EU4Business

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Country Report

Moldova

2025







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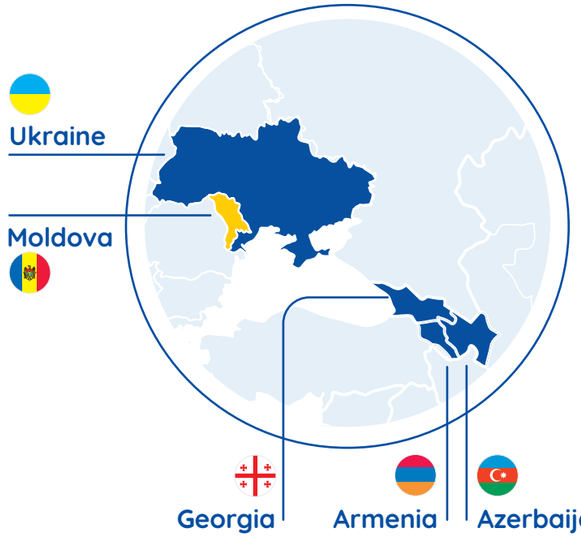
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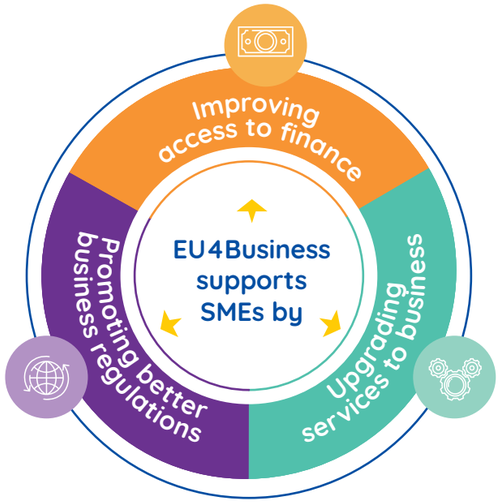
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About the Initiative

Small and medium-sized enterprises (SMEs) in the Eastern Partnership region have the potential to create jobs and drive economic growth. Obstacles such as limited access to finance, burdensome legislation and difficulties entering new markets are hindering their progress.

The European Union's EU4Business Initiative ultimately serves SMEs as the beneficiaries of EU support in the Eastern Partnership countries —





Access to Finance (A2F):

- concessionary loans via national banks
- micro financing for household businesses
- small grants to SMEs
- training staff at national banks to better serve SMEs
- training SMEs in financial literacy

Business Development Services (BDS):

- providing direct advice and training to SMEs
- training and capacity-building among national business support organisations (BSOs)
- establishing business incubators for start-ups
- developing business clusters for mutual support and development
- supporting governments in identifying new markets
- building capacities at export support organisations

Business Enabling Environment (BEE):

- promoting regulatory reform and best practice
- building capacity amongst policy makers and regulators
- encouraging public-private dialogue
- informing business about reform processes and rules/ procedures



EU4Business Moldova Portfolio 2025



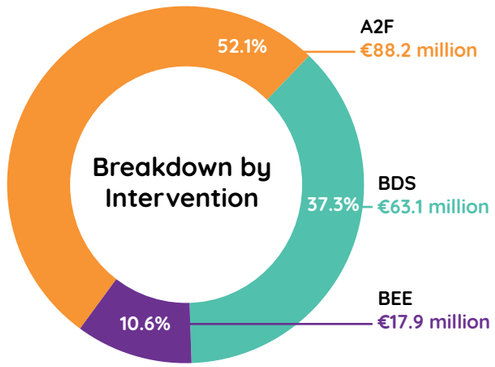
Total budget of EU support to SMEs in Moldova in 2025

€169.2 million

38 projects

provided support to SMEs in Moldova in 2025

Breakdown by intervention



The overall portfolio increased slightly compared with 2024, rising by €3.4 million. This growth was driven primarily by a higher allocation to business development services, while support for access to finance remained broadly unchanged.

Overview by type of intervention

Access to Finance

EU support allocated to unlock access to finance in Moldova in 2025

€88.2 million

A1	€16.6 million	18.8%	Capped Loss Recovery
A2	€2.9 million	3.3%	Interest Subsidy
A3	€6.4 million	7.3%	TA to PFIs
A4	€9.1 million	10.3%	Capped Guarantees
A5	€1.2 million	1.4%	Currency Hedging Subsidy
A6	€29.1 million	32.9%	SME Incentive Grants
A7	€11.5 million	13.1%	Grants to SMEs
A8	€7.4 million	8.5%	Structured Funds
A9	€4.0 million	4.5%	Equity

Grant-based instruments remained the largest component of the A2F portfolio, although their combined share declined from 48.9% in 2024 to 46.0% in 2025. The overall distribution of instruments remained broadly stable, with only minor adjustments across individual categories.



