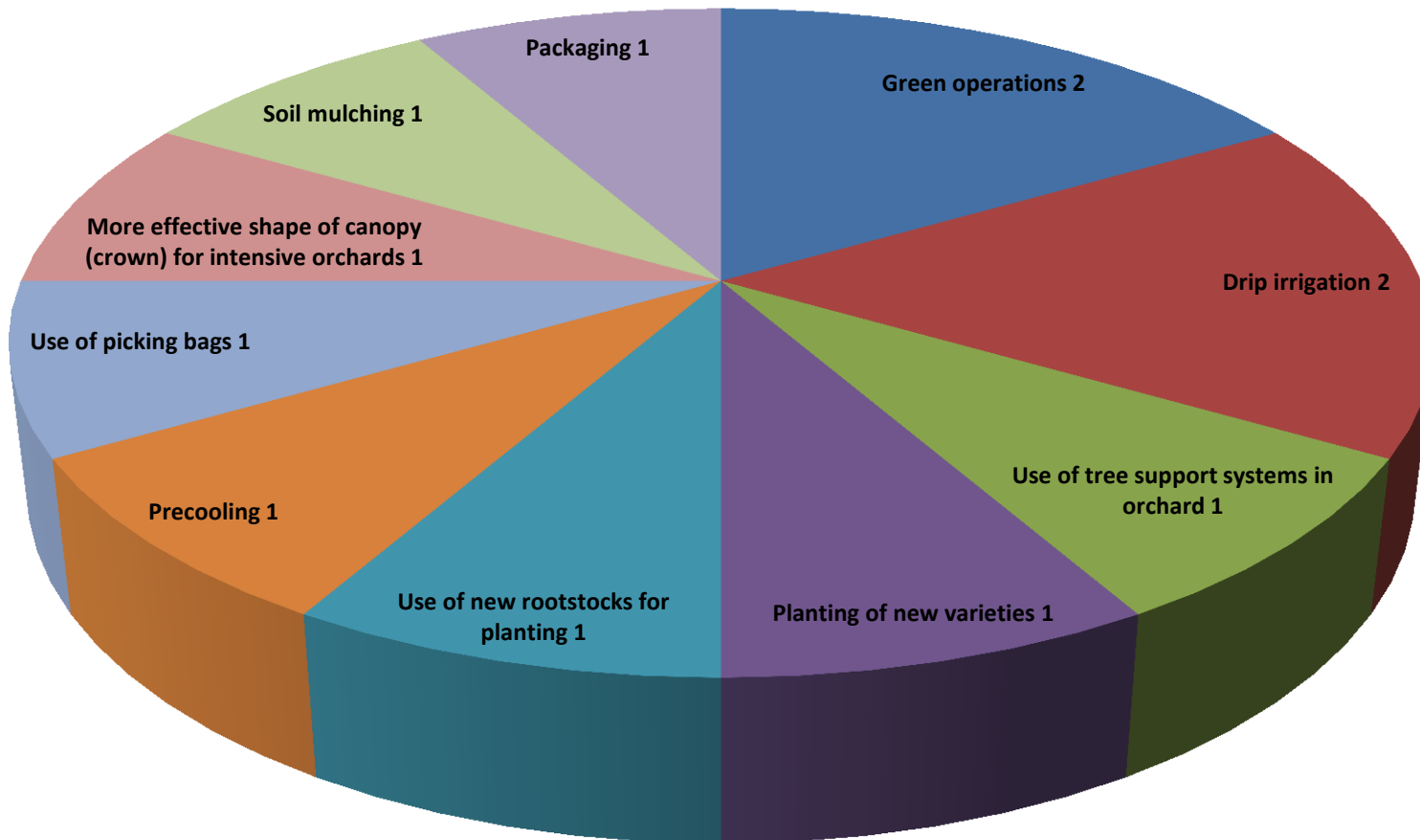
**Table Grapes Techniques Adopted**



### Tomato Techniques Adopted



### Other VC Techniques Adopted



#### d) Sales Facilitated Data by Value Chain

In the ACED project's PMEP, the indicator of "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 **broadier 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 tracks sales facilitated with traders and consolidators who have been linked to buyers, one of the main purposes of this random sample survey was to look at sales facilitated at the producer level based on the definition contained in the ACED PMEP. ACED has been tracking sales facilitated at the trader level, but has not tracked sales at the level of producer trainees.

