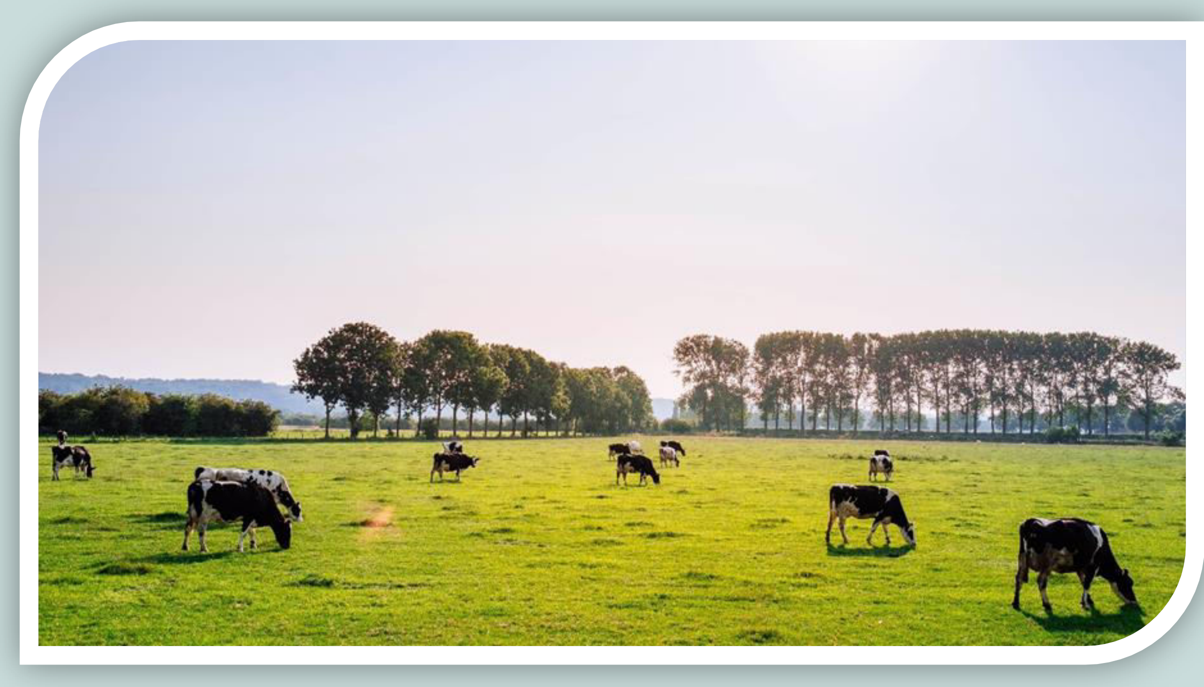
MINISTRY OF AGRICULTURE, REGIONAL DEVELOPMENT AND ENVIRONMENT

IFAD CONSOLIDATED PROGRAMME IMPLEMENTATION UNIT



Inclusive Rural Economic and Climate Resilience Programme

Annual Report 2020

Republic of Moldova

Contents

ABREVIATIONS & ACRONYMS

AAMPG	Association of Aromatic and Medicinal Plants Growers (Aromeda)
ABM	Association "Berries of Moldova"
AIPA	Agency of Interventions and Payments for Agriculture
ALGP	Association of Lavender Growers and Processors
APEG	Association of Producers and Exporters of Grapes
AWP&B	Annual Work Plan & Budget
BP	Business Plan
CA	Conservation Agriculture
CC	Climate Change
CCRIVC	Climate Change Resilience and Inclusive Value Chains
CGF	Credit Guarantee Fund
EAPMO	External Assistance Programme Management Office[1]
CPIU IFAD	IFAD Consolidated Programme Implementation Unit
DFA	Dairy Farmers Association
DKK	Danish Krone
FFS	Farmer Field School
GEF	Global Environment Facility
GoM	Government of Republic of Moldova
IFAD	International Fund for Agricultural Development
IPSC	IFAD Programme Steering Committee
IRFCD	Inclusive Rural Finance and Capacity Development
IRECR	Inclusive Rural Economic and Climate Resilience Programme
IRRG	Infrastructure for Rural Resilience and Growth
LLC	Limited Liability Company
LPA	Local Public Authority
MARDE	Ministry of Agriculture, Regional Development and Environment
MEs	Micro Entrepreneurs
MoF	Ministry of Finance
MTR	Mid-term Review
NCFM	National Commission for Financial Market
NFSGB	National Federation of Sheep and Goat Breeders for Meat and Milk
NTFP	Non-Timber Forest Products
OA	Organic Agriculture
PF	Peasant Farm
PFIs	Participating Financial Institutions
PIM	Programme implementation manual
PG	Producers group
RFC	Rural Finance Corporation
RRP	Rural Resilience Project
SCAs	Savings and Credit Associations
SLA	Subsidiary Loan Agreement
SMEs	Small and Medium Enterprises
SPs	Service providers
IRRG	Infrastructure for Rural Resilience and Growth
TA	Technical Assistance
ToR	Terms of Reference
ToT	Training of Trainers
VCD	Value Chain Development
YEs	Young Entrepreneurs

[1] Former Credit Line Directorate

PROGRAMME OVERVIEW

Title:	Inclusive Rural Economic and Climate Resilience Programme (IRECR) – IFAD VI
Financing Agreement Number:	IFAD Loan no.: 2000000418; IFAD Grant no.: 2000000443; GEF Grant no.: 2000000452; Danish Grant no: 2000000703
Goal:	The overall goal of IRECR is to enable the Target Population to raise their incomes and strengthen their resilience to climate change. The Programme has a national coverage with exception of the Climate Change Resilience Component which shall focus on vulnerable areas predominantly in the central and southern rayons.
Objectives:	* To enhance the resilience and adaptive capacity of farmers to climate change to ensure higher and more stable incomes; * To enhance access to enterprise capacity development, financial services and entrepreneurship support; * To improve beneficiaries' productivity and competitiveness, increase investment and business opportunities, and improve market access and resilience against economic and climate shocks.
Components:	**Component 1: Climate Change Resilience and Inclusive Value Chains** The overall purpose of Component 1 is to enhance the resilience, inclusiveness and adaptive capacity of agribusinesses in value chains to climate change through the introduction of climate-resilient agriculture practices and technologies, and the promotion of selected value chains that can demonstrate inclusiveness of the rural poor. **Component 2: Inclusive Rural Finance and Capacity development** The component shall enhance access to financial services for the Target Population through banking and non-banking financial institutions to serve rural micro, small and medium enterprises and young entrepreneurs. The Component includes two Sub-Components: (2.1) *Financing of Agricultural and Rural Investments;* to provide investment financing facilities to rural entrepreneurs through four financing facilities: * financing of rural-based small and medium enterprises' agricultural investments; * financing of rural-based young entrepreneurs; * financing of rural-based micro-entrepreneur's investments and * financial provision of a loan portfolio guarantee scheme to Saving and Credit Associations for their investment loans, facilitated by a credit guarantee fund. (2.2) *Capacity Development within the SCA Sector,* to support three key areas: * capacity development support for offered to B-licensed SCAs and A-licensed SCAs; * assistance to SCA apex organizations; **Component 3: Infrastructure for Rural Resilience and Growth** Increase rural economic growth through infrastructure development by strengthening the rural sector's resilience against the increased frequency and depth of climatic and economic shocks, and enabling rural producers to increase production, shorten transportation time from farm to market, lower transaction costs, diversify production and engage in higher value chains that demands predictability of delivery.
Duration:	78 months + 6 months extension - starting on 25/08/2014 and completing 31/03/2021.
Project Year:	6
Planning period:	January-December 2020
Initial Allocation:	IFAD Loan 16.1 million USD, IFAD Grant 0.5 million USD, DANIDA 5.2 million USD (equivalent of 28.571.400 DKK), GEF 4.26 million USD
Expenditures as of 31/12/2020:	IFAD Loan 13.8 million USD (86%[2]), IFAD Grant 0.2 million USD (43%), DANIDA 4.4 million USD (equivalent of 28.551.055 DKK (99.93%[3])), GEF 3.2 million USD (75%)

[2] Comparing to initial allocation
[3] Completely disbursed, the difference is due to depreciation of DKK

IMPLEMENTATION PROGRESS

1.1 FINANCIAL PROGRESS

1. **Actual Expenditures.** For 2020 the CPIU has planned an amount of USD 7.8 million to be disbursed under IRECR. It included USD 5.9 million donor funds (IFAD, GEF) and USD 1.9 million of locally generated resources: beneficiaries' contribution, Government and PFIs.

2. By the end of 2020 it has been managed to use the overall budget at 81% and donor funds at 68%. The percentage of disbursements of the external funds are the following: IFAD Loan- 84%, IFAD Grant-29%, GEF-39%. Local partners' funds are the following: Beneficiaries contribution-142%, Government contribution-98% and PFIs with 97% *(details in Table 1.1.1)*.

Table 1.1.1: Plan vs. Actual Figures, by financiers (USD '000)

2020	*IFAD*		*GEF*	*Total external funds,*	*Beneficiaries*	*GoM*	*PFIs*	*Total*
	Loan	Grant						
Plan	3 832.8	260.8	1 818.5	5 912.1	993.1	632.9	324.1	7 862.2
Actual	***3 224.7***	***75.6***	***703.9***	***4 004.2***	***1 408.1***	***622.0***	***314.9***	***6 349.2***
Spent from plan (%)	*84%*	*29%*	*39%*	***68%***	*142%*	*98%*	*97%*	***81%***

3. From the total amount of expenditures, IFAD Loan has been disbursed at 84%, IFAD Grant 29% and GEF resources at 39%. On the CCRIVC component, it has disbursed 4% of IFAD Grant and 37% of GEF funds. On the IRFCD component it was disbursed 96% of IFAD Loans and 88% of IFAD Grant. The IRRG component has manage to disburse 78% of IFAD Loan. The Project Management component has disbursed 85% from planned IFAD Loan, 11% from planned IFAD Grant and 90% from GEF funds *(details in Table 1.1.2).*

Table 1.1.2: Plan vs. Actual Figures, by components, IFAD, GEF (USD '000)

Component	IFAD Loan			IFAD Grant			GEF		
	Plan	*Actual*	*Disbursed (%)*	*Plan*	*Actual*	*Disbursed (%)*	*Plan*	*Actual*	*Disbursed (%)*
1. CCRIVC	33.8	-	**-**	108.3	4.1	**4%**	**1 745.5**	638.8	**37%**
2. IRFCD	1 423.0	1 363.7	**96%**	72.0	63.1	**88%**	**-**	-	**-**
3. IRRG	2 135.0	1 657.4	**78%**	-	-	**-**	**-**	-	**-**
4. PM	241.0	203.6	**85%**	80.5	8.4	**11%**	**73.0**	65.1	**90%**
Total	**3 832.8**	**3 224.7**	**84%**	**260.8**	**75.6**	**29%**	**1 818.5**	**703.9**	**39%**

4. **Actual Cumulative Expenditures.** As of end of 2020, IRECR has achieved the disbursement of 21.6 million USD from initially allocated donors' funds, that represents 83%. At the same time, the total budget realization including local contribution, was achieved at 113% to the initial allocation, totalling USD 52.2 million.

