



**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	<b>01-22-2010</b>
Entry Into Force	<b>09-01-2010</b>
Compact End Date	<b>09-01-2015</b>
Compact Total	<b>\$262,000,000</b>
Amount Committed	<b>\$236,461,892</b>
Amount Expended	<b>\$155,998,296</b>
Estimated Program Beneficiaries	<b>414,000</b>
Estimated Increase in Household Income	<b>\$260,000,000</b>

% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
<b>47%</b>	<b>Transition to High Value Agriculture</b> \$122.8
<b>43%</b>	<b>Road Rehabilitation</b> \$112.3
<b>1%</b>	<b>Monitoring And Evaluation</b> \$3.5
<b>9%</b>	<b>Program Administration And Control</b> \$23.8

■ Project Preparation ■ Project Implementation

**Transition to High Value Agriculture**

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.

**Projected Long-Term Results**  
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
<b>112,000</b>	<b>\$123,000,000</b>

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
<b>\$122,823,402</b>	<b>\$116,437,313</b>	<b>\$60,670,270</b>



**PROJECTED RESULTS BY END OF COMPACT**

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.

**PROGRESS TO DATE**

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 increased sales of high value produce.

**PROJECT ACHIEVEMENTS**

The first two systems are already complete and four systems will be able to irrigate during the 2015 agricultural season. Construction is expected to be completed on all 10 project sites located on the Prut and Nistru rivers by the Compact End Date. Construction supervision and resettlement consultant services are in place and working in coordination with MCA-Moldova.

Road Rehabilitation	PROJECT COST	TOTAL CONTRACT COMMITMENTS					TOTAL PROJECT EXPENDITURES <sup>†</sup>		
	<b>\$112,390,000</b>	<b>\$104,557,685</b>					<b>\$80,205,102</b>		
<p>The project includes rehabilitation of about 93 km of the M2 and R7 roads connecting Sarateni with Soroca, and with a major junction west of Soroca. The road works also included small community infrastructure improvements in towns and villages along the road. The project has been completed on time and with savings of over \$20 million.</p>									
	<p><b>Projected Long-Term Results</b> (Up to 20 years)</p> <table border="1"> <thead> <tr> <th>ESTIMATED BENEFICIARIES</th> <th>ESTIMATED INCREASE IN HOUSEHOLD INCOME</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><b>302,000</b></td> <td style="text-align: center;"><b>\$137,000,000</b></td> </tr> </tbody> </table>						ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>302,000</b>
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	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></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><b>PROGRESS TO DATE</b></p> <p>All four lots have been substantially completed and the taking over process has been initiated. The four lots consist of about 93 km of the main road and its extensions, with more than 20 km in numerous, additional, small access roads sections connecting to the main road. The project has been successfully completed on time, but there remains a punch list of work items to be completed before December 2014.</p>		<p><b>PROJECT ACHIEVEMENTS</b></p> <p>The project includes higher road safety standards and was completed on time with substantial cost savings to MCC. Many small social infrastructure investments were also made in villages impacted by the construction works totaling about \$2.5 million for paved access roads to schools and community facilities, drainage works, sidewalks, etc. The project also includes an extension of the M2 road to the Soroca Fire and Rescue Station.</p>				

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.