



MINISTRY OF AGRICULTURE, REGIONAL DEVELOPMENT AND
ENVIRONMENT

IFAD CONSOLIDATED PROGRAMME IMPLEMENTATION UNIT



Rural Resilience Project (RRP)

Annual Report 2020

Republic of Moldova

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ABBREVIATIONS & ACRONYMS

AAMPG	Association of Aromatic and Medicinal Plants Growers (Aromeda)
ABDS	Agribusiness development support
AIPA	Agency of Interventions and Payments for Agriculture
ALGP	Association of Lavender Growers and Processors
AWP&B	Annual Work Plan & Budget
APEG	Association of Producers and Exporters of Grapes
BOEC	Bids Opening and Evaluation Commission
BP	Business Plan
CA	Conservation Agriculture
CC	Climate Change
CPIU IFAD	IFAD Consolidated Programme Implementation Unit
CRWMID	Climate resilient water management and infrastructure development
DFA	Dairy Farmers Association
CW	Civil Works
EAPMO	External Assistance Programme Management Office
FATCRI	Farmers adaptation through climate resilient investments
FFS	Farmer Field School
HVC	High Value Crops
GEF	Global Environment Facility
GoM	Government of Republic of Moldova
IFAD	International Fund for Agricultural Development
IPSC	IFAD Programme Steering Committee
IRECR	Inclusive Rural Economic and Climate Resilience Programme
IRRG	Infrastructure for Rural Resilience and Growth
ISAAC	Improve smallholder and agribusiness adaptive capacity
MARDE	Ministry of Agriculture, Regional Development and Environment
MCGF	Micro Credit Guarantee Fund
MFI	Micro financing institutions
MoF	Ministry of Finance
MSMEs	Micro, Small and Medium Enterprises
NBCI	Non-Banking Credit Institution
NBM	National Bank of Moldova
NCFM	National Commission for Financial Market
NFF	National Farmer Federation
NTFP	Non-Timber Forest Products
OA	Organic Agriculture
PFIs	Participating Financial Institutions
PIM	Programme implementation Manual
PG	Producers Group
PY	Programme year
RFC	Rural Finance Corporation
RRP	Rural Resilience Project
RM	Republic of Moldova
SCAs	Savings and Credit Associations
SGPFF	Sheep & Goat Producers Farmer Federation
SMEs	Small and Medium Enterprises
SPs	Service providers
TA	Technical Assistance
ToR	Terms of Reference
ToT	Training of Trainers
Yes	Young Entrepreneurs

PROGRAMME OVERVIEW

Title: Rural Resilience Project (RRP) – IFAD VII

Financing Agreement Number:	IFAD Loan No: 2000001702; IFAD Grant No: 2000001703; ASAP Grant No: 2000001701
Goal and Objective:	The overall goal of the RRP is to improve the well-being of Moldova's rural population and reduce poverty. The underlying project development objective is to strengthen the resilience and improve economic opportunities for the rural poor food security and safety, vulnerability to climate change, increasing competitiveness and reduce the flow of migration from rural areas,
Components:	<p>Component 1: Improve smallholder and agribusiness adaptive capacity. This component will enhance the smallholder resilience and adaptive capacity, enabling them to overcome critical climatic and productivity challenges through investments in productive rural infrastructure and Agri-systems. The component will address the Climate Change adaptation priorities identified by GoM and will operate under two sub-components:</p> <p><i>1.1 Climate resilient water management and infrastructure development</i> which will support investments in productive rural infrastructure to remove the bottlenecks hampering the consolidation and expansion of competitive farms and village-based agri-business and to foster the adaption of climate smart technologies.</p> <p><i>1.2 Farmers adaptation through climate resilient investments</i> which will include: (a) support smallholder farmers in the adoption of climate-resilient crop production systems and technologies, through investment grants and capacity development support; (b) support food/nutrition security and business diversification of women groups in high climate- and poverty-vulnerable areas and (c) support public and private investments in ecological restoration measures aiming to reduce climate-related risks and improve ecosystem services for agriculture.</p> <p>Component 2: Agribusiness development support. The expected outcome of the component is to enhanced access to financial services and markets for rural transformation and is implemented through the following sub-components:</p> <p><i>2.1 Term finance for micro, small and medium enterprises (MSMEs)</i>, which will support the investments of micro-entrepreneurs; young entrepreneurs; and small and medium-enterprises.</p> <p><i>2.2 Credit guarantees for MSMEs;</i></p> <p><i>2.3 Technical support for MSMEs</i>, which will widen and deepen the impacts of other components, including technical support to (1) agribusiness, (2) youth entrepreneurs, (3) vulnerable women, and (4) SCAs development, as well as (5) financial literacy, and (6) knowledge management and targeting.</p>
Duration:	72 months - starting from 14/08/2017 and completing 30/09/2023.
Project Year:	3
Period:	January-December 2020
Initial Allocation:	IFAD Loan 18.2 million USD, IFAD Grant 0.5 million USD, ASAP Grant 5.0 million USD
Expenditures as of 31/12/2020 cumulative:	¹ IFAD Loan 5.9 million USD (33%), IFAD Grant 0.037 million USD (8%), ASAP Grant 0.52 million USD (11%), Total donors' funds 6.5 million USD (28%)

1. IMPLEMENTATION PROGRESS

1. FINANCIAL PROGRESS. During 2020, the CPIU have implemented activities that were planned under RRP according to the provisions of Project Implementation Manual and its amendments with all required adjustments that were approved by IPSC, ensuring a good functioning of the project.

2. For the implementation of activities according to 2020 AWP&B, has been planned to disburse USD 4.5 million from IFAD resources and ASAP Grant. During the year, the total cost, including PFIs', beneficiaries' and GoM' contribution was achieved at 133%. By the end of the reporting period under the project's activities has been disbursed the amount of USD 3.4 million from total donors' funds that represent 76 % from 2020 plan. (see details in Table 1.1).

Table 1.1: Plan vs. Actual Figures, by financiers

(USD '000)

2020	IFAD		ASAP	Total Donors Funds	GoM	Beneficiaries	PFIs	Total
	Loan	Grant						
Plan	3 072.9	87.0	1 370.8	4 530.7	558.0	1 340.8	305.6	6 735.0
Actual	3 221.9	12.9	200.8	3 435.7	496.93	4 381.4	603.1	8 917.2
Actual/Plan %	105%	15%	15%	76%	89%	327%	198%	133%

3. The main disbursement has been done under Component 2: Agribusiness Development Support totalling USD 2.9 million of IFAD Loan, that represents 178% of 2020 plan (see details in table 1.2).

Table 1.2: Plan vs. Actual Figures, by financiers

(USD '000)

Component	IFAD Loan			IFAD Grant			ASAP		
	AWPB 2020	Actual	Disbursed (%)	AWPB 2020	Actual	Disbursed (%)	AWPB 2020	Actual	Disbursed (%)
Component 1	1 338.5	266.9	20%	-	-	-	1 344.8	188.4	14%
Component 2	1 646.1	2 917.7	178%	87.0	12.9	15%	10.0	2.67	27%
PM	88.3	37.3	43%	-	-	-	16.0	9.7	61%
Total	3 072.9	3 221.9	105%	87.0	12.9	15%	1 370.8	200.8	15%

4. **Actual Cumulative Expenditures.** Cumulative, the RRP has achieved the disbursement of 6.5 million representing 28% of initially allocated donors' funds. At the same time, the total budget realization including local contribution, was achieved at 41%, totalling USD 15.7 million.

5. It is worth mentioning that financing sources funds from IFAD and ASAP generated an in-country contribution of USD 9.2 million from Project's Beneficiaries, the Government, and the Participating Financial Institutions. (details in table 1.1.3).

Table 1.1.3: Initial Allocation vs. Actual cumulative figures, by financier

(USD '000)

	IFAD		ASAP	Total external funds,	GoM	Beneficiaries	PFIs	Total per RRP
	Loan	Grant						
Appraisal	18 199.59	500.23	4 939.81	23 639.64	2 946.26	9 499.32	2 569.65	38 654.86
Actual Cum.	5 938.39	37.14	526.5	6 502.03	1 012.59	6 776.8	1 420.52	15 712.01
Disbursed (%)	33%	8%	11%	28%	35%	72%	57%	41%

6. Agribusiness Development Support component holds the lead in disbursement by components with 44% of IFAD Loan, 11% of IFAD Grant, and 6% of ASAP sources. It is followed by ISAAC component with 7% of IFAD Loan and 10% of ASAP funds. Programme management component disbursed 5% of IFAD Loan 1% of IFAD Grant and 25% of ASAP funds. (details in table 1.1.4).

Table 1.1.4: Initial IFAD and GEF Allocation vs. Actual Figures, by programme components (USD '000)

Component	Appraisal			Actual cumulative			Disbursed (%)		
	IFAD Loan	IFAD Grant	ASAP	IFAD Loan	IFAD Grant	ASAP	IFAD Loan	IFAD Grant	ASAP
Component 1:	4 468.3	-	4 641.9	272.6	-	464.0	7%	-	10%
<i>Subcomponent 1.1: Climate-Resilient Water Management and Infrastructure Development</i>	4 468.3	-	909.4	272.6	-	8.0	7%	-	1%
<i>Subcomponent 1.2: Farmers' adaptation through climate resilient investments</i>	-	-	3 732.5			456.0			13%
Component 2: Agribusiness development support	12 745.7	343.0	50.3	5 618.4	36.3	2.7	44%	11%	6%
Programme Management	985.65	157.27	247.63	47.3	0.8	59.8	5%	1%	25%
Total	18 199.59	500.23	4 939.81	5 938.3	37.1	526.5	33%	8%	11%

7. PHYSICAL PROGRESS. During the reporting period, 2 irrigation schemes were constructed on the total surface of 159.96 ha, 19 grants for women were financed, were disbursed 3 grants for shelterbelts with the total area of 18.33 ha, 5 grants for grassland restoration with total area of 36.2 ha, 7 agricultural smallholders benefited from grants to invest in the adoption of climate-resilient crop production systems and technologies and 29 loans were disbursed to rural entrepreneurs (including 9 loans disbursed to young entrepreneurs and 20 loans to SMEs).

8. MAIN IMPLEMENTATION CHALLENGES. Unfortunately, due to Covid-19 pandemic that have lasted over the whole year there were quite many challenges that have slowed down the implementation of planned activities and disbursement of funds. The pandemic situation caused by COVID-19 have hampered or even stopped many activities. It became difficult to organize and conduct the tenders in usual manner due to restriction of mobility. The CPIU had to adjust to the situation and to organise the tenders in other manner, more appropriate for pandemic situation. Even the process of signatures collection of the Committee/ Commission members became challenging as the pandemic situation reduced mobility; the organization of study visits abroad were postponed for the post-pandemic period. All the trainings planned for 2020 were cancelled or postponed. On the background of pandemic situation and a severe drought that occurred in summer, the economy, in general, and agricultural sector, in particular, were significantly affected by the unfavourable economic evolution of the country. Thus, according to Country Status Report of 2020 the agricultural production decreased with about 20%.

2. DETAILED PROGRESS BY PROGRAMME COMPONENTS

The details of the planned physical and financial execution along each sub-component are provided below.

