



CONSOLIDATED AGRICULTURAL PROJECTS MANAGEMENT UNIT, FINANCED BY THE WORLD BANK (CAPMU WB)

## **Rural Investments and Services Project**

# **Progress Report as of December 31<sup>st</sup>, 2006**

Developed by CAPMU management

**Chişinău – January 2007**

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## **OBJECTIVES OF THE PROJECT**

The Program objective, which remains unchanged, is to provide long-term support to accelerate agricultural recovery and growth so that Moldova's agricultural and rural sectors can play their full role in providing the underpinnings for future income growth and poverty reduction.

Under this overarching objective, the project will strive to continue to foster the post-privatization growth in the agricultural and rural sectors of Moldova by improving access of farmers and rural entrepreneurs to legal ownership status, know-how, knowledge and financial services, while building the capacity of the private and public institutions to ensure the sustainability of the activities. The Phase II will build on success achieved under the Phase I, by: (i) strengthening and expanding the rural advisory services; (ii) improving business skills of the to-be entrepreneurs and assisting with the legal registration of the new businesses; (iii) upgrading the financial sector environment through a range of risk management measures, such as supervision capacity building, and introduction of new lending instruments such as leasing; (iv) increase the commercial banking sector outreach into rural areas; and (v) developing a practical approach to reducing transaction costs in land markets.

## **PROJECT COMPONENTS**

The proposed project has three main components plus support for project management:

- (a) Rural Advisory Services;
- (b) Rural Business Development Services;
- (c) Rural Finance:
  - Credit Line
  - Strengthening of SCAs system
- (d) Land re-parceling pilots;
- (e) Project Management.

The first two components provide predominantly technical assistance, while the third component provides investment support along with the necessary technical assistance to participating financial institutions, and technical assistance for strengthening SCAs system and their supervision. The first three components are closely linked, operating basing on synergy principles, with each dependent on the others for successful outcomes.

# PROJECT IMPLEMENTATION PROGRESS AS OF DECEMBER 31<sup>TH</sup> 2006

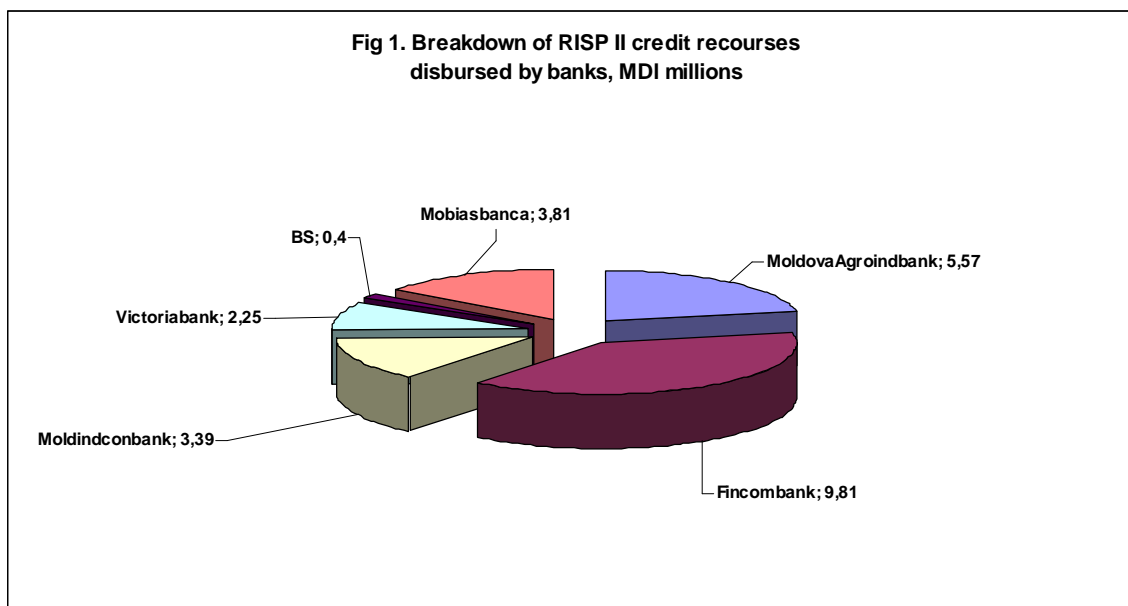
## RURAL FINANCE COMPONENT

### CREDIT LINE FOR INVESTMENT LOANS AND LEASES

**Credit line Implementation progress.** In the first six months of the project implementation a total of MDL 25.23 million and (US\$ 1.94<sup>1</sup> million equivalent) have been disbursed from the RISP Credit Line, financing 70 sub-projects. The co-financing of the sub-loans by the PFIs accounts to MDL 6.1 million (US \$ 0.47 million). The average of the interest rate of the sub-loans is 17.08%, ranging from 15% to 19.0%.

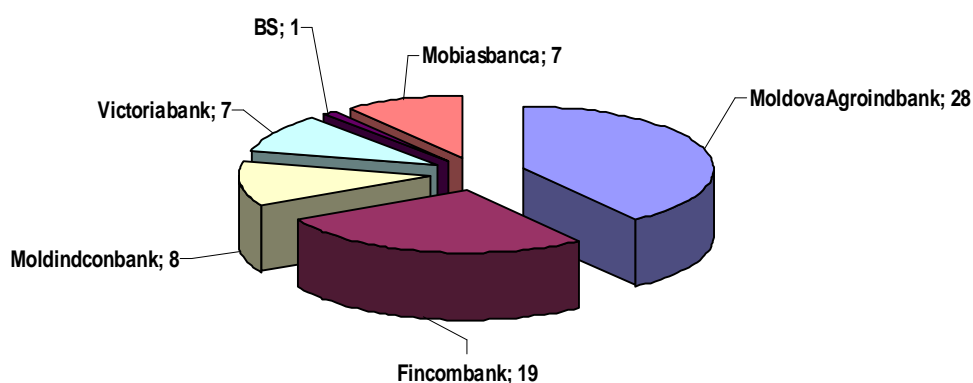
**Number of projects.** MoldovaAgroindbank (MAIB) has been the most active participating bank, provided 28 RISP II sub-loans, followed by Fincombank (FCB) with 19 sub-loans disbursed. Victoriabank (VB) has provided 7 sub-loans and Moldincombank (MICB) – 8 sub-loans. Mobiasbanca has provided 7 sub-loans, Banca Sociala one sub-loan, while Banca de Economii have not started the lending activities. From the total amount of 70 sub-loans provided, 69 are provided in Moldovan Lei and only one sub-loan, provided by Mobiasbanca – in US Dollars - 64 tho.

The following charts represent the breakdown of the RISP II loans by banks.



<sup>1</sup> Exchange rate of MDL to US\$ is 13.00.

**Fig 2. Level of PFIs participation by number of loans**

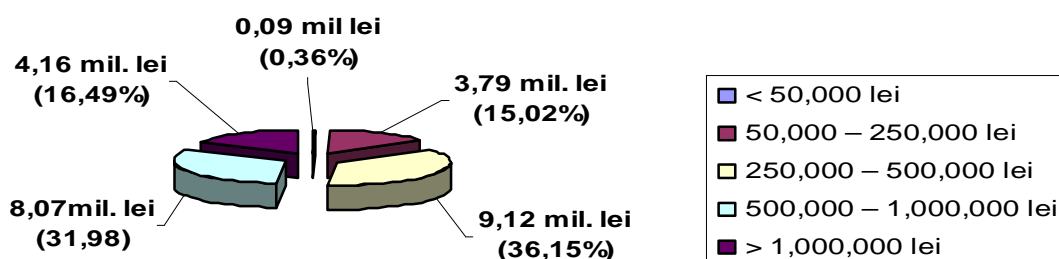


**Sub-loan size.** As we can see from the above chart, Fincombank has the largest share in the total amount of loans disbursed, with MDL 9.81 million, equivalent of US \$ 0.755 million, followed by Moldova Agroindbank, with MDL 5.57 million (US\$ 0.428 million). Moldindconbank has disbursed MDL 3.39 million (US\$ 0.261 million) and Mobiasbanca has disbursed MDL 3.81 million including MDL equivalent of 64 tho. of USD (US\$ 0.293 million).

**The structure of loans disbursed to PFIs by size.**

Value	Nr. of loans	Amount (mil. lei)
< 50,000 lei	2	0,09
50,000 – 250,000 lei	28	3,79
250,000 – 500,000 lei	24	9,12
500,000 – 1,000,000 lei	12	8,07
> 1,000,000 lei	4	4,16

**Fig 3. The structure of loans by size**

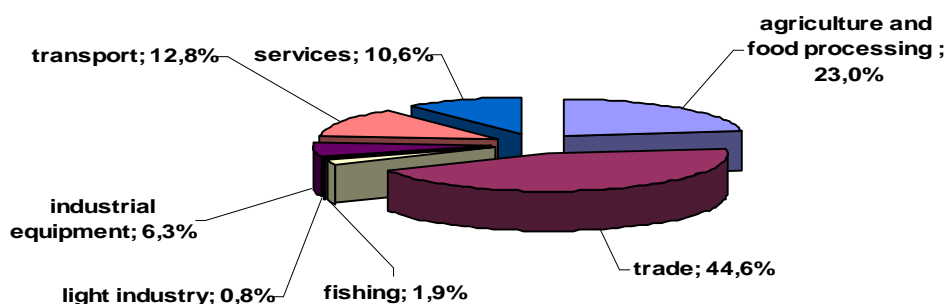


The average loan size provided by MoldovaAgroindbank is MDL 198,886 (US\$ 15,299), which is the lowest as compared to the average of other participating bank, demonstrating the bank' efforts in reaching the target project' beneficiaries. Fincombank shows an average of MDL 516,582 (US\$ 39,737) of the loan size, Victoriabank an average of MDL 321,143 (US\$ 24,703) of the loan size, Mobiasbanca an average of MDL 545,114 (US\$ 41,932) of the loan size, Moldinconbank are showing MDL 423,625 (US\$ 32,586) and for Banca Sociala one loan in the amount of MDL 400,000 (US\$ 30,769) respectively.

**Type of activities.** 34 of sub loans (44,6% of the total disbursements) finance construction or reconstruction of a store and procurement of equipment for trading; 6 sub-loans (6,3% of the total) finance industrial equipment, such as equipment for construction material, wood processing; 16 sub-loans (23%) finance equipment for agricultural production and processing, 6 sub-loans (10,6%) finance construction or reconstruction in order to provide services such as recreational, internet, 5 sub-loans (12,8%) finance transport services, etc.

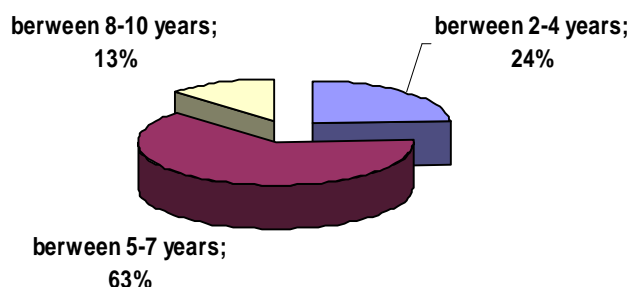
The following chart represents the breakdown of sub-loans disbursed by type of activity.

**Fig. 4 Breakdown of sub-loans by tipe of activity, % disbursement**



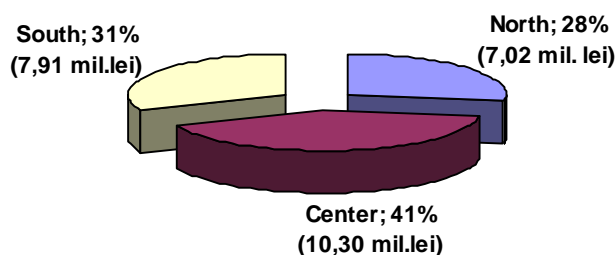
**Maturity of sub-loans.** As shown on the chart below (Fig.3) the biggest share of sub-loans – 63% are provided for a period of 5 to 7 years. 24% of sub-loans have maturities between 2 and 4 years and 13% of sub-loans have the maturity of 8 to 10 years;

**Fig. 5 Breakdown of sub-loans by maturity, % of total number**



**Regional distribution<sup>2</sup>.** The sub-projects financed cover the whole country, with a relatively uniform distribution by number of sub-loans financed. The share of the sub-projects financed in the North is slightly higher - 34% (MDL 7.02 million) in the total. The Central part covers 33% of the sub-loans (MDL 10.30 million), and 33% of the sub-loans finance the Southern region (MDL 7.91 million) .