Success stories

A Farm in Vadul-Rașcov Brings Prosperity to the Entire Community

Denis Pruteanu returned from Italy to develop his family farm in Vadul-Rașcov, transforming it into a growing agricultural business with EU4Business support. A EUR 20,000 grant helped him invest in modern equipment, improving efficiency and strengthening farm operations. He now aims to build an integrated and organic enterprise, including meat processing and local production.

Read full story

Types of Support Included in Access to Finance

A1 — Capped Loss Recovery

This is a risk-sharing instrument in the form of a grant that the EU provides to an IFI. This grant is used by the IFI to partially cover the loss that any PFI, such as a local bank, would carry as a result of an SME not repaying part or all of its loan. This means that if an SME does not pay back the loan to the local bank, the EU grant for capped loss recovery can actually cover half of the loss of the bank. In this way, the local banks are more willing to disburse loans to SMEs, which are generally perceived as high-risk borrowers.

A2 — Interest Subsidy

This instrument is a grant given by the EU to IFIs in order to lower the cost of their loans to SMEs in the EaP. The grant provides interest subsidies of up to 10%, which is applied to the regular interest rate at which the IFI lends to PFIs and further on to SMEs. The purpose of this instrument is to lower the final cost of finance for SMEs in the EaP.

A3 — Targeted Assistance (TA) to PFIs

This instrument consists of consultancy services, mentoring, and specialised training provided to the local banks. It helps the local banks better understand the policies and procedures of the IFIs and improves the capacity of the local banks in their work with the SMEs.

A4 — Capped Guarantees

This instrument consists of a guarantee given to IFIs in order to lower the risk of lending to SMEs via local PFIs. The guarantees reduce the need of SMEs to provide extensive collateral for loans from the local banks. These guarantees are generally capped at up to 25% of the total portfolio of the local bank and generally 70%-80% of each individual subloan.

A5 — Currency Hedging Subsidy

This instrument is given to IFIs to enable them to disburse loans to PFIs (and ultimately to SMEs) in local currency as there is a risk from fluctuations in exchange rates. Due to the EU grant, the IFIs and subsequently the PFIs can offer loans in local currency to SMEs at a more competitive price, as the banks will not need to add the costs of protecting themselves from adverse changes in the exchange rates to the charges that they levy from the SMEs.

A6 — SME Incentive Grants

SMEs sign a loan contract from one of the credit lines of the IFIs via the PFIs. After the loan is disbursed, there is a verification process to check if the loan was used for the purpose listed in the business plan. Once the verification report confirms compliance, a part of the loan is transformed into a grant, so that the total “cost” of financing is lowered. The most common incentive grants are between 10% and 15% of the loan value.

A7 — Grants to SMEs

These grants are non-reimbursable and generally modest in value in order to support as many SMEs as possible. In general, SME grants are disbursed to target specific economic development goals such as development in rural areas, poor communities, or a response to various types of crises. These grants are usually disbursed through Non-governmental Agencies (NGOs) with links to targeted communities.

A8 — Structured Funds

Typically, this involves direct loans or equity investment in a financial instrument or fund by the EU, rather than working in partnership with IFIs and PFIs. As the EU does not have the capacity to disburse direct loans to SMEs, this function is assigned to an intermediary. The most important EU investment in Direct Finance is shares in the European Fund for Southeastern Europe (EFSE).

A9 — Equity

Equity is a direct investment instrument for funding SMEs by buying participation (shares) in the respective business, when it is in the form of a company.
This type of support instrument involves more risk.

Success stories

From Home Sewing to a Thriving Workshop:

A Family Business Grows with EU Support in Tiraspol

Iulia Cernobrivcenko turned a small home-based sewing activity into a growing family business in Tiraspol with support from the European Union's EU4Business Initiative.





During the pandemic, while on maternity leave, Iulia partnered with her mother, an experienced seamstress, to produce protective masks and later professional clothing for medical and service sector workers.

Through the EU4Business-supported Business HUB in Tiraspol, Iulia gained business training, mentoring and networking opportunities that helped her develop the company and identify new market opportunities. In 2025, the business received around €17,000 in EU4Business support, enabling the creation of a modern workshop equipped with industrial sewing and embroidery machines, steam generators and other professional equipment.

Today, the Fatin workshop produces workwear for healthcare professionals, beauty specialists and food service staff, while also creating local jobs and strengthening its market presence. The business continues to expand through improved branding, product development and plans for further automation and increased production capacity.



