

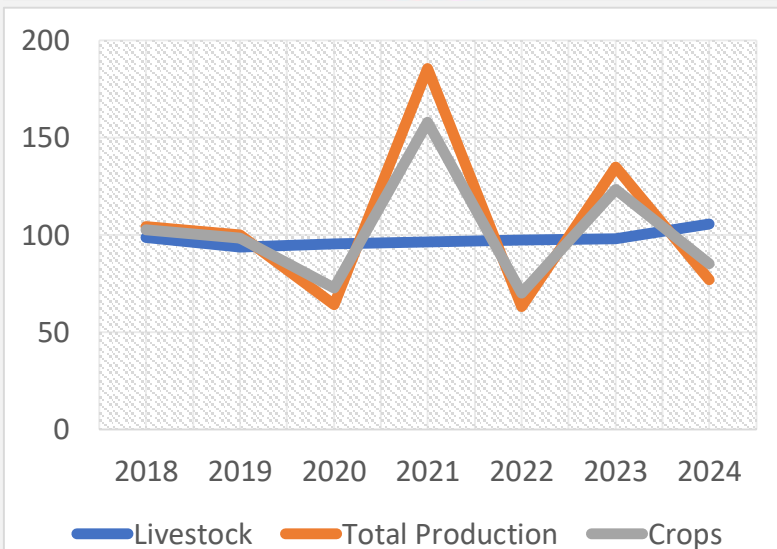
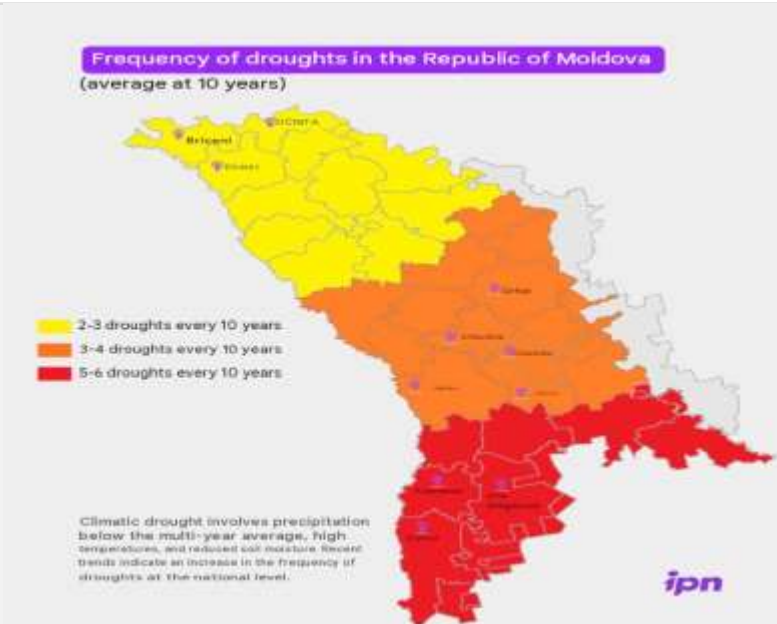


Options for a New Risk Management Framework for Moldovan Agriculture

**PROGRESS Workshop on Agricultural Insurance
and Climate Adaptation in the EU's Eastern
Partnership Countries**

October 6, 2026

Drought is by far the dominant risk in Moldovan agriculture



- Moldova is affected by **drought every second year**
- While the whole country is affected by drought, the **southern region is more exposed**
- **Spring frost** for stone fruit, **hail** and **floods during the summer** add to the risk mosaic
- The **climatic risks** on crop production **outweigh sanitary risks** in the livestock production
- **African swine fever** among the recent sanitary risks in the Moldovan livestock sector

