



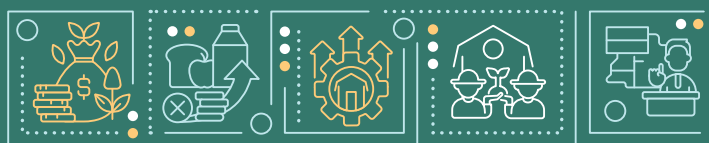
POLICY BRIEF -



AGRICULTURAL POLICY DEVELOPMENTS TOWARDS EU INTEGRATION



Republic of Moldova



1. INTRODUCTION

Context: The Republic of Moldova has a total area of 33,843 km², of which over half is fertile agricultural land, making agriculture a strategic pillar of the national economy. In 2024, the population is estimated at around 2.42 million inhabitants, steadily decreasing compared to 2019 (-9.7%), which implies pressures on the rural workforce and the sustainability of the agricultural sector. Nominal GDP increased from EUR 10.48 billion in 2019 to EUR 16.8 billion in 2024, but with significant fluctuations: severe economic decline in 2020 (-8.3%) and in 2022 (-5.9%), caused by the pandemic and the regional energy crisis, followed by modest growth (0.1%) in 2024. High inflation (30.2% in 2022) affected purchasing power and agricultural production costs, and the chronic trade deficit (-5.1 billion in 2024) reflects the structural dependence on imports, including in agricultural inputs (fertilisers, machinery, seeds). At the same time, over 39% of household spending goes to food, signalling a high dependence of welfare on agricultural product prices. Agriculture remains a strategic sector for the Republic of Moldova, both through its contribution to GDP and exports, and through its social role in rural areas. The Republic of Moldova has taken important steps towards aligning agricultural policies with EU standards: the adoption of the National Agricultural Strategy 2023-2030, the Law on Agricultural Policy and the increase in technical cooperation mechanisms are positive signs. However, important gaps remain in direct support to farmers (direct payments), administrative and institutional capacity, infrastructure, sanitary and veterinary standards, and environmental sustainability. Full alignment with CAP standards requires deep reforms in the direction of sustainability, budgetary efficiency, and institutional governance. Strengthening administrative capacity and directing investments towards rural infrastructure,

climate adaptation, and economic diversification are essential priorities for convergence with the European Union.

Purpose: Assessing the extent to which the national agricultural policies of the Republic of Moldova are aligned with the agricultural policies of the European Union (in particular with the *acquis* on agriculture, environment, and rural development) and identifying areas where adjustments and reforms are needed.

Scope: Key areas that will be addressed in this policy brief, related to EU integration: Agricultural budget support; Rural development; Standards, regulations and certifications; Sustainability and environment; Competitiveness and productivity; Financing, infrastructure and access to resources; Institutional / governance and administrative capacity; Harmonization of the legislative framework with the community *acquis*, especially regarding food safety, phytosanitary and environmental protection.