**Fig.6 Breakdown of sub-loans by region, MDL million and % of total number**



<sup>2</sup> The distribution of rayons by region is as follows: **North:** Riscani, Rezina, Drochia, Donduseni, Edinet, Soroca, Glodeni, Telenesti, Briceni, Balti, Singerei, Soldanesti, Floresti; **Center:** Orhei, Ungheni, Nisporeni, Anenii-Noi, Dubasari, Criuleni; **South:** Cahul, Vulcanesti, Taraclia, Comrat, Ceadir-Lunga, Hincesti, Leova, Causeni, Stefan-Voda, Cantemir, Cimislia

**Financing of first-time borrowers.** One of the project objectives is to increase access to finance in rural areas, thus it is required that minimum 30% of the Credit Line resources are provided to the first-time borrowers. So far, 50% of the credit line recourses are provided to first-time borrowers. This indicator is the highest in the case of MoldovaAgroindbank, 54%, with 15 sub-loans out of 28 financed by the bank and Victoriabank, 57%, with 4 sub-loans out of 7 financed by the bank, followed by Moldinconbank, 50%, with 4 sub-loans out of 8. Fincombank has as well a good ratio – 47% and 9 sub-loans out of 19 and Mobiasbanca 43%, with 3 sub-loans out of 7.

**The other objectives.** Another project objective is the creation of the new working places in the rural area. So, with the project financing contribution for the projects financed until now will be created about 449 new working places.

It is important to mention the participation of the women in the establishment of the business in the rural area. So, 37% of the managers of the projects financed are women.

## **STRENGTHNING THE SAVINGS AND CREDIT ASSOCIATIONS INDUSTRY**

The objective of this sub-component is to improve the legal, regulatory and supervisory framework of the Savings and Credit Associations (SCA) industry, and provide capacity building to the related institutions, primary the supervisory authority, to ensure their long-term sustainability.

During the reporting period, the local consultant continued the work on improving the legal, regulatory and supervisory framework.

### **A. The new Law on SCAs**

The local consultant continued the work on development of the new Law on SCAs. Opinions on the draft of the law from interested government authorities, the National Bank, the National Commission on Securities (the future Non-Bank Financial Institutions (Mega-regulator)), Ministry of Economy, Ministry of Justice, Licensing Chamber and other stakeholders have been received and where needed, working meetings were held. At the end of November a final draft of the Law was presented to the State Supervisory Body (SSB). In December, the SSB sent the draft and other related documents to the Government for their approval. The local consultant has received an electronic copy of these documents.

While examining the draft law, the consultant observed some amendments made unilaterally by the SSB to the presented draft that could, in a way, significantly affect the concept of the Law and namely:



- a) definitions like „member share”, „capital”, „loan” were removed;
- b) provisions, by which the supervisory authority (Mega-regulator) can set up requirements related to the headquarters of an SCA, were removed;
- c) provisions, by which the member share can be paid out at members' requests when withdrawing from an SCA, were removed;
- d) some provisions relating to licensing were removed etc.

Due to the fact that the draft law is at the Government and no amendments can be made, all proposals will be made at the stage of examination of the draft by the Parliament.

## **B. Regulation on supervision of SCAs**

The local consultant has finalized the draft Regulation on supervision of SCAs, taking into account the draft SCAs law, development trends of the SCAs system, national experience and practices of financial institutions' supervision, international experience and WOCCU standards.

New definitions were introduced, like „exposure”, „large exposure”, „total exposure”, „restructured loan”, „control” etc. Were developed new provisions limiting the risk exposures (old loan limits were replaced), by which exposures, like non-guaranteed exposures per member and per portfolio, large exposures per member and per institutional capital etc. are limited. Also, there were developed provisions relating to priority of payments, limits on calculation of interest on delinquent loans, the procedure of restoring of written off loans back to the balance sheet, requirements for SCAs to reporting on affiliated persons, limits on investments and long term tangible assets acquired against reimbursing of loans, limits on external financing, reporting and information disclosure, holding a joint membership etc.

The Regulation will be submitted to all stakeholders for expression of opinions and improvement. In the same context all established limits will be evaluated, especially those related to exposures, in order to avoid restrictiveness on one hand and large liberalism on another hand, so as the established regulations could constitute an equilibrated supervisory legal system, which would assure prudential development of associations and to reach the main scope of above-mentioned regulations: protection of member interests through prevention and control of risks at both the association and the whole system levels.

Evaluation of and discussions on this Regulation will take place in the next months.

### **C. Establishment of the new supervisory authority**

The setting up of a new supervisory authority, that was supposed to be part of the Mega-regulator, is stopped at the moment, waiting first for the Mega-regulator to be established. Nevertheless, official 'no-objection' has been received from the World Bank for the international consultant that is to be selected for providing technical assistance to the new supervisory body, including training of staff and assistance in the drafting of all operational and inspection manuals. As soon as the new supervisory body will be in place, we will proceed to the selection of the consultant.

### **SDC SUPPORT TO SCAS**

The project "Training for SCAs' involvement in medium and long-term investment lending" was launched in mid 2005. The project aims at improving the access of the poor rural population to medium and long-term investment funds and working capital. This target is to be reached mainly through improvement of the institutional capacity of SCAs, focusing on the improvement of SCAs' overall financial sustainability and increasing the efficiency of SCA loan portfolios.

Consequently, the project has focused on training of 200 SCAs in four areas: financial analysis of SCAs, business planning in SCAs, product development and portfolio diversification and marketing of SCA services.

The project has been conducted by Rural Development Center (RDC) in cooperation with Bankakademie International (BAI). BAI has during the first year of the project supported RDC in the development of training materials for the four above mentioned topics. Additionally, BAI has performed Training of Trainers (ToT) for the local RDC trainers in order to set up a local training force. The ToT has focused both on methodology in general as well as the specific topics. After pilot seminars conducted by BAI together with the local RDC trainers, the full roll out of the training has been done by the local RDC trainers. BAI has thereafter supported the local trainers through on-site monitoring and coaching during training delivery.

A Training Needs Assessment (TNA) took place in July 2005. During the TNA, the Consultant visited a number of SCAs and other involved stakeholders to work out a training plan and the TNA report was handed over to SDC in August 2005. The Consultant developed the training materials in cooperation with local consultants provided by RDC. In October 2005, the Consultant met with the local trainers on-site and developed the drafted curricula for each topic. The training methodology applied in the project is based on best practice adult learning methodologies.

While some of the issues addressed are possible for the SCAs to fully practically apply first after the introduction of the new SCA law, the main parts of the trainings can be applied directly by the SCAs. A major focus has been laid on practical application already in the seminar.

A few lessons learned can be pointed out: the project has shown the importance of a local partner; while the local consultants were crucial for the development of training materials adjusted to the reality of the SCAs, some of the topics were rather new also to the local Consultants; while the training has been received with very positive responses, the Consultant can conclude that more support is needed to achieve the set objectives for SDC's support to the SCA sector and ensure a practical implementation of the knowledge learned in the seminars. It is also clear that the trainers would need more support in training methodology, but also partly in the technical issues of the topic.

Given the lessons learned and the experience from the Consultant in the project, we would leave the following recommendations to SDC for future support to the SCA sector:

- The project has been successfully implemented. However, the training needs of the SCAs still remains high.
- It would be important to focus on the strengthening of the strongest SCAs, which will have good possibilities to grow in the consolidation phase.
- While the development of training materials gains from local expertise, it would be recommended to start with having the materials developed by the international consultant and reviewed by local consultants thereafter. Once an advanced local trainer force is in place, this group of trainers would also be able to develop materials independently.
- Gender mainstreaming is suggested to be done mainly by using gender sensitive examples in the training and ensuring equal participation in the training of all participants.
- It is strongly recommended that similar training projects are continually implemented with a local partner.

## RURAL BUSINESS DEVELOPMENT COMPONENT

Rural business development component (RBDC) activities were launched in September. The four DAs that implemented RISP I: Alliance for Cooperation in Agriculture (ACA), Business Consulting Center (CCA), Rural Development Center (RDC) and Mobile Expert Group in Agriculture (MEGA) signed contracts with the Ministry of Agriculture and Food Industry (MAFI). Their contracts contain detailed terms of reference for activities planned under this component, including budget and financing offered for the period September 2006 – June 30, 2010. According to the Project Assessment Document, MAFI is responsible for the implementation of this component while CAPMU is fully responsible for the coordination of the component.

DAs funding for the current phase of RISP will be carried out following the new financing mechanism, based on results delivered, and is different from the first phase based on monthly fixed payments. Thus DAs will be stimulated to a greater extent to establish viable businesses since a part of their financing is provided for post-creation support.

CAPMU developed a package of forms required by development officers (DOs) in their work, including updates of forms used during RISP I. At the moment 10 development teams are involved in the implementation of RBD Component: 3 teams within ACA and MEGA and 2 teams within RDC and CCA respectively. Most DOs have worked under RISP 1.

General information on outcomes of DAs activities for the reporting period is presented in the table below, while more detailed information is presented in Annexes 1-23.

**Table 1 General Information**

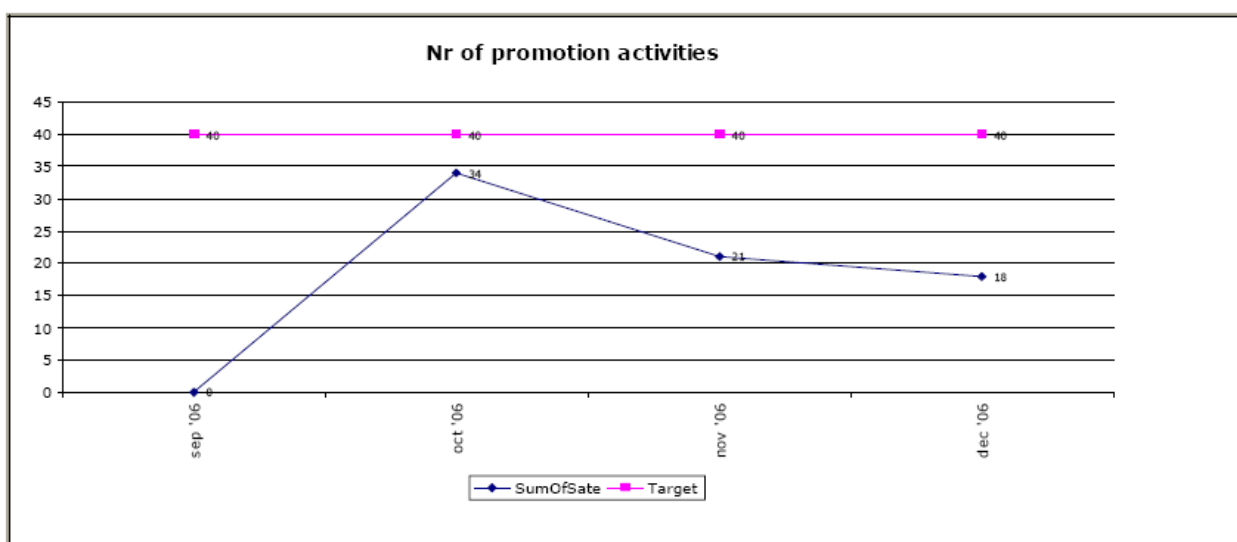
<i>Indicator</i>	<i>Value</i>
<i>Development Agencies</i>	<i>4</i>
<i>Mobile teams</i>	<i>10</i>
<i>Number of villages where promotion took place</i>	<i>73</i>
<i>Number of participants to promotional meetings</i>	<i>1550</i>
<i>Number of project participation applications</i>	<i>139</i>
<i>Service provision contracts, active</i>	<i>84</i>
<i>Number of business plans developed</i>	<i>74</i>
<i>Businesses starting implementation of investment plan</i>	<i>31</i>
<i>from them:</i>	
<i>Agricultural</i>	<i>(20%) 6</i>
<i>Non-agricultural</i>	<i>(80%) 25</i>
<i>Businesses in progress</i>	<i>53</i>
<i>Businesses registered with the support of DAs</i>	<i>9</i>
<i>Loan applications submitted</i>	<i>68</i>
<i>Loans disbursed for rural businesses</i>	<i>38</i>
<i>Loans approved, but not disbursed</i>	<i>3</i>
<i>Loan applications processed by PFIs</i>	<i>24</i>
<i>Number of businesses benefiting from post-creation support</i>	<i>11</i>
<i>New jobs</i>	<i>202</i>

## PROMOTION CAMPAIGN

By December 31, 2006, promotion activities were organized in 73 villages and attended by 1550 people. (Chart 1)

CCA organized most promotions in 29 villages and with 539 participants. Most promotions were carried out in partnership with local public authorities, ACSA national extension network consultants and savings and credit associations. These promotions introduce the goal and objectives of the project, conditions of participation, DAs' role in creating and supporting new businesses, funding opportunities of investment projects, etc. All promotion meetings are accompanied by distribution of information materials, including RISP II leaflets containing general information on the project, the list of DAs and their contact information, the list of project participating financial institutions (PFIs).