Moldova's agricultural loss outweighs that of the EU-27

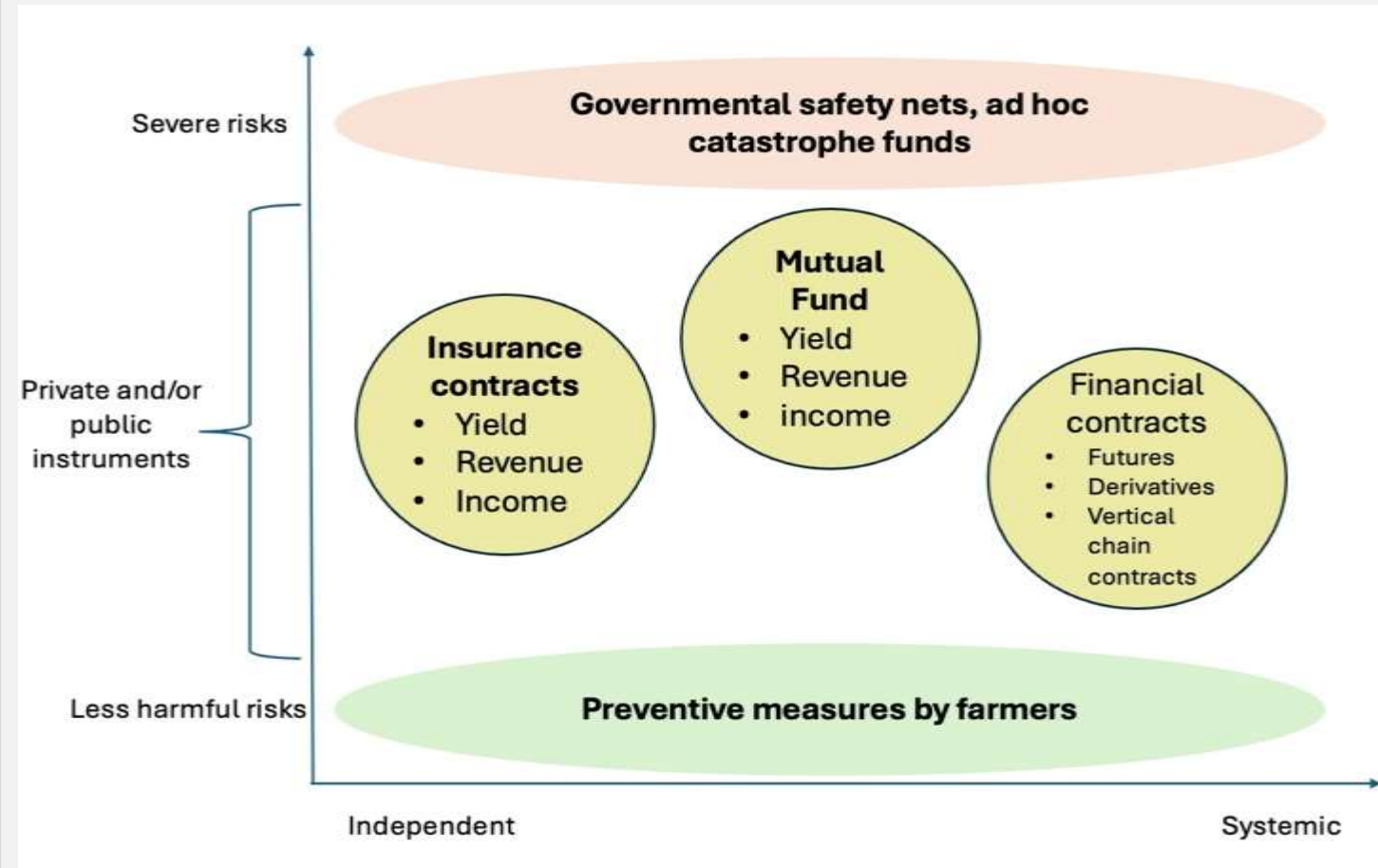
Present Day Crop AAL from Primary Perils, % of GDP



- in 2024, the **average agricultural loss in Moldova** reached Euro 124,5 million, adding up to **0.7% of GDP**
- On average, the **EU-27 reveals an agricultural loss less than half (0.27% of GDP)** of that in Moldova
- While Hungary, Romania, and Bulgaria are in proximity, **Moldova's loss is felt more due to higher share of agriculture GDP (7.4%)**
- With climate change, the **average agriculture loss is expected to increase by up to 42-66% by 2050**