Read full story



This equipment made it possible to produce at a professional level and maintain high quality standards."

Iulia Cernobrivcenko,
Co-owner of the Fatin workshop

Business Development Services

EU support allocated to improving business development services in Moldova in 2025 **€63.1 million**

B1	€46.0 million	73.0%	Consultancy Services for SMEs
B2	€8.6 million	13.5%	Capacity Building of BSOs
B3	€4.7 million	7.5%	Incubators
B5	€3.8 million	6.0%	Trade Information

Demand for business development services remained strong, with more than 3,800 SMEs benefiting from BDS support in 2025. Consultancy services continued to dominate the portfolio, accounting for 73.0% of the total allocation, while support for trade information expanded considerably compared with 2024.

Success stories

How EU Support Brought Robotics Education to Orhei





Sergiu Smîntînă expanded his Robotix robotics school to Orhei with EU4Business support. Using hands-on learning and modern equipment, the school helps children develop digital, problem-solving and creative skills. The initiative encourages young people to explore future opportunities in technology and innovation.

Read full story

Types of Support Included in Business Development Services

B1 — Consultancy Services for SMEs

The EU4Business Initiative aims to increase directly the knowledge and skills of SMEs in the EaP countries through the direct provision (fully or partly paid) of non-financial business services. These can range from basic start-up and registration, accounting, marketing, input supply to technology and product development, training and technical assistance, infrastructure support, and advocacy. These services can be delivered through both international and/or local consultants, in both private firms/ individuals, and/or business support organisations.

B2 — Capacity Building of BSOs

This instrument aims at increasing the capacity of Business Support Organisations (such as chambers of commerce, SME associations, professional bodies, sector trade associations, training institutes, etc.) to deliver BDS services to SMEs. The capacity building is achieved through mentoring, training of trainers, advisory services, and study tours that enhance existing services, create new ones, or improve organisational structures.

B3 — Incubators

A business incubator is an organisation designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.

B4 — Clusters

This instrument involves group support to SMEs involved in the same field of activity but at different positions in the value chain or with common interests. The basis of the cluster approach is the synergy of creating a more effective value chain within the cluster.

B5 — Trade Information

This instrument provides SMEs already exporting, exporting infrequently, or those interested in exporting with the range of information needed to move closer to exports. This instrument can include producing brochures, guides, market report or developing tools for accessing online resources and intelligent searches. It covers market information, marketing guides, and market access requirements.

B6 — Business to Business (B2B) Activities

The instrument helps SMEs to make specific contact with potential buyers in the target export markets. This can include participation in online buyer auctions, trade fairs, inward and outward trade missions, buyer meetings, etc. EU support can range from organisation, logistics, preparation and advice, as well as covering the costs of travel and/or stand and event costs.

B7 — Export Strategies

This instrument is typically based on studies, analysis, and stakeholder consultation that assesses national production, market requirements, and export constraints. Working with government and stakeholders, it builds a common sector or national approach to develop the exports of competitive products in the target markets. In addition, this instrument can also include support in coordination with implementation of the strategy itself as well as national visibility and branding, support programmes, and stakeholder dialogue.

Business Enabling Environment

EU support allocated to improving the business enabling environment in Moldova in 2025 **€17.9 million**

C1	€8.6 million	47.9%	Capacity Building of Policymakers / Regulators
C2	€2.1 million	12.0%	Public-Private Dialogue
C3	€5.1 million	28.4%	Regulatory Reform
C4	€2.1 million	11.7%	Information and Communication to SMEs

The share of funding allocated to capacity building increased from 39.5% in 2024 to 47.9% in 2025. As Moldova continues to advance its EU accession agenda, greater emphasis is being placed on strengthening the institutional capacities needed to implement and enforce EU-related reforms.

Types of Support Included in Business Enabling Environment

C1 Capacity Building of Policymakers and Regulators

EU4Business interventions aim at strengthening the capacity of staff of various government agencies to ensure better, more transparent, and open policies and regulations that affect business, whilst ensuring appropriate controls in the five EaP countries. This can include making and amending policies, laws, and administrative procedures based on need and risk assessment. EU4Business interventions deliver direct advisory, mentoring services, and study tours to the relevant staff involved in policymaking.

C2 Public-Private Dialogue (PPD)

PPD is an instrument for more inclusive and targeted policymaking. Specifically, it involves effective consultation and collaboration between government and the private sector and/or its representatives, in order to achieve effective reform and administration of regulations that affect SMEs.