5. It is worth mentioning that financing sources funds from IFAD, GEF and DANIDA generated an in-country contribution of USD 30.6 million from Project's Beneficiaries, the Government, EAPMO (former Credit Line Directorate) 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		*GEF*	*DANIDA*	*Total external funds,*	*Beneficiaries*	*GoM*	*CLD*	*PFIs*	*Total per IRECR*
	Loan	**Grant**								
Appraisal	**16 107.8**	**498.6**	**4 260.0**	**5 221.2**	**26 087.6**	**7 470.8**	**3 498.4**	**7 520.0**	**1 902.2**	**46 529.0**
Actual Cum.	*13 827.2*	*212.3*	*3 195.1*	*4 376.9*	**21 611.5**	*19 112.7*	*2 411.4*	*6 482.5*	*2 652.5*	***52 270.5***
Disbursed	***86%***	***43%***	***75%***	***84%***	***83%***	***256%***	***69%***	***86%***[4]	***140%***	***113%***

[4] The CLD was to cover the loan portion under the YEs financing scheme and was fully disbursed. The difference is linked to deprecation of DKK.

(%)				*(99.93%)*				*(100%)*		

6. Climate Change Resilience component has absorbed 80% from GEF sources, 9% from IFAD loan and 39% from IFAD grant. Inclusive Rural Finance and Capacity Development component holds the lead in disbursement by components with 99% IFAD loan and 62% IFAD grant. IRRG component disbursed 103% from IFAD loan and 32% from IFAD grant. Programme Management used 109% from GEF resources, 88% from IFAD loan and 21% from IFAD Grant. *(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**	**GEF**	**IFAD Loan**	**IFAD Grant**	**GEF**	**IFAD Loan**	**IFAD Grant**	**GEF**
Climate Change Resilience and Inclusive Value Chains (CCRIVC)	651.5	80.4	3 714.6	56.1	30.8	2 973.6	9%	39%	80%
Inclusive Rural Finance and Capacity development (IRFCD)	8 913.8	204.9	-	8 854.1	126.2	2.0	99%	62%	-
Infrastructure for Rural Resilience and Growth (IRRG)	3 822.4	91.8	-	3 941.5	29.5	-	103%	32%	-
Programme Management	1 109.3	121.5	200.4	975.4	25.7	219.6	88%	21%	109%
Unallocated	1 610.8	-	345.0	-	-	-	-	-	-
Total	**16 107.8**	**498.6**	**4 260.0**	**13 827.2**	**212.3**	**3 195.1**	**86%**	**43%**	**75%**

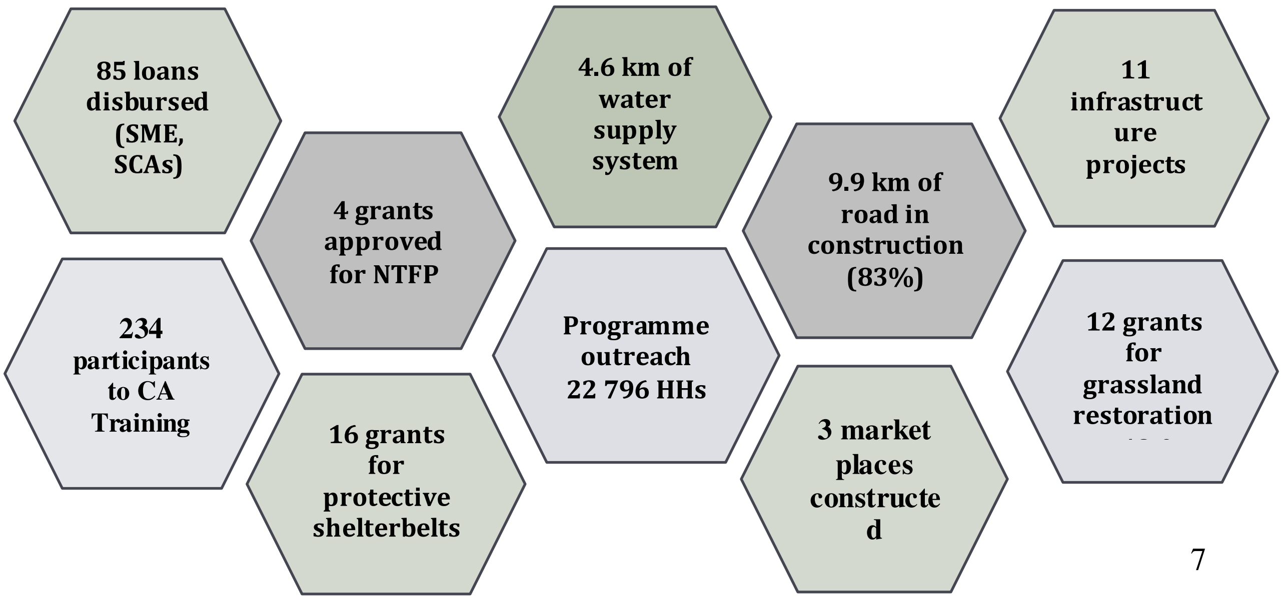
1.2 PHYSICAL PROGRESS

7. By end of the year, the project has managed to reach 35 047 people and 12 517 HHs, cumulative data of 63 829 people or 271% to appraisal and 22 796 HHs, or 223% to planed value *(details in table 1.2.1)*.

Table 1.2.1 IRECR, outreach

	Unit	*Appraisal*	*2020*	*Actual cumulative as of 31.12.2020*	*Achievement %*
Total IRECR beneficiaries	HH	10 227	12 517	22 796	223%
	People	23 522	35 047	63829	271%

8. During the reported period, the following results have been achieved:



2. DETAILED PROGRESS BY PROGRAMME COMPONENTS

2.1. Component 1: Climate Change Resilience and Inclusive Value Chains (CCRIVC)

9. By the end of reporting period under CCRIVC component has been disbursed USD 0.81 million from USD 2.4 million allocated for 2020, or 34% from the total planned amount. Beneficiaries' contribution achieved 24%, followed by GEF resources with 37%. *(details in Table 2.1.1)*

Table 2.1.1: CCIRVC AWPB vs. Actual, by financiers (USD '000)

2020	*IFAD*			*GEF*	*GoM*	*Beneficiaries*	*Total*
	Loan	Grant	Total				
Plan	***33.8***	***108.3***	**142.1**	**1 745.5**	**364.2**	**152.5**	**2 404.3**
1.1: Climate resilience through conservation agriculture				1 713.5	352.2	111.5	**2 177.2**
1.1.1: Enabling environment for climate-resilient agriculture				*863.6*	*182.2*		*1 045.8*
1.1.2: Enhancing agriculture production through climate-resilient investments				*849.9*	*170.0*	*111.5*	*1 131.4*
1.2: Inclusive value chain development	*33.8*	*108.3*	142.1	32.0	12.0	41.0	**227.1**
Actual	**-**	***4.1***	**4.1**	**638.8**	**134.1**	**36.7**	**813.7**
1.1: Climate resilience through conservation agriculture				638.8	133.3	36.7	**808.8**
1.1.1: Enabling environment for climate-resilient agriculture				*127.8*	*31.1*	-	***158.9***
1.1.2: Enhancing agriculture production through climate-resilient investments				*511.0*	*102.2*	*36.7*	***649.9***
1.2: Inclusive value chain development		*4.1*	4.1	-	0.8	-	**4.9**
Spent (%)	**-**	***4%***	**3%**	**37%**	**37%**	**24%**	**34%**

Sub-comp 1.1: Climate resilience through conservation agriculture (CRCA).

10. At the request of Country Director, by end of February 2020, CPIU developed and coordinated a GEF action plan in line with the recommendations of IFAD Supervision mission held in November 2019 and possible extension by 6 months of completion date for the IRECR, including GEF component. However, the implementation of the activities included in the action plan during the first half of 2020 registered delays and disturbances mainly due to Covid-19 pandemic.

11. Thus, the activities involving public gatherings (i.e. training of farmers within filed farmer schools) and traveling abroad (i.e. participation in relevant international events and study tours) were suspended. Also, issues related to Covid-19 quarantine established in LPAs that submitted applications for shelterbelt and grass cover establishment as well as isolation of ICAS staff quarantined due to Covid-19 contamination disturbed and caused delays in the development of design projects of shelterbelt and grass cover establishment.

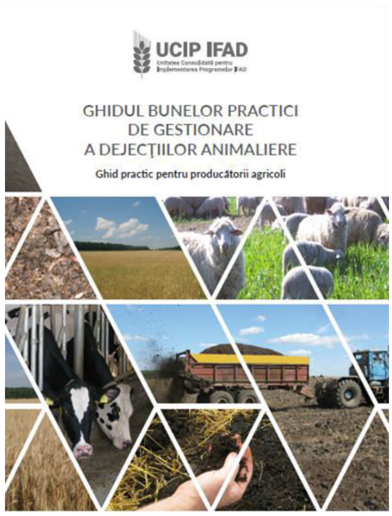
12. In addition, the uncertainties related to the extension of IRECR implementation period conducted to a hesitation in planning of CRCA activities for the second half of 2020. Thus, in the second half of June, the IFAD supervision mission and the CPIU worked on revising once again the GEF action plan, taking into account delays in implementation and disturbances caused by the Covid-19 pandemic as well as the confirmed 6-month extension of the IRECR.

13. Also, considering the COVID-19 emergency situation and IRECR 6-month extension, in July the CPIU intends to reconsider the AWPB and Procurement Plan 2020 with the purpose to adjust it to new unforeseen project implementation conditions by packaging of activities and revising implementation deadlines.