2.1 Component 1: Improve smallholder and agribusiness adaptive capacity.

9. This component will enhance the smallholder resilience and adaptive capacity, enabling them to overcome critical climatic and productivity challenges through investments in productive rural

infrastructure and Agri-systems. The component will address the Climate Change adaptation priorities identified by Government and will operate under two sub-components:

2.1.1 Sub-component 1.1: Climate-resilient water management and infrastructure development

10. This sub-component aims to support investments in productive rural infrastructure to remove the bottlenecks hampering the consolidation and expansion of competitive farms and village-based agri-business and to foster the adaption of climate smart technologies.

11. The component offers support to three types of investments in public infrastructure:

- Micro and small irrigation schemes. Typically, these systems will include a main lined pond providing the necessary conditions for the establishment of HVCs and the uptake of water saving irrigation practices in farm areas.
- Access roads and bridges. To secure all weather access to agricultural production areas and to the facilities of Agro processing enterprises. Typically, these projects will consist of 4 m wide roads with hard or stabilized gravel surfacing.
- Rainwater harvesting ponds. These investments will focus on the progressively expanding areas (particularly in the central districts) lacking access to reliable sources of surface water, mitigating the negative impacts of climate change on small scale livestock and irrigated crop production. This kind of infrastructure will include several main activities: restoring the storage capacity of existing ponds or for constructing new embankments in appropriate locations. Typically, these ponds will have a capacity of 300.0 to 500.0 thousand m³ and an embankment height not exceeding 5 m. When awarding grants for rehabilitation of ponds and for catchment areas of rainwater, should be taken into account that these ponds serve exclusively for use of: water for irrigation, as a source of water for domestic and wild animals. These ponds are not to be rented for fish farming (fish growth). Will only be considered rainwater harvesting ponds where water meets the requirements of quality irrigation and soil condition. Will be taken into account ponds where water meets the requirements of quality irrigation and soil. Also, will be taken in to account possibility to combine and develop of building complexes (pluvial channels) designed to capture rainwater.

12. **The total planned cost for implementation** in 2020 of Climate-resilient water management and infrastructure component amounting to USD 2.3 million, including USD 1.3 million from IFAD Loan, USD 0.2 million ASAP sources, USD 0.4 million beneficiary contribution and USD 0.3 million Government contribution. The Actual figures show an execution of USD 0.26 million IFAD Loan, USD 6.94 thousand ASAP, USD 66.38 thousand Government contribution and USD 53.68 thousand Beneficiary's contribution. (see details in table 2.1.1)

'Table 2.1.1: Annual Plan vs. Actual Figures, by financiers

(USD '000)

2020	IFAD		ASAP	Total Project Funds	GoM	Beneficiaries	Total
	Loan	Grant					
Plan	1 338.5	-	220.1	1 558.6	318.74	424.77	2 302.11
1.1.1. Infrastructure development	1 320.0	-	200.0	1 520.0	304.0	424.77	2 248.77
1.1.2: Infrastructure development supervision and studies	18.5	-	20.1	38.6	14.74	-	53.34
Actual	266.94	-	6.94	273.89	66.38	53.68	393.94
1.1.1 Infrastructure development	253.55	-		253.55	61.99	53.68	369.22
1.1.2: Infrastructure development supervision and studies	13.39	-	6.94	20.34	4.39	-	24.73

Disbursed (%)	20%	-	4%	18%	21%	13%	18%
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13. In the reported period five (5) infrastructure projects transferred from 2019 were approved for financing in 2020.

- Saharna Noua village, Rezina district;
- Grimancauti village, Briceni district;
- Cosnita village, Dubasari district;
- Alexandru Ioan Cuza, Cahul district;
- Costești, Ialoveni district.

14. Infrastructure projects from Grimancauti village, Briceni district and Saharna Noua village, Rezina district honoured their contractual obligations and presented the technical project and transferred the contribution. Beneficiaries from other 3 localities failed to present technical project and collect the contribution.

15. On April 22, the contract with the construction company of the infrastructure object from Grimancauti village, Briceni district was signed. The completion date of the works has been scheduled for November 20, 2020. All the works have been completed, but due to the cold weather it was recommended to undertake the reception of works on March 2021, as testing and technological start-up procedures can be performed only in good weather.



Fig. 1. Infrastructure projects from Grimăncăuți village, Briceni district

16. Likewise, on April 22, was signed the contract with the construction company for the infrastructure object in the village of Saharna Noua. The deadline for completion of works under the contract is established for June 22, 2020. Final Reception Commission took place on 14 July, 2020, now the infrastructure project is in the period of liability for defects.



Fig. 2. Infrastructure projects from Saharna Nouă village, Rezina district.

17. Due to the lack of financial sources and impossibility to collect the contribution, the beneficiaries from Cosnita village, Dubasari district and Costesti village, Ialoveni district requested to postpone the financing of the project for 2021.

18. The contest for the selection of infrastructure objects to be financed in 2020 had the deadline in April, 12, 2019 but due to the fact that only few applications were received it was decided to extend the contest for May 31, 2019. There were 11 applications submitted for the contest:

- Hlinaia village, Edineț district;
- Malcoci village, Ialoveni district;
- Biliceni Vechi village, Singerei district;
- Lopatna (Jora de Mijloc) village, Orhei district;
- Antonesti village, Cantemir district;
- Ceadir-Lunga, Ceadir-Lunga district;
- Vadul-Rascov village, Soldanești district;
- Cimișlia, Cimișlia district;
- Vorniceni village, Strasen district;
- Soltănești village, Nisporeni district;
- Cărpineni village, Hincești district.

19. As a result of the review of the applications and visits to the site, according to the qualification requirements only 5 localities have been selected for development of the feasibility study. CPIU has prepared the terms of reference for the selection of the consulting company for the elaboration of feasibility studies. After the feasibility studies were completed, the CPIU carried on with the evaluation and approval of the grants on May 21, 2020. The following localities were approved for financing in 2020:

- Malcoci village, Ialoveni district;
- Biliceni Vechi village, Singerei district;
- Antonești village, Cantemir district;
- Ceadîr-Lunga, Ceadîr-Lunga district;
- Vorniceni village, Strășeni district.

20. Due to the lack of financial sources, the client group from Malcoci village, Ialoveni district and Vorniceni village, Strasen district refused the financing.

21. Infrastructure projects from Bilicenii Vechi village, Sîngerei district honoured their contractual obligations and presented the technical project and transferred the contribution. CPIU IFAD launched the tender on October 1, 2020, at the end of October the applications were evaluated and the winner was the construction company SA Drumuri Bălți. The contract will be signed, but the construction works will start in June 2021.

22. The beneficiaries from Antonești village, Cantemir district and the beneficiaries from Ceadr Lunga town transferred the contribution and presented the execution project with delay. CPIU IFAD will prepare the tender documentation to launch the tenders in 2021.

23. In the reported period, CPIU IFAD launched first call to receive applications for the construction of infrastructure projects in 2021. The deadline was established on March 27, 2020 but due to the small number of applications the contest was extended until April 17, 2020. Within the established deadline, 16 financing applications were submitted, from the following localities:

- Unguri village, Ocnița district;
- Lopatna village, Orhei district;
- Grimăncăuți village, Briceni district;
- Grimăncăuți village, Briceni district;
- Burlacu village, Cahul district;
- Hagimus village, Căușeni district;
- Șișcani village, Nisporeni district;
- Mihăileni village, Rîșcani district;
- Cimișlia city, Cimișlia district;
- Sireți village, Strășeni district;
- Varvareuca village, Florești district;
- Gura Căinarului village, Florești district;
- Căușeni village, Căușeni district;
- Talmaza village, Ștefan Vodă district;
- Dubăsarii Vechi village, Criuleni district;
- Mileștii Mici village, Ialoveni district.

24. Following the examination of applications and field visits, according to the qualification requirements, 6 localities were rejected due to non-compliance with the eligibility criteria and failure to submit the required documents, as follows:

- Dubăsarii Vechi village, Criuleni district;
- Mileștii Mici village, Ialoveni district;
- Cimișlia city, Cimișlia district;
- Hagimus village, Căușeni district;
- Sireți village, Strășeni district;
- Șișcani village, Nisporeni district

25. CPIU IFAD launched a tender for the selection of a service provider to develop the feasibility studies. Therefore, calculations ORS will be made for the second stage of the qualification to be approved by selection committee.

26. In the reported period, CPIU IFAD also launched the second call to receive applications for the construction of infrastructure projects in 2021. The deadline was established on September 24, 2020 but due to the small number of applications the contest was extended until October 02, 2020.

Within the established deadline, 15 financing applications were submitted, from the following localities:

- Alunis village, r-nul Rîșcani district;
- Cimișlia city, r-nul Cimișlia district;

- Caplani village, r-nul Ștefan Vodă district;
- Brinzenii Noi village, r-nul Telenesti district;
- Sireți village, r-nul Strășeni district;
- Andrușul de Sus village, r-nul Cahul district;
- Saharna Nouă village, r-nul Rezina district;
- Șișcani village, r-nul Nisporeni district;
- Climăuții de Jos village, r-nul Șoldănești district;
- Sculeni village, r-nul Ungheni district;
- Dubna village, r-nul Soroca district;
- Carbuna village, r-nul Ialoveni district;
- Hîncești city, r-nul Hîncești district;
- Chioselia Mare village, r-nul Cahul district;
- Călinești village, r-nul Fălești district.

27. Following the examination of applications and field visits, according to the qualification requirements, 5 localities were rejected due to non-compliance with the eligibility criteria and failure to submit the required documents, as follows:

- Cimișlia city, r-nul Cimișlia district;
- Caplani village, r-nul Ștefan Vodă district;
- Sireți village, r-nul Strășeni district;
- Climăuții de Jos village, r-nul Șoldănești district;
- Hîncești city, r-nul Hîncești district;

28. In October 2020 CPIU IFAD launched a tender to select a company to elaborate the feasibility studies. The ORS calculations will be performed and the applicants of the second call will be submitted to the grant selection committee together with the applicants from the first call.

29. **Bottlenecks.** The first impediment for satisfactory project implementation is the pandemic situation caused by COVID-19 that have hampered or even stopped many activities. Due to restriction of mobility, it became complicated to organize and conduct the tenders, to communicate with beneficiaries and applicants as they used to come to the CPIU office for consultancy.

2.1.2 Sub-component 1.2: Farmer's adaptation through climate resilient investments

30. This sub-component includes the following activities:

- support smallholder farmers in the adoption of climate-resilient crop production systems and technologies, through investment grants and capacity development support;
- support food/nutrition security and business diversification of women groups in high climate- and poverty-vulnerable areas;
- support public and private investments in ecological restoration measures aiming to reduce climate-related risks and improve ecosystem services for agriculture.

31. For the implementation of Sub-component 1.2: Farmer's adaptation through climate resilient investments was planned to disburse from Project Funds USD 1.4 million. For the reporting period was disbursed in total the amount of USD 844.3 thousand, representing 59% of plan (*see details in table 2.1.2*).

Table 2.1.2: Sub-component 1.2 achievement, by financiers

(USD '000)

2020	ASAP	Total Project Funds	GoM	Beneficiaries	Total
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Plan	1 124.7	1 124.7	55.8	257.2	1 437.78
Actual	456.08	456.08	64.88	323.34	844.3
Actual/plan, %	41%	41%	117%	126%	59%

1.2.1 Climate resilient production system on technologies for smallholders

32. Social mobilization grant application and implementation support – *Public information and awareness raising campaign* – CPIU did not conduct a public information and awareness raising campaign. That is because the Grant Programme “Investment grants for on-farm resilient activities” with updated application conditions was launched only in August 2020. The grant related information was actively disseminated on Facebook, Instagram, agriculture specialised and other mass media. Information was disseminated also to farmer organisations with focus on horticulture.