C3 Regulatory Reform

Through this instrument, EU4Business interventions support the EaP countries to improve the regulatory environment based on the best practices and to align their SME related legislation, rules, and regulations with those of the EU. Approximation occurs in all five EaP countries, but it is more intensely applied in Georgia, Moldova and Ukraine, as they are future member states of the EU.

C4 Information and Communication to SMEs

EU4Business interventions support governments to inform SMEs on reforms and implications for their business and steps to comply with regulatory reform.

Article

The Reform and Growth Facility for Moldova:

Moving towards EU Accession and SME Development



The Moldova Growth Plan is a historic support package underpinned by a Reform and Growth Facility for Moldova worth up to

€1.9 billion

for the period 2025-2027

The Facility is composed of €520 million in non-repayable support (of which €135 million for the provision of loans) and a maximum amount of

€1.5 billion

in loans

Supporting the country's socio-economic convergence is essential for Moldova's EU accession and key to rapid progression on the enlargement path.

This performance-based mechanism is strictly linked to the successful implementation of the Reform Agenda, a document negotiated between the Moldovan government and the European Commission in which the country commits to specific agreed reforms.[1]

Reform steps are divided into seven policy areas, namely

1. Private sector development
2. Economic resilience and infrastructure
3. Economic governance
4. Social capital
5. Green transition
6. Energy
7. Fundamentals[2]

Disbursements occur twice a year after the European Commission verifies that Moldova has met specific reform steps.[3] [4]

[1] EUR-Lex, Establishing the Reform and Growth Facility for Moldova
[2] European Commission, Commission delivers additional €189 million under the Reform and Growth Facility for Moldova
[3] European Commission, Reform and Growth Facility for Moldova
[4] European Commission, Press release 04/09/2025

Reform Progress and EU Support

In March 2026, **Moldova unlocked its second regular payment of €189 million by successfully completing 24 reform indicators** due in December 2025. The Moldovan authorities must continue to meet the Reform Agenda commitments in view of the third regular payment attached to the June 2026 reform steps. Progress on these indicators can be tracked via a dedicated Reform and Growth Facility Scoreboard, which was launched in early 2026 to provide full and public transparency on Moldova's progress.[5]

Earlier at the first-ever EU-Moldova Summit in July 2025, **President von der Leyen announced the release of €270 million in pre-financing under the Growth Plan**. In September 2025, the European Commission made the first regular payment under the Growth Plan, following its assessment that **Moldova had met four reform indicators from its Reform Agenda**. These reforms included the development of open and competitive electricity and gas markets, as well as measures to guarantee energy security. The fulfilment of these reforms unlocked funding worth €18.9 million.[6] [7]

Strengthening SMEs and Key Economic Sectors

The impact of the EU Facility on the SME sector in Moldova is transformative, as the **instrument aims to support approximately 25,000 small and family businesses** by improving their access to finance and reducing administrative burdens. In early 2026, the **Moldovan Organisation for Entrepreneurship Development (ODA) relaunched grant calls totalling MDL 300 million** (roughly €15.3 million) to help SMEs modernize equipment and scale up operations. These funds are deployed through specialized tracks like the "CREȘTEM IMM" instrument, which focuses on energy efficiency and local value chain integration. By providing portfolio guarantees and interest rate subsidies through partners like the EBRD and local banks, the EU effectively de-risks private lending, allowing smaller firms to compete within the EU Single Market even before formal accession.[8] [9]

The launch of the Growth Facility already directly positively impacts the SME sector in Moldova such as agri-food and sustainable agriculture with its immediate focus on modernising livestock, wine, and horticulture production, and expanding irrigation to move toward high-value exports. Concurrently, **Moldova is designing dedicated countryside development programmes aimed at rural tourism and eco-resorts to capitalise on Moldova's growing tourism revenue**.

Driving Industrial, Digital and Inclusive Growth

In order to invigorate its local production sector, Moldova is also benefiting from other EU funding opportunities to further enhance the competitiveness of local producers and to integrate them more fully into European supply chains by expanding Moldova's manufacturing sector and by increasing the number of its industrial parks. That expansion will be closely combined with the utilisation of the facility instruments in IT and digital innovation by investing into tech start-ups and the digitalisation of manufacturing processes through the "**Digital Innovation and Technology Start-ups**" programme.[10]

Simultaneously, the newly available resources will be applied to further expand social entrepreneurship with targeted support for women-led enterprises and youth-led start-ups to ensure inclusive economic growth.[11] [12]

The forthcoming OECD Competitiveness Outlook 2026: Armenia, Republic of Moldova and Ukraine will provide a detailed analysis of these issues together with country-specific recommendations to support governments in strengthening competitiveness and fostering sustainable economic growth.[13]

