# Executive summary

It was the task of this evaluation to assess the engagement of Czech Foreign Development Cooperation (FDC) in the sector of agriculture in Moldova. An evaluation of this kind does not only analyze the basic evaluation criteria on the level of implemented projects, even more importantly, it evaluates the FDC activities in the sector as a whole. It analyses potentials and opportunities for association of the development activities into broader initiatives, assesses the coordination and communication among the actors of Czech FDC as well as with other donors active in the same sector and country, etc. The sector evaluation should provide aggregated knowledge for deciding on the further aiming of FDC support to agriculture and its relevant targeting with regard to strategic needs of Moldovan farmers, capacities of the Czech FDC (most importantly financial ones) and activities of other donors.

The sector evaluation is based on the evaluation of four projects supported in the sector of agriculture between 2011 and 2013. Those projects may be considered as “pilot projects” as the experience from their implementation represents a key input for the future aiming of Czech FDC in this sector. Following projects were supported:

* Support to the development of ecological agriculture in Moldova – implemented by Caritas Czech Republic
* Development of ecological agriculture in Moldova – implemented by People in Need
* Increasing the competitiveness and efficiency of Moldovan small and medium farmers by their orientation towards the production with high added value carried out with selected target groups in the Anenii Noi, Telenesti and Singerei regions – implemented by the Czech University of Agriculture
* Development of Moldovan small farmers' business skill by enhancing knowledge transfer – implemented by the Institute of Agricultural Economics and Information

All of the implemented projects provide support to small and medium farmers for the development of their enterprises (as a key potential for development of the rural areas of Moldova). They were aiming at raising the efficiency of the farmers by the means of shifting their orientation to goods of higher added value, organic production or by raising their business skills. Therefore, strong interlinking has been observed among the projects on the level of their focus as well as target groups. However, the method by which the projects intended to trigger the growth of small and medium farmers varies. Those differences in the method enable to compare which approaches and methods are more relevant, effective, efficient, and sustainable and generate better impacts when it comes to achieving a similarly defined target.

 Implemented activities and projects are consistent with the needs of the Moldovan agriculture sector as they have been defined in the Strategy for development of agriculture and rural areas (2011) as well as formulated by the target groups, project partners or representatives of national authorities of Moldova. Activities aimed at development of cooperation between small and medium farmers show the greatest compliance with the needs of the sector. However, this is also a field of activity in which a significant number of other international donors is engaged – with significantly larger volumes of support. Therefore, the evaluator agrees that support of the Czech FDC in this field is relevant and necessary, however, it must be precisely focused. It should not aim at fulfilling the needs (mostly of investment nature) of developed localities, it should rather aim at building of basic capacities for cooperation in localities that are for the time being too small or weak to receive support from other resources.

Likewise the support to the development of organic agriculture proved to be a relevant tool with regard to the overall goal of the intervention, however, its complexity must be observed. In this regard an intensive support to smaller number of projects has turned out more relevant than providing insufficiently deep and complex support to larger target group.

The relevance of the way how the projects were implemented is not without reservations. Among the most notable issues that diminish the relevance of the project should be mention the ex-post elimination of some elements of the projects’ intervention logics (as an effect of lowering the allocated finances as well as financial uncertainty in multiannual horizon) and insufficient stress on bringing the production to relevant markets and its marketing (i.e. dominant orientation on the production site).

One of the weakest points of the Czech FDC in the agricultural sector that has been identified with regard to its effectiveness was the division of its financial allocation among three projects. As a result of that the costs of administration, management and coordination of the projects did rise – it was necessary to establish three independent systems of administration and management. Moreover, some weak points in the system of project monitoring created a strong barrier to detailed analysis of effectiveness of the Czech FDC to the agricultural sector. As their result, the evaluator was unable to analyze the effectiveness on the level of single activities and compare their costs with their outputs, analyze and compare itemized budgets or study in detail the costs of management and administration with regard to the types of implementers.

Evaluated project did not show any problems when it comes to fulfillment of their planned outputs. However, those had to be revised on the beginning of the projects’ implementation due to the division of the financial allocation. The implementers thus either limited the scope of their activities and completely eliminated some of them or they decided to reformulate the project’s intervention logic as whole in the light of the new conditions. The evaluation shows that the second approach is more appropriate since the elimination of a part of originally planned activities damages the internal coherence of a project – which can lead to lowering its efficiency.

The project partners as well as target groups representatives see an added value of Czech FDC projects – compared to projects of other donors – in the involvement of experts with an experience with transformation of the sector. Study visits have proven to be another example of very efficient as well as effective tool of transfer of know-how and good practice.

One of the threats to efficiency of projects is the incorrect targeting of the support with respect to activities of other donors. This threat applies primarily to the support for establishment of cooperatives. Engagement of strong local partner with significant insight into other donors’ activities in this field (on which it takes part) has proven to be an efficient countermeasure against this threat in the context of lacking systematic coordination of the sector. Sharp focus of the support that takes into account the scope of available resources is a key factor of an efficient intervention, especially so within activities aimed at building of cooperation among farmers.

None of the implemented projects has been assessed as unreservedly sustainable. One of the crucial issues of sustainability is the time factor – some of the initiatives did not have enough time for sufficient implementation of their activities and, to some extent, they leave the work unfinished. That represents a serious threat to the sustainability of such initiatives. Moreover, project in the agricultural sector have to take into account the length of growing cycle – outcomes of realized activities will actually show themselves first at the end of the plant’s growing cycle; proper testing of revised production technologies and processes requires several repetitions of the testing.

