



COMPACT GOAL

The compact aims to reduce poverty and accelerate economic growth by enabling improved agricultural productivity and expanding access to markets and services through critical infrastructure investments in the irrigation and road sectors, and capacity building in the high value agriculture sector.



COMPACT AT A GLANCE

Compact Signed	01-22-2010
Entry Into Force	09-01-2010
Compact End Date	09-01-2015
Compact Total	\$262,000,000
Amount Committed	\$241,216,432
Amount Expended	\$189,794,463
Estimated Program Beneficiaries	414,000
Estimated Increase in Household Income	\$260,000,000

% OF TOTAL COMPACT BUDGET (USD MILLIONS)

47%	Transition to High Value Agriculture	\$122.8
43%	Road Rehabilitation	\$112.3
1%	Monitoring And Evaluation	\$3.5
9%	Program Administration And Control	\$23.2
2%	Monitoring and Evaluation	\$6.9

■ Project Preparation ■ Project Implementation

Transition to High Value Agriculture	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹					
	\$122,823,402	\$117,731,987	\$92,459,291					
<p>Rehabilitation of up to 11 irrigation systems servicing up to 15,500 hectares to facilitate transition to high value agriculture. Technical assistance to support the establishment of water user associations that will be legally responsible for O&M of the systems. Financing for post harvest infrastructure and technical assistance for farmers and agribusiness.</p> <p>Projected Long-Term Results (Up to 20 years)</p> <table border="1"> <tr> <td>ESTIMATED BENEFICIARIES</td> <td>ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td>112,000</td> <td>\$123,000,000</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	112,000	\$123,000,000		<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>The project is expected to yield an economic rate of return of approximately 12.7 percent, and increase the incomes of approximately 32,000 households, with an average total benefit over 20 years equal to 170 percent of the beneficiaries' current annual income.</p>	<p>PROGRESS TO DATE</p> <p>Ten systems are under contract and work has begun on all. Two systems are completed and two more will be completed in early 2015. The Access to Agricultural Finance Activity credit facility has approved \$9 million in loans, and the Growing High Value Agriculture Sales Activity, a joint USAID/MCC activity, has trained 4,850 farmers and facilitated \$21,426,149 in sales of high value produce.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The first two systems are already complete and four systems will be able to irrigate during the 2015 agricultural season. Construction is scheduled to be completed on all 10 project sites located on the Prut and Nistru rivers by the end of the compact. Construction supervision and resettlement consultant services are in place and working in coordination with MCA-Moldova.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME							
112,000	\$123,000,000							

Road Rehabilitation	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]				
	\$112,390,000	\$107,148,204	\$81,886,616				
<p>The project includes rehabilitation of about 96 km of the M2 and R7 roads connecting Sarateni to Soroca, and with a major junction west of Soroca. The project also included small community infrastructure improvements in towns and villages along the road. The project has been completed on time and with savings of about \$19 million and is now in the defects liability period.</p>							
<p>Projected Long-Term Results (Up to 20 years)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">ESTIMATED BENEFICIARIES</th> <th style="width: 50%;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">302,000</td> <td style="text-align: center;">\$137,000,000</td> </tr> </tbody> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	302,000	\$137,000,000	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>The expected economic rate of return on the rehabilitated road is approximately 19 percent. The rehabilitated road will reduce the cost and time required to transport goods and services, as well as losses to the national economy resulting from deteriorated road conditions.</p>	<p>PROGRESS TO DATE</p> <p>The project has been substantially completed and has been taken over by MCA-Moldova. The contractors continue to work on punch list items, such as such as access to properties and rest area facilities. They will be completed in spring 2015. The project consists of about 96 km of the main road and its extensions, with more than 20 km in numerous, small access roads sections connecting to the main road.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>The project includes higher safety standards and was completed on time with cost savings to MCC of about \$19 million. Many small social infrastructure investments totaling about \$2.5 million were also made in villages impacted by the construction works, such as paved access roads to schools and community facilities. The project also includes an extension of the M2 road to the Soroca Fire & Rescue Station and yard works at the station.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
302,000	\$137,000,000						

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.