[5] EU4Moldova – EU Support Scoreboard
[6] European Commission, EU delivers additional €18.9 million to Moldova and calls on businesses to invest in the country
[7] Government of the Republic of Moldova, Reform Agenda 2025-2027
[8] Organisation for Entrepreneurship Development (ODA), ODA relaunches 2026 calls for grants: MDL 300 million for SMEs
[9] EBRD and EU boost access to finance for Moldovan businesses
[10] Organisation for Entrepreneurship Development (ODA), Technology Start-ups
[11] Funds for NGOs, Youth Social Entrepreneurship Incubation Program – Moldova
[12] Organisation for Entrepreneurship Development (ODA), Women Entrepreneurship
[13] European Parliament, OECD Competitiveness Outlook 2026: Armenia, Republic of Moldova and Ukraine



EU4Business Moldova Results 2025

Disbursed budget

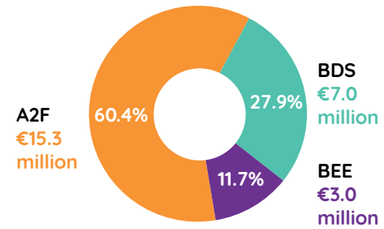
€25.3 million

disbursed to support SME growth in Moldova in 2025

18.7%

out of total budget disbursed in the EaP

Disbursed budget per pillar in 2025



Disbursements for access to finance remained broadly stable, while funding for business development services more than doubled compared with 2024. Although disbursements under the business enabling environment pillar declined, annual fluctuations are expected, as many projects are implemented over several years.

Number of SMEs supported

9,337

SMEs supported by the EU in Moldova in 2025

12.2%

out of total EU-supported SMEs in the EaP

Supported SMEs by pillar:



A2F 5,525 SMEs

11.5%

of the EaP total

BDS 3,812 SMEs

13.4%

of the EaP total

The number of SMEs supported increased substantially compared with 2024, driven by growth in both financial and business development support. Access to finance remained the largest pillar, although the strongest expansion was recorded in business development services.

Women in business

Share of women-owned/managed enterprises in Moldova in 2025 **37.7%**

The share of women-owned or managed enterprises remained relatively stable in 2025. Although it declined slightly compared with 2024, it remained broadly comparable to the EU average for self-employed women.



SME turnover

Turnover of EU-supported SMEs in Moldova in 2025

€1.8 billion

19.7%

out of total income generated by EU-supported SMEs in the EaP

This represented a substantial increase compared with 2024, when total turnover reached €791.5 million. However, these results should be interpreted with caution, as the composition of the supported SME cohort changes from year to year.

Increase in SMEs' turnover

14.0%

Average growth of EU-supported SMEs in Moldova in 2025

The average growth in turnover among EU-supported SMEs significantly outpaced Moldova's GDP growth of 2.4% in 2025, suggesting that supported businesses performed better than the economy as a whole.

Increase in turnover by pillar

A2F **12.7%**

BDS **14.5%**

This reversed the pattern observed in 2024, when SMEs supported through A2F recorded stronger turnover growth than those receiving BDS support. However, year-to-year comparisons should be interpreted with caution, as the composition of the supported SME cohort changes over time.

Average income per SME supported

€165,382

Average turnover per supported SME increased by almost 47%, rising from €112,000 in 2024 to €165,000 in 2025.

Exports

Value of exports for supported SMEs

€184.9 million

11.1%

out of total EU exports in the EaP

EU-supported SMEs that started exporting activities in Moldova

482

19.8%

out of total EU new exporters in the EaP

Increase in volume of export

9.9%

The growth rate of exports remained unchanged compared with 2024, at 9.9%.

Increase in volume of exports by pillar

A2F **7.2%**

BDS **11.1%**

Increase in new exporters by pillar

A2F **4.2%**

BDS **7.3%**

Despite continuing disruptions to regional trade and logistics, supported SMEs expanded their export activities in 2025. The number of new exporters almost doubled compared with 2024, while SMEs receiving business development support recorded the strongest growth in export performance.

Employment and job creation

Number of new jobs created in supported SMEs

19,640 new jobs created by EU-supported SMEs in Moldova

22.0%

out of total new jobs created in the EaP

Increase in staff

30.4%

Breakdown of job creation by pillar

A2F

16,062

22.7%

out of total new jobs created in the EaP

BDS

3,578

19.2%

out of total new jobs created in the EaP

Strong employment growth in 2025 reflected the continued expansion of supported SMEs, with access to finance remaining the largest contributor to job creation.