Another decisive factor of sustainability of a project’s outcomes is the profitability of the new or revised production method. Production in a cooperative or in the mode of organic planting must be profitable for supported farmers. However, the profitability cannot be ensured only by the sole revision of the production technology – the production must be successfully sold. The successful placement of a farmer’s production on an appropriate market segment that will ensure the economic return represents a fundamental factor of sustainability of an intervention. However, marked-oriented activities were in some projects rather neglected, which results in the fact that the sustainability of a part of outcomes is not guaranteed.

Actual economic impacts that would correspond with the overall goal of the Czech FDC engagement in Moldovan agricultural sector (i.e. strengthening the competitiveness of supported farmers) do occur in a longer time horizon – thus for the time being it is not possible to capture them robustly in economic data of the target group. However, the analysis did identify some positive trends especially in the case of established cooperatives (their representatives do already register an increase of some components of their competitiveness in tens of percent, however, those are, for the time being, only estimates, not objective data). Similar trends were noted by a part of the target group supported in the field of organic production. This target group, however, clearly demonstrates the correlation between positive economic impacts and a stress on market-oriented activities. In case that a farmer converts to organic farming but does not accordingly focus on the distribution of his/her production to relevant target groups (whose members are willing to pay adequate prices) it is likely that his/her economy will even worsen – by maintaining the traditional distribution mode (selling on a marketplace or to dealers) (s)he will not get a higher price for organic products which are, on the other hand, more costly to grow.

Moreover, support to the development of organic production does have to take into account a higher number of external factors when it comes to fulfilling the overall goals of the invtervention.

The activities of Czech FDC in the agricultural sector did produce some positive side effects on the level of communities. Projects did encourage participation of citizens on community life and on initiatives aimed at its development. Also the promotion of modern approaches to public governance based on intensive participation of relevant stakeholders and bottom-up formulation of public agenda was appreciated.

Positive impacts of the Czech FDC initiatives to environmental issues have been registered. That is the case especially with projects aimed at the advancement of organic farming which directly contribute to promotion of managements friendly to natural resources and support the biodiversity and soil protection. Also other projects show some indirect positive effects on the environment, such as reducing the volume of application of mineral fertilizers. No negative impacts on the environment have been registered.

None of the projects registers direct implications on the issues of gender, however, some activities were directed on women and their position in the traditional model of farming.

Strong synergy potentials have been identified between some of the projects. Once they promoted similar approaches to the strengthening of competitiveness of their target groups, they could have benefited from mutual cooperation in creation of training modules, share their lectors, interlink their target groups, coordinate their marketing activities, etc. However these synergies were actually exploited to a very limited degree. The projects in question were planned independently and did not count with mutual interaction when formulating their intervention logics. Coordination and cooperation would have to occur first in the implementation phases – however, the implementers were not sufficiently motivated to do so. The key concern of a project implementer is to implement in accordance with the project documentation and achieve the formulated goals; coordination and division of tasks could, however, endanger the administrative (not actual) achievement of some of the targeted outputs. Therefore, if a higher degree of coordination of implemented projects is to be achieved, it must be formulated already in the projects’ preparatory phases, moreover, coordination between projects must be facilitated by the donor.

The following recommendations to the involvement of Czech FDC in the sector of agriculture in Moldova were formulated on the basis of evaluation:

* With regard to the limited budget of FDC for the support of agriculture in Moldova we recommend narrowing / specifying its goal. We suggest the following overall goals: Support to stabilization of rural localities and poverty reduction (by the means of support to cooperation between farmers), development of human resources in agriculture and pilot projects to verify the effectiveness of support to organic agriculture as a tool to strengthening the competitiveness of small and medium farmers.
* We recommend maintaining the support to establishment of cooperatives in specific localities. The support should focus on small localities that cannot yet qualify for support of big donors.
* We recommend to implement rather a small number of projects with larger financial scope and a systematic approach to the issue at hand. On the contrary, we no strongly advise against ex-post division of allocation among several projects (if a subsidy model is applied).
* We recommend the continuation of support to development of organic farming in Moldova as a tool for raising the competitiveness, however, in the form of pilot projects aimed at systematic acquiring of good practice among a rather limited number of farms.
* If the support to organic farming is maintained among goals of FDC in Moldova in the agricultural sector – as formulated in previous recommendation, it is advisable to realize projects aimed at creating and strengthening of networks between Moldovan producers and purchasers in the Czech Republic / EU.
* Strengthen the coordination of Czech FDC activities with other donors in the sector and support the formalization of such processes.
* In the case that the support to creation and development of cooperation is maintained, we recommend that prolonging the time frame for implementation of such projects to 5 years is considered.
* Increase the accent on projects’ financial reporting so that it would be possible to analyze itemized financial reports (not only cumulative costs), associate costs with individual activities (so that calculation of costs of an unit of output would be enabled) and separate costs of the actual project activities from costs of administration, management and coordination of the project.
* Systematize the project monitoring on the level of outcomes – increase the stress on formulation of monitoring indicators that would be relevant to project outcomes (goals) and the quantification of their target values.
* Strengthen the processes of collection of quantitative data from project beneficiaries – most importantly their economic indicators collected on the level of individual supported farms. Strengthen the processes of collection of feedback from the supported participants also with some delay from their receiving the support.
* Strengthen and facilitate coordination between thematically and geographically related projects so that their synergies would be fully exploited.
* Strengthen the emphasis on market-oriented activities in the projects.
* Maintain the stress on professional qualification of the experts as well as their origin from the Czech Republic or other EU countries from the Central and Eastern Europe in projects implemented on “grass roots” level.
* Maintain the stress on transfer of good practice by the means of study visits.