

# Country Programme Evaluation IFAD-supported Operations in Moldova

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IOE  
Independent Office of Evaluation

Accountability and learning for better rural livelihoods

# About this Evaluation (1/2)

- Objectives: both accountability and learning
- Period covered: 1999-2013
- Scope: IFAD loan-financed projects, non-lending support, strategic issues
- Informed by desk review and country visits
- Preparatory mission in November 2012; main mission in March 2013
- Missions interacted with Govt. officials, donors, banks, other partner institutions, service providers, beneficiaries

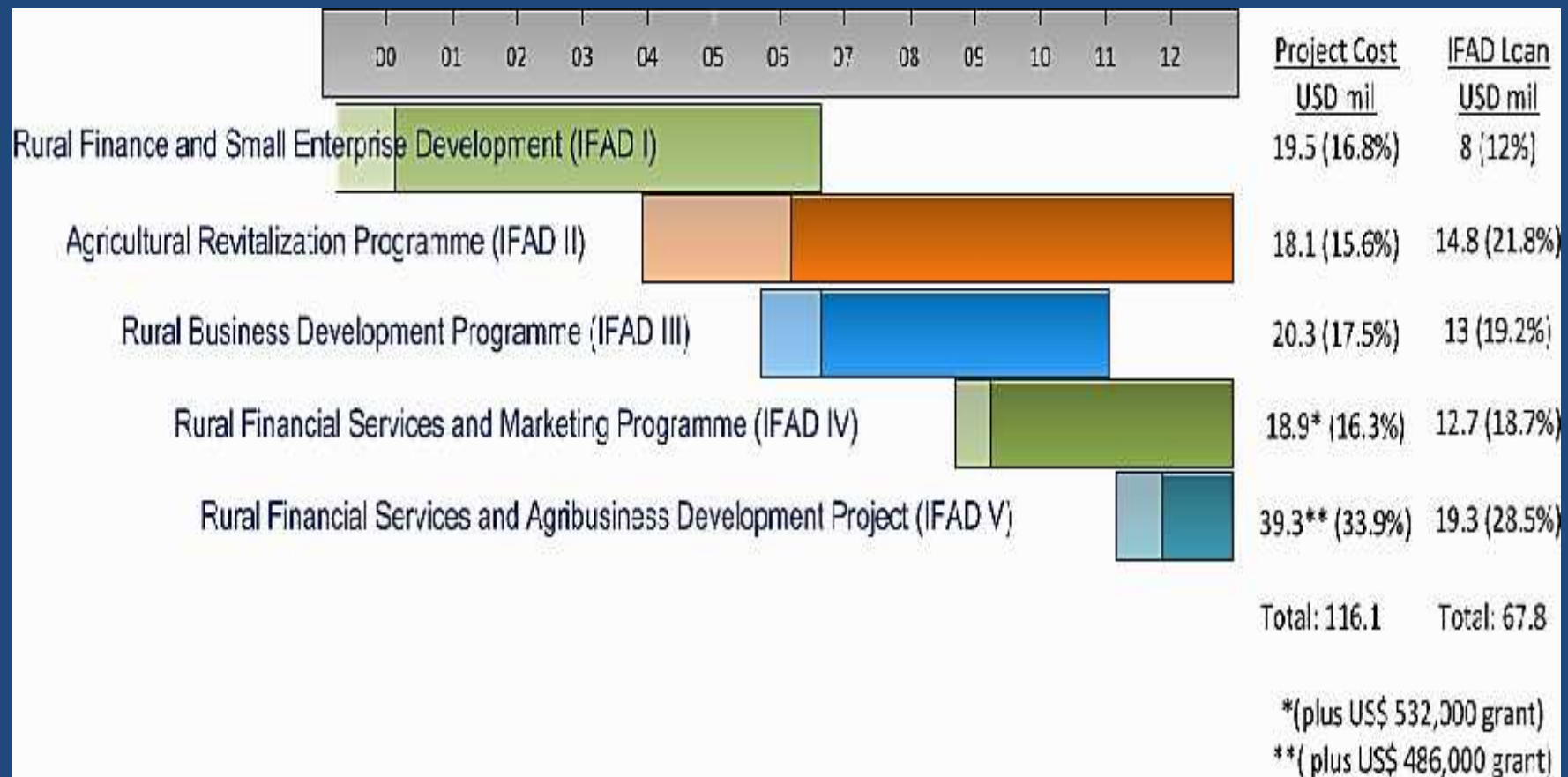
## About this Evaluation (2/2)

