



SPC - Circular Economy - NGER – Republic of Moldova



Relevance of SCP and CE to sustainable production and trade in Moldova

- *The Republic of Moldova has climatic conditions favorable to the agricultural sector development with a comparative advantage for organic farming.*
 - *Agriculture's role is critical for achieving Moldova's 2030 Agenda*

SCP and Green/Circular Economy approach is reflected in:

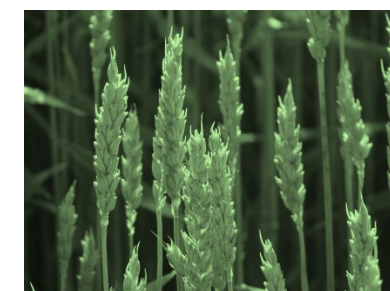
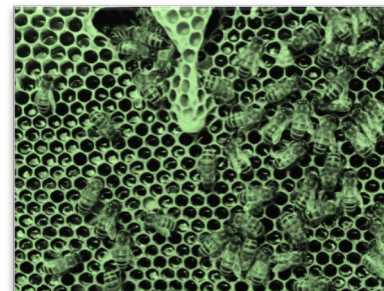
- most of Moldova's framework documents: National Development Strategy Moldova 2030; the Green Economy Package (adopted in 2018) and the National Strategy on Agriculture and Rural Development of Moldova 2014-2020
- relevant provisions of the Association Agreement with the European Union,
- UN SDGs to which Moldova is actively participating

Government's consistent liberalization efforts haven't yet registered the expected structural transformation towards increased high value-added activities. The economy continues to be dominated by the services sector (60% of GDP and 50% of labor force in 2016).

Agriculture: Low productivity / 80% of land is used for low value products (crops, oil plants, sugar beet). Stagnated 10% of GDP and 32% of employment.

Manufacturing is dominated by low-value activities and weak technological capabilities. Decreasing 25% of GDP and stagnated 12% of employment

Urgent importance for a more added value SP, including organic agriculture, is recognized at the policy level but business lacks behind

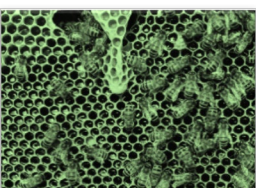




MOLDOVA NGER & SWOT





Strengths

- Favorable pedo-climatic conditions
 - International Trade Agreements, especially DCFTA, that facilitate access to important markets
 - Continuously growing demand for organic products – clear opportunities for organic production development
 - Geographic proximity to one of the main organic as well as walnut / honey / cereal markets – the EU
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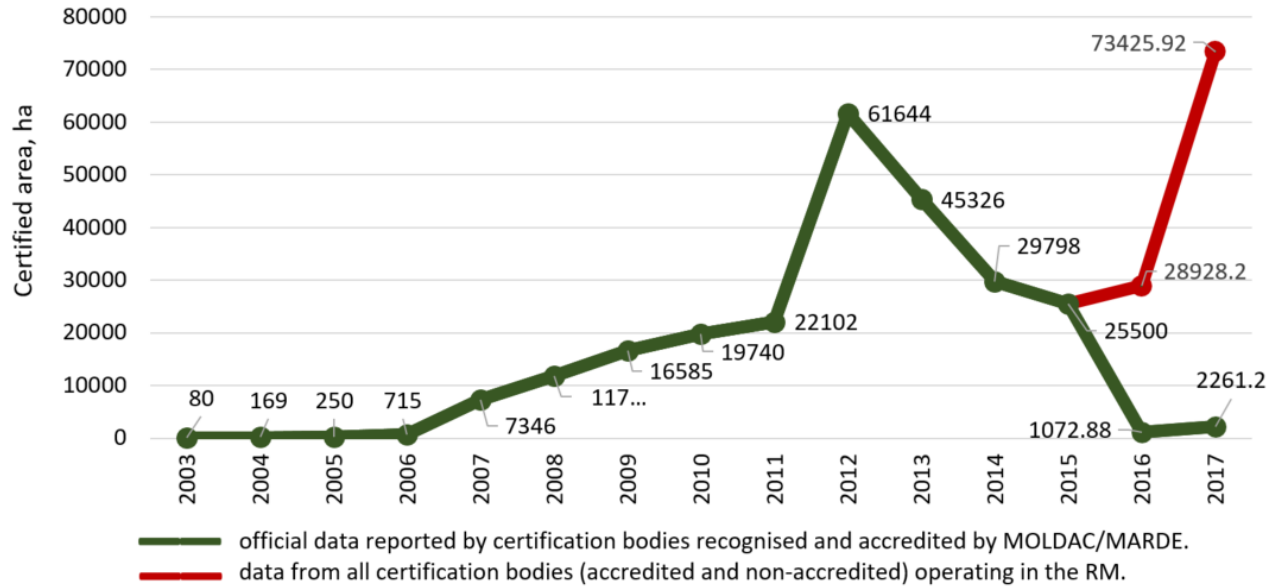


Weaknesses

- Weak legislative and institutional framework, not yet fully adapted to the EU legislation
 - Poor coordination mechanisms for generating increase in scale and quality of supply
 - Limited value-added production, reliance on raw commodities exports to foreign markets
 - Insufficient infrastructure for storage for smallholders and small intermediaries
 - Limited availability of effective micro-financing instruments for small farmers
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Experience from the project

Area registered as organic agriculture in RM in 2003-2017, ha



Potential of market diversification and generating added value in the cereal sector

1. Reorientation towards high-value SPECIALTY CEREALS

Product	Moldova net trade	EU net trade	Export potential
Wheat	330	20,558	no
Maize	156	-8,875	<u>Yes</u>
Barley	137	7,334	no
Rye	0	165	rather yes, if production increases considerably
Oats	0	146	rather yes, if production increases considerably
Millet	0	-56	Yes
Sorghum	0	-356	Yes
Buckwheat	0	-23	Yes

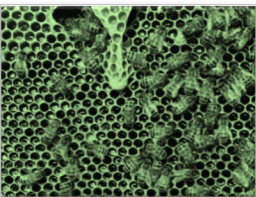
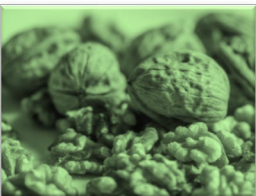
Net trade ballance: export quantity minus import quantity in 000 tonnes, 2016. Data source: UN Comtrade 2016



MOLDOVA NGER & NATIONAL ACTION PLAN

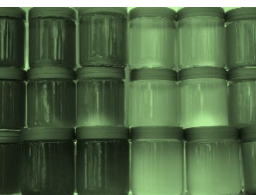
Main Finding:

- 1) Obtaining organic certification (EU equivalent) is the primary goal of the majority of Moldovan agri producers to meet increased income potential and growing demand in world markets
- 2) Increase capacity for sustainable production



ACTIONS RELATED TO ALL THREE SECTORS

- Harmonization of the National Legislation in accordance with EU Organic Agriculture legislation
- Development of the national organic agriculture inputs market (seeds and seedling materials, fertilizers, crops protecting products)
- Instituting a large scale training program and extension services on organic production and certification
- Support in market research and creation of effective trade partnerships for the added-value product





Thanks! ...and let's make SCP work everywhere!

Artur Nadcrinicinii, NGER Moldova National Expert