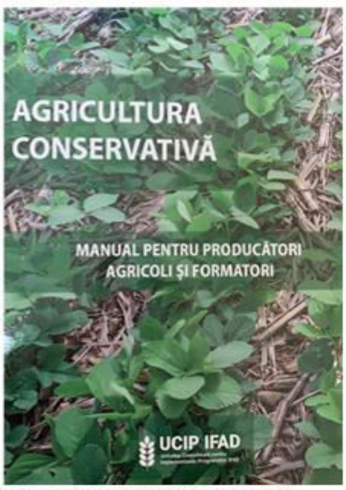
1.1.1 Enabling environment for climate-resilient agriculture.

14. *Assessment of CA and CC adaptation benefits* – in line with the recommendations formulated by the IFAD Supervision Mission of November 2019, during the first half of 2020 the CPIU IFAD developed a draft ToR to recruit by direct contracting the Climate Change Office with the purpose to provide technical support towards enhancing the mainstreaming of climate change (CC) adaptation and mitigation approaches/techniques and tools within CPIU and across IFAD investments in Moldova. Also, under this assignment a Climate change adaptation and mitigation awareness and communication campaign shall had to conducted in the North, Centre, and South of the country.

15. Due to the fact that during February-May 2020, the Climate Change Office (CCO) was involved in an institution reform initiated by the Ministry of Agriculture, Regional Development and Environment, (MARDE) by integrating it into the Environmental Projects Implementation Unit (EPIU), the activity was put on hold. In June, the CPIU learned that the EPIU that absorbed the CCO, will be not able to provide services during 2020 due to technical issues encountered during the reformation process. Following the consultations with the IFAD Supervision Mission of June 2020, it was agreed that CPIU should update the ToRs by mid-July and launch the procurement process to recruit a service provider on competitive basis to undertake the tasks. By the end of reporting period, the evaluation of technical and financial proposal submitted by a service was at last stage of approval by the IFAD. The contract with the service provider is expected to be signed in the first half of January 2021.



16. With the purpose to identify sustainable solutions for cattle manure management and climate change mitigate, CPIU recruited on competitive basis a service provider (National Agency for Rural Development -ACSA) to develop a study on risks and negative effects on environment because of livestock sector activity with focus on cattle, sheep and goats value chains. Based on the study results and available good practices, the service provider developed a Good Practice Guide on solid and liquid waste management and recommendations for the prevention of environmental pollution and the reduction of adverse effects caused by inadequate waste management. In addition, the service provider developed 6 investment design projects to address the waste management-related issues in the livestock sector. A public consultation workshop with the participation of representatives of the livestock sector and other stakeholders took place online on 22 December 2020. The purpose of the event was to present and discuss the results of conducted study and good practice guide.



Picture 1. Manual on Conservation Agriculture

17. Conference on CA – taking into consideration the 6-month extension of the IRECR, the organization of a National Conference on CA was rescheduled to February-March 2021. Due to Covid -19 pandemic, the participation in international events was suspended during the first half of 2020.

18. *TA for CA training /materials and ToT Training programmes* – under an ongoing contract, the National Federation of Agricultural Producers from Moldova (NFAPM) "FARM" finalized the work on the Manual on conservation agriculture (CA) in

Romanian language (800 copies). The CPIU started the dissemination of the manual to stakeholders. The manual in Russian language was produced in the second half of the year.

Picture 2. Workshop on Sowing and nutrient management in conservative agriculture held on 4 March 2020, FFS Hiliutianul, Riscani District

19. *Seminars/Training for farmers in FFS* – the training activities within the FFSs are conducted during the warm period of the year. In the first half of the year only one training was organized within the FFS on 4 March 2020 involving 21 participants, including 4 women. Following the state of emergency due to Covid-19 pandemic declared on 17 March 2020 by the Parliament of Moldova on entire territory of the Republic of Moldova as well as the restrictions on public gatherings and in-country travel established by the Extraordinary National Commission of Public Health, the CPIU suspended training activities within the FFSs. Two amendments to the contract of the service provider were signed to allow the organisation on-line of training sessions and extend the deadlines of activities and contract validity. A total of 234 unique farmers were trained in FFS, including 25 women within 7 training sessions with a total number of 421 attendances, including 55 women.

20. *Demonstration field studies in FFS* – under an on-going contract, the expert in economy continued to provide technical assistance and consultancy in the analysis of economic efficiency in CA implementation within FFSs by the end of June 2020.

21. A draft ToR was developed to assess the experience of FFSs implementing CA, to identify and document the lessons learned by reviewing the reports on economic efficiency, soil assessment, and CA implementation within FFS produced during IRECR. The procurement of services by a service provider conducted in autumn 2020 was cancelled at the end of November 2020 due to the fact that none of service providers submitted a technical and financial proposal. Another procurement process was launched in December 2020.

22. *Land quality assessments* – under an ongoing contract, the *Institute of Pedology, Agrochemistry and Soil Protection "Nicolae Dimo"* shall conduct in autumn 2020 the last sampling and analysis of chemical, physical and biological properties of soil on demo and control plots in the framework of the FFSs. The reports on analysis of chemical, physical and biological properties of soil on demo and control plots and final reports for each CA FFS were submitted in December 2020.

22. *Ecological restoration training materials* – in the first half of the year a ToR was developed. It aims to enhance the capacity development process of Moldsilva Agency and other stakeholders to mainstream climate adaptive silviculture in Moldova. However, the activity was not initiated due to lack of time for implementation.

23. *International study tours* – in spring 2020, due to Covid-19 pandemics, the CPIU suspended the preparation of six study tours on topics related to CA, management of nurseries, agroforestry and silvo-pasture practices, water harvesting. At the end of June, the study tours were dropped from the list of activities to be implemented in accordance with the recommendations of IFAD Supervision mission.

24. *Assessment report of national policies* - during the reporting period, at the request of the MARDE, the CPIU was involved in the development of ToRs for the establishment of the Soil Registry Information System (Governmental Decision), but the activity was cancelled by the MARDE.

25. In December 2020 MARDE submitted a request to CPIU to provide support in selection and contracting of (2) individual international consultant services for training and technical assistance to competent authorities towards the implementation of revised EU Regulation on organic production. The procurement process shall start in January 2021.

26. The SWOT analysis of GEF interventions with specific focus on lessons learned and mainstreaming impact across IFAD investments was excluded from the list of activities as agreed with the IFAD Supervision Mission at the end of June 2020.

27. In September 2020 MARDE requested by a letter the financial support of CPIU to select a team leader and a specialist in agriculture for the development of a National Strategy for irrigation sector development by 2030. The tender for the selection of experts was conducted during September-November 2020. Both contracts were signed with experts at the end of November 2020. By the end of reporting period the experts developed a work plan, methodology and strategy structure.

28. *Web design and data gathering and analysis* – in the reference period the CPIU worked on the type of information to be entered and template of reports to be generated by the data base module under 1C software for Climate Change-related grants and CPIU document management software with the purpose to develop a list of tasks for the service provider who will undertake the assignment.

29. *Public awareness printed materials*–a service provider (i.e. National Agency for Rural Development – ACSA) was selected on competitive basis for the development of 15 publications, including good practices on organic agriculture with the purpose to promoting the resilience of the agricultural sector to climate change and to organize training sessions in the field of ecological restoration of agricultural lands and in the livestock sector. By the end of reporting period, the service provider finalised the development of the following publications:

- Establishment of grass cover as a method of water and soil conservation;
- Rainwater collection in agriculture for adaptation to climate change;
- Good practices for using renewable energy in agriculture;
- Good beekeeping practices in the context of climate change;
- Good fish farming practices in the context of climate change.

30. In addition, the CPIU contracted a corrector-proof reader for written correction and editing of two manuals translated earlier from English to Romanian as follows: Training Manual for Applied Agroforestry Practices, 2018 Edition and Good Agricultural Practices for greenhouse vegetable production in the South East European countries. The publications shall be printed by the end of March 2021.

31. *Support to policy dialogue* – as a contribution to the improvement of policy and regulatory framework for implementation of CA agriculture in the Republic of Moldova, the CPIU prepared a ToRs for the development of technical regulations for cultivation of cereal crops using no-till, mini-till and strip-till technology. The ToRs were submitted to the MARDE for consultation.

32. The COVID-19 pandemic that started affecting Moldova in March 2020 perturbed and caused delays in the course of implementing the technical assistance activities included in the AWPB. Due to mobility and public gathering restrictions, service providers and project consultants could not travel to the field as well as conduct training activities. This also caused delays in procurement processes as well as evaluation and approval of grant applications. As a consequence of COVID-19 emergency situation, the CPIU reconsidered the AWPB and Procurement Plan 2020 with the purpose to adjust it to new unforeseen project implementation conditions by packaging of activities and revising implementation deadlines.

1.1.2 Enhancing agriculture production through climate-resilient investments

33. Equipment for 12 FFS –in the reference period CPIU finalised the process of equipping of the OA FFS Maria Darie by purchasing a pumping unit.

34. Due to the fact that the CPIU did not find an agreement with the supplier on solving the issue of damaged seeder, the CPIU updated the technical specifications and launched a new procurement as result of which, the FFS Pascurov Iurie was equipped with a No-Till seeder for cereal crops (i.e. SRZ 3,6-03 (SICi-3,6)) of USD 23 355,00.

35. At the beginning of December 2020, the FFS GT Pascurov Iurii submitted a request to procure a seeder for field row crops using the unspent grant amount of USD 19 845,0 of the total SD 48150,0 approved by the Grant Beneficiary Approval Committee in 2018. The CPIU involved a technical expert to develop the technical specifications of the seeder. The request of the FFES Pascurov Iurii was approved by the Grant Beneficiary Approval Committee in the meeting of 23 December 2020.The procurement of the seeder shall be launched in January 2020.

36. *Monitoring of field demonstration plots* – two experts in CA technology continued to guide and monitor FFSs under on-going contract arrangements.

37. *Development of restoration plans* – Due to Covid-19, the service provider contracted in 2019 by CPIU (i.e. the Institute of Forest Research and Management (ICAS)) could not work at full capacity for the development of restoration plans. Therefore, (2) individual experts were recruited on 06 August 2020 to develop (9) design projects. A total of 33 design projects were developed during June - beginning of October 2020.

38. Equipment for nurseries – in the reporting period the service provider, contracted by CPIU, finalized the development of feasibility studies that identify the list of equipment to be purchased, grant amount and beneficiary contribution for the five nurseries selected and approved in accordance with the provisions of the IRECR Project Implementation Manual.