33. Support on mobilization and grant application – whereas the Grant Programme “Investment grants for on-farm resilient activities” was launched in August 2020, the service providers under on-going 13 contracts could not provide support to potential beneficiaries to access grant categories before August 2020. Moreover, the contract provisions needed to be updated with the list of on-farm resilient activities investments in accordance with PIM amendments. In addition, the provisions on support for ecological restoration options had to be excluded, as this type of support was not anymore available to farmers. The contracts of service providers were amended in November 2020. The amendments also comprised performance indicators for service providers that will have to be assessed March 2021.

34. Grant application and implementation support - In January 2020 two consultants were contracted to undertake quick local market evaluation and identify technical specifications for the equipment for production of renewable energy and for agricultural equipment and machinery for the protection of crops from hazard factors and for the equipment used in organic agriculture. The market studies provided the information required for the amendment of PIM under Component 1.2.

35. Field technical support for participating farmers – During the reference period the CPIU did not manage to contract consultancy services for field technical support for participating farmers (e.g., agronomist, renewable energy, conservative agriculture, horticulture). The procurement process to select a company with required expertise did not succeed. Therefore, the climate change resilience specialists prepared ToRs for individual consultants. It is expected that the procurement process for the selection of individual consultants will be launched in January 2021.

36. Investment grants for on-farm resilient activities – in the reporting period CPIU provided only 7 matching grants for on-farm resilient activities to farmers, including 3 women in accordance with procedures of the Grant programme before amendments were operated in the PIM.

37. In accordance with recommendations of the IFAD Supervision mission of November 2019, by the decision No. 1/2020 of 24.01.2020, the IPSC approved amendments to the PIM on maximum limit of owned and rented land of 25 ha, physical check of grant applicants at screening phase, self-declaration letter from equipment supplier, three quotations for requested equipment. Additional amendments to the PIM were approved by the IPSC on 16 July 2020. Besides procedural clarifications, the amendments included the revised list of equipment and minimum technical specifications of the equipment developed by the experts, who undertook the market study, and validated by the Grant beneficiaries Selection Committee in the meeting on March 13, 2020.

38. The Call for applications No.1 for on-farm resilient investments in line with the provisions of amended PIM was launched on 14 August 2020. By application submission deadline (i.e. 30 September 2020) CPIU received 22 applications. Given the fact that no expertise was available for filed technical support, the field visits were undertaken by the Climate change resilient specialist in charge of ASAP grants. Following the evaluation process at pre-qualification stage, the meeting of the Selection Committee was held on 13 December 2020. The members of the Selection Committee approved 14 farmers for grant allocation. According to new procedures, CPIU submitted the minutes of the Selection Committee to IFAD for approval.

39. The Call for applications No.2 was launched on 02 December 2020 and shall be closed on 18 January 2021.

40. In January 2021, CPIU shall propose for consideration and approval by the members of IPSC additional amendments to PIM with the purpose of further clarifications on grant application procedure.

1.2.2 Ecological restoration interventions

41. Support to restoration plans - Under on-going contract ICAS developed one design project for the establishment of shelterbelts.

42. Supervision of shelterbelt and grass cover establishment/rehabilitation - CPIU selected and contracted one service provider (PomiProdconsult SRL) to supervise the process of shelterbelts and grass cover establishment and/or rehabilitation.

43. Investment on ecological restoration - in the reporting period, the CPIU provided support for the establishment of 18,33 ha of shelterbelts to 2 farmers, including 1 woman and a LPA. Also, CPIU disbursed grant resources for the establishment/rehabilitation of 36,2 ha of grass cover, from which 10 ha for a pasture within LPA and 26,2 ha of grass cover for 4 farmers, including 2 women.

44. In accordance with recommendations of the IFAD Supervision mission of November 2019, by the decision No. 1/2020 of 24.01.2020, the IPSC approved amendments to the PIM to exclude grass cover and shelterbelts options for private sector, remove LPAs co-financing for both shelterbelts (10%) and grass cover grants (50%) and offer restoration options (i.e. shelterbelt and grass cover establishment) for infrastructure projects.

45. On October 13, 2020, the Selection Committee approved LPAs for the rehabilitation of 75ha of pasture, which are expected to conduct the works in 2021.

46. Bottlenecks: Due to Covid-19 pandemic, the organisation of 2 study visits abroad was cancelled by the end of June 2020.

1.2.3 Women smallholder on farm adaptation (pilot)

47. During 2020 several changes were made regarding the implementation of the “Women smallholder on-farm adaptation (pilot-grants for women)”. Based on IFAD acceptance (email 28.06.2020), the contact with AO MEGA was amended including pre -financing assistance/field visits and post finance support/field visits at the stage of investment completion, provide recommendations on the implementation of the business plan. For the implementation of these activities, it was planned to use an amount of USD 77.0 thousand and assist 71 women in application to Project.

48. Despite all efforts, but also the Covid-19 pandemic, the target on women assisted was reached at 55%, and the following services were provided in 2020:

- 17 women assisted individually in guidance on business development;
- 29 women assisted in business plan elaboration, in completing the grant application and the

preparation of the application package;

- 30 applications received by CPIU and qualified for evaluation by Grant Committee;

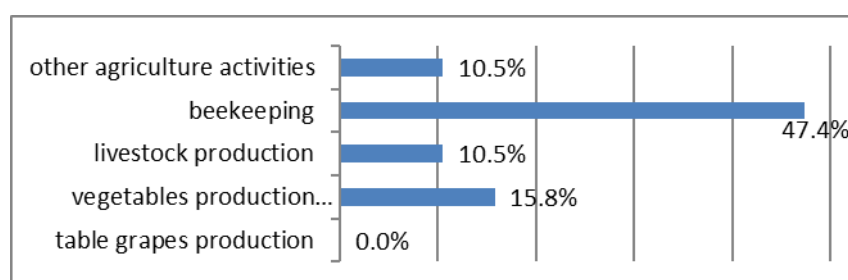
49. By end of 2020, 20 applications had been approved by the Grant Committee, of which 19 has been financed (or 27%), totalling USD 91.1 thousand, representing 26% of plan. The beneficiaries' own contribution is USD 29.4 thousand or 24.4 % of investment cost, higher than the 20% requested. For the procurement of goods and for transactions of grant amount and own contribution all the beneficiaries have used the fiduciary (escrow) account. The achievements of pilot grants for women are presented in table 2.1.3.

Table 2.1.3. Outreach achievement under Women smallholder on farm adaptation (USD '000)

	<i>Activity</i>	<i>number</i>	<i>ASAP</i>	<i>Beneficiaries</i>
	Plan 2020	71	405.0	71.2
1.2.4	Women smallholder on farm adaptation (pilot)	x	77.0	-
1.2.5	Matching grants:			
	1.2.5.1 Grant to support production	70	350.0	70.0
	1.2.5.2 Grant to support processing	1	8.0	1.2
	Actual 2020	19	108.5	29.4
1.2.4	Women smallholder on farm adaptation (pilot)	x	17.4	
1.2.5	Matching grants:			
	1.2.5.1 Grant to support production	19	91.1	29.4
	1.2.5.2 Grant to support processing	-	-	-
	Actual/plan, %	26.7	26.8	41.3

50. About half of the grant portfolio of pilot grant for women was used for development of business in beekeeping, but other activities are of development interest to women, such as vegetables and fruits production, livestock and related to agriculture activities.

Table 2.1.4 Classification of grants by profile of activity



51. Targeting. In terms of geographical distribution, the grants were provided in proportion of 100% in Rezina rayon, this being the most active rayon. Is to mention that out of 33 assisted applicants 21 were registered as a result of information and training activities. About 68% of financed businesses are start-ups, 21% are young women, age up to 35 years. The women funded enterprises are family-based, thus we can notice that a total of 34 people are beneficiaries of the grant.

52. In order to increase the success rate of pilot, the MTR mission has endorsed the proposal of CPIU to include grants as part of a matching grant scheme, using the same approach as youth grants implemented under IRECR. This decision led to the following actions:

- termination of the contract with current SP; in this context it was evaluated the ongoing

activities and established the tasks for completion;

➤amending the PIM for COMPONENT 2 “Agribusiness development support (ABDS)”, sub-component 2.1 “Term finance for micro, small and medium enterprises”, including terms, conditions, procedures for climate vulnerable women financing, as well as extending the eligible area and activities; and

➤review/elaborate the PIM for Grant programme “Women groups for agribusiness diversification”. By end of 2020 both PIMs were amended and presented to IFAD, MARDE and MoF for reviewing.

2.2 Component 2: The Agribusiness Development Support

53. Overview and component achievements. The total cost of the ABDS component was achieved at 288%, due to partners’ contribution. From Project funds was used the total amount of USD 2.9 million for the implementation of term finance to MSMEs sub-component and USD 15.6 thousand for technical support activities. The partners’ contribution exceeded two times the planed amount, mostly because of beneficiaries’ contribution. It should be noted that as the amount of disbursement loans increases, the partners’ contribution increases simultaneously, as this are interdependent (*details in table 2.1*).

Table 2.1: ABDS component achievement, by financiers (USD ‘000)

2020	IFAD		ASAP	Total Project Funds	Beneficiaries	GoM	PFI	Total
	Loan	Grant						
Plan	1,646.1	87.0	10.0	1,733.1	658.8	145.5	305.6	2,853.1
<i>s/c 2.1 Term finance to MSMEs</i>	<i>1,500.0</i>	<i>-</i>	<i>-</i>	<i>1,500.0</i>	<i>478.4</i>	<i>124.0</i>	<i>305.6</i>	<i>2,408.0</i>
<i>s/c 2.2 Credit Guarantees for MSMEs</i>	<i>8.0</i>	<i>27.0</i>	<i>-</i>	<i>35.0</i>	<i>-</i>	<i>2.9</i>	<i>-</i>	<i>37.9</i>
<i>s/c 2.3 Technical support to MSMEs</i>	<i>138.1</i>	<i>60.0</i>	<i>10.0</i>	<i>208.1</i>	<i>180.4</i>	<i>18.6</i>	<i>-</i>	<i>407.1</i>
Actual	2,917.7	12.9	2.7	2,933.3	4,272.8	405.6	603.1	8,214.8
<i>s/c 2.1 Term finance to MSMEs</i>	<i>2,916.5</i>	<i>-</i>	<i>-</i>	<i>2,916.5</i>	<i>4,272.8</i>	<i>404.4</i>	<i>603.1</i>	<i>8,196.8</i>
<i>s/c 2.3 Technical support to MSMEs</i>	<i>1.2</i>	<i>12.9</i>	<i>2.7</i>	<i>16.8</i>	<i>-</i>	<i>1.2</i>	<i>-</i>	<i>18.0</i>
Actual/plan	177%	15%	26%	169%	648%	278%	197%	288%
<i>Share by Financiers</i>								

54. Sub-component 2.1: Term finance for MSMEs. In 2020, the MSMEs financing plan was achieved at 193% in terms of value and at 175% in terms of volume. The plan of YEs financing was achieved at 112% in terms of number and at 106% in terms of value. The plan for SMEs financing was achieved at 166% in term of volume and at 260% in terms of value, due to increase in loan applications. Initially, the financing of micro entrepreneurs was scheduled via SCAs, partner commercial banks having low interest in SCAs financing. In order to arouse interest of Banks in micro lending, during 2020 CPIU, in cooperation with partner banks, has developed a micro lending product (financing of micro entrepreneurs directly by banks). The financing of micro entrepreneurs via CBs has started in December, but no loans have yet been disbursed. A progress was done in terms of approving a new SCA for direct financing. By the end of the year, SCA Botna was approved for direct financing of MEs.