**Chart 1. Number of promotion activities**



The promotion activities have concentrated mostly in October, starting slightly to decrease in the following months, due to the flow of applications from DAs support from the potential beneficiaries, as a result of the promotion campaign started in October.

On 10<sup>th</sup> of October CAPMU organized a meeting of DAs with participating banks. DAs and banks exchanged views and recommendations on successful project implementation. 6 out of 7 banks came to this meeting, except Banca Sociala. The topics brought to discussion by DAs included the need to fully inform regional bank branches workers on RISP credit terms and willingness to work with potential RISP beneficiaries. CCA mentioned that under RISP I regional branches of some banks were reluctant to work with potential RISP beneficiaries. To this end, CCA suggested organizing a meeting with representatives of bank regional branches. In turn, banks expressed their opinions on matters that would facilitate project implementation: financing a share of at least 10% of working capital as part of a RISP credit, the maximum ceiling for a RISP credit should be over 100,000 USD considering the demand on the market

(MoldInconBank). CAPMU informed the World Bank mission visiting Moldova between October 16 and 27, 2006 on the above proposals.

Thus, DAs organized a number of meetings with PFIs branches. The purpose of these meetings was to establish partnerships with IPF under RISP, on one hand, and to increase the number of potential beneficiaries, on the other hand, with IPFs directing them to DAs if they approach banking institutions directly in order to request a loan. Here, DAs have a twofold role, (i) to provide necessary support to those who want to start a business, obtain a credit by developing business plans and the necessary package of documents, as well as (ii) act as a catalyst in the relationships between beneficiaries and banking institutions by decreasing the high risk profile of these businesses perceived by PFIs and excluding asymmetrical information on these enterprises. Hence, CCA organized meetings with Fincombank (Riscani, Glodeni, Balti), Mobiasbanca (Ungheni), Victoriabank (Nisporeni), Moldinconbank (Ungheni, Balti) and Moldova Agroindbank (Nisporeni, Ungheni, Glodeni and Riscani). Banca de Economii and Banca Sociala were least receptive to CCA proposals in its coverage area.

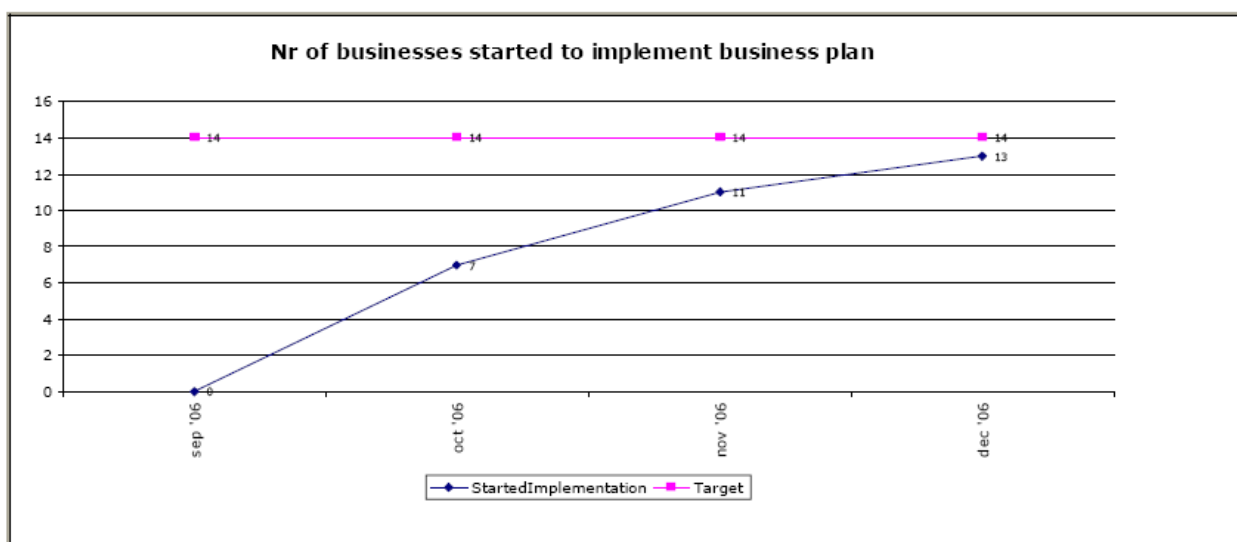
As a result of meetings of MEGA development officers with PFI credit officers from Moldova Agroindbank, Moldinconbank, Banca Sociala, Victoriabank, Fincombank etc., banks' top managers designated people responsible for RISP beneficiaries. Thus, the process of analyzing the package of documents of credit applications has been streamlined.

An important source of information on project conditions are RISP I beneficiaries. They can be considered an example for potential beneficiaries of RISP II. Thus, one third of people who submitted project participation applications from the coverage area of RDC learned about opportunities provided by RISP II from RISP I beneficiaries.

## **BUSINESSES CREATION**

31 businesses established with the support of DAs started their operational activity/implementation of investment plan on December 31, 2006. 29 of them received loans from PFIs and two started operating only with their own resources. The total business investments of these 31 businesses amounted to 864 419 \$. Thus, the average investment made by operational businesses on December 31, 2006 is about 28 000 \$, which is twice as much as the average of the loan in RISP 1.

**Chart 2. Number of businesses started implementing business plan**



Out of 31 businesses created, 26 are individual businesses, which represents approximately 83% and only 5 are group businesses. To this end, group businesses were considered businesses with 3 and more founders.

The legal form of the businesses that commenced implementation of their business plan is mostly Limited Liability Company (15) or Sole Proprietorship (11), while 3 are peasant farms and 2 patent holders.

The structure by the type of business, which started their operational activity, is presented in table 2. The table below shows a big share of businesses being non-agricultural (80%), which is matching with one of the project trigger to have at least 1/3 of all new businesses created engaged in off-farm activities.

From the agricultural businesses, those with livestock production have the greatest weight (16%), and only one business so far is concerning crop production.

Non-agriculture businesses include wood processing companies, those manufacturing food products, electrical machineries, transport and retail trade.

**Tab. 2 Structure of RBs by type of activity**

<i>Type of business</i>	<i>Number of businesses which started their operation</i>	
	<i>No.</i>	<i>%</i>
<b>Agriculture</b>		
<i>Crops production</i>	1	3.2
<i>Livestock production</i>	5	16.1
<b>Sub-total Agriculture</b>	<b>6</b>	<b>19.4</b>
<b>Non-agriculture</b>		
<i>Manufacture of food products and beverages</i>	5	16.1
<i>Manufacture of wood and wood products</i>	2	16.5
<i>Manufacture of electrical machinery and apparatus</i>	1	3.2
<i>Manufacture of furniture</i>	1	3.2
<i>Retail trade</i>	9	29.0
<i>Sale, maintenance and repair of motor vehicles</i>	1	3.2
<i>Wholesale trade and commission trade</i>	1	3.2
<i>Hotels and restaurants</i>	2	6.5
<i>Land transport</i>	1	3.2
<i>Post and telecommunications</i>	1	3.2
<i>Supporting and auxiliary transport activities</i>	1	3.2
<b>Sub-total non-agriculture</b>	<b>25</b>	<b>80.6</b>
<b><u>TOTAL</u></b>	<b><u>31</u></b>	<b><u>100.0</u></b>

The biggest share is with the businesses from the retail trade (29%) and those manufacturing wood products (16%), while other represent up to 10% each category.

All 31 businesses created are located in 16 rayons of the country and one in Balti municipality. The maximum number of businesses is concentrated in UTAG (5 RBs), followed by Cahul (4 RBs) and Taraclia (3 RBs). These three southern rayons are housing almost 40% of the business created so far.

It is to be mentioned that 11 out of 31 operational businesses have already started generating revenues. These 31 businesses have created 202 new jobs in rural area, which makes an average of 7 new jobs per business.

#### **FINANCING OF THE RURAL BUSINESSES**

In the first months of the project implementation the DAs have signed 84 Service Agreements with the beneficiaries. So far 68 credit applications were submitted to Financial Institutions and 38 credits were already disbursed. 34 out of the credits disbursed are provided from the RISP funds, 4 projects are financed from banks own sources or IFAD.

As was mentioned above, 31 beneficiaries from the total number of contracts have started the implementation of their Business Plans, elaborated in a joint effort with the DOs. In 2 cases out



of 31, the beneficiaries are starting the implementation of their projects from their own sources, eventually considering accessing a loan at a later stage.

The following table is showing the breakdown of the service agreements by the level of access to the financial resources:

<b>Service agreements signed</b>	<b>86</b>
Credit applications submitted	68
<b>Loans disbursed</b>	<b>38</b>
RISP loans	34
Loans provided from other sources	4
<b>Credit applications still assessed</b>	<b>24</b>
Credit applications rejected or withdrawn	3
Loans approved, not disbursed	3
BP in the process of elaboration	18

If comparing the efforts of DAs in financial brokerage, we can mention ACA and MEGA with 15 and 14 disbursed credits respectively.

#### **MANAGEMENT INFORMATION SYSTEM AND M&E**

The analysis of the progress in the implementation of the RBD Component is managed by means of the database application. The DAs were provided with the application files from the beginning of their assignment. The functionality of the database includes data integrity check and the generation of the progress reports.

On a monthly basis CAPMU is receiving the updated database files from the DAs and the information regarding the credits disbursed within the Rural Finance Component from the Credit Line Directorate. The information is crosschecked with the DAs and the CLD.

CAPMU is regularly maintaining and updating the applications, providing a more enhanced functionality, both for the DAs and the generation of reports (of CAPMU). The elaboration of an application for the Credit Line Directorate is already started. The application will smooth the process of transfer of data between CLD and CAPMU. CAPMU has also started the monitoring of the results of DAs – the creation of RBs. This will be done by regularly and randomly organizing monitoring visits to RBs created with the support of the DAs.

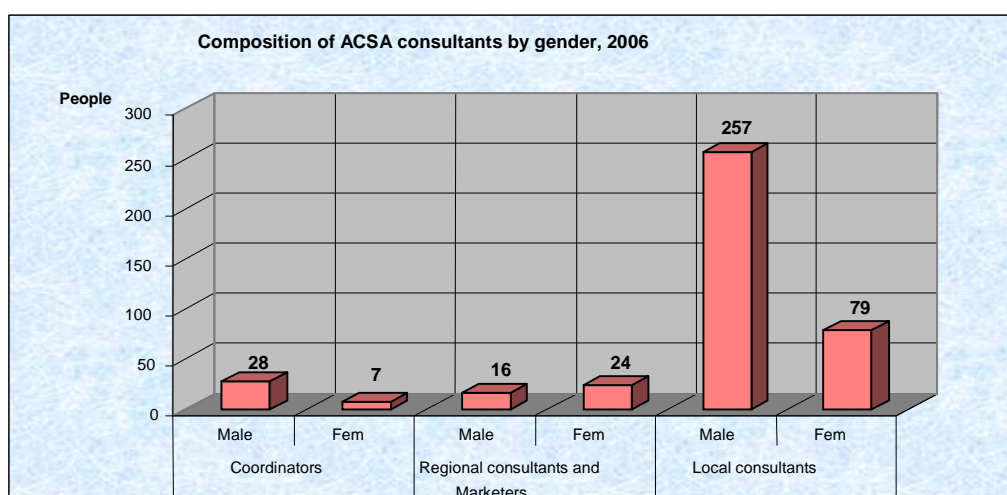
## RURAL EXTENSION COMPONENT

### ACSA SERVICE PROVIDER NETWORK

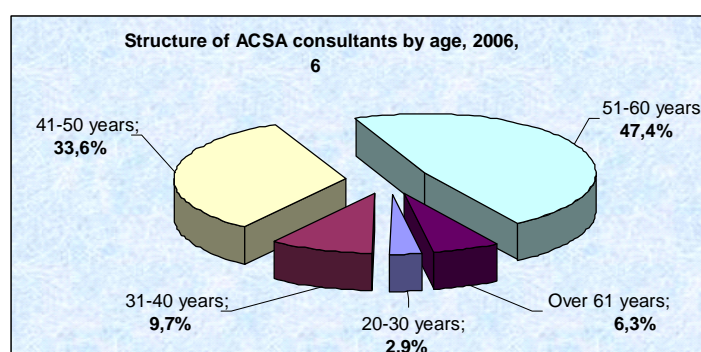
In January – March 2006, ACSA network consisted of 35 service providers. The total number of ACSA network consultants was 441 people, from whom: 336 local consultants and 105 regional consultants (70 regional consultants, 5 marketing consultants and 30 consultants in agricultural legislation financed by USAID).