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

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

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

Out of the 71 producers reporting the adoption of new techniques & practices:

- 43 reported an increase in sales (see Figure 2);
- 2 reported increase in sales without ACED assistance, and

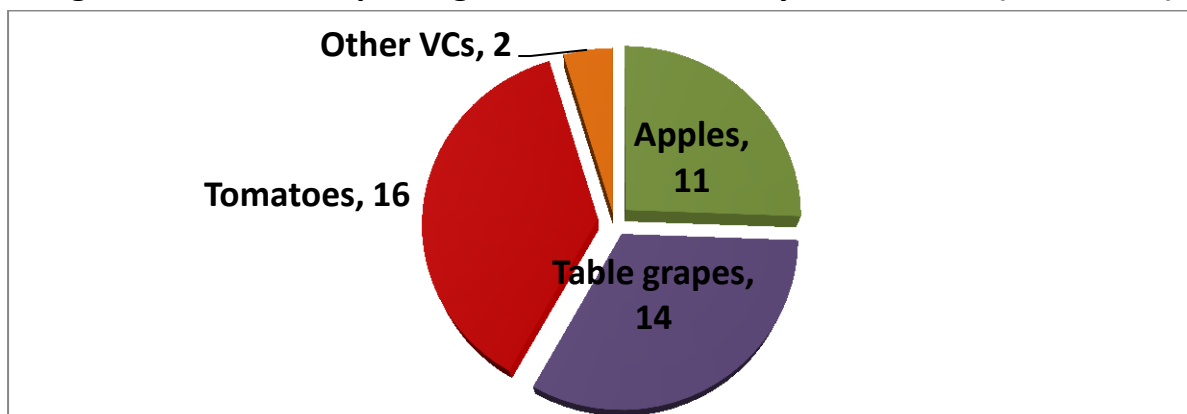
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<sup>2</sup> Compared to what the sales would have been without ACED's assistance that same season.



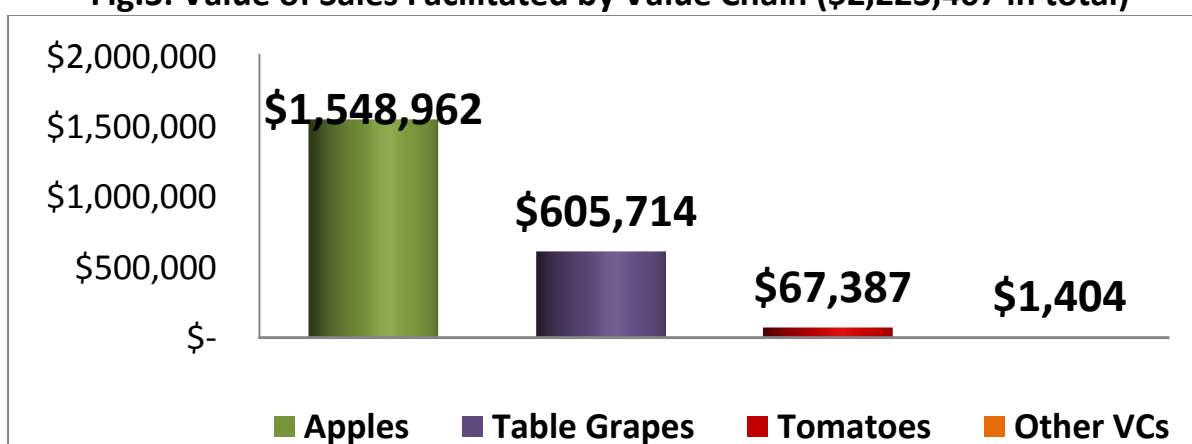
- 26 reported no increase in sales, with the reasons being the following:
  - Just started in production activities - 17
  - Producing only for personal consumption - 5
  - Do not count sales, so couldn't give an answer - 2
  - Processing wine, so not selling table grapes- 1
  - Had a decrease in yield because of drought – 1

