



USAID | MOLDOVA

FROM THE AMERICAN PEOPLE

COUNTRY PROFILE

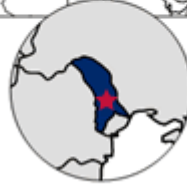
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Maria Leahu is one of 500 villagers who joined a dairy cooperative developed by USAID to build the capacity of local farmers and increase rural incomes in Moldova.

OVERVIEW

When the USSR collapsed in 1991, Moldova began its historic transition from the poorest and least developed Soviet republic to an independent, market-oriented democracy. In 1992, USAID began assistance programs to



support Moldova's transition by establishing critical health and social safety net programs for its citizens, building democratic practices within the government, and restructuring and privatizing key industries to boost economic growth.

Today, Moldova has benefited from the many democratic, economic and social reforms made since independence, however, many challenges remain.

Chişinău

Moldova is the poorest country in Europe with a vulnerable economy that relies heavily on remittances from citizens working abroad. Its agricultural-based economy is subject to external and market pressures on its primary products. As the 2007 record drought demonstrated, the country lacks a modern agricultural system that can mitigate the impact of natural disasters. Although foreign investment has increased, the business climate remains weak and is characterized by corruption and overregulation. In the area of good governance, a current uneven concentration of power and lack of transparency in governing bodies threatens to undermine democratic progress and reforms. Trafficking in persons, weak healthcare systems, and the rise of infectious diseases, such as HIV/AIDS and hepatitis B and C, are further barriers to the economic and political advancement of the country.

MOLDOVA SNAPSHOT

Date of independence:
August 27, 1991
Capital: Chisinau
Population: 4.3 million (2007 est.)
GDP per capita: \$2,000 (2006 est.)

For more information,
see www.usaid.gov
Keyword: Moldova

To address these and other important development issues, USAID works in three areas under the U.S. Government's Foreign Assistance Framework: (1) Economic Growth; (2) Governing Justly and Democratically; and (3) Investing In People. Collectively, these programs seek to help Moldova achieve economic and political stability and, in turn, be able to sustain further advances on its own. To carry out these goals, 21 projects are implemented with USAID funding and technical assistance. Implementing partners include international and local NGOs, U.S. businesses and U.N. agencies.

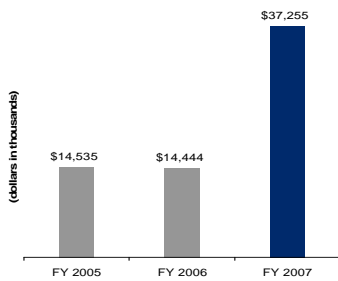


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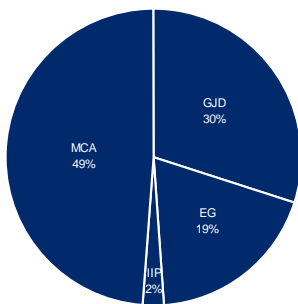
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COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO MOLDOVA



Percent of FY 2007 Budget for Each Area



Governing Justly & Democratically (GJD): \$19,814,000*
 Economic Growth (EG): \$4,669,000
 Investing in People (IIP): \$422,000
 Millennium Challenge Account (MCA): \$12,350,000

*Includes both FSA and MCA funds

PROGRAMS

STIMULATING MOLDOVA'S ECONOMIC GROWTH

USAID is working with the public and private sector in Moldova to achieve broad-based economic growth, reduce poverty and strengthen the market economy. Bottom-up interventions are helping strategic industries – agriculture, winemaking, IT and textile and apparel – increase their efficiency and competitiveness in global markets. Broader programs are fostering a business operating environment that supports competitive industries, strengthens the financial sector, attracts foreign investment and promotes best international practices. Finally, USAID is addressing the economic roots of human trafficking by supporting programs to develop skills and create jobs for vulnerable populations.

SUPPORTING JUST AND DEMOCRATIC GOVERNANCE

USAID is advancing Moldova's democratic transition by promoting rule of law and democratic practices. Grassroots programs are building the capacity of local governments and citizens to improve their communities. Programs with political parties are strengthening democratic political organizing, engaging women and youth and providing election monitoring. At the judicial level, USAID is increasing the overall integrity and efficiency of the legal system to ensure fair treatment of all citizens and organizations.

INVESTING IN MOLDOVA'S PEOPLE

USAID seeks to advance human progress and health outcomes in Moldova. Health programming focuses on decreasing the transmission of HIV/AIDS and viral hepatitis B and C through cost-effective preventive measures, ultimately reducing the public health risk of these diseases.

COMBATING CORRUPTION THROUGH PARTNERSHIPS

In addition, USAID is implementing a two-year, \$24.7 million dollar Threshold Country Program (TCP) funded by the U.S. Millennium Challenge Corporation. The TCP extends across the USAID portfolio by addressing one of Moldova's greatest development challenges – corruption. The program is working with the Government of Moldova to prevent and combat corruption in the public sector and build the capacity of civil society and media to effectively monitor the reform process, provide access to objective information and hold government accountable.

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On behalf of the American people, the U.S. government has provided humanitarian assistance and economic development to those in need around the world since the Marshall Plan.