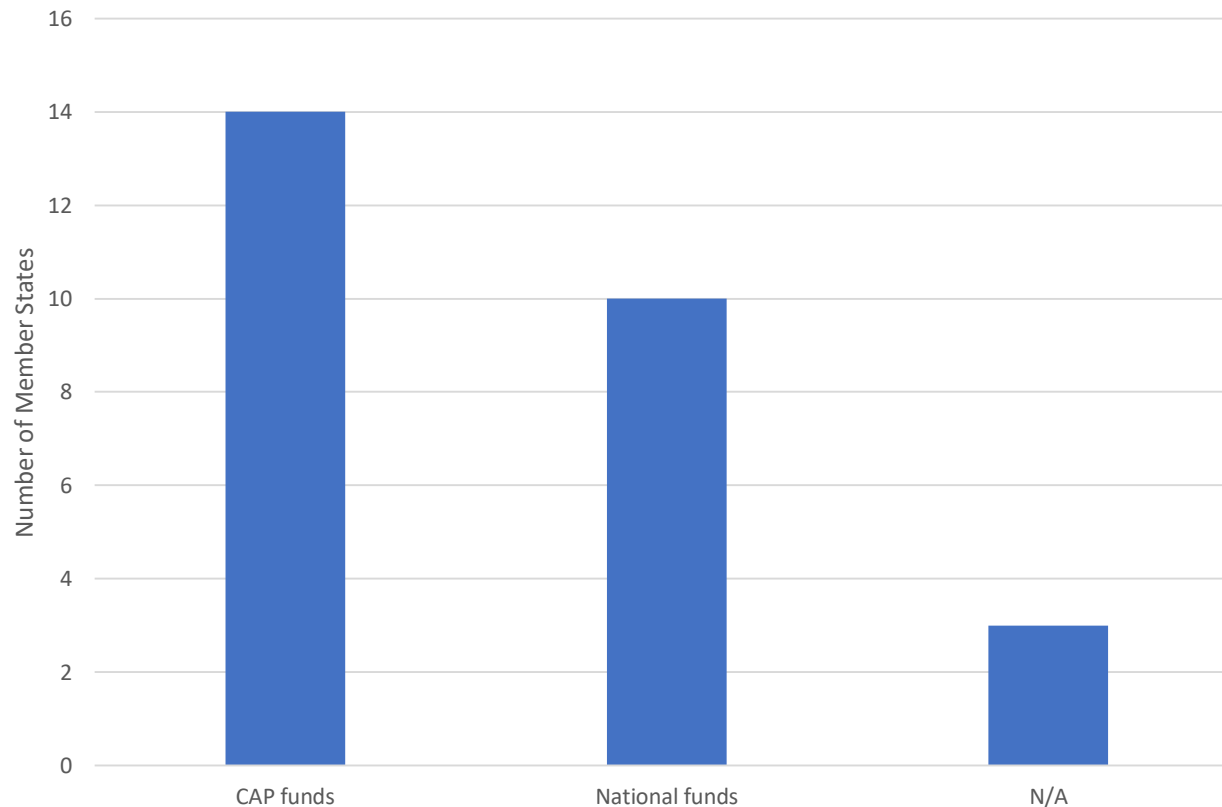
Moldovan risk management falls short of its potential

Common risk management instruments:



- Moldova applies **2 risk management instruments** against climatic and sanitary risks:
 1. Agriculture insurance
 2. Anti-hail rockets
- In 2024, 5 insurers managed **just 715 contracts**, covering 1.7% of the utilized agriculture area and 2.5% of the production value
- State **subsidizes 70% of agriculture insurance premium**
- **68% of insurance covers the livestock sector**

The EU offers experiences for Moldova



- Since 2005, the EC has encouraged Member States to **use the funds of the Common Agricultural Policy (CAP)** to support instruments that compensate production losses
- **Index insurance** (ex. Austria) reduces administrative burden
- **3-layered architecture** in France targets different severity of losses
- **Mutual fund** in France and Greece with mandatory and voluntary components
- **Public-private partnerships** (ex. Spain) as an option for risk-sharing

Options for a new risk management framework in Moldova

Reform Options



1

Improving the current insurance system might be easiest, while limited guidance by the public sector might reduce attractiveness