Number of sustained jobs

84,170 Proxy number of employees in EU-supported SMEs in Moldova

17.8%

out of total sustained jobs in the EaP

Average jobs per SME supported

6.9

The number of sustained jobs increased substantially, rising from 54,314 in 2024 to 84,170 in 2025. By supporting business growth and expansion, EU4Business contributes to employment opportunities and higher incomes for workers.



Success stories

Baked with Care: How EU4Business Helped a Tiraspol Baker Keep His Doors Open

Ivan Cernicenko developed his small bakery in Tiraspol with support from EU4Business. EU funding helped him modernise equipment, increase production and introduce new products. His business has grown steadily, building a loyal customer base and supporting the local community.

Read full story

Success stories

How a Woman Mayor Transformed the Village of Peresecina with European Support

In Peresecina, Moldova, Mayor Valentina Buzu has shown how strong local leadership and European support can transform a community.

Working closely with residents, her administration improved water and sanitation systems, roads, schools and services for families. Through UNDP supported under the EU4Business Initiative, the municipality received funding, equipment and training that strengthened the capacity of local authorities to plan and manage sustainable projects. Participation in the Mayors for Economic Growth network also brought new expertise in urban planning and local economic development.

Today, Peresecina is better equipped to respond to residents' needs, while Buzu's example is helping challenge stereotypes and inspire more women to take on leadership roles.



Read full story

What made the biggest difference was the training of our city hall staff. Strong local skills mean projects last longer and are managed better. That support has helped us grow sustainably.

Valentina Buzu
Mayor of Peresecina, Moldova







EU4Business Moldova Results by Key Instruments

Results in Access to Finance

Disbursed budget in A2F

€15.3 million EU funds disbursed for improving access to finance for SMEs in Moldova

19.0%

of the total disbursed A2F budget in 2025

This represented a slight increase compared with 2024, when disbursements reached €14.7 million. However, year-to-year changes should be interpreted with caution, as access-to-finance projects are typically implemented over several years.

Overall results in A2F

5,525
SMEs supported with A2F interventions

29.7%
were owned or managed by women

11.5%
our of total A2F supported in the EaP

8
PFIs supported

16,062
new jobs generated at A2F-supported SMEs

12.7%
increase in income of A2F-supported SMEs



Success stories

Growing a Poultry Business with EU4Business Support

Iurie Flerciuc expanded his poultry farm with support from EU4Business. A €20,000 grant helped him build a new facility and introduce automated systems, improving efficiency and production capacity. The investment allowed him to grow the business, create jobs and become more competitive.

Read full story

Grants and loans received

Loans

5,296
SMEs received loans

28.7% women

€122.3 million
total value of loans triggered in Moldova

10.3%
of the EaP total

€23,086
average size of loan

Grants

229
SMEs received grants

51.5% women

€2.7 million
total value of grants triggered in Moldova

7.1%
of the EaP total

€10,317
average per grant

Loans continued to dominate the financial support portfolio in 2025, both in terms of value and the number of SMEs supported. This suggests a sustained demand for repayable financing instruments alongside direct grant support.



Success stories

KidsLand – from an Adult's Vision to Children's Joy

Mihail Gavrilenco turned his idea of creating a safe play space for children into a successful business with EU4Business support. Financial assistance and mentoring helped him open a modern play centre equipped with interactive and creative areas. Today, KidsLand is a popular space for local families, offering children a place to play and learn.

Read full story

Results in Business Development Services

Disbursed budget in BDS

€7.0 million
EU support disbursed to improve the skills of SMEs in Moldova

21.7%
of the total BDS disbursed budget in 2025

The significant increase in BDS funding reflects the continued demand for business development services among SMEs in Moldova.

Overall results in BDS

3,812
SMEs supported with BDS interventions

49.4% of women

13.4%
out of total BDS supported in the EaP

104 BSOs capacitated

35.9%
of total in the EaP

3,578 new jobs generated at BDS-supported SMEs

↑ **14.5%** increase in income of BDS-supported SMEs

Women-owned and women-managed businesses accounted for a significantly higher share of BDS beneficiaries than A2F beneficiaries. Business development services also contributed to stronger turnover growth and higher levels of job creation among supported SMEs.

Results in Business Enabling Environment

Disbursed budget in BEE

€3.0 million EU support disbursed to improve the business environment in Moldova

13.5%

of the total BEE disbursed budget in 2025

Regulators/governments capacitated

10 government institutions, including policy-makers, regulators and enforcement agencies had their capacities improved

1.8%

out of total in the EaP

Normative acts changed

30 normative acts changed in Moldova

16.8%

out of total in the EaP

Public-private dialogue events held

27 Moldova public-private dialogue events were supported

15.3%

out of total in the EaP

The number of regulatory reforms declined in 2025, reflecting a gradual shift from developing new legislation towards implementing existing reforms. The sharp reduction in the number of government institutions receiving support may also indicate a more targeted approach as Moldova's EU accession agenda becomes more focused.