**Fig. 2: Producers Reporting Increases in Sales by Value Chain (43 in total)**



Producers reported their sales data in Moldovan Lei (MDL). To convert the sales data to dollars ACED has used the 2012 average exchange rate for Lei to Dollars (12.11 MDL/dollar) to estimate the sales in dollars. The total value of sales facilitated based on the methodology mentioned above was **\$2,223,467** (see Figure 3). The proportion of sales from apples is much greater than that from table grapes or tomatoes. This is mainly due to the fact that there are a number of large-scale producers who represent this sector. In comparison, the vegetable producers are usually small farmers owning small plots of land and producing crops in relatively small quantities.

**Fig.3: Value of Sales Facilitated by Value Chain (\$2,223,467 in total)**



Tables 5, 6, 7, and 8, shown on the following pages, provide details on the sales reported by some of the individual producers in each Value Chain. These tables also allow cross referencing of the new techniques adopted by producers.

**Table 5: Apple Value Chain Sales Data**

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques Adopted</i>
Producer 1	\$475,554	Calculation of potential yield, horizontal lining of bearing branches, staged pruning, peculiarities of pruning of various cultivars, determination of bud fertility, use of long handled pruning shears
Producer 2	\$28,038	Bud fertility, peculiarities of pruning of various cultivars, green operations, use of long handled pruning shears, calcium treatment
Producer 3	\$27,741	Green Mechanical pruning
Producer 4	\$27,245	Bud fertility, peculiarities of pruning of various cultivars
Producer 5	\$163,306	Fruit chemical treatment
Producer 6	\$113,935	Use of weather station
Producer 7	\$188,157	Bud fertility, peculiarities of pruning of various cultivars, staged pruning, horizontal lining of bearing branches
Producer 8	\$421,166	Peculiarities of pruning of various cultivars, horizontal lining of bearing branches, use of long handled pruning shears, planting new cultivars, use of new rootstocks for planting, Smart Fresh, use of harvesting containers, storage parameters, use of tree support systems, testing pH and salt concentration in water used for irrigation , horizontal lining of bearing branches
Producer 9	\$8,669	Green operations, calcium treatment
Producer 10	\$75,791	Green operations, planting of new cultivars, use of new rootstocks for planting
Producer 11	\$19,360	Calcium treatment
<b>TOTAL</b>	<b>\$1,548,962</b>	

**Table 6: Table Grape Value Chain Sales Data**

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques adopted</i>
Producer 1	\$4,541	Grapevine inflorescences thinning, green operations
Producer 2	\$11,146	Grapevine inflorescences thinning, shoots girdling, green operations
Producer 3	\$1,981	Mechanized covering/uncovering of grapevines, semi-mechanical tying of grapevines, grapevine inflorescences thinning, use of growth stimulators
Producer 4	\$1,651	<b>Grapevine inflorescences thinning, shoots girdling, green operations</b>
Producer 5	\$75,956	<b>Planting of new varieties of table grapes, planting of virus-free scions, use of modern systems of grapevine support, grapevine inflorescences thinning, shoots girdling, green operations, use of harvesting platform, precooling, storage parameters</b>
Producer 6	\$12,384	<b>Mechanized covering/uncovering of grapevines, determination of winter bud viability</b>
Producer 7	\$12,221	Green operations, use of growth stimulators
Producer 8	\$3,468	Grapevine inflorescences thinning, partial defoliation, green operations
Producer 9	\$17,338	Green operations
Producer 10	\$24,768	Semi-mechanical tying of grapevines, green operations, use of growth stimulators, harvesting platforms, SO2 pads, forced-air
Producer 11	\$7,431	Determination of winter bud viability, pruning peculiarities for each variety
Producer 12	\$429,319	Grapevine inflorescences thinning, green operations, partial defoliation
Producer 13	\$2,064	Grapevine inflorescences thinning, green operations, shoots girdling, partial defoliation, semi-mechanical tying of the shoots
Producer 14	\$1,445	Green operations
<b>TOTAL</b>	<b>\$605,714</b>	

