Annex of the Country Assistance Policy

Rolling Plan for the Republic of Moldova

As of October 2020

Basic Policy of Assistance

Sustainable Economic Development and Poverty Reduction

Priority Area 1

[Background and current situation]

In Moldova, business environment has been affected by several negative factors, including corruption. This results in slow economic development and keeps the standard of living in the area relatively low. Under such circumstances, particularly younger generations continue to move overseas, seeking better employment opportunities and income. Agriculture remains a leading sector in Moldova, which employs approximately 30% of the total working population, but it faces a number of challenges such as low international competitiveness and productivity and vulnerability to adverse climate conditions. As to other sectors, shortages of investment and human resources are the most critical challenges, especially for SMEs. Moreover, in order to reduce the risks posed by heavy reliance on natural gas supplied by Russia, Moldova needs to promote industrial diversification, diversify energy sources, and consolidate environmentally friendly urban development. Stable economic growth could be achieved through promotion and development of non-agricultural sector.

[Strategy]

Japan will support the development and diversification of industry in Moldova by improving business environment and training industrial workforce in order to promote domestic and foreign investment. Japan will continue to support consolidation of agriculture, which is a leading sector of Moldova’s economy. In addition, Japan will contribute to promoting energy efficiency, clean energy, and development of environmentally-friendly cities in Moldova.

Japan’s Assistance Program

Program Summary

Project

Schedule

Assistance Amount

Notes

Before JFY2019 JFY2020 JFY2021 JFY2022 JFY2023 JFY2024

5.00

11.54

20.59

Project for Modernization of Agricultural Machineries and Equipment

Project for Effective Use of Biomass Fuel

Economic and Social Development Program

Project for Commercialization of Innovative Business Models in the Private Sector for the Development of Minimum-tillage and No-tillage Seeders

Program for Sustainable Economic Development

Program for Sustainable Economic Development

The program fosters and strengthens Moldova’s key sectors such as agriculture and food processing as well as emerging sectors in which a significant growth is expected through human resources development: agriculture, SMEs, environment and energy. In addition, it aims at developing environment-friendly cities while securing stable energy supplies.

EXP

SSM

LA

BIS

TR

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EXP

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## Priority Area 2 Improvement of Standard of Living

### Development Issue 2-1 Improvement of Living Standard

#### Program for the Improvement of Living Standard

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<tr>
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<th>Scheme</th>
<th>Schedule</th>
<th>Assistance Amount</th>
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<tbody>
<tr>
<td></td>
<td>The program aims to modernize healthcare services and to improve the educational system. In addition, the program will consider supporting the efforts aimed at providing effective and efficient public services, while avoiding duplication with the activities of other development partners.</td>
<td>Improvement of Medical Service</td>
<td>LA</td>
<td>JFY2019</td>
<td>59.26</td>
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<tr>
<td></td>
<td></td>
<td>Project for Improving Medical Device Management</td>
<td>TGP</td>
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<td></td>
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<td>Project for the Improvement of Digitization Equipment of the National Library</td>
<td>GGA</td>
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<td></td>
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<td>Preparatory Survey for the Project for the Improvement of Fire Equipment</td>
<td>PS</td>
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<td></td>
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<td>Country-focused Training on the Improvement of Medical Services for Cancer Patients</td>
<td>CTR</td>
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<td></td>
<td></td>
<td>Grant Aid for Grassroots Human Security Projects in Healthcare, Medicine, and Education</td>
<td>GCP</td>
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<tr>
<td></td>
<td></td>
<td>Sectoral Training Courses on Healthcare, Education, and Disaster Prevention</td>
<td>TR</td>
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### Priority Area 3 Improvement of Governance

#### Development Issue 3-1 Improvement of Governance

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<th>Project</th>
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<tbody>
<tr>
<td></td>
<td>The program promotes further democratization through supporting domestic reforms that have been undertaken by the government of Moldova.</td>
<td>Sectoral Training Courses on Governance</td>
<td>TR</td>
<td></td>
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</tbody>
</table>

### Strategy

**Japan's Assistance**

- **[Background and current situation]**

  Both central and local governments suffer from chronic fiscal deficit in Moldova, which causes deterioration of quality and effectiveness of public services. Especially in the field of healthcare, it is necessary to address the changes in disease prevalence and future financial burden caused by aging. Likewise, the education requires systematic improvements and upgrades of relevant facilities, while securing necessary funding. Furthermore, as Moldova is vulnerable to natural disasters such as floods and human-related disasters associated with urbanization, and the modernization of fire-fighting and life-saving equipments inherited from the former Soviet Union era is necessary.

  Improvement of corruption and enhance democracy, the government of Moldova is promoting various reforms, including judicial reform. In Moldova, critical level of corruption and the growing political influence by oligarchs are serious issues. In order to eradicate inherited from the former Soviet Union era is necessary. and human-related disasters associated with urbanization, and the modernization of fire-fighting and life-saving equipments relevant facilities, while securing necessary funding. Furthermore, as Moldova is vulnerable to natural disasters such as floods and future financial burden caused by aging. Likewise, the education requires systematic improvements and upgrades of relevant facilities, while securing necessary funding. Furthermore, as Moldova is vulnerable to natural disasters such as floods and human-related disasters associated with urbanization, and the modernization of fire-fighting and life-saving equipments inherited from the former Soviet Union era is necessary.

  In Moldova, critical level of corruption and the growing political influence by oligarchs are serious issues. In order to eradicate corruption and enhance democracy, the government of Moldova is promoting various reforms, including judicial reform.

- **[Strategy]**

  Japan will provide its assistance in the field of healthcare, education, and disaster prevention, etc. through institutional capacity building, human resource development and financial assistance, which will lead to the improvement of quality and efficiency of public service and the standard of living of the people. Special attention will be given to the areas where Japan’s technologies and knowledge can be applied in what concerns the development of human resources.