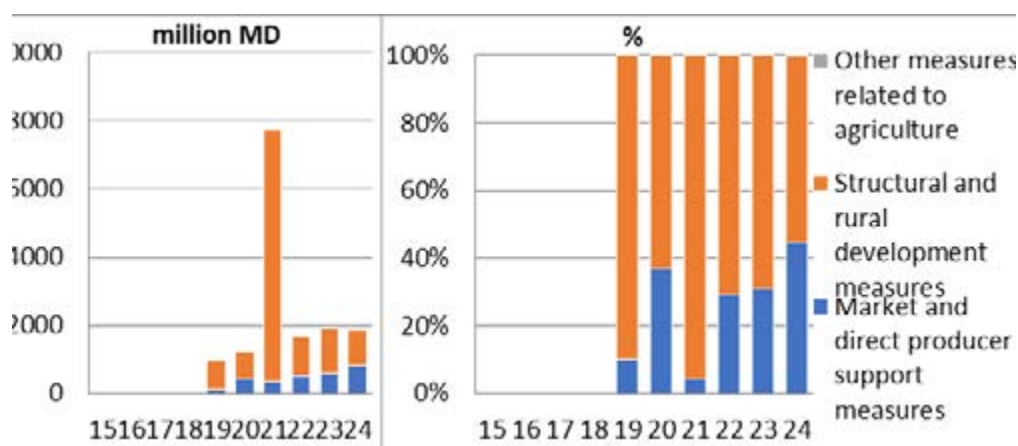
2. AGRICULTURAL POLICY TRENDS

Current national policies: The national agricultural policy of the Republic of Moldova is coordinated by the Ministry of Agriculture and Food Industry (MAIA) and implemented through the Agricultural Intervention and Payments Agency (AIPA). The current strategic framework is defined by a set of documents and programs that aim to modernise the agricultural sector, promote sustainable development of the rural environment, and align with European Union standards. The National Strategy for Agricultural and Rural Development (NSARD) 2023–2030 represents the main pillar of agricultural policy. It aims to modernise agriculture, reduce poverty in rural areas, and increase economic and environmental sustainability. The

strategy promotes the transition to a resilient, competitive, and ecological agriculture, in line with the principles of the European Green Deal. An essential implementation tool is the National Program for Subsidies to Agriculture and Rural Environment, managed by AIPA. Through this program, farmers benefit from financial support for investments in machinery, irrigation systems, post-harvest infrastructure, and conversion to organic farming. The National Food Safety Strategy 2023–2030 aims to harmonise phytosanitary and veterinary standards with EU regulations, strengthening the competitiveness of agri-food exports and the safety of domestic consumers. Current policy instruments include subsidies (grants and direct payments per area or head of animal), post-investment and advance support for agricultural start-ups, as well as financing the purchase of agricultural machinery, anti-freeze and anti-hail systems, small irrigation, rural infrastructure, and farm modernization. Recent national policies reflect a clear orientation towards the values and objectives of the European Union: sustainability, rural development, environmental protection, and adaptation to climate change. The reforms announced for 2025 are based on the model of the Common Agricultural Policy (CAP), aiming for greater predictability, transparency, and fairness in the allocation of financial support. At the same time, sectoral consultations, adaptation of secondary legislation, and technical cooperation projects with European partners demonstrate Moldova’s commitment to full institutional alignment with EU standards.

Recent agricultural policy developments: In recent years, the Republic of Moldova has accelerated reforms in the agricultural sector to align its policies with the standards and objectives of the European Union, especially in the context of obtaining the status of a candidate country for accession (2022). An essential step was the launch of the National Strategy for Agricultural and Rural Development (SNADR) 2023–2030, which constitutes the framework document for alignment with the Common Agricultural Policy (CAP). Figure 1 shows the evolution of public support for agriculture in the Republic of Moldova for the period 2015–2024. The three types of interventions are: Market and direct producer support measures (blue); Structural and rural development measures (red); Other measures related to agriculture (green). In 2019–2021, structural and rural development measures (red) dominate (over 80–90% of the total). After 2022, the share of direct support for producers (blue) gradually increases, reaching about 40–50% in 2024. “Other” measures (green) are almost non-existent (<2%). This trend suggests a reorientation of agricultural policies: From investments in rural infrastructure and development (post-2021) to direct support for farmers (subsidies, direct payments, market interventions) in recent years.

Figure 1: Total budgetary support to agriculture during the period 2015-2024



Source: MD APMC Database (2025)

