



**MILLENNIUM**  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

QUARTERLY STATUS REPORT



**Moldova Compact**

AS OF JUNE 2012

**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>\$130,496,852</b>
Amount Expended	<b>\$15,205,366</b>
Estimated Program Beneficiaries	<b>414,000</b>
Estimated Increase in Household Income	<b>\$260,000,000</b>

% OF TOTAL COMPACT		BUDGET (USD MILLIONS)
39%	<b>Transition to High Value Agriculture</b>	<b>\$101.7</b>
51%	<b>Road Rehabilitation</b>	<b>\$132.8</b>
1%	<b>Monitoring And Evaluation</b>	<b>\$3.5</b>
9%	<b>Program Administration And Control</b>	<b>\$23.8</b>

■ Project Preparation   ■ Project Implementation

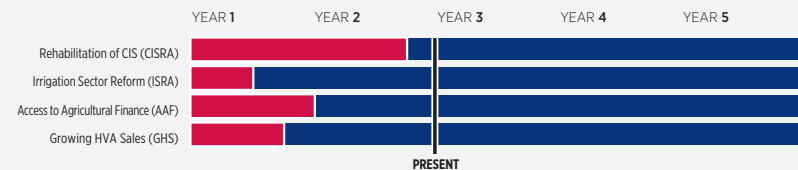
**Transition to High Value Agriculture**

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>\$101,773,402</b>	<b>\$17,384,091</b>	<b>\$11,549,103</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**

Detailed design for the 11 centralized irrigation systems (CIS) is underway and is expected to be completed between August and December 2012. First tender release for CIS rehabilitation works is expected around September 2012. The Access to Agricultural Finance facility to date has approved approximately \$3,138,076 million in loans. Growing High Value Agriculture Sales, a joint USAID/MCC activity, has trained 1,080 farmers.

**PROJECT ACHIEVEMENTS**

11 Water User Associations (WUAs) have been registered, and legal and institutional reforms passed ahead of schedule (Water Law and WUA Law).

Road Rehabilitation	PROJECT COST	TOTAL CONTRACT COMMITMENTS					TOTAL PROJECT EXPENDITURES†																											
	\$132,840,000	\$106,966,165					\$606,764																											
<p>The project will rehabilitate 93 km of the M2 and R9 roads between Sarateni to a major junction north of the city of Soroca. The road works will also include small community infrastructure improvements in towns and villages along the road, as well as a feasibility study, environmental and social impact assessment, detailed design, and resettlement action plan.</p>	<table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;"></td> <td style="width: 15%; text-align: center;">YEAR 1</td> <td style="width: 15%; text-align: center;">YEAR 2</td> <td style="width: 15%; text-align: center;">YEAR 3</td> <td style="width: 15%; text-align: center;">YEAR 4</td> <td style="width: 15%; text-align: center;">YEAR 5</td> <td></td> </tr> <tr> <td style="border-bottom: 1px solid black;">Sărățeni-Soroca-Drochia Junction</td> <td colspan="2" style="text-align: center;">█</td> <td style="text-align: center;">█</td> <td colspan="3"></td> </tr> <tr> <td style="border-bottom: 1px solid black;">M2 Feasibility Study (Nistru to Goleni)</td> <td style="text-align: center;">█</td> <td colspan="5"></td> </tr> <tr> <td></td> <td colspan="6" style="text-align: center;">PRESENT</td> </tr> </table>							YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5		Sărățeni-Soroca-Drochia Junction	█		█				M2 Feasibility Study (Nistru to Goleni)	█							PRESENT					
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†Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.