Table 2.2: Achievements of term finance for MSMEs sub-component

	Number of loans	% women	Total Value, (USD '000)				Total cost, (USD '000)
			IFAD loan	PFIs resources	Beneficiary contribution	GoM	
Plan	60		1,500.0	305.5	478.4	124.0	2,407.9
<i>Term finance for MEs</i>	40	30%	200	22.2	24.7	-	246.9
<i>Term finance for YEs</i>	8	30%	300	33.3	37.0	24.0	394.3
<i>Term finance for SMEs</i>	12	30%	1,000.0	250.0	416.7	100.0	1,766.7
Actual	30		2,916.5	603.1	4,272.8	404.4	8,196.8
<i>Term finance for MEs</i>	0	-	0	-	-	-	-
<i>Term finance for YEs</i>	9	35%	318.1	46.0	177.7	41.7	583.5
<i>Term finance for SMEs</i>	20	55.6%	2,598.4	557.1	4,095.1	362.7	7,613.3
Actual/plan, %	49	40%	193%	210%	8 times	3 times	3 times

55. Beneficiaries' contribution. YE's contribution reached the amount of USD 177.7 thousand, exceeding three times the requested quota, representing 32.8% of total investment cost vs requested 10%, this being linked to high demand in fruit production investments (30% of YEs portfolio), which requires large investments at the pre-planting stage. The SME beneficiary's contribution reached the amount of USD 4.1 million, making up 56% of total investment cost vis-a-vis of 25% requested, due to financing of large share of portfolio for investments in building of cool storages (56% of SMEs portfolio).

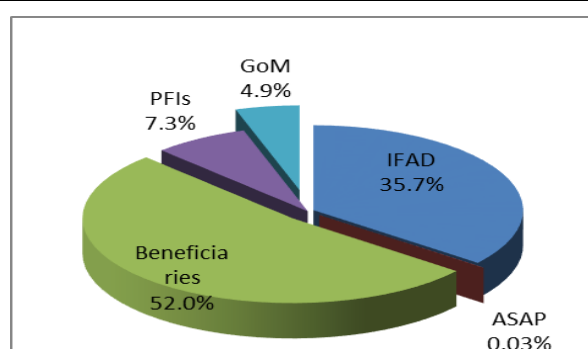
56. GoM contribution. According to the Government of the Republic of Moldova Decision, Project beneficiaries are exempt from paying taxes, duties and VAT with deduction right on goods purchased from IFAD funds. During the reporting period, all loan beneficiaries benefited from exemption of paying VAT and customs duties, thus the GoM contribution represents USD 404.4 thousand.

57. PFIs contribution. Based on IFAD supervision recommendation, the mandatory contribution of PFIs was cancelled. The PFIs contribution to the total loan requested by YEs and SMEs, realised until the cancellation, represent USD 603.1 thousand, including USD 46 thousand to YE financing and USD 557 thousand to SME financing. The co-financing quota of PFIs under the financing of YEs represents 12.6% and 17.7% for SME financing.

Chart 2.3 The financiers' contribution to total component cost

3.1.2.1 The largest contribution to the total component cost is of the beneficiaries representing 52%, followed by IFAD with 35%.

The PFIs contribution is 7% and GoM – 4.9%.



58. PFIs performance. The most active bank in financing of SMEs, as well as in financing of YEs is

Moldova Agroindbank, with share of about 73% of total portfolio; followed by Moldindconbank with share of 15% and FinComBank, which has disbursed 12% of loan portfolio.

59. The “B” licence SCA Botna, approved for direct financing of MEs, is located in village Costesti, Ialoveni district and provides services to neighbouring villages. In order to succeed, CPIU will provide SCA promotional materials on MEs financing, assistance in dissemination of information on social media platforms, other, as well as support in completion and submission of applications.

60. Taking into account that loan disbursement activity has started in 2019, granted loans are in grace period and of year end no arrears on loans. In order to cope with negative effects of the COVID-19 pandemic, the interest rate formula was revised and interest decreased. Loan beneficiaries have the possibility to ask for reviewing of loan repayment schedules, but no requests were registered in 2020.

61. Loan’s destination. The largest share of SMEs loan portfolio, about 62%, was used for investments in cold storage and processing facilities, which allow entrepreneurs to extend the period of sale and add value to the products, followed by fruit production - 26.5%. The sector with an upward trend of development by YEs is horticulture (fruit production - 31% and vegetable production - 17%), followed by cold storage and processing facilities -22% and field crops production -21%. As recommended by Supervision mission, in order to maintain the evidence of loans for climate change adaptation, a separate category was included in soft. In 2020, an amount of USD 1.9 million were disbursed for climate adaptation investments (such as: cold storages, refrigeration equipment, storages for crop production, greenhouses, irrigation system).

62. Targeting. In terms of geographical distribution, based on demand, the financial services were provided in proportion of about 46% in the North, 37% in the Centre of Moldova, and 17% -in the South. The target of women participation under SMEs financing has been met: 33% vs. 30% planned. As for YEs, the share of women almost twice exceeded the plan: 56% vs. 30%. About 89% of the YEs are micro and 23 are start-ups; 19% of financed SMEs are micro and 76% small, 10% are start-ups.

63. Sub-component 2.2. Credit Guarantees for MSMEs. With all effort and discussions, the establishment of MCGF did not succeed and the amount of USD 35.0 K estimated for assistance on establishment of MCGF was not used. As recommended by Supervision mission, the Government shall submit formally to IFAD by end of February 2021 a concrete proposal on the MCGF’s governance and structure for IFAD’s assessment and clearance, cancel the MCGF and reallocate the funds to activities under SC 2.1 (loans) and SC 2.3 (technical assistance).

64. Sub-component 2.3. Technical support to MSMEs comprises three measures: (i) technical support to agribusiness, youth entrepreneurs and SCAs, (ii) financial literacy, and (iii) knowledge management and targeting.

65. The technical support to agribusiness is intended to producers’ groups/associations provided from both ongoing Programs (IRECR and RRP). In 2020 the most support activities were planned under IRECR. However, it is worth mentioning that collaboration was established with 6 PGs associations, namely: (1) Association of Producers and Exporters of Grapes; (2) Dairy Farmers Association; (3) Association of Lavender Growers and Processors; (4) National Federation of Sheep and Goat Breeders for Meat and Milk, (5) Berries of Moldova and (6) aromatic and medicinal producers’ associations AROMEDA, which active 13 PGs and number of members -772 producers. The foreseen technical assistance was to provide trainings, local exchange and study visits and participation in national and international exhibitions, but due to Covid-19 pandemic, all the activities were suspended or cancelled.

66. For the implementation under the ABDS component of matching grant for producer groups to establish processing or other value-added plant, during the year the Implementation manual was elaborated and approved. The first call for application was launched and published in 5 sources of information. Within the established terms (the term was extended twice), 11.09.2020, 25.09.2020, 09.10.2020, 7 (seven) applications were submitted. After evaluation, 3 (three) applications did not meet the qualification criteria and 2 (two) were not eligible. Of the 2 (two) remaining, after a field visit, only 1 was qualified for the next step and estimated to be financed in 2021.

67. The support to youth on business plan development was provided through two approved service providers, namely: MEGA (Mobile Expert Group in Agribusiness) and Proconsulting LLC. During the reporting period, 7 (seven) YEs received assistance in BPs elaboration, representing 46% to plan, because of changes in requirements: for loans up to MDL 1 million the formal BP submission was cancelled.

68. As planned, in order to ensure a complex support to young entrepreneurs - beneficiaries of IFAD Programs, YEs trainings was initiated in October, having 2 important topics for small young producers: i) strategic modelling techniques and business performance evaluation and ii) principles of association and cooperation. Even all the arrangements for the training and workshop sessions were prepared in time, the restrictions imposed by the pandemic determined the amendment of the contract with the service provider (National Federation of Moldovan Farmers), and the transfer of the activity for 2021.

69. SCA development. For providing support to SCAs, a partnership agreement was signed with a newly created National Central Association of SCAs (NCASCA) to provide support: i) elaboration of their marketing strategy, and ii) training of SCAs on risk management. Being new created institution, in the first half of the year, with CPIU support, NCASCA has developed the procurement guide, based on public procurement and elaborated the drafts of ToR. On October 30, 2020, IFAD stopped any activity that are procured by entities with whom was signed an agreement (including NCA SCA), due to absence of well-defined procurement procedure (cleared by IFAD). As all activities involve acquisitions, these have been put on hold and NCASCA procurement guide was sent to IFAD for clearance. Following those mentioned, in 2020 no activities were implemented under the partnership agreement.

70. In addition to activities planned under partnership agreement, the CPIU developed one-year pilot project on the provision of technical assistance to SCAs aimed to increase their competitiveness. On October 1th, the contract with service provider was signed and by end of the year 2 of the 6 planned steps were implemented.

71. As the NCFM is a public institution and has to follow the public acquisitions, a note of acquisition procedures developed by NCFM, describing in detail the procurement procedures applied by NCFM, in particular related to the partnership agreements with CPIU was sent for IFAD's clearance.

72. Financial literacy. In order to ensure the continuity and to enhance the knowledge and experience in bookkeeping of the young /small entrepreneurs/SCAs members, considering that maintenance of even simply transactions is challenging for them, CPIU has planned to developed an electronic module for tracking all the transactions related to the personal and business budget. At the beginning of December, the contract with service provider was signed and initiated the implementation of activity. The application will help beneficiaries to generate automatic financial reports and to have automated calculations of some basic indicators.

73.Gender. In 2020, women-run businesses exceeded the target of 30% in terms of the number of

loans granted to women (55,6 % of total loans were disbursed to YEs women, and 35 % to women led SMEs). In terms of loan amount disbursed to women's businesses, the situation is as follows: 36% of the total disbursed loans were contracted by women-led SMEs, and 48.9% of disbursed loans to young entrepreneurs were directed to women-run businesses. In the case of YEs, the difference in share by number and by amount (55.6 % vs. 48.9%) reflects the fact that women still tend to access smaller amounts of loan than men, either due to banks' distrust in their entrepreneurial skills or due to insufficient collateral

2.3 Programme Management

74. The overall management of the Programme lies within the responsibility of the CPIU IFAD, established by the Government Decree, entrusted with responsibility for implementation activities coordination, including financial management. Currently, the CPIU IFAD comprises 18 fulltime employees, including the CPIU director, 16 specialists in charge of the on-going programme' implementation and driver.

75. CPIU will continue to exercise its responsibilities in terms of:

- Programme implementation in technical and financial terms, as well as supervision of the overall activities thereof;
- Procurement under the Programme's components;
- Monitoring and Evaluation of the Programme's impact in compliance with the RIMS indicators and other additional indicators which will enable Programme performance assessment;
- Preparation of progress reports, with continuous improvement thereof.