In April-December 2006, ACSA network consisted of 35 service providers and the total number of consultants was 411 people (336 local consultants and 75 regional consultants (70 regional consultants, 5 marketing consultants).

Below we analyzed the composition of ACSA consultants by gender and we come to the conclusion that out of 411 consultants, 301 are men (73,2 %) and 110 are women (26,8 %). Detailed information is presented in Annex 1.



The analysis of the composition of ACSA consultants by age shows that most consultants are aged between 40-60 years, this age group representing 81%. See Annex 2 for detailed information.



## **TRAINING PROGRAM**

In 2006, the professional training of all consultants was one of the priorities of the Executive Directorate of ACSA. During the reporting period, regional and local consultants were trained on “Contractual relations and ACSA requirements for being contracted by ACSA 2006”, „Service Provider Management”, „Basic Training”, „Extension Methodologies”, „ Extension Methodologies 2”, specialized training in „Economic Issues”, specialized training on poultry products, specialized training on accounting with in-depth study of the 1C software, (Refresh Training) for groups of specialized training on fruit and vegetable growing.

Local and regional consultant participated as trainers at numerous seminars carried out in the field at the request of beneficiaries, within implementation of special and additional contracts.

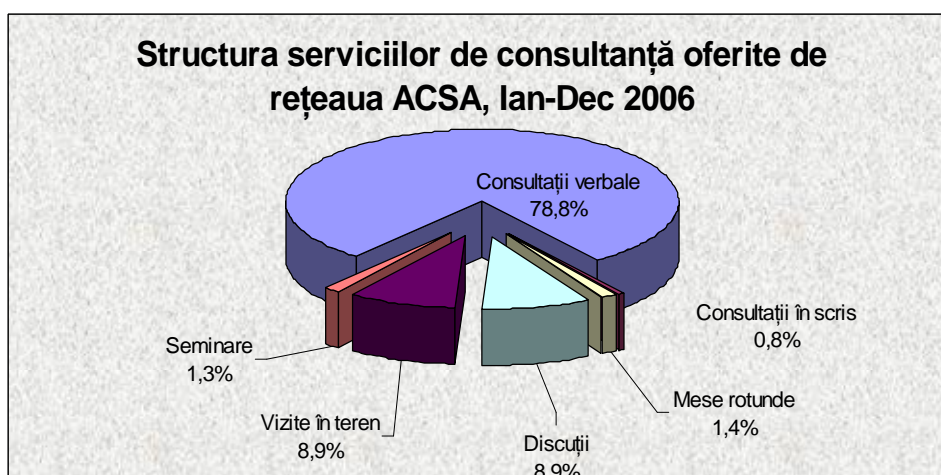
National, regional and local level trainings involving external consultants, local experts, representatives of local public administration allowed ACSA network consultants to improve their professional training, to acquire new practical skills of general and financial management, beneficiary communication skills, planning, preparation and carrying out various information and consulting activities, reporting and promotion of extension service.

## **SERVICES PROVIDED AND BENEFICIARIES**

Regional and local consultants provide consultative services according to the minimum package of services stipulated in the standard contract. Consulting services are designed to meet agricultural producers' needs basing on issues they inquire or identified by consultants. Detailed information on the number of services provided by ACSA network and the number of beneficiaries of consulting services due to conditions occurred in 2006 is presented in Annexes 3 and 4.

During the reporting period, ACSA network consultants provided 172511 consulting services, from which 2318 seminars, 1310 written consultations, 2343 round tables, 15319 field visits, 15332 meetings and 135889 verbal consultations. One Service Provider offered on average about 4930 consulting services. During the reporting period, 328119 beneficiaries benefited from consulting services. One Service Provider had on average 9375 clients who benefited from consulting services during the reporting period.

The number of beneficiaries and the amount of services provided differs for different Service Providers. This depends on the number of consultants in the team, which varies



from 7 people (SPs from Basarabeasca and Dubasari) to 13 people (SPs from Ceadir-Lunga, Anenii Noi, Stefan Voda), on their experience and level of training.

The structure of consulting services provided by area (see

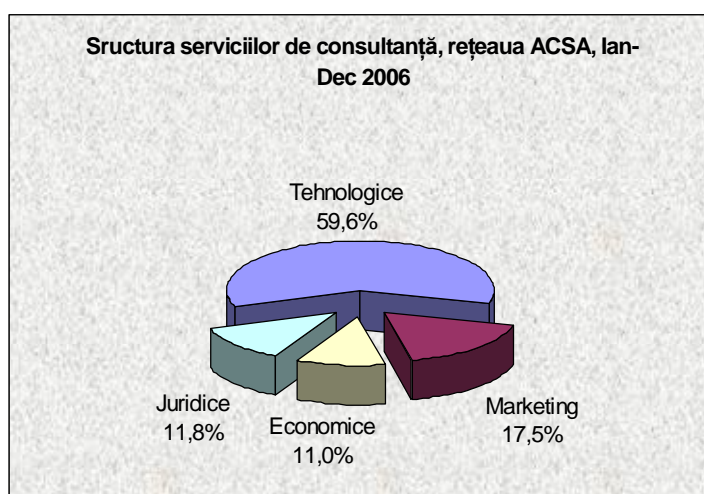
figure), similarly to the previous year, technological services are prevailing (59,6%), followed by agricultural marketing services (17,5%), legal (11,8%) and economic services (11,0%).

During this period, the structure of services provided by ACSA network was dominated by verbal consultations with a share of 78,8% (see figure). In most cases, these consultations are provided individually. Then, follow field visits and discussions with a share of 8,9% each. Despite the fact that consultation services provided to groups account for only 21,3% of all services, 62,1% of ACSA clients benefited from this type of services, and for 37,9% of beneficiaries 79,6% consultations were provided individually – verbally and written. This is a good development since group consultations are less expensive and their efficiency is higher.

## DEVELOPING AND PUBLISHING INFORMATION MATERIALS

According to ACSA activity plan for 2006, 3 guides were developed and published: “Milk Production as a Business”, “Increasing Value of Fruit and Table Grapes”, “Vegetable Growing as a Business” (revised and supplemented). Information

materials were published in a total circulation of 6000 copies. Publishing these materials was financed from the proceeds of the RISP project and ACSA revolving fund.



### List of information materials published by ACSA in 2006

Nr.	Name of work	Author	Number of copies
1	Milk Production as a Business	N. Bucataru, D. Holban, S. Cosman	2000
2	Increasing Value of Fruit and Table Grapes	A. Jamba	2000
3	Vegetable Growing as a Business” (revised and supplemented)	Edited by – P. Patron	2000
<b>TOTAL</b>			<b>6000</b>

The editorial size of information materials published by ACSA in 2006 was 27 printer's sheets, including 25,5 author's sheets and 1,5 sheets with colored pictures: they presented species of cows, equipment for animal care, varieties and hybrids of vegetable crops, greenhouse cultivation technologies, ways to store and increase value of fruit and table grapes.

### PROMOTION ACTIVITIES

During the reporting period, ACSA network carried out the following promotion activities:

**At local level** ACSA carried out 343 promotion activities, from which: publishing 248 articles, 8 radio features and 38 TV features. SPs (Cantemir, Stefan Voda, Ocnita, Cahul, Edinet, Șoldanesti, Causeni, Straseni, Criuleni, Calarasi, Glodeni, Singerei, Cainari, Hincesti, Drochia, Anenii Noi, Falesti and Nisporeni) developed 9 leaflets, 16 brochures, information materials and bulletins, posted 12 information boards presenting the services provided and activities implemented, demonstration sites, beneficiaries, team composition, etc. At regional level, 12 promotion presentations of information materials published by ACSA in 2005 and 2006 were conducted.

The structure of activities is dominated by articles in local newspapers - 44 %, features on National Radio - 23,6 %, development and publishing leaflets, information materials – 9,6%. These sources of information dissemination are the most available for local consultants and requested by rural extension service beneficiaries.

**At national level**, ACSA organized 220 promotion activities, from which: 46 features on TV, 133 features on national radio, 36 articles in national newspapers and 5 On-Line statements.

At the beginning of the year, the new concept for ACSA's web site was finalized and the new web page was launched in March. The web page: [www.acsa.md](http://www.acsa.md) provides the possibility to learn about the structure of the rural extension service, the range of consulting services offered, general and specialized training programs, implementing demonstration activities, promotion and dissemination of information, publications developed by ACSA, as well as information on additional projects implemented.

ACSA launched the guide “Rural Tourism as a Business” at the specialized national exhibition „Tourism, Leisure, Hotels” in order to promote and disseminate published information materials.

This activity aimed at increasing awareness and informing agricultural producers with new possibilities and prospects of diversification in the area, capitalizing cultural and natural potential on the territory of locality and develop a pro-active approach to strategic business planning in the rural area.

During the reporting period, ACSA also participated at the national exhibition „Farmer 2006” (October 25-28) and at the partnership exhibition with the Association of Amateur Gardeners, Fruit Growers, Grape Growers and Florists „Demetra” (March 1 – 4). SPs Calarasi and Balti participated with information boards at the exhibition “Small Business”, fourth edition. The members of ACSA Executive Directorate participated with papers and presentations at the international seminar “Marketing Fresh Fruits and Vegetables” organized by the International Training Center CINADCO - MASAV (Israel, May 07-22, 2006) for CIS countries and the first Moldo-Italian Conference of Logistics (Chisinau, November 3, 2006).

## **SPECIAL CONTRACTS**

Since financing was significantly delayed in 2006, the Selection Committee together with ACSA Executive Directorate decided that in the second half of the year only projects that can ensure a palpable impact in a short period of time will be implemented. Thus, the list initially compiled was modified to include by July 1 only 35 mini-projects (during previous years their number was 106-130).

Special service provision contracts were implemented by 27 out of 35 contracted Service Providers. Most SPs had one contract and several implemented 2-3 contracts.

Out of the total number of contracts expected to be implemented, 22 were in Zootechny (pig, rabbit breeding, bees), 8 were about growing mushrooms in adjusted conditions, producing fruit planting material with advanced biological qualities and growing ornamental flowers. And respectively, there were 3 and 2 contracts for the development of craftsmanship and processing of agricultural products in rural conditions.

During the reporting period, 326 seminars, field visits and other activities were organized within those 35 special contracts, which were attended by over 4 thousand agricultural producers, residents of the ACSA SP service area. About 50 workers of research and agricultural education institutions, MAFI departments and state inspectorates, international projects and NGOs, ACSA network consultants specialized in various areas participated as experts in the establishment of demonstration sites and as trainers.

Some data on the implementation of special contracts in 2006 can be found in Annex 5 and examined in detail at ACSA headquarters and 35 PS head offices.

## **MONITORING AND EVALUATION OF SERVICE PROVIDERS**

During 2006, ACSA Executive Directorate carried out monitoring and evaluation of 70% of local consultants and all regional consultants from all 35 Service Providers. The centers that had

difficulties in complying with contractual obligations and did not have the capacity to solve some acute issues were visited several times.

During monitoring visits, it was observed that the offices of most Service Providers are located in the administrative centers of raion capitals and are accessible to beneficiaries. Most offices are connected to electricity, phone, fax, e-mail and are equipped with necessary furniture and computers.

All local and regional centers are ensured with information and training materials published by ACSA, Ministry of Agriculture and Food Industry, technical assistance projects, commercial companies etc. These materials are classified by areas, accessible to beneficiaries and are sold to beneficiaries upon request.