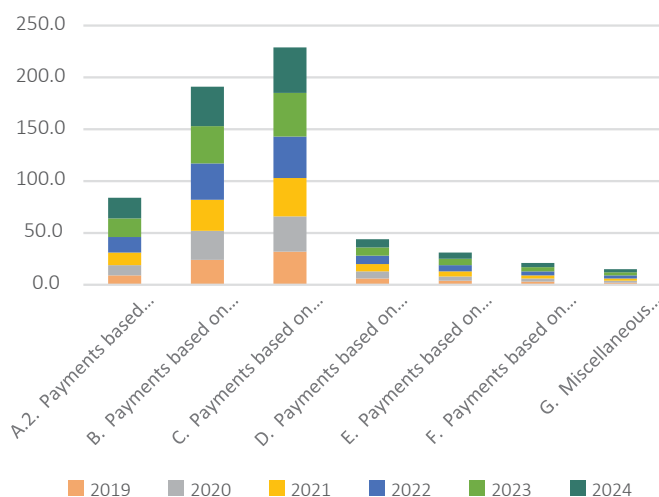
The reforms also aim to improve governance and transparency in the distribution of public funds. The Agricultural Intervention and Payments Agency (AIPA) has introduced new electronic mechanisms for managing subsidy applications and increased the share of funding for green and innovative projects. In the period 2022–2024, the Government increased the budget for agriculture, and the National Fund for the Development of Agriculture and Rural Environment was reconfigured to provide: subsidies for the use of renewable energy in agriculture; support for conversion to organic farming; programs for young farmers and women entrepreneurs in rural areas; incentives for investments in irrigation, logistics and storage. The new policies increasingly clearly reflect the objectives of the European Union regarding: Environmental sustainability, by reducing emissions and protecting natural resources; Food safety, by modernizing phytosanitary laboratories and standardizing products; Fair rural development, by promoting territorial and social cohesion.

Overview of agricultural policy support: In the period 2019–2024, the Republic of Moldova recorded a significant increase in budgetary support for the agricultural sector, reflecting a constant effort to align with the principles of the

Common Agricultural Policy (CAP) and to strengthen the economic resilience of farmers. According to APMC data (OECD/PES classification) and those reported by the Agricultural Intervention and Payments Agency (AIPA), public support for agriculture has diversified, increasingly targeting sustainability, innovation and investments in rural infrastructure.

Budgetary transfers to agriculture have increased steadily in recent years, from around EUR 121 million in 2019 to EUR 185 million in 2024. The support is structured around three main pillars: 1. Direct support to producers' accounts for the largest share — over 80% of total transfers: 2. General services and investments represent approx. 15–18% of total support. 3. Consumer support remained relatively constant, between EUR 5–8 million, focused on food subsidies and food security programs for vulnerable households. The structure of agricultural budget support in the Republic of Moldova reflects a clear orientation towards modernization and sustainability, but also a significant dependence on direct payments to producers. Although investments in innovation, infrastructure and environmental protection are increasing, their share in the total agricultural budget remains relatively low. For full alignment with the EU Common Agricultural Policy, it is necessary to rebalance support towards the pillars of rural development, innovation and ecological transition — essential areas for a competitive and sustainable agriculture.

Figure 2 Total budgetary transfers to agriculture, mil. EUR



3. EU INTEGRATION AND AGRICULTURAL POLICY ALIGNMENT (1 PAGE)

EU integration process and agriculture: The Republic of Moldova has candidate country status, and accession negotiations formally started in 2024. Integration requires compliance with existing agreements (Association Agreement and DCFTA) and continuous harmonisation of national legislation with the EU acquis, in particular in areas such as agriculture, food safety, plant and animal health, environment and animal welfare. In agriculture, this means adopting EU standards on hygiene, pesticides, testing laboratories, EU export authorisation, etc. Recent reforms in the subsidy system, coordinated by AIPA, align with the principles of the CAP by introducing more transparent payments, based on eligibility and performance criteria. Direct payments per area or per head of animal, support for green investments and for young farmers reflect the mechanisms used in EU Member States. Control and monitoring of payments are also strengthened, in line with European audit and evaluation standards. A key element of alignment with the CAP is the promotion of integrated rural development. The national programmes (SNADR 2023–2030 and PSPA 2025–2030) provide for investments in rural infrastructure, digitalisation of agricultural services, support for cooperatives and local value chains, as well as social inclusion measures. These interventions are modelled on the CAP Pillar II model, which aims to strengthen territorial cohesion and the resilience of rural communities. In the spirit of the European Green Deal and the “Farm to Fork” strategy, Moldova has set out to integrate the principles of sustainable agriculture: reducing the use of pesticides and fertilisers, promoting organic farming, protecting biodiversity and adapting to climate change. Subsidies for efficient irrigation, renewable energy on farms and conservative agriculture are concrete examples of convergence with the CAP “eco-schemes”. Integration into the European agricultural market also involves harmonising phytosanitary, veterinary and food safety standards. Through the National Food Safety Strategy 2023–2030, the Republic of Moldova has begun the process of transposing EU legislation in areas such as product traceability, quality certification, plant protection and animal welfare. These reforms are essential for facilitating agri-food exports to the EU and for strengthening the confidence of domestic consumers. At the same time, the accession process creates significant

opportunities for Moldovan producers through preferential access to the European market, but also involves challenges related to competitiveness, compliance costs and the need for technological modernization.