**Table 7: Tomato Value Chain Sales Data**

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>New Techniques Adopted</i>
Producer 1	\$1,293	Use of fertilizers
Producer 2	\$2,106	Use of preventive treatments, usage of hooks for tying tomatoes, soil analysis, use of peat
Producer 3	\$1,476	Use of fertilizers, use of preventive treatments, dose treatment compliance performance, use of treated seed
Producer 4	\$462	Use of preventive treatments, dose treatment compliance performance, tomato calibration, soil analysis
Producer 5	\$42,932	One practice but not written which
Producer 6	\$2,520	Use of fertilizers, drip irrigation, tomato pollination, pH testing
Producer 7	\$751	Soil analysis, pH testing
Producer 8	\$2,394	Drip irrigation, soil analysis, soil mulching, pallet usage
Producer 9	\$1,858	Use of treated seed, pH testing
Producer 10	\$744	Drip irrigation, use of peat, pallet usage, pH testing
Producer 11	\$7,575	Pallet usage, pH testing, additional lighting
Producer 12	\$1,808	Drip irrigation, use of preventive treatments, use of treated seeds
Producer 13	\$297	Use of preventive treatments, use of peat, use of treated seeds
Producer 14	\$249	Drip irrigation
Producer 15	\$173	Use of treated seeds, use of hooks, sorting, storage and transportation parameters
Producer 16	\$747	pH testing, soil analysis
<b>TOTAL</b>	<b>\$67,387</b>	

**Table 8: Other Value ChainS Sales Data**

<i>Category</i>	<i>Value of Sales (USD)</i>	<i>Techniques adopted</i>
Producer 1	\$991	More effective shape of canopy (crown) for intensive orchards, green operations
Producer 2	\$413	Soil mulching, packaging
<b>TOTAL</b>	<b>\$1,404</b>	

Most producers sold their products at the wholesale market (42%), and this outlet was especially common for table grapes, tomatoes, strawberries and cherries. The open air market was also popular for tomatoes, strawberries, and cherries, while apples were exported on a large scale, mostly to the Russian Federation. None of the producers surveyed reported working with supermarkets.

**Table 4: Sales share by type of markets**

Market Type	Apples	Table Grapes	Tomatoes	Other VCs	Average
<b>Total sales</b>	<b>\$1,541,161</b>	<b>\$605,714</b>	<b>\$67,387</b>	<b>\$1,404</b>	<b>-</b>
Export	63%	25%	0%	0%	<b>22%</b>
Wholesale	17%	61%	48%	43%	<b>42%</b>
Open air	20%	14%	52%	57%	<b>36%</b>
Supermarket	0%	0%	0%	0%	<b>0%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### **e) What ACED Learned About the Season**

When asked about problems faced during the 2012 production season, the majority of respondents referred to various natural disasters like drought, spring frost, and hail. The drought affected the entire country with a more severe impact in the center and the south of the country.

Tomato producers complained about the drought which caused heavy losses, especially among those who lack irrigation. Apple producers faced the same problem, drought. They stated that the lack of irrigation affected the quality and yield of apples. Table grape farmers complained about frost, hail and drought. If some of them did have drip irrigation, they complained that hail destroyed the little they could save after the frost damage.

Other value chains also struggled with drought. A good part of the strawberries harvested didn't have as good a market appeal as consumers would want. In order to sell, producers were forced to significantly reduce their sales price. The problems in the season were mentioned in the initial focus groups, and can also be seen reflected in the comments made about yields and prices in 2012 when compared to 2011. Only 23% of those surveyed increased their yields compared to 2011.

#### **Question: Did you increase yield in 2012 compared to 2011?**

Value Chain	Yes	No	Same	Just started or planning
Tomatoes	9	8	3	6
Apples	8	7	0	6
Table Grapes	7	10	0	5
Other VCs	1	2	0	5
<b>TOTALS</b>	<b>25 (23%)</b>	<b>27 (25%)</b>	<b>3 (3%)</b>	<b>22 (20%)</b>

Meanwhile, 19% increased the price they received when compared to 2011, where apples fared particularly poorly and table grapes fared quite well.

