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# High Value Agriculture Activity

**QUARTERLY REPORT**  
**APRIL – JUNE 2022**

Contract No. AID-117-C-17-0001

USAID COR: Brian Wittnebel & Rodica Miron

Chief of Party: Benjamin Toric

Deputy Chief of Party: Viorel Leahu

Submitted: July 2022

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For the period of April – June 2022

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**CHIEF OF PARTY: BENJAMIN TORIC**

**DEPUTY CHIEF OF PARTY: VIOREL LEAHU**

**JULY 2022**

# ACRONYMS

ANSA	National Food Safety Agency
APESM	Association of Table Grape Producers and Exporters from Moldova
APSM Cahul	Association of Table Grapes Producers
ASW	Association of Small Winemakers
B2B	Business-to-Business
BoM	Berries of Moldova Association
CBI	Centre for the Promotion of Imports from developing countries, the Netherlands Enterprise Agency
CEVV	Center of Excellence in Vine & Wine
CIS	Commonwealth of Independent States
COR	USAID Contracting Officer's Representative
COVID-19	Coronavirus Disease or 2019 Novel Coronavirus
CSE	Commission for Exceptional Situations
EMMP	Environmental Mitigation and Monitoring Plan
EU	European Union
FMCG	Fast-moving consumer goods
FY	Fiscal Year
GLOBALG.A.P.	Global Good Agricultural Practice (voluntary standard managed by FoodPlus)
GRASP	GLOBALG.A.P. Risk Assessment on Social Practice
HEA	Honey Exporters Association
HoReCa	Hotel, Restaurant, and Catering
HRI	Horticulture Research Institute
HS Code	Harmonized System Code
HVA	High Value Agriculture
HVAA	USAID High Value Agriculture Activity
IEE	Initial Environmental Examination
IFC	International Finance Corporation
IFS	International Featured Standards
ILO	International Labor Organization
IPM	Integrated Pest Management
IT	Information Technology
MAFI	Ministry of Agriculture and Food Industry
MDL	Moldovan Lei
MEO	USAID Mission Environmental Officer
MFA	Moldova Fruct Association
MoU	Memorandum of Understanding
NBARM	National Beekeepers Association of the Republic of Moldova
OCA	Organizational Capacity Assessment
ODIMM	Organization for Small and Medium Enterprises Sector Development

OIV	International Organization of Vine and Wine
ONVV	Office of Wine and Vine
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PGI	Protected Geographical Indication
PHH	Post-Harvest Handling
PQUP	Product Quality Upgrading Program
PR	Public Relations
RDA	Regional Development Agency
SDA	Sustainable Development Account
SEMP	Sector Export Marketing Plan
SMETA	Sedex Members Ethical Trade Audit
SMM	Social Media Marketing
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TRQ	Tariff-free quotas
UAP	UniAgroProtect Association
UK	United Kingdom
USAID	United States Agency for International Development
USG	United States Government
VET	Vocational Education and Training
WCK	World Central Kitchen
WESA	Wine Export Support Activity
WoM	Wine of Moldova
WUA	Water User Association

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# EXECUTIVE SUMMARY

This report covers Quarter 2 of Year 6 of the USAID High-Value Agriculture Activity (HVAA). During the reporting period, 124 events were attended by 554 participants, of which 28.2 percent were women and 38 percent were youth.

While the Russian-Ukrainian war continues, much uncertainty remains because of significant logistical challenges in accessing markets. HVAA continued supporting Moldovan producers and exporters to reorient their sales to the EU and other non-traditional markets.

Demonstrating interest in market diversification and the industry's competitiveness and organization, Moldovan fruit exporters recorded their largest participation ever at FRUIT LOGISTICA, the leading trade show for global fresh produce, held on April 5-7 in Berlin, Germany. USAID through HVAA and the Western NIS Enterprise Fund supported the Moldovan stand. In this quarter, exports to non-traditional markets reached a record high of 10,800 tons (\$5.4 million). Over 200 tons of apples with the special taste of Moldova reached Ukrainians through World Central Kitchen, an international nonprofit organization that provides fresh meals in response to crises, while working to build resilient food systems with locally-led solutions.

As it was imperative to expedite the flow of trucks with perishable products through the border points (wait times were 3-5 days), HVAA co-facilitated discussions between the Moldova Fruct Association (MFA), Berries of Moldova Association (BoM), the Customs Office, and the National Food Safety Agency (ANSA) to implement some short-term solutions based on international best practices. These efforts resulted in a May 31 decision by the Commission for Exceptional Situations (CSE), headed by the Prime Minister, that authorized and directed the Customs Office and ANSA to open Green Lanes for Perishable Products at all border crossings through which these goods could be exported. Furthermore, following the analysis of European Union (EU) phytosanitary regulations carried out by HVAA that was used by the Moldovan authorities in negotiations with their Romanian counterparts, Moldova obtained permission on June 21 to export products of plant origin intended for third-countries (transit through EU) through a fourth border crossing point with Romania, thus further improving the export logistics for Moldovan perishable products. In June, Moldova's exports of highly perishable fruit amounted to \$12 million: 8,800 tons of sweet cherries, 2,100 tons of sour cherries, 1,200 tons of apricots, 1,460 tons of strawberries, and 270 tons of raspberries. This performance achievement was possible thanks to the HVAA-facilitated improvements in export logistics and marketing efforts.

During the reporting period, HVAA continued to support Moldovan wineries to access German, Romanian, Danish, Polish, British, and Dutch markets through various marketing and promotion activities. These efforts help build a positive Wine of Moldova (WoM) image and increase exports of Moldovan wines to non-traditional markets. WoM continues to be appreciated by the international wine professional community. In six months, WoM won 612 medals at 13 international wine contests, with small wineries winning 66 of the medals. HVAA supported registration fees at international wine contests for Association of Small Wineries (ASW) members for over 67 samples of wine. A Moldovan red wine was declared the Best Red Wine in the world at the Concours Mondial du Bruxelles. The Moldovan Fautor Negre 2017 received the highest jury score in the red wine category among 5,084 red wines from around the world. Following this recognition, HVAA supported a broad social media campaign in Moldova and Romania about Fautor Winery.

After Parliament approved legislative amendments to the Apiculture Law enabling the use of the BeeProtect digital tool, the National Food Safety Agency (ANSA), supported by HVAA, started to test the platform at the regional level to prepare for nationwide adoption next year. BeeProtect improves communication among farmers, beekeepers, and local public authorities to prevent bee poisoning through pesticide use.

The draft amendments to legislation that governs daily/seasonal workers in agriculture, drafted with HVAA support, were unanimously approved by Parliament. The new amendments offer more advantages to seasonal workers and facilitate seasonal workers' contract procedures for agriculture producers.

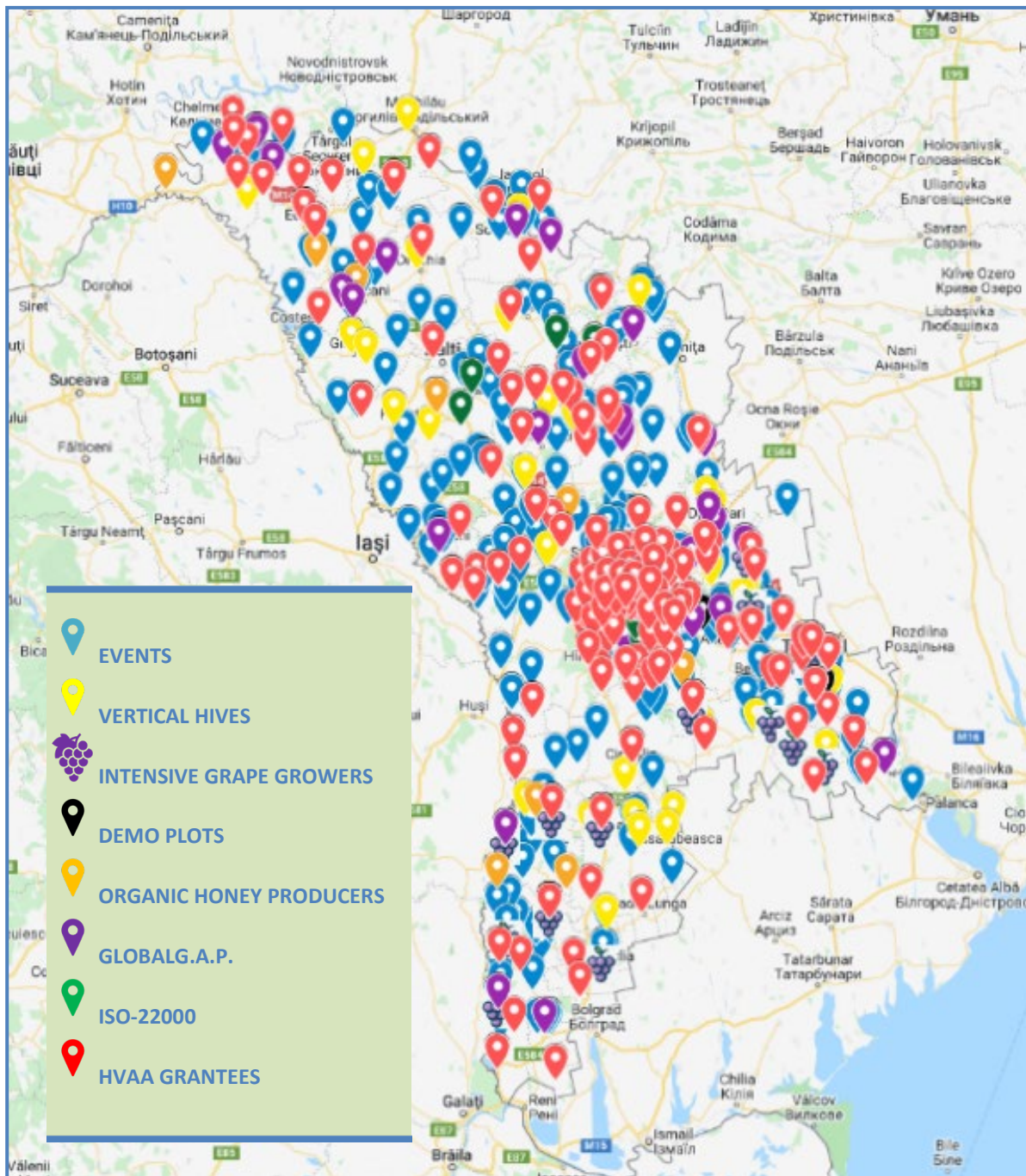
Poor quality seedlings remain a major constraint to table and wine grape production. Moldovan nurseries have not been producing certified virus-free grapevines because there were no certified mother-stock plantations. Earlier, HVAA brokered the Certified Grape Planting Material Partnership between USAID, the National Office of Vine and Wine (ONVV), the Horticulture Research Institute (HRI), and the Ministry of Agriculture and Food Industry (MAFI), which generated more than \$500,000 of investments in HRI production infrastructure. This year, the first Moldovan commercial vineyard was established using locally-produced certified grapevines: the Purcari Winery planted vines of Viorica and Riton varieties produced by HRI in partnership with a local nursery. Next year, Moldova will also have access to certified planting material with table grape varieties.

The first cohort of berry producer-processors graduated from the Nisporeni Vocational Education and Training (VET) School. Continuing to develop the new generation of berry specialists and berry producers, HVAA supported three Nisporeni VET School graduates to launch their own berry production businesses. Bubuieci VET School runs a similar initiative to support young beekeepers developing beekeeping businesses.

HVAA started activities in accordance with the Close-out Communication Strategy. During this quarter, HVAA launched an awareness campaign on social media promoting results, sector transformation, and project beneficiaries' success stories. The tagline of the campaign is Higher Value Agriculture in Moldova – Planting the future today!

Moldova is currently facing a drought (with very low water levels in Prut and Nistru) that directly affects the irrigation sector. If the Nistru and Prut rivers, the main sources of water for irrigation, are further reduced, a state of emergency may be declared prohibiting the use of water for irrigation. This could dramatically affect fruit and vegetable producers, as well as the sustainability of water user associations (WUAs).

Exhibit 1. HVAA events by location and value chain, as of June 30, 2022







## **SECTION I: PROJECT ACCOMPLISHMENTS BY OBJECTIVE**

### **Objective I: Expand and Strengthen Linkages to Domestic, Regional, and International Markets for Targeted Value Chains**

#### **CROSS-CUTTING**

##### *Additional tariff-free quotas for agriculture products*

On June 9, 2022, the European Commission proposed a Regulation of the European Parliament and of the Council introducing temporary trade-liberalization measures in the form of additional tariff-free quotas (TRQ) on some agricultural products for one year. In 2021, Moldova exported more than 12,000 tons of plums beyond the TRQ. The war in Ukraine compromised the supply routes from Moldova to the Russian Federation's market, which still holds a significant, although decreasing, share of Moldovan fruit exports, especially apples and cherries. These developments will make the European Union (EU) market more attractive for Moldovan fruit growers, and it is expected that the growth of exports to the EU will accelerate.

The USAID High Value Agriculture Activity (HVAA) supported the Moldova Fruct Association (MFA) to advocate for the temporary trade-liberalization measures by providing technical briefs on EU TRQ for Moldovan fruits, which were shared with relevant government ministries and the Economic Council to the Prime Minister.

##### *Moldovan fruit growers at FRUIT LOGISTICA*

On April 5-7, FRUIT LOGISTICA, the leading trade show for the global fresh produce industry, reopened its doors for the first time since 2019. The show brought together more than 40,000 buyers and trade visitors from approximately 130 countries, and more than 2,000 exhibitors from 87 countries. With USAID HVAA support and the Western NIS Enterprise Fund, Moldova

**Exhibit 2. The Moldova booth at FRUIT LOGISTICA included a meeting room that was continuously in use throughout the 3-day exhibition**



recorded its largest participation ever at this important event, which demonstrates Moldovan fruit exporters' interest in market diversification and the industry's competitiveness and organization. Twelve exporters, all MFA members, presented their products at the country booth with the slogan "Moldova – Taste Makes the Difference." Another six exporters joined them for multiple meetings with buyers from the EU, United Kingdom, Norway, the Persian Gulf, India, and Egypt, which HVAA and MFA had pre-scheduled for them (see Exhibit 2). Additionally, nine

emerging exporters that are enrolled in the HVAA-MFA Technology and Export Coaching Program participated in a study visit to FRUIT LOGISTICA and the Berlin Fructhof Wholesale Fruit and Vegetable Center to learn about new technologies, innovations, and EU market requirements.

