



Remittances – startup-up capital for emigrants from Moldova

In a country strongly affected by migration and poverty, many of the citizens of Moldova have found the chance to exceed themselves and to successfully launch a business – in the Project „Support the innovative use of remittance in productive rural investment”. The project, implemented by Business Consulting Institute – in partnership with ProRural Invest (Moldova) and the Foundation for Economic Development and European Integration (Iasi, Romania) – has offered support to emigrants working abroad, giving them and their families the possibility to invest earned money in a business founded at home, in Moldova.

Recent data show that during the last years over 800 thousand citizens have left the country in order to search for a better paid job. As the National Bank indicates, the remittances of emigrants exceed 1 milliard USD per year. According to a report of the World Bank, in what concerns remittances, Moldova holds the first place in Europe and the third place in the world.

Remittances have an essential role in the national economy, making about 1/3 of the GDP, while in rural areas their share is much higher. At the same time, only 7% of remitted money is invested.

The goal of the project was to develop managerial capacities of returned emigrants and of remittance beneficiaries in order to make them able to invest earned money in something profitable, which would bring a constant income. Another objective of the project was to reduce intellectual exodus.

The project was launched in July 2010, with a budget of more than 300 thousand dollars, assigned for the central region of the Republic of Moldova (the rayons of Ungheni, Hancesti, Anenii Noi, Ialoveni, Straseni, Calarasi, Nisporeni, Telenesti, Criuleni, Rezina, Soldanesti and Dubasari). The funding has been provided by the International Fund for Agricultural Development (IFAD).

The activities included: entrepreneurship courses organized in each rayon; assistance and counseling in business development (pre-start-up business phase, start-up phase, and post creation phase); increasing returned emigrants’ and remittance receivers’ awareness on the long term effects of investments in the region; taking over Romanian experience in remittance investment in study visits to Romania.

Within this project, the Study „Business Opportunities for the Beneficiaries of Remittances” and the Practical guide for entrepreneurs „How to set up a business” have been published. Some key figures for the project: 24 training sessions have been organized in central rayons of Moldova and about 500 people have attended them. As a result, 95 businesses were registered and launched and business plans were written for them.

Another result of the project is the book „Entrepreneur good practices”, whose authors are Mihai Roşcovan and Natalia Sava. The brochure presents the successful stories of entrepreneurs which have invested remittances in their own business, their innovative ideas and advices for those to would like to create their own company.

„I have never regretted my participation to these courses. It was like a gust of fresh air to me. I have gained knowledge and skills and much useful information and new ideas for my business. Now I can

Project financially supported by



International Fund
For Agricultural
Development

Project implemented by



Business
Consulting
Institute



ProRuralInvest



Foundation for
Economic
Development and
European
Integration - Iasi

manage my business better and I am sure that it would be profitable in our unstable economic conditions. And this is great. Though I found only one idea, this time and money would be my best investment” – these are, generically speaking, the thoughts of the seminar participants, expressed by Ms. Veronica Grati, from Negresti Village, Straseni Rayon, after having attended organized activities.

The project ended in June 2012. Other information is available on our webpage: www.bci.md.