#### **Question: Did you Increase the Price/kg in 2012 Compared to 2011?**

Value Chain	Yes	No	Same	Just started or planning
Tomatoes	9	7	3	6
Apples	1	12	1	6
Table Grapes	11	5	0	5
Other VCs	0	3	0	5
<b>TOTALS</b>	<b>21 (19%)</b>	<b>27 (25%)</b>	<b>4 (4%)</b>	<b>22 (20%)</b>

The table below summarizes those that said they increased their profits compared to 2011, 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.



**Question: Did you increase your profit in 2012 compared to 2011?**

Value Chain	Yes	Reasons for Profit Increase:	No	Reasons did not increase profit:
Tomatoes	7	1. Using fertilizers helped increase the volume 2. Higher prices 3. Higher price, higher volume 4. Drip irrigation helped to increase volume 5. Higher price	9	1. Lost half of production because of greenhouse film that broke 2. Lack of irrigation and drought 3. Diseases 4. Drought 5. High costs 6. No market 7. Drought
Apples	1	Using calcium treatment	11	1. Diseases 2. Drought 3. High costs (chemicals, employees) 4. No market to sell, keep in cold storage 5. High costs, no market to sell 6. Drought & hail 7. High costs, credits 8. High costs for chemicals 9. No market to sell, wrong thinning 10. Low price 11. High costs
Table Grapes	7	1. Higher volume 2. Higher price 3. Higher price 4. Higher price, better quality 5. Higher volume	7	1. High costs 2. Hail 3. Hail 4. Low price, weather 5. No money to buy new techniques 6. Hail 7. A lot of investment
Other	0		3	1. Spring frost
<b>Total</b>	<b>15 (14%)</b>	<b>Increased profit</b>	<b>30 (28%)</b>	<b>Did not increase profit</b>

**f) Other Problems**

The majority of producers stated that marketing was a big problem. Tomatoes, apples, table grapes, other value chain farmers all complained that they didn't have markets to sell to.

Tomato producers complained that the price was very low and on top of that they had huge competition with imports from Turkey, Romania, and Ukraine. Most of them mentioned selling after the imported products were gone from the market.

Apple farmers were mostly interested in exports. When asked how ACED can help farmers increase their profitability, apple producers suggested the ACED focus on finding new export markets. "We need to export apples, where can we do that?" the interviewer was questioned repeatedly.

Table grape and cherry producers complained bitterly about resellers who cheat producers, buying for a lower price and selling for a higher price just an hour later. They mentioned that they need a stable market, so that from the start, before production, they know where to sell and for what price.

## 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 system. By and large, the data stored in the TAMIS system erred on the side of under-reporting actual results compared with what was learned in the end of year survey. Theoretically the results on sales, and practices adopted, could have been captured by the RTSP results tracking reports. But in reality, from the randomly selected 108 participants, a total of 72 did not have an indication that they had adopted practices in the TAMIS system, although many of them had adopted practices, often multiple practices. Further information on these findings are provided in the following sections:

#### **For the Tomato Value Chain:**

At the start of the survey, 17 of the surveyed participants didn't have any practices adopted listed in the TAMIS system. Of those, the survey learned that nine actually had adopted a total of 22 new techniques & practices:

- 4 participants - 1 practice
- 1 participant - 2 practices
- 1 participant - 3 practices
- 2 participants - 4 practices
- 1 participant - 5 practices

#### **For the Table Grape Value Chain:**

At the start of the survey, 22 participants didn't have any practices adopted listed in the project's TAMIS system. Of those participants, the survey revealed that 15 of them had implemented a total of 43 new techniques & practices:

- 2 participants - 1 practice
- 6 participants - 2 practices
- 5 participants - 3 practices
- 1 participant - 4 practices
- 1 participant - 10 practices

#### **For the Apple Value Chain:**

At the start of the survey, 25 participants didn't have any indication of practices having been adopted in the TAMIS system. Out of those 25 it was found that 17 had implemented a total of 43 new techniques & practices:

