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Invertir en la población rural

República de Moldova

Programa sobre Oportunidades Estratégicas Nacionales

2019-2024

Nota para los representantes en la Junta Ejecutiva

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Para **examen**

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Acrónimos y siglas

CEI	Comunidad de Estados Independientes
COSOP	programa sobre oportunidades estratégicas nacionales
DANIDA	Organismo Danés de Desarrollo Internacional
EPP	evaluación del programa en el país
ERC	examen de los resultados del COSOP
ESAC	Evaluación Social, Ambiental y Climática
FAO	Organización de las Naciones Unidas para la Alimentación y la Agricultura
FIDA11	Undécima Reposición de los Recursos del FIDA
ODS	Objetivo de Desarrollo Sostenible
OMS	Organización Mundial de la Salud
ONG	organizaciones no gubernamentales
PBAS	Sistema de Asignación de Recursos basado en los Resultados
PIB	producto interno bruto
SyE	seguimiento y evaluación
UE	Unión Europea

Mapa de la República de Moldova

La República de Moldova

Operaciones en curso financiadas por el FIDA

COSOP



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.
 Mapa elaborado por el FIDA | 02-05-2018

Los proyectos del FIDA se llevan a cabo en todas las zonas rurales de Moldova.

Resumen

1. En las zonas rurales de la República de Moldova, la agricultura se está convirtiendo en una actividad polarizada. Un pequeño número de agricultores a gran escala está logrando cada vez más explotar las nuevas oportunidades comerciales que ha traído consigo el acuerdo de libre comercio con la Unión Europea (UE), que se ha convertido en el destino principal de las exportaciones de productos agrícolas del país. Sin embargo, los pequeños agricultores tienen muchas dificultades para cumplir los estrictos requisitos que se exigen para entrar en los mercados de la UE. Para ellos, los mercados de la Comunidad de Estados Independientes (CEI), en particular el de la Federación de Rusia, son esenciales, ya que son más accesibles. Como consecuencia, los pequeños agricultores cada vez participan menos en los mercados, la agricultura de subsistencia va en aumento y la productividad ha disminuido, una tendencia contraria a la de la mayoría de países del mundo. Esta tendencia se ha visto impulsada por la emigración de una cuarta parte de los jóvenes de las zonas rurales y el traslado a las ciudades de muchos otros. La agricultura de subsistencia está empezando a ser más común que la agricultura comercial. Por último, una categoría de agricultores, los pequeños productores, son particularmente vulnerables a la aceleración del cambio climático, dado que están peor equipados para adaptarse a sus efectos.
2. Ante unos desafíos tan singulares y complejos, el FIDA está bien posicionado para ayudar a sus asociados moldovos a trazar estrategias de desarrollo inclusivas para los pequeños agricultores y los empresarios pobres de las zonas rurales. Sin embargo, cumplir los compromisos mundiales del FIDA de reducir la pobreza por medio de inversiones productivas y, a la vez, lograr que sus actividades sigan siendo pertinentes en el contexto moldovo exige una estrategia cuidadosamente planificada.
3. Por consiguiente, el FIDA promoverá medios de vida más resilientes en las zonas rurales marginadas respaldando una agricultura climáticamente inteligente, la diversificación económica, la retención del talento y el acceso a financiación rural. Partiendo de esta base, el objetivo general del Fondo será ayudar a la población pobre productiva a aprovechar las oportunidades que están surgiendo en el país a raíz de la transformación que se está produciendo en el medio rural. Para cumplir estos compromisos, el FIDA tiene dos objetivos estratégicos:
 - a) **Objetivo estratégico 1.** El FIDA mejorará la capacidad de adaptación de los pequeños agricultores y los agronegocios por medio de inversiones orientadas al mercado. Esto se conseguirá fortaleciendo su resiliencia a través de inversiones en agrosistemas e infraestructura rural productiva.
 - b) **Objetivo estratégico 2.** El FIDA promoverá vínculos comerciales inclusivos fomentando un mayor acceso a los servicios financieros y los mercados con el fin de impulsar la transformación rural.
4. Estos objetivos estratégicos están en consonancia con la Estrategia Nacional de Agricultura y Desarrollo Rural, en la que el Gobierno describe con detalle cómo pretende hacer realidad las aspiraciones plasmadas en la Estrategia Nacional de Desarrollo 2020.

República de Moldova

Programa sobre Oportunidades Estratégicas Nacionales

I. Diagnóstico del país

A. Contexto socioeconómico

1. La República de Moldova es uno de los países más pobres de Europa. Desde el punto de vista geopolítico, el país tiene vínculos históricos con la CEI en materia de comercio y migración, especialmente con la Federación de Rusia. Sin embargo, el principal objetivo de política exterior del país es adherirse a la UE y fortalecer las relaciones con Rumania, lo que tendrá importantes repercusiones en las políticas y prácticas internas al deber ajustarse a las prescripciones de la UE. La concertación de un acuerdo de libre comercio de alcance amplio y profundo con la Unión Europea ha sido un hito importante. Este acuerdo proporciona un mejor acceso al mayor mercado del mundo, pero expondrá a los productores moldovos a un nivel de competencia interna cada vez mayor.
2. Pese a todo, el país sigue manteniendo sólidas relaciones comerciales y vínculos históricos con Rusia y otros países de la CEI. Los pequeños productores tienen tendencia a seguir considerando la CEI su principal mercado, lo cual es el caso de muchos productores rurales cuyos productos no tienen la calidad necesaria y que no pueden producir en cantidades suficientes para entrar en los mercados europeos.
3. Asimismo, la debilidad de la gobernanza y el lento crecimiento asociado a ella han incitado a emigrar a casi un tercio de la población en edad de trabajar, lo que ha privado a las zonas rurales de un grupo de población productiva clave. Pese al volátil crecimiento económico, la fragilidad de la gobernanza y la frecuencia con que se producen fenómenos climáticos extremos, la República de Moldova ha conseguido reducir considerablemente la pobreza. Uno de los principales factores ha sido el crecimiento económico impulsado por el consumo privado, que está creciendo gracias a las remesas y las pensiones. Sin embargo, las zonas rurales siguen siendo significativamente más pobres que sus contrapartes urbanas, con un nivel de pobreza casi seis veces mayor que el de las grandes ciudades.

Gráfico1

Remesas y transferencias sociales como porcentaje de ingresos de los hogares



Fuente: Banco Mundial: *Poverty and Shared Prosperity in Moldova, 2016*.

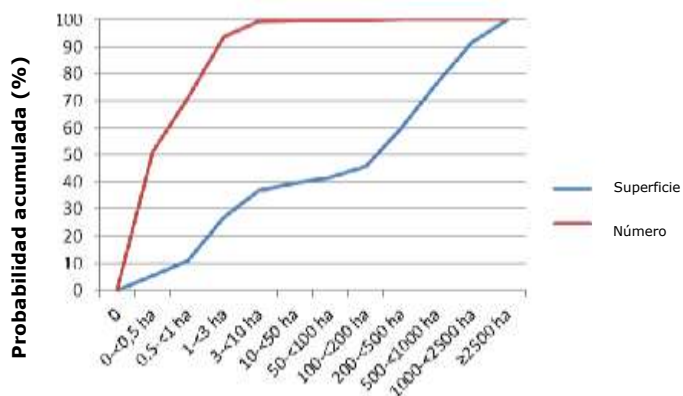
4. Es probable que los factores que han hecho posibles semejantes logros en materia de reducción de la pobreza no sigan dando tan buenos resultados en el futuro. Este aspecto ya se señaló en la evaluación del programa en el país (EPP) realizada por el FIDA en 2014. El país tiene ante sí un enorme reto demográfico que se manifiesta en una tasa de dependencia excepcionalmente alta y un descenso de la fertilidad, y el envejecimiento y la emigración no harán más que agravar el problema.

5. En lo que respecta a la nutrición, la República de Moldova está en proceso de transición; la desnutrición está disminuyendo pero está aumentando la hipernutrición. La mayoría de la población tiene sus necesidades de energía alimentaria ampliamente cubiertas, pero la proporción (21%) de personas que no consumen cantidades suficientes de alimentos sigue siendo preocupante, pese a estar disminuyendo. El nivel medio de consumo diario de energía alimentaria per cápita se ha mantenido siempre por encima de los valores recomendados por la Organización Mundial de la Salud (OMS), y la tendencia continúa: en 2013, el consumo medio diario fue de unas 2 400 kcal, superior al valor de referencia recomendado de 2 050 kcal. Del mismo modo, en los últimos años el país ha registrado mejoras en todas las categorías de la malnutrición y presenta niveles globales bajos¹ de malnutrición.
6. Las cuestiones de género también se manifiestan en la nutrición: las mujeres consumen más calorías que los hombres y presentan un mayor nivel de seguridad alimentaria en épocas de crisis². En la edición más reciente del índice mundial de disparidad entre los géneros elaborado por el Foro Económico Mundial (2017), la República de Moldova ocupa el 30º puesto de un total de 144 países, por encima de los Países Bajos (32º) e Italia (82º). Sin embargo, las mujeres se enfrentan a problemas de inferioridad salarial. Además, tienen menos probabilidades de poner en marcha un negocio, y, cuando lo hacen, tienen menos probabilidades de ampliarlo y contratar empleados.

B. Sector agrícola y economía rural

7. El papel de la agricultura también ha cambiado. La contribución del valor agregado agrícola al producto interno bruto (PIB) se redujo de un 30 % en 2000 a solo un 10 % en 2009, tras lo cual aumentó un 5 % (véase el gráfico 3 *infra*). La penetración de los mercados europeos ha sido determinante en el aumento del valor agregado agrícola.

Gráfico 2
Distribución de las explotaciones agrícolas y superficie, 2011



Fuente: Oficina Nacional de Estadística, varios años.

Gráfico 3
Porcentaje del valor agregado agrícola en el PIB



¹ Según el Informe de la Nutrición Mundial 2017, casi la mitad de la población padece sobrepeso.

² Banco Mundial: *Moldova- Food Security Assessment*, Washington 2016. Esto también puede deberse a que los hombres dan prioridad a otras categorías de consumo (por ejemplo, mantener un coche) antes que a la comida. Sin embargo, la dieta alimentaria de las mujeres también suele ser más saludable que la de los hombres, que se inclinan más por la carne roja, el cerdo, los alimentos con alto contenido de sacarosa y el alcohol.

8. Existe un pequeño pero creciente grupo de agricultores que cumplen las prescripciones europeas y exportan con buenos resultados a la UE, aunque suelen ser productores a mayor escala. De hecho, la naturaleza dual de la agricultura moldova probablemente se haya fragmentado aún más en los últimos diez años. Dado que es probable que toda una generación de agricultores de mayor edad deje la agricultura en un futuro cercano, habrá ocasión de respaldar el surgimiento de una nueva generación de agricultores más jóvenes que pueda consolidar, revitalizar y orientar al mercado esta actividad.
9. En el contexto de muchos otros países, los agricultores más pequeños habrían sido el grupo objetivo principal del FIDA, ya que también suelen ser los más pobres. Sin embargo, se podría decir que el nivel de crecimiento de la agricultura de subsistencia en la República de Moldova es único en Europa, donde históricamente se ha tendido a la comercialización y la consolidación, y eso complica el hecho de centrar el apoyo en los agricultores más pobres. La mayoría de los agricultores que producen en pequeña escala son personas mayores y aplican sistemas de cultivo poco intensivos. La proporción de los ingresos agrícolas en el total de ingresos se redujo de un 25 % a un 13 % entre 2007 y 2014 (véase el cuadro 1) y gran parte de los pequeños agricultores pobres no cumplen las condiciones necesarias para recibir financiación.

Gráfico 4

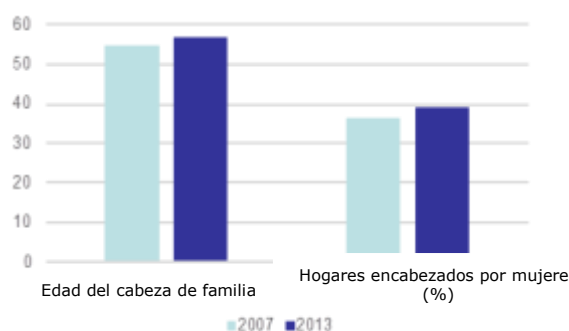
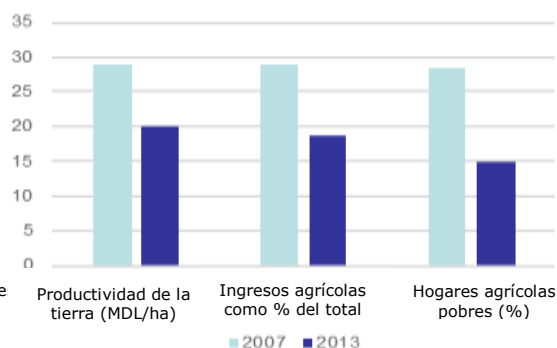
Edad y sexo de los agricultores de subsistencia

Gráfico 5

Productividad de las tierras y pobreza (todas las explotaciones)

Fuente: Banco Mundial: *Structural transformation of Moldovan smallholder agriculture*, 2016.

10. La concentración parcelaria no es un fenómeno a gran escala. Entre 2007 y 2008 un 23 % de los agricultores vendió sus tierras, mientras que entre 2012 y 2013 solo lo hizo un 7 %. La superficie de tierras que cambió de propietario también se redujo de un 11 % a un 4 % en ese mismo período (véase el cuadro 1 *infra*).

Cuadro 1

Cambios en las características de los agricultores orientados al mercado y los agricultores de subsistencia desde el COSOP de 2007

	2007			2013		
	Total	Subsistencia	Otros	Total	Subsistencia	Otros
Número de hogares agrícolas	4 679	72,36	27,64	4 089	73,65	26,35
Tamaño medio de los hogares	2,77	2,74	2,86	2,47	2,42	2,61
Edad media del cabeza de familia	54,69	55,29	53,14	56,48	57,31	54,16
Hogares encabezados por mujeres (%)	36,64	38,37	32,11	38,95	42,12	30,07
Mal estado de salud del cabeza de familia (%)	24,33	26,66	18,24	21,25	22,48	17,83
Bajo nivel educativo del cabeza de familia (%)	14,55	15,91	11,00	8,83	10,05	5,44
Alto nivel educativo del cabeza de familia (%)	19,57	18,83	21,49	19,57	19,41	19,93
Máximo nivel educativo en el hogar – bajo (%)	10,62	11,72	7,73	6,25	7,25	3,44
Máximo nivel educativo en el hogar – alto (%)	29,77	28,97	31,84	30,10	29,35	32,22
Hogar con miembros en búsqueda de empleo	11,69	11,60	11,92	10,18	9,39	12,40
Hogar con miembros subempleados (%)	27,33	26,98	28,17	22,29	20,92	26,17
Ingresos medios de los hogares (MDL)	35 912	33 683	41 748	36 648	34 800	41 811
Ingresos medios per cápita (equ.) (MDL)	17 055	16 005	19 804	18 896	18 145	20 995
Ingresos agrícolas (% del total de ingresos)	28,90	25,05	42,60	18,63	12,80	34,93
Ingresos no agrícolas (%)	27,54	28,33	24,77	28,48	28,90	27,45
Ingresos procedentes de remesas (%)	13,07	13,80	11,17	13,79	14,79	11,01
Dificultad para comprar alimentos (%)	37,32	38,42	34,44	35,10	36,00	32,59
Hogares agrícolas pobres (%)	28,53	30,31	23,86	15,03	15,72	13,11
Superficie media total de las tierras (ha)	1,64	1,566	1,823	1,39	1,265	1,720
- en propiedad (%)	99,38	99,40	99,31	99,32	99,38	99,18
- arrendadas (%)	31,57	31,69	31,25	28,34	27,80	29,87
- disponibles (%)	68,43	69,31	68,75	71,65	72,20	70,13
- abandonadas (%)	15,37	14,90	16,60	17,66	18,02	16,65
- en uso (%)	53,06	53,40	52,15	54,00	54,18	53,47
Mecanización (propiedad de un tractor) (%)	2,12	1,31	4,24	2,37	1,26	5,46
Porcentaje de ingresos agrícolas en especie	86,58	99,55	52,63	85,34	99,79	44,96
Productividad de las tierras (MDL/ha/año)	28 836	26 373	35 541	19 617	16 509	28 57

Fuente: Banco Mundial: *Structural transformation of Moldovan smallholder agriculture, 2016.*

11. El grado de vulnerabilidad del país al cambio climático y las conmociones conexas es elevado y a menudo tiene efectos negativos importantes en la economía. La República de Moldova se sitúa entre los países de Europa más vulnerables al clima (véase la nota relativa a los Procedimientos del FIDA para la Evaluación Social, Ambiental y Climática (ESAC) que figura en el apéndice VI). Los pequeños agricultores son particularmente vulnerables al cambio climático, ya que tienen un acceso limitado a la información y pocos recursos para invertir en medidas de adaptación.

