

ADDENDUM No. 2 TO THE FINANCING AGREEMENT
Sector Policy Support Programme on
Economic Stimulation in Rural Area
ENPI AAP 2010

ENPI/2010/021-782

Special Conditions

The European Union, hereinafter referred to as "**the EU**", represented by the European Commission, hereinafter referred to as "**the Commission**",

of the one part, and

the Government of the Republic of Moldova, hereinafter referred to as "**the Beneficiary**",

of the other part,

have agreed as follows:

The following provisions of the Financing Agreement No. ENPI/2010/021-782 signed on 26 November 2010 and amended on 14 December 2012 for the implementation of the programme "Sector Policy Support on Economic Stimulation in Rural Area" are amended as follows:

Article 1

Article 2 of the Special Conditions is hereby replaced as follows:

2.1 The total cost of the programme is estimated at 72,000,000.00 euro, of which:

45,000,000.00 euro from the ENPI 2010 Annual Action Programme in favour of the Republic of Moldova (ENPI/2010/021-782)

14,000,000.00 euro from the Special Measure "EaPIC" (Eastern Partnership Integration and Cooperation) programme (ENPI/2012/024-358)

13,000,000.00 euro from the Special Measure "EaPIC" (Eastern Partnership Integration and Cooperation) programme (ENPI/2013/025-036)

The programme has the following components:

2.1.1 Budget support: 68,000,000.00 euro

2.1.2 Technical assistance support: 4,000,000.00 euro

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2.2 The EU undertakes to finance a maximum of 72,000,000.00 euro. The breakdown of the EU's financial contribution into budget headings is shown in the budget included in the Technical and Administrative Provisions (Annex II).

Article 2

Article 4 of the Special Conditions is hereby replaced as follows:

- 4.1 The period of execution of the financing agreement as defined in Article 4 of the General Conditions shall commence on the entry into force of the financing agreement and end at 96 months after this date.
- 4.2 The duration of the operational implementation phase is fixed at 72 months.
- 4.3 The duration of the closure phase is fixed at 24 months.

Article 3

The contracts implementing the financing agreement that are funded from the 2013 allocation of Special Measure "EaPIC" (Eastern Partnership Integration and Cooperation) programme (ENPI/2013/025-036) shall be signed by both parties within three years of the entry into force of the present addendum.

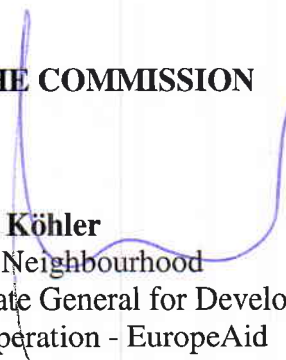
Article 4

The new version of Annex II: Technical and Administrative Provisions is attached to this addendum.

All other terms and conditions of the Financing Agreement and its previous addendum remain unchanged. This Addendum shall form an integral part of the Financing Agreement and shall enter into force on the date on which it is signed by the last party.

Done in English in two original copies, one copy being handed to the Commission and one to the Beneficiary.

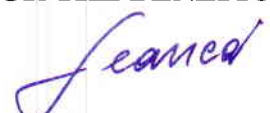
FOR THE COMMISSION


Michael Köhler
Director Neighbourhood
Directorate General for Development
and Cooperation - EuropeAid

Date:

22.5.2014

FOR THE BENEFICIARY


Iurie Leanca
Prime Minister of the Government of the
Republic of Moldova

Date:

27.05.2014

ADDENDUM NO. 2

ANNEX II TO FINANCING AGREEMENT N° ENPI/2010/021782

TECHNICAL AND ADMINISTRATIVE PROVISIONS

BENEFICIARY COUNTRY / REGION	<i>Republic of Moldova</i>		
REQUESTING AUTHORITY	<i>Government of the Republic of Moldova</i>		
BUDGET HEADING	19.080103		
TITLE	Economic Stimulation in Rural Areas		
TOTAL COST	EUR 72 million, of which: <ul style="list-style-type: none">- EUR 45 million from the ENPI 2010 Annual Action Programme in favour of the Republic of Moldova (ENPI/2010/21782)- EUR 14 million from the 2012 allocation of Special Measure "EaPIC" (Eastern Partnership Integration and Cooperation)- EUR 13 million from the 2013 allocation of Special Measure "EaPIC" (Eastern Partnership Integration and Cooperation)		
Aid method / management mode	- Sector budget support (EUR 68 million) - Technical Assistance (EUR 4 million) Direct centralised management.		
DAC-CODE	32130	SECTOR	Small and medium-sized enterprises (SME) development

1. INTERVENTION

1.1. Objectives

The objective of this Sector Policy Support Programme (SPSP) is to contribute to the sustainable economic development of rural areas in the Republic of Moldova. This will be achieved through the support of interventions in (i) the economic and SME sectors and (ii) on regional development that are foreseen in the policy matrix, as well as technical assistance and policy dialogue.

This Programme should have a neutral impact on the environment. The issue of good governance will be addressed by the programme through a series of activities related to public finance management. Gender issues are widely addressed in this programme and were the subject of a specific study in the formulation period.

In line with the principle of "more for more", this Programme benefits from additional funding under the Eastern Partnership Integration and Cooperation (EaPIC) programme, with the aim of fostering sustainable and inclusive growth and economic development.

1.2. Expected results and Main activities

This SPSP will give a significant boost to the implementation of the National Development Strategy (NDS) and the Anti-Crisis-Plan, in close cooperation with EU member states and other development partners. Main supported activities include (mentioned in order of listing in the Anti-Crisis-Plan):

1) Streamline the network of secondary vocational schools and colleges; 2) Reduce the administrative burden of starting and doing business by creating one-stop shops at the State Registration Chamber and simplifying licence procedures; 3) De-monopolize key import-export regimes, e.g. on meat, and stop systemic under-declarations of the value of imports; 4) Cut down the dues for customs clearance regarding the operation of free economic zones and other custom regimes; 5) Increase the loan volume under the National Programme for Economic Empowerment of the Youth; 6) Capitalize credit lines to stimulate competitiveness of producers and (potential) exporters in rural areas; 7) Raise the annual allocations to the Fund for Securing Loans; 8) Provide financing for the purchase of equipment by SME through existing credit lines financed by Japan and the EU (2KR) and World Bank (RISP); 9) Mainstream gender aspects, empowering female economic activity in rural areas; 10) Launch a new programme (PARE 1+1) to stimulate the investment of remittances in the set-up of new rural businesses; 11) Create a network of business incubators and industrial parks; 12) Ensure the functioning of the regional development agencies and regions North, Centre and South; 13) Maintaining and/or Increasing Capitalisation of AIPA grant system in order to pilot "ENPARD" like interventions.

1.3 Duration

The execution period of the Agreement will be 96 months. This execution period will comprise 2 phases under the conditions provided for in article 4.1 of the General Conditions (Annex I of the present Agreement):

1. Operational implementation phase that starts from the entry into force of the financing agreement and will have duration of 72 months.
2. Closure phase of a duration of 24 months that starts from the expiry date of the operational implementation phase.

Pursuant to article 6 of the General Conditions (Annex I of the present Agreement), the contracts implementing the financing agreement shall be signed at the latest within three years of the entry into force of the financing agreement (except audit and evaluation). For the 2012 and 2013 EaPIC allocations, this period of three years is counted from the entry into force of the respective addenda to the financing agreement. That deadline may not be extended.