The monitoring team came to the conclusion that most local and regional consultants cooperate efficiently with SCAs and Development Agencies responsible for implementing the Rural Business Development Component of the RISP project. The welcomed informational support of the Veterinary Medicine Department of the Ministry of Agriculture and Food Industry for agricultural producers on opportunities for prophylaxis and treatment of animal and poultry diseases should be also mentioned.

The monitoring team formulated a few recommendation and general requirements for ACSA contractors on ensuring transparency of activity, location of and equipping offices and documenting implemented activities. These were distributed to all ACSA consultants and represent the necessary minimum to provide consulting services to beneficiaries.

Minutes, assessment sheets for local, regional centers and Service providers in general, as well as any other relevant documents might be reviewed in detail at ACSA headquarters.

## **IMPACT**

Consulting and training services provided by ACSA network consultants during the reporting period were mostly targeted and contributed to solving problems faced by agricultural producers and other categories of beneficiaries. Advice and recommendations provided by consultants helped agricultural producers to improve quantitative and qualitative production indicators, to obtain loans, market their output and purchase necessary inputs, to initiate and open new businesses both agricultural and non-agricultural increasing their revenues from economic activities.

## **IMPACT OF SERVICES PROVIDED**

In 2006 ACSA consulting beneficiaries cultivated cereal, technical and fodder crops on a surface are of 232147,7 ha (including: wheat - 59737,8, barley - 20242,8, corn - 69210,0, soy - 9526,3, peas - 3452,2, sun flower - 52844,8, sugar beet - 8136,8,

tobacco - 354,0, alfalfa - 6123,7, rape - 1600,0, beans - 919,4 ha). On a surface area of 2524,8 ha perennial plants were planted, including: apples 490 ha, plums 244,3 ha, sweet cherries 126 ha, cherries 22,3 ha, nuts 309,7 ha, peaches 208,6 ha, apricots 35,5 ha, vine 982,2 ha). Vegetables were planted on about 9440,1 ha (including: tomatoes 1529,4, peppers 741,3, eggplants 268,9, cabbage 1043,7, cucumbers 342,0, water melons 1706,7, melons 171,1, zucchinis 197,2, potatoes 2917,5).

Productivity of agricultural crops varied depending on: variety, geographic area, complying with growing technology and constituted on average for (t/ha): wheat 3,4, barley 2,6, corn 4,2, soy 1,7, peas 2,5, sun flower 1,8, sugar beet 33,2, tobacco 2,6, alfalfa 14,5, rape 1,4, beans 1,8.

In the Zootechny sector, 459 family animal farms were opened (including: 38 for cows, 111 for pigs, 81 for sheep, 64 for rabbits, 111 for poultry, 9 for quails and for other species 54). Average productivity for milking per cow was 2880 liters per annum in the coverage area of ACSA consultants.

48289,9 t of wheat, 14212,9t of barley, 23600,9 t of corn, 33529,8 t of sun flower seeds, 179849 t of sugar beet roots, 449,0 t tobacco leaves, 1324,7 t of rape seeds, 329,8 t of beans, 22545,7 t of apples, 5749,2 t of plums, 448,1 t of sweet cherries, 88,8 t of pears, 172,9 t of nuts, 680 t of peaches, 2842 t of cherries, 77,3 t of apricots, and 26952,9 t of grapes were sold through 445 formal and informal marketing groups established,

Local and regional consultants mediated the purchase of agricultural inputs valued at 250950756 lei. These means were used to purchase 12998,9 t of mineral fertilizers, 713,5 t of phyto-sanitary products, 10485,3 t of seeds, 1791905,0 of grafted vines, 961969 of fruit trees, 97567 of fruit bushed, 2317 of breeding cows, 1392975 of poultry, 14742,1 t of fuels. Tractors, agricultural machinery and irrigation equipment were purchased for 68998071. 308 tractors, 202 seeders, 199 cultivators, 282 ploughs and 93 irrigation systems were purchased.

With the consulting support of local and regional consultants, 48 professional associations at local and regional level were established. About 31128 agricultural producers and rural entrepreneurs benefited from credits, including 30202 beneficiaries took loans valued at 168741716 lei from SCAs, 892 beneficiaries took loans valued at 34125353 lei from commercial banks, 34 beneficiaries took loans amounting to 3404630 lei from RISP project. Local and regional consultants also assisted in drawing up 1700 business plans, including 1407 in the agriculture sector and 293 for non-agricultural businesses. In the area covered, they established 738 agricultural businesses and 172 non-agricultural businesses. As a result, 3183 new jobs were created.

ACSA network consultants actively participated in the development of land market and solving problems related to agricultural legislation. They provided assistance for 7469 purchase and sale transactions with agricultural land with a surface area of 9005,4 ha,



1090 acts of donations for a surface area of 1519,9 ha, 2533 heritage acts for a surface area of 3353,3 ha, 19 mortgage transactions for a surface area of 70,2 and 587 exchange transactions for a surface area of 638,8 ha. Local consultants helped prepare 78311 land lease contracts for a surface area of 110464,7 ha. 1897 agricultural land consolidation acts were initiated for a surface area of 18930,6 ha. Local consultants contributed to settling 1897 land disputes for a surface area of 2150,3 ha.

Also during the reporting period, ACSA consultants implemented 122 socio-economic activities.

## **IMPACT OF DEMONSTRATION ACTIVITIES**

Demonstration activities carried out under special contracts fostered technical innovations followed by productivity increase when caring for animals and had a positive influence on diversification of activities in the rural area. Demonstration sectors and units served as a useful and convincing instrument in the process of transferring new knowledge and advanced experience for agricultural producers, rural entrepreneurs and in general for rural residents that wanted to improve the economic and social situation in their villages.

In general, it could be mentioned that implementing 35 special contracts resulted in establishing 11 mini-farms for breeding and reproduction of pigs, 5 mini farms for breeding rabbits; contributed to technical innovation in 5 bee hives; lead to establishing 5 workshops for producing wooden, metal items and osier furniture. At the same time, 5 businesses for production of mushrooms in adapted conditions were established. Moreover, 45 new jobs were created, 13 marketing groups and 12 territorial and regional fruit nurseries, bee growers, rabbit breeders associations, etc. Out of the total number of participants to 326 seminars, field visits and other training and information activities, 124 people repeated or said they would grow again flowers, produce mushrooms, cheese, breed rabbits and poultry, manufacture craftsmanship articles.

Basing on training and informing beneficiaries of these sites, honey, pork, rabbit meat, cheese and mushrooms were sold for a total amount of about 480 thousand lei, and 133 sales contracts for the same products valued at over one million lei were concluded.

## **AGRICULTURAL MARKETING**

During the reporting period, these activities were implemented by 5 regional marketing consultants (RMCs) activating at SPs Causeni, Hincesti, Calarasi, Soldanesti and Edinet. These activities were financed from RISP project funds.

The goal of agricultural marketing activities developed by ACSA is to provide consulting services related to promotion and dissemination of specialized information to ACSA

consultants and beneficiaries; favorable markets for selling agricultural output; agricultural output price dynamics and price fluctuations depending on demand and supply; mediating purchases – marketing input and output; quality standard requirements for agricultural output on domestic market and in neighboring countries and in the European Community.

During the reporting period, 3136 beneficiaries benefited from marketing consulting services. In cooperation with regional and local consultants, 10 seminars, 63 round tables, 184 informal and formal marketing group meetings, 153 field visits were organized, and at the same time, 1589 verbal consultations and 289 written consultations were provided. Most group and verbal consultations were conducted to introduce to beneficiaries quality requirements, how to form homogenous batches of output and what are the requirements of the market.

For the professional training of RMCs, ACSA agricultural marketing compartment coordinator and external consultants contracted prepared training materials and organized 2 thematic seminars on “Standardization, national and international STAS requirements for fruit and table grapes” and Standardization, national and international STAS requirements for fresh vegetables” carried out on April 19-20 and respectively, September 20-21.

The training materials developed for these seminars, including in electronic format, were distributed to all 35 ACSA regional centers to be used for focus seminars and specific agricultural marketing activities in the service area.

During the reporting period, 44 market studies (6 agricultural markets in Republic of Moldova – Chisinau, Causeni, Hincesti, Calarasi, Soldanesti and Edinet) were conducted. Collected information was disseminated to ACSA consultants and extension services beneficiaries. It was on wholesale and retail prices and for primary processing of agricultural output of vegetal and animal origin, fluctuation of sales and purchase prices, origin of products, supply and demand for products (including surplus/deficit on the market), and purchase market trends.

### **RMC service impact on ACSA clientele**

Basing on the work conducted:

- ü 84 informal agricultural marketing groups were organized (in most cases, seasonal groups related to joint purchase of inputs and selling agricultural output);
- ü Agricultural produce contracts valued at 21 384,5 thousand lei (including in-kind: 3453 tons of cereals and leguminous; 484 tons of sun flower seeds; 55,7 tons of fodder; 1465 tons of fruit and berries; 69370 fruit trees; 61 tons of grapes; 1216,5 tons of vegetables and mushroom;

2301 animals and 120 thousand poultry; 107,5 tons of beef meat; 92 bee families) were mediated;

- ü Input purchase contracts valued at 11 641 thousand lei (including purchasing 383,5 tons of mineral fertilizers; 18374 kg of phyto-sanitary products; 353 tons cereal crops seeds, leguminous, fodder crops, industrial crops, vegetables; fruit and vegetable planting material valued at 852 thousand lei; breeding animals, bee families, poultry and young poultry valued at 520 thousand lei; 14 tractors, 2 motor-cultivators, 6 seeders, 10 cultivators, 5 ploughs, 6 sprayers; spare parts for agricultural machinery valued at 285 thousand lei; 324 tons of fuel and lubricants; other input purchases valued at 238 thousand lei) were concluded;
- ü At the request of RMCs and consulted beneficiaries 215 electronic information notes on input sale and supply and agricultural output purchase offers were submitted.

ACSA agricultural marketing compartment organized the update and improvement of the data base, which includes information on 2400 companies, trade agents, input suppliers and agricultural producers from Republic of Moldova. Subsequently, the data base will be transferred into Microsoft Access and will be used for the design of the specialized web page on Agricultural Market placed on the official web site of ACSA. This web page will serve as a bridge between agricultural producers and acquisition and purchasing enterprises, and input suppliers and agricultural producers. Continuous refining and updating of the functional data base for the whole ACSA network and for potential visitors will require additional human, material and financial resources.

## LAND RE-PARCELING COMPONENT

The concept proposed below complies with FAO recommendations in the area of implementing land re-parceling pilot projects based on best international practices.

### Project Concept

This section describes the methodology proposed for land re-parceling pilots in Moldova based on voluntary participation. It lists the main principles and practical aspects of the proposed method through a brief description of organizational elements, techniques, knowledge and final outcome.

### Principles

The methodology of the project is characterized by the following features:

Land re-parceling should be a process that brings improvements to the location, ownership and use of land which exceed improvements that can be brought by separate individual bilateral exchanges. Land re-parceling is an organizational input that involves far more transactions that one individual can conduct.

Land re-parceling pilots target small farmers / peasant farms. This reflects a different priority approach from other re-parceling activities carried out currently in Moldova, which tend to embody the initiative and agenda dictated by big players of the land market, usually buyers. But this doesn't exclude the possibility to obtain mutual advantages and to include all interested landowners and parties. The main focus is on the preferences of small landowners. The main activity consists in studying the preferences of these landowners and identifying the exchanges that they want and can make.

The main principles of voluntary participation are:

- Transactions of land exchange within the land re-parceling pilots happen as willing selling and buying between individual.
- Owners have the right to enter into such transactions, or not, subject to compliance with legislation as in any other property transaction.
- An owner is only committed when signing an agreement specifying the transactions at the final stage of implementation. Owners are, therefore, not committed at the outset of the pilots and they are still free to consider other options during the negotiation stage.

These principles involve certain simplification advantages. First of all, there are no specific requirements on the land exchange plan to equal the value of land before and after the exchange. This kind of requirement is usually formulated to protect the rights of owners that don't want to sell, if land re-parceling is forced. In practice, however, these requirements generate costs due to more detailed data needs and more work. The voluntary participation model, value differences can be covered by making affordable payments agreed by parties. Moreover, the possibility of net sales facilitates different value exchanges; net enlargement of a land plot of an owner sometimes implies net sales for other owners. Second, there is no issue of forcing, and therefore there will be no court actions. The owners that find available options as non-attractive have the right not to participate.