C. Contexto normativo e institucional

12. La Estrategia Nacional de Desarrollo "Moldova 2020" presenta la política general de desarrollo del país. El programa sobre oportunidades estratégicas nacionales (COSOP) respalda plenamente las medidas de acercamiento a la UE recogidas en la estrategia Moldova 2020, en particular lo concerniente a la agricultura, para garantizar la seguridad y la inocuidad alimentarias. A nivel sectorial, el FIDA respaldará las principales prioridades gubernamentales enunciadas en la Estrategia Nacional para la Agricultura y el Desarrollo Agrícola. Se prevé que la reestructuración del Ministerio de Agricultura, Desarrollo Rural y Medio Ambiente (en el que se ubica la unidad de proyectos del FIDA) y las elecciones que están por venir darán lugar a una nueva estrategia de desarrollo rural. El FIDA se asegurará de adaptar sus futuros compromisos en consecuencia.

13. En las zonas rurales, el sector privado presenta una estructura dual que comprende un sector moderno, competitivo y próspero, y un sector de subsistencia estancado que cada vez está más marginado. El reto principal consiste en conectar los dos segmentos y restablecer una categoría intermedia de agricultores y agronegocios que puedan ofrecer oportunidades atractivas no vinculadas a la emigración, especialmente al talento joven. Las organizaciones no gubernamentales (ONG) y los proveedores de servicios son capaces de atender necesidades diversas, por ejemplo con servicios de tutoría, de extensión y de asesoramiento empresarial. El sector de la microfinanciación tiene una red extensa, pero las instituciones de microfinanciación suelen tener gastos generales elevados por ser a menudo demasiado pequeñas para lograr economías de escala.

II. Enseñanzas y resultados previos

A. Experiencias y resultados del pasado

14. El COSOP se ha elaborado sobre la base de las conclusiones y los resultados de numerosos estudios, en concreto: el examen de los resultados del COSOP (ERC) de 2017 y la evaluación del programa en el país (EPP) de 2014. A nivel operacional, ambos estudios ponen de manifiesto un desempeño óptimo por parte del FIDA, y el programa figura siempre entre los diez mejores de los 113 países de referencia del Fondo.

B. Enseñanzas aplicables a la futura estrategia

15. Una de las principales enseñanzas extraídas es que el FIDA no puede centrarse en las personas más pobres de las zonas rurales y, al mismo tiempo, cumplir su mandato de invertir en los bienes productivos de la población rural pobre. Esta conclusión se corrobora tanto en la EPP como en el ERC. Muchas de las personas más pobres de las zonas rurales son pensionistas o están próximos a jubilarse, por lo que es poco probable que les interese realizar inversiones sustanciales en la agricultura.
16. Sin embargo, es evidente que hay margen para mejorar la focalización, pese a que probablemente los grupos más pobres no vayan a ser los principales beneficiarios o no estén interesados en participar en los proyectos respaldados por el FIDA. A medida que crece la agroindustria y el turismo, están surgiendo oportunidades en las zonas rurales que promueven la concentración parcelaria y las actividades no relacionadas con la agricultura. Por consiguiente, el FIDA centrará sus esfuerzos en zonas más pobres y en la población pobre con potencial económico. El FIDA ya ha prestado apoyo a más de 4 300 empresas rurales a través de servicios de asesoramiento empresarial, que las han ayudado a aumentar su resiliencia y ampliar sus negocios. Se han concedido créditos a más de 2 500 hogares rurales (1 000 encabezados por mujeres) y se han creado o ampliado más de 600 negocios rurales de propiedad familiar (200 dirigidos por mujeres)³.
17. **Servicios financieros.** La valoración del informe final del Programa de Desarrollo de Empresas Rurales se concluyó que los 129 préstamos de inversión refinanciados por el programa generaron 1 348 puestos de trabajo, lo que representa un 4 % de todos los nuevos puestos creados en el país durante el período de ejecución del programa. El salario medio mensual de cada puesto era de USD 208, una cifra admirable, sobre todo si se tiene en cuenta que el salario medio del país es de USD 195 al mes (2008). En términos estructurales, el FIDA ha ayudado a las asociaciones de ahorro y crédito con la mejora del marco reglamentario, su trabajo con la Comisión Nacional de Mercados Financieros y el respaldo de iniciativas encaminadas a mejorar la consolidación, la solidez y la transparencia del sector.

³ Véase FIDA: ERC, Roma, 2017.

18. Las actividades del FIDA en el ámbito de la agricultura climáticamente inteligente también ayudan a orientar el COSOP y la selección de los mecanismos que convendría utilizar en el futuro. Por ejemplo, en una iniciativa piloto destinada a promover la agricultura de conservación, se seleccionó a una serie de “promotores de la transformación” (por ejemplo, empresas rurales en pequeña y mediana escala y agricultores en mediana y gran escala) para que sirvieran de modelo. La iniciativa demostró las ventajas de esta modalidad de apoyo en un contexto real y permitió a los agricultores más pobres adquirir experiencia práctica y extraer enseñanzas. Como se puede observar en el cuadro 2, se han establecido 10 escuelas de campo para agricultores en torno a la agricultura de conservación, y se espera que tengan un importante efecto multiplicador. Esta iniciativa también está impulsando notablemente la conversión a la agricultura de conservación y a prácticas generales de resiliencia al clima. Las actividades relacionadas con la agricultura de conservación deberán reproducirse a mayor escala en el futuro.

Cuadro 2

<i>Agricultura de conservación (2017)</i>	<i>Unidad</i>	<i>Tierra (ha)</i>	<i>Tierras dedicadas a la agricultura de conservación</i>	<i>(%) dedicado a la agricultura de conservación</i>
Escuelas de campo para agricultores	10	8.857	460	5
Donaciones de pequeña cuantía	25	8.873	7.020	79
Total	35	17.730	7.480	42

19. La donación ofrecida por el Organismo Danés de Desarrollo Internacional (DANIDA) en apoyo de los jóvenes de las zonas rurales también ha generado enseñanzas importantes con respecto al diseño de iniciativas transformadoras que combinan donaciones, créditos, capacitación empresarial, programas de tutoría y vínculos con el mercado. El apoyo del DANIDA se estrenó en los proyectos más emblemáticos en el ámbito de los jóvenes, el Proyecto de Fomento de los Agronegocios y los Servicios Financieros Rurales y el Programa de Fomento Integrador de la Economía Rural y la Capacidad de Resistencia al Cambio Climático
20. Las inversiones que fueron haciendo los jóvenes agricultores en activos de producción y las mejoras que fueron introduciendo en sus prácticas agrícolas contribuyeron a aumentar la producción en un 25 % en promedio, lo cual se tradujo en mayores ingresos. Ejemplos de ello son la producción de uva de mesa, que se sextuplicó en comparación con la de agricultores que no recibieron apoyo de los proyectos, y la producción apícola, que generó ingresos nueve veces mayores.
21. Las enseñanzas extraídas de esos proyectos con respecto al trabajo con los jóvenes serán de utilidad en el nuevo Proyecto de Retención del Talento en favor de la Transformación Rural propuesto. Por ejemplo, el citado proyecto ayudó a reducir la reticencia del sector bancario a conceder préstamos a empresarios jóvenes contribuyendo a su historial crediticio con donaciones de contrapartida, de modo que estas sirvieron para impulsar la inclusión financiera. Estas enseñanzas se aplicarán al proyecto de retención del talento en favor de la transformación rural.
22. Por último, tanto en el ERC como en la EPP se destacó la excelente labor de gestión de la unidad de ejecución de proyectos. La principal enseñanza que se desprende de esto es la importancia de mantener disposiciones fiduciarias sólidas y salvaguardar las competencias adquiridas hasta la fecha, sobre todo en el contexto de una reforma institucional.

III. Objetivos estratégicos y alineación

A. Objetivos estratégicos

23. La ventaja comparativa del FIDA reside en su capacidad de promover el desarrollo agrícola y reducir la pobreza rural por medio de inversiones sostenibles en las capacidades productivas de los agricultores, los agronegocios y los proveedores de

servicios financieros rurales. El FIDA tiene una propuesta de valor clara para todas sus operaciones en la República de Moldova: ofrecer a las personas pobres de las zonas rurales vías para salir de la pobreza en un contexto de despoblación, endurecimiento de las prescripciones reglamentarias (UE) y aumento de la competencia. A tal fin, el FIDA aprovechará su experiencia en la región para abordar las cuestiones relativas a la emigración rural, el acercamiento a la UE y la estructura cada vez más dual de la agricultura.

24. La principal teoría del cambio en la que se basa el COSOP es que el FIDA puede contribuir a impulsar la transformación de la economía rural ayudando a los agricultores y los agronegocios rurales a aumentar su resiliencia y su competitividad, lo cual generará empleo para la mano de obra rural pobre y aumentará la base tributaria del Gobierno, con la que podrá financiar sus objetivos de inclusión (por ejemplo, con transferencias sociales). Esta estrategia se complementará con una atención especial a la población rural pobre que tenga posibilidades de acabar dedicándose íntegramente a la agricultura comercial y alcanzar el nivel de competitividad necesario en el contexto del acercamiento a la UE⁴.
25. Partiendo de esta base, el objetivo general será ayudar a la población pobre productiva a salir de la pobreza aprovechando las oportunidades que están surgiendo en el país a raíz de la transformación que se está produciendo en el medio rural. El FIDA creará oportunidades para la población rural pobre que tenga perspectivas económicas y desee permanecer en las zonas rurales y servir de modelo. Para cumplir estos compromisos, el FIDA tiene dos objetivos estratégicos:
 - a) **Objetivo estratégico 1.** El FIDA mejorará la capacidad de adaptación de los pequeños agricultores y los agronegocios por medio de inversiones orientadas al mercado. En concreto, reforzará su resiliencia a través de inversiones en agrosistemas e infraestructura rural productiva. Dado que la gestión de los recursos naturales es esencial en la lucha contra el cambio climático, este objetivo se ha concebido para impulsar la adaptación al cambio climático, que se verá reforzada por la mejora de los conocimientos y un mayor acceso a prácticas y tecnologías de adaptación al clima. El FIDA también respaldará la aplicación a mayor escala de prácticas más sostenibles de gestión de la tierra y los recursos hídricos, que permitirán aumentar los rendimientos y diversificar la producción.
26. En el contexto de este objetivo estratégico, el FIDA invertirá en subsectores como el riego (para aliviar la sequía) y la agricultura de conservación en zonas vulnerables al clima, lo cual generará rendimientos positivos y nuevas oportunidades comerciales. Como es obvio, el enfoque estará orientado al mercado, ya que la adaptación es una prioridad comercial para los agricultores, especialmente para los pequeños agricultores. Por tanto, las infraestructuras deberán favorecer la integración a los mercados y ser económicamente sostenibles. El objetivo estratégico 1 creará una plataforma básica de adaptación para los pequeños agricultores que les permitirá acceder a las vías de salida de la pobreza descritas en el objetivo estratégico 2. Los promotores de la transformación pondrán a prueba nuevos enfoques y tecnologías de adaptación, pero con puntos de entrada claramente definidos y modelos que puedan replicarse y adaptarse a la población pobre productiva de las zonas rurales. Así, estos defensores o promotores de la transformación demostrarán la viabilidad de los nuevos conceptos e innovaciones y servirán de ejemplo de cara a su ampliación de escala e integración en las actividades. Estos promotores serán entidades del sector privado, ya que desempeñan un papel crucial en el fomento del crecimiento de las empresas orientadas al mercado al ofrecer perspectivas y oportunidades comerciales a los

⁴ Aun así, no todas las personas pobres de las zonas rurales podrán beneficiarse del apoyo del FIDA y, en general, la agricultura seguirá perdiendo mano de obra.

pequeños agricultores y generar oportunidades de empleo, tanto en el sector agrícola como en otros sectores. La función del FIDA será garantizar que los modelos e innovaciones promovidos puedan adaptarse al conjunto de necesidades de los pequeños agricultores y ayudarles en las fases de adaptación y utilización. Ello supondrá prestar apoyo tanto en la producción agrícola primaria como en otros segmentos como la transformación, la prestación de servicios y la comercialización.

- b) **Objetivo estratégico 2.** El FIDA promoverá vínculos comerciales inclusivos fomentando un mayor acceso a los servicios financieros y los mercados con el fin de impulsar la transformación rural. Ello supondrá respaldar la mejora del acceso a los servicios financieros rurales, la mejora del acceso a los mercados y la integración de los pequeños agricultores en dichos mercados. El apoyo a los agronegocios también será un componente esencial.
27. Las inversiones vinculadas al objetivo estratégico 2 se centrarán en los cultivos de alto valor, incluidas las frutas y las hortalizas. Para promover la integración de los pequeños productores se aplicarán diversos modelos, como la agricultura por contrata, la estructuración ascendente de los agricultores, la concentración parcelaria para los pequeños agricultores que aspiren a expandirse y los vínculos con otros proyectos en el país, como el Proyecto de Competitividad Agrícola del Banco Mundial. Se adoptarán medidas concertadas para hacer los servicios financieros más accesibles para la población rural pobre productiva con potencial económico.
28. La cartera actual proporciona una base sólida para alcanzar estos objetivos estratégicos. El Proyecto de Fomento de la Resiliencia Rural está contribuyendo al primer objetivo al movilizar inversiones sustanciales en favor del riego y la agricultura de conservación. Por lo que se refiere al segundo objetivo, el proyecto promoverá: a) la concesión de financiación a plazo a las pequeñas y medianas empresas (PYMES); ii) garantías de crédito para las PYMES, y c) apoyo técnico a las PYMES y las asociaciones de ahorro y crédito.
29. Las actividades previstas en el marco del Proyecto de Retención del Talento en favor de la Transformación Rural también contribuirán al primer objetivo al dar acceso a tecnologías resilientes al clima a jóvenes empresarios con el fin de aumentar su capacidad de adaptación. En cuanto al segundo objetivo, el proyecto incorporará un paquete de créditos y donaciones de contrapartida destinado a promover la iniciativa empresarial de los jóvenes y generar oportunidades de empleo y de obtención de ingresos que les integren en mercados de alto valor.
30. El FIDA ayudará al Gobierno a modernizar el sector rural con vistas a aumentar la competitividad y reforzar la resiliencia. Los beneficios de aumentar la base tributaria, los ingresos de exportación y las oportunidades de empleo ya se han demostrado. Sin embargo, el FIDA también complementará esta estrategia con una focalización más directa en los hogares rurales pobres productivos que sean vulnerables al cambio climático, poniendo especial énfasis en los jóvenes y en la dimensión de género.
31. Los dos objetivos estratégicos también encuentran su justificación en el primer Objetivo de Desarrollo Sostenible (**ODS 1**) (poner fin a la pobreza en todas sus formas en todo el mundo) y el **ODS 2** (poner fin al hambre, lograr la seguridad alimentaria y la mejora de la nutrición y promover la agricultura sostenible). También contribuirán al logro del **ODS 5** (lograr la igualdad entre los géneros y empoderar a todas las mujeres y las niñas), el **ODS 6** (garantizar la disponibilidad de agua y su gestión sostenible y el saneamiento para todos) y el **ODS 13** (adoptar medidas urgentes para combatir el cambio climático y sus efectos). Asimismo, el COSOP está en consonancia con los tres objetivos estratégicos del Marco Estratégico del FIDA (2016-2025).