2. IMPLEMENTATION

2.1 Implementation method and Procurement and Payment clauses

Budget Support

Procurement Clause: All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents drawn up and published by the Commission for the implementation of external operations in force at the time of the launch of the procedure in question.

Payment Clause: All payments must be made by the Commission in accordance with the general and specific conditions of the Financing Agreement and with the procedures and standard documents drawn up and published by the Commission for the implementation of external operations in force at the time of the launch of the procedure in question.

The government of the partner country will confirm that the relevant Treasury account has been credited and provide documentary evidence of the transfer, including the exchange rate used.

The technical assistance component of the programme will be managed centrally and directly by the Commission.

2.2 Budget and calendar

2.2.1 Budget

	Amount	EU contribution	Other donors	Sector/ministry budget/funding over programme duration
Budget Support	EUR 68 million	EUR 68 million	EUR 3.2 million	EUR 29 million
Technical Cooperation	EUR 3.7 million	EUR 3.7 million		
Evaluation	EUR 0.3 million	EUR 0.3 million		

The foreseen budget is EUR 72 million.

The first component is a budget support of EUR 68 million. It is planned to be disbursed through a total of six tranches:

- First (fixed) tranche of EUR 15 million;
- First (variable) tranche of EUR 10.85 million;
- Second (fixed) additional tranche of EUR 3.15 million, for drought mitigation;
- Second (variable) tranche of EUR 13 million;
- Third (variable) tranche of EUR 14 million, from EaPIC 2012 allocation;
- Fourth (variable) tranche of EUR 12 million, from EaPIC 2013 allocation.

The fixed tranches will be based upon fulfilment of general conditions as detailed in Table B of Appendix 2.

The variable tranches will be based on independent reviews of the implementation of the Policy Matrix in 2011, 2012, 2013 and 2014.

This budget support component is complemented by a technical assistance package, including evaluation, of EUR 4 million.

2.2.2 Calendar

The duration of the operational implementation phase is 72 months, starting from the entry into force of the present Financing Agreement.

The indicative calendar for the disbursement of the budget support component is:

- First (fixed) tranche: 4th quarter 2010;
- First (variable) tranche: 4th quarter 2011;
- Second (fixed) tranche for drought mitigation: 4th quarter 2012;
- Second (variable) tranche: 4th quarter 2013;
- Third (variable) tranche from EaPIC 2012 allocation: 2nd quarter 2014;
- Fourth (variable) tranche from EaPIC 2013 allocation: 2nd quarter 2015.

2.3 Performance monitoring and criteria for disbursement

2.3.1. Description of performance monitoring arrangements

A steering committee will oversee the implementation of this SPSP. It will include the following institutions: State Chancellery under the Prime-Minister (in its quality of Aid Coordination in the Republic of Moldova), Ministries of Economy and Trade (esp. SME Department), Finance, Agriculture and Food Industry, Construction and Regional Development (including the 3 regional development Agencies), Labour, Social Protection and Family, SME Organization (ODIM), and Chamber of Commerce and Industry. Cooperation with other development partners will be assured. The Steering committee will be chaired by the State Minister under the Prime-Minister. However, in order to avoid parallel structures and donor-led procedures, existing Moldovan monitoring institutions will be used to a maximum extent.

The Anti-Crisis-Plan foresees notably that the State Chancellery compiles a quarterly report on its implementation. Semi-annual reports will include quantitative and qualitative monitoring indicators. A Programme Board will include donor representatives and, as a condition for this SPSP, the European Commission will have a seat in it. If the reporting mechanism and programme board work efficiently, the overseeing of this SPSP will be covered to a large extent. On the PFM-part, IMF staff reports under its new programme will be used, as well as assessments of World Bank, DG ECFIN, BUDG and other sources.

2.3.2. Criteria for disbursement

General conditions for the disbursement of all tranches covering at least the eligibility criteria for budget support:

- Satisfactory progress in the implementation of the partner country sector policy and strategy. The proposed budget support falls into the category of 'non-traditional sectors', as defined in the internal Guidelines Support to Sector Programmes. A number of laws and strategies exist already on regional development, SME support and investment and export promotion. There is however a considerable scope for prioritisation, harmonisation and more realistic budgeting of these laws and strategies especially : i) Reduce the administrative burden of starting and doing business by creating one-stop shops at the State Registration Chamber and simplifying licence procedures; ii) De-monopolize key import-export regimes, e.g. on meat, and stop systemic under-declarations of the value of imports; iii) Cut down the dues for customs clearance regarding the operation of free economic zones and other custom regimes;
- Satisfactory progress in maintaining a policy of macroeconomic stability as evidenced by continued implementation of an IMF-backed macroeconomic programme. If the review of the IMF programme is delayed, temporarily suspended or invalid, the Commission may still decide to disburse the budget support if it considers that the macroeconomic stability policy is still being implemented or that it does not jeopardise the sectoral objectives after consultations at an appropriate level with the partner country and the IMF;
- Satisfactory progress on implementation of the programme to improve and reform public finance management and demonstrates commitment to implement articles 40 (Public Procurement) and 42 (Sound management and control of public finances) of the EU-Moldova Action Plan.

Specific conditions for disbursement of individual tranches: *The details are given in Appendices 1 and 2: expected performance levels and timetable, indicators, base and target values for the first year and indicative values for subsequent years; standard table listing conditions for tranche releases.*

The chosen performance targets and indicators specified in Appendix 1 will apply for the duration of the programme. However, in duly justified circumstances, the State Chancellery of the Republic of Moldova under the Prime Minister may submit a request to European Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

3. MONITORING, EVALUATION AND AUDIT

The Anti-Crisis-Plan foresees an evaluation at its end in 2011. The European Commission reserves its right to contract independent evaluations. Standard procedures for audit of EU budget support apply.

The programme will be subject to independent reviews that will assess the level of compliance / performance with its conditions / indicators set forth in the present Financing Agreement.

In the event of failure to fulfil a condition or achieve a quantitative target or indicator due to "force majeure", it will be possible for the given condition or indicator to be neutralised as a determinant of the variable instalment.

The European Commission might mandate consultants to carry out, in close cooperation with the Court of Accounts of Moldova, an audit of sample of expenditures related to the implementation of the selected specific activities

Prior to completion of this SPSP, the European Commission may mandate consultants to carry out an independent final evaluation of the programme.

Furthermore, from a more general point of view, budget support operations might become subject to the Results-Oriented Monitoring (ROM) mechanism.

4. COMMUNICATION AND VISIBILITY

In the Financing Agreement, the Government shall commit itself to ensure that the visibility of the EU contribution is at least equivalent to that given through media to other donors supporting the National Development Strategy and the Anti-Crisis-Plan. The EU visibility guidelines apply.