76. To ensure the management of RRP for 2020 it was planned an amount of USD 142.12 thousand, including USD 88.3 thousand IFAD loan contribution, USD 16.0 thousand ASAP and USD 37.82 thousand Government contribution. The donor funding generated an amount of USD 37.8 thousand GoM contribution as exemption of VAT and other taxes. In the reported period USD 53.86 thousand were disbursed, that represents 38% from the planned amount (*see details in table 2.3.1*).

Table 2.3.1: Plan vs. Actual Figures, by financiers

(USD '000)

2020	IFAD		ASAP	Total project funds	GoM	Total
	Loan	Grant				
Plan	88.3	-	16.0	104.3	37.82	142.12
PM Investment Costs	4.0	-	5.0	9.0	1.8	10.8
Recurrent Costs	84.3	-	11.0	95.3	36.02	131.32
Actual	37.26	-	9.7	46.96	6.91	53.86
PM Investment Costs	5.99	-	-	2.99	0.6	3.59
Recurrent Costs	34.26	-	9.7	43.96	6.31	50.27
Spent (%)	43%	-	61%	45%	19%	38%

Knowledge Management and Communication Activities.

77. KM&C activities represent an important part of project management, as KM leverages know-how across stakeholders to improve partnership and decision making, while communication play a vital role, ensuring the dissemination of knowledge through various channels.

78. During the 2020, due to the pandemic situation, CPIU's KM&C Specialist tried to adjust to the

situation and reviewed the communication plan to the possibilities. The main focus in this period was on Social Media:

- [YouTube](#) channel – 136 followers
- [Facebook](#) - 2667 followers
- [Instagram](#) – 242 followers
- [Odnoklasniki](#) – 22 followers

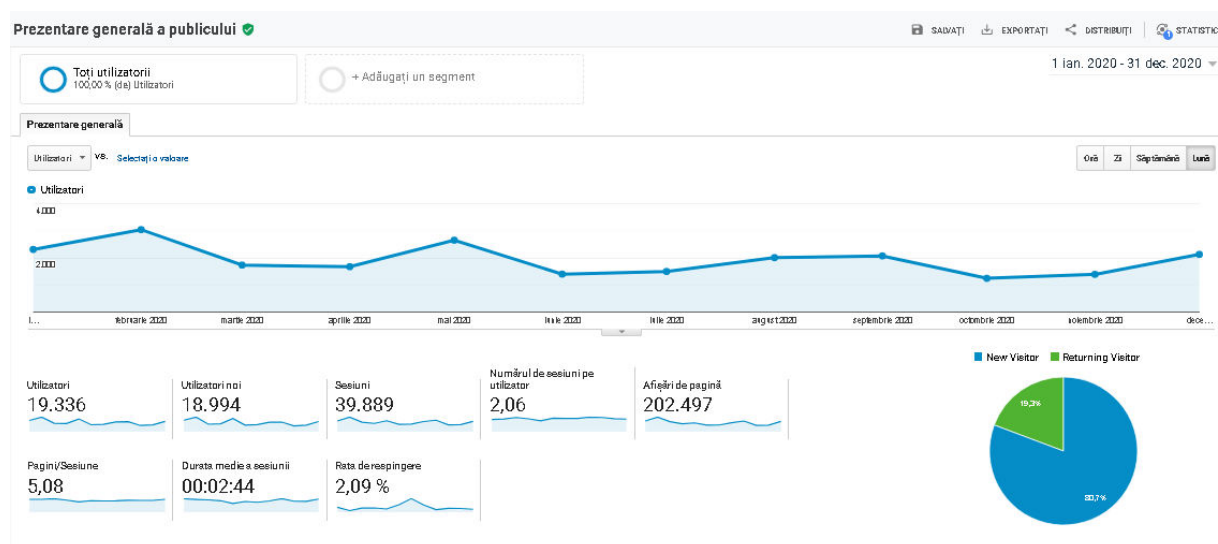
which helped to promote and disseminate information, being the best way to always keep contact with beneficiaries. Also, all the collaborations with mass media representatives, such as the websites and TV's for agricultural producers and rural development were involved in the dissemination process.

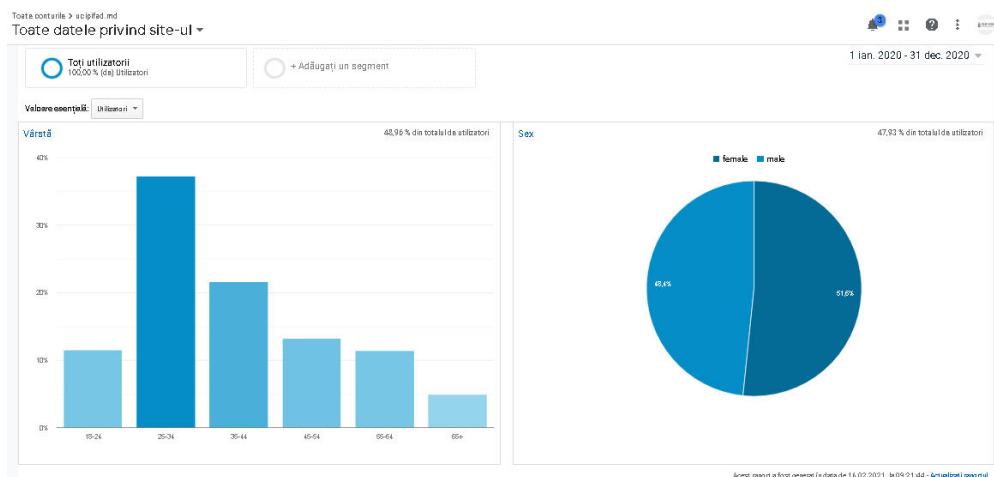
79. CPIU's website is the first source of information for those who want to be informed on CPIU's activities (*see details in table 2.3.2*).

The statistics for the reporting period:

- over **19 336** visited the website (comparing to 2019 when the website was visited by 7 148);
- **19.3 %** are retuning visitors;
- **77.98 %** from Moldova;
- **47.03 %** are from Chisinau, **31.15 %** are not set, and **1,12%** from Balti;
- **48.4 %** male, **51.6 %** female,
- **37.21 %** are 25-34-year-old,
- **53.44, %** from mobile, **45.34 %** from desktop, **1.22 %** from tablet

Table 2.3.2 CPIU IFAD web page views





It is worth mentioning that during the reported period on the www.ucipifad.md were published [25 success stories](#) (average two success stories per month) and [32 news articles](#)

80. In order to ensure the continuity and to enhance the knowledge and experience of the young entrepreneurs/SCAs members were updated and published the guides that come to the assist of potential entrepreneurs who want to start or develop a business, access a loan, keep track of income and expenses. The guides include information, materials, examples, and references relevant to the topic addressed, changes/adjustments to the legislation from 2020, which will serve as support for the guide user, all updated guides were published on the CPIU IFAD website.

81. In 2020, KM&C specialist engaged to disseminate information regarding IFAD Programme, best practices, and success stories. These kinds of news have an impact on the public and provide impactful dissemination and familiarize the audience about all the opportunities offered by IFAD Programme CPIU. For a better result all news/articles were published on several websites: CPIU's and www.agrobiznes.md, a local agricultural portal that worked with CPIU in 2018 and based on good feedback was decided to continue the collaboration, the division created before on Agrobiznes web site for CPIU IFAD <https://agrobiznes.md/ucip-ifad> was enriched with all information, news, videos, success stories regarding CPIU activities: 41 news / 24 success stories / 6 online events/visits.

82. Even though online mass media is getting more popular there are public that is still using printed mass media as an information source, from this perspective CPIU does pursue its collaboration with "Curierul agricol" newspaper in 2020, they did publish success stories and invitation to procurement contests. Recently this newspaper decided to open an on-line edition, a few articles were also published on the on-line version <http://gazetasatelor.md/?s=UCIP>

ASOCIATIILE DE ECONOMII SI IMPRUMUT AU UN NOU GHID DE CREDITARE

Un proiect al UCIP IFAD în colaborare cu Banca Mondială și Fundația Internațională pentru Dezvoltare Agricolă (IFAD) a publicat un nou ghid de creditare pentru asociațiile de economii și împrumut. Acest ghid este destinat să ajute asociațiile să acceseze credite și să gestioneze în mod eficient banii. Ghidul conține informații despre procesul de creditare, cerințele pentru obținerea creditelor și exemple de proiecte de succes. Este disponibil în limba română și rusă.

UCIP IFAD Granturi competitive pentru reabilitarea și înființarea perdelelor forestiere de protecție/silvo-pomicole

Unitatea Consolidată pentru Implementarea Proiectului de Dezvoltare Agricolă (UCIP IFAD) a lansat un concurs pentru acordarea de granturi competitive pentru reabilitarea și înființarea perdelelor forestiere de protecție/silvo-pomicole. Scopul este de a proteja culturile agricole și animalele de pășunat de efectele schimbărilor climatice și poluării aerului.

Costurile pentru reabilitarea/inființarea perdelelor forestiere de protecție vor fi acoperite integral din grantul proiectului, dar nu mai mult de:

- max. 1300 dolari SUA/ha pentru acoperirea costurilor de reabilitare (în baza proiectelor de execuție elaborate de instituția abilitată cu suportul financiar a UCIP IFAD)
- max. 3000 dolari SUA/ha pentru acoperirea costurilor de înființare (în baza proiectelor de execuție elaborate de instituția abilitată cu suportul financiar a UCIP IFAD)

Granturile vor fi acordate APL, pe bază de concurs, pentru următoarele categorii generale de investiții:

- Perdele de protecție – unul sau mai multe rânduri de specii de arbori și arbuști amplasate la o anumită distanță unele față de altele.
- Fișii riverane de protecție a apelor – rânduri de arbori, arbuști și vegetație verde plantate de-a lungul malurilor râurilor și bazinelor de apă.
- Garduri vii sau paravânturi – un tip de protecție împotriva vânturilor puternice din timpul iernii reprezentând plantarea arborilor/arbuștilor într-un mod care să rețină și păstreze zăpada pe suprafețele terenurilor agricole.

Benzi din pomi și arbuști fructiferi – în scopul de conservare și plantare a plantelor lemnoase multianuale pentru reîmpădurire și reabilitarea habitatelor, cultivarea pomilor sau arborilor forestieri, paravânturi, restabilirea lunilor inundabile și zonelor umede, precum și pentru implementarea practicilor agrosilvice cum ar fi pășunile împădurite și intercarea culturilor agricole cu rânduri de arbori.

Termenul limită de depunere a cererilor de finanțare este 10 martie 2020.

Pentru mai multe detalii privind condițiile de solicitare a finanțării, Vă invităm să accesați pagina: www.ucipifad.md, rubrica „Servicii/Granturi” sau la nr. de telefon 022 22 30 73

Republica Moldova, MD-2004, Chișinău, bd. Ștefan cel Mare și Sfânt 162, of. 1308

In the reported period there were published 20 issues regarding the financial products, grant

contest and success stories.

