



AFD Group AND **The Republic of Moldova**



225 million EUR
committed by the AFD Group
since 2022

23 million EUR
committed by AFD in 2022
to support the private
sector

**40 Moldovan
CSOs**
supported since 2022

The Republic of Moldova is facing significant geopolitical, economic and social challenges. To address these, the country has embarked on an ambitious process of reforms and modernization aimed at joining the European Union. In this context, the AFD Group accompanies Moldova in aligning with European standards and transitioning towards a fair and sustainable economy. This support includes financial and technical assistance meant to strengthen public and private actors, as well as civil society, for the benefit of the Moldovan population.

OUR ACTIVITIES IN Moldova

AGENCE FRANÇAISE DE DÉVELOPPEMENT | MOLDOVA

1

Supporting European Convergence and Improving Governance Frameworks

The Moldovan authorities are engaged in a significant reform programme as part of the negotiations for accession to the European Union. The AFD Group accompanies the country's convergence towards the *acquis communautaire* and the related economic, environmental and social ambitions.

This assistance takes the form of policy-based loans, along with technical assistance programmes, to facilitate the implementation of reforms and strengthen public institutions' capacities.

With this approach, AFD Group supports the reform of the energy sector, aimed at structuring the electricity market and developing a regulatory framework to foster the promotion of renewable energies and energy efficiency. A technical assistance programme, funded by the European Union and managed by Expertise France, supports the Ministry of Energy in implementing these key reforms.

In the forestry sector, a policy-based loan – completed by a dedicated technical assistance implemented by the Société Forestière de la Caisse des Dépôts et Consignations – assists the Ministry of Environment in reforming the organisation and governance of the sector and therefore implementing the country's ambitious afforestation programme.

Concurrently, Expertise France provides technical assistance to Moldovan authorities in combating corruption and strengthening the rule of law.

2

Modernising Infrastructure and Strengthening its Resilience to Climate Change

In a context of intense climate change, Moldova's economy is particularly vulnerable, especially to droughts affecting the agricultural sector. AFD is mobilised to assist farmers through an agricultural development project focused on rehabilitating centralised irrigation systems, with a component on developing new agricultural practices aimed at enhancing resilience and optimising water resource management.

In the energy sector, AFD, in cooperation with its German counterpart KfW, supports the implementation of national priorities of the Republic of Moldova under a "Team Europe" approach. Through this partnership AFD and KfW finance energy renovation of public buildings, particularly in the health and education sectors, with the aim to improve the energy efficiency of these infrastructures, reduce their energy consumption and lessen their environmental impact, thus contributing to the country's sustainable development.

To promote rail transport as a sustainable alternative to road transport and to develop Moldova's railway sector, AFD has provided support to the national railway company, CFM, through the realization of a study aimed at developing a roadmap for the sector's digitalization and modernization.

3

Supporting the Development of Private Sector and Civil Society Actors

Revitalising the private sector is crucial for the Republic of Moldova. In this regard, the AFD Group promotes the development of a resilient economy that creates job opportunities.

Proparco, the AFD Group subsidiary dedicated to the private sector, with contributions from the EU via the EFSD Guarantee programme, finances the country's main microfinance institution, Microinvest, to enable it to support more micro-entrepreneurs and SMEs, particularly in rural areas and the agricultural sector. Proparco is also financing companies in the energy and agro-industry sectors, as well as financial institutions.

As part of the EU4Innovation East regional project funded by the EU, Expertise France is committed to strengthening the innovation ecosystems in the Eastern Partnership countries (Moldova, Georgia, Armenia, Azerbaijan, and Ukraine). By collaborating with the public authorities, incubators, and accelerators, the AFD Group aims to increase the number of start-ups scaling up and promote convergence with European markets and investors.

AFD also provides financial aid to French and Moldovan civil society organisations to assist Ukrainian refugees and sustainably support the economic and social resilience of the Moldovan society.