Still, there could be complaints. Some complaints could refer to technical errors, when an owner doesn't get the parcel he/she paid for. Some landowners might say that their preferences and proposals have not been seriously studied; it is possible that some people complain about the behavior of the design engineer, etc. At the pilot stage, complaints might be reviewed by a steering committee. In a more advanced framework, the agency responsible for land re-parceling would be also responsible for handling complaints.

## Elements

The operational elements of the land re-parceling pilots are listed under four chapters: *Organization, techniques, learning needs and outcomes*. This section is a summary of these elements that are to be applied in operation at a more advanced stage of project development.

There is a special term used to describe the negotiation activity and developing a solution for land re-parceling. This text uses the term "development of land re-parceling design" and the person responsible for this is called a "design engineer".

## Organization

The main issues related to initial organization that have to be settled during the development of framework for pilots include:

- Finalizing the agreement on general concept,
- Identifying main principles,
- Selecting localities for the pilots,
- Specifying inputs and incentives and guaranteed financing,
- Appointing responsible personnel.

Several of existing procedures might be applied for operational organization, including obtaining information on ownership, correcting various registration errors identified in the process, the procedure of obtaining designs (maps) and the procedure of land transactions.

The new activity is to be implemented by the team responsible for developing land re-parceling design in the field.

The composition of the local team for land re-parceling design development will include a design engineer experienced in land registration who will work together with the local cadastre engineer. Such a combination would bring together local know-how and external and professional impartiality. During the implementation period, the development team will have to be supported by a team of international experts.

### Techniques

Pilots will have difficulties and explore innovations in several technical aspects. Participating land owners need to have specific economic incentives. Normally, these are the possibility to carry out transactions free of charge under the land re-parceling pilots, costs covered by this project. However, the main incentive for landowners and interested parties to participate in the project is the benefit expected to occur as a result of land re-parceling process; reduced distance and reduced costs caused by fragmentation/increased efficiency.

The participatory approach is necessary to develop better methods for using maps and it is possible that the GIS software based on digital maps and available information registers might serve as a tool for involving beneficiaries. Presenting the baseline situation and different proposals for re-parceling is a special technical issue due to extreme fragmentation. Nevertheless, techniques presenting images of location and possible alternatives in a useful manner should be developed.

The principle of voluntary participation defines a participation process where the solution occurs only when the owner signs an agreement to carry out the transaction. This means that the solution is not known from the very beginning and it is materializing only at advanced stages. This is the main difference between the development of the re-parceling design and the conventional task of registering land, which typically begins basing on regulations which require compliance by landowners and approval by experts.

An additional consequence is that the notion “approving a plan” is not applicable. There are only individual transactions, the difference being that they are designed to take place simultaneously.

### Learning Needs

The basic qualification of field workers, land re-parceling development design team and main interested parties is the ability to examine landowners and interested parties preferences, to assimilate a large amount of information and finally, to combine individual preferences into transactions agreed by landowners and be able to carry them out.

It is possible that the most important issue for an expert is to understand the extent to which landowner options generated by voluntary participation involves uncertainty for an expert, for example, when a landowner changes his/her decision to participate or comes with a proposal different from the initial one at an advanced stage of the process. These things lead to a re-development of the land re-parceling design.

The re-parceling engineer/ team is responsible for appropriate consulting and decision making. Basic qualifications include ability to work with people, both as a group and individually, to strike a balance between flexibility and impartiality, and – most of all – to ensure confidentiality. The critical indicator is the satisfaction of landowners and other stakeholders. The training methodology is based on close supervision by a specialist/engineer experienced in land re-parceling.

The obvious candidates for the position of re-parceling engineers are people who participated in land privatization and registration processes. They are knowledgeable of the basic concepts and procedures of land administration. They also know the techniques for developing designs (maps) and how to manage data and documents. The development of land re-parceling designs will extend their professional and inter-disciplinary knowledge. The main input of the pilots is the well structured training adjusted to specific needs of people involved and close monitoring.

After the completion of the privatization and primary registration of ownership, there is the overall issue of transferring experts to other activities and thus to preserve their knowledge. Land re-parceling could be a way to preserve and consolidate professional experience in land administration and management.

#### Expected Outputs

The overall objective of the pilots is to test the demand for voluntary re-parceling of land focusing on small farmers / private peasant farms, but open to all landowners and interested people.

As mentioned above, pilots will provide a lot of information, will accumulate experience and possibly will identify more issues pertaining to the following aspects:

- Improving local agricultural structures through re-parceling.
- Specific preferences of landowners.

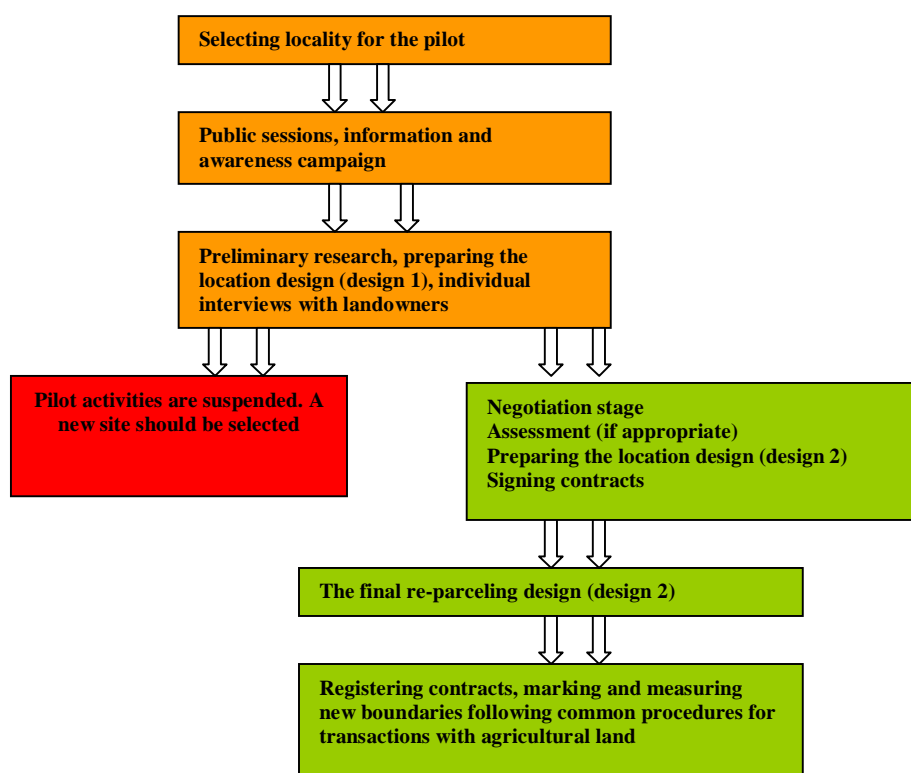
- Owner participation in the process of developing designs.
- The need for consultations on issues related to ownership.
- Managing a situation at the scale of a village as a replication process.
- Assessment techniques.
- Map development techniques.
- Cost levels.
- Potential to improve the basis for lending through re-parceling.
- Training needs and supervision experience.
- Future professional training needs indicators.

### Implementing Pilots

Basing on the proposed concept for the re-parceling pilots the following scheme (figure 1) shows the process and major stages of the pilot.

The first activity is the selection of the best possible location for the pilot. After the selection of the pilot location, the re-parceling design development team will be selected and trained.

**Figure 1. The process of land re-parceling pilot projects**





Landowners and other stakeholders will first learn about the pilots at a community meeting where the goal, process and outputs of the pilots will be discussed. A brief information material will be prepared and distributed.

At the stage of preliminary research, a map of land plots (design 1) will be prepared by the re-parceling design development team, and the individual interests and wishes of landowners and other stakeholders will be discussed at distinct meetings / individual interviews. Basing on these interviews the team will prepare an assessment of options of land re-parceling. This would be one of the reference points that would allow the steering committee to let the design development team to proceed to the next stage of negotiations. If interest for the project is weaker than expected, the activities of the project might be suspended and a new pilot site will be selected for the project.

During the negotiation stage, the re-parceling design development team prepares a draft re-parceling design (draft design 2), signs re-parceling agreements and prepares the final re-parceling design (design 2). The agreements voluntarily signed by landowners in compliance with current Moldovan legislation serve as grounds for design 2. That is why, in principle, the plan doesn't require subsequent approval. However, it is recommended that the local primaria and raion administration "approve" the proposed output of the project.

In principle, registering and implementing re-parceling agreements will be carried out under the simplified procedure developed under the re-parceling project of LPSP and the projects implemented by the Planning Institute for Land Management. In general, transactions will be free of charge for participating landowners and need to be financed out of the proceeds of the pilots.

#### Site Selection for Pilot Projects

Basing on the proposed concept, the first activity is selecting the best locality for the pilot. It is usually possible to complete this type of selection in 1-2 months.

#### Selection Criteria

It is relevant to take a wide number of aspects into consideration before selecting one or more sites for the pilot re-parceling activities. The criteria important for selecting sites are as follows (not necessarily in order of importance):

- Existence of family farms with potential for commercial farming and desire to enlarge their farms
- Fragmentation of parcels.
- An existing land market (presence of both potential sellers and buyers).
- Public land is available (through sales and exchange) to be included in the project.
- A relatively small number of absentee owners.
- A high level of completion of land reform/privatization and registration of land ownership.
- A high level of satisfaction among local landowners and parties interested in the outcome of the privatization process.
- Few land disputes and no problematic ones.
- Soil with good potential for agricultural production.
- Location within an economic growth area of the country (land re-parceling can be linked to other development activities).
- Existence of (digital) cadastral maps/plans and other thematic maps.
- Plans / measures for sustainable local rural development, infrastructure improvement, and environment protection.
- Initiative and commitment from local government.
- Local expertise in land re-parceling design and land use planning.
- Proximity to the capital or other representative office of the agency responsible for re-parceling activities.

The difficulty however doesn't lie in assessing the potential of pilot sites basing on each of these criteria, but rather in comparing assessments made for various candidate localities. From the point of view of objective assessment of all existing criteria there often is no perfect site. It is recommended to implement pilot re-parceling activities in 6 villages from different agro-climatic zones at the same time. This would minimize the risk of failure and would generate more representative experience.

#### The Selection Process

The process of selecting pilot sites is as important as the final output. Usually central administration doesn't have all the necessary information to locate and assess potential localities. Local administration will have to take care of this part of the selection process.

Local administration from different raions should seek potential localities from their region based on the above-mentioned criteria and to propose these candidates until a certain date. If a lot of potential localities are proposed, a short list using a simple SWOT analysis will be prepared. If even then there are more localities than necessary, discussions should be held with the respective villages. The final decision will be made by the project steering committee. Finally,

the selection of project sites cannot be based on quantitative methods, but rather will be based on the “gut feeling” of those making the decision. Moreover, it would be good to ensure that selected sites are diverse (for example, various geographic areas, different agricultural structure, different types of agriculture) for the simultaneous implementation of pilot activities in several localities.

## Assessment

The assessment of the land on project sites is a critical issue for the implementation of land re-parceling projects. The overall goal of the assessment is to determine the market price of each land parcel in the project area. If we look at different approaches to assessment of land re-parceling /consolidation projects from Western Europe, it is natural to discover two main assessment methodologies: the first one bases the value on the *market price* and the other on the *relative value*. The issue of adequate assessment methodology is especially critical for the first pilot activities.

A premise for applying all assessment methods is the existence of a land market in the area of the project, which means that there are various potential buyers (at least, more than one) for each parcel offered for sale. If it is not the case, the selected site will not be suitable for pilot activities and another site should be chosen. It is often the case that at the beginning of pilot land re-parceling activities the land market is still weak. This situation makes it difficult to apply the traditional parcel assessment methodologies - both *market price* and *relative value*. For these methods to be used it is necessary for landowners involved to accept at least to a certain extent, the fact that their parcels have the same objective value (same soil quality, size, shape, leakage conditions and location) and might be sold and bought for the same price per hectare. If the actual prices for comparable parcels from the area around the project site considerably vary in the past one – two years, it might be necessary not to apply systemic assessment. The same thing is true of the situation when landowners (both sellers and potential buyers) have expectations that greatly differ from prices offered. In these cases, the issues of assessment/prices should be settled through direct negotiation of the price between the potential buyer and the seller.

Assessment methods, market price and relative value, are similar in their practical application and might be successfully combined. Landowners from the pilot site usually have a different motivation for participating in the project such as (a) decrease fragmentation, (b) extend the farm, (c) sell the parcel.