B. Principales riesgos del país, los sectores y los programas

32. La matriz que figura a continuación refleja los riesgos a los que se enfrenta la cartera del FIDA a distintos niveles:

Cuadro 3
Matriz de riesgos

<i>Riesgos</i>	<i>Estrategia de mitigación</i>
Nivel macro: El envejecimiento de la población y la elevada tasa de dependencia provoca recortes en el presupuesto	Utilizar el diálogo sobre políticas para convencer de la necesidad de proteger el gasto en agricultura
La mala gobernanza compromete la capacidad de asociación del FIDA	Adoptar medidas de salvaguardia de la integridad adecuadas a nivel de los distintos compromisos, en particular en la Unidad de Ejecución Integrada de Programas
Nivel sectorial: La concentración parcelaria puede no llegar a producirse	El FIDA ayudará a los agricultores productivos con gran potencial a aprovechar las oportunidades de concentración
La mala gestión financiera y el conservadurismo limitan la inversión en las zonas rurales	El FIDA se está implicando en el sector y trabajando con las instituciones financieras seleccionadas para mitigar este riesgo
Nivel de los proyectos: La población pobre no puede atraer las inversiones del sector privado necesarias para impulsar la transformación	Los criterios de selección de los beneficiarios y las zonas de intervención garantizarán la existencia de potencial comercial
Los jóvenes no pueden atraer financiación de los proyectos o establecer vínculos con los mercados	Se ayudará a los empresarios rurales con talento con medidas de inclusión, transferencias de tecnología y programas de tutoría
El cambio climático socava la viabilidad de la agricultura	El FIDA se esforzará enérgicamente por mitigar estos riesgos promoviendo la agricultura de conservación, el riego y la selección de cultivos

IV. Resultados sostenibles

A. Focalización y género

33. La mayoría de los habitantes más pobres de las zonas rurales no formará parte del grupo objetivo principal del FIDA. La atención se centrará en la población rural pobre "apta para la inversión" que pueda garantizar la continuidad y el dinamismo de las zonas rurales. Este grupo estará compuesto por pequeños agricultores, pequeñas empresas y hogares pobres que posean tierras y ganado, desempeñen una actividad próspera y tengan interés en ampliar su producción y aumentar y diversificar sus ingresos.
34. Las estrategias de focalización irán orientadas a llegar a los grupos vulnerables con potencial de crecimiento. La focalización se verá reforzada por la participación activa de las comunidades locales, la labor de difusión de la información que realizarán los promotores formales e informales y una mayor transparencia en la selección de los beneficiarios. Para evitar que las élites acaparen el apoyo, las medidas de focalización incorporarán criterios restrictivos realistas basados en el tamaño de las tierras, el número de cabezas de ganado, etc. Se prestará una atención especial a los jóvenes y las mujeres.

B. Ampliación de escala

35. La prioridad principal de la asociación entre la República de Moldova y el FIDA en el período 2018-2024 será promover la ampliación de escala de las innovaciones. A nivel de los proyectos, la ampliación de escala se integrará sistemáticamente en los principios subyacentes y los resultados previstos de cada nuevo proyecto, y durante el diseño de estos se definirá una estrategia o un mecanismo claro al respecto. Un buen ejemplo de este enfoque es el caso de las prácticas de gestión de las tierras y los recursos hídricos resilientes al clima que está previsto reproducir a mayor escala, en el que primero los promotores de la transformación demuestran su viabilidad y después el FIDA ayuda a adaptar las tecnologías a las capacidades de los pequeños agricultores.

C. Actuación normativa

36. La actuación normativa del FIDA irá orientada a respaldar el logro de los objetivos estratégicos. Las experiencias concretas proporcionarán una base empírica sólida en la que el FIDA y sus principales asociados fundamentarán sus debates. Un tema clave será el de las crecientes desigualdades entre las zonas urbanas y las rurales y las desigualdades internas en el medio rural. De no hacerse nada al respecto, estas disparidades podrían acentuarse a medida que se endurezcan las prescripciones reglamentarias y aumenten las presiones en materia de competencia, ambas consecuencias probables de la aplicación del acuerdo de libre comercio de alcance amplio y profundo. En un plano más general, el FIDA procurará que se estudien formas de identificar a jóvenes empresarios rurales capaces de cumplir los criterios de acceso a los mercados, que son cada vez más estrictos, y de crear un entorno favorable que les motive a quedarse en las zonas rurales.
37. El FIDA también tratará de propiciar un diálogo sobre políticas en torno a aspectos más generales del sector financiero, como el establecimiento de los tipos de interés, las garantías de crédito, los requisitos en materia de garantías y las evaluaciones del riesgo.

D. Recursos naturales y cambio climático

38. Como elemento clave de los dos objetivos estratégicos, el FIDA ayudará al Gobierno a adaptarse al cambio climático en el nuevo período abarcado por el COSOP. Tanto en el Programa de Fomento Integrador de la Economía Rural y la Capacidad de Resistencia al Cambio Climático como en el reciente Proyecto de Fomento de la Resiliencia Rural se están desarrollando enfoques innovadores para ayudar a los pequeños productores a fortalecer su resiliencia al cambio climático. De nuevo, aunque los beneficiarios finales serán los pequeños agricultores, el FIDA trabajará con una serie de promotores de la transformación que puedan poner a prueba enfoques nuevos y más adaptables y garantizará la inclusión definiendo métodos claros para replicarlos entre los pequeños agricultores y las empresas de menor tamaño. La inclusión de los jóvenes y las mujeres será una prioridad. En el marco del Proyecto de Fomento de la Resiliencia Rural también se está promoviendo la gestión de recursos hídricos y el desarrollo de infraestructuras resilientes al cambio climático.

E. Agricultura y desarrollo rural que tienen en cuenta la nutrición

39. La mayoría de la población tiene sus **necesidades de seguridad alimentaria y energía ampliamente cubiertas**. El nivel medio de consumo diario de energía alimentaria per cápita es superior al recomendado por la OMS⁵. En 2013, se podía considerar que un 8 % de los hogares moldovos tenían gastos alimentarios elevados y, por tanto, eran vulnerables a la inseguridad alimentaria. Está claro que la República de Moldova no experimenta los problemas estructurales de deficiencia de nutrientes que sufren muchos otros países en desarrollo; de ahí que muchos de los problemas relacionados con la nutrición (como la obesidad o la diabetes) los gestione el Ministerio de Salud, que se concentra en promover opciones de alimentación más saludables⁶. El FIDA tiene el mandato de luchar contra la malnutrición en todas sus formas, por lo que abordará la cuestión de la seguridad alimentaria y el valor nutricional de los alimentos mejorando el tiempo de

⁵ La seguridad alimentaria y la seguridad nutricional están interrelacionadas pero no son lo mismo. La seguridad alimentaria se centra en las kilocalorías o la ingesta energética, mientras que en la seguridad nutricional también se tienen en cuenta el contenido de nutrientes y las dietas saludables.

⁶ Según el Informe de la Nutrición Mundial, casi la mitad de la población padece sobrepeso.

conservación de los alimentos producidos a nivel local. De esa manera, se contribuirá a que las necesidades alimentarias y nutricionales básicas de los niños estén cubiertas⁷.

V. Ejecución satisfactoria

A. Marco de financiación

40. El FIDA tratará de movilizar financiación de todos los asociados para el desarrollo y de todos los beneficiarios. Dado que cubre el período 2019-2024, el COSOP proporcionará el marco estratégico necesario para articular las inversiones rurales vinculadas a la Undécima y Duodécima Reposición de los Recursos del FIDA (FIDA11 y FIDA12).
41. Sobre la base de las actuales puntuaciones del Sistema de Asignación de Recursos basado en los Resultados (PBAS), los recursos básicos del FIDA correspondientes a los dos ciclos de financiación ascenderán aproximadamente a USD 40 millones. Se movilizarán recursos para donaciones que se utilizarán para sacar el máximo partido a las actividades no crediticias.
42. La cartera del COSOP constará de un proyecto, el Proyecto de Retención del Talento en favor de la Transformación Rural (véase el apéndice VI), que se financiará con cargo a la asignación del PBAS de la FIDA11. La cofinanciación que ha de obtenerse podría provenir de la UE. Otros posibles cofinanciadores son el Fondo para el Medio Ambiente Mundial y el Fondo Verde para el Clima.

Cuadro 4

Cálculo para el primer año del COSOP con arreglo al PBAS

Indicadores	Primer año del COSOP
Puntuaciones del sector rural	
Marco normativo y jurídico de las organizaciones rurales	4,50
Diálogo entre el Gobierno y las organizaciones rurales	4,25
Acceso a la tierra	4,50
Acceso al agua para uso agrícola	4,00
Acceso a los servicios de investigación y extensión agrícolas	4,00
Condiciones propicias para los servicios financieros rurales	3,63
Clima de inversión para las empresas rurales	4,50
Acceso a los mercados de productos e insumos agrícolas	4,17
Acceso a la educación en las zonas rurales	5,50
Representación de las mujeres	5,00
Asignación y gestión de recursos públicos para el desarrollo rural	4,38
Responsabilización, transparencia y corrupción en las zonas rurales	4,25
Resultados medios combinados	4,39

Cuadro 5

Relación entre los indicadores de resultados y la puntuación del país

Hipótesis de financiación	Calificación de la cartera de proyectos en situación de riesgo (+/- 1)	Puntuación de los resultados del sector rural (+/- 0,3)	Variación porcentual de la puntuación del país con arreglo al PBAS respecto de la hipótesis básica
Hipótesis baja	5	4,1	(19)
Hipótesis básica	6	4,4	-
Hipótesis alta	6	4,7	6

⁷ Ministerio de Salud: Orden de 1 de junio de 2016 sobre la política de alimentación en las escuelas y guarderías.

B. Seguimiento y evaluación

43. En el sistema de seguimiento y evaluación (SyE) actual se integrará plenamente el nuevo Sistema de Gestión de los Resultados Operacionales. Los progresos en el logro de los objetivos estratégicos del COSOP se seguirán a través del marco de resultados del COSOP. En el sistema de SyE del programa en el país se aprovechará el éxito del sistema aplicado actualmente en el Programa de Fomento Integrador de la Economía Rural y la Capacidad de Resistencia al Cambio Climático y el Proyecto de Fomento de la Resiliencia Rural. El sistema de SyE de los proyectos se apoyará en datos empíricos, por lo que todos los estudios se llevarán a cabo en el momento oportuno para poder efectuar análisis basados en los resultados. Además, se llevarán a cabo estudios complementarios cuando se considere necesario.

C. Aprendizaje y gestión de los conocimientos

44. El proceso de aprendizaje formará parte de las actividades ordinarias de SyE. Se extraerán enseñanzas de todas las actividades. Las actividades de aprendizaje y gestión de los conocimientos se llevarán a cabo con ayuda de los mecanismos de seguimiento periódico del FIDA. Las innovaciones y las mejores prácticas constatadas a nivel local se documentarán con fines de reproducción y ampliación de escala. Como parte de las actividades de gestión de los conocimientos se compartirán los resultados y las enseñanzas de los proyectos con el Gobierno y otros asociados para el desarrollo del país.
45. Es probable que el aprendizaje y la gestión de los conocimientos se centren en las innovaciones en tecnologías climáticamente inteligentes apropiadas para los pequeños agricultores, pequeños sistemas de riego alimentados por estanques, el desarrollo de cadenas de valor impulsadas por los compradores y las implicaciones para los pequeños productores, y la prestación de servicios de extensión. En lo que respecta a las finanzas, las actividades destinadas a respaldar las garantías de crédito generarán enseñanzas fundamentales, sobre todo en lo que se refiere a la forma de garantizar la integridad profesional, la creación de modelos financieros y la repercusión en los requisitos de garantía.

D. Asociaciones

46. El FIDA seguirá forjando o consolidando asociaciones estratégicas a todos los niveles teniendo en cuenta la ventaja comparativa de cada institución. El objetivo será lograr una mayor movilización financiera mediante la cofinanciación en el marco de los proyectos, un mayor apoyo durante la ejecución (por ejemplo, del sector privado y las organizaciones de la sociedad civil) o una mayor influencia en cuestiones normativas de índole nacional por medio del diálogo sobre políticas.
47. Los principales asociados que impulsarán el proceso provendrán del sector privado e incluirán a agricultores en pequeña escala, agricultores semicomerciales y agronegocios. Estos promotores de la transformación del sector privado pueden catalizar un cambio estructural muy necesario en la agricultura moldova y garantizar la sostenibilidad.
48. Por lo tanto, las asociaciones se establecerán principalmente con: a) el sector privado; b) todos los niveles del Gobierno, y c) otros asociados para el desarrollo, en especial la UE, el Banco Europeo de Reconstrucción y Desarrollo, el Banco Mundial, el Banco Europeo de Inversiones, la Organización de las Naciones Unidas para la Alimentación y la Agricultura (FAO), la Agencia Suiza para el Desarrollo y la Cooperación y el Organismo Austríaco de Desarrollo.

E. Innovaciones

49. El FIDA ha sido pionero en el fomento de la innovación en el medio rural desde 2010, especialmente en el ámbito de la agricultura de conservación. La pertinencia de las innovaciones respaldadas por el FIDA quedó demostrada durante

las sequías ocurridas poco después (en 2012 y 2015). En el futuro, las innovaciones serán un elemento central de la asociación entre la República de Moldova y el FIDA, y se centrarán en tres desafíos interrelacionados. En primer lugar, se hará todo lo posible por retener las capacidades y el talento en el medio rural introduciendo innovaciones para modernizar las zonas rurales, mejorando las condiciones en ellas y haciéndolas más atractivas para los agricultores y los agronegocios. En segundo lugar, para reforzar la resiliencia al clima en el medio rural se utilizarán innovaciones que introduzcan diferentes prácticas agrícolas y soluciones de infraestructura. Por último, en el ámbito de los servicios financieros, las innovaciones se centrarán en formas de reducir los requisitos de garantía y ampliar el alcance de los servicios financieros para que lleguen a grupos que no están suficientemente atendidos.

F. Cooperación Sur-Sur y triangular

50. El FIDA promoverá asociaciones regionales con países que se enfrentan a desafíos similares a los de la República de Moldova, en particular en lo que se refiere al cambio climático, la acción colectiva y la despoblación de las zonas rurales. Entre los países socios figuran Armenia, Georgia, Montenegro y Turquía, que tienen un PIB per cápita comparable y comparten algunos aspectos de su historia socioeconómica. La donación regional que tiene actualmente en marcha el FIDA, y que está liderada por una ONG moldova, reúne a asociados de Armenia, Georgia y Kazajstán con el objetivo de informar a otros países de la experiencia de cooperativas. A nivel institucional, las acciones se llevarán a cabo en colaboración con el Ministerio de Agricultura, Desarrollo Rural y Medio Ambiente y las organizaciones de agricultores, y se centrarán en un aprendizaje *inter pares*. Las actividades de cooperación Sur-Sur y triangular serán financiadas por los donantes o a través del componente de donación de los préstamos del FIDA.

