

# Success Story #4: E-Commerce Program



During the reporting period, FTA worked alongside private and public sector partners to develop and roll out digitalization initiatives for economic resilience and recovery. One such initiative is FTA's flagship e-commerce program launched in May 2022. This nation-wide program aims to provide technical assistance and other resources – equipment, software, etc. – to SMEs across industries to implement e-commerce systems within their companies. This program takes a multi-layered approach with different levels of support for SMEs depending on their digital sophistication plus complementary support to e-tailers and marketplaces to improve their offerings and accessibility. In addition to firm-level support, the program will also feed into legislative and regulatory changes needed to improve the environment for e-commerce; support the institutional development of an e-commerce association in Moldova; and

build up a local business community around e-commerce development.

Prior to the official launch in May 2022, FTA deployed a 'pilot' project targeting light industry sector SMEs entitled "Fashion Omnichannel" (see more details in section B.2.b). This pilot program provided FTA with a better understanding of e-commerce technologies, ways to address bottlenecks, and an ability to test interventions. **FTA received more than 30 applications** and conducted interviews with 15 companies to strategize and determine short to mid-term action plans and FTA assistance.

The May 2022 national e-commerce development program launch began with a series of face-to-face presentations to business associations. The program goal is to reach 150 – 200 companies across diverse sectors. To enter the program, firms must fill in a short

online questionnaire detailing their goals and needs, and FTA works to match them with tailored technology and technical assistance solutions, solutions as well as access to know-how through a pool of 18 mentors with expertise such as logistics, user experience design, pay-per-click strategies, and customer relationship management. To date, FTA has received 21 eligible applications from SMEs from various sectors, such as foodstuffs and cosmetics, as well as applications from five marketplaces, such as 999, elefant.md, and smart.md. Notably the program also serves as an entrepreneurial talent discovery platform; among program applicants are 2 industrial designers that develop and produce one-of-a-kind toys for children and accessories for pets.

As Moldova is just beginning to tap into the global e-commerce boom, electronic commerce sys-

tems – such as international fintech and payment gateways and supporting logistics and fulfillment services – are opening new opportunities for Moldovan producers and service providers to tap into a growing international market that is expected to reach \$7.4 trillion. Currently the gross value of transactions performed to procure FMCG (Fast Moving Consumer Goods) and services online is estimated to be \$42.7 million, which represents less than 1% of total goods and services procured. This fraction is very small compared to the global average of 17.8%, creating great potential for growth. With the groundwork for this new e-commerce program complete in Year 1 FTA will work with SMEs from various sectors, as done with Fashion Omnichannel, providing technical assistance and resources, and track the benefits that come from e-commerce. For example, in the last week of the reporting period FTA organized a two-day trip for representatives of business support organizations (BSO)s, e-retailers and marketplaces, performance marketing agencies,



beneficiaries from the light industry, and program mentors to visit the GPeC Summit, which is the most important e-commerce and online marketing event in Romania. The delegation also attended a series of workshops and meetings, as well as a roundtable for experience sharing between AIM, AmCham, and GPeC organizers. Moreover, FTA plans to work with AmCham Moldova to support all phases of the e-commerce supply chain (produc-

tion, payments, alternative innovative Fintech solutions, logistics, and more). FTA also plans to work with the Alliance of Small and Medium Enterprises from Moldova (AIM), which is a non-governmental, membership-based business association. AIM plans to be a key implementing partner for the program, helping FTA reach its goal of 150 SMEs investing in e-commerce solutions to increase sales and exports and reach new markets.