The market value and price should be determined for all landowners that increase or decrease the total value of their own land through the project. The landowners that preserve the value of their own land, but reduce the number of parcels only need relative values. Any assessment

method applied should take into consideration these differences. A way to solve this problem is to use relative values from 100 downward with intervals of 5. The best parcel in the village will have the relative value of 100, the second place parcel - a value of 95, etc. After completing this exercise, the assessment team consisting of the re-parceling engineer, representatives of land owners and assessment specialists will agree on the market price of the parcel valued at 100 points. Then, if necessary, the market value of all parcels with relative value could be calculated by simple multiplication.

In Moldova, existing designs (maps) of land produced during Soviet times (and for the rest of USSR) may serve as a good indicator of the relative value of land parcels based on soil quality. However, since this value also depends on other factors than soil quality (access to roads, size, shape of parcel, destination of allowed use and location inside or outside the area of interest of the investor/developing farm), existing soil maps cannot be used as the single method.

The market price is closely connected to potential use of the parcel. Land use maps, soil maps and assessment maps (for fiscal purposes), if there are any, may offer support to assessment, but these maps can never replace the separate assessment of land parcels, when the assessment team visits the parcels and discusses the value of each parcel as compared to the other parcels. This is a repetitive process, which requires “coming back” and changing the relative value of some parcels as the assessment progresses. Then, the assessment is a guide for the re-parceling engineer and the representatives of land owners in negotiating with individual owners.

### Estimating Potential Risks in the Implementation of the Project

A pilot land re-parceling project based on the concept described above will offer valuable field experience as part of this process. A range of potential barriers to pilot project implementation based on the aforementioned concept could be identified. Potential barriers could be *inherent* and *external* to the concept of the project.

#### Inherent Risks

There could be several potential internal risks such as lack of interest among land owners and stakeholders from the pilot locality, extremely varied expectations of potential buyers and sellers as to the price, lack of negotiation and mediation skills of the local re-parceling development team members. However, a thorough preparation of the project will be the way to overcome potential inherent risks. Careful selection of pilot project sites (basing on listed criteria) and comprehensive training of the re-parceling design development team and the members of local and raion administration and cadastre will mitigate risks of failure.

#### External Risks

So far, there was no land-re-parceling activity coordination in Moldova and there was no formal exchange of experience between various stakeholders. Also during the project launch mission it seemed that there were different opinions of different stakeholders about the concept of “land re-parceling” and possibly they have different expectations from the pilot projects and the future re-parceling work in Moldova. These differences of understanding may surface during the implementation of the pilot projects and may become potential obstacles for a successful implementation. The establishment of a project steering committee representing all stakeholders, as it was recommended, will be the tool helping to overcome previous understanding disagreements basing on common project experience. The structure proposed for the project based on experience accumulated in the country till this moment would be the best guarantee for bridging previous misunderstandings related to land re-parceling.

## **ANNEXES**

**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

Cumulative figures of RISP as for 31/12/06

Number of RBs and individuals having started to implement business/action/investment plan	31
Number of RBs generating revenue	11
Number of RBs registered as legal entities with DA support	9
Number of applicants with final business plan	74
Number of credit applications submitted	68
Total number of credit disbursed	38
Number of created working places (at startup)	202

## RURAL INVESTMENT AND SERVICES PROJECT

### Rural Business Development Component

Cumulative figures as for 31/12/06

(exchange rate for report (1 USD) is 12.9 MDL)

Nr	Indicator	Total to 30/09/06	Total to 31/12/06	Variation 30/09/06 - 31/12/06
1.	Number of villages where information campaign was held	0	73	73
2.	Number of people attending the public meetings	0	1550	1550
3.	Number of applications for DA support	0	139	139
4.	Less those rejected by DA and client	0	39	39
5.	Sub-total (3-4)	0	100	100
6.	of which applications in progress (5-7)	0	14	14
7.	Service agreements signed	0	86	86
8.	Agreements terminated by DA/client	0	2	2
9.	remaining Service Agreements active (7-8)	0	84	84
Of the active Service agreements (in 9 above):				
10.	<b>RBs started implementing their business/investment plans</b>	<b>0</b>	<b>31</b>	<b>31</b>
11.	In-progress (9-10)	0	53	53
Of those started implementing their business plans (in 10 above):				
12.	New businesses	0 ( %)	20 ( 64.51 %)	20
13.	Individual owned businesses	0 ( %)	26 ( 83.87 %)	26
14.	Group owned businesses	0 ( %)	5 ( 16.12 %)	5
15.	RBs involved in DA' post creation support (in 10 above)	0	11	11
16.	RBs generating revenue (of those in 10 above)	0	11	11
17.	RBs with final business plans with DA assistance	0	74	74
18.	RBs registered as legal entity with DA assistance	0	9	9
19.	Credit applications to Financial Institutions (FIs)	0	68	68
20.	less those rejected or withdrawn	0	3	3
21.	Remaining credit applications active (19-20)	0	65	65
Of the active credit applications:				
22.	<b>Loans disbursed to RBs</b>	<b>0</b>	<b>38</b>	<b>38</b>
23.	Loans disbursed to operational RBs	0	29	29
24.	Loans approved but not disbursed	0	3	3
25.	Loan applications still being assessed by FIs (21-22-24)	0	24	24
Of the loans provided (in 22 above):				
26.	<b>Loans provided from RISP funds</b>	<b>0</b>	<b>34</b>	<b>34</b>
27.	Loans provided from other sources	0	4	4
28.	RBs without credit (of those in 10 above)	0	2	2
Of those started to implement their business plan (in 10 above) the activities are:				
29.	Agricultural	0 ( %)	6 ( 19.35 %)	6
30.	Non-agricultural	0 ( %)	25 ( 80.64 %)	25
31.	<b>Jobs created (at start-up)</b>	<b>0</b>	<b>202</b>	<b>202</b>
32.	Average jobs created per RB (at start-up)		7	
33.	Total RBs costs of all RB (in 10 above)	\$0	\$864 419	\$864 419
34.	Average RB cost (in 10 above)		\$27 884	
35.	Total RBs costs (of those RBs receiving credit)	\$0	\$1 561 528	\$1 561 528
36.	of which: - credits	\$0	\$759 730	\$759 730
37.	- contribution of beneficiaries	\$0	\$801 799	\$801 799
38.	average loan per RB (in 22 above)		\$19 993	



Annex 3  
RURAL INVESTMENT AND SERVICES PROJECT  
Rural Business Development Component

Cumulative figures as for 31/12/06

(exchange rate for report (1 USD) is 12.9 MDL)

Nr	Indicator	Total to 30/11/06	Total to 31/12/06	Variation 30/11/06 - 31/12/06
1.	Number of villages where information campaign was held	55	73	18
2.	Number of people attending the public meetings	1152	1550	398
3.	Number of applications for DA support	112	139	27
4.	Less those rejected by DA and client	28	39	11
5.	Sub-total (3-4)	84	100	16
6.	of which applications in progress (5-7)	17	14	
7.	Service agreements signed	67	86	19
8.	Agreements terminated by DA/client	2	2	
9.	remaining Service Agreements active (7-8)	65	84	19
Of the active Service agreements (in 9 above):				
10.	RBs started implementing their business/investment plans	18	31	13
11.	In-progress (9-10)	47	53	6
Of those started implementing their business plans (in 10 above):				
12.	New businesses	12 ( 66.66 %)	20 ( 64.51 %)	8
13.	Individual owned businesses	14 ( 77.77 %)	26 ( 83.87 %)	12
14.	Group owned businesses	4 ( 22.22 %)	5 ( 16.12 %)	1
15.	RBs involved in DA' post creation support (in 10 above)	6	11	5
16.	RBs generating revenue (of those in 10 above)	4	11	7
17.	RBs with final business plans with DA assistance	56	74	18
18.	RBs registered as legal entity with DA assistance	7	9	2
19.	Credit applications to Financial Institutions (FIs)	48	68	20
20.	less those rejected or withdrawn	1	3	2
21.	Remaining credit applications active (19-20)	47	65	18
Of the active credit applications:				
22.	Loans disbursed to RBs	24	38	14
23.	Loans disbursed to operational RBs	16	29	13
24.	Loans approved but not disbursed	3	3	
25.	Loan applications still being assessed by FIs (21-22-24)	20	24	4
Of the loans provided (in 22 above):				
26.	Loans provided from RISP funds	20	34	14
27.	Loans provided from other sources	4	4	
28.	RBs without credit (of those in 10 above)	2	2	
Of those started to implement their business plan (in 10 above) the activities are:				
29.	Agricultural	3 ( 16.66 %)	6 ( 19.35 %)	3
30.	Non-agricultural	15 ( 83.33 %)	25 ( 80.64 %)	10
31.	Jobs created (at start-up)	170	202	32
32.	Average jobs created per RB (at start-up)	9	7	
33.	Total RBs costs of all RB (in 10 above)	\$591 568	\$864 419	\$272 851
34.	Average RB cost (in 10 above)	\$32 865	\$27 884	
35.	Total RBs costs (of those RBs receiving credit)	\$1 161 902	\$1 561 528	\$399 626
36.	of which: - credits	\$453 551	\$759 730	\$306 178
37.	- contribution of beneficiaries	\$708 351	\$801 799	\$93 448
38.	average loan per RB (in 22 above)	\$18 898	\$19 993	\$1 095

Annex 4  
RURAL INVESTMENT AND SERVICES PROJECT  
Rural Business Development Component

Cumulative figures as for 31/12/06

(exchange rate for report (1 USD) is 12.9 MDL)

Nr	Indicator	Total to 30/09/06	ACA	Total to CCA	CDR	MEGA	31/12/06 Total
1.	Number of villages where information campaign was held	0	12	29	12	20	73
2.	Number of people attending the public meetings	0	256	539	379	376	1550
3.	Number of applications for DA support	0	31	42	20	46	139
4.	Less those rejected by DA and client	0	3	27	1	8	39
5.	Sub-total (3-4)	0	28	15	19	38	100
6.	of which applications in progress (5-7)	0	4	1	4	5	14
7.	Service agreements signed	0	24	14	15	33	86
8.	Agreements terminated by DA/client	0	1	1	0	0	2
9.	remaining Service Agreements active (7-8)	0	23	13	15	33	84
Of the active Service agreements (in 9 above):							
10.	<b>RBs started implementing their business/investment plans</b>	<b>0</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>13</b>	<b>31</b>
11.	In-progress (9-10)	0	13	7	13	20	53
Of those started implementing their business plans (in 10 above):							
12.	New businesses	0 ( %)	7	4	1	8	20
13.	Individual owned businesses	0 ( %)	7	6	2	11	26
14.	Group owned businesses	0 ( %)	3	0	0	2	5
15.	RBs involved in DA' post creation support (in 10 above)	0	0	0	0	11	11
16.	RBs generating revenue (of those in 10 above)	0	6	2	0	3	11
17.	RBs with final business plans with DA assistance	0	23	14	11	26	74
18.	RBs registered as legal entity with DA assistance	0	1	1	2	5	9
19.	Credit applications to Financial Institutions (FIs)	0	21	11	10	26	68
20.	less those rejected or withdrawn	0	0	1	2	0	3
21.	Remaining credit applications active (19-20)	0	21	10	8	26	65
Of the active credit applications:							
22.	<b>Loans disbursed to RBs</b>	<b>0</b>	<b>15</b>	<b>6</b>	<b>3</b>	<b>14</b>	<b>38</b>
23.	Loans disbursed to operational RBs	0	10	4	2	13	29
24.	Loans approved but not disbursed	0	1	1	0	1	3
25.	Loan applications still being assessed by FIs (21-22-24)	0	5	3	5	11	24
Of the loans provided (in 22 above):							
26.	<b>Loans provided from RISP funds</b>	<b>0</b>	<b>13</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>34</b>
27.	Loans provided from other sources	0	2	1	0	1	4
28.	RBs without credit (of those in 10 above)	0	0	2	0	0	2
Of those started to implement their business plan (in 10 above) the activities are:							
29.	Agricultural	0 ( %)	0	0	1	5	6 ( 19. %)
30.	Non-agricultural	0 ( %)	10	6	1	8	25 ( 80. %)
31.	<b>Jobs created (at start-up)</b>	<b>0</b>	<b>140</b>	<b>13</b>	<b>10</b>	<b>39</b>	<b>202</b>
32.	Average jobs created per RB (at start-up)		14	2	5	3	7
33.	Total RBs costs of all RB (in 10 above)	\$0	\$343 628	\$143 102	\$145 520	\$232 169	\$864 419
34.	Average RB cost (in 10 above)		\$34 363	\$23 850	\$72 760	\$17 859	\$27 884
35.	Total RBs costs (of those RBs receiving credit)	\$0	\$902 667	\$215 437	\$206 334	\$237 091	\$1 561 528
36.	of which: - credits	\$0	\$369 877	\$140 589	\$94 488	\$154 775	\$759 730
37.	- contribution of beneficiaries	\$0	\$532 790	\$74 848	\$111 845	\$82 316	\$801 799
38.	average loan per RB (in 22 above)		\$24 658	\$23 432	\$31 496	\$11 055	\$19 993