Appendix 1: COSOP results management framework

Country strategy alignment	Key Results for IFAD's RB-COSOP			Indicative Lending and Non-Lending Activities for the next 6 years
National strategy on agriculture & rural development, 2014-2020	Strategic objectives	Outcome indicators	Milestone indicators ⁸	
Overall objective: raise the competitiveness of the agrifood sector by restructuring and modernization and to improve living conditions in rural areas whilst protecting the natural environment.	Overall goal: Assist the rural productive poor to graduate out of poverty by taking advantage of the opportunities emerging in the ongoing transformation of the rural areas of Moldova.	Reduced rural poverty in targeted areas % of targeted households with improvements in asset ownership	30% reduction in rural poverty (project data, LSMS and NBS) 75% (project M&E)	Scaling up the Inclusive Rural Economic and Climate Rolling out the Rural Resilience Project Policy dialogue on protecting agricultural spending. SSTC on rural poverty reduction in transitional MIC countries
<p>The ministry focuses on the following three objectives:</p> <ol style="list-style-type: none"> 1. Increased competitiveness of the agrifood sector through modernization and market integration. <p>Institutional Development</p> <ol style="list-style-type: none"> 2. Ensure sustainable management of natural resources in agriculture. 3. Improved standards of living in rural areas. <p>IFAD's strategic objectives are aligned with the government strategy and will contribute to the different strategic directions.</p>	<p>SO1: IFAD will <i>improve smallholders and agribusinesses' adaptive capacity</i> using market-driven engagements. by This will be done by enhancing their resilience through investments in productive rural infrastructure and agri-systems</p>	<ul style="list-style-type: none"> • At least 15,000 ha under improvement practices • Value of infrastructure made climate-resilient • Number of smallholder HH supported to adapt to CC • Number of water vulnerable farm-enterprises / HH with increased availability of technical water 	<p>3,000 ha of land brought under climate-resilient management</p> <p>At least US\$7 million</p> <p>3000</p> <p>330</p>	<p>Lending activities: through IFAD financing (Loan and Grant) and additional financial leverage</p> <ul style="list-style-type: none"> • Trainings and capacity development for beneficiaries and government staff • Engagement of youth and vulnerable groups in diversified income generating activities • Infrastructure to support the value chains • Support to improve natural resources management (including irrigation schemes, connectivity) • Climate change adaptation through environmental plans, demonstration activities, exchange visits

⁸ All indicators will be disaggregated by gender and age where possible and relevant.

	<p>SO2: IFAD will provide promote inclusive market linkages agribusiness development support through enhanced access to financial services and markets for promoting rural transformation.</p>	<ul style="list-style-type: none"> • At least 20% increase in income for targeted households • At least 30% of targeted households reporting an increase in production • 30% of supported households reporting improved access to markets, processing and storage facilities • At least 2,500 FTE job created • At least 1,000 persons reporting using rural financial services (30% women) 	<ul style="list-style-type: none"> • At least 35 productive infrastructures constructed/rehabilitated. • At least 2,500 people trained in production practices and/or technologies (30% women) • 30% increase in volume of agriculture and dairy produce in supported hh/agribusinesses • At least 50% of beneficiaries reporting adoption of new/improved inputs, technologies or practices • At least 1,000 persons trained in income-generating activities or business management (30% women) 	<p>Non-lending activities</p> <ul style="list-style-type: none"> • Evidence-based data and knowledge products on productivity and income to inform policy discussions with the government and other partners • Undertaking different studies and formulation of environmental plans • Annual implementation review workshops with stakeholders and potential partners

Agreement at completion point of last country programme evaluation [from 2014]

Introduction

51. This is the first CPE for Moldova by the Independent Office of Evaluation (IOE) of IFAD. The purposes of the CPE was to assess the overall partnership between IFAD and Moldova in reducing rural poverty; and to provide recommendations that can inform the preparation of the new Moldova country strategic opportunities programme (COSOP) as well as assist in the implementation of ongoing and design of future IFAD-funded projects in the country. IFAD prepared its first COSOP for Moldova in 2002 with the programme period until end-2006. A second COSOP covered the period 2007-2012. A midterm review of the COSOP issued in 2011 extended the COSOP period for a further three year cycle - up to end-2015. Preparation of the new COSOP will therefore start in 2014.
52. **Objectives.** Based on the analysis of cooperation during the period 1999-2012, the CPE aims at providing an overarching assessment of: (i) the performance and impact of programmes and projects supported by IFAD operations; (ii) the performance and results of IFAD's non-lending activities in Moldova: policy dialogue, knowledge management and partnership building; (iii) the relevance and effectiveness of IFAD's COSOPs of 2002 and 2007, including strategic objectives, subsector focus, targeting approaches, and country programme mix; and (iv) overall management of the country programme.
53. The Agreement at Completion Point (ACP), facilitated by IOE, reflects the understanding between the Government of Moldova (represented by the Ministries of Finance and Agriculture) and IFAD Management (represented by the Programme Management Department). It comprises the summary of the main evaluation findings (Section B below), as well as the commitment by IFAD and the Government to adopt and implement the CPE recommendations within specific time frames (Section C below). It is noted that IOE does not sign the ACP, although it facilitated the process leading up to its conclusion.
54. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management. In addition, this ACP will be submitted to the Executive Board of IFAD as an annex of the new COSOP for Moldova.
55. In line with the decision in 2013, the Moldova CPE will be discussed in the IFAD Executive Board at the same time when the new Moldova COSOP will be considered by the Board. Moreover, IOE will prepare written comments on the new COSOP for consideration at the same Board session. The written comments will focus on the extent to which the main findings and recommendations from the Moldova CPE have been internalized in the new COSOP.

Main evaluation findings

56. **The country portfolio over a decade has made good achievements on the ground.** The ratings for individual projects are solid and the achievements compare well with those of other IFAD country programmes. There has been an expansion of commercial bank branches in the rural areas of Moldova and an increasing number of small and medium private farmers have deposit accounts and short-term loans. The rural lending supported by IFAD has contributed to increased levels of

agricultural production, development of viable rural enterprises and job creation in rural areas. Modest investment in small-scale infrastructure has provided some small and medium farmers with water and access roads, and helped put in place institutional mechanisms for maintenance.

57. **One of the most impressive elements of the portfolio performance is high efficiency.** A very small share of the IFAD loan funds is used in administering the programme – a fraction of what is normally spent in many other countries. The Consolidated Project Implementation Unit (CPIU), embedded in the MARDE) (formerly called Ministry of Agriculture and Food Industry) that has been used for all IFAD projects can be considered as good practice for small countries with a narrow focus of operations. The Government of Moldova also deserves credit for the substantial support it provides. Perhaps this reflects the fact that IFAD is not a peripheral player in Moldovan agriculture sector, but a significant source of funding and technical support.
58. **The achievements of the portfolio mentioned above were not fully consistent with what was set out in the COSOPs or the project documents.** These achievements are consequences of the adoption and implementation of strategies and approaches that were a better reflection of the country context and the opportunities for IFAD to add value. On the other hand, this makes it problematic to assess the “COSOP performance”, for which the objectives and indicators laid out in the COSOP documents need to be taken into consideration. Both the COSOPs and the project documents make frequent reference to „direct poverty targeting“ whereas in practice only the small microfinance components really fell into this category. Most of the programme was devoted to support for growth through supporting medium-scale commercial farmers to raise productivity and move up the value chain. In the Moldovan context this was, in the view of the evaluation, the efficient way to achieve longer-term poverty reduction.
59. **Over 14 years, the core of IFAD’s programme has continued to be the provision of medium and long term credit lines channelled through the banking system.** Moldova's banking system has evolved. The commercial banks are highly liquid, reasonably competitive, and well-represented in the rural areas. The banks do not provide much medium and long-term credit from their own resources for agriculture – most of their resources come from short-term deposits - and they require excessively high collateral when they do so. It would be necessary to ask whether the availability of this money creates a disincentive for the banks to serve the needs of their more established clients with good credit history, from their own resources. IFAD and the Government need to consider an exit strategy in this area that encourages the commercial banks to increase the use of their own resources and at the same time that also allows for more focus on the support for new borrowers and young entrepreneurs.
60. **Value chain development, market-driven rural infrastructure, and natural resource management are seen as the keys to Moldova’s agricultural growth and rural poverty reduction.** The Government's draft new Agricultural Strategy, produced after completion of the CPE, reflects the priority of these areas of IFAD’s programme. The programme offers some very good lessons on both the problems and the potentials in each of these areas and IFAD needs to work closely with the
61. Government to draw on these lessons for the design of its own programme in the future and, more importantly for the design of Government programmes.

62. IFAD's non-lending services have not as yet achieved their full potential.

While partnerships with the Government, agencies, banks and service providers have been excellent, more needs to be done to strengthen partnerships with external donors and increase the leverage of the programme. As for the policy dialogue, there are opportunities to identify and study key policy issues emerging from the operations, possibly using grant resources, and contribute to a national dialogue led by the Government. Knowledge management has not been systematically planned and has not drawn on broader regional experience, although there have been good in-country efforts to share knowledge.

Agreement at completion point

63. The CPE makes three key recommendations: (i) strengthening country strategy, and in particular properly reflecting the main priorities and overarching strategic issues in the next COSOP; (ii) embracing and enhancing the adjustments being made in the rural finance programme, shifting away from the approach of channelling a bulk of IFAD loans to lines of credit, after over a decade of generally effective implementation; and (iii) strengthening the non-lending activities through a more strategic and effective use of grant resources and outreach.

Recommendation 1: Strategy

Ground the next COSOP in reality. The programme has supported the rural poor through helping increase agricultural growth and employment, although the evidence on its depth and extent is incomplete. The trade-offs that have been made are appropriate but the past COSOP has not been clear about them. The next COSOP needs to provide a frank assessment of IFAD's role and contribution in Moldova, and propose a programme that reflects the country's needs and IFAD's comparative advantages. The results framework needs to be more realistic and relevant to IFAD's programme than in the past. There is also need for better monitoring on the impact on and outreach to the rural poor through indirect and direct targeting.

Design a better integrated programme. Each of the programme pillars is relatively robust, but more could be done to plan these elements in an integrated fashion and exploit potential synergies. Both project design and country strategy need to look across components at how best to build this synergy.

Focus on how to mainstream value chain development within the programme. It has been challenging to articulate and implement an operational approach to pro-poor value chain development in Moldova. Progress has been relatively slow in terms of supporting organisations of small-scale producers and their linkages to markets. The value chain components of the projects now need to move beyond awareness and capacity-building. Value chain development should takeover from rural finance as the „flagship“ of IFAD's programme. IFAD and the Government of Moldova need to select and pilot activities in key value chains such as horticulture and livestock development. At the same time rural finance, infrastructure and natural resource management programmes could be geared more closely to the needs of these value chains.

Proposed follow-up. The above-mentioned recommendations will be duly taken into account in formulating the new results-based COSOP in Moldova, which is planned to be designed in 2014/2015 and submitted for the IFAD Executive Board approval in September 2015.

Deadline date for implementation. September 2015

Entities responsible for implementation. IFAD/PMD (NEN) and the Government.

Recommendation 2: Rural Finance

- (a) **Diversify from the approach of channeling the bulk of loans to lines of credit.** This is now a mature programme and has reached the point at which IFAD needs to strategize more effectively concerning its role; develop exit strategies in some areas and expand its coverage in others. In particular IFAD and the Government need to consider ways to encourage the banks to increase the use of their own resources and focus IFAD future support for rural credit on new and young borrowers.
- (b) **Seek greater leverage for IFAD funding of the young entrepreneurs programme.** A key group of new entrepreneurs are the 18-30 age group that IFAD has supported thanks to grant funding from DANIDA. The programme has demonstrated success. For scaling up of the programme, IFAD and the Government should systematically evaluate the demand and seek grant cofinancing from donors to meet this demand.
- (c) **Enhance the quality of the micro-finance programme.** The micro-finance part of IFAD's programme is still work in progress. First, there is a need to evaluate the programme and identify what benefits are being derived by participants and how effective it has been in moving borrowers out of poverty. Second, IFAD needs to review the institutional framework for micro-finance and contribute to a dialogue with the Government, the regulatory body and the various MFIs on what the future institutional framework should look like and how Moldova can move towards it.
- (d) **Proposed follow-up.** The above-mentioned recommendations are already being sizeably addressed by the country programme as follows.
 Recommendation (a): in the framework of the newly approved IRECRP participating commercial banks have committed to raise their own resources to a minimum 20% attesting their increased commitment to agriculture lending and the rural sector, thus freeing up IFAD resources for further investments in new and young rural borrowers. Recommendation (b): through the new and scaled-up IRECR programme, IFAD and the Government of Moldova have further engaged in extending their support to young entrepreneurs and obtained additional grant resources (US\$5 million) from DANIDA.
 Recommendation c): the revision of the micro-finance institutional framework is carried out on a continuous basis, within the ongoing country programme through constant dialogue with all key stakeholders involved (microfinance institutions, Government, National Commission for Financial Market, etc.). Further consultations and actions will be duly undertaken in the process of the new result-based COSOP preparation with the strategies for rural finance reflected in the document.
- (e) **Deadline date for implementation.** (a) and (b) December 2014; (c) September 2015.
- (f) **Entities responsible for implementation.** IFAD/PMD (NEN) and Government.

Recommendation 3: Non-lending

- (g) **Use the grant programme to provide the analytic underpinnings for a dialogue on key policy issues.** IFAD needs to take up with the authorities some of the key policy issues that have emerged in recent years, such as the role of micro-finance above and the issue of ownership and maintenance of infrastructure. But a key to doing this is to understand what underlies these issues. For example, what are the benefits of the micro-finance programme? How effective is it in supporting smallholders to move out of poverty? What needs to be done to enhance its impact? IFAD should use its grant programme to carry out analysis of such questions.

- (h) **Expand outreach and strengthen non-lending activities.** While programme implementation is extremely efficient, IFAD needs to expand its outreach and strengthen its non-lending activities in Moldova through selective policy dialogue, stronger partnerships and expanded knowledge-sharing. In addition to the policy area already mentioned, IFAD needs to be more proactive on partnerships and take its case to the donor community under the Government's active leadership; on knowledge-sharing a more systematic approach is needed with a designated focal point in the CPIU and the preparation of an annual plan in this area. IFAD's regional management needs to consider how to exploit the obvious learning potential through comparing the Moldova programme with those in other small Eastern European and the Former Soviet Union borrowing countries.
- (i) **Proposed follow-up.** The above-mentioned recommendations will be duly addressed through a number of activities: (a) possible use of IFAD's loan and grant resources for conducting impact assessments of programme results and achievements in order to capture evidence-based knowledge generated from successful project experiences in a meaningful and targeted way. It is envisaged that this knowledge will also feed into ongoing and future policy dialogue taking place at the national level. Furthermore, it will serve as an input for the new COSOP design; (b) through the preparation of learning events and/or tools for dissemination within IFAD, in-country team and other relevant national and international stakeholders; and (c) a Knowledge Management Specialist will join the CPIU within the framework of the recently approved IRECR Programme. The Specialist will be tasked to follow up on knowledge production and dissemination.
- (j) The CPIU will continue being proactive in sharing its knowledge through a number of means: digital media (website, video material) and printed media (numerous brochures and leaflets on the programme). In addition, CPIU has recently established a new partnership with the neighbouring country – The Republic of Belarus to share its knowledge and experience on agricultural development programme implementation. In early 2014, CPIU is planning to meet with a group of experts from Belarus to exchange experiences in programme implementation.
- (k) Further actions will be undertaken in the framework of existing and new programmes and the results will be reflected in the newly designed COSOP.
- (l) **Deadline date for implementation.** September 2015.
- (m) **Entities responsible for implementation.** IFAD/PMD (NEN) and Government.