- Assessment by projects and main thematic thrusts of the programme: (% total financing)
  - Rural Finance (including micro-finance) (80%)
  - Rural Infrastructure (10%)
  - Value Chain Development (6%)
  - Natural Resource Management (2%, recently introduced)
- Sustainability of the programme and the prospects for scaling up the successful elements

# Overview of IFAD-Moldova Cooperation (1999-2013)

- A member state of IFAD: **since 1996**
- First loan approval: **1999**
- Loans approved: **5 loans, total US\$ 68.9 mill**
- Counterpart funding (Govt, partners, beneficiaries): **US\$ 32.8 mill**
- External Co-financing: **US\$ 4.5 mill (DANIDA for IFAD 5)**
- Total project cost: **US\$ 106.2 mill**
- Two country strategies (“COSOPs”): **2002 and 2007 (up to 2015)**

# IFAD loan-financed projects in Moldova: 1999-2013



# General Findings

- Overall positive assessment: notably contribution to expansion of rural lending, enterprise development and job creation
- High efficiency
- Relatively limited progress in value chain development and microfinance
- The assessment of the initial stages of the programme less satisfactory (e.g. IFAD 2)
- Factoring all elements over the entire period, IFAD-GOM partnership assessed as moderately satisfactory overall

# Key Issues and Recommendations

## Country strategy

- Ground the next country strategy in reality
  - IFAD support so far – mainly centred around assisting viable medium-scale enterprises, indirectly benefiting the rural poor
  - Largely appropriate in the Moldova context; but it was not clearly articulated in official documents
  - A scope for exploring opportunities for diversifying the approach: directly and indirectly reaching the rural poor
- Design a better integrated programme with various elements (value chain, NRM, infrastructure, rural/micro finance, etc.)

# Key Issues and Recommendations

## Rural Finance

- Exit strategy from lending to viable medium scale farm enterprises. The commercial banks need to take this over.
- Scale up funding of the young entrepreneurs programme
- Efforts to diversify financial products (e.g. guarantees and equity fund) should continue and be strengthened



# Key Issues and Recommendations

## Micro Finance

- Should RFC lend directly to SCA members? - A source of tension at the moment
- Good progress in consolidation and regulation of SCAs. Further moves in this direction are likely to be needed
- Need to analyze the impact of micro-finance on poverty and agricultural growth to fine-tune financial policies and institutional development in this area

# Key Issues and Recommendations

## Rural Infrastructure

- Market-driven infrastructure has had positive impact on production (irrigation), rural economic activities (access roads), health (water), etc. **Could be an expanded feature of the programme**
- Good model to be mainstreamed with participation of other donors
- **Some ownership issues with local municipalities and central ministries** (e.g. rural roads and water)

# Key Issues and Recommendations

## Value Chain Development

- IFAD 4 (focus on horticulture) and IFAD 5 (not restricted to horticulture) – an appropriate adjustment
- Support for capacity building and producer associations
- Slow progress - challenges with farmers working together and building trust between value chain actors
- No need to be discouraged. Experience elsewhere suggests that this takes time. **This should remain a key element in the programme**

# Key Issues and Recommendations

## Natural Resource Management

- Introduced recently (from IFAD 5) in response to climate change risks - promotion of conservation agriculture. Implementation still at early stage.
- Initial results encouraging. A great deal of interest from both the Government and the farming community
- Should be a growing part of IFAD's programme especially with new partnership with the GEF under proposed IFAD 6

# Key Issues and Recommendations

## Non Lending Activities: Partnerships

- The Danish contribution to IFAD5 has been of immense value in allowing the young entrepreneurs support programme to take off
- Good partnerships with local institutions (e.g. business development service providers, financial service providers, the Ministry of Finance through the Credit Line Directorate etc.)
- **More could be done to work with other development partners.** This also requires engagement by other partners and Government taking leadership.

# Key Issues and Recommendations

## Non Lending Activities: Policy Dialogue

- Ongoing inputs to policy issues: microfinance services (including a guarantee scheme for SCAs), equity fund.
- Opportunities to do more: use grant to identify and study key policy issues and contribute to a national dialogue led by the Government (e.g. institutional model for microfinance, value chains in export marketing and the ownership issue in rural infrastructure)

# Key Issues and Recommendations

## Non Lending Activities: Knowledge Management

- Opportunities for a more systematic approach
- CPIU may benefit from having a full-time staff responsible for knowledge management
- But in general efforts have been good given the limited capacity on the ground

Last but not least.....

Great appreciation for the excellent support and collaboration received from the Government, especially the CPIU, and all stakeholders

***Multumesc!!!***