## RURAL INVESTMENT AND SERVICES PROJECT

### Rural Business Development Component

Cumulative figures as for 31/12/06

(exchange rate for report (1 USD) is 12.9 MDL)

Nr	Indicator	Total to 30/11/06	ACA	Total to CCA	CDR	MEGA	31/12/06 Total
1.	Number of villages where information campaign was held	55	12	29	12	20	73
2.	Number of people attending the public meetings	1152	256	539	379	376	1550
3.	Number of applications for DA support	112	31	42	20	46	139
4.	Less those rejected by DA and client	28	3	27	1	8	39
5.	Sub-total (3-4)	84	28	15	19	38	100
6.	of which applications in progress (5-7)	17	4	1	4	5	14
7.	Service agreements signed	67	24	14	15	33	86
8.	Agreements terminated by DA/client	2	1	1	0	0	2
9.	remaining Service Agreements active (7-8)	65	23	13	15	33	84
Of the active Service agreements (in 9 above):							
10.	<b>RBs started implementing their business/investment plans</b>	<b>18</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>13</b>	<b>31</b>
11.	In-progress (9-10)	47	13	7	13	20	53
Of those started implementing their business plans (in 10 above):							
12.	New businesses	12 ( 66.7 %)	7	4	1	8	20
13.	Individual owned businesses	14 ( 77.8 %)	7	6	2	11	26
14.	Group owned businesses	4 ( 22.2 %)	3	0	0	2	5
15.	RBs involved in DA' post creation support (in 10 above)	6	0	0	0	11	11
16.	RBs generating revenue (of those in 10 above)	4	6	2	0	3	11
17.	RBs with final business plans with DA assistance	56	23	14	11	26	74
18.	RBs registered as legal entity with DA assistance	7	1	1	2	5	9
19.	Credit applications to Financial Institutions (FIs)	48	21	11	10	26	68
20.	less those rejected or withdrawn	1	0	1	2	0	3
21.	Remaining credit applications active (19-20)	47	21	10	8	26	65
Of the active credit applications:							
22.	<b>Loans disbursed to RBs</b>	<b>24</b>	<b>15</b>	<b>6</b>	<b>3</b>	<b>14</b>	<b>38</b>
23.	Loans disbursed to operational RBs	16	10	4	2	13	29
24.	Loans approved but not disbursed	3	1	1	0	1	3
25.	Loan applications still being assessed by FIs (21-22-24)	20	5	3	5	11	24
Of the loans provided (in 22 above):							
26.	<b>Loans provided from RISP funds</b>	<b>20</b>	<b>13</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>34</b>
27.	Loans provided from other sources	4	2	1	0	1	4
28.	RBs without credit (of those in 10 above)	2	0	2	0	0	2
Of those started to implement their business plan (in 10 above) the activities are:							
29.	Agricultural	3 ( 17 %)	0 %	0	1	5	6 ( 19. %) 4
30.	Non-agricultural	15 ( 83 %)	10	6	1	8	25 ( 80. %) 6
31.	<b>Jobs created (at start-up)</b>	<b>170</b>	<b>140</b>	<b>13</b>	<b>10</b>	<b>39</b>	<b>202</b>
32.	Average jobs created per RB (at start-up)	9	14	2	5	3	7
33.	Total RBs costs of all RB (in 10 above)	\$591 568	\$343 628	\$143 102	\$145 520	\$232 169	\$864 419
34.	Average RB cost (in 10 above)	\$32 865	\$34 363	\$23 850	\$72 760	\$17 859	\$27 884
35.	Total RBs costs (of those RBs receiving credit)	\$1 161 902	\$902 667	\$215 437	\$206 334	\$237 091	\$1 561 528
36.	of which: - credits	\$453 551	\$369 877	\$140 589	\$94 488	\$154 775	\$759 730
37.	- contribution of beneficiaries	\$708 351	\$532 790	\$74 848	\$111 845	\$82 316	\$801 799
38.	average loan per RB (in 22 above)	\$18 898	\$24 658	\$23 432	\$31 496	\$11 055	\$19 993

**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

**Analysis of the quantitative progress of the RBDC**

**I. RBDC Achievements according to the global target**

Total target of RBDC		600 RBs
Total amount of months		46
Number of months till	30/06/10	42
Target at	31/12/06	56 RBs

**II. RBDC Achievements according to DAs targets**

Target at 31/12/06 14 RBs/DA (according to the agreements signed between MAFI and DA)

Targets	RISP at 31/12/06	Target at 31/12/06	Level of fulfilment	Project global target
<b>RBs started to implement business plans</b>	<b>31</b>	<b>56</b>	<b>55.36%</b>	<b>600</b>
<i>individuals</i>	26			
<i>group</i>	5			
<i>new businesses</i>	20			300 ( at least)
<i>extensions</i>	11			
<i>agricultural</i>	6			
<i>non-agricultural</i>	25			200 ( at least)
<b>Other indicators</b>				
<i>Promotion activities</i>	73	160	45.63%	900
<i>Business plans</i>	74	72	102.16%	833
<i>Credit disbursed</i>	38	72	52.46%	833
<i>Post creation support</i>	11	56	19.64%	600

**III. RBDC Achievements according to DAs targets per agency**

Comparing with target at 31/12/06

Targets	ACA	CCA	CDR	MEGA	Target per Agency at 31/12/06
<b>RBs started to implement business plans</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>13</b>	<b>14</b>
<i>individuals</i>	7	6	2	11	
<i>group</i>	3	0	0	2	
<i>new businesses</i>	7	4	1	8	
<i>extensions</i>	3	2	1	5	
<i>agricultural</i>	0	0	1	5	
<i>non-agricultural</i>	10	6	1	8	
<b>Other indicators</b>					
<i>Promotion activities</i>	12	29	12	20	40
<i>Business plans</i>	23	14	11	26	18
<i>Credit disbursed</i>	15	6	3	14	18
<i>Post creation support</i>	0	0	0	11	14

**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

Cumulative figures of RISP as for 31/12/06

**Loans disbursed by Regions and Sources of Funding**

<b>Nr</b>	<b>Raion</b>	<b>RISP</b>	<b>Other Sources</b>	<b>Total</b>
1	Anenii Noi	1		1
2	Balti		1	1
3	Cahul	3	1	4
4	Causeni	1		1
5	Chisinau	1		1
6	Donduseni	1		1
7	Drochia	1		1
8	Dubasari	1		1
9	Edinet	1		1
10	Falesti	1		1
11	Hincesti	1		1
12	Ialoveni	2		2
13	Nisporeni	1		1
14	Orhei	2	2	4
15	Rezina	1		1
16	Riscani	1		1
17	Soldanesti	2		2
18	Straseni	3		3
19	Taraclia	3		3
20	Ungheni	2		2
21	UTAG	5		5
	<b>Grand Total</b>	<b>34</b>	<b>4</b>	<b>38</b>

**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

Cumulative figures of RISP as for 31/12/06

**Amount of Loans disbursed by Regions and Sources of Funding, MDL**

	<b>RISP</b>	<b>Other Sources</b>	<b>Total</b>
1 Anenii Noi	400 000		400 000
2 Balti		463 386	463 386
3 Cahul	231 595	30 000	261 595
4 Causeni	50 000		50 000
5 Chisinau	642 015		642 015
6 Donduseni	654 500		654 500
7 Drochia	433 600		433 600
8 Dubasari	40 000		40 000
9 Edinet	130 800		130 800
10 Falesti	405 216		405 216
11 Hincesti	200 000		200 000
12 Ialoveni	785 000		785 000
13 Nisporeni	340 000		340 000
14 Orhei	1 000 000	450 000	1 450 000
15 Rezina	300 000		300 000
16 Riscani	100 000		100 000
17 Soldanesti	280 000		280 000
18 Straseni	874 400		874 400
19 Taraclia	830 000		830 000
20 Ungheni	505 000		505 000
21 UTAG	655 000		655 000
<b>Grand Total</b>	<b>8 857 126</b>	<b>943 386</b>	<b>9 800 512</b>

**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

Cumulative figures of RISP as for 31/12/06

**Rural Businesses Started Activity by Regions and Sources of Funding**

	<b>RISP</b>	<b>Other Sources</b>	<b>Without Credits</b>	<b>Total</b>
1 Anenii Noi	1			1
2 Balti		1		1
3 Cahul	3	1		4
4 Drochia	1			1
5 Dubasari	1			1
6 Edinet	1			1
7 Glodeni			1	1
8 Hincesti	1			1
9 Nisporeni			1	1
10 Orhei	1	1		2
11 Rezina	1			1
12 Riscani	1			1
13 Soldanesti	2			2
14 Straseni	3			3
15 Taraclia	3			3
16 Ungheni	2			2
17 UTAG	5			5
<b>Grand Total</b>	<b>26</b>	<b>3</b>	<b>2</b>	<b>31</b>

**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

Cumulative figures of RISP as for 31/12/06

**Rural Businesses Started Activity by Types of Activity and Sources of Funding**

	RISP	Other Source	Without	Total	Weight
<b>Agriculture</b>			t		
1 Crops production	1			1	3.2%
2 Livestock production	5			5	16.1%
Total Agriculture	6	0	0	6	19.4%
<b>non-Agriculture</b>					
3 Manufacture of food products and beverages	3	1	1	5	16.1%
4 Manufacture of wood and wood products	2			2	6.5%
5 Manufacture of electrical machinery and apparatus n.e.c.	1			1	3.2%
6 Manufacture of furniture; manufacturing n.e.c.	1			1	3.2%
7 Retail trade	8	1		9	29.0%
8 Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel			1	1	3.2%
9 Wholesale trade and commission trade, except of motor vehicles and motorcycles	1			1	3.2%
10 Hotels and restaurants	1	1		2	6.5%
11 Land transport	1			1	3.2%
12 Post and telecommunications	1			1	3.2%
13 Supporting and auxiliary transport activities; activities of travel agencies	1			1	3.2%
Total non-Agriculture	20	3	2	25	80.6%
<b>Grand Total</b>	<b>26</b>	<b>3</b>	<b>2</b>	<b>31</b>	<b>100.0%</b>

Note: This classification is accomplished according to CAEM Clasification (Classification of Activities of the Moldovan Economy) elaborated by the Statistical Department  
 15 ianuarie 2007



**RURAL INVESTMENT AND SERVICES PROJECT**  
**Rural Business Development Component**

Cumulative figures of RISP as for 31/12/06

**Amount of credits Disbursed for Rural Businesses Started Activity by  
Types of Activity and Sources of Funding**

	<b>RISP</b>	<b>Other Sources</b>	<b>Total</b>
<b>Agriculture</b>			
1 Crops production	130 800		130 800
2 Livestock production	595 000		595 000
Total Agriculture	<b>725 800</b>		
<b>non-Agriculture</b>			
3 Manufacture of food products and	846 595	463 386	1 309 981
4 Manufacture of wood and wood products	280 000		280 000
5 Manufacture of electrical machinery and apparatus n.e.c.	275 000		275 000
6 Manufacture of furniture; manufacturing	100 000		100 000
7 Retail trade	1 469 400	300 000	1 769 400
8 Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of			0
9 Wholesale trade and commission trade, except of motor vehicles and motorcycles	300 000		300 000
10 Hotels and restaurants	433 600	30 000	463 600
11 Land transport	550 000		550 000
12 Post and telecommunications	170 000		170 000
13 Supporting and auxiliary transport activities; activities of travel agencies	230 000		230 000
Total non-Agriculture	<b>4 654 595</b>	<b>793 386</b>	<b>5 447 981</b>
<b>Grand Total</b>	<b>5 380 395</b>	<b>793 386</b>	<b>6 173 781</b>

Note: This classification is accomplished according to CAEM Clasification (Classification of Activities of the Moldovan Economy) elaborated by the Statistical Department

16 ianuarie 2007

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