Signed by:

Honourable Vasile Bumakov
Minister of Agriculture &
Food Industry
Government of Moldova

Kevin Cleaver
Associate Vice President
Programme Management Department
IFAD

Date: 13 February 2014

COSOP preparation process including preparatory studies, stakeholder consultation and events

64. The preparatory process was initiated in early 2017 with the commencement of the COSOP results review (CRR), which started the evidencing process of detailing the performance of IFAD in Moldova and developing a robust theory of change that included the core contextual drivers. The CRR also documented the polarizing trends permeating the Moldovan rural space, with the vast majority of smallholders becoming older, more subsistence oriented and having increasingly smaller plots, whereas trade in land was declining. On the other hand the CRR also documented the increasing (but comparatively small) number of successful farmers and agribusiness that were able to commercialize and some also to penetrate new markets, most notably in EU, but also in the Middle East.
65. The CRR entailed extensive consultations with all core stakeholders, including farmers, government partners, private sector, financial institutions and other external development partners engaged in the rural space. At the end of the CRR mission, a joint validation and learning event was organized for all these partners, during which the findings and recommendations were subject to intensive debate, refinement and finally also agreement. The joint validation and learning event has been core in informing this COSOP.
66. Consequently, the CRR process served as an input to preparing the first draft of the COSOP in early 2018, a version of which was presented to Moldovan stakeholder in March 2018, during which more detailed conversations were hold, not least on the proposed new development engagement, the TARUT project.
67. The COSOP design mission in March 2018 also included a joint validation and learning event, but with a more focused scope, involving only the Ministry of Agriculture, Regional Development and Environment (including the minister) and the EU (including the European Neighborhood Programme for Agriculture and Rural Development, ENPARD).

I. Key file 1: Rural poverty and agricultural/rural sector issues

Priority Areas	Affected Groups	Major Issues	Action Needed
<p>Poverty and vulnerability to poverty</p> <p>Rural poverty has been declining, but not on a sustainable basis and importantly vulnerability growing driven by, ageing population and reduced government support;</p>	<ul style="list-style-type: none"> Isolated retired people, People with disabilities and extreme poor and minorities Rural HHs especially in remote and deserted areas 	<ul style="list-style-type: none"> Climate change poses risks to all rural households, but affects more vulnerable HHs, and remote communities; Limited employment and labour opportunities in rural areas; Lack of property ownership among women and youth restricts access to finances; Migration from rural areas to urban settlements and abroad; Remittances used for consumption; The social targeted assistance may promoted 'inactive' behaviour 	<ul style="list-style-type: none"> State policies and strategies supported by IFAD are to be inclusive; Support to sub sectors dominated by the productive poor, vulnerable and smallholders; Wide outreach and information dissemination on IFAD programme's benefits for inclusion; Promote diversification of income streams; Target rural areas with potential in policies and investments with higher poverty incidents and climate change vulnerability; Direct targeting of vulnerable groups to improve nutrition and incomes (women headed HHs and youth)
<p>Vulnerability to climate change and natural disasters</p> <p>Resilience of small scale famers to climate change</p>	<ul style="list-style-type: none"> Rural HHs, HHs in southern areas 	<ul style="list-style-type: none"> Growing incidents of drought, hail, frost and other natural disasters; Increase of temperatures and dry spells; Variability of precipitations; Increase of eroded areas due to water and wind erosion; Unauthorized deforestation on agricultural lands; Lack of appropriate forest buffer zones; Depletion of aquifers; Inexistence of irrigation infrastructures among small-scale farmers; Use of inappropriate soil cultivation technologies; degradation of natural resources because of lack of policies and legislation in water management; Lack of technological investment Limited access to information about the efficient use of soils; Limited knowledge on climate-smart technologies; 	<ul style="list-style-type: none"> Support policies, legislation, strategies on sustainable management of natural resources; Support adaptation of sustainable agricultural technologies and ecosystem-based practices by smallholder farmers in agriculture to enhance climate change resilience; Build capacities for diversification and off-farm incomes; Promote use of greenhouse climate control systems Develop CA techniques: No till, mini-till, use of organic mulching, free movement shelter (on improved pastures), free movement shelter without grazing, using forage blend...;

Priority Areas	Affected Groups	Major Issues	Action Needed
		<ul style="list-style-type: none"> Limited knowledge on climate resilience and adaptation strategies; Lack of off-farm opportunities; 	
Low agricultural productivity	<ul style="list-style-type: none"> Subsistence oriented and small scale farmers; Farmers in deserted areas; Smallholder farmers 	<ul style="list-style-type: none"> Very small land plots suitable for cropping; Animal and crop diseases; Rural infrastructure in state of disrepair; Poor governance of infrastructure and natural resources; Quality standards underdeveloped, squeezing smallholders Insufficient 'quality infrastructure' Weak value chains esp. for smallholders Limited access to irrigation water; Low yield, limited production, limited returns Lack of knowledge of adequate agricultural practices and limited access to extension Limited use of inputs (seeds, breeds, fertilizers) 	<ul style="list-style-type: none"> Investments focus on improvements in horticulture productivity Support access of smallholders to improved inputs and technologies Enhance capacity of smallholders Encourage and incentivize links between farmers to form groups Provide support to improve resilient production and management Promote "green jobs" together with the development of Climate-Smart Agriculture techniques;
<ul style="list-style-type: none"> Weak Value Chains 	<ul style="list-style-type: none"> Smallholder farmers, inputs suppliers, small and medium size enterprises 	<ul style="list-style-type: none"> EU requirements for food safety to be fully introduced in 2020, would mostly affect smallholders and squeeze many from small scale production Small producers have difficulties to meet market requirements in quantity, quality and food safety Poor level of organization along the value chain Limited processing and short value chains Limited access to finances 	<ul style="list-style-type: none"> Provide support to viable smallholders with meeting food safety requirements; Support efficient linkages and partnerships among producers and processors; Support improved access to modern technology; Investments in supportive infrastructure and services; Improving access to finances

II. Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats analysis)

Organization	Strengths	Weaknesses	Opportunities	Threats
Ministry of Finance	<ul style="list-style-type: none"> Well developed and generally efficient financial management system in place Efficient use of IFAD revolving funds under CLD. Strong role in enforcing state policies on financial issues, budgeting and taxes. Robust expertise in loan negotiations, concluded by GoM, controls their realization and loan's return. Capacity to provide and manage state budget funds and control their transfer within Moldova. 	<ul style="list-style-type: none"> Does not always have technical capacity to analyses the benefits of IFAD projects Limited donor coordination capacity. 	<ul style="list-style-type: none"> Recent government reforms create space for improved donor coordination Key driver in EU legislative alignment. 	<ul style="list-style-type: none"> Limited staff in reformed ministry may prove to undermine its effectiveness May translate IMF requirements into blanket refusal to take IFAD loans Limited cooperation from line ministry may undermine coordination
Ministry of Agriculture, Regional Development and Environment	<ul style="list-style-type: none"> Strategic planning capacity and translate them into concrete planning Good cooperation with external development partners, IFAD included Key agency in development and implementation of unified government policy on the development of the rural sector of Moldova and protection of the environment. Has a range of technical and administrative capabilities. Supports the development of rural cooperation and regional development Protects the environment Strong human resources on environment and climate change 	<ul style="list-style-type: none"> Significant recent staff reductions undermine capacity to fulfill mandate esp. within agriculture; Limited synergy between agriculture, regional development and environment; Too high workload for EU alignment of policies and strategies; Agricultural agencies are scatter geographically, limiting coordination and coherence. 	<ul style="list-style-type: none"> More coherent policies and synergies between agriculture, regional development and the environment; New civil servant code may allow key ministry staff to stay in their positions after elections, reducing turnover and promoting institutional stability; EU Association Agreement provides alignment and clarity of legal and regulatory framework. 	<ul style="list-style-type: none"> Merging the ministries will continue to undermine capacity; Merging of agriculture and environment may reduce the regulatory and protective clout of environment leading to unsustainable practices (e.g. depletion of aquifers and increased pollution); Started reforms may only be partially implemented due to the organizational turbulence; Reduced capacity to implement EU conditions may jeopardize funding from budget support.

Organization	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> • Robust structure for implementation of regional development projects through the three regional agencies (north, center & south) • Promotes processing of primary agricultural and food products. • Important Legal Entities under the Ministry: Moldsilva (ICAS), Agricultural Intervention Agency and Payments Agency (AIPA). State Commission of the Republic of Moldova for Plant Variety Testing and Consolidated Program Implementation Unit (CPIU). 			
Financial institutions	<ul style="list-style-type: none"> • Improved supervision of financial institutions following the banking fraud. • New foreign investors in the banking sector, bringing in innovation, stability and credibility. • National Commission for Financial Market robust capacity to supervise non-bank financial institutions. 	<ul style="list-style-type: none"> • Conservative lending policies in wake of banking fraud • Limited trust in financial sector • High collateral requirements • Lack of effective credit guarantee mechanism • Limited innovation in rural finance • Too many unsustainable / unprofessional SCAs. 	<ul style="list-style-type: none"> • Potential exists for developing financial products suitable for rural areas. • Willing to increase their activities in rural areas. • Potential for launching a credit guarantee fund with EU support. 	<ul style="list-style-type: none"> • Continued weak governance may lead to renewed crises in the sector • Repeat of high inflation would reduce lending and increase interest rate • National bank may tighten regulatory requirements so much that on-lending will be reduced.
The rural private sector	<ul style="list-style-type: none"> • Increased market orientation to EU stimulate better quality management system and improved food safety • Active and competent food safety agency. • Moldovan wine is increasingly recognized for its quality outside CIS 	<ul style="list-style-type: none"> • Growing number of semi-subsistence farmers becoming fully subsistence. • Slow process of cooperation and organization of smallholders. • Too many labour 	<ul style="list-style-type: none"> • Land consolidation could be accelerated. • EU markets are opening and quotas increasing. • Potential markets are being developed outside EU and CIS • Diversification of business e.g. agro-tourism growing. 	<ul style="list-style-type: none"> • Climate change reducing yields • New EU supermarket chains may increase competitive pressures in Moldova by importing produce and marginalize smallholders • Worsening quality of

Organization	Strengths	Weaknesses	Opportunities	Threats
	<ul style="list-style-type: none"> Some land consolidation has allowed the emergence of efficient large-scaling farming, competitive on international markets. 	<p>intensive production systems.</p> <ul style="list-style-type: none"> Ageing structure agriculture. 		<p>governance may deter rural investments</p> <ul style="list-style-type: none"> Continued massive migration may depopulate entire areas and reduce access to labour Geopolitically dependent on what events can occur in the neighboring countries. Uncertainty of government policy.
Local NGOs, CSOs, service providers	<ul style="list-style-type: none"> Several organizations active, with different expertise, degree of community outreach and knowledge. Some have well qualified and experienced personnel, strong advocacy/lobbying skills and the cultural knowledge that is essential for successful grass roots development. Strong technical and networking capacity and also ability to engage with international organizations. Service providers for training have strong capacity and teaching abilities. 	<ul style="list-style-type: none"> Most only based in center (often Chisinau) and have limited outreach. High dependence on donor funding 	<ul style="list-style-type: none"> Potential for providing rural business services (incl. extension) on a commercial basis. Reforms in agricultural research & education may bring new market opportunities for rural services. 	<ul style="list-style-type: none"> Smallholders refusing to pay for rural services (after having been subsidized) Donors may withdraw funding

III. Key file 3: Complementary donor initiatives/partnership potential

Title	Beneficiary Agency	Donor Agency	Start Date	Completion	Budget (EUR)	Partnership potential
Financing Agreement between the Republic of Moldova and International Development Association on Project "Emergency Agriculture Support"	Ministry of Agriculture and Food Industry	World Bank (IDA)	2013	29/05/2028	3,888,665.89	Stand-by short term assistance facility for emergencies. Complementary to IFAD long-term perspective
The 2KR installment sales program in the irrigated agriculture performance of the Millennium Challenge Account Moldova	Ministry of Agriculture and Food Industry	USA MCA	2015	31/03/2025	2,045,560.2	Strong cooperation and coordination with many farmers accessing irrigation. MCA not interested in cofinancing partnership.
ENPARD Moldova Program - Support to Agriculture and Rural Development	Government of The Republic of Moldova	European Commission	2015	01/07/2022	64,075,000	Strong partnership potential by the most important external development agency. IFAD will accelerate efforts to partner
Agricultural Registry for Wine and Vine (ARWV)	Ministry of Agriculture and Food Industry	USAID	2017	30/09/2021	473,171.19	Complementary activity. USAID not interested in cofinancing partnership.
The Project "Fruit garden of Moldova"	Ministry of Agriculture and Food Industry	European Investment Bank	2014	02/11/2020	120,000,000	Partnership potential, which is being perused through the credit guarantee fund.
Moldovan Vine and Wine Register (MVWR) Project	Ministry of Agriculture and Food Industry	USAid	2015	13/06/2018	168,180.7	Addendum to above.
Research and specialists fund	Nongovernmental Organizations from Moldova, State Institutions	German Development Cooperation	2010	31/12/2017	675,000	Research may be of relevance to e.g. SLM. Will stay informed of outcomes.
Elaboration and implementation of the Vine and Wine Register in the Republic of Moldova	Ministry of Agriculture and Food Industry, National Office of Wine and Vineyard of Moldova	Czech Development Agency	2014	31/12/2017	794,774.48	Limited engagement and narrow project. Coordinates with lead in sector, USAID
FAO Project „Increasing small scale farmers’ resilience to drought by adopting best irrigation practices and modern irrigation technologies“	Ministry of Agriculture and Food Industry	Hungary	2014	31/12/2017	314,543.8	Have incorporated key learnings from FAO in irrigation models promoted
Inclusive Rural Economic and Climate Resilience Programme (IRECR) (Danish Grant No. 2000000703)	Ministry of Agriculture and Food Industry	Denmark	2015	31/12/2017	4,699,063.75	Non in Moldova as Denmark phasing out. Strong partnership potential in Georgia.
Additional Financing Agreement for	Ministry of Agriculture and	World Bank (IDA)	2015	01/07/2017	10,810,810.81	Mostly working with larger rural

Title	Beneficiary Agency	Donor Agency	Start Date	Completion	Budget (EUR)	Partnership potential
Agriculture Competitiveness Project between Republic of Moldova and International Development Association, Credit Nr. 5639-MD	Food Industry					SMEs but IFAD engaged in linking farmers to the value chains. Strong cooperation with the WB.
Agriculture competitiveness	Ministry of Agriculture and Food Industry	Global Environment Facility, International Development Agency, Kingdom of Sweden	2012	28/05/2017	19,547,586	Same project as above, but the GEF component.