39. The meeting of Selection Committee for the final evaluation and approval of grant beneficiaries based on feasibility studies was held on 22 July 2020. Five beneficiaries were approved for the establishment of nurseries for growing of seedlings for protective shelterbelts as follows:

- S.E. Tighina Forestry Enterprise;
- S.E. Telenesti Forestry Enterprise;
- S.E. Iargara Forestry Enterprise;
- S.E. Silva-Sud Forestry Enterprise, Cahul;
- National Botanical Garden (Institute) ''Alexandru Ciubotaru''.

Tank watering machine Romsan R30 TTK (Turkey) delivered to the National Botanical Garden (Institute)"Alexandru Ciubotaru"

40. Once the list of beneficiary nurseries was approved, the CPIU drafted and signed (5) contracts and (4) agreements of understanding with nurseries. The purpose of agreement is to determine the steps and conditions of equipment procurement for each nursery. The equipment procurement process for 4 nurseries was launched at the beginning of September 2020. By the end of 2020, (3) nurseries were supplied with the equipment. One nursery is expected to receive the equipment in January 2021. The procurement process for one nursery was postponed to 2021 due to the face that the beneficiary faced difficulties to collect and transfer to CPIU the financial contribution.

41. *Multipurpose shelterbelts restoration plots* – in the reference period, the CPIU provided support to 13 LPAs and 3 farmers, including 1 woman, in the establishment of 142,20 ha of shelterbelts.

42. The IRECR PIM was amended by the decision No.1/20 dated 24.01.2020 of the IPSC with the purpose to exclude the private sectors from beneficiaries of shelterbelt grants as well as to remove the LPAs co-financing for shelterbelts (10%) in accordance with the recommendations formulated by the IFAD supervision mission of November 2019.

43. In March CPIU hired a Climate Resilience Specialist in charge of shelterbelt and grass cover restoration options.

44. In February, CPIU launched a call for applications in line with the PIM amendments operated by the IPSC in January 2020. By the application deadline (i.e. March 10, 2020), LPAs submitted 53 applications, of which 49 had the complete set of documents and were accepted for field verification. In the reference period, three meetings of the Applications Evaluation Commission were organised for screening and evaluation of applications received under the call launched in 2020.

45. The Climate Resilience Specialist undertook field visits to 49 applicants during May –July 2020. As result, CPIU signed 33 agreements with LPAs for design project development.

46. Issues related to Covid-19 quarantine established in LPAs as well as isolation of ICAS staff quarantined due to Covid-19 contamination disturbed and caused delays in the development of design projects of shelterbelt and grass cover establishment.

47. In the reference period CPIU organised (7) meetings (held on 13 April, 2 May, 13 May, 20 July, 13 August, 14 September, and 02 October, 2020.of the Application Evaluation Commission at pre-qualification stage and (4) meetings of the Selection Committee, which evaluated and approved the establishment of shelterbelts by (7) LPAs in the meeting on 22 July 2020, (7) LPAs in the meeting on 17 August 2020, (17) LPAs in the meeting held on 15 September 2020, and (2) LPAs in the meeting on 3 October 2030.

48. In accordance with PIM provisions, LPAs launched public procurements for the selection of service providers to conduct the shelterbelt planting works. Due to Covid-19, the public procurement meetings were conducted on line. For regret, (8) LPAs did not manage to select service providers, although the procurement process was extended several times. Thus, CPIU signed (25) contracts with LPAs that selected service providers under the public procurement process.

49. Due to Covid-19 and unsuitable meteorological conditions, (12) LPAs shall finalise the planting works by end of March 2021, while (3) LPAs did not manage to initiate the planting works. The contracts of latter shall be terminated early 2021.

50. *Grassland restoration plots* – in the reporting period, CPIU allocated funds to (9) farmers, including one woman, and (3) LPAs for the establishment of 84,27 ha of grass cover.

51. The IRECR PIM was amended by the Decision No.1/20 dated 24.01.2020 of the IPSC with the purpose to close the grass cover options for the private sector as well as to remove the LPAs co-financing for grass cover grants (50%) in accordance with the recommendations formulated by the IFAD supervision mission in November 2019.

52. In April, CPIU launched a call for applications in line with the PIM amendments operated by the IPSC in January 2020. By the application deadline (i.e. May 31, 2020), (27) LPAs submitted 35 applications for the rehabilitation and establishment of communal pastures.

53. Two experts were recruited in July 2020 with the purpose of pasture management plans development.

54. The Climate Resilience Specialist together with two contracted experts conducted field visits to applicants during July –August 2020. As result of field visits, (14) LPAs were selected for the development of pasture management plans.

55. One meeting of Application Evaluation Commission at pre-qualification stage was held on 30 September 2020. The Selection Committee approved 6 LPAs for the establishment of 49,3 ha of pasture on 13 October 2020. Two LPAs finalised the pasture rehabilitation works by the end of 2020, two LPAs are expected to conduct the works by the end of March 2021, while other 2 LPAs informed that will not manage to undertake the works and the contracts shall be terminated in 2021.

56. *Monitoring restoration sites* – AO Fagus, technical supervisor hired by CPIU IFAD continued monitoring of rehabilitation/establishment of shelterbelts. With the purpose to foster shelterbelt establishment, another service provider (SRL Pomiproconsult) was selected on competitive basis and contracted to supervise shelterbelt establishment.

57. *NTFP production, processing and marketing equipment, 1.1.2.21. NTFP production and marketing plans and* *Assessment of market opportunities for NTFP*– The service provider (ProConsulting SRL), contracted by CPIU, developed 4 business plans with economic justification of applicants' investment and NTFP market study. All four (4) applicants were approved on 22 July 2020 by members of the Selection Committee for the evaluation and approval of grant beneficiaries in accordance with the IRECR Project Implementation Manual, based on developed business plans and full set of documents required under the competition conditions. The procurement process of equipment was conducted for seven (7) units based on developed ToRs. The equipment suppliers were evaluated and contracted. The beneficiaries' contributions were collected and transferred to CPIU account according to partnership agreements between applicants and CPIU. In March 2021, the equipment will be delivered to beneficiaries and activity will be completed. The approved grant amount is USD 69.5 thousand and beneficiaries' contribution is USD 39.9 thousand.

Sub-comp 1.2: Inclusive Value Chain Development (IVCD)

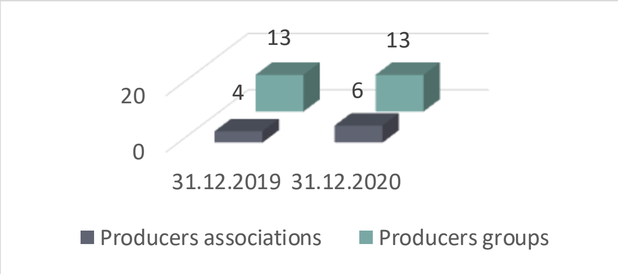
58. Under the Value Chain development, in 2020 was planned to expand the assistance to the four (4) producers' professional associations, with which in 2019 CPIU has established partnerships, namely: (1) Association of Producers and Exporters of Grapes; (2) Dairy Farmers Association; (3) Association of Lavender Growers and Processors; (4) National Federation of Sheep and Goat Breeders for Meat and Milk.

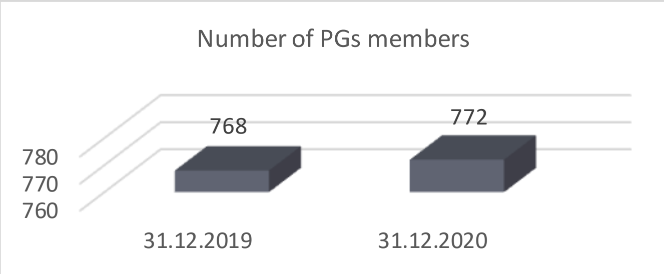
59. During the reporting period, two (2) new producers' professional associations were identified: (1) Berries of Moldova and (1) aromatic and medicinal producers' associations AROMEDA, with a total number of 60 members, forming 4 PGs. Based on identified needs, it was developed a detailed activity plans and the partnership agreements (PA) was subsequently signed. As a result, PAs were signed with 6 associations, representing 5 value chains, which provide development support to members of associations.

60. The foreseen 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. Therefore, the activities plan was revised, including virtual trainings, field filming of training materials, for the subsequent presentation during the training sessions and as a result the total budget was reduced to USD 64.9 thousand.

61. Unfortunately, switching to virtual trainings, for which most of producers had no knowledge, but also of limited activities, which is actually a way to stay connected, the contact of association with some PGs were lost, thus, dairy lost 1 PG, table grapes -2 PGs and sheep & goat -1 PGs. By the end of 2020 the number of assisted PGs is similar to number of PGs reported at 31.12.2019, but with a large number of members -772 producers (see chart 2.1.2 below).

Chart 2.1.2 Dynamic of number PGs and its members





62. According to revised activities, in September, CPIU has assisted the Association of Producers and Exporters of Grapes in organising the first online training for their members. The training on “Basic principles of post-harvest operations and preparation of refrigerators for table grapes storing” was attended by 20 producers. Under this activity, the association covered logistics costs and CPIU – expenses for expert remuneration and zoom connection.

63. For the purpose of cooperation of lavender growers in export and group trade of lavender products, based on lavender association request and the provision of partnership agreement, CPIU has approved providing financial support to the elaboration of: (1) “contract for the provision of services related to the online promotion and marketing of the members’ products” and (2) “contract for group trade and export”. For the implementation of this activity, the association has contracted a company with legal experience.

64. During August-September, in accordance with agreed activity plan, the association of aromatic and medicinal plants producers AROMEDA has performed the following activities: i) filmed a TV video report on "Promotion of aromatic and medicinal plants”, presenting types of aromatic plants and potential of Moldova. The film was placed on Facebook and YouTube: https://www.youtube.com/watch?v=9NsOobs1UEE&fbclid=IwAR2GM8yY7G7BruQZTWDO46jGBuiZcIhXF2NhPqAF2pPse594gQjevcQj8qc; ii) filmed a field video on “Aromatic, medicinal, spices plants and teas - a real solution in the development of sustainable agriculture”, and iii) has organised 3 webinars on: (1) financing opportunity for AMP sector; (2) business development planning principles; (3) harvesting, post-harvesting, processing &storage of aromatic plans, attended by 80 members and non-members of association.