83. In 2020 CPIU IFAD launched a series of videos within the financial education campaign. All four videos come as a support tool for those who want to learn how to manage their personal money efficiently, to understand the importance of a clear record of income and expenditure and how to structure a surplus or at least a balanced budget. All videos were animated, with a clear and comprehensive message. Throughout a period of four weeks, CPIU disseminated messages from the videos and the clips using:

- YouTube channel (<https://www.youtube.com/channel/UCkUuUiWBgnSadHueaHFGcSA>);
- Facebook (<https://www.facebook.com/pg/UCIPIFAD/>);
- Instagram (https://www.instagram.com/ucip_ifad_);
- Odnoklasniki accounts (<https://ok.ru/ucipifad.moldova>);
- CPIU's website <http://www.ucipifad.md/campanie-de-educare-financiara/>

84. On the Facebook page were posted videos in order to reach as many views and disseminate information on the components, and to obtain data on characteristics of target reached through videos. (see details in table 2.3.3) for:

[Women smallholder on farm adaptation \(pilot\).](#)

Table 2.3.3 Women smallholder on farm adaptation and Infrastructure views

Women smallholder on farm adaptation (pilot):

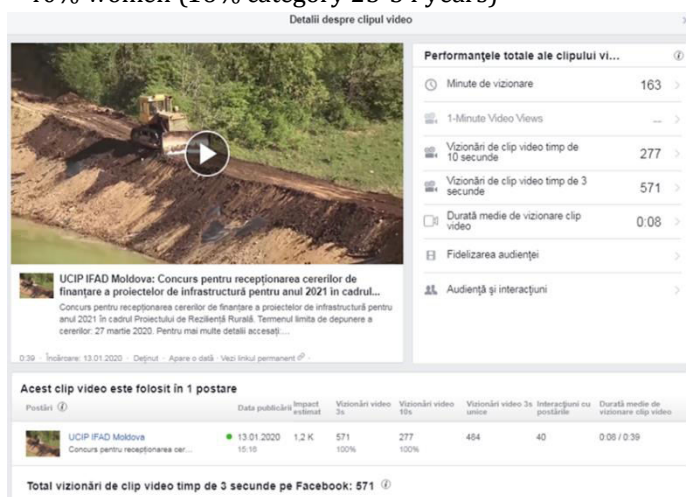
- Reach 2.2 K/
- 525 minutes' views/
- 44% men (15% category 25-34 years)
- 56% women (18% category 35-44 years)



Infrastructure

In first part of the year:

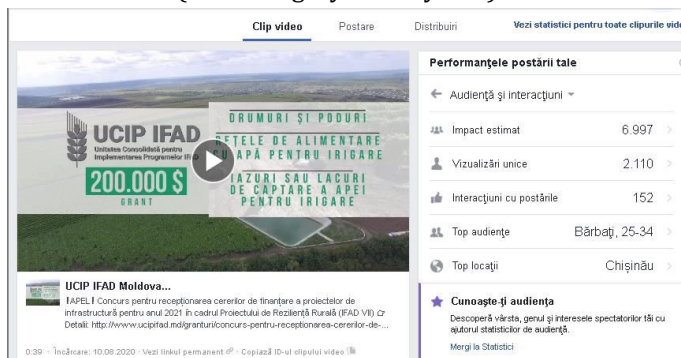
- Reach 1,2 K
- 163 minutes' views
- 59% men (26% category 25-34 years)
- 40% women (16% category 25-34 years)





In the second part of the year:

- Reach 6,9 K
- 687 minutes' views
- 49% men (18% category 25-34 years)
- 51% women (15% category 35-44 years)



Climate resilient production system on technologies for smallholders

- Reach 15,86 K
- 1977 minutes' views
- 70% men (21% category 25-34 years)
- 30% women (7% category 35-44 years)



20 Years of Activity:

- Reach 1,7 K
- 615 minutes' views
- 50% men (16% category 35-44 years)
- 50% women (15% category 35-44 years)



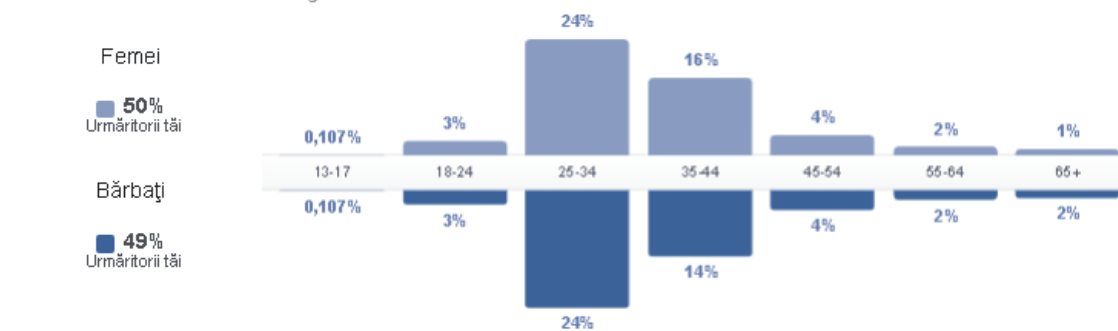
85. During 2020, on CPIU's Facebook page was presented the information related to financial opportunities, success stories, news, study visits, videos (see details in table 2.3.4):

- At 31st of December **2667** followers (in 2019 FB page had 2.207 followers);
- **75,68 %** followers are from Moldova;
- **54,05 %** followers are from Chisinau;
- **50%** women, **49%** men;
- age group **25-34-year-old**, the main group which 24%.

Table 2.3.4 Facebook information related to financial opportunities, success stories, news, study visits, videos



Persoanele care urmăresc Pagina ta. Această cifră este o estimare.



86. Within the RRP has been developed a Gender Action Plan in order to establish a proper gender and women empowerment strategy that will increase women's voice and make women

involved in social and economic life. To reach the female in the rural areas the KM & Communication Specialist developed, in collaboration with CPIU specialists, a number of knowledge products and advocacy materials on women's empowerment in agriculture and leadership, by showcase feminine role models and women's success stories to inspire other potential beneficiaries in the target group.

At the same time, all products were meant to promote equitable workloads, equal relationships within the household, and women's inclusion in the social and economic life at the same level as men. Based on the analyses of social media data the CPIU followers are balanced:

- CPIU website: **48.4 %** male, **51.6 %** female,
- CPIU Facebook page: **50%** women, **49%** men.

By the end of 40 month of project implementation (55,5%), under RRP have registered very good results in terms of women participation. Thus, 38% of project beneficiaries were women and as well as women beneficiaries reached 20,64% under the Agribusiness development support component, and 50% under the Improve smallholder and agribusiness adaptive capacity component.

87. The Knowledge Management plan has been revised by including a more detailed action and dissemination plan of specific KM products for 2021, including clear activities, and outputs, on how to support an optimal environment for learning and knowledge-sharing with potential beneficiaries and partners. Also, the specialist reflected the specific budget allocation needed for the KM outputs in AWPB, as each year, as part of the overall AWPB preparation process, the KM plan is reviewed and updated.

Monitoring and Evaluation.

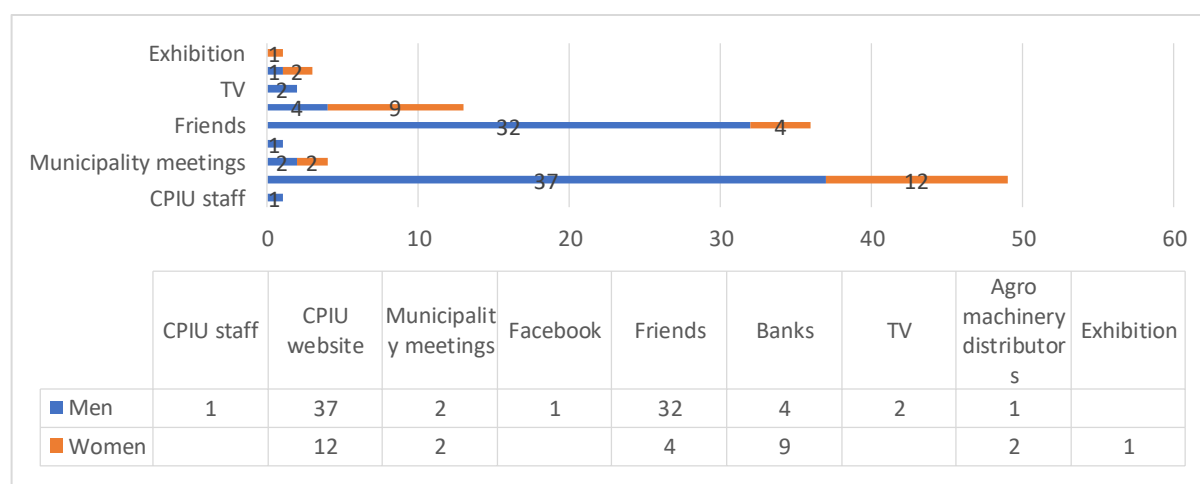
88. Due to extreme pandemic situation, and state of emergency declared, the field visits of M&E unit have been dropped until the Covid-19 pandemic recedes.

89. The project is at its middle of implementation and the necessity of primary and independent data collection occurred in order to reveal the main problems, weak points and to further find the solutions to redress the situation. The data collection was performed on 158 respondents who benefited from RRP products, 61 beneficiaries of grants related to climate resilient production and farm-level post-harvest management; 28 beneficiaries of credits for SME and young entrepreneurs and 57 beneficiaries of training "Reducing of constrains and identification of access opportunities to markets" organized by CPIU IFAD at the beginning of 2019.

90. The MTR was conducted by M&E Unit and due to current pandemic situation, the questioning of the beneficiaries was performed on the phone.

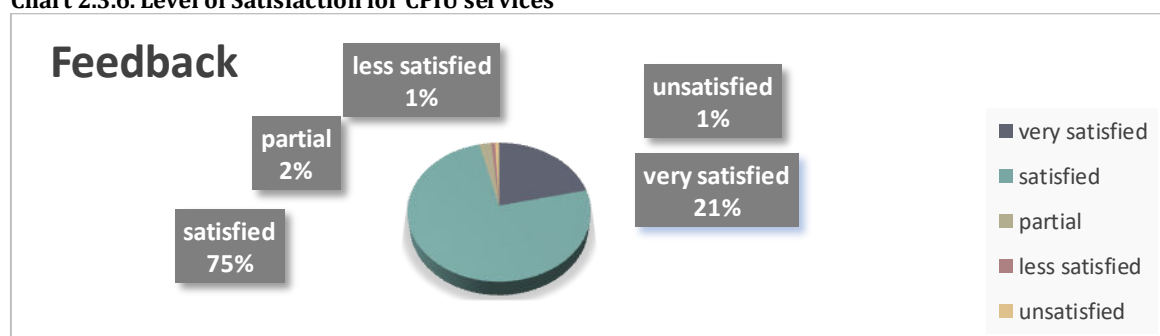
Main findings within Mid-term Outcome Survey

91. The survey shown that the main source of information among interviewed is CPIU's website that registers 45%. 33% of the questioned beneficiaries have mentioned that they learned about RRP opportunities from friends, relatives or beneficiaries of other IFAD Programmes. As a good implementation of the Project becomes hardly possible without Partner Financial Institution that CPIU collaborates with, the survey indicates that 12% of the respondents find out about RRP financial products from PFIs (national partner banks). Details regarding gender distribution see in chart 2.3.5.