iv. Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
<p>Semi-commercially based farming HHs (at least 40% of ag production is for commercial purposes)*</p> <p>Can be fully engaged in agriculture, or have agriculture as a second important source of income. This is a target group of IFAD programme.</p> <ul style="list-style-type: none"> • Smallholder HHs, • Women headed HHs, • Young people led HHs. <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> • Have upper school education, sometime higher education • Mostly self-employed in own farms for own consumption and surplus sales; • Income is at the level and slightly higher than established living standards' minimum; • No livestock, or 1-2 cattle, fragmented small land plots in average 1.2ha and not larger than 2 ha, small household plot; • Rely significantly on natural resources; • Very vulnerable to changing weather patterns; • Very vulnerable to external shocks. 	<p>Poverty moderate but very vulnerable sink into subsistence farming</p> <ul style="list-style-type: none"> • Lack of farm or off-farm jobs; • Have limited assets: no arable land or very small plot; very small household plots, have poultry, no or very few if any livestock (1-3 cattle), no machinery; • Skills mismatch with demand on a market; • Low productivity of production with no investment; • Difficulty to sell any agricultural products' surplus due to low quality and quantity. 	<ul style="list-style-type: none"> • Partly rely on remittances and some on state transfers; • Part of land may be leased out for in kind payment; • Agricultural production is basic; • Rely mainly on HH labour; • Income usually as low paid seasonal labour; • Seeks new knowledge; • Seeks to improve productivity and yields; • Rely on family labour; • Avoid or limit taking risks. 	<ul style="list-style-type: none"> • Improve access to infrastructure and services; • Improved nutrition; • Minimize risks to ag production; • Employment opportunities; • Higher incomes; • Improved access to natural resources, collection of fuelwood, plants 	<ul style="list-style-type: none"> • Generate employment in ag production, processing and services; • Support VCs with considerations of nutritional value of products; • Support capacities for diversification of livelihoods; • Ensure fair access to pastures; • Ensure inclusion and consider interests of poor in capacity-building activities and other projects' benefits; • Improved productive and social infrastructure • Improved ecological environment
<p>Rural youth (between 18 and 40 years) IFAD target group</p> <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> • High propensity to emigrate • Better education than parents • Eager to test new methods and practices • Aware of climate change 	<ul style="list-style-type: none"> • Varying degrees of poverty, but generally few physical and productive assets; • Extremely limited access to financial services caused by no assets and no credit history; • Limited access to land and to consolidate land; 	<ul style="list-style-type: none"> • Those not emigrating are depending on parents and wider family • Credits from informal markets, at times leading over-indebtedness • Subsistence agricultural or simple wage work 	<ul style="list-style-type: none"> • Access to credits and productive assets • Better facilitation of the transfer of land titles across generations and between absent owners • Knowledge about market and practise 	<ul style="list-style-type: none"> • Provide carefully calibrated package of access to finance, grants, capacity development and value chain integration • Promotion of rural diversification into off-farm employment and business opportunities

<ul style="list-style-type: none"> • Feeling isolated • Challenges finding partner and raising family 	<ul style="list-style-type: none"> • Limited network and VC integration due to inexperience; • Unwilling to accept low governance standards and the uncertainty caused. 			<ul style="list-style-type: none"> • Encourage young entrepreneurs to assume of breaking new pathways to rural climate adaptation.
<p>Commercial farmers and enterprises (Agriculture and agribusinesses are the major sources of income and livelihood)</p> <p>IFAD target groups</p> <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> • Have higher and often technical education; • Have arable land plot and rent additional land to grow cereals, fruits and vegetables, have household plot, livestock (from 5 and more cows), some types of machinery (truck, mini tractor); • Hires permanent and seasonal labour; • engaged also in other employment/business • Income is higher than established living standards' minimum; • Has from 3 to 20 heads of cattle • Has 5+ ha of land (also leased) • Vulnerable to changing weather patterns; • Vulnerable to external shocks 	<ul style="list-style-type: none"> • Access to finances is limited (affordability); • Access to irrigation is limited; • Issues with access to markets (seeks selling links to middlemen or to the processors); • Moderate to high levels of land degradation; • Rely somewhat on diversified income streams. 	<ul style="list-style-type: none"> • Takes loans for ag production from formal financial sources; • Seeks new knowledge and technologies; • Access to resources to expand production and profit from value chain; • Increase product quantity or consolidate with other farmers; • Improve product quality to meet market requirements and to increase premium; • Improve food safety requirements to meet EU requirements; • Improve production facilities; • Searches for various credit/grant resources. 	<ul style="list-style-type: none"> • Improved nutrition and health; • Improve access to natural resources; • Improved rural infrastructure (access roads, irrigation); • Access to improved inputs, knowledge, technology and finance; • Ability to consolidate production with other farmers for higher profit margin and lower cost; • Improved knowledge on climate-smart agriculture; • Access to better inputs; • Access to markets with better links with processors, further integration in VCs; • Access to marketing infrastructure; • Predictability and stability of markets; • Expand production scale and upgrade facilities; • Enhance resilience to climate change. 	<ul style="list-style-type: none"> • Support inclusive land consolidation • Support VCs with considerations of nutritional value of products for own consumption as well; • Support better farming practices programme (awareness, capacity-building, demonstration); • Ensure access to natural resources, knowledge and new technologies; • Improve access to inputs and services; • Facilitate formation of demand driven groups, cooperatives, associations; • Improve opportunities for post-harvest storage, processing, branding and marketing and exports; • Assist in establishing links with the private sector; • Improve product quantity, quality to meet market requirements; • Access to technical and business development skills • Adopt climate-resilient production practices • Support diversification of farming systems.

H

<p>Women which inhibit women' economic participation relate to working women</p> <p><u>Characteristics:</u></p> <ul style="list-style-type: none"> • Engaged in own farm • No or few livestock (usually not more than 3 cows), very small land plot, mostly rely household plot; • Very vulnerable to changing weather patterns; • Vulnerable to external shocks 	<ul style="list-style-type: none"> • High domestic workload, lack of childcare support services, especially in rural areas, • unequal access to assets and resources, • low participation in decision-making due to prevailing traditional patriarchal attitude especially in rural areas • On average, women engage in agricultural work 80 days more than men but mostly as unpaid labour • female's remuneration about 44% lower than men's; • Limited access to finances due to lack of collateral; • Limited access to inputs, irrigation, machinery; • Limited access to finances; • Limited access to information on opportunities; • Lack of confidence in dealing with banks and state institutions. 	<ul style="list-style-type: none"> • Cultivating household plot to grow produces for market; • Small-scale home based processing; • Taking loan from informal sources or expensive non-collateralized loans for short terms; • Reduction in consumption. 	<ul style="list-style-type: none"> • Improved nutrition; • Improved health; • Improved social and physical rural infrastructure; • Access to finances; • Access to improved inputs, technology and extension; • Access to business development skills and information; 	<p><i>The same as above</i></p>
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Natural resources management and climate change adaptation: Background, national policies and IFAD intervention strategies

(n) Background

1. In the last 10 years, even though the economy of the Republic of Moldova registered certain progress, the economic growth was impacted by the 2009 global economic and financial crisis, as well as by the 2012 and 2015 crises. In 2015 the Gross Domestic Product accounted for MDL 121,85 billion or Euros 5.83 billion, decreasing (in real terms) by 0.5% compared to the previous year (UNDP, 2016).

(o) Major landscape characteristics and issues (social, natural resources and climate)

c) Sociocultural context

2. **Population, poverty and social protection.** As of January 2016, the population of the Republic of Moldova 4.03 million people. The density is approximately 119.1 persons per square kilometer. Females predominate with 52.2% in the total population. 60% of Moldova lives in rural areas and a quarter is employed in agriculture with low levels of productivity.
3. **Gender and youth.** Moldova suffers considerable gender disparities with only 37% of women employed compared to 42% of men, women earning only 87% of the male wage on average and allocating 4.9 hours per day to unpaid work compared to 2.8 hours for men (UNDP 2014). The employment rate of women in Moldova is lower than that of men (7% of women employed compared to 42% of men). In the rural areas, women make 36% of the total agricultural holders in the country, but they manage only 19% of the land covered by agricultural holdings.
4. **Migration.** Low pay and lack of employment opportunities, wage discrepancies between rural and urban areas, as well as relatively easy access to European and Russian labour markets, indicate that Moldova is seriously affected by emigration, with an estimated 600,000 people (at least 25% of the workforce) working abroad.
5. **Employment.** End of 2015, the economically active population in Moldova was made up of 1.35 million⁹, with an employed population in 2015 of 1.31 million. Out of this, 55.2% live in rural and 44.8% in urban areas. The male employment rate (46.4%) is higher than that of females (41.3%).

d) Natural Resources and NRM

Land and Land Use

6. Agricultural land constitutes approximately 74% (2.5 million ha) of the country's total land area, of which 54% is arable land for annual crop production (maize, wheat, sunflower, barley, oilseed, soybean, sugar beet). Most farmers (97.7%) are small-scale, with farm sizes ranging between 0.85 and 10 ha. Many of them lease the land to private or corporate entities or leave it as fallow.

⁹ National Bureau of Statistics.

Table 1
Available Land by Category in Moldova between 1992-2016, thousand ha¹⁰

	1992	1995	2000	2005	2010	2011	2012	2013	2014	2015	2016
Land – total, including:	3376.0	3385.1	3384.4	3384.6	3384.4	3384.4	3384.6	3384.6	3384.6	3384.6	3384.6
Agricultural land, of which:	2565.9	2556.7	2550.3	2521.6	2501.1	2498.3	2498.0	2497.8	2500.1	2499.7	2499.6
Arable land	1736.3	1758.7	1813.8	1840.2	1816.7	1812.7	1810.5	1814.1	1816.1	1817.4	1822.9
Perennial plantations, of which:	474.8	430.7	352.3	297.8	301.0	298.8	298.7	295.3	295.3	291.7	288.9
Orchards	224.5	208.3	170.8	131.9	132.5	133.3	134.5	135.1	135.8	134.5	132.5
Vineyards	215.8	202.6	168.9	155.5	153.5	149.6	147.3	142.6	141.2	137.5	132.5
Pastures	350.5	365.2	373.9	370.8	352.1	350.4	350.3	348.9	348.0	346.4	345.0
Hayfields	4.3	2.1	2.5	2.7	2.2	2.2	2.0	2.1	2.0	2.2	2.1
Fallow land	0.0	0.0	7.8	10.1	29.1	34.2	36.5	37.4	38.7	42.0	40.6
Forest land and areas covered with woody vegetation	421.7	425.3	422.7	439.5	462.8	463.1	462.7	464.2	465.2	464.5	465.2
Rivers, lakes, water basins and ponds	88.7	92.6	95.5	96.8	96.4	99.6	99.5	99.2	96.9	96.8	96.7
Other lands	299.7	310.5	315.9	326.7	324.3	323.6	324.4	323.4	322.4	323.6	323.1

Source: Statistical Yearbooks of the RM for 2016, 2014, 2012, 2008, 2003, 1999 and 1994.

7. **Land degradation.** For the last decades Moldova is experiencing an increasingly of soil degradation, mainly caused by: (1) use of inappropriate soil cultivation technologies; (2) allocation of land without taking into account the soil conservation and fertility maintaining needs; (3) failure in crop rotation; (4) lack of funding at all levels; and (5) unauthorized deforestation on agricultural lands. As a result, soil degradation is estimated at MDL 3.1 billion annual losses¹¹.
8. **Precipitations, rivers and lakes.** The annual volume of precipitation is evaluated at 15.3 km³ per year. About 91% of Moldova's surface water is in the Dniester and Prut rivers. The average annual total of groundwater is of 1.3 km³ per year¹². There are 3,621 rivers and water-springs in the Republic of Moldova. The largest rivers include the Dniester (1,352 km long, including 657 km in the RM, with the annual water debit of approximately 2.4 km³), Raut (286 km), Cogalnic (243 km, including 125 km in the Republic of Moldova), Bac (155 km), and Botna (152 km). There are approximately 60 natural lakes located mainly in the high-water beds of the rivers Prut and Dniester, as well as 3,500 water storage ponds created and maintained for diverse economic purposes.
9. **Biological Resources.** Natural and semi-natural ecosystems cover approximately 15% of Moldova. The main natural ecosystems of Moldova are: forest (9.6 - 10.7%), steppe (1.9%), rocky habitats or petrophyte (0.68%), and aquatic (2.8%). The forest steppe zone is located in the northern and central parts of the country, the steppe zone is situated in the south and south-eastern part of the republic.

e) Climate

10. Moldova has a temperate continental climate with short winters (-2.8°C to -5.3°C and extremes of -30°C) and long warm summers (averaging 20°C, and extremes in the high 30s °C). Moldova has limited precipitation, ranging from around 600 mm in the northwest to 480 mm in the southeast.

¹⁰ Fourth National Communication of the Republic of Moldova under the United Nations Framework Convention on Climate Change, 2018. Ministry of Agriculture, Regional Development and Environment of the Republic of Moldova.

¹¹ Idem

¹² <http://www.fao.org/nr/water/aquastat/main/index.stm>

11. **Agro-climatic zones.** The country is divided into three major agroecological zones (AEZ): (i) the **Northern zone**, along the Dniester, also known as the forest-steppe, with high productivity rates for forages, pastures, livestock and crops (ii) the **Central zone**, a hilly and forested area best suited for perennial crops such as vineyards or orchards); and (iii) the **Southern zone**, which is a mix of hilly terrain, has annual mean temperatures of 8.3-11.5°C and annual precipitation of 450-550 mm. In all cases, about half of precipitation falls during the crop vegetative period.
12. **Historical analysis.** Climate data has been measured via the hydro-meteorological monitoring network since 1886. Recordings show a clear increase in both mean annual temperature and precipitation (Table 2). During the period 1886 to 2007, average annual temperatures have increased by approximately 10C and precipitation by 60 mm, or circa 11%.

Table 2: Dynamics of Average Annual Temperature and Amount of Precipitations at the Chisinau Meteorological Station¹³

Times series	Air temperature	Times series	Amount of precipitations
1886-1960	+0.5 °C	1891-1960	+40 mm (+8%)
1960-2007	+0.5 °C	1960-2007	+20 mm (+3%)
1886-2007	+1.0 °C	1891-2007	+60 mm (+11%)

13. **Predictions based on Scenarios.** According to the different scenarios the warming would be higher during winter, up to +4.6°C in the Northern AEZ, while in Central and Southern AEZ's the temperature rise will be lower, up to +4.2°C. Regarding the impact of climate change on water resources, projections of climate models ensemble assessed for Representative Concentration Pathway (RCP) 8.5 scenario envisage a dramatic reduction in mean annual flow layer of about 45.0% in Northern AEZ, 54.8% in Central AEZ, respectively 64.5% in Southern AEZ. Forecasts suggest that the 2 major basins of the country will experience declines in available surface water resources of 16% in the 2020s, 36% in the 2050s and 58% in the 2080s. Regarding the Agroecological Zones an overall - 9.9% annual rainfall decline is predicted in the north while - 13.4% decline in the south. Winters are predicted to become wetter with a rainfall increase of - 11.8% in the north, and - 7.4% in the south.

Possible future impacts on agriculture

14. **Climate Change and Major Annual Crop Production.** The impact assessment performed on national level allows concluding that the negative effect of global warming will not be offset by increase of precipitations. If no adaptation measures are taken, it can be expected by 2100: a significant drop in the productivity for grain corn and winter wheat; a medium drop in the productivity for sunflower, sugar beet, and tobacco. By the end of the XXI century, the cultivation of grain corn and winter wheat could be impossible according to the RCP 8.5 high emission scenario.
15. **Climate Change and Livestock Production.** The assessment of climate impact on the Republic of Moldova's Agriculture Sector¹⁴ revealed that, due to the impact of the main climate and crop predictors variables, the milk production by 2035 could decrease from 24% (RCP 2.6) to 29% (RCP 8.5). By 2035, a decrease is expected in livestock productivity: from 62% to 77% for beef production, from 32% to 38% for pork production and from 13% to 17% for mutton production.

¹³ National Inventory Report: 1990-2005. Greenhouse Gas Sources and Sinks in the Republic of Moldova. Ministry of Environment and Natural Resources, UNEP.

¹⁴ L. Țaranu, 2014, An Assessment of Climate Impact on the Republic of Moldova's Agriculture Sector.