APPENDICES

- 1 - Performance criteria and indicators used for disbursement
- 2 - Disbursement arrangements and timetable
3. Policy matrix

Appendix 1: Performance criteria and indicators used for disbursements (budget support)

Review of Policy Matrix implementation results should be considered the basis of assessment of programme success. Review of Moldovan Anti-crisis plan should be performed, being supplemented by the review of the EuropeAid standard indicators, and relevant to the Moldovan context. Some issues to be addressed include:

<i>Sector: Economic Development of the Rural Areas in Moldova</i>	
Component 1. Strengthening the entrepreneurial capacities at local level	
Subcomponent 1.1 Strengthening the Economic Departments (EDs) and Agricultural Departments (ADs) at all 32 rayons.	
Training needs analysis for EDs and ADs staff completed.	achieved
Entrepreneurship training programme for EDs and ADs staff developed.	achieved
EDs staff trained in entrepreneurship and project/programme management	100 staff units trained
ADs staff trained in entrepreneurship and project/programme management	60 staff units trained
Component 2. Improving Business access to Financial Instruments.	
Subcomponent 2.1. Increasing the capitalization of the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY).	
NPEEY Capital increased in 2011-2013.	4 million Euro
Grants disbursed for new businesses.	320 grants
New businesses created.	320 businesses
From 320 new businesses created 25% owned by females.	80 NPEEY grants disbursed to female-owned businesses
Subcomponent 2.2. Increasing capitalization of existing Loan Guarantee Funds (LGF) targeted at rural businesses.	
LGF Capital increased.	1 million Euro
Balance of Loan Guarantees Offered (30% F).	78 active guarantees by the end of the year (2012) of which 23 to female entrepreneurs
New FTE jobs created (37% F).	360 FTE jobs of which 133 female
Awareness of the ESRA LGS within the banks and RDAs (Regional Development Agencies) conducted.	achieved
Monitoring of the guarantee process and its impact on the entrepreneurial activity conducted.	achieved
Subcomponent 2.3. Increasing capitalization of Japanese Non-Project Grant Aid Scheme (JNPGA).	
JNPGA and/or PARE 1+1 capital increased in 2011-2012.	0.9 million Euro
JNPGA and/or PARE 1+1 reporting system in place.	achieved
Grants disbursed (20% F).	30 grants of which 6 grants to female entrepreneurs
New FTE jobs created (37% F).	135 FTE jobs of which 50 female
Component 3. Development of the support infrastructure for the enterprise activity.	
Subcomponent 3.1. Establishing new business incubators.	
Completed feasibility study on the appropriate model of business incubator.	achieved
Business incubator model selected.	achieved
Potential incubator locations selected.	achieved
New Business incubators physically constructed and launched at cost of 0.3 million Euro/BI	1.5 million Euro
SME businesses within new business incubators (30% F).	15 SME tenants/per business incubator

<u>New FTE jobs created (33% F).</u>	<u>60 FTE jobs/per business incubator of which 20 FTE female jobs</u>
<u>Trainings sessions for business incubators SMEs completed.</u>	<u>9 training sessions organized for BIs' SMEs and 3 training sessions organized for BIs' Administrators</u>
<u>Training units delivered.</u>	<u>90 training units organized for BIs' SMEs and 60 training units organized for BIs' Administrators</u>
<i>Subcomponent 3.2. Improving Infrastructure to support farmers' market access</i>	
<u>Feasibility studies on establishment Chisinau Wholesale Market</u>	<u>achieved</u>
Potential beneficiaries identified.	achieved
<u>Allocation for market access improvements</u>	<u>0.6 million EUR</u>
<i>Component 4. Conduct Agricultural census</i>	
Agricultural census performed and report presented	achieved
<i>Component 5. Implementation of gender mainstreaming in the national SME development policies under the framework of the budget support.</i>	
<i>Subcomponent 5.1. Strengthening the capacity of central and local public authorities on implementation of gender policies for economic empowerment of women.</i>	
Networking system for GFPs (Gender Focal Points) at the relevant ministries and rayon administrations established.	achieved
Training needs assessment conducted.	achieved
Training programs and Manuals for GFPs developed.	achieved
Trainings sessions for GFPs conducted.	4 trainings sessions
Rayons and RDAs gender awareness trainings conducted.	achieved
Units of training delivered.	60 units of training
The adjustment of national legislation to the GE(Gender Equality) law initiated	achieved
Statistic bulletin "Men and women in the Republic of Moldova" published.	achieved
Gender disaggregated data collection and analysis improved.	achieved
Biannual coordination meeting held.	5 meetings
<u>GoM Annual Reports on gender strategy and work plan implementation prepared</u>	<u>5 reports</u>
<i>Component 6. Improving entrepreneurship skills training at VET schools.</i>	
<i>Subcomponent 6.1. Conduct programme of entrepreneurship training at VET schools. Develop the second schools and colleges capacities.</i>	
<u>TNA for VET Schools</u>	<u>achieved</u>
<u>New MoED approved entrepreneurship 5-module training introduced for piloting</u>	<u>achieved</u>
VET schools teachers trained.	60 teachers
<u>400 students have started new Entrepreneurship Curriculum as part of Curriculum 2012-2013</u>	<u>achieved</u>
<u>Of these 200 female students have started new Entrepreneurship Curriculum as part of Curriculum 2012-2013</u>	<u>achieved</u>
<i>Subcomponent 6.2. Improve the materials and didactical base at the post secondary institutions (colleges) under Ministry of Agriculture and Food Industry (MAFI)</i>	
The priority post secondary institutions (colleges) under MAFI identified.	achieved
VET schools endowment plan prepared and started to be implemented.	achieved

Trainers trained.	achieved
Graduates using the new base trained.	achieved
Component 7. Regional development policies.	
Subcomponent 7.1. Review the Sector strategy papers and action plan.	
Sector strategy paper reviewed and updated.	achieved
National Regional Development Strategy approved by the Government	achieved
Regional Development Strategies for South, Centre and North approved by the Regional Development Councils.	achieved
Regional development included in the policy priorities of 2012-2014 MTBF.	achieved
Impact assessment for the 2010 projects developed.	achieved
<u>National Regional Development Strategy and 3 Regional Development Strategies reviewed and updated</u>	<u>achieved</u>
Subcomponent 7.2. Institutional Framework Strengthening	
The existing legislation necessary to enforce the creation of the RDA reviewed.	achieved
The action plans for the creation of the RDAs formulated.	achieved
RDA in North, Centre and South created, staffed, equipped and allocated with an available budget.	3 RDAs
RDA staff trained in how to apply the mechanisms of financing programs and projects financed from NRDF.	achieved
The activity of the newly created agencies reviewed, the SWOT analysis completed.	achieved
Review the progress of the RDAs in the first year and prepare and implement lessons learned.	achieved
<u>Progress of RDA activities reviewed</u>	<u>achieved</u>
The operational guidebooks of the regional development agency and of the National Regional Development Fund (NRDF) drafted and approved.	achieved
The administrative, financial and procurement procedures to access the National Fund for Regional Development developed and applied.	achieved
<u>Training programme for the regional and central development institutions (Ministry of Construction and Regional Development - MCRD, regional council, RDA) developed and RDA staff trained in project/programme management, especially in the field of regional SME support delivery coordination</u>	<u>achieved</u>
Monitoring & evaluation system are developed and RDA staff are prepared to apply it.	achieved
First call of proposals took place and the first regional projects are approved and started the implementation.	achieved
<u>Full execution of the allocated regional development budget</u>	<u>achieved</u>
Sector: Public Finance Management	
Component 8. Budget preparation and implementation	
Subcomponents 8.1. Policy and Legislative Framework	
The GoM issued a policy statement defining policy priorities as a guideline for preparing the MTBF for 2011-2013, 2012-2014, 2013-2015.	3 policy statements
New Organic Budget Law approved by the GoM and submitted to Parliament (2011).	achieved
Subcomponent 8.2. Budget preparation and execution process	
<u>New budget classification and chart of accounts, as well as the methodology of application, integrated in one set of accounts and approved by MoF</u>	<u>achieved</u>
<u>New budget preparation and execution methodologies approved by the MoF and made available</u>	<u>achieved</u>
<u>New Financial Management Information System developed and tested with trainings of the relevant staff</u>	<u>achieved</u>