The Moldovan country stand generated a high level of visibility for the support provided by the American people through USAID. On April 6, Moldovan Prime Minister Natalia Gavrilita visited the stand; she was in Berlin to attend a donor conference to generate support for Moldova (see Exhibit 3). "It is very important for Moldova to be represented at the trade show and to open up new markets for our agricultural products. This is becoming particularly important in the

**Exhibit 3. Moldovan fruit exporters discussed perspectives with Prime Minister Natalia Gavrilita at the Moldova country booth at FRUIT LOGISTICA**



light of the conflict in Ukraine and the food security challenges that we may face," she said during an interview with Fruitnet, the trade fair's media partner.

HVAA and MFA are assisting the exporters in follow-up communication with buyers and planning the upcoming season, including organizing an inward buyers' mission, packaging development, and digital and in-store promotion campaigns.

The war in Ukraine dramatically changed the flow of goods exported from Moldova, as trucks could leave the country only through border customs points with Romania. Although customs were able to double the

number of processed trucks exiting Moldova, demand is still higher, leading to long wait times (3-5 days). This reduces the competitiveness of Moldovan fruit and other products on the export markets as they have reduced quality, lower shelf life, and higher costs. Very long wait times mean that some highly perishable products (like strawberries and sweet cherries) could not be exported to the EU or elsewhere.

#### *Green Lanes for Perishable Products*

**Exhibit 4. HVAA-developed label for trucks with perishables goods**



As it was imperative to expedite the flow of trucks with perishable products through border points, HVAA co-facilitated discussions between the (MFA), Berries of Moldova Association (BoM), the Customs Office, and the National Food Safety Agency (ANSA) to try some short-term solutions based on international best practices. These efforts resulted in a May 31 decision by the Commission for Exceptional Situations (CSE), headed by the Prime Minister, authorizing and directing the

Customs Office and ANSA to open Green Lanes for Perishable Products (fresh produce, meat, fish, etc.) at all border crossings through which these goods could be exported (currently Leuseni, Sculeni, and Giurgiulesti). On June 1, the Customs Office and ANSA issued a joint statement outlining the detailed procedures for operating these lanes, including the clear marking of trucks carrying perishables using a label developed and printed with HVAA support (see Exhibit 4). HVAA worked with Moldovan government authorities and industry associations to help ensure that exporters and trucking companies are aware of these lanes and how they operate.

Following an HVAA analysis of EU phytosanitary regulations that was used by the Moldovan authorities in negotiations with their Romanian counterparts, Moldova obtained the permission on June 21 to export products of plant origin intended for third-countries (transit through EU) through a fourth border crossing point with Romania, thus further improving the export logistics for Moldovan perishable products.

In June, Moldova's exports of highly perishable fruit amounted to \$12 million: 8,800 tons of sweet cherries, 2,100 tons of sour cherries, 1,200 tons of apricots, 1,460 tons of strawberries, and 270 tons of raspberries. This performance achievement was only possible thanks to the HVAA-facilitated improvements in export logistics.

#### **FRESH APPLES**

The Moldovan apple sector's main priority is market diversification due to its high dependency on a single export market, the Russian Federation, which regularly imposes politically-motivated

import bans. During the last five years, HVAA has actively worked with public and private sector

**Exhibit 5. USAID Administrator Samantha Power highlighted the challenges facing Moldovan apples producers**



stakeholders to comprehensively address constraints that prevented the sector from tapping into opportunities offered by more reliable EU and Middle East markets, such as poor market linkages, lack of market-demanded varieties, inadequate packaging, and lack of experience shipping to distant markets. Thanks to this assistance, Moldovan apple exporters were able to react quicker and better to new market realities stemming from the war in Ukraine. In this quarter, exports to non-traditional markets reached a record high of 10,800 tons (\$5.4 million).

In the 2021-2022 apple market season, the geography of Moldovan exports covered 29 countries (up from nine in the previous season), including 4,700 tons shipped in sea containers to

distant markets. The number of Moldovan exporters with experience shipping to distant markets increased significantly in the current season due to the Pilot Shipment Program, an emergency support program designed by HVAA to set up alternative new logistics routes following the closure of Odesa ports, through which Moldovan fruits were exported to distant markets before the war in Ukraine.

During a 3-day visit to Moldova on April 5-7, USAID Administrator Samantha Power visited Farm-Prod to learn more about the challenges Moldovan farmers face and how USAID assistance can help them re-orient to new markets (see Exhibit 5). Farm-Prod is a large producer, packer, and exporter of apples, sweet cherries, and plums. For the last six years, the company has benefited from consistent USAID support to increase the competitiveness of its fruits on international markets, which allowed Farm-Prod to diversify its export markets and reduce dependency on the Russian market. HVAA is extending this model of assistance to fruit producers throughout Moldova.

Apples with the special taste of Moldova reached Ukrainians through World Central Kitchen (WCK), an international nonprofit organization that provides fresh meals in response to crises, while working to build resilient food systems with locally-led solutions. The organization's Chefs for Ukraine response is providing assistance in Ukraine and seven other countries across Europe, including Moldova. WCK purchased 200 tons of fresh apples from the Moldovan company Agrodenidan in a deal facilitated by HVAA. This collaboration between a development project and a humanitarian organization addresses the crisis on two fronts: Moldovan apple

**Exhibit 6. MFA meeting with the Agricultural Export Council of Egypt**



producers have reliable demand, while WCK has fruit to distribute throughout Ukraine as part of its meal kits or to process into baby food. Agrodenidan is a longtime HVAA partner, and HVAA previously supported the company to attain Global Good Agricultural Practices (GLOBALG.A.P.) certification and to identify new export markets in the Persian Gulf region.

Despite Egypt’s emergence during the last decade as one of the world’s largest apple importers, Moldovan apples are not present

on that market due to unfavorable trade regime in comparison with other supplying countries, as well as due to the lack of linkages with importers and distributors. Considering the ongoing negotiations of a trade facilitation agreement between the countries, HVAA and MFA organized a trade mission for MFA Executive Director to Cairo, Egypt, on June 20-22. The mission was facilitated by an Egypt-based HVAA consultant and included meetings with the leadership of two influential industry bodies that are regularly consulted by the Egyptian government on trade matters (Agriculture Export Council of Egypt and Horticultural Export Improvement Association), as well as several private fruit importers. MFA shared the mission report with relevant ministries to inform them about the results and to urge them to have stronger coordination of activities regarding trade cooperation with Egypt. HVAA and MFA intend to organize an inward trade mission of fruit importers from Egypt in August-September, at the start of the apple harvesting season.

**Exhibit 7. Executive Director Danam-Prim showing packed apples in cardboard crates**



*Improve the local fresh produce supply chain by utilizing improved packing technology*

The COVID-19 pandemic accelerated the transition to modern retail as the main channel for the distribution of fresh fruits and vegetables in Moldova at the expense of traditional open markets. At the same time, small and medium-size producers face market access barriers as they lack the scale, business skills, and post-harvest infrastructure to

profitably sell to expanding channels such as retail and online. In 2021, HVAA partnered with three consolidators-distributors to improve the local fresh produce supply chain by utilizing improved packing technology and applying the best practices piloted by the HVAA “Growing Together” program for open-field vegetables. In June 2022, one of these distributors launched innovative packaging using recyclable cardboard clamshells — a first for Moldova (see Exhibit 7). HVAA supported the distributor with high-capacity packing equipment that significantly increased packing productivity. To properly house the equipment and establish quality, hygienic operations for consolidation, packing, and distribution, the HVAA partner fully rehabilitated the packing facility, produce storage area, and personnel facilities. In addition, the distributor transitioned from using cardboard crates for transporting produce (which are costly and are not reusable), to returnable plastic boxes that can be used for 7-10 years. The HVAA grantee hosted an Open Demonstration Day on June 21 to showcase the technology and build greater interest and linkages with potential buyers from retail.

## FRESH STONE FRUITS

Starting in May 2020, HVAA supported MFA-published articles on FreshPlaza, one of the most popular information portals among fresh produce buyers worldwide. These strategic articles informed international buyers about seasonal developments in Moldova, showcased current Moldovan fruit offerings, and directed buyers to additional information on MFA’s website, such as the association’s member database. As this type of promotion proved very efficient at reaching a large number of buyers and led to multiple transactions, HVAA and MFA decided to expand the program by promoting Moldovan offers through the Eurofresh Distribution magazine.

**Exhibit 8. Moldovan exporters listed in the Fresh Market Guide 2022/23**

The screenshot displays the 'moldova taste makes the difference' banner at the top, followed by three exporter profiles:

- AMV-GRAPE** (REPUBLIC OF MOLDOVA): Founded in 2007, a pioneer in Moldova. Products include table grapes, plums, apricots, and sweet cherries. Contact: +373 69 321 821.
- IONEX** (REPUBLIC OF MOLDOVA): Part of the IONEX family, established in 2000. Products include plums, table grapes, apricots, and sweet cherries. Contact: +373 69 892 992.
- SRL LAURAGRO** (REPUBLIC OF MOLDOVA): Founded in 2006, an export-oriented fresh fruit producer. Products include plums, sour cherries, apricots, and apples. Contact: +373 69 303 901.

Each profile includes a QR code and contact information for the respective company.

Poland is a major fresh produce importer in Central and Eastern Europe and an emerging buyer of Moldovan fresh fruits and berries: in 2021, the import value exceeded \$7.3 million, up from just \$800,000 in 2016, when HVAA was launched. Still, there are major growth opportunities for Moldovan exporters, especially in retail, where Moldovan fresh fruits are hardly present. HVAA supported the listing of seven Moldovan exporters in the Fresh Market Guide 2022/23, the main directory of fresh produce suppliers to retailers operating in Poland, and their participation in the online match-making event organized by the directory publisher on April 21-22 (see Exhibit 8).

Following multiple meetings with Polish retailers and importers supplying them, HVAA identified three importers who are committed to initiate larger supply programs for Moldovan stone fruits, table grapes, and strawberries. In the

coming months, HVAA will provide Moldovan exporters with on-demand production and marketing assistance to initiate produce deliveries to these companies.

Despite having a product with an excellent taste profile that meets stringent EU market requirements, many Moldovan growers are reticent to export by themselves, citing a lack of trading experience and knowledge of export procedures. On the other hand, European retailers and importers are striving to establish direct relationships with growers to streamline the supply chain, thereby achieving higher quality and cost control. To “break the ice,” HVAA continued to provide customized support to first-time exporters along the entire journey from establishing a linkage to sending the first shipment, including through the MFA Technology and Export Coaching Program. In-person and online trade missions were organized with buyers from Germany, Spain, Poland, and Turkey.

#### **Exhibit 9. Final quality control by a Moldovan grower and Dutch buyer**



One highlight of the reporting period includes the first truck of sweet cherries shipped to the Netherlands by Staragro, a women-led company located in Ustia, Dubasari (see Exhibit 9). The grower is a longtime HVAA partner; HVAA previously supported the company to attain GLOBALG.A.P. and GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) certifications and to identify new export markets by participating in trade missions and international

fairs. Staragro was also one of the first stone fruit growers to be featured on the “Meet Your Exporter” platform, presenting promotional videos and virtual tours of fruit orchards and post-harvest facilities.<sup>1</sup> The grower is committed to continue directly exporting to the EU and is actively negotiating with a Dutch buyer for a larger supply program in the 2023 season.

#### **TABLE GRAPES**

The Moldovan table grape industry achieved commendable exports in the 2021-2022 table grape season that concluded in April: export volumes were 30 percent higher compared to the average of the previous three seasons, while the export value reached its highest ever level, \$42.6 million. Despite continuous progress in market diversification, the share of traditional markets is still high (Russia 47 percent, Ukraine 11 percent, Belarus 7 percent) and the industry urgently needs to drastically increase exports to alternative markets, as the war in Ukraine is affecting access to these markets.

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<sup>1</sup> [moldovafruct.md/map](http://moldovafruct.md/map)

On April 15, HVAA, the Association of Table Grape Producers and Exporters from Moldova (APESM), and the Association of Table Grape Producers (APSM) Cahul organized a Sector Export Marketing Plan (SEMP) workshop with leading table grape growers and exporters to review the lessons learned in the previous seasons, capture buyer feedback, and help businesses develop improved offers for international buyers (see Exhibit 10). The driving theme of discussions was developing access to the EU and other markets, considering the impact of the ongoing war in Ukraine on trade.

The workshop was followed on June 7 by a regional meeting in Siscani village, Nisporeni rayon, with growers and consolidators to better inform them about EU market requirements, including quality standards and maximum acceptable levels of pesticide residues. HVAA is assisting APESM and MFA to develop a joint 2022 Market Development Plan, which will include detailed actions to strengthen relationships with existing buyers and to enter new market segments (such as direct deliveries to EU-based retailers) and new countries (such as Germany, Sweden, and the Czech Republic).

## BERRIES

The Moldovan berry industry's export performance in the 2021 season achieved their highest ever levels for export volume and value of fresh and frozen berries, 4,900 tons and \$6.8 million respectively. Despite continuous progress in market diversification, the traditional market share is still high (46 percent in Russia, 6 percent in Belarus), and the industry is in urgent need to drastically increase exports to alternative markets, considering the impact of the war in Ukraine.

On May 4, HVAA and BoM organized a SEMP workshop with leading berry growers, processors, and exporters of fresh and frozen berries to review the lessons learned in previous seasons, analyze the new logistics situation, and help businesses adjust their production and marketing programs. An expert from Ukraine shared developments in this large berry-producing country, while HVAA presented its brief study of opportunities to sell berries to processors, a market channel that could reduce pressure on the fresh market, especially if border issues (long waiting times) could not be resolved by the peak of the berry harvesting season.