(p) Institutional and legal environment

A. Institutions

16. The current Government, invested on January 20, 2016 is comprised of 16 ministries. But, as of 26 July 26 2017, due to the transfer of competences, out of 16 only 9 ministries remained.
17. The **Ministry of Agriculture, Regional Development and Environment (MARDE)** of the Republic of Moldova, resulting of the result of the merging of the former Ministries in charge of Agriculture and Food Industry, Environment and Regional Development, aims at strengthening the coordination and the synergies between three key and complementary sectors.
18. The **Ministerial Agency for Intervention and Payments in Agriculture (AIPA)** was created in 2010 to financially support the restructuring and modernization of agriculture, through granting subsidies to critical needs of the agricultural sector.
19. The Forestry Agency "**Moldsilva**" is the central public administration responsible for forestry policy development and the management of state forestry resources.
20. **ICAS (Forestry Research and Development Institute)** is under the jurisdiction of Moldsilva. **ICAS's** mission is to scientifically base the management and development of the forest sector.
21. The **National Commission for Implementing Provisions of the United Nations Framework Convention on Climate Change and Provisions and Mechanisms of Kyoto Protocol** is the supreme authority in the Republic of Moldova responsible for implementation of the UNFCCC provisions. The activity of the National Commission is coordinated and monitored by the National Commission's Secretary, who is also the Manager of **the Climate Change Office** under the MARDE.
22. Other institutions are working in the field of environment, such as: The **State Hydro-Meteorological Service (SMSS)**, responsible for weather forecasting and climate projections; "**Apele Moldovei**", notably responsible for the development of irrigation and water management policy.
23. The **Local Public Authorities (LPA)** acquired decentralized functions related to local development, natural resources management and environmental protection. **Rayonal councils** have sections for agriculture that are responsible for issues related to use of land and agricultural products.

f) Existing national strategies, policies and regulations related to agriculture, environmental protection and climate change

24. The overall framework guiding the action of the Government is the **National Development Strategy "Moldova 2020"**, the main objective of which is the acceleration of the economic growth and reduction of poverty in the Republic of Moldova. Under this framework the agriculture and rural sector is governed by several policy documents, among them: a) National Strategy on Agriculture and Rural Development for the period 2014-2020; b) Strategy for the Development of Rural Extension services for the period 2012-2022; c) Small and Medium Enterprises' Sector Development Strategy for the years 2012-2020; d) Strategy for Domestic Trade Development in the Republic of Moldova for the years 2014-2020.
25. The **Intended National Determined Contribution to the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) on**

25 September 2015 is a commitment to an unconditional target of 67 per cent reduction of its GHG emissions by 2030 compared to the 1990 level. To reach this target the INDC relies mainly on 2 operational Strategies: the National Environment Strategy and the Climate Change Adaptation Strategy, both strategies detailing the measures identified to reach the INCD target. The **National Environment Strategy 2014–2023** aims at reducing GHG emissions by no less than 20 per cent as compared to the base-year (1990) by 2020; ensuring rational use, protection and conservation of natural resources; and integrating climate change adaptation principles into all sectors of the national economy. The **Climate Change Adaptation Strategy until 2020** and its corresponding **Action Plan** aim the reduction by at least 50 per cent of the climate change vulnerability and facilitation of climate change adaptation in six priority sectors (agriculture, water resources, forestry, human health, energy and transport) by 2020. For the Agriculture sector the Strategy intends to promote specific adaptation measures: a) developing good practice guides for agriculture, especially for non-irrigated agriculture; b) developing and implementing local action plans for climate change adaptation; c) developing and implementing plans for land improvement that would increase the precipitation likelihood; d) use research to combat current vulnerabilities and change cropping/farms structure for an agriculture less exposed to climate change; e) encourage crop/farm insurance. Regarding the funding of the adaptation measures the Strategy, as the INCD, relies on the traditional funding sources (national, bilateral and international), but also on the capacity of RM to accessing Climate funds, namely: Global Environment Facility, Green Climate Fund and Adaptation Fund.

(q) IFAD interventions strategies

Lessons learned from IFAD interventions

26. Based on 15 years of cooperation the key lessons from IFAD experience are:

- (r) An empowerment strategy based on capacity-building and training in value chain production and post-harvest technology, combined with effective access to business and market enabling-infrastructure, investment loans and support services, micro and small rural entrepreneurs in Moldova are able to invest successfully in the creation of competitive production assets;
- (s) Contract farming in the upstream value chain is considered a success story, having proven an efficient logical mechanism to tap synergies with active downstream value chain partners that need supplies of primary commodities;
- (t) In the rural finance and capacity-building domains, the support provided to young entrepreneurs is one of the project's success stories, having yielded the best result in terms of impact on sustainable income growth and job creation;
- (u) One notable omission of the old COSOP is the risk posed by climate change, and the portfolio has responded pragmatically with progressively more emphasis on increasing farmers' climatic resilience. The IRECR project's impact on the environment has so far been assessed to be positive from the environmental perspective because of its training and investments in shelterbelts, grass cover and CA;
- (v) The experience with IFAD-V shows that enterprises were able to more than double the land they were renting in under conservation farming with a 44%

increase in employment generation from baseline.¹⁵ The farmers who have invested in shelterbelt protection and rehabilitation of grasslands report a positive impact on their productivity as well;

- (w) The most valuable lesson from the Moldovan experience is that of promoting a 'going with the grain' incremental innovation approach that focus on having a long-term perspective in the development engagements. The strength of having substantial project experience informing the policy dialogue is evident and has enabled IFAD to assist in mainstreaming e.g. CA, sustainable small-scale infrastructure and cost-effective rural financial intermediation.

Potential access to GEF and GCF

27. Based on the priority given by the Republic of Moldova to promoting a transition to a Green Economy, the IFAD COSOP Strategic objectives will be translated into actions and interventions supporting the new country priorities in terms of climate-smart agriculture. IFAD will use this national political framework to systematically and explicitly promote and translate the Green Economy principles into concrete measures. In this context IFAD will envisage how to mobilize financial resources from the Global Environment Facility as well as the Green Climate Fund.
28. The ongoing GEF6 fosters on sustainability and resilience of agro-ecosystems for food security. IFAD is the lead agency, working closely with FAO, UNPD, UNIDO, World Bank. For 2018 there are still some funds remaining for Moldova and, according to the National GEF Focal Point, there no project proposal in the pipeline for 2018. For the next GEF financial cycle 2018-2022 (GEF7) two relevant dedicated Impact Programmes have been proposed to GEF donors¹⁶: (i) food systems, land use and restoration; and (ii) Drylands Initiative of the SFM IP.
29. GEF 7 will foster integrating approaches, which generate multiple environmental benefits, create jobs and secure livelihoods through SLM. It will give priority to projects and interventions aiming at achieving the target 15.3 on land degradation neutrality. Since land degradation has both poverty and global environment dimensions, integrated solutions are required to support interventions that address both dimensions.
30. In this context IFAD should identify interventions, particularly under COSOP SO1, that fit with GEF priorities, by addressing particularly the following issues: (i) restoration and enhancement of carbon stocks in forests and non-forest lands; (ii) improved agricultural management; (iii) sustained flow of services in agro-ecosystems; and (iv) increased investments in SLM.
31. Under COSOP SO2 IFAD should systematically include "green economy principles" into the different components of the value chains. This would require from IFAD to systematically include components on SLM management and climate change adaptation in the different training modules. IFAD should also undertake a study on how to "green" the rural financial services by introducing some criteria related to sustainable land and water management and climate change adaptation.
32. In addition, the COSOP activities fit with most of the GCF results areas such as Reduced emission from: (i) energy access and power generation (e.g. on-grid, micro-grid or off-grid solar, wind, geothermal, etc.); and (ii) forestry and land use (e.g. agroforestry, agricultural irrigation, water treatment and management, etc.);

¹⁵ Impact Assessment: RFSADP adoption of conservation farming subsidies for procurement of agriculture machinery.

¹⁶ GEF/R.7/19 April 2, 2018, GEF-7 Replenishment Programming directions.

- (iii) Increase resilience of health and well-being, and food and water security (e.g. climate-resilient crops, efficient irrigation systems, etc.).
33. In addition, IFAD should support the Ministry of Agriculture to strengthen its scientific and technical capacities on early warning system and improve its weather station network in the country since these activities are also eligible to GCF.

Country at a glance

Land area (km² thousand) /1	33.8	GNI per capita (USD) 2016/2	2120
Total population (million) 2016 /1	3.6	GNI per capita growth (annual %) 2016 /1	3.4
Population density (people per km²) 2016	107	Inflation, consumer prices (annual %) 2015 /1	6.9
Local currency	Moldovan Leu (MDL)	Exchange rate (13/2/2018): USD 1 =	16.7
Social Indicators		Economic Indicators	
Population (annual population growth rate) 2016/2	0.1	GDP (USD million) 2015 /2	6750
Crude birth rate (per thousand people) 2015/2	10.5	Annual rate of growth of GDP 2016/2	4.1
Crude death rate (per thousand people) 2015/2	12.6	Sectoral distribution of GDP 2016 /5	
Infant mortality rate (per thousand live births) 2016 /2	14	% agriculture	16.1
Life expectancy at birth (years) 2015 /1	72	% industry	20.7
Number of rural poor (million) (approximate) 2014/1	0.6	% services	63.2
Poverty headcount ratio at \$4,3 a day (2011 PPP) (% of population) 2014/2	9.6%	General government final consumption expenditure (as % of GDP) 2016/2	19.0
Total labour force (million) 2016 /2	1.3	Household final consumption expenditure, etc. (as % of GDP) 2016/2	86.7
Female labour force as % of total 2016 /2	49.0	Gross domestic savings (as % of GDP) 2016/2	-5.7
Education		Balance of Payments (USD million)	
School enrolment, primary (% gross) 2015 /2	92.4	Merchandise exports 2016 /2	2104
Adult literacy rate (% age 15 and above) 2014 /2	99.1	Merchandise imports 2016 /2	5007
		Balance of merchandise trade	-2903
Nutrition		Current account balances (USD million)/2	-283
Daily calorie supply per capita 2014/4	2850	Foreign direct investment, net 2016 /2 (USD million)	90.97
Malnutrition prevalence, height for age (% of children Under 5) 2012/4	4.3		
Malnutrition prevalence, weight for age (% of children under 5) 2012/4	3.2	Government Finance	
Malnutrition prevalence, weight for height (% of children under	n.a	Total expense (% of GDP) 2016 /2	31.5
		Total external debt (USD million) 2016/2	6594
Health		Present value of debt (as % of GNI) 2016 /2	15
Health expenditure, total (as % of GDP) 2014 /2	10.3	Total debt service (% of exports of goods and services) 2015 /2	13
Physicians (per thousand people) 2014 /2	4.776	Lending interest rate (%) 2016 /2	14.3
Per cent of population with sustainable access to an improved water source/2 (%)	100	Deposit interest rate (%) 2016 /2	10.7
Population without access to improved sanitation, 2015 /2 (%)	76.4		
		Land Use	
Agriculture and Food		Arable land as % of land area 2014 /2	55.5
Food imports (% of merchandise imports) 2016 /2	14.5	Forest area (km ² thousand) 2015 /2	4090
Fertilizer consumption (hundreds of grams per ha of Arable land) 2014 /2	39.4	Forest area as % of total land area 2015 /2	12.4
Food production index (2004-2006=100) 2014/2	93.0	Agriculture irrigated land (% of total agriculture land) 2010/2	9.2
Cereal yield (ton per ha) 2014/2	3.2		
1/NBS, various years 2/ World Bank World Development Indicators, 2018 3/ National bank of Moldova, various years		4/WHO, various years 5/CIA World Factbook 2017	

Concept note

Talent Retention for Rural Transformation (TARUT)

B. Strategic context and rationale for IFAD involvement, commitment and partnership

68. **Agriculture** in Moldova is dominated by private businesses but the sector is the least productive in the economy, yet employs the largest proportion of the workforce.¹⁷ The agriculture sector accounted for 12.2% of GDP in 2016. The dependence of Moldova's economy on agriculture means that annual GDP growth is disproportionately affected by the agricultural harvest in any given year. About 90% of agricultural production is rainfed. Bumper harvests are often followed by droughts. The negative output growth in agriculture in 2009, 2012 and 2015 dragged the economy each time into recession. Almost 30% of female employment is in the agriculture sector, with shocks in the sector having significant implications for women's economic opportunities. Agricultural value chains are weak and most unable to comply with the EU standards in terms of safety, quality, traceability, labelling and certification.
69. There are many reasons for the underdevelopment of agriculture, but a key driver has been that rural areas are increasingly becoming starved of its most precious resources; that of young talented entrepreneurs who are willing to make much needed long-term investments. The key factor has been emigration, with one third of working age population having left the rural areas, most for work outside Moldova. Increasingly rural areas are becoming devoid of core social amenities such as schools, health centres and social meeting places as economic opportunities diminish with the de-population process. Moldovan agriculture is rapidly becoming dominated by backyard farming with old people cultivating only a few square metres mostly for home consumption and barter-style trading with neighbours and family.
70. Counterintuitively, rural poverty has *fallen* during the last decade but that is primarily due to increasing social transfers (particularly pension and disability benefits) and increased remittances from younger relatives abroad.
71. Climate change is affecting the agricultural sector disproportionately hard. In the future, Moldova will have a more marginal and risky agricultural production, as increases in temperatures and reduced precipitation during critical crop and pasture growth periods will cause a large moisture deficit. This will also cause an increased exposure to new pests and diseases for agricultural crops, forests and livestock due to temperature increases.
72. **IFAD Country Programme:** IFAD has been engaged in Moldova since 1999, supporting a total of seven projects. At operational level, IFAD in Moldova has proven its effectiveness, scoring consistently among the top ten of IFAD's 113 benchmarked countries, across a range of impact and efficiency indicators.¹⁸
73. The TARUT project will be developed building on lessons learned from IFAD's experience in Moldova, and in conjunction partnership developed with the government of Moldova and other development partners. It will be the eighth

¹⁷ This even though the number of workers in agriculture has declined by more than half between 2000-2015. See EBRD: Moldova Diagnostic, 2017.