65. On October 30, 2020, IFAD stopped any activity that are procured by entities with whom was signed an agreement (in this case associations), due to absence of well-defined procurement procedure (cleared by IFAD). As all activities involve acquisitions, these have been put on hold. The activities implemented by associations, by October 30 are pending IFAD approval. The amount will be disbursed in 2021.

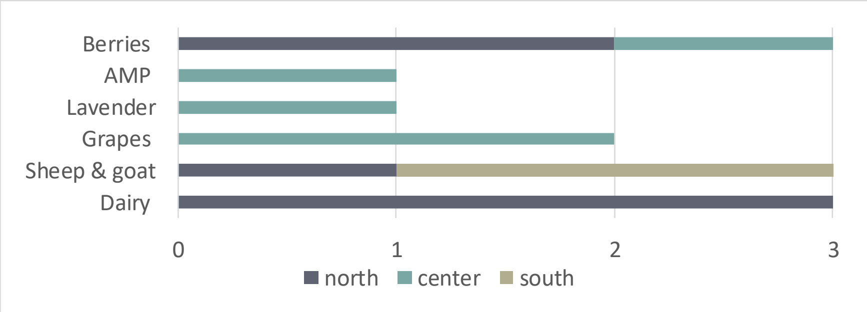
66. Qualifying the non-timber forest product as a potential value chain for development, the implementation of this activity was transferred in responsibility of VCD specialist. By end of reporting period, all seven (7) units of equipment and the suppliers were evaluated, the contribution of beneficiaries transferred to CPIU account. The first tranche of 10% (or USD 8.000) of the contract amount was transferred to winner suppliers, this being a condition for placing the equipment procurement order. By mid of March 2021 the equipment will be delivered to beneficiaries and activity will be completed. The approved grant amount is USD 69.5 thousand and beneficiaries' contribution is USD 39.9 thousand.

67. Besides the mentioned above activities, the VCD specialist has provide support in development of ToRs on 1) "elaboration of the National Strategy for the Development of Agriculture and Rural Environment, for 2021 – 2030" and 2) "elaboration of a study of risks and negative effects on environment as a result of activity of livestock sector'', activities planned under component CRCA.

68. The women participation in VCD activities is close to set target. Two of the six associations (or 33%) are managed by women, the number of PGs members is almost 50:50. In training activities the participation of women is 31% and youth 41%.

69. Geographical distribution of PGs are presented in the chart 2.1.3 below.

Chart 2.1.3 Geographical distribution of PGs supported under VCD sub-component



70. The main impediments for implementation of planned activities are:

- the uncertainty created in context of COVID-19 pandemic has stopped all the activities planned;
- some associations and their members-small farmers have no knowledge for virtual trainings, this being an impediment in providing online trainings;
- the procurement of assistance was stopped based on IFAD notification in the absence of well-defined procurement procedure (cleared by IFAD).

71. In order to address the main issues, the following action were taken:

- the action plan of each association was revised on case by-case basis possibilities of holding virtual trainings;
- provide technical support in promotion of associations and members, their products, by development of webpages and e-commerce platform;
- provide support on digital marketing training and in organisation zoom meetings.
- in order to avoid any ineligibility for the expenses made by associations, procurement of approved activities will be undertaken directly by CPIU.

2.2 Component 2: Inclusive Rural Finance and Capacity Development (IRFCD)

72. The IRFCD component was implemented through the following sub-components:

- Sub-component 2.1: Financing of agricultural and rural investments.
- Sub-component 2.2: Capacity development within the SCA sector.

73. Overview and Component achievements.

The total component cost achieved the amount of USD 3.1 million, representing 128% of plan. From IFAD loan was disbursed the amount of USD 1.4 million or 95.4% of plan. The grant amount planned for capacity development of SCAs sector was used at 88%. The PFIs contributed to granted loans with the amount of USD 315 thousand, and the beneficiaries added to the financed investments the amount of 1.2 million. The Government of Moldova contributed with USD 128.4thoausand (exemption of paying VAT on goods/services procured from loans) (see table 2.2.1).

Table 2.2.1 The total cost Inclusive Rural Finance and Capacity Development component (USD '000)

2020	IFAD			Beneficiaries	PFIs	GoM	Total
	Loan	Grant	Total				
Plan 2020	**1423.0**	**72.0**	**1495.0**	**470.0**	**324.1**	**110.0**	**2399.5**
s/c 2.1: Financing of agricultural and rural investments	1423.0	-	1423.0	*470.0*	*324.1*	96.0	2313.1
s/c 2.2. Capacity development within the SCA sector	-	72.0	72.0	-	-	14.4	86.4
Actual 2020	**1363.7**	**63.1**	**1426.8**	**1210.5**	**315.0**	**126.0**	**3078.3**
s/c 2.1: Financing of agricultural and rural investments	*1363.7*	-	1363.7	*1210.5*	*315.0*	113.4	3002.6
s/c 2.2. Capacity development within the SCA sector	-	*63.1*	63.1	-	-	12.6	75.7
Actual/Plan, %	*95.8*	*87.6*	*95.4*	*257.6*	*97.2*	*108.2*	*127.9*
Share by financiers, %	*46.4*			*39.3*	*10.2*	*4.1*	*100*

Sub-component 2.1: ***Financing of agricultural and rural investments.***

74. In 2020, the loan disbursement plan for financing of agricultural and rural investments was met at 95.8% in terms of value and 102.4% in terms of volume. For SMEs financing 21 loans were granted in the amount of USD 939.8 thousand (or 94.6% to plan) and for micro entrepreneurs financing – 65 loans amounting to USD 423.9 thousand (or 98.6%). The changes made to the PIM, based on IFAD SM recommendations, have increased the attractiveness of project funding and brought about using of available balance.

75. In order to increase access of micro entrepreneurs to IRECR funds, it was developed and approved a new product for direct provision of microloans via commercial banks. The amendment to Re-financing agreement was signed on 04 August 2020, the first loan was disbursed on 12 October 2020 and by end of the year it was disbursed USD 30.3 thousand for the financing of 4 MEs. Details on number and value of loans by target group are presented in table 2.2.2.

Table 2.2.2. Number and value of loans by target group (USD '000)

s/c 2.1 Financing of agricultural and rural investments	Number	Total Value of loan		Beneficiary contribution	GoM	Total cost
		IFAD loan	PFIs funds			
Plan 2020	**84**	**1423.0**	**324.1**	**470.0**	**96.0**	**2313.1**
Financing of SMEs' agricultural investments	10	993	248.2	413.8	96.0	1751,0
Financing of Micro Entrepreneurs via SCAs	74	430	75,9	56,2	-	562,1
Actual 2020	**86**	**1363.7**	**315.0**	**1210.5**	**113.4**	**3002.6**
Financing of SMEs' agricultural investments	21	939.8	292.4	1100.2	113.4	2445.8
Financing of Micro Entrepreneurs via CBs	4	30.3	-	20.8	-	51.1
Financing of Micro Entrepreneurs via SCAs	61	393.6	22.5	89.5	-	505.6

76. In 2020 the most active in financing of SMEs was FinCombank disbursing about of 44% of SMEs portfolio, followed be Moldova Agroindbank with 41% and the 15% of SMEs loan portfolio was disbursed by Mobiasbanca GSG. The 4 loans for SMs were disbursed by Moldova Agroindbank (3 loans) and Moldindconbank (1 loan). The only PFI approved for direct financing through which the MEs can be financed is still SCA "Grimancauti" which in 2020 granted 61 loans amounting to USD 393.6 thousand.

77. **Partners' contribution**. As initially established, the PFIs shall co-finance with 20% to total loan requested by SME and with 15% to total loan requested by MEs. Based on IFAD Supervision Mission recommendation (*page 5, point 27-action 2: Align IRECR PIM with RRP PIM (refer to implementation Mission Report for RRP - June/ July 2020, page 5, point 25: (i) Cancelling the co-funding requirement for PFIs)* in the second half of 2020 the PFIs contribution was no longer requested, thus the contribution until the cancellation is USD 315 thousand, representing 97.2% to plan.

78. The beneficiary's contribution exceeded the requested quota, representing 47,2% of total SMEs investment cost vs requested 25%, and 17.7% to the total micro entrepreneur's investment cost vs 10%. Fifty percent of SMEs contribution was provided in cash, as referred to MEs, 100% were provided in cash.

79. **Loan's destination**. The SMEs loan portfolio was used for investments mostly in cold storage (47%), followed by investments in field crops production and harvesting (25%). Other 27% of SME's portfolio represents investments in livestock and vegetable production. The largest share of MEs portfolio, about 82.8% was used for fruits and berries production (apples, plums, sweet cherries and strawberries), this being the main activity in the north of Moldova.

80. **Target group**. In 2020 financial services for SMEs were primarily issued to micro-entrepreneurs: 57% of the number of SMEs are micro-enterprises, and 43% small enterprises.

81. **Geographically** funded SMEs are almost evenly distributed in the center (43%) and north (38%), and 19% in the south. The only institution through which micro-entrepreneurs have been funded is based in north.

82. **Gender equality & women's participation.** The share of women on sub-component is mostly above the project target of 30%: 33.3% of SMEs financing and 44% of MEs financing. The share of youth of total sub-component beneficiaries is 25.8%, above target of 20%.

83. **Credit Guarantee Funds** has been allocated to SME financing.

84. **Under the Capacity Development within the SCA sector sub-component,** in the view of significant changes in the SCA sector, it was planned to provide support amounting to USD 72 thousand (the grant available balance) to NCFM on development of SCA System Development Strategy and regulatory framework. Due to restriction imposed by GoM to public entities on any procurements during the state of emergency, on the one hand, and IFAD decision from October 30, 2020, stopping any activity that are procured by entities with whom a partnership agreement was signed, the activities were stopped.

85. In consultation and collaboration with the National Commission on Financial Markets (NCFM), in the beginning of October 2020, the Central National Association of Savings and Credit Associations (NCASCA) have submitted to CPIU IFAD a request for technical support to SCAs development, including the following activities:

- Active sales trainings for CEO of SCAs
- Feasibility study for the use of a single accounting information system by SCAs
- SCA credit bureau connection, and
- other activities, that was decided to be included for financing in RRP for 2021

86. On October 30, 2020, IFAD stopped any activity that are procured by entities with whom was signed an agreement (including NCASCA), due to absence of well-defined procurement procedure (cleared by IFAD). As all activities involve acquisitions, the requested activities have been put on hold.