### Exhibit 10. A berry producer being interviewed about the berry market



Following the event, HVAA linked several growers and exporters with buyers operating in the Romanian and Polish markets. Although June is only the first month of the berry export season, there are indications of greater market diversification: June 2022 exports of strawberries to Romania exceeded the total exports to this country in 2021 (420 tons vs. 380 tons), while 80 percent of fresh raspberries went

to non-traditional markets (vs. 45 percent in 2021).



HVAA partnered with BoM and the National Beekeepers Association of the Republic of Moldova (NBARM) on a promotional campaign to increase local consumption of berries and honey. The campaign included a 2-day festival in Chisinau on June 25-26, where berry growers and beekeepers could communicate directly with consumers, present the wide range of products these sectors offer, and highlight the benefits of consuming fresh berries and honey. The partners will organize a similar 2-day event at the end of August, focused on late-harvest berries and honey.

## HONEY

HVAA's SEMP-type workshops with honey producers and exporters in its first year illuminated that processors and exporters vary significantly in sizes, capacities to control the consistency of honey quality, preconditions to pack honey in value added packaging, and, ultimately, dramatically different export sales abilities. Unacceptable antibiotic residue levels prevented several exporters from achieving premium positioning on the market, even in the bulk segment. Hence, HVAA strategically decided to avoid approaching the local and export markets with a national industry brand as premature market entrance without ensuring product quality could damage Moldova's long-term reputation and sales potential. Instead, HVAA and its partners

### Exhibit 11. Honey from Moldova national industry branding



focused on building exporters' capacity to understand market requirements, establish linkages with key European importers, obtain relevant international certifications, and build basic marketing and promotion tools while also strengthening their relationships with beekeeper suppliers.

As several indicators pointed to significant progress in these areas, HVAA supported the Moldovan Investment Agency, NBARM, and the Honey Exporters Association (HEA) to design a national industry brand through an interactive, collaborative, and market-oriented process (see Exhibit 12). Stakeholders approved the brand concept in May and a detailed brand book was developed in June. On the local market, the brand will be presented to the public in conjunction with a honey consumption promotion campaign that HVAA, NBARM, and HEA are currently developing, which they expect to launch in August 2022. The brand will also be presented on the export market at the country stand at the Apimondia Congress and Fair in Turkey, August 24-28.

## AGRI-FOOD PRODUCTS

Private labels for retailers are a quickly developing market segment in Eastern Europe, but little known or used by Moldovan fruit, vegetable, and honey processors. To expose processors to the latest market developments and link them with Romanian retailers and importers, HVAA arranged for 13 Moldovan companies to participate in the annual Private Label Innovation Show, the only event in Romania dedicated exclusively to the private label industry. The event was attended by around 150 participants, representing purchasing managers and brand buyers from major retail chains, private label suppliers from all fast-moving consumer goods (FMCG)

**Exhibit 12. Moldovan participants presented a wide range of processed agri-food products, including organic, at the Private Label Innovation Show in Romania**



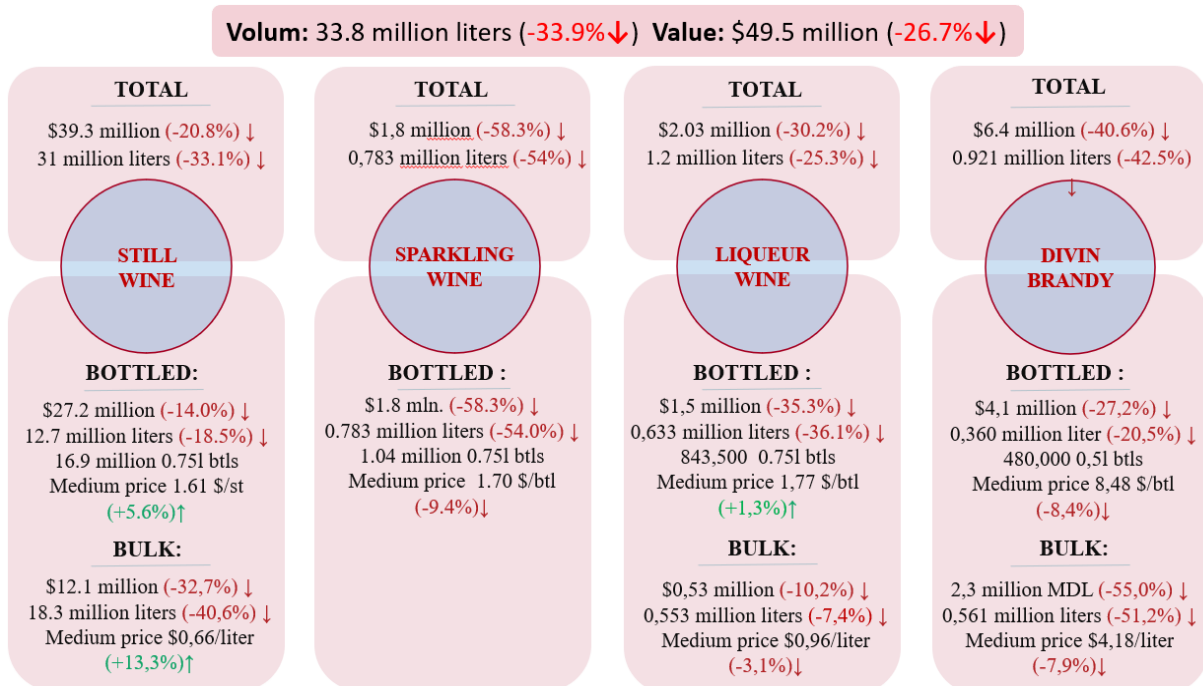
segments, research industry representatives from Romania and abroad, and service providers for the private label industry. HVAA organized a “country corner”, where Moldovan participants could present their offers and hold networking meetings with Romanian buyers (see Exhibit 13). HVAA will provide demand-driven assistance to the event participants to develop the linkages established at the

event.

**WINE VALUE CHAIN**

The regional situation generated by Russia’s war against Ukraine has impacted worldwide markets and created concerns for Moldovan wine exports. According to the National Office of Wine and Vine (ONVV), in the first five months of 2022, Moldova’s total wine exports dropped dramatically, by 33.8 percent in volume and 26.7 percent in value, compared with the same period in 2021.

**Exhibit 13. Moldovan wine exports the first 5 months of 2021 comparing with 5 months 2022**



The main markets for Moldovan bottled wines in 2022 are neighboring European countries with a quota of 60.7 percent by value, Commonwealth of Independent States (CIS) with a quota of 13.4 percent, and Asia with 13.2 percent. At the same time, a small increase in exports to Romania was registered (almost 5 percent), Canada (14 percent), and Turkey (12.6 percent). The share of bottled wine compared to bulk wine increased by 4.6 percent, reaching 43 percent by volume of the total exports of bottled wine and 57 percent of bulk wine.

The market for bulk wine exports was shared by the CIS with a quota of 69.8 percent by value and Europe with 29.6 percent. In the first five months of 2022, wine export to the CIS dropped dramatically: export to Russia decreased by 68 percent in volume and value, decreased to Belarus by more than 31 percent in volume and value, to Ukraine by 59 percent in volume and 44.5 percent in value, and to Georgia by 51 percent in volume and 48 percent in value. At the same time, an increase was registered in exports to Germany by 322 percent and France by 25 percent by value.

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WoM won **612 medals** in six months at 13 international wine contests, with 66 medals won by small wineries.

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Participation in international wine competitions is an excellent way to communicate the progress of Wine of Moldova (WoM) to the international wine professional community, whereas awards and medals received serve as indisputable

proof of the leap forward. During the reporting period, HVAA aligned with ONVV efforts supporting Moldovan wineries to participate in three contests with major importance for building international awareness about WoM. HVAA provided the registration fees at international wine contests for Association of Small Winemakers (ASW) members who showcased over 67 samples of wine.

International wine contests during the reporting period:

- **International Wine Contest Bucharest/Vinariu:** Romania is the top export market for Moldova's high-end wines, and WoM was always strategically present with a large number of samples at the sole wine contest organized in Romania under International Organization of Vine and Wine patronage. The International Wine Contest Bucharest/Vinariu contributed indisputably to building the current image and success of Moldovan wines on the Romanian market. Thus, to continue this success, HVAA cooperated with ONVV to ensure the participation of 200 samples. The WoM outcomes were applaudable this year: 85 medals, including 71 gold and 14 silver medals. Two start-ups that had their first harvest in 2020 were among the awardees. Crama Ulinici received two gold medals for Sauvignon Blanc 2021 and the blend Cabernet Sauvignon & Merlot Rose 2021, silver for Bianca 2021 and Javgur Winery. Both wineries are HVAA grantees and were supported by the HVAA Mentorship Program. In total, Moldovan small wine producers won 20 medals.
- **Decanter World Wine Awards** is one of the most reputed wine contests internationally, reaching its 19th edition in 2022. After a record-breaking year for total wines tasted in 2021, the record was topped again this year with 18,244 wines judged from 54 countries. HVAA supported registration of 4 samples of wine produced by

members of ASW. At Decanter World Wine Awards Moldovan wines won 84 medals, including four gold.

- **The Concours Mondial de Bruxelles** is a global benchmark for wine competition. Its independence, stringent standards, and tasting procedures offer reassurance for consumers, enabling them to buy medal-winning wines with complete confidence. Moldova is in the lead among Eastern Europe countries with

**Exhibit 14. Fautor wine Negre was declared the Best Red Wine in the World**



53 accolades. Moldova's Fautor Negre 2017 won the Best Red Wine in the World title (see Exhibit 15). During the 2022 Red & White Session, Fautor Negre 2017 from the Fautor Winery received the highest score among about 5,000 red wines from around the world. Negre is a red blend of the local varieties Feteasca Neagră and Rara Neagră. Negre is a remarkable representative of the Protected Geographical Indication (PGI) region Valul lui Traian, in southern Moldova at the same latitude as the famous Bordeaux region in France.

As a continuation of the effort made so far, HVAA supported a PR and social media marketing (SMM) campaign in Moldova and Romania for Fautor Winery. In the campaign's first stage, an international press release was issued in Moldova and Romania.

#### *Wine exhibition in Duesseldorf*

After two years of the COVID-19 pandemic, wine and spirits industry representatives from 90 countries met at the most prestigious wine exhibition in Dusseldorf, Germany, held May 15-17. The WoM country stand hosted 37 producers, who exhibited and offered for tasting over 500 labels in 2,200 bottles. HVAA organized a series of masterclasses by a wine expert who educated the general public to enjoy the great aromas of Moldovan wines.

Public officials supported the ONVV to organize a joint meeting with representatives of the German Ministry of Agriculture in order to strengthen bilateral relations and promote Moldovan wine products on the German market.

#### *International Wine Festival of Romania*

The International Wine Festival of Romania RO Wine, dedicated to premium and super-premium wines, took place at Fratelli Bucharest on May 21-22. Visitors came from all over the world for two days full of experiences, quality gastronomy, and a record number of participating wineries. Moldova was represented at the festival by 26 wine companies under the umbrella of the country wine brand "Wine of Moldova: A legend alive." HVAA supported the participation of 12 small wine producers. More than 2,000 visitors interacted with the winemakers at their stands, including representatives of the hotel, restaurant, and catering (HoReCa) sector,

retailers, e-commerce, influencers, and wine lovers. The event helped the Moldovan producers establish valuable connections, partnerships, and discussions.

#### *Urban gastronomic fair Great Wines from Small Producers*

##### **Exhibit 15. Small winery Crama Tataru at the urban gastronomic fair Great Wines from Small Producers**



The second urban gastronomic fair Great Wines from Small Producers was held on May 7-8 to promote and support small producers of wines and handicrafts in building relations with consumers. Twenty-six small producers, supported by HVAA, participated in the Gastronomic Fair, where over 2,050 bottles and 102 types of wine were presented to visitors (see Exhibit 16, next page).

#### *Gastronomic festival DeVin & DeGust*

##### **Exhibit 16. Wine consumers testing wine at the Gastronomic festival DeVin & DeGust**



The 10th DeVin & DeGust was held on May 29 (see Exhibit 17). The gastronomic festival marked the occasion of the 10th anniversary of registering Moldova's first PGIs: Codru, Valul lui Traian, and Ștefan Vodă. The best winemakers and wineries involved in the production, development, and promotion of PGI wines were recognized. The Minister of Agriculture, interim director of ONVV, and Deputy Director of USAID Moldova awarded

certificates to the winemakers.

#### *Wine Export Support Activity*

During the reporting quarter, HVAA continued the Wine Export Support Activity (WESA) to generate higher returns and increase exports of Moldovan wines by building a positive image of WoM and stimulating increased sales of high value-added wines in the target markets of

Romania, Poland, Ukraine, the UK, and the Netherlands. Moldovan wineries continued promotional social media campaigns targeting specific countries: Tomai Vinex, Salcuta Winery, Agrici Wines, and Doina Vin in Germany; Agrici Wines in Romania; Tomai Vinex in Denmark; and Salcuta Winery in Denmark and the Netherlands. Supporting the social media promotion is especially valuable now, as wineries face major logistical problems and sales pressure in the EU and UK due to the regional situation.

According to the Gitana Winery, a WESA beneficiary, HVAA support had a positive impact on its web page traffic. It reached consumers who did not have access to its previous online and retail promotion campaigns. The campaign helped the winery to increase the sales of bottled wine through e-commerce platforms in Romania by 13 percent compared to 2020. Two years after the start of the pandemic, online commerce is growing steadily, and this upward trend will remain.

## Objective 2: Improve Productivity, Post-Harvest Handling, and Private Sector Capacity to Comply with EU and International Standards in Targeted Value Chains

### CROSS-CUTTING

#### *Promoting Good Agriculture and Social Practices*

More Moldovan producers are recognizing the importance of reducing their vulnerabilities and dependence on traditional markets. The EU is increasingly targeted as a more reliable and promising export destination. This is evidenced by producers' commitment to improving food

#### **Exhibit 17. Monitoring pest populations is part of the IPM toolbox used by HVAA-assisted growers**



safety and quality, and progress toward GLOBALG.A.P. and other international certifications. Nearly 100 growers have obtained GLOBALG.A.P. certification since HVAA was launched. During the reporting quarter, HVAA continued to provide customized consulting and training services to support implementing GLOBALG.A.P. at nine companies (primarily stone fruit growers) that were selected following a call in December 2021 for technical

assistance to support implementing international standards.