¹⁸ See e.g. COSOP Results Review, 2017.

project in Moldova and probably coincide with the closure of the Inclusive Rural Economic and Climate Resilience project.

g) Possible geographic area of intervention and target groups

74. The core target group will be, *young rural entrepreneurs*, which faces unique challenges that require tailor-made targeting strategies. Young entrepreneurs are most likely to originate from families of commercially oriented smallholder farmers and small enterprises. They are often limited by access to even short-term finance due to their limited credit history, limited business skills, and lack of any form of “hard” collateral. Moreover, while young entrepreneurs often have innovative ideas, drive and high ambitions, they often lack the experiences needed to translate these into viable, realistic and implementable business plans. This group will receive funding for business plans and some technical assistance in the start-up phases. This group will also include young migrants so they can integrate TARUT support in their returning plan. Often, migrants are eager to adopt innovations and acquire new qualifications during their international migration. However young entrepreneurs will also rely on other actors in the value chain if they are to realise their talents and unfold their business potential. Hence TARUT will also support *agribusinesses*. From past IFAD experience in Moldova, this group has driven rural transformation towards more productive and profitable business practices, in the process creating rural employment, exports and taxable revenue. Processors and service sector entrepreneurs will serve as investors, aggregators and models to demonstrate the viability of new approaches to increase rural resilience and provide potential development pathways for the poor, including generating employment opportunities, especially for youth and women.¹⁹
75. These *transformation drivers* will be from the private sector and they play a crucial role in driving market-led enterprise growth by providing commercial outlets and market opportunities for smallholders as well as offering both on- and off-farm employment opportunities.
76. Many of the transformation drivers will be agribusinesses and also form core part of the MSPs. The detailed design phase will identify more precisely the engagement modalities between agribusinesses, rural poor with commercial potential, young entrepreneurs can partner, noting the strengths and challenges faced by each of them and highlighting how they can engage in win-win partnerships.
77. The TARUT recognize that the best entrepreneurial opportunities will be found in the wealthier communities or regions and among their wealthier households. The design process will consider eligibility and assessment criteria that strike an appropriate balance between commercial viability and inclusiveness of the target beneficiaries.
78. While the TARUT is in principle covering *all rural Moldova*, special prioritization will be given to climate-vulnerable farmers and agribusinesses as well as poorer areas of the rural society.

h) Justification and rationale

79. A key challenge is to provide alternative and attractive options for one of the most valuable resources of Moldova: its rural youth. The government issued its National Strategy for Youth Sector Development 2020 in 2014, which recognizes the importance of developing its young population as well as regulating the profession of youth workers with particular emphasis on promoting economic development of

¹⁹ A gender and social inclusion strategy will be developed during the detailed design of TARUT.

rural regions in ways that can retain youth. However, with decreasing government revenues, funding the youth policy is becoming challenging. It is against this background that the IFAD is seeking to further augment its support for rural youth entrepreneurs through the TARUT project.

i) Key TARUT objectives and underlying theory of change

80. The proposed engagement 'talent retention for rural transformation' (TARUT) will seek to deliver on the shared government and IFAD ambition of transforming agriculture into a dynamic engine of broader rural development which can generate employment (mainly off-farm) and prove that farming and agribusiness can be an attractive and lucrative career options. The underlying theory of change is consequently to catalyse increased economic activity in the rural areas by targeting young entrepreneurs who have a long-term perspective and high potential for income and employment generation, utilizing a diversity of interventions, including the promotion of climate-resilient technologies, improved access to finance, mentoring, value chain strengthening and integration, as well as support to multi-stakeholder platforms (MSPs) that will allow for grouping of beneficiaries and economies of scale. Transformation drivers will play a key role in demonstrating new disruptive pathways for rural inclusion.
81. The main objective of the TARUT is to promote rural economic growth and reduce poverty by improving access to new job opportunities both on- and off-farm. TARUT will utilize a diversity of inputs and development engagements that will deliver catalytic outputs leveraging the latent potential of the rural areas, through e.g. branding, finance, advisory services and accurate targeting. Special attention will be paid to develop off-farm employment opportunities for the youth in areas such as food processing (e.g. regional specialties that command premium pricing), artisanal products, hospitality development, including agro- and gastro-tourism, and other services. This will also entail a focus on instilling a more entrepreneurial spirit among the rural youth, using roles models, mentoring and entrepreneurship development.

j) Scaling up

82. The new Moldova COSOP seeks to promote systematic scaling up of innovations as a main priority of the IFAD-Moldova partnership, and a key dimension of the value added that IFAD can bring to the country. At the overall portfolio level a programmatic approach will be adopted, i.e. an institutional mechanism/process that facilitates identification, documentation, assessment and dissemination/replication of scalable innovations generated by activities on the ground. The proposed project is seeking to tackle a set of economic and social challenges of enormous importance to the government, and successes achieved are thus likely to be enthusiastically taken up at the national level. During project design it will be critical therefore to ensure that scaling up is systematically included in underlying principles and expected results, and that a clear scaling up strategy/mechanism is defined. Progress towards scaling up will be monitored and reported during implementation and resources will be allocated to facilitate scaling up.

k) Ownership, Harmonization and Alignment

83. The government is realising that there is an untapped potential that could also reduce the rural urban migration and retain youth talent in those areas: Core to the long-term sustainability of rural Moldova. This is also reflected in the country's National Development Strategy, Moldova 2030, in which the government commits

to promote partnership and foster entrepreneurship, investment, innovation and employment. The proposed project concept note is fully aligned with the current development strategies and policies of Moldova.

l) **Components and activities**

84. The project is expected to have two core complementary outcomes: The first outcome aims at grouping of producers, processors, traders, retailers and service providers to achieve critical mass for economies of scale and for improving investment attractiveness. The second outcome aims at improving entrepreneurs' access to financial services, leveraging private financial resources in the process. Operationally, each of the two outcomes has been translated into two concrete components that are synergistically reinforcing.
85. **Component 1** is aimed at enhancing resilient economic transformation in the rural areas and is the entry point for the engagement aimed at addressing localised challenges which constrain production and marketing of the key commodities and services in the areas. This component will increase economic activity both on and off-farm within the selected economic development areas primarily through group investments and support to key economic infrastructure co-managed by the stakeholders (rayons included). This is expected to lead to increased profitability of farming, agribusinesses and the services sector and hence attract young entrepreneurs to remain in these areas. Particular attention will be devoted to the promotion of climate-resilient technologies.
86. MSPs will be established with representatives from all main actors of the selected value chains (including the hospitality value chains), including: producers, brokers, traders, processors, marketers, input suppliers, transporters, tour organisers and retailers. These platforms will identify binding constraints which hinder partnership and value addition as well as potential opportunities, both at individual agent level as well as at group level and encourage economic actors to develop sound business plans accordingly. The platforms will also be the main mechanism to engage with local authorities and business partners. Youth and women will be strongly represented on the MSPs.
87. The MSP represent a unique and innovative way to strengthen the presence, visibility and the agency of social actors that otherwise will remain marginal to the process of rural development but are key to drive the expected transformation. Traditional models, roles and practises confine those actors in stereotypes that limit their full inclusion within development interventions. This is visible in the low participation of women and youth in traditional forms of organisation where the head of the household (usually adult man) is supposed to participate (i.e. rayon committees, cooperatives). Their active participation through the platform is expected to generate ideas and increase their motivation as well as opportunities for employment and self-employment which are suitable for them.
88. The local socio-economic actors, that may be already organised in producer organisations (cooperatives, breeders' associations and producers' unions), constitute a potential multi-stakeholders platform once they are brought together. The MSP's aim will be to regularly exchange information concerning their practices and skills and eventually to express a common stand to influence decision-making instances within the economic development areas. The MSP will not be an institution *per se* but a flexible set up among stakeholders aiming at upgrading their capacities (to do better), upstreaming²⁰ their understanding (to do in

²⁰ To reflect on the reasons behind a given context from a broader perspective

synergy) and upscaling their impact (to do bigger)²¹. In this capacity the MSP will also represent a space of influence and decisions for those actors that are usually excluded or not represented. This is particularly relevant for women and youth.

89. **Component 2** on inclusive entrepreneurship finance will address the core challenge of prohibitively high collateral requirements from banks and other financial institutions.
90. The high collateral demands and consequent inability to obtain loans, reduce the availability of investment capital needed to finance the rural transformation that rural investors and entrepreneurs in the rural areas so desperately need. This lack of wider financial inclusion of these communities, place them at a significant disadvantage given the increasing commercial and competitive environment. The youth is particularly disadvantaged as collateral is often the single most important challenge young entrepreneur's face, and they have limited assets and a short credit history. This component will hence provide credit and matching grants to promote youth entrepreneurship, income and employment generation. Of the total financing package, the grant element constitutes 40% whereas the credit element is 60%. Banks are still solely responsible for the financing decision (and hence also if the borrower will get a matching grant) which ensures that the programme is based on sound investment criteria. The programme thus assists in overcoming the difficulties in accessing financial services, which have only been exacerbated by the economic crisis. The financing package is complemented with synergistic support in the form of tailor-made mentoring and business development services which may include business plan development, marketing, technology utilisation and tax compliance. This will also help in instilling a more entrepreneurial, yet realistic, spirit among the rural youth by exposing them to role models (e.g. transformation drivers), entrepreneurship training and start-up management. As land consolidation is only progressing slowly, emphasis will also be on supporting off-farm employment and career opportunities for the youth.

m) **Preliminary Environmental and Social category**

91. Based on the criteria for categorisation, the project is preliminary classified as a category B project. Overall, the project is not expected to have any significant adverse environmental or social implications. There might be some environmental risks related to the project activities, which will need to be addressed in accordance with the more thorough Environmental and Social category assessment to be conducted during the detailed design.

n) **Preliminary Climate Risk classification**

92. The project's preliminary climate risk classification is moderate. Based on assessment done during preparation of the concept note, the project is expected to be moderately sensitive to climate risks, mainly due to the exposure of Moldova's agriculture sector to expected changes in temperature and rainfall. A more detailed assessment of the project climate risk classification will be undertaken during detailed design.

o) **Costs and financing**

93. The estimated PBAS allocation for Moldova during the period 2019-2021 is US\$20 million. The implementation period will be six (6) years. Cofinancing will be sought.

²¹ Adapted from Cees Leeuwis, Reconceptualizing Participation for Sustainable Rural Development: Towards a Negotiation Approach, Development and Change Vol. 31 (2000), 931±959. # Institute of Social Studies 2000. Published by Blackwell Publishers, 108 Cowley Road, Oxford OX4 1JF, UK

94. A tentative allocation of funding by component and sources of funds is presented below.

Table 1: Indicative allocation of funds by Financiers

Name of component	I F A D (U S \$ m)	C o- f i n a n c e r (U S \$ m)	Priv ate sec tor (US \$ m)	()	Ben efic iari es (US \$ m)	()
1. Resilient economic transformation in the rural areas	1 0	2. 5	1. 8	;	3	()
2. Inclusive entrepreneurship finance	8 5	1. 3	2. 5		2	()
3. Project coordination, monitoring and evaluation	1 5			()		()
Total	2 0 0	3. 8	4. 3	;	5	()

95. **Contribution of the Government.** GOM will finance taxes and duties, salaries for government seconded staff, office space and utilities.
96. **Contribution of private sector.** The private sectors are expected to contribute in cash and in kind.
97. **Contribution of beneficiaries.** Beneficiaries will contribute in cash and in kind in the form of labour, right of way or building material.
98. **The budget and concrete lending terms** will be detailed during the design process.

p) Organization and management

99. The TARUT project will be implemented by the Ministry of Agriculture, Regional Development and Environment, through the CPIU. The CPIU, which is currently managing IFAD projects, will recruit additional specialists as needed, who will be responsible for the day-to-day management and implementation project activities, covering overall management/supervision, fiduciary management, monitoring and evaluation. Detailed implementation arrangements, including the involvement of local authorities, will be made during the design phase.²²

q) Monitoring and Evaluation indicators, KM and Learning

100. The M&E system will fully incorporate the new IFAD Operational Results Management System (ORMS). The project's M&E system will rely on evidence-based data and as such, all baseline/completion surveys will be implemented promptly to allow for results-based analysis. Additional surveys/studies will be conducted when deemed necessary. IFAD will provide

²² IFAD will continue applying the financial safeguard introduced after 2014.

support for capacity-building for the M&E officer through IFAD programmes including the “Training and Global Certification for M&E in Rural Development” under the Program in Rural M&E. Knowledge management will be critical in making sure relevant learnings from the projects inform policy dialogue as well as feedback into project design and implementation.

r) Risks

Risks	Measures of Mitigation
Large current account deficit, high level of dollarization and high external debt.	GoM committed to IMF programme.
Insufficient capacities in the ministry.	IFAD will pro-actively take measures to counter these, in particular by further building the capacity of the key implementing unit in MARDE; the CPIU.
At project level there is the risk that IFAD, by targeting the poor in remote areas, will not be able to attract the quality and quantity of private sector investments and that the beneficiaries will not be sufficiently entrepreneurial.	<p>The selection criteria for both areas and beneficiaries will ensure that there is a commercial potential even if not fully realised at project start.</p> <p>On geographical targeting, efforts will be made to ensure that there are commercially viable ventures that can be supported and that the infrastructural requirements are in place or will be put in place by relevant authorities.</p>

s) Timing

101. The government is currently revising its strategy for lending to rural engagements and elections are scheduled for late 2018, hence a realistic assessment of when a request can be obtained is spring 2019. Should the government prove faster, the below timeline will also be forwarded.

OSC for COSOP and Concept Note	May 2018
Government Request	April 2019
Detailed Design	June 2019
QE	September 2019
Final Design	November 2019
QA	December 2019
EB presentation	April 2020

Annex 1: Logical Framework

Results	Indicators					Means of Verification			Assumptions
Hierarchy	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
Goal: To stimulate broad-based rural economic growth and reduce poverty, based on expanded income-generating and job opportunities both on- and off-farm.	<ul style="list-style-type: none"> 75% of targeted households with improvements in asset ownership. 	0%	10%	40%	75%	Completion Survey	Midterm and completion	PIU M&E unit	<ul style="list-style-type: none"> Political stability Marco-economic conditions remain stable or improve
Development Objective: Enable productive poor to improve their on and off-farm competitiveness, commercialisation.	<ul style="list-style-type: none"> 70% of farm owners benefiting from the project increase in net annual income by at least 30% (disaggregated by gender and age). 	0%	5%	35%	70%	Midterm and Completion survey	Midterm and completion	M&E officer	
<p>Component 1: Enhancing resilient economic transformation</p> <p>Outcome 1.1: Grouping of producers, processors, traders, retailers and service providers to achieve critical mass for economies of scale and for improving investment attractiveness.</p>	<ul style="list-style-type: none"> No. of multi-stakeholder platforms (MSPs) established with representatives from all main actors of the selected value chains (including the hospitality value chains), including: producers, brokers, traders, processors, input suppliers, transporters, tour organisers and retailers. At least 70% of the targeted beneficiaries have improved their capacity in business development. 	0	5	30	60	M&E system Component reports	Annually	M&E officer Component officer	<ul style="list-style-type: none"> Climatic changes are in line with current predictions
		0	5%	35%	70%				

Results	Indicators					Means of Verification			Assumptions
	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
<p>Outputs</p> <p>1.1 Capacity development of producers, processors, traders, retailers and service providers</p> <p>1.2 Rural enterprises and productions supply chains supported.</p> <p>1.3 Multi-stakeholder platforms established.</p>	<ul style="list-style-type: none"> No of trainings/platforms established No of value chain infrastructure/processing facilities established and operational. No. of people (government officials, private sector, smallholders) trained/oriented in technical production, marketing and quality standards. New policies and regulations approved and policy studies/briefs prepared. 	0	15	90	180	M&E system	Semi-annually	M&E officer	<ul style="list-style-type: none"> Beneficiaries willingness to participate
		0	10	60	120	Component reports		Component officer	
		0	100	300	900				
		0	1	4	10				
<p>Component 2: Inclusive entrepreneurship finance</p> <p>Outcome 2.1: Improving entrepreneurs' access to financial</p>	<ul style="list-style-type: none"> At least 60% of the beneficiaries have improved access to financial services. 	0%	5%	30%	60%	M&E system	Annually	M&E officer	<ul style="list-style-type: none"> Micro-economic conditions are supportive for doing business Beneficiaries willingness to

Results	Indicators					Means of Verification			Assumptions
Hierarchy	Name	Baseline	YR1	Mid-Term	End Target	Source	Frequency	Responsibility	
services, leveraging private financial resources in the process.						reports Statistics of the Geostat	Semi-annually Annually	officer Geostat	participate
Outputs 2.1: Access of smallholder farmers to services (including financial services) inputs and markets strengthened. 35	<ul style="list-style-type: none"> No. of credit and matching grants to develop youth entrepreneur, income and employment generation. No of tailor-made mentoring and business development services which may include business plan development, marketing, technology utilisation and tax compliance. 	0 0	15 40	90 100	200 300	M&E system Component reports	Semi-annually	M&E officer Component officer	<ul style="list-style-type: none"> Market for dairy product
Component 3: Project coordination, management and M&E	<ul style="list-style-type: none"> Successful project implementation in place 					M&E system Component reports	Annually	M&E officer Component officer	<ul style="list-style-type: none"> Current PMU is efficient and show results