87. Based on IFAD Mission recommendation from November 2020, NCA SCAs was notified on the need for amendment of NCASCA procurement guide, in order to be in line with IFADs procurement guidelines and to be approved as procurement authority related to SCA development activities.

88. In order to provide support within SCA sector and not to delay in implementation of requested activities, it was decided that the acquisitions to be done directly by CPIU IFAD according to IFAD Procurement Manual. Therefore, credit specialist has provided support in development of ToRs and the first 2 activities mentioned above were sent to Procurement Specialist for launching the tender in the beginning of December 2020.

89. In addition to microfinance activities, the credit specialist has provide support in development of ToRs, based of MARDE request, for: 1) selection of 3 individual consultants for elaboration of the amendments to the Concept of the Information System ”Soil Register of the Republic of Moldova” and elaboration of the Regulation on the organization and functioning of the Information System (Tender 29/20 PRRECI); and 2) selection of individual international consultant services for training and technical assistance of the competent authorities staff regarding the revised EU Regulation on organic production (2 international individual consultants) (Tender 09-1/21 PRRECI and 09-2/21 PRREC.

90. Main challenges of IRFCD:

- Due to the Covid 19 pandemic and IFAD decision on stopping the activities based on partnership agreements, all the activities were stopped.

91. Ways to address/Next steps for IRFCD:

- in order to equip the partners (NCFM and NCASCA) with procurement capacities with clear instructions on how to conduct procurement according with IFAD procedures, a draft of NCASCA procurement guide was sent for IFAD's clearance, and
- as the NCFM as a public institution 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.

2.3 Component 3: Infrastructure for Rural Resilience and Growth (IRRG)

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

Small-scale water supply systems. This includes rehabilitation and construction of water source points (pumping stations on rivers and reservoirs) for irrigation systems and other production and processing purposes. Drinking water schemes may also be supported if they are considered as an integral and feasible part of a productive scheme, but is not the main investment target.

Village level roads, including small bridges. Inter-field and village level roads, including small bridges, will be constructed or rehabilitated in order to reduce transportation time, post-harvest loses and transaction costs while simultaneously diversify market outlets options for producers, increase predictability and integrate producers more firmly in higher added value chains.

Village level public market places. The support will focus on market places rehabilitation and related facilities such as storage places including smalls-scale refrigerating rooms for short-term storage, waste management and basic sanitary standards.

93. The total planned cost for the implementation of IRRG component during 2020 was the amount of USD 2.5 million, including USD 2.1 million from IFAD Loan, USD 370.6 K beneficiary contribution and USD 29.1K Government contribution (*details in table 2.3.1*). The achievement per component is 82% due to the fact that 11 infrastructure objects are finished.

Table 2.3.1: Annual Plan vs. Actual Figures, by financiers (USD '000)

2020	***IFAD***		***GoM***	***Beneficiaries***	***Total***
	Loan	Grant			
Plan	**2 135.0**	**-**	**29.1**	**370.6**	**2 534.7**
Civil Works	2 100.0	-	12.0	370.6	**2 482.6**
Design	-	-	-	-	**-**
Supervision	35.0	-	17.1	-	**52.1**
Actual	**1 657.4**	**-**	**257.8**	**160.9**	**2 076.1**
Civil Works	1 631.6		251.4	160.9	**2 043.9**
Supervision	25.8		6.4		**32.2**
Disbursed (%)	**78%**	**-**	**886%**	**43%**	**82%**

Implemented activities during period of January - December 2020:

94. *January - February 2020* – During this period started the construction works of the infrastructure objects for whom the contracts were signed in December 2019, namely in Cioburciu village, Geamana village and Zimbreni village. Were received and verified the technical projects from the other beneficiaries that were approved to be finance during 2019. Also were prepared the terms of reference for selection of civil works providers and technical supervisors.

95. *February – March 2020* – Focus on the infrastructure objects that were implemented in 2018, but due to some difficulties occurred the work's commissioning was not possible. Also, the implementation of projects whose contracts were in force. Launching the tender for the selection of the construction company for the infrastructure objects from Radeni village and Sauca village. The contract was signed with the construction company that will carry out the civil works in Taraclia village. Final reception of the infrastructure project from Stolniceni village.

96. *March – May 2020* - Launching the tender for the selection of the construction company for the infrastructure object from Horesti village. The remaining contribution of the beneficiaries from Drochia and Roșu villages was collected and the contracts with the construction companies were signed. The bids submitted for the tender from the period February-March were evaluated, the contracts with the construction companies for the implementation of the infrastructure projects in the villages of Radeni and Sauca were signed. Final civil works reception in the Cotiujenii Mari took place.

97. *May– June 2020* - The bids regarding the selection of the contractor for execution of civil works for construction of the infrastructure project from Horesti village were evaluated and the contract with the winning company was signed. The following activities were to select the technical staff for supervision of civil works. Final reception of infrastructure projects from Sireti village and Cucoara village.

98. *July – August 2020* – Reception at the end of the construction works of the infrastructure projects from Domulgeni village and Cioburciu village. Final reception of the works of the infrastructure projects from Mingir village and Măgdăcești village. Monitoring of all on-going contracts.

99. *September – October 2020* – Reception at the end of the construction works of the infrastructure projects from Roșu, Rădeni, Petreni, Geamăna and Zimbreni villages. Signed the Grant Agreement with LPA Cucoara village. Final reception of the infrastructure project from Hîncești.

100. *November – December 2020* - Reception at the end of works of the infrastructure projects from Taraclia village and Horești village. Final reception of the works of the infrastructure project from Hîrtopul Mare and Brînzenii Vechi villages.

Implementation stage of the projects selected for financing during 2019-2020

101. Civil works for construction of asphalt concrete road/white variant with a length of 1,96 km in Zimbreni Village, Ialoveni district. Reception at the end of works took place on September 16, 2020. At the moment the road is in the period of liability for defects until March 17, 2021.

102. Civil works for construction of asphalt concrete road segment with a length of 1,2 km in Cioburciu village, Stefan Voda district. Reception at the end of works took place on July 30, 2020. Now the road segment is in the period of liability for defects until March 01,2021.

103. Civil works for construction of asphalt concrete road segment with a length of 0,788 m in Domulgeni village, Floresti district. Reception at the end of works took place on July 02, 2020. The road segment is in the period of liability for defects until February 02, 2021.

104. Civil works for construction of roller compacted concrete/white variant road segment with a length of 2,2 km in Radeni village, Straseni district. Reception at the end of works took place on October 30, 2020. At the moment the road segment is in the period of liability for defects until April 30, 2021.

105. Civil works for construction of agricultural market in Taraclia village, district of Caușeni. Reception at the end of works took place on December 24, 2020; now the road segment is in the period of liability for defects until June 30, 2021.

106. Civil works for construction of asphalt concrete road segment with a length of 0,2km Rosu village, Cahul district.
Reception at the completion of works took place on September 22, 2020. The road segment is in the period of liability for defects until March 22, 2021.

107. Civil works for construction of agricultural market in Geamăna village, district of Anenii Noi. Reception at the end of works took place on September 08, 2020. The market is in the period of liability for defects until March 08, 2021.

108. Civil works for construction of asphalt concrete road segment with a length of 1,2 km Petreni Village, Drochia district. Reception at the end of works took place on September 04, 2020. The period of liability for defects -March 04, 2021.

109. Civil works for construction of the agricultural market in the village of Horești, Ialoveni district. Reception at the end of works took place on December 04, 2020. Now the road segment is in the period of liability for defects until June 04, 2021.

110. Civil works for construction of white variant road segment with a length of 2,569 km in Sauca village, Ocnița district. The project is under construction and the deadline will be extended until the end of February due to Covid 19 and unproper climatic conditions.

Infrastructure projects, where the final reception of the works took place and the grant agreements will be signed:

111. Civil works for construction of asphalt pavement crushed stone road segment with a length of 2,75 km in Hincesti city (access to Buteni village), Hincesti district. Final reception took place on October 29, 2020. CPIU IFAD will prepare grant agreement for signing with LPA.

112. Civil works for the construction of asphalt pavement road segment with a length of 1.0 km in Brinzenii Vechi village, Telenesti district. Final reception took place on November 27, 2020. CPIU IFAD will prepare the grant agreement for signing with LPA.

113. Civil works for construction of water supply network with a length of 4.6 km in Cotiujenii Mari village, Soldanesti district. Final reception took place on November 26, 2020. CPIU IFAD will prepare grant agreement for signing with LPA.

114. A part of contracts were transferred for implementation from 2018-2019 in 2020. Due to some difficulties during construction process and cold period of the year, some projects that were scheduled for completion by the end of 2018-2019 were transferred for execution in 2020, as follows:

- Civil works for bridge construction with access over Cogilnic river towards production zones in Stolniceni village, district of Hincesti. The construction has been finished in 2018, but some drawbacks have been identified, that had to be fixed by the construction company. The Contractor didn't perform the remediation work in 2019. CPIU IFAD sent letters requesting remediation of the works but the request was neglected by the Contractor. CPIU IFAD analysed the possibility to solve the problem amicably, at the beginning of 2020 a meeting with all stakeholders was conducted in order to solve the main issue. The contractor remedied all the defects specified in the Minutes of civil works completion: the final reception of the infrastructure object took place in July 2020. CPIU IFAD will prepare grant agreement for signing with LPA.
- Civil works for construction of concrete road with a length of 2.04 km in Hiropul Mare village, Criuleni district. The project was built in 2018. After the winter, several cracks and unevenness were detected. The contractor corrected the works that appeared, after which the CPIU organized an evaluation commission where it was decided to extend the defect's liability period. Thus, samples were taken and laboratory tests were performed to determine the concrete class, following the test results it was demonstrated that the concrete class does not correspond to that specified in the project documentation. CPIU IFAD informed the construction company about this fact in writing. In response, the company assumed the costs for repairing all defects. Final reception took place on December 2020. CPIU IFAD will prepare grant agreement for signing with LPA.
- Civil works for construction of white variant road segment with a length of 4,011 km from Bogzesti village, Telenești district. A tender was launched for the selection of the construction company, but after the budget rectification, it was found that there is insufficient budget for the implementation of the infrastructure project.
- Civil works of compacted concrete road segment with a length of 0.86 km in Magdacesti village, Criuleni district. Due to unproper weather conditions for applying the concrete layer, the contract was extended until May 31, 2019: considering these reasons, the commission of civil works completion was organized on the 31 of May 2019. The reception commission verified all the work that were done under the project. Reception commission identified that the works were executed very qualitatively and no cracks were detected. Contractor described some type of works that were not included in the Technical Project. The contractor presented a variation order regarding some accesses in the properties and concrete works of the drainage

channel. CPIU have checked the variation order. The final reception took place in July 2020 CPIU IFAD will prepare grant agreement for signing with LPA.