In response to European buyers' increased interest in worker health, safety, and welfare in their supply chains, HVAA supported more than 40 growers to prepare for and pass GRASP. As some European retail chains require more complex assessments, HVAA is piloting with three growers from Ialoveni, Stefan-Voda, and Gagauzia the Sedex Members Ethical Trade Audit (SMETA), which is the most widely used social audit in the world. During the reporting quarter, HVAA continued to provide technical assistance to the three growers to understand SMETA requirements, implement adequate measures to assure worker health and safety, and signal zero tolerance of human rights abuses, such as child and forced labor.

In May, HVAA shared its GRASP and SMETA experience with the International Labor Organization (ILO) project "Stimulating the green economy in Moldova to create new and better jobs" and encouraged the ILO to include this topic in its Moldovan portfolio as the organization has vast international experience in this area.

#### *Environmental Compliance*

In accordance with USAID regulations and the Initial Environmental Examination (IEE) prepared for HVAA, Chemonics ensures that all sub-awards are appropriately screened for potential environmental impact. Environmental Mitigation and Management Plans (EMMP) are developed and submitted to USAID for activities that have a potential adverse environmental impact. In

addition, HVAA continued to take proactive steps in a timely manner to minimize adverse environmental impacts and promote sustainable agricultural practices through training events, communication tools, and policy interventions (key highlights for this quarter are below).

### QUARTER 3 ENVIRONMENTAL COMPLIANCE HIGHLIGHTS

- HVAA developed 26 Records of Compliance.
- HVAA conducted 3 monitoring visits, specifically in relation to EMMP compliance. The USAID Mission Environmental Officer (MEO) joined visits to three sites.
- With HVAA assistance, ASW trained winemakers in the seminar “Practical Aspects in Implementing Regulatory Requirements for Environmental Protection.”
- HVAA developed and distributed an infographic and informative article on waste management in agriculture. HVAA continually makes linkages to minimize plant waste (through alternative use and composting) and plastic waste (through recycling).
- HVAA updated the Pest Management section of the Apricot Guide, in line with the PERSUAP.
- In line with recommendation #5 from the Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP), HVAA continues initiatives to reduce bee poisoning, including through digital communication (BeeProtect). Parliament approved amendments to Apiculture Law #70/2206, which introduced the BeeProtect tool developed by HVAA and Tekwill. HVAA is currently supporting ANSA to integrate BeeProtect into its systems, with an expected national launch in 2023.

#### Waste management awareness

The low level of awareness of proper waste management has been an issue for Moldova for the last 30 years. Agriculture is not an exception and farmers have yet to adopt basic waste management practices to minimize their impact on the soil, water, and air. To address the issue of plastic pollution and promote basic steps to tackle it, HVAA developed and distributed an infographic and informative article on waste management in agriculture.

#### Exhibit 18. Inspector training combined theoretical aspects with practical quality control demonstrations



The infographic, in Romanian and Russian, focuses on 22 of the most common types of waste in agriculture, including plastic irrigation hoses and car batteries. It describes the basic steps and options for sustainable disposal of each type of waste and provides links to authorities’ web resources, with contact details for waste collection and recycling companies. The infographic was distributed among project beneficiaries and published by agriculture media, with an exhaustive article in Romanian



and Russian written by HVAA on the issue of waste and explaining the basic steps for sustainable management of agricultural waste.

### *Quality standards*

A key prerequisite for expanding sales on local and export markets is delivering consistent and high quality fresh produce. Public authorities, such as ANSA, have an important role in educating growers and distributors and enforcing quality standards during official controls. Following recent changes in legislation that clarify the roles and responsibilities in official controls on quality conformity of fresh fruits and vegetables placed on the market, HVAA partnered in May with ANSA to organize three trainings for 152 ANSA inspectors from around the country (see Exhibit 20).

### **FRESH FRUIT**

Compliance with European buyers' pesticide residue requirements is a major issue for the fruit sector to expand sales into the EU. In February, HVAA and MFA launched a grant activity to promote Integrated Pest Management (IPM) in fruit production with the major objective of controlling pesticide residues. The need to step up market diversification following the war in Ukraine only increased the importance of this topic.

As part of the grant activities, MFA established partnerships with four international technology providers, including Corteva Agriscience from the USA, to combine expertise and resources in promoting an IPM approach. During the reporting quarter, MFA and HVAA monitored the IPM demonstration plots previously established throughout the country and provided on-demand assistance to their hosts (see Exhibit 21). In June, the first three events at these demonstration plots took place, gathering participants from around the country. To disseminate the experience accumulated by the demo plot hosts to a wider audience, HVAA and MFA initiated the development of four educational media programs that will be shared through MFA's YouTube channel and HVAA's media partner network. In August, the activities will be complemented by

#### **Exhibit 19. Growers have great interest in IPM training events**



a study visit to Germany on “IPM of stone fruit orchards, including organic stone fruit production”, in partnership with Bayerische Obstzentrum (Bavarian Fruit Center) and OGV Cooperative. The visit will familiarize Moldovan fruit producers with the most recent innovations applied in stone fruit production that meet sustainable fruit production principles and EU buyers' requirements regarding pesticide residues.

HVAA and MFA selected the host and developed the concept for MFA Fruit Day 2022 (schedule July 8-9), which will include a technology exhibition, workshops, and practical demonstrations for an expected audience of 150. The large open-air event will offer all interested stakeholders from the entire fruit value chain the opportunity to become familiar with new trends and technologies for production and post-harvest handling (PHH) of fresh fruit from Moldova for international markets. IPM will be the emphasis of this year's event, and IPM practices and technologies will be particularly promoted.

Based on the experience of the recently concluded Export Coaching Program<sup>2</sup> for 18 exporters, MFA designed the Technology and Export Coaching Program as a new service for its members, and piloted it with HVAA support (see Exhibit 22). MFA competitively selected five plum producers who have the potential and commitment to allocate resources and time to export fruit to EU/regional markets to participate in the program, which will help them learn about EU markets, meet EU market requirements, and become connected to prospective market

**Exhibit 20. Seminar included multiple practical demonstrations of controlling fruit load**



penetration opportunities. MFA conducted an export readiness audit for each of the five participants to assess critical viability factors (facilities and production capacity, working conditions, management skills, product range, food safety and quality, etc.) and developed an action plan that includes areas for improvement, recommended interventions, necessary tools to adopt, and implementation deadlines. On May 9-13, HVAA and MFA arranged for a leading German plum production

expert to assess the participants' production and PHH capacities vis-a-vis EU market requirements, with a focus on IPM and pesticide residue management. At the end of the audits, the international expert led a seminar to present his general observations and a set of recommendations for the upcoming season.

#### *Building Packing House for fruit and grapes in Gagauzia Region*

In April, the Gagauzian Executive Committee approved the allocation of over 2 million Moldovan Lei (MDL) to build the Comrat Packing House. The amount was included in the Autonomous Territorial Unit Budget for 2022. Following this decision, the Gagauzia Regional Development Agency (RDA) agreed with the Ministry of Infrastructure and Regional Development and the

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<sup>2</sup> The Export Coaching Program is implemented by the Centre for the Promotion of Imports from developing countries, the Netherlands Enterprise Agency (CBI) and the International Finance Corporation (IFC).

Gagauzia Executive Committee to begin work on the project. The Gagauzia RDA and Agro Oguz Association, with HVAA assistance, drafted tender documentation for the technical design of the Comrat Packing House.

## TABLE GRAPE VALUE CHAIN

**Exhibit 21. Planting locally-produced certified grapevines**



Poor quality seedlings remain a major constraint to table and wine grape production, leading to lower quality harvested fruit, lower fruit yields, and subsequently higher per unit production costs. To address this constraint, in Year 2 HVAA brokered the Certified Grape Planting Material Partnership between USAID, ONVV, HRI, and the Ministry of Agriculture and Food Industry (MAFI), which has generated more than

\$500,000 of investments in HRI production infrastructure (grapevine phytosanitary laboratory, micropropagation laboratory, and mother stock plantations). These investments were complemented by similar-size investments from private nurseries in their own rootstock mother stock plantations.

Following a 25-year hiatus, the first Moldovan commercial vineyard was established on April 29 using locally-produced certified grapevines: Purcari Winery planted vines of Viorica and Riton varieties that were produced by HRI in partnership with a local nursery (see Exhibit 23). Starting with 2023, commercial quantities will be available of certified plants of Floricica, Legenda, Copceac, and Feteasca Neagră wine varieties and Moldova, Kishmish Lucistii, Kishmish Moldovenesc, and Apiren Roz table grape varieties. In 2-3 years, HRI aims to cover the entire local demand for certified grapevine planting material.

HVAA continues to support HRI to diversify income streams by establishing a royalty system for the grape varieties that HRI bred. In April, the draft framework was developed and presented to HRI leadership (contract templates, internal regulations, etc.) and the new system is expected to be applied starting from January 1, 2023.

## BERRY VALUE CHAIN

In the 2021 season, exports of Moldovan berries reached their highest level ever: 4,900 tons, an almost triple increase in comparison with the HVAA baseline year of 2016. Most of the exported quantity (85 percent) is intended for fresh consumption, primarily in the Russian Federation, and only a small share is exported as frozen berries, primarily to the EU. The impact

of the war in Ukraine shows that the industry would benefit from a more balanced “fresh/frozen” allocation.

The modern processing industry is based on scale, which is a challenge for the fragmented production that defines the Moldovan berry sector. To support Moldovan berry growers in learning the best processing technologies and supply consolidation, HVAA organized a study tour to Serbia on May 23-27 for eight Moldovan berry growers and one representative of Nisporeni Vocational Education and Training (VET) school (see Exhibit 24). The study tour, led by a leading Serbian berry expert, focused on PHH, processing, freezing, and value-addition such as lyophilization (freeze-dried products). Although the trip was production focused, it also resulted in market linkages, including exports of berries to Serbia.

### **Exhibit 22. Moldovan berry producers during a study visit to Serbia**



Participants also learned about organizational aspects of product consolidation through cooperatives and/or associations (product aggregation, storage, packaging, marketing, and compliance with international standards). Participants visited several berry producers to learn about production systems and varieties for processing.

In the coming month, HVAA and BoM will share the accumulated knowledge through the association’s network, and will provide on-demand assistance to the participants that intend to develop berry processing operations.

### **HONEY VALUE CHAIN**

Although Moldovan honey is very high quality, there is strong market competition. To improve competitiveness, Moldovan beekeepers need to develop niche products for high-paying markets, such as certified organic honey, which is produced from the nectar of organically-grown plants or wildflowers. With the growing global demand for healthy and organic products, organic production can offer higher returns for beekeepers. Converting standard honey production to organic production requires a significant amount of time (minimum two years) and investment. Despite the requisites, there are already many beekeepers in Moldova who are willing to put in the hard work and investment.

### Exhibit 23. Organic honey on the shelves of the local retailers



HVAA supported a group of six beekeepers, coordinated by Regina Naturii, to obtain group organic certification in October 2021. In April, the first batch of 22 tons of organic honey (estimated value \$400,000) was exported to a buyer in the EU to test the specific EU import procedures.

Through organic production, the beekeepers hope to obtain a 10-20 percent higher price compared to conventional honey. The group plans to begin exporting jarred linden and acacia honey.

Going forward, the strategic focus is on selling jarred honey. For this purpose, Regina Naturii started to place jarred organic honey on the local market (see Exhibit 25).

*Digital solution to prevent bee poisoning from pesticide use*

After Parliament approved legislative amendments to the Apiculture Law enabling use of the BeeProtect digital tool, HVAA supported ANSA to start testing the platform at the regional level to prepare for nationwide adoption next year. BeeProtect improves communication among farmers, beekeepers, and local public authorities to prevent bee poisoning through pesticide use. It is accessible from a computer, tablet, or smartphone.<sup>3</sup>

<sup>3</sup> [www.beeprotect.md](http://www.beeprotect.md)

HVAA and Tekwill, in partnership with NBARM, developed BeeProtect in response to the many bee poisoning incidents that occur due to a lack of communication between farmers and

**Exhibit 24. Screenshot of the web platform BeeProtect**



beekeepers and lack of awareness about the dangers that pesticide use presents to bee colonies. Each year, particularly during the blooming period, Moldova experiences bee poisoning due to insecticide use. On some occasions, beekeepers have lost more than 60 percent

of their bee colonies. As honeybees are major pollinators for high-value crops, this loss can be crippling not only for beekeepers but also for farmers. By facilitating communication and notification of pesticide use, stakeholders anticipate that BeeProtect will safeguard beekeepers from such devastating losses in the future.

**WINE VALUE CHAIN**

*National Conference “Wine Year 2021: Evaluations, results, and perspectives”*

**Exhibit 25. ONVV director presenting at the National Conference**



HVAA supports ONVV’s institutional development, aiming to strengthen its role as the wine industry’s main professional organization. During the Q3, HVAA assisted ONVV to hold the National Conference “Wine Year 2021: Evaluations, results, and perspectives” on April 8. The national conference brought together representatives of the wine sector, state institutions, and external partners to review 2021

results and set the direction of activities for the sector’s strategic development next year. ONVV presented activity details from last year, policies, the overall wine situation, harvest details, the quality of wines, trade and export data, challenges faced by sector stakeholders, and possible solutions to overcome the challenges (see Exhibit 27).

USAID Moldova Mission Director mentioned the difficulties faced by the entire Moldovan economy and by the wine sector specifically due to the humanitarian crisis in Ukraine. He expressed his confidence that the wine sector will be able to find sustainable solutions and assured industry representatives of USAID's support.

### *ASW Mentorship Program*

- 
- 29 wineries assisted
  - Over 390,000 liters of wine produced
  - Over 163,000 bottles bottled
- 

HVAA continued supporting the ASW Mentorship Program, in which emerging small wine producers receive mentorship from experienced winemakers and have access to shared equipment and a unique marketing and promotion platform focused on quality and 'author' wines. They also have access to shared equipment, which HVAA provided to the

association. During Q3, three HVAA-funded winemaking experts continued to advise small wine producers in April. They visited 26 small and four transitional wineries, advising them on the bottling process, verification, final conditioning of wine, and decanting wine from the glue by filtration.