Subcomponent 8.3. Management and reporting	
PEFA assessment covering 2008-2010 done.	achieved
Subcomponent 8.4. Public internal financial control (PIFC)	
PIFC Concept and Strategy revised and approved.	achieved
PIFC Law approved by the Government and submitted to the Parliament.	achieved
<u>New internal audit standards developed and approved by the MoF in line with the requirements of the PIFC Law</u>	<u>achieved</u>
<u>Financial Management and Control Manual produced by the MoF, made available and distributed to government agencies</u>	<u>achieved</u>
<u>TNA based on new regulations and requirements conducted</u>	<u>achieved</u>
<u>Training Programme based on the outcomes of the needs assessment developed and training to the IA specialists of the line ministries conducted</u>	<u>achieved</u>
<u>IA orientation (awareness rising) seminars for the top management of the line ministries conducted</u>	<u>achieved</u>
Subcomponent 8.5. Institutionalised Capacity Building	
<u>Permanent programme for PFM trainings developed by the MoF and included in the MTBF 2013-2015 and 2013 annual budget</u>	<u>achieved</u>
Component 9. External Audit	
Performance audit of the National Regional Development Fund done.	achieved
Performance audit of the Regional Development Agencies activity done.	achieved
Component 10. Procurement	
Technical audit of the existing e-Procurement system performed.	achieved
Public Procurement Agency operational capacity enhanced by establishing a statistical unit and e-Procurement management unit.	achieved
Public Procurement Action Plan for 2011-2013 (based on recent independent assessments) developed.	achieved
The amount of public procurements made through competitive (open) procedures increased from year to year (2010, 2011, and 2012).	achieved
New statistical and e-Procurement units fully operational.	achieved
Public Procurement Action Plan for 2011-2013 implemented (2011, 2012).	ongoing
Public Procurement Agency's Operational Manual developed.	achieved
Common Procurement Vocabulary codes developed.	achieved
A user friendly Guide on Public Procurement based on EU practices and aligned with applicable Moldovan legal framework produced.	achieved
Continuous Training on PP for contracting authorities and economic operators delivered (2010, 2011, 2012).	achieved
Annual Reports on Public Procurement produced and published (2009, 2010, 2011).	3 reports

EaPIC ESRA BSP performance criteria and indicators used for disbursement
(EaPIC 2012 allocation – EUR 14 million)

Sector: Economic Development of the Rural Areas in Moldova	
Component 1. Strengthening the institutions' capacities at local and central level	
Subcomponent 1.1 Strengthening the Economic Departments' activities at local level	
<i>TNA for Economic Departments (EDs) reviewed and updated</i>	<i>achieved</i>
<i>Entrepreneurship training programme for EDs developed and delivered</i>	<i>achieved</i>
<i>EDs staff trained in entrepreneurship and project/programme management</i>	<i>Up to 150 training Person Days</i>
Subcomponent 1.2 Strengthening the institutions' capacities at central level	
<i>TNA for selected MoE staff</i>	<i>achieved</i>
<i>SME training programme for selected MoE staff developed and delivered</i>	<i>achieved</i>
<i>Selected MoE staff trained in SME and project/programme management</i>	<i>Up to 75 training Person Days</i>
<i>TNA for AIPA staff</i>	<i>achieved</i>
<i>(ENPARD awareness and preparation) training programme for AIPA staff developed and delivered</i>	<i>achieved</i>
<i>AIPA staff trained in, especially, ENPARD programming and management issues</i>	<i>Up to 150 training Person Days</i>
Component 2. Improving Business access to Financial Instruments including drought mitigation measures	
Subcomponent 2.1. Maintaining the capitalization of the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY)	
<i>NPEEY capital increased in 2013</i>	<i>At least 2 million Euro</i>
<i>Grants disbursed for new businesses</i>	<i>Up to 150 grants</i>
<i>NPEEY programme awareness activities to potential programme beneficiaries</i>	<i>At least 250 potential programme beneficiaries reached</i>
Subcomponent 2.2. Increasing capitalization of existing Loan Guarantee Funds (LGS) targeted at rural businesses	
<i>ODIMM LGS capital increased in 2013</i>	<i>At least 0.5 million Euro</i>
<i>Guarantees disbursed for new businesses</i>	<i>Up to 35 active guarantees by the end of 2013</i>
Subcomponent 2.3. Increasing capitalization of PARE 1+1 Programme	
<i>PARE 1+1 capital increased in 2013</i>	<i>At least 2 million Euro</i>
<i>Grants disbursed for new businesses</i>	<i>Up to 80 grants</i>
Subcomponent 2.4. Maintaining and/or Increasing Capitalisation of AIPA grant system	
<i>2013 Drought Mitigation Action Plan formulated and promulgated by GoM Governmental Decree in Q4 2012 (condition for execution sub-component 2.4. activities in 2013)</i>	<i>achieved</i>
<i>AIPA capital increased in 2013</i>	<i>Up to 4.35 million Euro</i>
<i>2013 Drought Mitigation Action Plan's Key Performance Indicators achieved</i>	<i>Achieved</i>
<i>Grants disbursed through AIPA covering ENPARD-like interventions and drought mitigation measures</i>	<i>Up to 360 grants</i>
Component 3. Development of the support infrastructure for the enterprise activity.	
Subcomponent 3.1. Establishing new business incubators.	
<i>1 Feasibility Study on new Business Incubator to-be-established</i>	<i>achieved</i>
<i>1 new Business Incubators physically constructed</i>	<i>0.3 million Euro</i>
<i>Potential tenants within new business incubator identified</i>	<i>achieved</i>
<i>Trainings sessions for already existing and new Business Incubators' tenants and administrators delivered</i>	<i>Up to 75 training Person Days</i>
<i>Technical and Financial sustainability of existing network of Business Incubators, covering at least those BIs created under 2010-2012 ESRA BSP supported</i>	<i>0.3 million Euro</i>

Subcomponent 3.2. Improving Infrastructure to support farmers' market access	
<i>Farmers' market access infrastructure improved through, amongst others, Chisinau Agricultural Wholesale Market (AWM)</i>	<i>achieved</i>
<i>Allocation for market access infrastructure improvements</i>	<i>0.3 million Euro</i>
Sector: Public Finance Management	
Component 4. Procurement	
<i>Independent Complaint Review Body (ICRB) established</i>	<i>achieved</i>
<i>Staff hired, trained and adequately equipped</i>	<i>achieved</i>

EaPIC 2 ESRA BSP performance criteria and indicators used for disbursement
(EaPIC 2013 allocation – EUR 12 million)