- Civil works for construction of the bridge over the river and access to the bridge in Sireti village, district of Straseni. This contract was signed in December 18, 2018. All the types of works in this Project were executed according to the Technical Drawings without any deviation and additional work. According to the Contract the completion of the works was scheduled for May 25, 2019. Due to the weather condition the contract was extended until 30 June 2019. The final reception commission was carried out on 09 June 2020, the grant agreement with the LPA will be signed.
- Civil works for construction of compacted concrete / white variant road segment with a length of 0,97 km in Mingir village, district of Hincesti. The civil works contract was signed on March 04, 2019. All the types of works in this Project were executed according to the Technical Drawings without any deviation and additional work. According to the Contract the completion of the works was scheduled for 05 August 2019. Due to the weather condition and to the fact that the Contractor changed the type of road pavement from roller compacted concrete to concrete by simple application, the contract was extended until 05 September 2019. The civil works reception took place in September 2019. The final reception commission took place in July 2020, the grant agreement with the LPA will be signed.

115. Bottlenecks Due to pandemic situation caused by COVID-19 many activities regarding the implementation of infrastructure objects have been hampered. It became more complicated to organize the tenders, collecting the original signatures of the members of Commissions and Committees.

2.4 Component 4: Programme Management

116. 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.

117. CPIU continued 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 Program's components as per 2020 AWP&B;
- monitoring and evaluation of the IRECR impact in compliance with the Logical framework indicators and other additional indicators which will enable Programme performance assessment;
- preparation of progress reports, with continuous improvement thereof.

118. Total cost of the component to ensure management of IRECR planned for 2020 amounts to USD 523.7K. This includes a USD 241.0K IFAD loan contribution, USD 80.5K IFAD grant and USD 73.0K GEF funds. The donor funding is expected to generate an amount of USD 129.2K GoM contribution as forgone VAT and other taxes.

119. By the end of the reporting period, under the Project management component has been spent 73% of the total planned budget (*see details in table 2.4.1*).

Table 2.4.1: Plan vs. Actual Figures, by financiers (USD '000)

2020	*IFAD*		*GEF*	*GoM*	*Total*
	Loan	Grant			
Plan	241.0	80.5	73.0	129.2	523.7
PM Investment Costs	12.1	80.5	45.0	26.1	**163.7**
Recurrent Costs	228.9	-	28.0	103.1	**360.0**
Actual	**203.6**	**8.4**	**65.1**	**104.0**	**381.1**
PM Investment Costs		8.4	45.9	9.6	**63.9**
Recurrent Costs	203.6	-	19.2	94.4	**317.2**
Spent (%)	**85%**	**10%**	**89%**	**80%**	**73%**

120. Knowledge Management and Communication. 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.

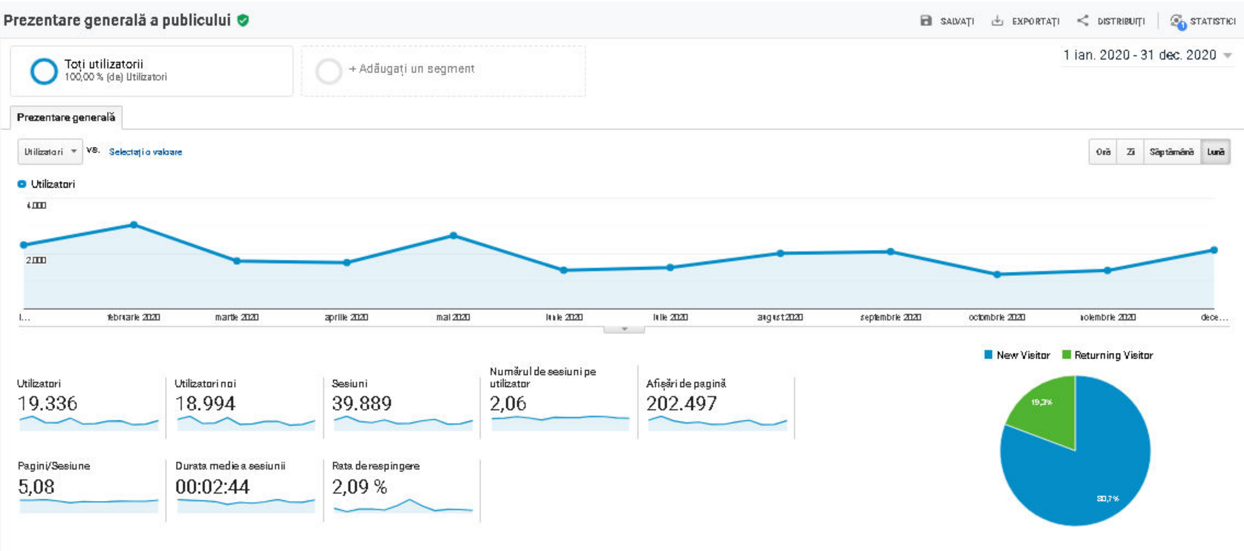
121. During the 2020 period, due to the pandemic situation, CPIU's KM&C Specialist tried to adjust to the situation and reviewed the communication plan to the possibilities. The main focus in this period was on Social Media: Facebook/Instagram/Odnoklassniki/Youtube, which helped to promote and disseminate 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.

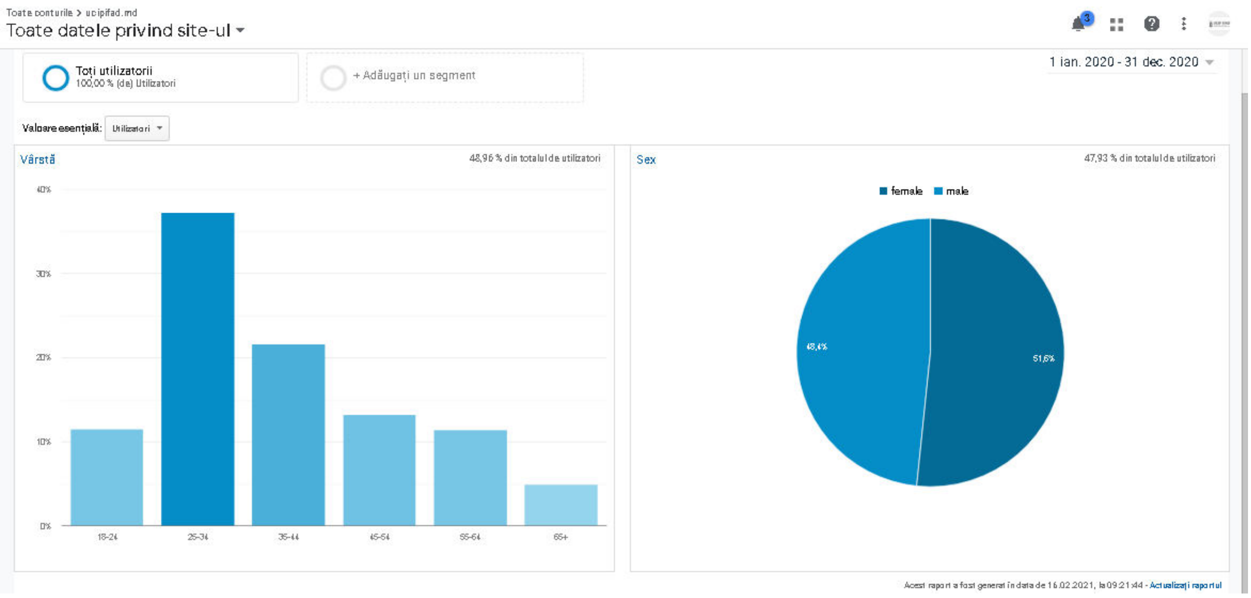
122. CPIU's website is the first source of information for those who want to be in informed on CPIU's activities, for reporting period (2020) were published 25 success stories (average two success stories per month http://www.ucipifad.md/success/page/2/) and 32 news articles (http://www.ucipifad.md/noutati/).

123. The statistics for the reporting period *(details in 2.4.2 CPIU's website statistic)*:

- 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

2.4.2 CPIU's website statistic





124. In the 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 (41news/24 success stories/6 online events/visits).

125. 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 published success stories and invitation to procurement contests (printed newspaper-20 issue). 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;

GRANTURI PENTRU FINANȚAREA PROIECTELOR DE INFRASTRUCTURĂ PENTRU ANUL 2021 ÎN CADRUL PROIECTULUI DE REZILIENȚĂ RURALĂ

UCIP IFAD

OBIECTELE DE INFRASTRUCTURĂ ȘI BENEFICIARI ELIGIBILI

CONDIȚIILE DE FINANȚARE ȘI EVALUARE

Chișinău, 14 august, 2020

ISTORII DE SUCCES ALE BENEFICIARILOR DE LA UCIP IFAD

VICTOR ANGHEL: LA TEHNOLOGIA MINI-TILL, EFICIENȚA ECONOMICĂ ȘI BENEFICIILE PENTRU SOL SUNT EVIDENTE

126. One of the primary objectives of CPIU IFAD regards the adaptation of farmers to climate change through training and quality sources of information. The Unit seeks to support the editing and publication of quality manuals/brochures/printing materials that could provide useful and practical information. The Conservation Agriculture Manual, developed with the financial support of the Unit, was designed to promote and present to the public the latest studies in the field of Conservation Agriculture, the authors described the technological, ecological and economic aspects characteristic to the conservation agricultural system. All those concerned about the negative impact of technologies based on excessive tillage on the environment will find in this handbook answers and suggestions for the practical application of the principles of Conservation Agriculture. It will be distributed to institutions subordinated to the Ministry, specialized educational institutions, organizations for research and science and libraries.