Challenges: One of the main difficulties is the significant differences between the agricultural and food safety standards applied in the Republic of Moldova and those in the European Union. Also, the phytosanitary and veterinary standards imposed by the EU require considerable investments in laboratory infrastructure, monitoring systems and staff training. Many small and medium-sized agricultural enterprises face difficulties in complying with these requirements due to high costs and a lack of technical expertise. Another significant obstacle is the insufficient financial resources allocated to agriculture. Although the budget allocated to the sector has increased in recent years, it remains well below the level of support provided in EU countries. Moldovan farmers, especially small ones, face difficulties in accessing credit, a lack of bank guarantees and climate uncertainty, which reduce their capacity to invest in modernising farms in line with CAP requirements. The sustainability and environmental protection objectives set by the European Green Deal and the Farm to Fork strategy impose a complex transition on Moldova.

Key areas of alignment: 1. The paying agency and direct payment systems must comply with the accreditation criteria for EU paying agents. 2. Phytosanitary, sanitary-veterinary legislation and food safety. 3. Sustainability and environmental policies. 4. Rural development and infrastructure. Strengthening infrastructure for processing, storage, logistics, and access to EU markets; Support for small farms and producer groups, cooperation and aggregation. 5. Financing instruments and predictable support.

API tool: The APD Moldova (Agriculture Policy Dialogue Moldova) instrument has the mission to support national institutions (MAFI, AIPA, ANSA) in the process of alignment with the CAP and the EU acquis. The most significant results so far: • Strengthening the policy dialogue and exchange of good practices between national authorities and EU experts on topics such as food safety, export standards, legislation and agricultural support. • Information and training activities for farmers and producers on CAP requirements, EU rules and modalities for accessing financing/subsidies. • Support in strengthening institutional capacity, including procedures, guides, development of intervention fiches and clear guidance for the application of EU-aligned policies and subsidy schemes.

4. POLICY RECOMMENDATIONS (1 PAGE WITH REFERENCES)

Policy alignment with CAP. To accelerate alignment with the Common Agricultural Policy (CAP), the Republic of Moldova needs to implement an Integrated Administration and Control System, compatible with European standards, which is a key priority. Reconfiguring the subsidy mechanism. Moldova should gradually adopt a system similar to that of the Basic Income Support for Sustainability of the CAP. **Sustainability and green transition.** To comply with the objectives of the European Green Deal and the Farm to Fork strategy, the Republic of Moldova needs to orient agricultural policies towards ecological and climate-resilient practices. Develop a National Plan for the Adaptation of Agriculture to Climate Change. Promote organic and regenerative agriculture. Expand sustainable soil and water management programs. Introduce national eco-schemes, similar to those in the CAP, for conservation practices (such as forest curtains, green buffer zones and low-emission agriculture). **Capacity building and support.** Strengthening institutional capacity is essential for the efficient implementation of reforms. **Improving rural development.** To reduce the economic and social gaps between urban and rural areas, Moldova needs to adopt an integrated approach to rural development, inspired by Pillar II of the CAP. **Market integration:** To capitalize on preferential access to the EU market, the Republic of Moldova needs to strengthen its trade integration by: Fully harmonizing quality, traceability and labelling standards; Simplifying export and certification procedures; Developing logistics infrastructure and integrated value chains; Supporting the formation of producer organizations and cooperatives. **Call to action:** The success of European agricultural integration depends on political will, institutional collaboration and farmer involvement. The government must accelerate the adoption of harmonised legislation, ensure transparency and maintain constant dialogue with European partners. Actors in the agricultural sector — farmers, cooperatives, processors and professional organisations — must become active partners in the reform.

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