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# RURAL COMPETITIVENESS AND RESILIENCE ACTIVITY IN MOLDOVA



**Project Goal:** Enhanced economic competitiveness, resilience, and recovery in targeted sectors

**Implementation Period:** 2022-2027

**Implementer:** Chemonics International Inc.

The Rural Competitiveness and Resilience Activity (RCRA) is designed to promote a sustainable and inclusive recovery from the regional crisis brought on by the Russian invasion of Ukraine and to accelerate inclusive, climate-resilient, economic development of rural Moldova by stimulating the competitiveness of key sectors. Funded by the U.S. Agency for International Development (USAID), RCRA supports organic, fresh, and processed high value agriculture (stone fruits, berries, table grapes, and vegetables); honey; wine; and tourism sectors. Through RCRA, USAID improves these sectors' competitiveness to create jobs, improve productivity, and increase sales and exports to developed markets.

#### RCRA'S KEY ACHIEVEMENTS:

- Facilitated more than \$153 million in sales in target sectors (\$84 million - agriculture, \$63 million - wine, and \$6 million – tourism).
- Disbursed 83 grants valued at \$4.5 million to support the growth and sustainable development of target sectors.
- Mobilized more than \$11 million in new public and private sector investments.
- Facilitated 11 public-private partnerships valued at \$5.8 million.
- Empowered 2,125 beneficiaries through workforce development programs.
- Provided training and technical assistance in modern business practices and new technologies to more than 2,000 business enterprises and farmers.
- Developed 20 policies, laws, and regulations to improve the business enabling environment in target sectors.

| July 2024

## MAJOR AREAS OF SUPPORT

RCRA is built on previous USAID support to the agriculture, tourism, and wine sectors, which are driving sectors for sustainable economic growth. The project responds to the current emerging needs of the Government of Moldova and the private sector by supporting economic recovery and strengthening Moldova's economic growth and resilience. Accelerating integration with EU and other reliable markets in the high value agricultural sector and further solidifying Moldova as a reliable EU/Western trading partner is a top priority of RCRA given the regional economic and security context. Further, the activity is aiming to reduce the dependency of the Moldovan agricultural sector on highly volatile traditional markets and instill a Western culture of entrepreneurship and transparency among Moldovan agribusinesses. The primary beneficiaries of RCRA are small and medium agricultural producers, small winemakers, transition wineries, tourism sector operators, rural businesses engaged in tourism services, sector industry associations, and individual agribusinesses engaged in agricultural input supply, processing, service provision, marketing, storage, branding, transport, export, etc. On the workforce development front, program beneficiaries are education and research bodies, and public and private extension bodies. On the policy/enabling environment side, primarily project beneficiaries are local NGOs and other institutions active in policy development areas.

### OBJECTIVE 1: ACCELERATE EXPORT DIVERSIFICATION AND WESTERN MARKET INTEGRATION IN TARGETED SECTORS

RCRA targets market diversification for high-value agricultural products, as well as bottled wine, with significant efforts oriented towards tapping into the EU/Western markets. This involves working closely with key industry stakeholders and sector organization to improve export promotion, branding and marketing of local products, and certification to demonstrate compliance to food safety, social, and sustainability standards of target markets. RCRA is fostering tourism product development and/or related small-scale infrastructure development to unlock tourism destinations' potential by upgrading the quality of attractions, sites, and general visitor experience, as well as supporting the growth of a diversified tourism products that include archaeological, cultural, historical, religious, rural, eco-tourism, agritourism, soft adventure, and gastronomic tourism, among others.

### OBJECTIVE 2: ENHANCED ECONOMIC RESILIENCE OF SMES IN TARGETED SECTORS

RCRA helps target sectors to build their resilience by promoting large-scale adoption of climate-smart and other environmentally sustainable practices. To speed growth in productivity, which is critical for competitiveness and growth across all targeted sectors, RCRA implements productivity enhancement programs through the application of technology, improved management, and greater product sophistication to match the requirements of potential high-value markets — leading to improved long-term profitability. A focus on increasing adoption of international standards such as GLOBALG.A.P., various sustainability and social standards, as well as digital communications and commerce supports this objective.

### OBJECTIVE 3: IMPROVED SECTOR ENABLING ENVIRONMENT TO FACILITATE RESILIENCE AND WESTERN INTEGRATION

Ensuring the advancement of enabling environment reforms is imperative to ensuring the competitiveness of Moldova's horticulture, wine, and tourism sectors. RCRA builds the capacity of local institutional actors to enhance service provision and market access; works with government and other partners to boost the EU integration agenda; and addresses workforce development and skills in targeted sectors. The project supports local stakeholders to drive reforms, build and sustain public-private partnerships, and achieve self-sustainability. In this respect, RCRA is supporting its strategic partners in establishing the National Horticulture Office, Agriculture Chambers, and National Tourism Office. Through this, RCRA is strengthening target sectors' ability to withstand economic and geopolitical shocks, serving as engine of economic growth throughout Moldova.