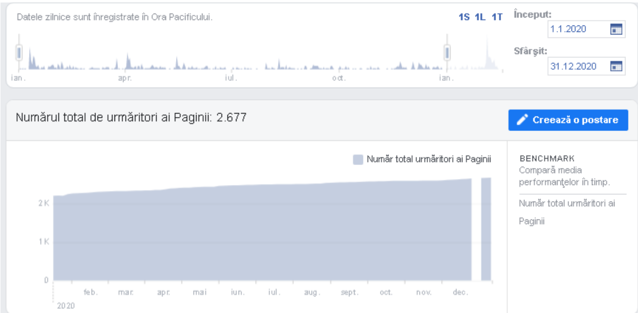
The content of the manual corresponds to the training program for agricultural trainers and producers who apply or intend to apply Conservation Agriculture in practice. It was published and also placed on CPIU's website, this way it can be accessible to everyone:
http://www.ucipifad.md/wp-content/uploads/2020/07/Agricultura_Conservativa_partea-I_site.pdf
http://www.ucipifad.md/wp-content/uploads/2020/07/Agricultura_Conservativa_partea-II_site.pdf

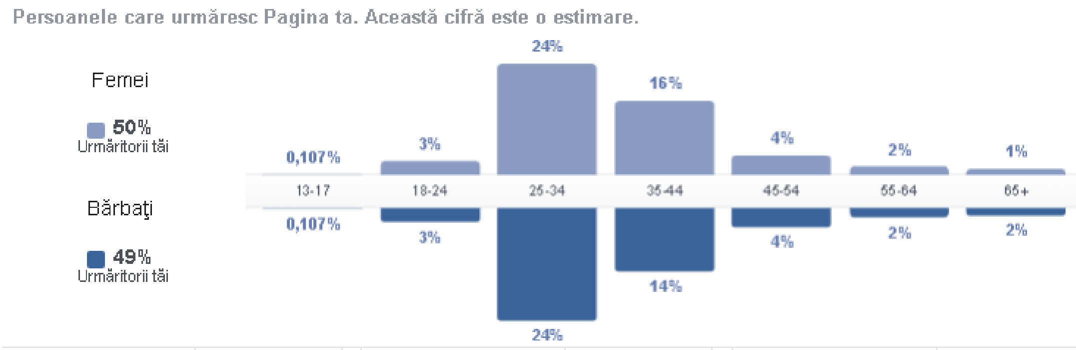
127. During 2020, on CPIU's Facebook page were presented the information related to financial opportunities, success stories, news, study visits, videos *(details 2.4.3 Facebook statistic):*

- At 31th 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%.

2.4.3 Facebook statistic





128. Within the IRECR 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.

The performance status of programme by the end of 75 month of programme implementation (96%), under IRECR have been registered very good results in terms of women participation. Thus, 48.75% of programme beneficiaries were women and as well as women beneficiaries reached

44,98% under the financing component, and the 16.26% women under Sub-component Climate resilience through conservation agriculture.

129. Monitoring and Evaluation. For the reporting period due to extreme pandemic situation, the field visits, that M&E unit should have undertake, were dropped until the Covid-19 pandemic recedes. Following the telephone conversations with CPIU beneficiaries, it was stated that 70% of the respondents are extremely affected by the climate changes, especially lack of winter precipitations and spring hail and frost, lack of rains in the summer and autumn.

130. As the IRECR is at its completion stage, the **Exit Strategy** Document was developed by the service provider contracted. The goal of Strategy is to ensure the sustainability of impact after the program ends. It provides strategy recommendations and sustainability options for the IRECR and will ensure that successful innovations, approaches and models are not only documented but also shared with relevant stakeholders to facilitate and trigger expansion of these successes.

131. The **Impact Evaluation Report** of the Inclusive Rural Economic and Climate Resilience Programme was elaborated by service provider for the scope to perform final impact evaluation of the IRECR by assessing to what extent the project has achieved and reached Program areas and target groups, development objectives, outcomes, outputs and impact indicators. The report captures and assess direct and indirect impact of the project intervention in general and individually for each Program Component.

Annex 1: Outputs table as of 31.12.2020

Component/ Sub-component or Output / Indicator	Unit	Appraisal Updated MTR	2020 AWPB 2020	Actual 31/12/20	Actual cumulative	Cumulative/ Appraisal %
Component 1 Climate Change Resilience and Inclusive Value Chains (CCRIVC)						
Sub-component **Climate resilience through conservation agriculture**						
Farmer Field Schools created	Number	12		-	11	92%
Farmer field Schools supported with grants for equipment	Number	12		-	11	92%
Farmers in FFS (participants to conservation agriculture trainings)	Number	3100	400	234	2072	67%
	Participants Men	*3025*	*360*	*209*	*1747*	*58%*
	Participants Women	*75*	*40*	*25*	*325*	*433%*
	Number of trainings			*7*	*73*	
	attendances men			*366*	*2667*	
	attendances women			*55*	*618*	
	Total attendances			**421**	**3285**	
CA international study tours	Number	4	4	-	1	25%
People in international study tours	Number	40	28	-	13	33%
	Men	*36*	*23*	-	*12*	*33%*
	Women	*4*	*5*	-	*1*	*25%*
Subsidies for equipment (10 000 $ - 15000$)	Number	80	-	2	123	154%
	Men	80	-	2	112	
	Women		-	-	11	
Forest restoration plans for protective shelterbelts	Number	20	12	16	30	150%
	Men	*20*	-	*2*	*9*	
	Women		-	*1*	*2*	
	LPA		*12*	*13*	*19*	
Protective shelterbelts	HA	150	150	142.20	200.75	134%
Privately owned nurseries	Number	2	5	3	3	150%
Degraded and marginal grassland restored	Hectares	150	50	84.27	179.56	120%
Beneficiaries of grassland restoration	Number	100	7	12	28	28%
	Men	100	6	8	18	
	Women		1	1	3	
	LPA		-	3	7	
Total Climate change	Number	3319	456	264	2254	68%
	Men	3225	398	221	1887	59%
	Women	75	46	27	341	455%
	LPA		12	16	26	
Sub-component **Inclusive Value Chain Development**						
Value chains strengthened	Number	5	1	1	7	140%
Value chain clusters strengthened (PGs)	Number	5	1	4	17	340%
Groups with women in leadership position	Number	1	1	2	4	400%
Value chain stakeholders having contractual agreements	Number	30	-		24	80%
	Men	*21*		-	*21*	*100%*
	Women	*9*		-	*3*	*33%*
Value chain stakeholders having received advisory services	Number	30	28		41	137%
	Men	30		-	*25*	
	Women			-	*16*	
Pilot projects identified and developed	Number	3	3		1	33%
Pilot projects supported through equipment grants	Number	3	3		-	-
Trained participants	Number	300	160	100	378	126%
	Men	*240*	*128*	*69*	*291*	*121%*
	Women	*60*	*32*	*31*	*87*	*145%*
Total Value Chain	Number	330	160	100	378	115%
	Men	261	128	69	291	111%
	Women	69	32	31	87	126%
Total number of beneficiaries Component 1	**Number**	**3649**	**616**	**364**	**2632**	**72%**
	Men	**3486**	**526**	**290**	**2178**	**62%**

	Women	**144**	**78**	**58**	**428**	**297%**
	LPA		**12**	**16**	**26**	
					-	
Component 2 Inclusive Rural Finance and Capacity Development (IRFCD)						
SME financed with loans	Number	70	10	21	120	171%
	Men	*49*	*7*	*14*	*89*	*182%*
	Women	*21*	*3*	*7*	*31*	*148%*
Young entrepreneurs financed with loans	Number	447	-	-	451	101%
	Men	*314*		-	*314*	*100%*
	Women	*133*		-	*137*	*103%*
Micro entrepreneurs financed with loans	Number	700	60	64	749	107%
	Men	*490*	*42*	*28*	*457*	*93%*
	Women	*210*	*18*	*36*	*292*	*139%*
Young entrepreneurs supported with business plan (RIMS)	Number	300	-		124	41%
	Men	*210*			*91*	*43%*
	Women	*90*			*33*	*37%*
Youth entrepreneurs trained pre-financing	Number	260	-		521	200%
	Men	*182*			*312*	*171%*
	Women	*78*			*209*	*268%*
Youth entrepreneurs trained post-financing	Number	700	-		523	75%
	Men	*490*			*364*	*74%*
	Women	*210*			*159*	*76%*
SCAs staff trained (RIMS)	Number	*150*	-		*523*	*349%*
	Men	*90*			*159*	*177%*
	Women	*60*			*364*	*607%*
SCA loan applicants trained (RIMS)	Number	*270*	-		*477*	*177%*
	Men	*189*			*281*	*149%*
	Women	*81*			*196*	*242%*
Total number of beneficiaries Component 2	**Number**	**1367**	**70**	**85**	**1872**	**137%**
	Men	**943**	**49**	**42**	**1030**	**109%**
	Women	**424**	**21**	**43**	**842**	**199%**
Component 3 Infrastructure for Rural Resilience and Growth (IRRG)						
Financed infrastructure investment Projects	**Number**	25	11	11	31	124%
Roads constructed	KM	No target	12	9.90	28.56	
Irrigation systems constructed or rehabilitated/ water supply	KM	No target	-	4.60	8.36	
Hectares of land irrigated	Ha	No target	-	-	104	
Village Market Places	Number	No target	3	3	5	
Bridge	Number	No target	-	-	3	
Groups with women in leadership position	Number	1	2	1	3	300%
Number of enterprises from established groups	Number	n/a		60	194	
People in groups managing infrastructure (RIMS)	Number	13		60	228	1754%
	Men	*12*		*42*	*171*	*1425%*
	Women	*1*		*18*	*57*	*5700%*
Beneficiaries of financed infrastructure	Number	11500		33835	51291	446%
	Men	*5635*		*16639*	*25372*	*450%*
	Women	*5865*		*17196*	*25919*	*442%*
Direct beneficiaries of financed infrastructure	Number			9444	11531	
	Men			*4639*	*5918*	
	Women			*4805*	*5613*	
Indirect beneficiaries of financed infrastructure	Number			24391	39760	
	Men			*12000*	*19454*	
	Women			*12391*	*20306*	
Total number of beneficiaries Component 3	**Number**	**11500**	**71**	**33835**	**51291**	**446%**
	Men	**5635**	**64**	**16639**	**25372**	**450%**
	Women	**5865**	**7**	**17196**	**25919**	**442%**
					-	
TOTAL IRECR BENEFICIARIES	**Number**	**16516**	**757**	**34268**	**55769**	**338%**
	Men	**10064**	**639**	**16971**	**28580**	**284%**
	Women	**6433**	**106**	**17297**	**27189**	**423%**
					-	