Overall Objective: Improving Business Access to Financial Instruments and Business Support Infrastructure in the Republic of Moldova	
Specific Objective 1: Support to the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY)	
<i>Indicator</i>	<i>Indicator Value</i>
<i>Number of new businesses created</i>	90 new rural businesses created of which 27 are owned and/or managed by women
<i>Number of new Full Time Equivalent (FTE) jobs created</i>	100 new FTE jobs created of which 33 are women
<i>NPEEY programme awareness activities to potential programme beneficiaries</i>	500 potential programme beneficiaries reached through public awareness initiatives and activities
Specific Objective 2: Support to the Loan Guarantee Scheme (LGS) targeted at rural businesses	
<i>Indicator</i>	<i>Indicator Value</i>
<i>Guarantees offered for new/existing businesses</i>	120 active guarantees by the end of 2014 of which 35 new business entries were generated in 2014 and of these 35 new business entries generated in 2014, 10 are owned and/or managed by women
<i>Number of new/existing FTE jobs created/saved</i>	120 new/existing FTE jobs created/saved of which 36 are women
Specific Objective 3: Support to the Programme for the Attraction of Remittances into the Economy of the Republic of Moldova (PARE 1+1) Programme	
<i>Indicator</i>	<i>Indicator Value</i>
<i>New grants disbursed</i>	125 new grants disbursed on the basis of a new programme maximum grant ceiling set at 0.8 million MDL per individual grant
<i>Number of new businesses created</i>	30 new businesses created of which 9 are owned and/or managed by women
<i>Number of new FTE jobs created</i>	75 new FTE jobs created of which 22 are women
Specific Objective 4: Support to the Moldovan agricultural sector through the Agriculture Intervention and Payment Agency (AIPA) Grant System using European Neighbourhood Programme for Agriculture and Rural Development –ENPARD-like measures	
<i>Indicator</i>	<i>Indicator Value</i>
<i>Number of farms and agricultural businesses supported</i>	500 farms and agricultural businesses supported through ENPARD-like measures
<i>Number of new FTE jobs created</i>	130 new FTE jobs created through ENPARD-like measures
Specific Objective 5: Continued Support to Business Incubators in the Republic of Moldova	
<i>Indicator</i>	<i>Indicator Value</i>
<i>Number of new businesses created</i>	15 new businesses located in each of the two new Business Incubators created, of which 5 are owned and/or managed by women
<i>Number of new FTE jobs created</i>	25 new FTE jobs created in each of the two new Business Incubators created, of which 7 are women

Appendix 2: Disbursement arrangements and timetable (budget support)

1. Responsibilities

On the basis of the disbursement conditions stipulated in the Financing Agreement, the Ministry of Finance shall prepare a formal request to the European Commission for the release of variable instalment according to the dates mentioned in the table A below, and including: (i) a complete analysis and justification for payment of the funds, including all supporting documentation in annex; (ii) a Financial Identification Form, duly signed, to facilitate the corresponding payment.

2. Indicative disbursement timetable

An indicative disbursement timetable is set out below.

Table A: Summary Indicative disbursement timetable (in EUR millions)

Tranche Type	2010	2011	2012	2013	2014	2015	
	Q4	Q4	Q4	Q4	Q2	Q2	Total
Fixed Tranches	15.0		3.15				18.15
Variable tranches		10.85		13	14	12	49.85
TA and evaluation		0.7	0.6	1.2	0.7	0.8	4.0
Total	15.0	11.55	3.75	14.2	14.7	12.8	72.0

3. General conditions for tranche release

The General Conditions for tranche release set out below shall apply to the disbursement of all tranches and all requests for tranche release shall be accompanied by supporting information on this matter.

Table B: General Conditions for tranche release

Area	Condition	Source of verification
Sector policy and strategy	Satisfactory progress in the implementation of the partner country sector policy and strategy. The proposed budget support falls into the category of 'non-traditional sectors', as defined in the internal Guidelines Support to Sector Programmes. A number of laws and strategies exist already on regional development, SME support and investment and export promotion. There is however a considerable scope for prioritization, harmonisation and more realistic budgeting of these laws and strategies especially : i)Reduce the administrative burden of starting and doing business by creating one-stop shops at the State Registration Chamber and simplifying licence procedures; ii) De-monopolize key import-export regimes, e.g. on meat, and stop systemic under-declarations of the value of imports; iii) Cut down the dues for customs clearance regarding the operation of free economic zones and other custom regimes; An Action Plan on Drought Mitigation will be approved by Government of Moldova by end October 2012	Reports of the GoM on Anti-crisis plan. Implementation analysis and justification reports produced by the beneficiary. Assessment done by independent consultants recruited by the Commission.

Macroeconomic stability	Satisfactory progress in maintaining a policy of macroeconomic stability as evidenced by continued implementation of an IMF-backed macroeconomic programme". If the review of the IMF programme is delayed, temporarily suspended or invalid, the Commission may still decide to disburse the budget support if it considers that the macroeconomic stability policy is still being implemented or that it does not jeopardise the sectoral objectives after consultations at an appropriate level with the partner country and the IMF.	The European Commission will use the IMF lending programme or consultation process, in the event of graduation to the Article IV process
Public Financial Management	Satisfactory progress on implementation of the programme to improve and reform public finance management. Government demonstrates commitment to implement articles 40 (Public Procurement) and 42 (Sound management and control of public finances) of the EU-Moldova Action Plan	Action Plan implementation reports produced by the European Commission with cooperation of the Government and of other interested organizations. Most recent assessment reports available (PEFA, CFAA, PER, CPAR, etc). Reviews of the World Bank (such as the PRSC).

4. Specific Conditions for tranche release

The specific conditions for tranche release apply to individual tranches in addition to General Conditions which are applicable to all tranches.

Table C: Specific Conditions for tranche release

Tranche	Amount	Indicative disbursement request date (Quarter/Year)	Indicative disbursement date (Quarter/Year)	Condition/Criteria/Activity for disbursement	Source of Verification (if appropriate)
First Fixed Tranche	EUR 15.0 million	Q4/2010	Q4/2010	General Conditions as set out in Table B above	See Table B above
First Variable Tranche	EUR 10.85million	Q3/2011	Q4/2011	Continued compliance with general conditions as set out in Table B and specific conditions defined in Appendix 3, under "2010 activities" and "2011 activities".	See Table B, Appendix 1 and 3
Second Fixed Tranche	EUR 3.15 million	Q4/2012	Q4/2012	General Conditions as set out in Table B above	See Table B above
Second Variable Tranche	EUR 13.0 million	Q2/2013	Q4/2013	Continued compliance with general conditions as set out in Table B and specific conditions defined in Appendix 3, under "2012 activities".	See Table B, Appendix 1 and 3

Third Variable Tranche	EUR 14.0 million	Q1/2014	Q2/2014	Continued compliance with general conditions as set out in Table B and specific conditions defined in Appendix 3, under "2013 activities".	See Table B, Appendix 1 (EaPIC ESRA BSP performance criteria and indicators used for disbursement) and Appendix 3 (Additional policy matrix for EaPIC (14 million tranche))
Forth Variable Tranche	EUR 12 million	Q2/2015	Q2/2015	Continued compliance with general conditions as set out in Table B and specific conditions defined in Appendix 3, under "2014 activities".	See Table B, Appendix 1 (EaPIC 2 ESRA BSP performance criteria and indicators used for disbursement) and Appendix 3 (Additional policy matrix for EaPIC (12 million tranche))

The conditions for disbursement under the variable tranche are fixed for the duration of the programme, but may be modified in accordance with the TAPs section 2.3.2 of this Financing Agreement.

