

Success Story #3: Green Energy Transition

In March 2022, FTA signed a Partnership Agreement (PA) with the Agency for the Development and Modernization of Agriculture (ADMA), with concurrence from the Ministry of Agriculture and Food Industry. The goal of the partnership was to spur digital transformation, increased energy resilience, and sustainability of the agriculture sector. Together, ADMA and FTA designed, launched, and promoted two programs focused on digitalization, sustainability, environmentally friendly practices, technology integration, and innovation in agriculture. One program provided assistance to agricultural producers to procure photovoltaic solar panel equipment (which have a lifespan of approximately 25 years) and to support these companies' transition to a green economy and more energy resilience. This program was launched at a critical time, providing much needed energy alternatives to small agribusinesses facing spiking energy costs due to the war in

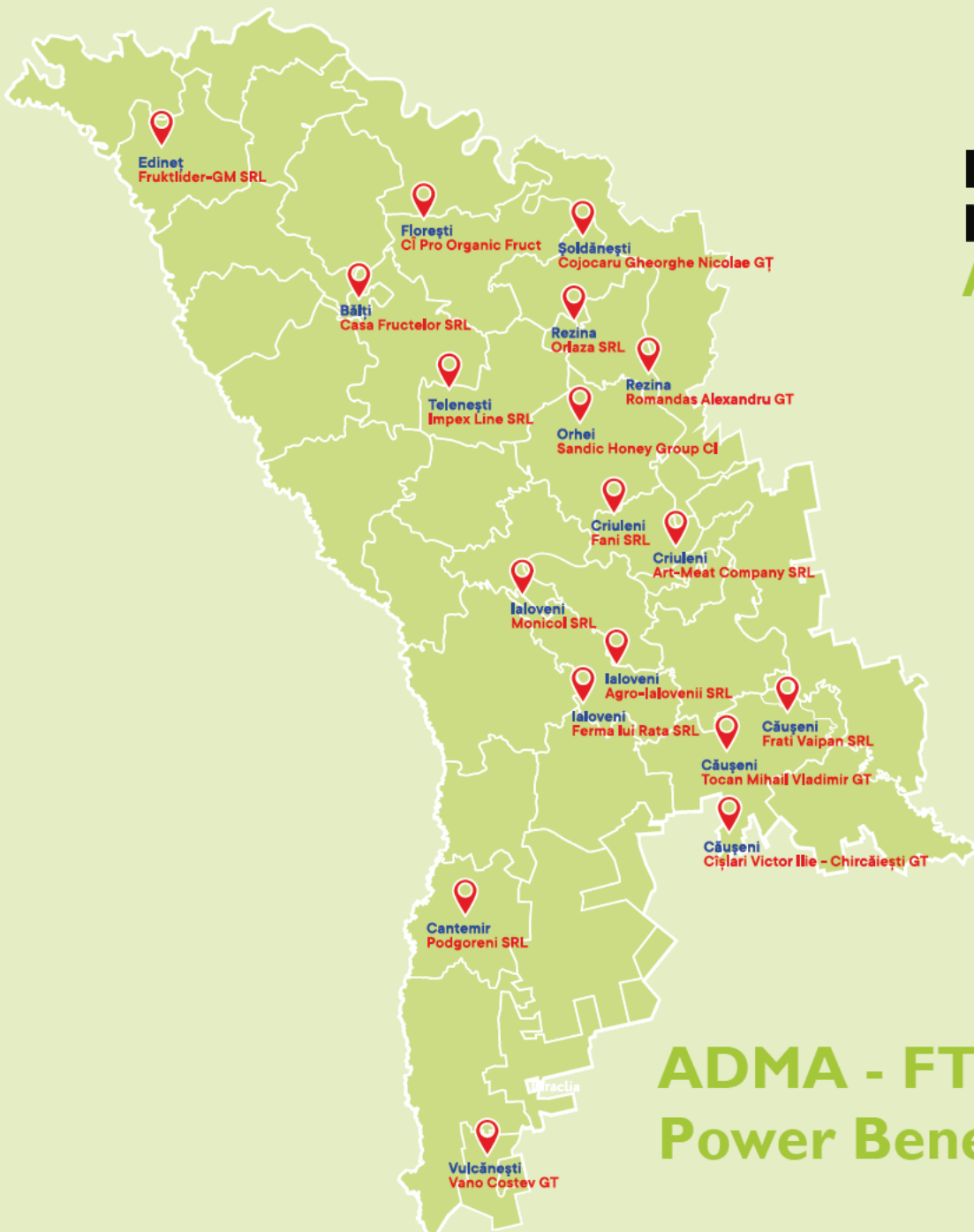
Ukraine; this green energy program provides both an immediate response to those challenges as well as a long-term solution for resilience.

Funding opportunities under this program officially launched on April 28, 2022, which combined ADMA's standard financing program with complementary grant funding from FTA. At the launch event for this program, Minister of Agriculture and Food Industry Viorel Gherciu highlighted that the established financial instrument will ease Moldova's transition to sustainable agriculture and a green future. Mr. Gherciu added that the goal is to make products more competitive by reducing manufacturing costs, diversifying the sources of energy production, and decreasing dependency on conventional energy resources. Agricultural producers benefit from support amounting up to 50% of the investment cost for this equipment, not exceeding 2,50,000 MDL per bene-

ficiary. Beneficiaries have access to FTA grants worth up to 200,000 MDL, plus additional financial support to cover equipment insurance costs, and the photovoltaic equipment will be procured with a zero-rated VAT. The total value of ADMA's financial contribution to this program represents 16 million MDL. FTA has received **24 grant requests**, with over **MDL 4,900,000 in grant funding obligated**. Beneficiaries of the program have invested an additional **MDL 22,960,000** of their own resources in the purchase of photovoltaic solar panels. FTA expects to exceed MDL 6,000,000 in grant funding for this program, as applications continue to be received.



INNOVATE MOLDOVA AGRITECH



ADMA - FTA Solar Power Beneficiaries

Already, producer of organic nuts and fruits, Monicol, benefited from this program launched at the end of April 2022. Monicol received a 263,954 MDL grant from FTA plus low-cost financing from ADMA. With this financing, Monicol installed 482 photovoltaic panels with a total capacity of 198 kW, which will substitute 50% of their total energy usage with green energy. Currently the company consumes 480,000 kWh annually, for a total annual expense of MDL

1,041,600 (approx. \$54,250). Following the completion of the photovoltaic solar panel project, Monicol expects to consume 96,750 kWh annually, for a total annual expense of MDL 209,947.50 (approx. \$10,934), which is a 79% reduction in annual energy costs. Furthermore, Monicol will realize a return on their investment in six years through the procurement and installation of the solar panels. Thus, under the solar power program, agricultural producers, like

Monicol, will benefit from support through ADMA's equipment repayment program and revolving fund mechanism for their investment in solar power equipment. This is a critical program which will promote the transition to a greener economy and energy resilience among Moldova's agribusinesses, and FTA plans to use this program as a model for future green energy and green economy SME programs in the following years.