Over the last six months, HVAA consultants for small producers and wineries in transition supported the production of 393,550 liters of wine and bottling of over 163,000 bottles. Crama Tronciu and Crama Mingir, two wineries HVAA assisted and mentored, were appreciated at regional IGP tastings organized by ONVV in Q3.

HVAA continued marketing support for 11 small wineries and two transition wineries, assisting them to develop their brand identities, labels, and other design assets, and preparing them to launch on the market in summer-spring 2022. As a result, two small wineries launched bottled wines in Q3, Chobany Winery and Bahu Winery.

### *Training program*

#### **Exhibit 26. Small Wine Producers at an ASW training**



ASW continued the training program for Small Wine Producers (see Exhibit 28). The training content was tailored to the needs of small wine producers. Four trainings were held during the reporting period:

- Regulating wine production, traceability, labeling, evaluation and certification, and ANSA control
- Wine tasting for white, rosé, red wines, and sparkling wines and determining wine defects and food pairings

- Practical aspects of implementing regulatory requirements for environmental protection, such as legal requirements and good practices in the winemaking business in line with environmental protection principles
- Best practices of vine management, increasing the quality of wine grapes, using fertilizers and phytosanitary products, and practical aspects of agrotechnical work in vineyards



### **Objective 3: Strengthen Capacities of Member-Based Groups (Producer Groups, WUAs, and Industry Associations) to Serve Their Members in Targeted Value Chains**

#### **STRENGTHEN CAPACITIES OF INDUSTRY ASSOCIATIONS**

##### **CROSS-CUTTING**

During the reporting period, HVAA supported MFA, NBARM, and BoM to implement the highest priorities from the list of recommendations provided in the Organizational Capacity Assessments (OCAs). The associations identified 10 priority recommendations from the 2021 OCAs. HVAA assisted the associations to update their internal and functional regulations. All three associations amended their bylaws to correspond to the new requirements of Law 86 on non-commercial organizations. The associations also received assistance to develop their administrative board regulations, specifying board member responsibilities. In Q3, the respective association boards and members discussed the documents for approval.

HVAA responded to specific association needs in Q3, helping MFA to develop a cost allocation and cost-sharing policy, and NBARM to develop a regulation on territorial subsidiaries and a monitoring and evaluation system. HVAA assisted and trained both associations to develop and implement personal data protection policies.

With HVAA support, the associations are improving their capacities in good governance, management and administration, financial management and control, project management, and human resources.

##### **FRUITS VALUE CHAIN**

###### *Moldova Fruct Association General Assembly*

MFA held its General Assembly during the reporting period (see Exhibit 29). Representatives from the Parliament, MAFI, ANSA, and the Subsidy Agency attended, and the event was heavily used by MFA management to raise awareness about the export difficulties apple and grape

###### **Exhibit 27. Fruit producers at the MFA General Assembly**



producers face due Russia's invasion of Ukraine. MFA president expressed appreciation for all previous and current HVAA support to MFA members in diversifying markets and fruit varieties. The General Assembly Resolution calls on members and the government to diversify markets, speed up the movement of fresh produce through Moldovan customs, increase investments in modern technologies through subsidy support, enable the environment for improved access to

resources and labor force, and support MFA in strengthening its sector consolidation role in today's conditions with the conflict in Ukraine. The event was broadly reported in relevant Moldovan media.

## HONEY VALUE CHAIN

### *National Beekeepers' Association General Assembly*

#### **Exhibit 28. NBARM members elected a new chair during the General Assembly**



NBARM held its General Assembly in April (see Exhibit 30). Members learned about the association's reorganization, revised bylaws, and new membership fee regulation. NBARM explained the new mechanism for territorial representation and presented a retrospective of its activities in 2019-2021.

As the president's mandate had expired, a new president was elected by the members, a professional beekeeper and

lecturer at the Bubuieci VET School, Apiculture Department.

The General Assembly voted for a new composition of the Administrative Board with nine members, territorially balanced, and Executive Director. The new board started working on a new strategic action plan for the next five years. The board plans to approve the document next month.

#### *Strategic regulations*

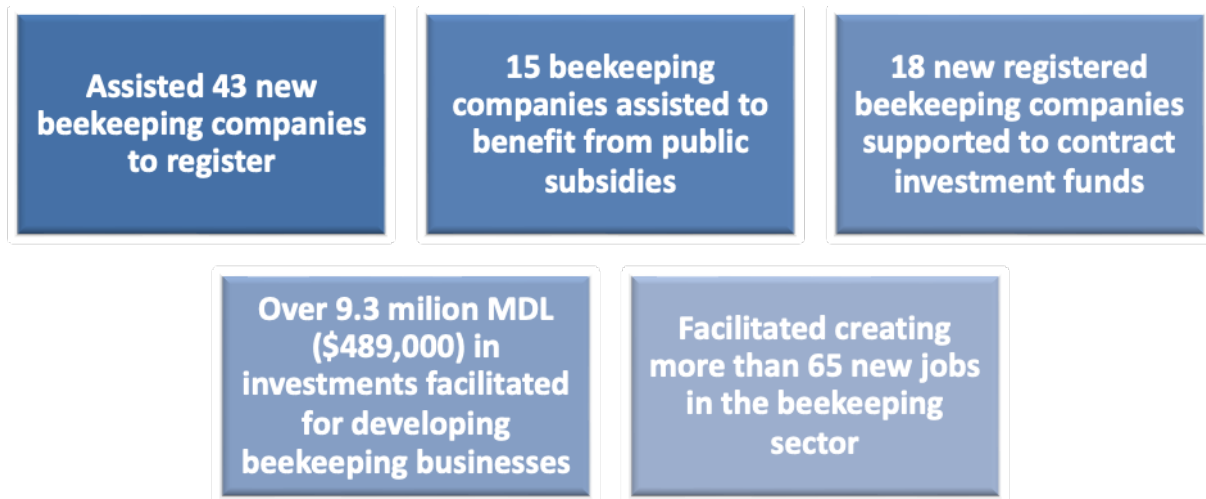
HVAA supported NBARM to develop its Strategic Action Plan for 2022-2026 and a Monitoring and Evaluation System. NBARM set main indicators, targets, and markers based on the 2022 strategic action plan. A development program for NBARM member associations is being developed.

During the reporting quarter, with HVAA assistance, NBARM started implementing a Personal Data Protection Policy, a detailed action plan for 2022, a consolidated budget, and a cost allocation and cost-sharing policy.

#### *Developing services for beekeepers*

NBARM successfully finished the HVAA grant activity in May to develop valuable services for its members. The association reported significant achievements from the new services, such as registering beekeeping businesses and contracting investment funds, developed with HVAA assistance (see following Exhibit 31).

### Exhibit 29. Highlights of NBARM achievements



NBARM developed three internal documents to regulate the association's economic activity and paid services. Complementing its educational efforts that target building profitable beekeeping businesses, the association produced and disseminated five video trainings for beekeeping companies.

NBARM updated its website to offer an accessible platform for beekeepers to apply for membership online. The mechanism started working in May, and 12 beekeepers have already applied for membership using the online form. The digital mechanism, which takes 10 minutes to complete, increases NBARM's efficiency and makes the association's services more accessible to beekeepers working in different regions of Moldova.

#### **WINE VALUE CHAIN**

The ASW (alongside ONVV) is one of HVAA's main implementing partners in developing the wine sector and improving quality. Additionally, it is the backbone of the entire ecosystem that nurtures and provides mentorship and development support for boutique wineries and start-ups. Therefore, ASW institutional development is one of HVAA's core priorities. In June, HVAA assisted ASW in organizing its General Assembly (see Exhibit 32).

During the meeting, ASW presented its activity plan for 2022-2023, activity report, and new internal regulations. The General Assembly was hosted by ASW member Crama Mircesti, with 34 of the 60 members in attendance. Also present were the MAFI Secretary of State; USAID Senior Program Manager; ONVV Interim Director; Deputy Director of the Agency for Intervention and Payments in Agriculture; and President of the ASW Executive Council.

### Exhibit 30. Small winemakers participating at the ASW General Assembly



## STRENGTHEN WATER USER ASSOCIATIONS

### *Strengthen Capacities of Water Users Associations*

HVAA supported Water User Associations (WUAs) Cosnita and Acva Grup to develop their OCAs. HVAA started this process in 2018 to assess organizational capacities and provide recommendations for building strong internal practices in the targeted WUAs. HVAA continues to support associations to integrate OCA recommendations to maintain the organizations' sustained growth and self-reliance. During the reporting period, with HVAA support, the associations improved their capacities in financial management and control and human resources and developed their Human Resources and Financial Manuals.

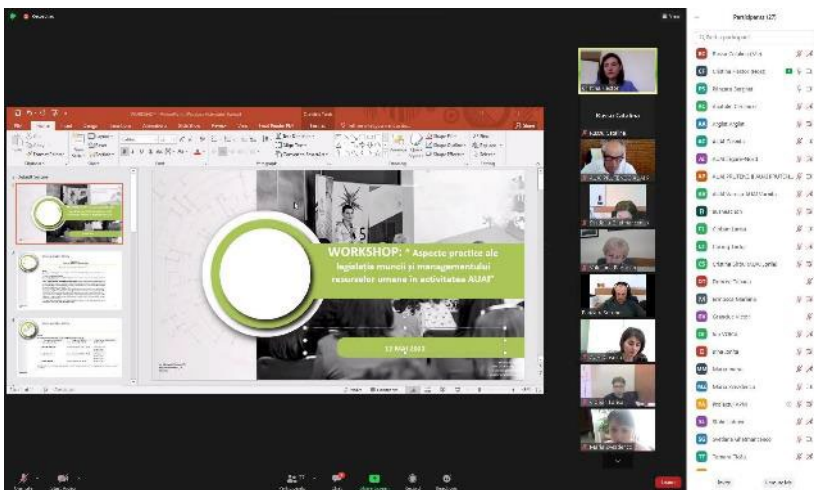
### *Training Program for WUAs*

In partnership with Sustainable Development Account (SDA) Moldova, HVAA organized the online workshop "Labor Legislation and Human Resources Management" on April 20-21. The event was attended by 35 representatives of the executive departments of Compact and Post-

Compact WUAs, as HVAA continues to extend its trainings to newly established WUAs in non-rehabilitated irrigation areas.

The training covered the legal and practical aspects of employee recruitment; staff selection and employment processes; legal regulations of the probationary period; concluding, modifying, and ending individual employment contracts; paying employees; organizing work time; and evaluating individual and collective performance. A special emphasis was placed on the new Classification of Occupations, approved in the new edition at the end of 2021. Participants debated aspects of establishing the names of occupations (positions and professions) within associations.

### Exhibit 31. Screenshot of online Human Resource Management training for WUAs



HVAA continued its training program on Human Resources Management for WUAs (see Exhibit 34). The May 12 workshop focused on practical aspects and examples related to establishing a salary system that corresponds to legislative provisions, developing criteria to evaluate employee performances, and drafting a work schedule for the association's staff that fits within the legal labor limits. Participants analyzed sample

document, such as internal regulation of associations, job descriptions, salary-related legal provisions, timesheets, and individual employment contracts. The workshop was attended by 30 representatives of the executive departments of Compact and Post-Compact WUAs, as HVAA continues to extend its trainings to newly established WUAs in non-rehabilitated irrigation areas.

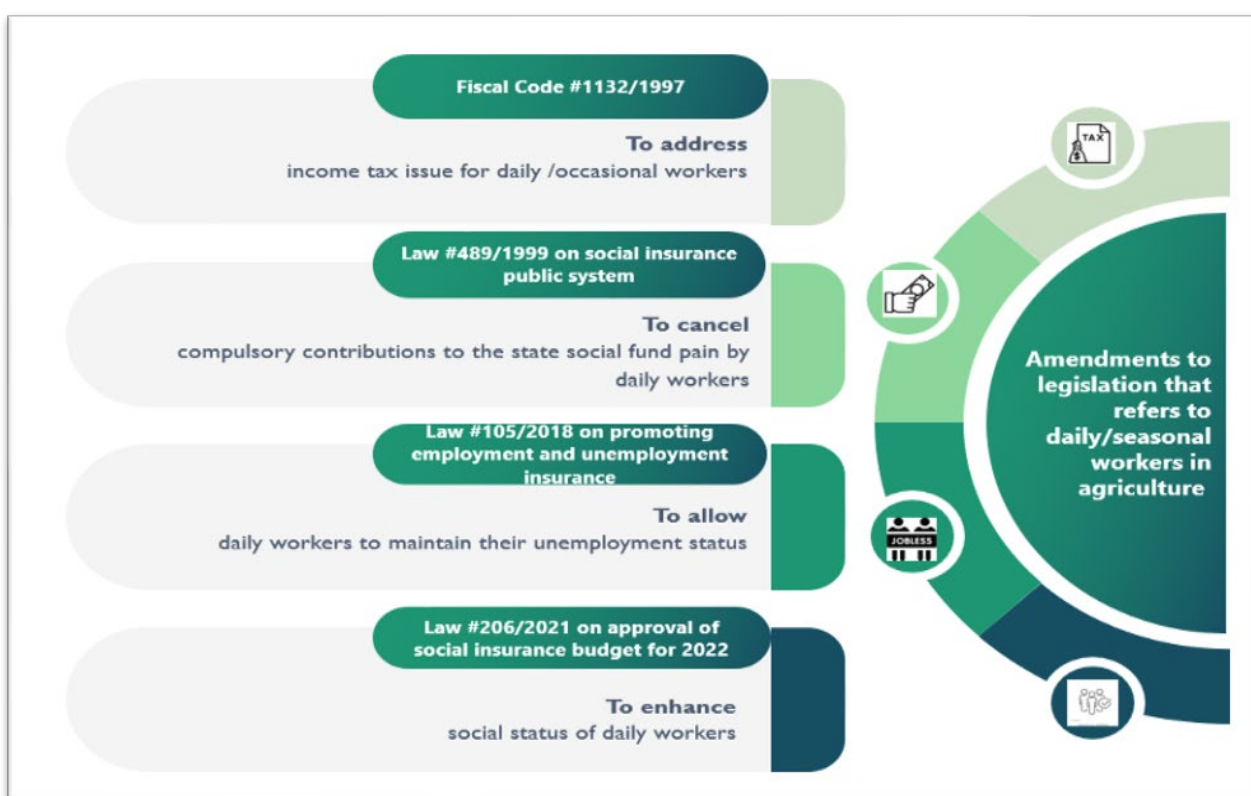
## Objective 4: Improve the Enabling Environment Leading to Increased Investments and an Improved Work Force in Targeted Value Chains

### IMPROVE THE POLICY AND ENABLING ENVIRONMENT FOR SELECTED VALUE CHAINS

*Improved the legal framework related to hiring daily and seasonal workers in the agriculture sector*

The draft amendments to Law #22/2018 (on occasional activities performed by day workers in agriculture) were unanimously approved by Parliament. This important decision was long-anticipated and following rounds of discussions and approvals with sector associations and within parliamentary commissions, and revisions and endorsements by key ministries in charge, such as the MAFI, Ministry of Labor and Social Protection, and Ministry of Finance.