Chart 2.3.5. Sources of information about RRP opportunities

57. Rating and Ranking the Level of Satisfaction of the RRP service quality was also included in the MTR survey, as beyond these specific, quantitative data it also, shows us the quality of CPIU's provided services, its strong and weak points. The overall picture shows that the majority of the beneficiaries i.e. 75 % are satisfied with CPIU services, 21% very satisfied and 1% each less satisfied and unsatisfied.

The level of satisfaction shown in the chart below, could be connected to the increased interest in CPIU's web site, as those satisfied with CPIU IFAD services will constantly visit the CPIU web site. (details in chart 2.3.6.).

Chart 2.3.6. Level of Satisfaction for CPIU services

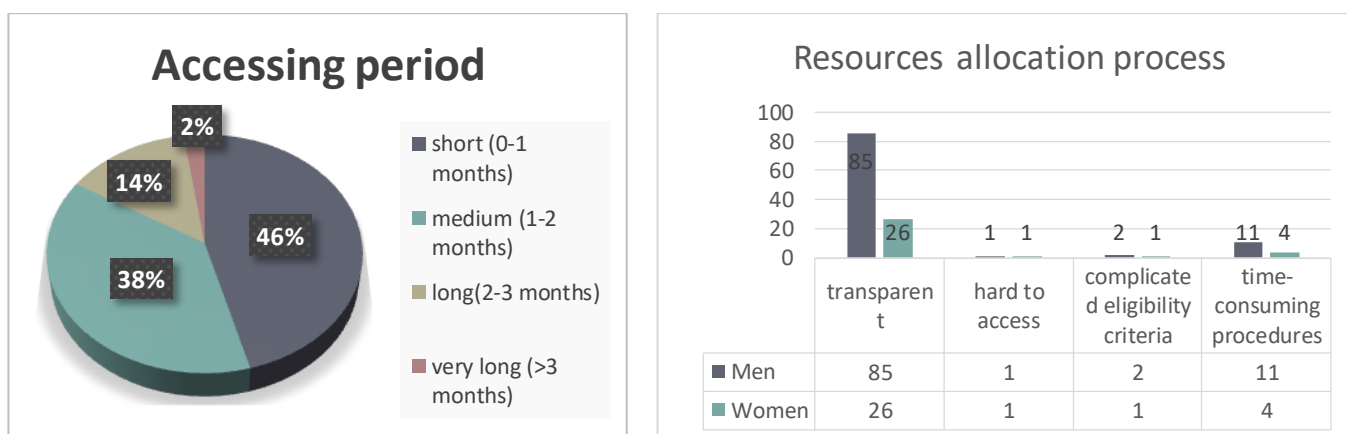
58. The period of accessing of a financial product within the Project determines the Level of Satisfaction of the Project, as a short-term accessing will lead to a satisfactory feedback. It is worth mentioning that, accessing period" refers to the period that begins with the moment of application submitting until the financing itself. The MT data collection points that main part of respondents, specifically 46%, had a short-term accessing period, 38%- medium term period. On the other end, 16% of the questioned beneficiaries related a long and very long accessing period (2, 3 months and longer).

59. Regarding the financial resources allocation 85% consider the process transparent and easy to access, the other 15% related that the procedures are time-consuming, non-transparent or

eligibility criteria are complicated. (details in chart 2.3.7.).

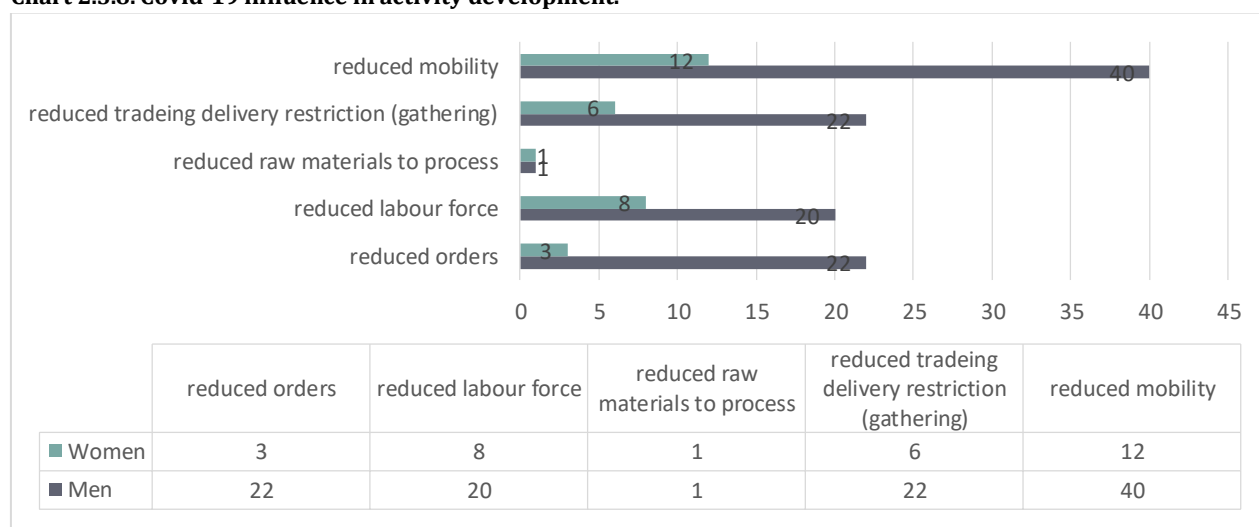
60. In this regard, one of the most frequent recommendation from the beneficiaries was to revise the funding procedures, to simplify the accessing process and to make the eligibility criteria easier and more accessible.

61. Chart 2.3.7. Resource's allocation process and accessing period



62. The development of the Project, as well as the development of agricultural and non-agriculture activities depends on a multitude of direct and indirect factors. The year 2020 could be considered a historical one, a very difficult year due to Covid-19 pandemic, that covered the whole planet and the Republic of Moldova as well. The survey shows that 84% from respondents are affected by Covid-19, as most of activities have been hampered or even stuck. Many activities are still affected, 52% of the respondents have mobility constraints, 25% have reduced orders and 28% have delivery restrictions. A part of respondents considers that Covid-19 pandemic will translate in the business implementation in the future and it won't be easy to get through as a part of them might be constrained to reduce employees, would have difficulties to pay the bank rates or even have to close the activity.

Chart 2.3.8. Covid-19 influence in activity development.



Grants related to climate resilient production and farm-level post-harvest management

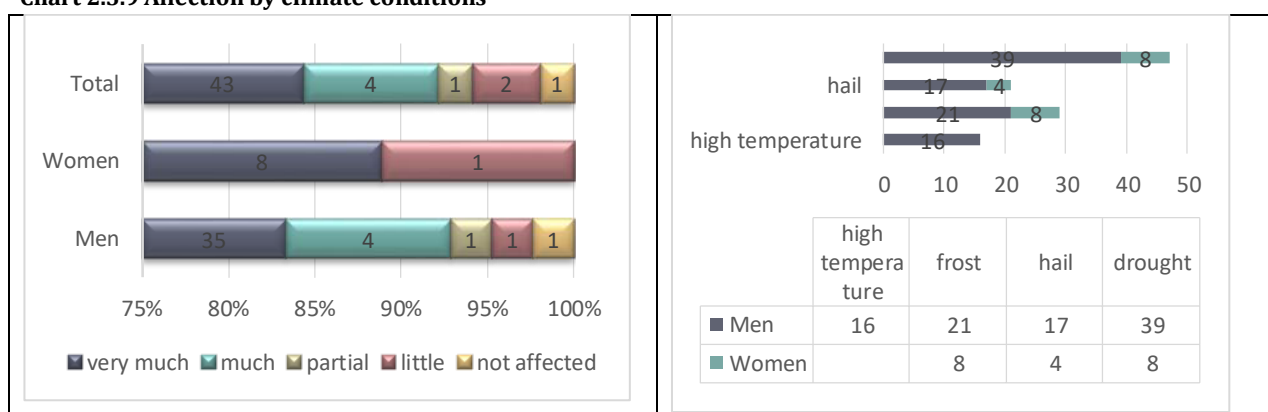
92. In order to stimulate investments by smallholder farmers for production and post-harvesting technologies by making matching grants available for early adopters, the RRP developed a grant program within sub-component 1.2 Farmers' adaptation through climate resilient investments. Gender disaggregation shows that 73% of the respondents are men and 27% - women; 35% from the total are young farmers, up to 35 years.

93. Regarding needs of the RRP grant beneficiaries for trainings or advice on the management of climate related risks, the survey show that 94% from respondents need trainings and consultancy on management of climate related risks (39 men and 9 women of which 17 are young).

94. As said earlier, the year 2020 was a difficult one, but not only due pandemic situation. The severe drought that comprises Moldova have radically influenced most of the activities of RRP beneficiaries. From the total number of beneficiaries only one declared that was not affected by climate conditions and 2 respondents are little affected, 94% are affected by climate changes especially because of 2020-year severe drought. (details in chart 2.3.9).

95. 92% of beneficiaries are affected by drought, 57% are affected by frost, 41% are affected by hail and 31% are affected by high temperature.

Chart 2.3.9 Affection by climate conditions

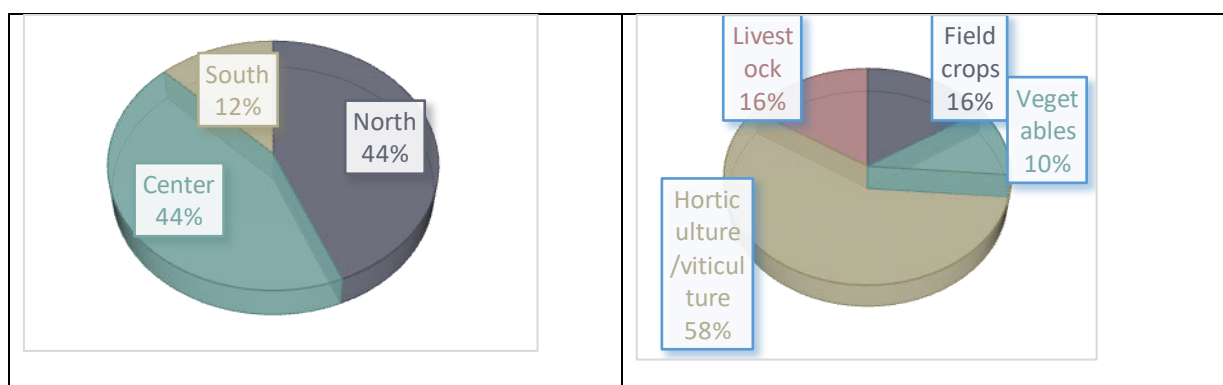


96. It is important to mention that 76% of beneficiaries declared that grant received under RRP helped them to cope with effects of climate changes. Most of them purchased agricultural machinery for soil tillage and as a result it helped to keep soil humidity, avoid soil erosion, slow the humidity evaporation. The grants for grass covering within the orchards help to keep the soil humidity; grants for photovoltaic panels help beneficiaries to produce own energy that allows to pump water from the river and the land to be irrigated.

Small and Medium Enterprises beneficiaries

63. SME beneficiaries that participated to survey are represented by 56% of men and 44% women, 19% are young and 56% -Peasant Farm and 44% are LLCs. SME beneficiaries are mostly concentrated in the north and centre region, less in south of the country. (details in chart 2.3.10)

Chart 2.3.10 Regions and types of activity



97. Regarding satisfaction of services provided by PFIs with loan accessing 6% of SMEs beneficiaries are very satisfied, 63% are satisfied; 25% are partial satisfied and 6% are unsatisfied.