Article

OECD Competitiveness Outlook 2026:

Strengthening competitiveness through EU4Business support in Armenia, Republic of Moldova, and Ukraine

The OECD will soon publish the Competitiveness Outlook 2026: Armenia, Republic of Moldova and Ukraine, a comprehensive analysis developed with the support of the European Union within the framework of the EU4Business initiative.

The publication represents a concrete result of the work carried out through EU4Business projects, which support partner countries in strengthening competitiveness, improving the business environment and advancing sustainable economic development.

In particular, the EU4Business: Empowering Trade and Competitiveness in the Eastern Partnership project has contributed to the preparation of this important assessment by supporting the collection of evidence, analysis and policy insights needed to better understand competitiveness challenges and identify reform priorities across the region.

The OECD Competitiveness Outlook provides an in-depth analysis of the policy settings and institutional factors that shape competitiveness in Armenia, the Republic of Moldova and Ukraine.

The assessment focuses on three key areas:

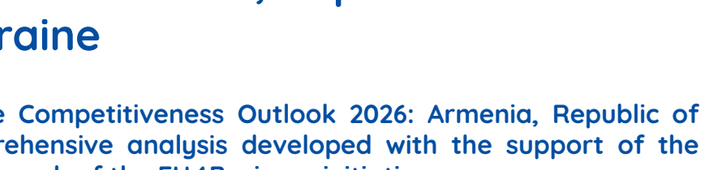
1. Business environment



2. Trade and transport connectivity



3. Labour markets and skills





Through this analysis, the Outlook identifies strengths, remaining challenges and priority areas where further reforms can support productivity growth, investment and long-term economic resilience.

Key areas

1 Strengthening the business environment

The OECD findings show that all three countries have made significant progress in strengthening the business environment through reforms in investment policy, financial markets, state-owned enterprises (SOEs) governance and competition policy. **EU alignment and approximation processes have been major drivers of reform**, resulting in stronger strategic frameworks and institutional design.

At the same time, important challenges remain. Future efforts will need to focus on translating improved policy frameworks into stronger private sector development, expanding access to finance beyond traditional banking channels, and ensuring that competition frameworks are supported by effective enforcement mechanisms and adequate institutional capacity.

2 Improving trade and transport connectivity

Reforms in trade and connectivity have contributed to closer integration with European markets. Countries have advanced customs digitalisation, trade facilitation measures and regulatory harmonisation, while investing in transport and logistics infrastructure.

Nevertheless, important bottlenecks remain, particularly in multimodal connectivity, infrastructure quality, logistics performance and cross-border cooperation among border agencies. Fostering sustainable growth will require continued investment in connectivity, deeper integration into European trade and transport networks, stronger cross-border cooperation, and greater incorporation of sustainability objectives into policymaking.

3 Investing in skills and human capital

Labour markets have shown resilience despite significant economic and demographic pressures. Governments are modernising employment services, strengthening active labour market policies and expanding support for vulnerable groups.

At the same time, demographic decline, migration, labour shortages and persistent skills mismatches continue to constrain productivity growth. Strengthening lifelong learning systems and improving links between education and labour market needs will be essential to ensure that workers have the skills required for a competitive, innovative and sustainable economy.

Turning reforms into results

Across all three pillars, the assessment identifies a common challenge: **ensuring that ambitious reform agendas translate into effective implementation and tangible results**. Limited administrative capacity, fragmented institutional responsibilities and weak monitoring and evaluation systems continue to constrain the impact of reforms.

Looking ahead, strengthening competitiveness will depend on the successful implementation of reforms across the three policy pillars. Key priorities include improving the business environment by attracting higher-quality investment, developing transparent and diversified financial markets, strengthening SOEs governance and competition enforcement, deepening transport and trade connectivity through both infrastructure investment and regulatory reform, and equipping workers with the skills needed to enhance productivity, innovation and the green and digital transition.

Across all areas, stronger whole-of-government coordination, clearer institutional mandates, enhanced administrative capacity, and more robust monitoring and evaluation systems will be essential to ensure that reforms deliver tangible benefits for businesses and citizens.

The forthcoming OECD Competitiveness Outlook 2026: Armenia, Republic of Moldova and Ukraine will provide a detailed analysis of these issues together with country-specific recommendations to support governments in strengthening competitiveness and fostering sustainable economic growth.