#### Exhibit 32. The complexity of legislative changes that govern daily/seasonal workers in agriculture



Given the complexity of the labor force challenges, legislative amendments comprise amendments to other subsidiary legislation that will ensure complete enforcement of newly adopted legal amendments (see Exhibit 35).

In this regard, the key amendments to existing legislation refer to:

- Increasing the legal period of hiring a daily or seasonal workers **from 90 to 120 days** for an agricultural producer during a calendar year
- Improving **the income tax payment system** by regulating the tax rate for daily or seasonal workers' remuneration

- Improving the **payment mechanism for social and medical/health insurance contributions** to the state budget by shifting this responsibility from the worker to the agriculture producer, which will benefit daily/seasonal workers
- Improving the **unemployment status of daily workers who are occasionally or seasonally hired** to perform daily/seasonal work by maintaining their unemployment status, which allows them to benefit from unemployment compensation

### Exhibit 33. Infographic on new legal provisions in the agriculture sector



To ensure that the new legal provisions are known by all actors in the agriculture sector, HVAA prepared an infographic in Romanian and Russian, which it will share on social media and with agriculture media and sector associations (see Exhibit 36).

*Support amendments to legislation governing the apiculture sector to enhance communication between agricultural producers and beekeepers when committing to the prevention of bee poisoning from pesticides use*

The existing legal framework that governs the apiculture sector did not sufficiently provide robust communication and accountability mechanisms to prevent pesticide poisoning. Therefore, HVAA assisted NBARM in initiating discussions with the MAFI about amendments to the legal framework that regulates the apicultural sector. The draft amendments aim to transform the regulatory framework into an accountability

mechanism for both agricultural producers and beekeepers when committing to the prevention of bee poisoning from pesticides. HVAA and UniAgroProtect Association (UAP) developed proposals based on the comparative study “Legal Frameworks and Best Practices for the Protection of Bees Against Pesticides Used in Agriculture,” which covered Moldova, the United States, Romania, France, and the UK, and was extensively used during discussions with relevant sector stakeholders.

Once the MAFI, ANSA, NBARM, and HVAA agreed on the most important steps to take to initiate drafting amendments, a working group was established to coordinate the drafting process, assess the needs for amendments, identify provisions to change, and coordinate with other relevant stakeholders.

As a result of HVAA support, a draft law was developed that included proposals to amend Apiculture Law #70/2006 and Contravention Code #218/2008 to introduce the BeeProtect web application into the national legislation, which would provide an improved mechanism to protect bees from pesticide poisoning by facilitating communication among farmers, beekeepers, and local public authorities.

**Exhibit 34. Legislative amendments related to using the BeeProtect web application**

<b>Legislative amendments related Beeprotect web application use</b>	
<b>To Apiculture Law No 70/2006</b>	<b>To Contravention Code No 218/2008</b>
<p><b>Communication:</b> Introduction of informational system concept (Beeprotect) as pertinent communication tool</p>	<p><b>Recognition</b> as contravention lack of Beeprotect use for notifications</p>
<p><b>Notifications:</b> Substitution of the notification at the mayoralties by notification through Beeprotect web application – about pesticides spraying</p>	<p><b>Enlargement</b> of penalties for lack of communication/notifications required by Law 70/2006</p>
<p><b>Notifications:</b> Substitution of registration at LPAs with registration in Beeprotect web application, within 24 h – about apiary location in the pastoral</p>	<p><b>Recognition</b> as contravention pesticides use without notification through Beeprotect</p>
<p><b>Notifications:</b> Substitution of due dates for notifications – 48 h (after amendments) instead of 7 days (before amendments)</p>	<p><b>Enlargement</b> of penalties for inadequate use of pesticides that conducted to bee poisoning</p>

The parliamentary commission for the agriculture and food industry was interested in the draft law as a critical legal improvement for the beekeeping sector. The legislative initiative was registered as #59/2022 and submitted to several parliamentary commissions for debate and approval.



After accomplishing all legal and procedural stages of endorsement and concurrence, the draft proposals were unanimously approved in both readings, on May 5 and June 9, 2022.

Therefore, the most relevant changes recently approved by the Parliament refer to:

- **Introducing the informational system** BeeProtect web application as the single pertinent communication tool among farmers, beekeepers, and local public authorities
- **Replacing rules related to the notification of pesticide spraying** in municipalities with rules on notification through the BeeProtect web application
- **Replacing beekeepers' obligation to register apiary location in a pastoral area** with local public authorities with registration in the BeeProtect web application, within 24 hours from the last change of location
- **Replacing the due dates** for pesticide straying notifications from 7 days to 48 hours
- **Recognizing as contravention** if farmers and beekeepers do not use BeeProtect for notifications and use pesticides without notification via the web application
- **Enlargement of penalties** for lack of communication (through notifications) and for inadequate use of pesticides that conducted to bee poisoning.

*Support MAFI and ANSA to develop the BeeProtect implementation framework*

Following approval of amendments to Apiculture Law #70/2206 and Contravention Code #218/2008, ANSA and the MAFI will develop the implementation framework that will support introducing BeeProtect.

### **Save the Bees!**

The newest amendments to Apiculture Law #70/2006 and Contravention Code #218/2008 will enter in force on January 1, 2023. By this time, the government (e.g., MAFI) must develop and approve all normative documents that are required to properly implement and enforce the new provisions.

Thus, documents are needed to comprehend all norms that must be stated and approved for BeeProtect enforcement, such as BeeProtect regulations, technical concept for the BeeProtect application, ANSA regulations, etc.

In this regard, in addition to the other assistance it provides, HVAA will continue to assist both ANSA and MAFI in drafting and endorsing a regulatory package that will regulate and ensure the integration of the BeeProtect web application into the existing legal framework.

HVAA support will contribute to ANSA and MAFI efforts to:

- Develop the relevant implementation framework that will ensure the operation of the BeeProtect web application, including at the agency level (within ANSA central and rayon offices)
- Promote and endorse relevant draft legal documents to ensure the operation of the BeeProtect web application

*Support MAFI to improve the regulatory framework to increase horticulture sector productivity*

On April 20, the government discussed and approved amending Government Decision #705/1995 on removal of perennial plantations, which was developed with HVAA support.

The existing legal norms on removing existing plantations such as fruit orchards or berry plantations are outdated and need to be improved in order to simplify removal. HVAA supported the MAFI to

revise and improve Government Decision #705/1995 that refers to removing perennial plantations, with the main goal of simplifying the bureaucratic procedure for removing unproductive old and disease-infected plantations.

According to HVAA-drafted amendments, simplified rules were introduced to:

- Abolish the requirement for producers to inform local authorities if they wish to remove existing plantations, especially fruit orchards or berry plantations, due to disease or due to old age.
- Simplify and streamline the process to subsidize removing plantations and establishing a new/replacement plantation. The previous process involved many authorities and took several months to complete. Now, the process is simplified, with fewer authorities involved and the streamlined paperwork.

#### *Assist the MAFI to draft a Food Security Program*

HVAA is supporting MAFI to draft the Food Security Program 2022-2024. The draft document is ready to present to the main stakeholders: MAFI, Prime Minister's Advisor on Agriculture, Prime Minister's Economic Council, etc. The draft document is accompanied by an action plan structured around five objectives: improved governance of the food security field; trade facilitation; safe, efficient and transparent local market; increased agricultural productivity and production; and mechanisms to protect vulnerable groups. In July, the consultation and endorsement process will start with other relevant ministries. The document will be submitted to the government by July 15.

#### *Support to draft the National Program for Strategic Development of the Wine Industry*

HVAA continued to support the MAFI and ONVV to draft a new Wine Strategy, considering the importance of the wine industry to Moldova's economy, including a significant share in export volumes, jobs (especially in rural areas), and the contribution to developing branches of the economy.

During the reporting period, HVAA and the MAFI drafted a concept for the National Program for Strategic Development of the Wine Industry of Moldova 2023-2027, which was submitted for approval to the State Chancellery. The draft document is in line with Government Decision #386/2020, the Strategy for the Development of the Agricultural Sector and the Rural Environment 2021-2030, the 2030 National Development Strategy, and provisions of the Moldova-EU Association Agreement. HVAA's international consultant for international marketing and trade development provided important input in the drafting process focused on sales and distribution.

The Strategic Council responsible for drafting the National Program for Strategic Development of the Wine Industry of Moldova 2023-2027 met for the first time on April 20. The council

approved the vision for sector development by 2027 and specific objectives to achieve by the end of the program. The council also received the findings of a comprehensive wine sector analysis, including marketing, research, education, innovation, legislation, regulations, and Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis.

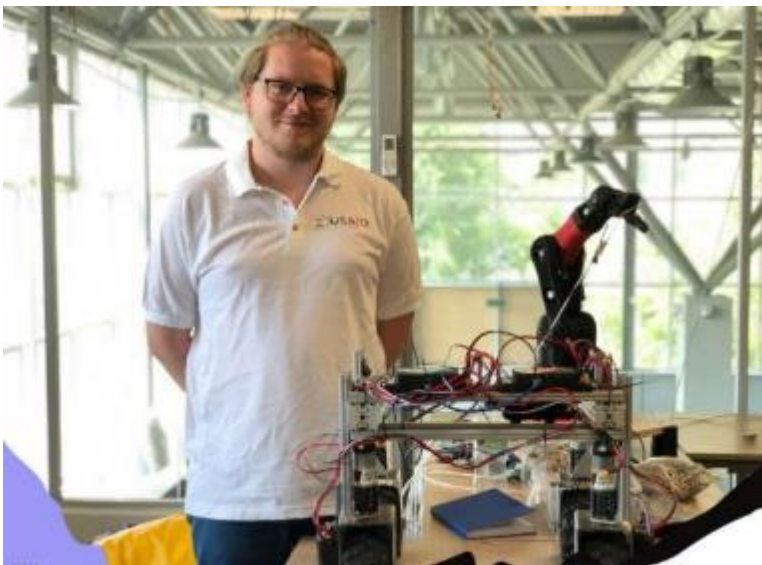
Per the program development schedule, the final draft should be submitted by September 1, 2022, therefore, no delays are anticipated.

## IMPROVED WORKFORCE IN TARGETED VALUE CHAINS

### CROSS-CUTTING

*MicroLab digital solutions for the agriculture sector*

#### **Exhibit 35. A MicroLab student is developing a digital solution for farmers**



In June, MicroLab, a non-profit association focused on developing youth skills by complementing formal education and preparing youth for work in the industrial sector, completed the Agro IT Academy practical program through an HVAA grant. Over 12 months, MicroLab's Agro IT Academy engaged youth from the Technical University and the State Agrarian University in developing technologies that address issues and challenges in the agricultural sector.

During the academy's final event, MicroLab presented the IT solutions for problems that were previously identified with different agrobusinesses:

- AgroDron, an aerial vehicle for monitoring agricultural land with high resolution images collected from a spectral camera; it has a smart display with integrated functions for viewing photo and video images. The device can be used for other projects by connecting the smart display to the Internet.
- Temperature and humidity control in greenhouses for real-time monitoring of parameters, alarm notifications, and modeling and simulating microclimatic environments for production of different crops.
- AgroBot for performing different field operations, such as removing weeds and transporting boxes with harvested strawberries.
- FineGrippingArm for harvesting berries and tomatoes in greenhouses and open fields.
- Monitoring energy management systems used in greenhouse or other production facilities that consume electrical energy for energy efficiency.

The IT solutions developed by youth during the Agro IT Academy were presented on AgroTV.<sup>4</sup>

*Entrepreneurship skills development at CEVV*

### **Exhibit 36. Graduates of the CEVV Entrepreneurship Education Incubator**



Twelve students from the Center of Excellence in Vine & Wine (CEVV) successfully completed the Entrepreneurial Education Incubator for the Agricultural, Wine, and Industrial Production Sectors, launched with HVAA support (see Exhibit 39). Over six months, students participated in a complex training program, followed by a mentorship and coaching program that

involved five companies from different agriculture sectors (i.e., berry production and processing, HoReCa, fruit production). This activity connected students and private entities and provided an opportunity to gain practical experience with innovations and new technologies in agriculture. The CEVVC Entrepreneurship Education Incubator, which was equipped with HVAA support, contributed to enhancing students' and young farmers' entrepreneurial knowledge and skills and enabling them to develop business plans to start new businesses in the agriculture sector.