98. Most of the SMEs have improved their indicators in terms of jobs and land. Even due to unfavourable climatic and economic conditions, entrepreneurs have improved their employment and land possession indicators. Thus, for 2020 the average of new permanent jobs created per enterprise is 3.97 or an increase of 27% comparing to baseline data. This increase is related to the fact that new jobs created for women increased with 3.26 or 48% comparing to baseline data. The average monthly salary increased with 1141 MDL (approximately 67 USD) or 35% comparing to baseline data. This indicator proves us that the standard of living has increased in the referenced period for SMEs beneficiaries as indicated in Asset's evolution chart. The indicators that report the seasonal jobs created increased insignificant, with only 1.78 units per enterprise and the period of seasonal employment decreased with 5.22 days comparing with baseline data. This specific result is closely related to the severe drought that occurred in the first half of 2020 that compromised the harvest in all agriculture branches and on the other hand, the pandemic situation also reduced considerably the number of seasonal workers. (*details in table 2.3.11*).

Table 2.3.11 SMEs land and jobs related indicators

Indicators	Nominal values		Difference	
	Baseline	2020	Variation	%
Total Permanent Jobs	14.7	18.67	3.97	27%
Men	7.85	8.56	0.71	9%
Women	6.85	10.11	3.26	48%
Average monthly salary, MDL	3252	4393	1141	35%
Seasonal Jobs	17.0	18.78	1.78	10%
Men	7.0	7.67	0.67	10%
Women	10.0	11.11	1.11	11%
Salary (MDL/Day)	225	237	12	5%
Term of employment (day/year)	55	49.78	-5.22	-9%
Total land, ha	73.48	128.9	55.42	75%
Own	28.58	33.36	4.78	17%
Rented	44.9	95.54	50.64	113%

99. Land indicators increased significantly. The cultivated land expanded with 55.42 ha or 75% comparing to baseline data. This development is a result of extension of rented land of SMEs beneficiaries.

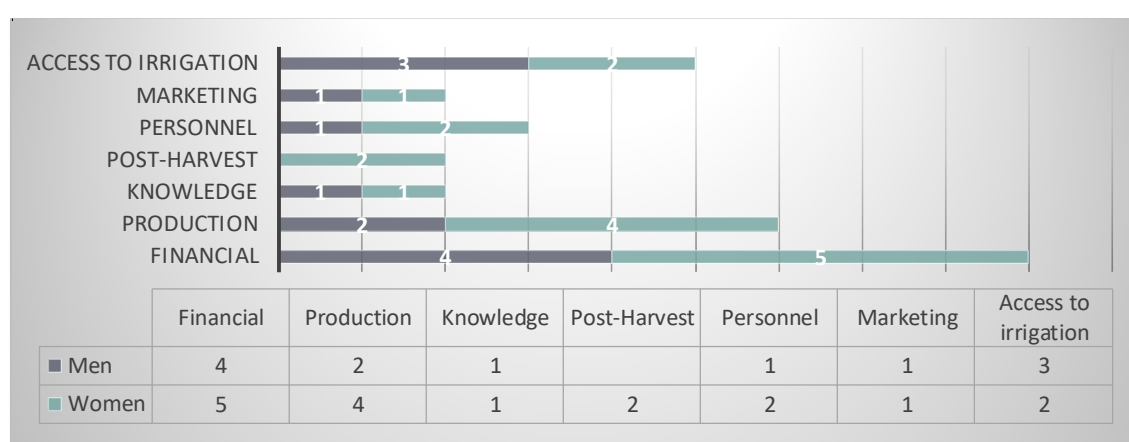
100. In order to develop their businesses 56% of enterprises declared that they need more

performant or additional technologies, 38% need equipment and/or buildings (storages) and 25% need working capital.

101. Most of the respondents have managed to improve their profit as result of project intervention, thereby, 56% declared that the profit increased in average with 23.75%. This result could be considered a good one, taking into consideration that the Republic of Moldova goes through an unstable socio-economic and political period.

102. The main issues that SMEs beneficiaries are facing with are financial, lack of access to irrigation and production (*see details in chart 2.3.12*). The data collected shows that the causes of up-mentioned issues are lack of qualified labour force, lack of technical knowledge, high prices for raw materials and low sales prices.

Chart 2.3.12 Main issues in SME activity



Young Entrepreneurs beneficiaries

64. The YEs beneficiaries that participated to survey are represented by 78% of men and 22% women, 22% of beneficiaries have the legal status of Peasant Farm and 78% activate as LLCs. YEs beneficiaries are mostly concentrated in the north region of the country -44% and south region - 33% and less in centre- 22%.

65. Regarding the level of satisfaction with services provided by Partner Financial Institutions 100% of YEs beneficiaries responded that were “very satisfied” and “satisfied”.

66. In terms of permanent jobs created YEs, beneficiaries of RRP, reported minor changes regarding the number of employees hired, with a variation of only 3% comparing to baseline data. This must be related to short period for development, small business that involves working with household members. In terms of seasonal jobs, the indicator increased with 5.25 and daily payment increased with 17 % comparing to baseline data; the period of employment decreased with 15 days, the same tendency also observed to SMEs and grant beneficiaries. Regarding the average of monthly salary for permanent employees, it has increased with 28% comparing to baseline data and this increase is closely related to the increase of average salary in country. (*details in table 2.3.13*)

Table 2.3.13. YEs land and jobs related indicators

Indicators	Nominal values		Difference	
	Baseline	2020	Variation	%

Total Permanent Jobs	2.43	2.5	0.07	3%
Men	1.43	1.5	0.07	5%
Women	1.0	1.0	0	0%
Average monthly salary, MDL	2 336	3 000	664	28%
Seasonal Jobs	7.0	12.25	5.25	75%
Men	3.0	3.75	1.75	58%
Women	4.0	7.5	3.5	88%
Salary (MDL/Day)	216	233	17	8%
Term of employment (day/year)	55	40	-15	-27%
Total land, ha	29.87	82.83	22.96	38%
Own	43.74	50.33	6.59	15%
Rented	16.13	32.5	16.37	101%

67. The land ownership indicators also increased, cultivated land increased with 22.96 ha or 38% comparing to baseline data as YEs beneficiaries doubled the surface of rented land in relation to the initial baseline indicators.

68. In order to continue to develop their businesses 33% of enterprises declared that they need equipment and new buildings (storages), 17% need technologies and qualified staff.

69. Data collection shown that from CPIU IFAD intervention until now only 17% of beneficiaries declared that their profit increased as result of project implementation, for 33% the profit didn't change, the main causes being the severe drought that compromised the harvest and lack of sales market due to Covid pandemic.

Annex 1: Outputs table as of 31.12.2020

Indicator	Unit	MTR Updated Target	2020			
			Plan	Actual	Cumulative	Cumulative /Appraisal %
				31 dec.	31 dec.	31 dec.
Component 1 Improve smallholder and agribusiness adaptive capacity	<i>Men</i>	10146		173	224	2%
	<i>Women</i>	4348		219	229	5%
	<i>Young</i>	2899		193	218	8%
	<i>HH</i>	14494		392	453	3%
Sub-component 1.1: Climate Resilient Water Management and Infrastructure Development (CR-WMID)	<i>Men</i>	2030		6	6	0.3%
	<i>Women</i>	870		4	4	0.5%
	<i>Young</i>	580		5	5	0.9%
	<i>HH</i>	2900		10	10	0.3%
Micro and small irrigation schemes	Number	24	4	2	2	8%
Small agro enterprises in micro and small irrigation schemes	Number	72		10	10	14%
Micro and small Irrigation schemes constructed/rehabilitated	Km	n/a		5.387	5.387	
Hectares of land irrigated (from irrigation schemes)	Ha	1440		159.96	159.96	11%
Number of beneficiaries (from irrigation schemes)	Number	1600		10	10	1%
	<i>Men</i>	1120		6	6	
	<i>Women</i>	480		4	4	
	<i>Young</i>	320		5	5	
Sub-component 1.2 Farmers' adaptation through climate resilient investments	<i>Men</i>	8116		167	218	3%
	<i>Women</i>	3478		215	225	6%
	<i>Young</i>	2319		188	213	9%
	<i>HH</i>	11594		382	443	4%
Grants related to climate resilient production and farm-level post-harvest management	Number	420	120	7	67	16%
	<i>Men</i>	294		4	55	19%
	<i>Women</i>	126		3	12	10%
	<i>Young</i>	84		2	27	32%
Women Smallholders Vulnerability and Business Diversification Pilot grant	Number	224	71	19	19	8%
	<i>Young</i>	45		4	4	9%
W-1 support the restoration of vegetation shelterbelts around farm-land plots	Ha	200	60	18.33	18.33	9%
Beneficiaries of shelterbelts	Number	n/a		3	3	
	<i>Men</i>			1	1	
	<i>Women</i>			1	1	
	<i>Young</i>					
LPA (People in LPA benefited from shelterbelts)	LPA			1	1	
	<i>Men</i>			90	90	
	<i>Women</i>			110	110	
W-2 support the restoration of vegetation cover in the catchment areas of water schemes and reservoirs	<i>Young</i>			60	60	
	Ha	30	10			
Beneficiaries of grassland restoration	Ha	200	60	36.2	46.2	23%
	Number	n/a		5	6	
	<i>Men</i>			2	2	
	<i>Women</i>			2	3	
	<i>Young</i>			2	2	
	LPA			1	1	
LPA (People in LPA benefited from grassland restoration)	<i>Men</i>			70	70	
	<i>Women</i>			80	80	
	<i>Young</i>			120	120	
People trained under sub comp 1.2	<i>Men</i>					
	<i>Women</i>					
	<i>Young</i>					
Component 2: Agribusiness development support	<i>Men</i>	2089		17	246	12%
	<i>Women</i>	1075		12	64	6%
	<i>Young</i>	633		10	141	22%
	<i>HH</i>	3164		29	310	10%
Subcomponent 2.1: Term finance for MSME						

YE financed with loans	Number	62	8	9	18	29%
	<i>Men</i>	46	6	4	11	24%
	<i>Women</i>	16	2	5	7	44%
SME financed with loans	Number	31	12	20	39	126%
	<i>Men</i>	22	8	13	25	114%
	<i>Women</i>	9	4	7	14	156%
	<i>Young</i>	6		1	7	117%
Subcomponent 2.3: Technical support to MSME						
Young entrepreneurs supported with business plan (max 450\$)	Number	63	15	7	12	19%
	<i>Men</i>	45		3	8	18%
	<i>Women</i>	18		4	4	22%
Youth entrepreneurs training participants (post-financing)	Number	150		0	78	52%
	<i>Men</i>	105			55	52%
	<i>Women</i>	45			23	51%
VCD trained participants	Number	170		-	175	103%
	<i>Men</i>	119			155	130%
	<i>Women</i>	51			20	39%
	<i>Young</i>	34			38	112%
People trained in financial literacy	Number	300				
	<i>Men</i>	210				
	<i>Women</i>	90				
	<i>Young</i>	60				
Total number of RRP	<i>Men</i>	12361		190	470	4%
	<i>Women</i>	5297		231	293	6%
	<i>Young</i>	3532		203	359	10%
	<i>HH</i>	17658		421	763	4%