5. Modalities of assessment of performance in the case of variable tranches

The programme foresees variable instalments of up to a maximum of 10.85 million in 2011; 13 million in 2013, 14 million in 2014 and 12 million in 2015.

Variable instalments allow for less than the full amount to be released in the case of only partial compliance with the indicators conditioning release of instalments, defined in Appendix 3.

The underlying principle for the calculation of performance of conditions that determine the disbursement of the variable instalments will be as follows:

For the assessment of the **variable tranches**, 4 (four) aggregate performance categories will apply. Performance categories and related score and disbursement are as follows:

- '**unsatisfactory progress**': score 0-29 and no disbursement,
- '**limited progress**': score 30-49 and 40% disbursement,
- '**satisfactory progress**': score 50-79 and 70% disbursement, and
- '**strong performance**': score 80-100 and full disbursement.

The respective weights of the evaluation criteria are indicated in Table D below.

Table D: Weight of evaluation criteria

Area I Sector activities	
Evaluation criteria	Maximum weight, %
<i>Strengthening the entrepreneurial capacities at local level</i>	10%
<i>Improving business access to Financial Instruments</i>	15%
<i>Development of the support infrastructure for the enterprise activity</i>	20%
<i>Conduct the Agricultural Census</i>	5%
<i>Implementation of the gender mainstreaming in the national SME policies</i>	5%
<i>Improving entrepreneurship skills training at VET schools</i>	15%
<i>Strengthen regional development policies</i>	10%
Area II. Public finance management good Governance activities	
Evaluation criteria	Maximum weight, %
<i>Budget preparation and implementation</i>	10%
<i>External audit</i>	5%
<i>Strengthening public procurement</i>	5%
Total	100%

Table D1 "Weight of Disbursement for EaPIC tranche"

Area I Sector activities	
Evaluation criteria	Maximum weight, %
<i>Strengthening the institutions' capacities at local and central level</i>	15%
<i>Improving business access to Financial Instruments including drought mitigation measures</i>	65%
<i>Development of the support infrastructure for the enterprise activity</i>	10%
Area II. Public finance management good Governance activities	
Evaluation criteria	Maximum weight, %
<i>Public Procurement</i>	10%
Total	100%

Table D2 "Weight of Disbursement for EaPIC 2 tranche"

Area I Sector activities	
Evaluation criteria	Maximum weight, %
<i>Support to the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY)</i>	15%
<i>Support to the Loan Guarantee Scheme (LGS) targeted at rural businesses</i>	10%
<i>Support to the Programme for the Attraction of Remittances into the Economy of the Republic of Moldova (PARE 1+1) Programme</i>	20%
<i>Support to the Moldovan agricultural sector through the Agriculture Intervention and Payment Agency (AIPA) Grant System using European Neighbourhood Programme for Agriculture and Rural Development – ENPARD-like measures</i>	45%
<i>Continued Support to Business Incubators in the Republic of Moldova</i>	10%
Total	100%

Appendix 3 Policy matrix

Area I: Sector Activities (80%)

Budget support components		2nd tranche (variable)		3rd tranche (variable)
Evaluation criteria		2010 activities		2011 activities
Subcriteria		2010 activities		2011 activities
1. Strengthening the entrepreneurial capacities at local and central level	Strengthening the Economic and Agricultural Departments (EDs and ADs) at all 32 rayons	Develop entrepreneurship training programme for EDs and ADs	Training at least 100 persons of Economic Departments in business and economic development Training at least 60 persons of ADs in business and economic development	<u>Conduct training needs analysis for ED and ADs staff.</u> <u>Training at least 100 persons of EDs in business and economic development (Module I and Module II)</u> <u>Training at least 60 persons of ADs in business and economic development (Module I and Module II).</u>
	Maintaining the capitalization of the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY)	Review the NPEEY capacity to expand its grant programme Maintain the capital of NPEEY at approx. EUR 2 million Provide at least 120 new grants The development of the framework regarding the diversification of the guarantee products offered by the Loan Guarantee Funds Monitoring of the guarantee process by the ODIMM Organisation for the support of SMEs Development and its impact on the entrepreneurial activity	The NPEEY funded by EUR 2 million Provide at least 100 new grants	The NPEEY funded by EUR 2 million Provide at least new 100 grants
2. Improving Businesses access to Financial Instruments.	Increasing capitalization of existing Loan Guarantee Funds (LGS) targeted at rural businesses	Provide at least 120 new grants The development of the framework regarding the diversification of the guarantee products offered by the Loan Guarantee Funds Monitoring of the guarantee process by the ODIMM Organisation for the support of SMEs Development and its impact on the entrepreneurial activity	Increase the capitalization of Fund by EUR 0.5 million Monitoring of the guarantee process by the ODIMM and its impact on the entrepreneurial activity	Increase the capitalization of Fund by EUR 0.4 million Monitoring of the guarantee process by the ODIMM and its impact on the entrepreneurial activity
	Increasing capitalization of Japanese Non-		Increase the JNPGA capital by EUR 0.5 million from National Budget	Increase the JNPGA by EUR 0.5 million from National Budget

Budget support components		2nd tranche (variable)		3rd tranche (variable)
Evaluation criteria		2010 activities	2011 activities	2012 activities
	<i>Subcriteria</i>			
	<u>Project Grant Aid (JNPGA) and/or PARE 1+1 Programme</u>			
3. Development of the support infrastructure for the enterprise activity.	Establishing new business incubators	Select the appropriate model of business incubator and legal status for the current Moldova conditions	Elaboration of Feasibility Study Establish new business incubators (EUR 0.6 million) Conduct training for business incubator residents Strengthening the administrative capacities	<u>Elaboration of Feasibility Study</u> <u>Establish new business incubators (0.6 Meuro)</u> Establish new business incubators (EUR 0.9 million). Conduct training for business incubator residents Strengthening the administrative capacities
4. Conduct agricultural census.	Conduct agricultural census	Prepare to conduct agricultural census in 2011	Identification of potential projects. Selection of projects.	<u>Agricultural Wholesale Market (AWM) Feasibility Study</u> Allocations for launching of projects (EUR 0.3 million) Present the draft report on agricultural census
5. Implementation of gender mainstreaming in the national SME development policies, including under the framework of this budget support.	Strengthening the capacity of central and local public authorities on implementation of gender policies for economic empowerment of women.	Develop the networking system for Gender Focal Points (GFP) at the relevant ministries and Rayon Administrations led by Department of equal opportunities in coordination with Sida WEE programme Conduct Training needs assessment for line Ministries, RDAs and rayons	Allocation for support of launching of projects (EUR 0.3 million) Perform activities related to general agricultural census Conduct Gender Awareness trainings for central and local authorities involved in the Anti- Crisis-Plan Initiate the adjustment of national legislation to the Gender Equality law	<u>Publish a statistic bulletin "Men and women in the Republic of Moldova"</u> Conduct Gender Awareness trainings for central and local authorities involved in the Anti-Crisis-Plan <u>Initiate the adjustment of national legislation to the Gender Equality law</u> Improve gender disaggregated data