### **BERRY VALUE CHAIN**

#### *Berry curriculum digital transformation*

During the reporting period, Nisporeni VET School, supported by HVAA, completed the berry curriculum digital transformation. The process took several months and included trainings for staff on using iMetos data and disease modeling for strawberries, making short videos, etc. The digital learning platform incorporates all the Berry Curricula modules, which are accessible online for students and others who want to learn about berry production and processing. An informative video about the digital platform was published on the school's Facebook page.<sup>5</sup>

#### *Involving students in providing valuable information for regional berry producers*

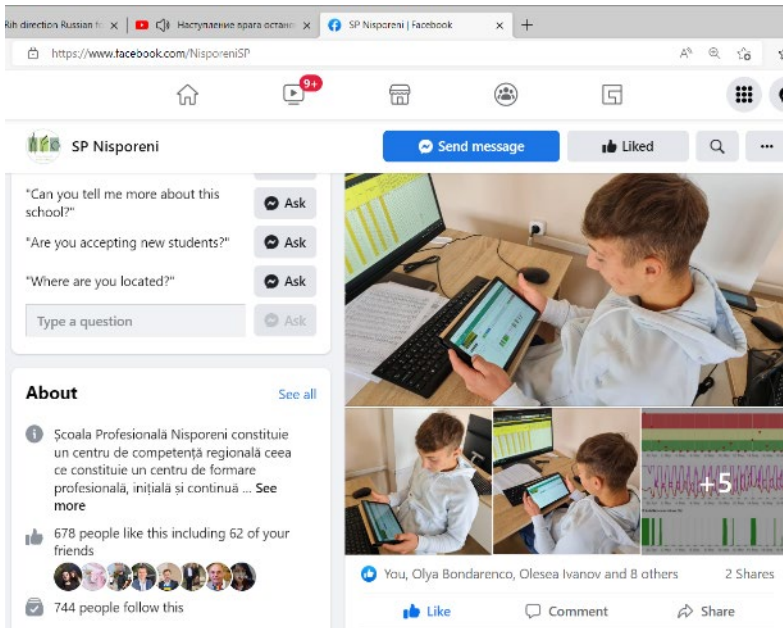
Nisporeni VET School launched a new initiative to provide information to regional berry producers by publishing iMetos data and disease modeling for strawberries on the school's Facebook page. Students collect and analyze the valuable data for regional farmers about any climate changes or infestation predictions in berry plantations (see Exhibit 40). As part of the

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<sup>4</sup> [www.youtube.com/watch?v=1czIsEH6mzQ](http://www.youtube.com/watch?v=1czIsEH6mzQ)

<sup>5</sup> [www.facebook.com/NisporeniSP/videos/577965580646395](https://www.facebook.com/NisporeniSP/videos/577965580646395)

### Exhibit 37. Nisporeni VET School students generating information for regional berry producers



institution that teaches the berry producer-processor occupation. Program graduates will greatly contribute to the berry value chain and fill a need for qualified workers in the sector.

#### Start-up program in the berry sector

Continuing development of the new generation of berry specialists and berry producers, Nisporeni VET School launched the Start-up Program “Step: a turn-on key business for future entrepreneurs.” Supported and mentored by HVAA, the program will help berry graduates launch their own businesses in the berry production sector by providing rooted strawberries plants to establish a new 0.1-hectare plantation and mentoring support for the next two years.

### Exhibit 38. Graduate of the berry processor-producer educational program will receive support for his own strawberry start-up



same initiative, students also published articles with disease descriptions and recommendations for controlling them.

#### The first cohort of berry producer-processor graduates in Moldova

The first cohort in Moldova of 17 berry producer-processors graduated from Nisporeni VET School and received their diplomas. For the last four years, HVAA has been assisting the Nisporeni VET School to upgrade its facilities to offer the educational program and to become a unique educational

The school ran an information campaign about the Start-up Program competition to widely promote the program’s opportunities and encourage more students and graduates to participate. The promotional campaign included a series of posts on the school’s Facebook page about berry production and information about the start-up competition. As part of the same grant, Nisporeni VET School conducted a fundraising campaign to identify potential future partners for the Start-up Program, and sent a detailed

presentation of the program and solicitation of support to 26 organizations, including the diplomatic community, private companies, international partners, and associations.

Three graduates were selected to receive support with launching their own businesses in the berry production sector (see Exhibit 41). Each of them also will participate in the technological process of rooting the runners, donated by two of the school's educational partners, Berries Group and ElitAsig Group.

#### *Berry demonstration plot and curricula improvement*

With HVAA support, Nisporeni VET School continued developing its demonstration plot with different berry types used for practical classes on the berry producer-processor occupation. A national expert provided five trainings and mentorship for the school's professors and experts on production technologies for different types of berries. A trellising system for berries and equipment for berry nursery and irrigation were installed on the demo plot (see Exhibit 42). A didactical nursery was created that will serve as a facility for rooting strawberry seedlings donated by school partners. The school nursery was equipped with shadow nets, a microaspiration fog system, and geotextile floor cover.

### **Exhibit 39. Nisporeni VET School's didactical demo plot**



The demonstration plot has already been used to produce educational videos, which were published on the digital platform, and for practical classes and graduation exams of students studying berry production.

As the Nisporeni VET School plans to enhance its curricula on berry processing subjects, one of the school's teachers joined the group of Moldovan farmers during the study visit in Serbia organized by HVAA to learn about modern processing companies and berry production farms in Serbia (see Berry Value Chain).

### *Nisporeni VET School recruitment campaign*

Nisporeni VET School began an awareness campaign about its educational offerings for the 2022-2023 educational year. On May 13, the school organized an Open Door event, which was attended by over 250 students from almost all schools in the Nisporeni district. The students visited the berry laboratory, greenhouse, and berry demonstration plot to learn about professional specializations in berry production and processing.

### **HONEY VALUE CHIAN**

#### *Beekeeping start-ups supported by HVAA*

#### **Exhibit 40. Bubuieci VET School award ceremony for beekeeping students selected for support to launch their businesses**



Coinciding with World Bee Day on May 20, HVAA and the Bubuieci VET School launched the BeesUP start-up initiative, which will enable young graduates of the school's beekeeping program to start their own beekeeping businesses after graduation. HVAA and the Bubuieci School held a ceremony during which three competitively-selected graduating students were provided with 15 hives and bee families (see Exhibit 43). The

selected students are from different regions of Moldova and their parents are hobbyist beekeepers. The young beekeepers hope to develop on the foundation of their parents' apiaries and, with HVAA support, build a profitable beekeeping business. The Bubuieci VET School is the only VET school in Moldova teaching beekeeping. Through the BeesUP start-up initiative, youth are supported to start a profitable business in the beekeeping sector.

The initiative to support young beekeepers in developing their own businesses mobilized dozens of professional beekeepers from all around the country to help the youth start their own activities at home. Established beekeepers donated different beekeeping tools and over 10 bee colonies to populate the donated vertical hives.

In order to identify new partners for the start-up program, Bubuieci VET schools issued and sent a solicitation of support to 46 organizations: embassies, private companies, international projects, and associations.

To assist the graduates' start-ups to sell their honey, the school created a company that will collect the honey students produce and sell honey products under a common brand, BeesUP Group Ltd. The students helped develop the product logo, which is used on stickers for three types of honey (see Exhibit 44). In May and June, Bubuieci VET School used the new logo for the first time during local fairs and festivals for honey collected by students.

**Exhibit 41. Bubuieci VET School branded honey jars**



During the reporting period, Bubuieci VET School completed the digital transformation of its beekeeping curricula. Nine beekeeping modules were developed and uploaded by the end of grant.

*Short-term courses for hobbyist beekeepers*

In April, Bubuieci VET School started a new iteration of the adult beekeeping course for 20 participants to improve the skills of novice

beekeepers over the course of three months. This new service, which the school launched two years ago with HVAA support, builds the school's financial sustainability while increasing the capacity of the beekeeping workforce.

*Bubuieci VET School recruitment campaign*

Bubuieci VET School continued its recruitment campaign. Groups of students from different schools participated in a master class on making souvenirs, visited the beekeeping laboratory, and participated in a practical class on using protective beekeeping clothes.



## CROSS-CUTTING ACTIVITIES TO SUPPORT IMPLEMENTATION

### COMMUNICATIONS

HVAA started activities in accordance with the Close-out Communication Strategy. During this quarter, HVAA launched an awareness campaign on social media promoting results, sector transformation, and project beneficiaries' success stories. The tagline of the campaign is Higher Value Agriculture in Moldova – Planting the future today! HVAA continued managing the Agricultura Performanta in Moldova Facebook page and working with national and local media outlets to promote innovative media and communications solutions for educational programming in targeted high value agriculture (HVA) value chains in Moldova (see Exhibit 45).

**Exhibit 42. Social media banner for the HVAA close-out communication campaign**



## INCLUSIVE DEVELOPMENT

**Exhibit 43. Women working in agriculture learn about online promotion**

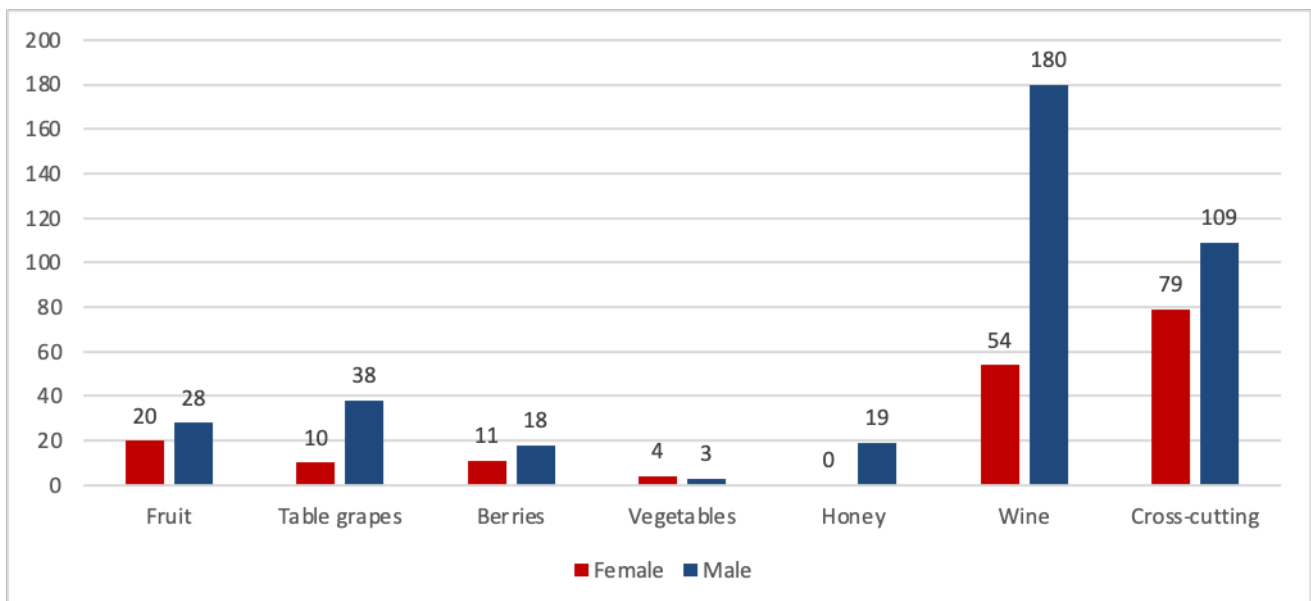


In 2021 with HVAA support, MFA launched the Women’s Network, which has become a communication and learning platform for businesswomen in the horticulture sector. On June 30, HVAA and MFA organized a training event for the network members on promoting online business, identifying the most effective promotional tools and promotional messages, and producing photos for social

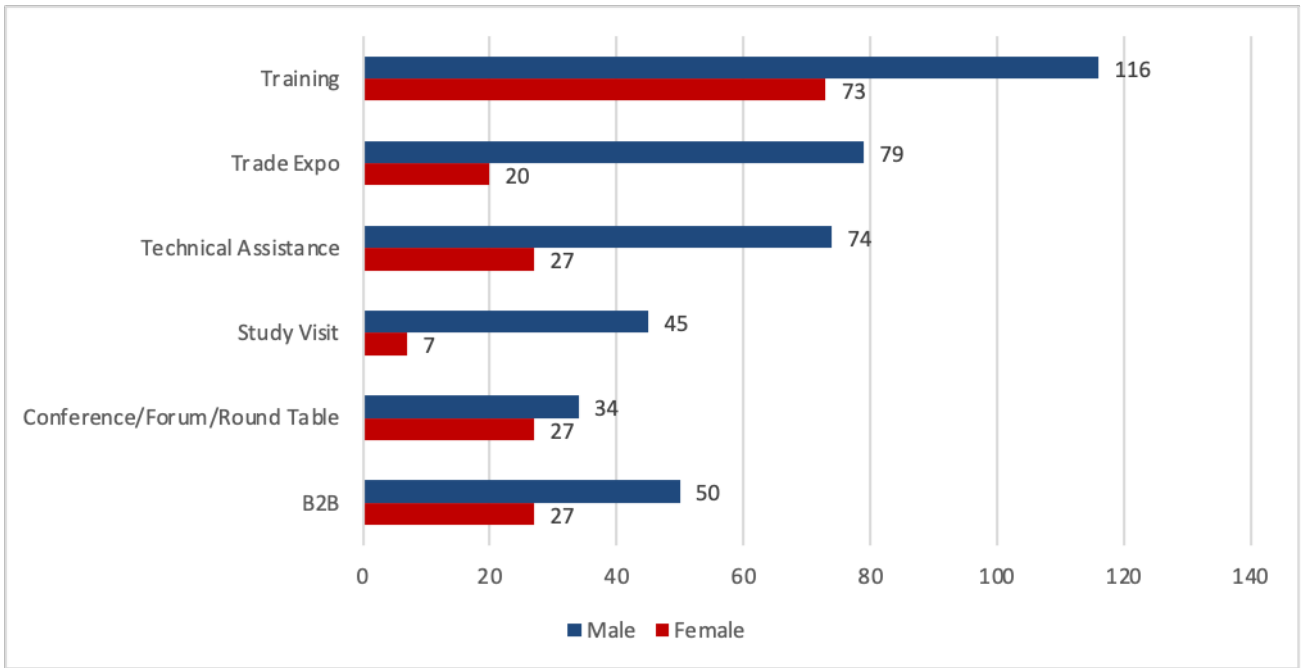
networks (see Exhibit 46). Women owners and women working in marketing and administrative departments of different agriculture companies attend the training.

Overall, women accounted for 38 percent of participants in HVAA activities and events during Q3, bringing the cumulative percentage to 28.8 percent since HVAA’s inception. As in previous periods, the cross-cutting sector had the most female participants, followed by the fruit and wine sectors. As Exhibit 47 shows, women prevailed in conferences, roundtables, and business-to-business events (B2Bs).