Annex 1: List of projects in Moldova in 2025

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Support to MSMEs sector in the Republic of Moldova: BGK amortised loan to ODA – FACEM Fund	€1,584,000	2024	2030	Bilateral	●	●	
Sustainable food systems	€7,500,000	2025	2029	Bilateral	●	●	●
Promoting agricultural development and quality employment for the most vulnerable	€3,000,000	2025	2028	Bilateral		●	●
Improving the standards compliance through increased national capacities for residue monitoring	€1,500,000	2023	2027	Bilateral		●	●
EU4Moldova Local communities – economic and skills development	€1,092,050	2022	2026	Bilateral	●	●	●
European Union Confidence Building Measures Programme Phase VI	€4,000,000	2023	2026	Bilateral	●	●	●
EU for Sustainable, Innovative, Green and Competitive Economy (EU4SMEs)	€8,000,000	2023	2026	Bilateral	●	●	
Inclusive economic empowerment of focal regions of the Republic of Moldova	€23,000,000	2019	2025	Bilateral		●	
Harnessing the CSOs' potential to promote and develop the social entrepreneurship in Moldova	€1,000,000	2022	2025	Bilateral	●	●	●
Start up City Cahul	€6,800,000	2020	2025	Bilateral	●	●	
Green for Growth Fund – Technical Assistance Contribution for the East	€3,900,000	2024	2045	Regional	●	●	●
EFSE – EU4Business: Local Currency Lending to MSEs in the Eastern Partnership	€39,921,000	2020	2041	Regional	●		
Promoting Green Lending in the Eastern Partnership	€32,855,000	2020	2040	Regional	●		
EU4Business – The EU Local Currency Partnership Initiative: the European Fund for Southeast Europe (EFSE)	€50,320,000	2018	2039	Regional	●		
218 NIP decision share – Green for Growth – Extension to Neighbourhood East II	€5,162,849	2018	2039	Regional	●		
Green for Growth – Extension to Neighbourhood East II	€6,157,151	2018	2039	Regional	●		
"EU4Business Guarantee Facility" financed from the general budget of the European Union under the Neighbourhood Investment Platform	€41,495,000	2020	2035	Regional	●		

Title	Total Budget	Start date	End date	Type of the Project	Areas of Intervention		
					A2F	BDS	BEE
Youth in Business Programme in Moldova and in South Caucasus	€9,300,000	2025	2032	Regional	●		
SMEs Competitiveness in Ukraine and Moldova – NIP contract	€20,910,400	2023	2032	Regional	●	●	
EBRD Advice for Small Businesses, Team Europe EaP window	€17,064,714	2020	2031	Regional		●	
EIB-4 SME Finance Facility – EIB window	€5,100,000	2010	2030	Regional	●		
EU EBRD Local Currency Initiative	€6,216,000	2021	2030	Regional	●		
DCFTA SME Direct Finance Facility	€10,220,000	2014	2029	Regional	●	●	
EU4Business Empowering Trade and Competitiveness in EaP Countries	€13,000,000	2025	2029	Regional		●	●
Mayors for Economic Growth – Phase 3	€10,000,000	2025	2028	Regional	●	●	●
DCFTA Initiative East (EIB) (can also be referred to as DCFTA Facility by EIB)	€62,746,000	2016	2028	Regional	●	●	
Strengthening Intellectual Propriety Rights in Georgia, Moldova and Ukraine	€5,600,000	2024	2028	Regional			●
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership – 219 funds)	€42,675,049	2019	2028	Regional	●		
"EU4Innovation East" Support to Digital innovation in the Eastern Partnership region	€20,000,000	2024	2028	Regional		●	●
EFSD+Proparco Guarantee for Moldova	€2,500,000	2023	2028	Regional	●		
Finance and Technology Transfer Centre for Climate Change (FINTECC) – EU4Climate Window	€15,400,000	2020	2027	Regional	●		
Women in Business Phase II	€8,440,000	2021	2027	Regional	●	●	
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€38,900,000	2017	2027	Regional	●	●	
EU4Business EBRD Credit line (SME Competitiveness Programme in Eastern Partnership – 218 funds)	€52,908,951	2019	2026	Regional	●		
EU4DIGITAL Facility – phase 2	€16,000,000	2022	2026	Regional		●	●
EU4Business EBRD Credit line (EU Deep and Comprehensive Free Trade Area (DCFTA) Facility, EBRD DCFTA Programme)	€19,430,000	2016	2026	Regional		●	●
Mayors for Economic Growth 2 TA	€11,800,000	2021	2026	Regional		●	●
EU-EBRD Country-specific Investment Climate Reviews and Action Plans for Eastern partnership (EaP) countries Phase II	€1,200,000	2022	2025	Regional			●

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