		2nd tranche (variable)		3rd tranche (variable)
Budget support components		2010 activities	2011 activities	2012 activities
Evaluation criteria	Subcriteria			
6. Improving entrepreneurship skills training at VET schools.	Conduct programme of entrepreneurship training at VET schools	Conduct training of trainers for 10 VET schools on entrepreneurship	Revise and adjust the Entrepreneurship Curriculum, developed by the Ministry of Education considering, inter alia, the new 3-module course developed by Sida/Hifab in coordination with WEE Sida programme	collection and analysis <u>Identify training needs for VET schools</u>
	Develop the secondary schools and colleges capacities			<u>Develop teaching materials based on the revised Entrepreneurship Curriculum</u> <u>Conduct training of trainers for 10 VET schools on entrepreneurship</u> Conduct trainings for teaching staff from 47 VET schools to provide entrepreneurship education under the revised curriculum Introduce entrepreneurship training based on the revised Entrepreneurship Curriculum <u>Prepare an endowment plan for identified institutions</u> Train the Trainers Train the graduates using the new base Start the implementation of endowment plan
7. Regional development policies	Review the Sector strategy papers and action plans	National Regional Development Strategy approved by the Government	Identify priority's for the post secondary institutions (colleges) under MAFI	<u>Review the National Regional Development Strategy and the Regional Development Strategies for the three regions</u>
	Institutional Framework Strengthening	Regional Development Strategies for South, Centre and North approved by the Regional Development Councils	Strengthening institutional capacities of MCRD and RDAs Train RDA staff in how to apply the	Review the progress of the RDAs

Budget support components		2nd tranche (variable)		3rd tranche (variable)
Evaluation criteria	Subcriteria	2010 activities	2011 activities	2012 activities
	Implementation	<p>Three Regional Development Agencies – Centre, South and North - created, staffed, equipped and with an allocated and available budget</p> <p>Develop a training program for the regional and central development institutions (MCRD, regional council, RDA)</p> <p>Operational guidebooks and procedures are developed and approved by the Ministry of Construction and Regional Development</p> <p>1st call for proposals launched, evaluated and projects selected</p>	<p>mechanisms of financing programs and projects financed from NRDF</p> <p>Review the progress of the RDAs in the first year and prepare and implement lessons learned.</p>	<p>Make an impact assessment for the 2010 projects</p> <p>Full execution of the allocated regional development budget</p> <p>Strengthen the capacity of MCRD and regional institutions for implementing regional development policy</p>

Area II: PFM Activities (20%)

Budget support components		2nd tranche (variable)		3rd tranche (variable)
Evaluation criteria	Subcriteria	2010 activities	2011 activities	2012 activities
8. Budget preparation and implementation	<u>Policy and Legislative Framework</u>	<p>GoM issues a policy statement defining policy priorities as a guideline for preparing the MTBF 2011-2013</p>	<p>GoM issues a policy statement defining policy priorities as a guideline for preparing the MTBF 2012-2014</p> <p>New Organic Budget Law approved by the Government and submitted to the Parliament</p> <p>New budget preparation</p>	<p>GoM issues a policy statement defining policy priorities as a guideline for preparing the MTBF 2013-2015</p> <p><u>New Organic Budget Law approved by the GoM and submitted to Parliament</u></p>

		2nd tranche (variable)		3rd tranche (variable)
Budget support components		2010 activities	2011 activities	2012 activities
Evaluation criteria	Subcriteria		methodology, incorporating MTBF process, approved and put into force New budget execution methodology developed, tested and approved New Financial Management Information System developed and tested	
	<u>Budget Preparation and Execution Process</u>	Achieve progress on new budget execution methodology preparation		<u>New budget classification and chart of accounts, as well as the methodology of application, and approved by MoF</u> <u>New budget preparation and execution methodologies approved by the MoF and made available</u>
	Management and reporting		PEFA assessment covering 2008-2010 done	<u>PEFA assessment covering 2008-2010 done</u>
	Public internal financial control (PIFC)	PIFC Concept and Strategy revised and approved PIFC Law approved by the Government and submitted to the Parliament Achieve Progress on Financial Management and Control methodology development	Financial Management and Control methodology developed and tested Training on Financial Management, Control and Internal Audit programme updated and delivered	<u>New internal audit standards developed and approved by the MoF in line with the requirements of the PIFC Law</u> <u>Financial Management and Control Manual produced by the MoF, made available and distributed to government agencies</u> <u>TNA based on new regulations and requirements conducted</u> <u>Training Programme based on the outcomes of the needs assessment developed and training to the IA specialists of</u>

Budget support components		2nd tranche (variable)		3rd tranche (variable)
Budget support components		2010 activities	2011 activities	2012 activities
Evaluation criteria	Subcriteria			
	Institutionalised Capacity Building			<u>the line ministries conducted</u> IA orientation (awareness rising) seminars for the top management of the line ministries conducted Permanent programme for PFM trainings developed by the MoF and included in the MTBF 2013-2015 and 2013 annual budget Performance audit of the National Regional Development Fund
9. External Audit			Performance audit of the National Regional Development Fund	Performance audit of the Regional Development Agencies activity
10. Procurement		Perform the technical audit of the existing e-Procurement system	New statistical and e-Procurement units fully operational	Develop the Public Procurement Agency's Operational Manual
		Enhance Public Procurement Agency operational capacity by establishing a statistical unit and e- Procurement management unit	Public Procurement Action Plan for 2011-2013 ongoing implementation	Develop the Common Procurement Vocabulary codes
		Develop a Public Procurement Action Plan for 2011-2013 (based on recent independent assessment)	Increase the amount of public procurements made through competitive (open) procedures from year to year	Continuous implementation of the Public Procurement Action Plan for 2011-2013
		Increase the amount of public procurements made through competitive (open) procedures from year to year	2010 Annual Report on Public Procurement produced and published	Produce an user friendly Guide on Public Procurement based on EU practices and aligned with applicable Moldovan legal framework
		2009 Annual Report on Public Procurement produced and published	Continuous training delivered to Public Procurement Agency staff, contracting authorities and economic operators	Increase the amount of public procurements made through competitive (open) procedures from year to year
		Continuous training delivered to		2011 Annual Report on Public

Budget support components		2nd tranche (variable)		3rd tranche (variable)
		2010 activities	2011 activities	2012 activities
Evaluation criteria	Subcriteria			
		Public Procurement Agency staff, contracting authorities and economic operators		Procurement produced and published Continuous training delivered to Public Procurement Agency staff, contracting authorities and economic operators

Additional policy matrix for EaPIC (2012 EaPIC allocation - EUR 14 million tranche)