2

Introducing a public-private partnership improves oversight for government but public reinsurance needed



3

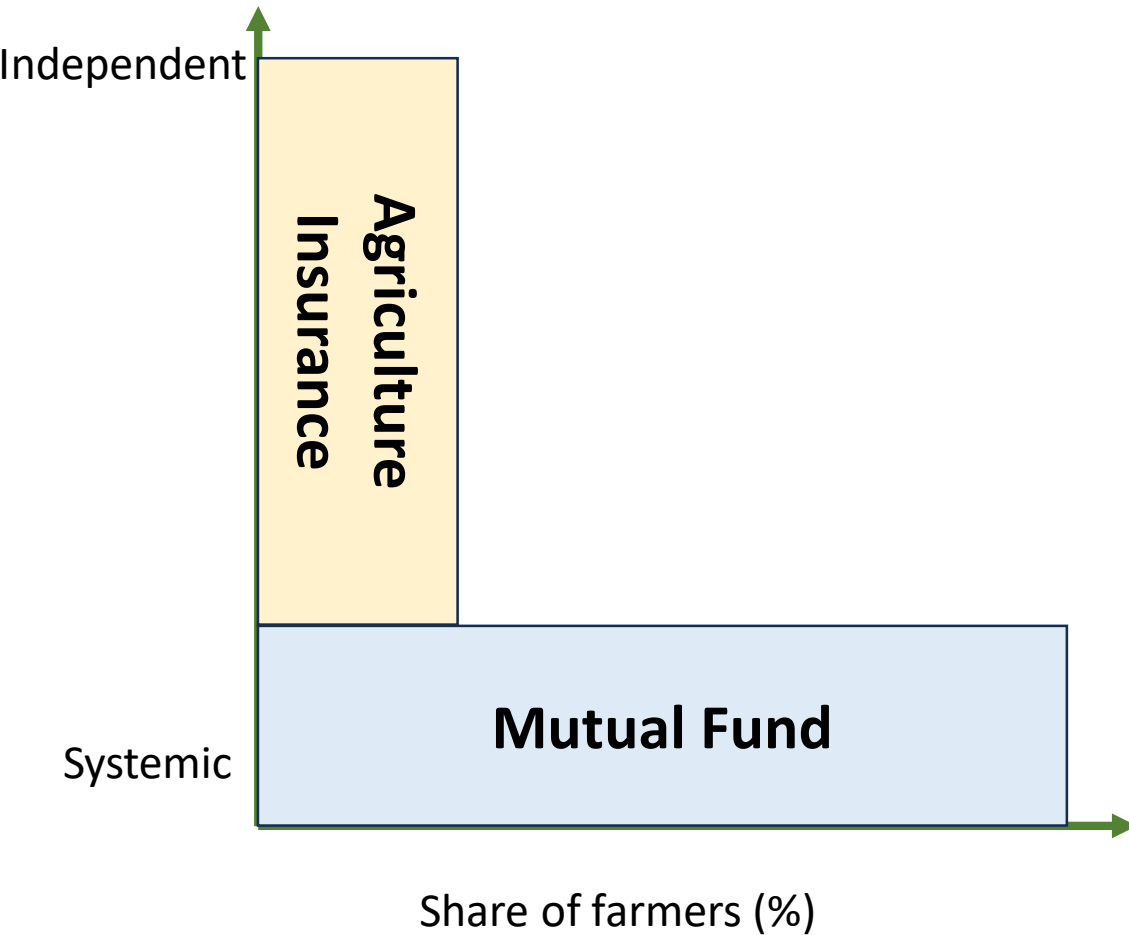
Introducing a mutual fund with high farmer ownership bears risk of underfunding and thus sufficient compensation



4

Introducing a mutual fund for systemic risks and applying improved insurance for specialized independent risks

Preferred option under review



- Introducing **index insurance** to assess **calamities** of pastures and arable crops should improve efficiencies
- Management of the **mutual fund by the Chamber of Agriculture** could facilitate mandatory affiliation and reduce administration in collecting premiums
- **Mutual fund should cover systemic risks** such as drought, while **agriculture insurance covers independent risks**, like hail, frost, floods.

Thank you!

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