- 2 participants - 1 practice
- 8 participants - 2 practices
- 3 participants - 3 practices
- 4 participants - 4 practices

**For the Sweet Cherry Value Chain:**

At the start of the survey, 3 participants didn't have any practices adopted listed in TAMIS. From those 2 had implemented 4 new techniques & practices:

- 1 participant - 1 practice
- 1 participant - 3 practices

**For the Other Value Chains:**

At the start of the survey, 5 participants didn't have any practices adopted listed in TAMIS. From those 2 had implemented 3 new techniques & practices:

- 1 participant - 1 practice
- 1 participant - 2 practices

The M&E Team asked the consultant carrying out the survey to make note of any data quality issues that arose during the survey process. Below is a summary of the problems she noted:

1. Four participants who attended training were recorded under different names:
  - One participant signed under her mother's name, presumably the owner of the farm.
  - Another participant's name, Valentina, almost coincided with her spouse's name, Valentin. It seems there was a data entry error when these two participants were recorded.
  - One participant registered under his father-in-law's name, mentioning that the latter is the owner and the person-in-charge of the farm.
  - The forth participant registered under her spouse's name, and attended the training just to take the materials since her spouse was busy.
2. Ten participants were employees of larger businesses, thus, they could not provide answers regarding techniques & practices adopted, or sales made at the company level. They redirected the interviewer to the agronomist or person who could answer the questions on behalf of the company.
  - Tomatoes- 2 farmers
  - Apples- 4 farmers
  - Table Grapes – 4 farmers
3. There were two participants who didn't confirm that they are implementing the practice as was reported in TAMIS based on the RTSP reports. The M&E Team reported this to the Activity 2 team so that they could explore whether or not they need to take corrective action:
  - Apple Value Chain – 1 participant
  - Other Value chain - 1 participant

4. There were two participants who had the wrong phone number listed on the registration sheet, but ACED was able to find the correct number with the help of the RTSP or other sources:

- Tomatoes - 1 farmer
- Apples- 1 farmer

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 participants:

- Tomatoes – 8 farmers
- Apples- 8 farmers
- Grapes- 9 farmers
- Other Value Chains – 2 farmers

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

- Apples - 2 participants

7. There were three participants who ACED learned during the survey are not active producers (as mentioned above).

- Tomatoes - 1
- Other Value Chains - 2

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 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 66% is much higher than the current adoption rate noted in the TAMIS system (17%), and that there are many producers who adopted several practices, a much higher proportion than noted in TAMIS.

Before the phone survey commenced, the team field-tested the survey by issuing it through a facilitated focus group to tomato growers who were attending an end of season event to carry out soil testing. It was also distributed to some other farmers to fill in at the end of similar soil testing roundtables. By reviewing the forms received and the lessons learned from the Focus Group facilitator, the M&E team

learned that many tomato growers don't actually keep track of all their costs and revenues in a written form, and it was expressed in the focus group that it is more the exceptional farmer who keeps written records of costs and sales revenues, rather than the rule. The team was only able to carry out this field test in tomatoes, and presumably other value chains have larger more sophisticated farmers, who likely have a better rate of record keeping. The phone interviewer noted that there were two participants from the Tomato Value Chain that said they never collect or keep record of any sales data and sell different kinds of merchandise at the same time so they could not approximate tomato sales from the total.

Due to the fact that many farmers reported not keeping records of costs and revenues, and the fact that farmers are shy with data that can be related to how much taxes they owe, the M&E team decided not to focus too much on questions related to profit in the survey due to uncertainty about data quality. Furthermore, when the interviewer was provided an orientation, she was explained that the one question about profit would be good to ask, but that it wasn't the priority if the farmers would be in a hurry. One of the lessons learned for the project staff, was that more of an effort will need to be made in the coming years to train farmers on record keeping and profit calculation, 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.



## **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. Furthermore, the high level of reporting on the techniques & practices adopted, and the impressive sales results reported, have been an encouragement to project staff that have been working hard from day one. The team learned through the process and was able to use the learning resulting from the survey to help with work planning for the coming year.