Budget support components		Tranches (variable for EC sector support and fixed for drought measures)
Evaluation criteria	Subcriteria	2013 activities
1. Strengthening the institutions' capacities at local and central level.	Strengthen the Economic Department's entrepreneurial activities at local level	<ul style="list-style-type: none"> Deliver entrepreneurship training programme for EDs
	Strengthen the institutions' capacities at central level	<ul style="list-style-type: none"> Deliver SME training to MoE staff Deliver ENPARD capacity building, awareness and preparation training to AIPA
2. Improving Business access to Financial Instruments including drought mitigation measures	Maintaining the capitalization of the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY)	<ul style="list-style-type: none"> Increase NPEEY capital with at least EUR 2 million Provide up to 150 new grants Deliver NPEEY programme awareness activities to at least 250 potential programme beneficiaries
	Increasing capitalization of existing Loan Guarantee Funds (LGS) targeted at rural businesses	<ul style="list-style-type: none"> Increase ODIMM LGS capital with at least EUR 0.5 million Provide up to 35 new guarantees
3. Development of the support infrastructure for the enterprise activity.	Increasing capitalization of PARE 1+1 Programme	<ul style="list-style-type: none"> Increase PARE 1+1 capital with at least EUR 2 million Provide up to 80 new grants
	Maintaining and/or Increasing Capitalisation of AIPA grant system	<ul style="list-style-type: none"> Increase AIPA capital with up to EUR 4.35 million (for AIPA measures 2,4,5,6, 8 and, especially, specific drought mitigation measures) Provide up to 360 grants in ENPARD-like and drought intervention areas through AIPA
4. Public Procurement	Establishing new business incubators	<ul style="list-style-type: none"> Elaboration of 1 additional Feasibility Study Physically establish 1 new Business Incubator (EUR 0.3 million) Consolidate and ensure technical and financial sustainability of the existing network of Business Incubators in Moldova, covering at least those BIs created under the 2010-2012 ESRA BSP (EUR 0.3 million)
	Improving Infrastructure to support farmers' market access	<ul style="list-style-type: none"> Further support to develop market access infrastructure for farmers including through AWM Chisinau (EUR 0.3 million)
	Set up an Independent Complaint Review Body (ICRB) in line with EU requirements	<ul style="list-style-type: none"> Establish the Independent Complaint Review Body (ICRB) Ensure Institutional Capacity of the ICRB

Additional policy matrix for EaPIC (2013 EaPIC allocation - EUR 12 million tranche)

Specific Objective 1: Support to the grant fund for the National Programme for Economic Empowerment of Youth (NPEEY)

No.	Policy Matrix Type of Indicator	To be achieved Indicator Value by 31.12.2014	Source of Verification	Weight – 15%
1.1.	Number of new businesses created	90 new rural businesses created of which 27 are owned and/or managed by women	Records from the CLD registers including descriptions of type and kind of rural businesses created, published in the Moldovan Ministry of Finance's web site not later than 31/03/2015.	7%
1.2.	Number of new jobs (Full Time Equivalent - FTE) created	100 new jobs (FTE) created of which 33 are women	Records from the CLD registers including description of type and kind of jobs created, published in the Moldovan Ministry of Finance's web site not later than 31/03/2015.	5%
1.3.	NPEEY programme awareness activities to potential programme beneficiaries	500 potential programme beneficiaries reached through public awareness initiatives and activities	Programme agenda, List of participants, Distribution materials recorded by Moldovan SME Development Organisation (ODIMM); Up-to-date information on NPEEY programme and application procedures published on ODIMM web site. The responsible institution responsible for coordinating the collection of all required indicator verification support documentation and for confirming their reliability in its transmission to the EU will be the Ministry of Finance of the Republic of Moldova.	3%

Specific Objective 2: Support to the Loan Guarantee Scheme (LGS) targeted at rural businesses

No.	Policy Matrix Type of Indicator	To be achieved Indicator Value by 31.12.2014	Source of Verification	Weight – 10%
2.1.	Guarantees offered for new/existing businesses	120 active guarantees by the end of 2014 of which 35 new business entries were generated in 2014. Of these 35 new business entries generated in 2014, 10 are owned and/or managed by women	Records in ODIMM LGS registers including descriptions of type and kind of businesses benefitting from the guarantees offered and their performance in terms of paying back the loan covered by the guarantee; Up-to-date information on LGS and application procedures published on ODIMM web site. The responsible institution responsible for coordinating the collection of all required indicator verification support documentation and for confirming their reliability in its transmission to the EU will be the Ministry of Economy of the Republic of Moldova.	4%
2.2.	Number of new/existing jobs (FTE) created/saved	120 new/existing jobs (FTE) created/saved of which 36 are women	Records in ODIMM LGS registers including description of type and kind of jobs created/saved, published in the Moldovan SME Development Organisation's (ODIMM) web site not later than 31/03/2015.	6%

Specific Objective 3: Support to the Programme for the Attraction of Remittances into the Economy of the Republic of Moldova (PARE 1+1) Programme

No.	Policy Matrix Type of Indicator	To be achieved Indicator Value by 31.12.2014	Source of Verification	Weight – 20%
3.1.	New grants disbursed	125 new grants disbursed on the basis of a publicly announced new programme maximum grant ceiling set at MDL 0.8 million per individual grant	Decision of the Grants' Commission; Records in ODIMM registers on new contracts concluded; Disbursements made; Up-to-date information on PARE 1+1 and application procedures published on ODIMM web site. The responsible institution responsible for coordinating the collection of all required indicator verification support documentation and for confirming their reliability in its transmission to the EU will be the Ministry of Economy of the Republic of Moldova.	5%
3.2.	Number of new businesses created	30 new businesses created of which 9 are owned and/or managed by women	Records in ODIMM PARE 1+1 registers including descriptions of type and kind of new (rural) businesses created, published in the Moldovan SME Development Organisation's (ODIMM) web site not later than 31/03/2015.	7%
3.3.	Number of new jobs (FTE) created	75 new jobs (FTE) created of which 22 are women	Records in ODIMM PARE 1+1 registers including description of type and kind of jobs created, published in the Moldovan SME Development Organisation's (ODIMM) web site not later than 31/03/2015.	8%

Specific Objective 4: Support to the Moldovan agricultural sector through the Agriculture Intervention and Payment Agency (AIPA) Grant System using European Neighbourhood Programme for Agriculture and Rural Development –ENPARD-like measures

No.	Policy Matrix Type of Indicator	To be achieved Indicator Value by 31.12.2014	Source of Verification	Weight – 45%
4.1.	Number of farms and agricultural businesses supported	500 farms and agricultural businesses supported through ENPARD -like measures	Records in AIPA registers including descriptions of type and kind of farms and in the Moldovan Agriculture Intervention and Payment Agency's (AIPA) web site not later than 31/03/2015.	30%
4.2.	Number of new jobs (FTE) created	130 new jobs (FTE) created through ENPARD-like measures	Records in AIPA registers including description of type and kind of jobs created, published in the Moldovan Agriculture Intervention and Payment Agency's (AIPA) web site not later than 31/03/2015	15%

Specific Objective 5: Continued Support to Business Incubators in the Republic of Moldova

No.	Policy Matrix Type of Indicator	To be achieved Indicator Value by 31.12.2014	Source of Verification	Weight – 10%
5.1.	Number of new businesses created	15 new businesses located in each of the two new Business Incubators created, of which 5 are owned and/or managed by women	Records in ODIMM registers including descriptions of type and kind of rural businesses created, published in the Moldovan SME Development Organisation's (ODIMM) web site not later than 31/03/2015.	5%
5.2	Number of new jobs (FTE) created	25 new jobs (FTE) created in each of the two new Business Incubators created, of which 7 are women	Records in ODIMM registers including description of type and kind of jobs created, published in the published in the Moldovan SME Development Organisation's (ODIMM) web site not later than 31/03/2015.	5%