**Exhibit 44. Participants in HVAA Value Chains in FY 2022 Q3, by Gender**



**Exhibit 45. HVAA Beneficiaries in FY 2022 Q3, by Gender**



**Table 1. Progress toward Performance Monitoring and Evaluation Plan Targets**

N/o.	Indicator	Unit of measure	Disaggregation	Data Source	Frequency	Baseline	Targets						Results			Cumulative achievement toward Y6 target
							Y1 target	Y2 target	Y3 target	Y4 target	Y5 target	Y6 target	Y6Q1	Y6Q2	Y6Q3	
<b>GENERAL</b>																
GNDR-2	<b>Proportion of female participants in USG-assisted programs designed to increase access to productive resources (assets, credit, income, or employment)</b>	%	Location/region, HS code, age, type of resources	Project records	Quarterly	0	25%	28%	32%	25%	25% Cumulative	25% Cumulative	28.6% Cumulative (37.7% Q1)	28.7% Cumulative (41.1% Q2)	28.8% Cumulative (38.2% Q3)	115%
<b>SUB-PURPOSE 1. Expand trade and strengthen linkages to domestic, regional, and international markets for targeted value chains</b>																
5	<b>Number of enterprises with sales facilitated through USG assistance</b>	Number	Location, sex, age, HS code, business size	Direct beneficiaries with signed MOUs (assisted enterprises), indirect beneficiaries (monitored association sources, statistics, data from the Government of Moldova)	Quarterly	0	50	100	150	300	350	400	411	423	430	108%

N/o.	Indicator	Unit of measure	Disaggregation	Data Source	Frequency	Baseline	Targets						Results			Cumulative achievement toward Y6 target
							Y1 target	Y2 target	Y3 target	Y4 target	Y5 target	Y6 target	Y6Q1	Y6Q2	Y6Q3	
6	Number of assisted enterprises exhibiting or participating at trade shows or participating in B2B events	Number	Location, sex, age, HS code, business size, type of organization	Project records	Quarterly	0	20	40	80	120	235	250	245	252	315	126%
<b>SUB-PURPOSE 2. Improve productivity, post-harvest handling, and private sector capacity to comply with European and international standards in targeted value chains</b>																
7	Number of enterprises (except primary producers) receiving project-related assistance to improve knowledge, processes, technologies and practices	#	Location, sex, age, HS code, business size	Assisted enterprises, grantees, investors, partnering institutions, associations, and project staff.	Quarterly	0	50	130	210	300	350	370	412	435	484	131%
10	Number of (primary) producers trained	#	Location, sex, age, HS code	Project records, associations, enterprises	Quarterly	0	1,000	2,000	3,000	3,500	5,000	5,200	5,500	5,588	5,783	111%
<b>SUB-PURPOSE 4. Improve the enabling environment leading to increased investments and an improved workforce in key value chains</b>																
19	Number of students/pupils and faculty trained and/or receiving direct or indirect project assistance to improve knowledge	#	Target sector (HS code), location, age; gender (M/F)	Project records; grantees', associations', and partners' records	Quarterly	0	N/A	150	300	450	1,100	1,200	1,438	1,443	1,500	125%

## **SECTION II. DELIVERABLES**

- Quarter II Report
- April Report
- May Report

## **SECTION III. SCHEDULES**

Several visits of international experts to Moldova were postponed due to the regional security situation created by Russia's invasion of Ukraine. HVAA and its partners revised the schedule of the planned activities and continued to communicate with international experts.

## **SECTION IV. PROBLEMS**

While the Russian-Ukrainian War continues, much uncertainty remains because of significant logistical challenges in accessing traditional markets and inability to access Ukraine's port of Odesa to trade with the world. Using the port of Constanta in Romania is currently the best alternative, but this port is overwhelmed, transportation costs are higher, waiting times are longer (a big issue for perishable products). Thus, HVAA continues to support Moldovan producers and exporters in reorienting their sales to the EU and other non-traditional markets. To address long wait times at the Moldova-Romania border, the sector association, supported by HVAA, provided the necessary assistance to public authorities to identify short term solutions to facilitate the export of high perishable agriculture products such as berries, cherries, apricots, and peaches.

Moldova is currently facing a hydrological drought (lack of water in rivers) that directly affects the irrigation sector. The Nistru River, one of the main sources of water for irrigation, has a low flow, 90-100 cubic meters per second, far below the usual annual average of 310 cubic meters per second. If the Nistru River flow reduces further (which is expected based on current information), a state of emergency may be declared, prohibiting the use of water for irrigation. This could dramatically affect fruit and vegetable producers, as well as WUA sustainability. The Nistru River supplies water for Chisinau, hence this use will be prioritized over irrigation. Similarly, the flow of Prut River is 31-33 cubic meters per second, also well below the usual annual average of 110 cubic meters per second. The overall assessment is that the drought this year is similar to 2020; however, the hydrological drought is worse than in 2020, based on water flows in rivers. WUAs Criuleni, Cosnita, Agroacvila, and Acvagrup have already reported problems related to the low water flow in the Nistru River, such as sand being pumped along with water, which damages irrigation equipment.



## SECTION V. MAJOR ACTIVITIES PLANNED FOR NEXT QUARTER

On-going activity	Planned for next quarter
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Fruit Value Chain Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 1. Expand and strengthen linkages to domestic, regional, and international markets</b>			
Activity 1.2. Develop individual marketing plans for key exporting entities			
Jointly with the industry associations, continue to identify entities that are already involved - or are planning to enter - export operations			
Conduct export-readiness audits and support development of marketing plans for at least four entities			
Activity 1.3 Increase sales			
Organize virtual and in-person trade missions with potential importers from non-traditional markets			
Support industry associations and their members to develop digital promotion tools, based on the model of the “Meet your exporter” campaign			
Provide grant support to regional- and national-level industry associations to conduct exporter training and joint marketing initiatives			
Mentor industry associations and other member-based organizations to provide follow-up support to trade mission and fair participants			
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b><i>Sub-objective 2.1 Improve adoption of innovative technologies and best agricultural practices</i></b>			

<b>Activity 2.1. Introduce innovative fruit production, post-harvest technologies, and best agricultural practices</b>			
Continue to provide on-demand technical assistance to implement and demonstrate improved apple stone fruit packaging operations meeting specific export market requirements (bushel pack, grading, flowpack)			
Continue to provide technical assistance to the Moldovan government institutions and industry associations to test and register improved fruit varieties and rootstocks			
<b>Activity 2.2. Improve productivity through dissemination of innovative practices and technologies</b>			
Provide grant support to establish demo plots and educational initiatives promoting IPM practices and technologies (joint call with grapes and berries)			
Provide international expertise in apricot production to meet buyers' quality and food safety requirements			
<b>Sub-objective 2.2 Improve private sector compliance with international/EU food and quality standards</b>			
<b>Activity 2.3. Facilitate implementation of good agricultural practices</b>			
Described under cross-cutting			

Table Value Chain Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 1. Expand and strengthen linkages to domestic, regional, and international markets</b>			
<b>Activity 1.1. Support the coordination of sector-level, and private sector-led, export market development activities</b>			
Regularly share market information with key sector stakeholders			
<b>Activity 1.2. Facilitate increased sales</b>			
Organize online and in-person trade missions with potential importers from target markets and provide follow-up assistance			
Support table grape producers and exporters in developing and updating their promotional and communication tools (printing materials, websites, video spots)			
Provide grant support for implementing export marketing plans			
Provide grant support to regional- and national-level industry associations to conduct exporter training and joint marketing initiatives			
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b>Sub-objective 2.1 Improve adoption of innovative technologies and best agricultural practices</b>			
<b>Activity 2.1. Introduce innovative grape production, post-harvest technologies, and best agricultural practices</b>			
Continue to provide grant support and technical assistance to demonstrate improved grading and packaging operations that meet specific export market requirements			
<b>Activity 2.2. Improve productivity through dissemination of innovative practices and technologies</b>			
Provide local and international technical assistance to table grape growers transitioning to intensive production approaches			
<b>Activity 2.3. Establish capacity to produce domestic, certified virus-free planting material</b>			



Continue to provide on-demand technical assistance to HRI and other stakeholders to implement the Certified Grapevine Planting Material Partnership and lead the organization of regular stakeholder meetings			
Update the partnership concept to inform all stakeholders and other interested parties about the partnership status, including the timing for placing the first certified plants on the market			
Continue to provide on-demand technical assistance to HRI to diversify income streams by establishing a royalty system for the grape varieties developed by HRI			

Berry Value Chain Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b><i>Sub-objective 2.1 Improve adoption of innovative technologies and best agricultural practices</i></b>			
Activity 2.2. Establish capacity to produce domestic, certified virus-free planting material			
Continue providing assistance to establish partnerships with international breeders and test and register improved varieties.			

Open Field Vegetable Value Chain Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 1. Expand and strengthen linkages to domestic, regional, and international markets</b>			
Activity 1.2. Facilitate export sales			
Provide technical assistance for Moldovan consolidators, processors, and exporters to identify and develop additional export markets for Moldovan gherkins and cucumbers			
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b><i>Sub-objective 2.1 Improve adoption of innovative technologies and best agricultural practices</i></b>			
Activity 2.1. Demonstrate partnerships for open field vegetable production			
Support the organization of Heinz “Tomatoes for Processing” Field Day to promote U.S. technologies			

Honey Value Chain Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 1. Expand and strengthen linkages to domestic, regional, and international markets</b>			
Activity 1.2. Facilitate increased sales			
Support industry associations to organize online meetings and trade missions with buyers from target markets			
Support industry associations and organic honey exporters to attend and/or exhibit (in person or online) at specialized trade fairs, such as BioFach			
Support honey consolidators, packers, and exporters to develop and update their digital promotional and communication tools (e.g., websites, promotional videos)			
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b><i>Sub-objective 2.1 Improve adoption of innovative technologies and best agricultural practices</i></b>			

Activity 2.1. Increase adoption of improved production, processing, and management practices			
Continue to provide on-demand technical assistance to partnerships between honey consolidators and beekeepers aimed at adoption of organic beekeeping practices			
<b>Objective 3. Strengthen capacities of member-based groups to serve their members</b>			
Activity 3.1. Support associations to provide services to members and ensure sustainability			
Assist NBARM to implement its strategic plan			

Wine Value Chain Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b>Sub-objective 2.1 Improve adoption of innovative technologies and best agricultural practices</b>			
Activity 2.1. Support wine quality upgrade and emergence of small winegrowers			
Provide technical assistance in winemaking to improve quality and add value to the final product			
Road to market assistance under the Product Quality Upgrading Program (PQUP) program			
Implement grants for equipment upgrades that will help improve technologies and practices facilitated through training and technical assistance			
<b>Objective 4. Improve the enabling environment leading to increased investments and an improved workforce</b>			
<b>Sub-objective 4.1 Increase private sector linkages with the education/research sector, leading to a competitive workforce in the honey sector</b>			
Activity 4.1. Stimulate links between the private sector and agriculture education institutions in the wine value chain			
Build on the Wine of Moldova Academy in areas related to marketing and sustainability			

Cross-Cutting Activities	Y6 Q4		
	Jul	Aug	Sep
<b>Objective 1. Expand and strengthen linkages to domestic, regional, and international markets</b>			
Activity 1.1. Help private-sector companies and organizations to professionalize their image by supporting development of professional websites and online presence			
On a demand-driven basis, support Moldovan companies to upgrade their websites to professional standards. (Note: This activity is driven by grants program or marketing activities.)			
Help private sector companies improve/professionalize their online communications practices			
Increase/ensure online presence of local producers/sector associations on international platforms			
<b>Objective 2. Improve productivity, post-harvest handling, and private sector capacity to comply with EU and international standards</b>			
<b>Sub-objective 2.1 Improve adoption of innovative technologies and agricultural practices</b>			
Activity 2.1. Increase adoption of new practices through enhanced outreach			

Oversee media grants to promote new technologies and successes in the agriculture sector and educate farmers in targeted value chains			
<b>Sub-objective 2.2 Improve private sector compliance with international/EU food and quality standards</b>			
Activity 2.2. Facilitate use of good agricultural practices			
Encourage and support institutionalization of some cooperation elements in the Moldovan GLOBALG.A.P. ecosystem (advisors, certification bodies, industry associations, and other organizations, such as ODIMM)			
Continue providing technical assistance to implement GLOBALG.A.P., GRASP, SMETA, and International Featured Standards (IFS) with clearly identified buyers in EU or other non-traditional markets			
Support ANSA to design and implement a “Sustainable Use of Pesticides” eLearning course			
<b>Objective 4. Improve the enabling environment leading to increased investments and an improved workforce in key value chains</b>			
<b>Sub-objective 4.3. Improve the policy and enabling environment for selected value chains</b>			
Activity 4.5. Strengthen sector associations’ capacities to advocate on behalf of their members			
Support HVA associations to advance policy reform and implement related issues			
Assist Advocacy Committee to implement HVA sector advocacy agenda			
Activity 4.6. Support the Government of Moldova to improve the business enabling environment			
Support endorsement process for drafts initiated with HVAA support			
<b>Sub-objective 4.4. Support the development and continuity of partnerships</b>			
Activity 4.7. Continue developing the online agriculture library			
Monitor and support development of the online library developed by agrobiznes.md			
Activity 4.9. Review existing partnerships and develop transition and sustainability plans			
Support implementation of the Sustainability Plans			
<b>CROSS-OBJECTIVE ACTIVITIES</b>			
Activity C.2. Environmental compliance			
File and approve the Environmental Closeouts			
Activity C.3. Develop news stories and perform media relations to ensure visibility of HVAA activities and beneficiaries’ success			
Continuously oversee PR subcontractor			
Activity C.4. Monitoring and Evaluation			
Collect data for practices adopted in any/all of the HVAA value chains			
Activity C.5. Develop and implement close-out communications plan			
Review the final report			
Translate selected contract to Romanian and Russian			
Final formatting of the general report			
Develop a HVAA Achievements booklet			
Distribute USB drives with high-value documents to key stakeholders			
Organize seven press tours focused on HVAA development models in targeted value chains			
Close-out event			
Social media close-out campaign			