



PROJECT IDENTIFICATION FORM (PIF) ¹
PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND: SCCF

PART I: PROJECT IDENTIFICATION

Project Title:	CLIMATE RESILIENCE THROUGH CONSERVATION AGRICULTURE		
Country(ies):	Republic of Moldova	GEF Project ID: ²	4366
GEF Agency(ies):	IFAD (select) (select)	GEF Agency Project ID:	n/a
Other Executing Partner(s):	Ministry of Environment; Ministry of Agriculture and Food Industry	Submission Date:	9SEP2010
GEF Focal Area (s):	Climate Change	Project Duration(Months)	48
Name of parent program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/>		Agency Fee (\$):	462,000 (including PPG fees)

A. FOCAL AREA STRATEGY FRAMEWORK³:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Indicative Financing from relevant TF (GEF/LDCF/SCCF) (\$)	Indicative Cofinancing (\$)
CCA 1	Outcome 1.2: Reduced vulnerability in development sectors	Output 1.2.1: Vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability	2,300,000	6,900,000
CCA 2	Outcome 2.2: Strengthened adaptive capacity to reduce risks to climate-induced economic losses	Output 2.2.1: Adaptive capacity of national and regional centers and networks strengthened to rapidly respond to extreme weather events Output 2.3.1: Targeted population groups participating in adaptation and risk reduction awareness activities	900,000	2,800,000
CCA 3	Outcome 3.2: Enhanced enabling environment to support adaptation-related technology transfer	Output 3.2.1: Skills increased for relevant individuals in transfer of adaptation technology	850,000	2,600,000
Project management cost ⁴			450,000	1,500,000
Total project costs			4,500,000	13,800,000

¹ It is very important to consult the PIF preparation guidelines when completing this template.

² Project ID number will be assigned by GEFSEC.

³ Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.

⁴ GEF will finance management cost that is solely linked to GEF financing of the project.

B. PROJECT FRAMEWORK

Project Objective: Enhancing Adaptive Capacity of rural farmers through Sustainable Agricultural Approaches					
Project Component	Grant Type (TA/INV)	Expected Outcomes	Expected Outputs	Indicative Financing from relevant TF (GEF/LDCF/SCCF) (\$)	Indicative Cofinancing (\$)
1. Promoting awareness and proper knowledge and creating an enabling environment to boost adaptive capacity through “climate smart” agricultural interventions	TA	<p>Adaptive capacity of poor rural farmers to climate change risks is enhanced</p> <p>Institutional capacity on the potential and opportunities of conservation agriculture enhanced</p> <p>Knowledge base relevant to conservation agriculture strengthened</p> <p>Information on CA disseminated and awareness among policy makers and farmers increased</p>	<p>At least 400 farmers adopt more resilient agriculture production approaches</p> <p>Policy reviews and formulation to boost sustainable agricultural approaches in Moldova</p> <p>Development of specific knowledge tools relevant to adaptation to climate change</p> <p>4 annual training sessions (15 participants each) to technicians and policy makers on conservation agriculture</p> <p>Organisation of 4 (5 people each) regional and 2 international (3 people each) study tours for decision-makers and practitioners</p> <p>Support extension services to promote conservation agriculture (support in equipments and training)</p>	900,000	2,800,000
2. Mainstreaming conservation agriculture and reducing the	Inv	Basic appropriate technologies (weather	At least 400 small holders equipped with appropriate approaches to	3,150,000	9,500,000

vulnerability of producers to climate change		forecasts, job-planters, direct-seeders...) explored and introduced	enhance their adaptive capacity		
		Rate of soil erosion on steep slopes is minimised	Conservation agriculture approaches cover at least 5% of small-scale farms in Moldova		
		Adaptive capacity and risk management capacities of actors in the value chain enhanced	At least 300 farmers trained on conservation agriculture		
		Increase in soil fertility, soil moisture and in biodiversity through enhanced organic matter content	Soil erosion rate is decreased by at least 20% by PY4 in targeted small farms with steep slopes Long-term increase in yields and increased farming sustainability		
Project management Cost ⁵				450,000	1,500,000
Total project costs				4,500,000	13,800,000

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
GEF Agency	IFAD	Soft Loan	13,300,000
GEF Agency	IFAD	Grant	500,000
Total Cofinancing			13,800,000

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal area	Country name/Global	Project amount (a)	Agency Fee (b) ²	Total c=a+b
IFAD	SCCF	Climate Change	Republic of Moldova	4,500,000**	450,000**	4,950,000
Total Grant Resources				4,500,000	450,000	4,950,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

² Please indicate fees related to this project.

**** EXCLUDING A \$120,000 PPG AND 12,000 OF AGENCY FEES**

⁵ Same as footnote #3.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 THE GEF FOCAL AREA STRATEGIES:

This project is responsive to the Climate Change Strategy for GEF-5 in terms of the CCA 1: Reduce vulnerability to the adverse impacts of climate change, including variability, at local, national, regional and global level, Outcome 1.2: Reduced vulnerability in development sectors; CCA 2: Increase adaptive capacity to respond to the impacts of climate change, including variability, at local, national, regional and global level, outcome 2.2: Strengthened adaptive capacity to reduce risks to climate-induced economic losses and CCA 3: Promote transfer and adoption of adaptation technology, outcome 3.2: Enhanced enabling environment to support adaptation-related technology transfer.

The project will focus on capacity building activities, both at the institutional and at the field levels, to highlight the impact of conservation agriculture and the introduced technology on adaptive capacity in Moldova. The approaches introduced will demonstrate their positive impact on the major problems in Moldova, which are soil erosion and decreased yield. The improved livelihoods of small farmers will be coupled with policy work to sustain climate-smart agricultural interventions.

A.1.2 FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES:

In line with the programming paper to implement the guidance for the SCCF adopted by the UNFCCC COP at its 9th session, the proposed SCCF intervention will seek to finance the additional costs of achieving sustainable development posed by climate change. In particular, the project addresses the risks to food security and rural poor people income in the light of climate change. The adaptation activities to be undertaken, as well as for the type of technology to be introduced are essential areas that have been pin-pointed by national communications and technology needs assessment reports.

The project will support capacity building, including institutional capacity building, as well as advise policies relevant to addressing the adverse impact of climate change and increasing resilience of target communities.

The proposal has been developed in compliance with the principle of country ownership by having taken into account national priorities. The project aims to ensure cost-effectiveness and sustainability also after the project completion.

The project design criteria have been respected and the added value of the SCCF intervention (additionality) is clearly articulated in the project proposal. Co-financing requirements are satisfied and cost-effectiveness aspects have been carefully considered. The proposed interventions take into account the activities supported in the baseline intervention and in other relevant projects in the country.

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPs, NBSAPs, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPs, NPFE, ETC.:

The current project is in line with the Second National Communication (completed in 2009), as well as the Technology Needs Assessment and Development Priorities Report. Both reports call for solutions to reduce the impact of agriculture on climate change, and device approaches and technologies that enhance the adaptive capacities of vulnerable communities, especially women, who occupy the main workforce of this economic activity.

The Second National Communication of the Republic of Moldova identifies several priority measures relevant to the agricultural sector. These priorities include: improving soil fertilization techniques, using all organic matter sources to enrich soils with carbon, achieving a balanced content of humus and nutrients in soil, implementing sustainable soil management practices and combating soil degradation through diverse complex measures, including anti-erosion measures. With reference to vulnerability and adaptation to climate change, and with specific reference to agro-ecosystems, the second national communication emphasizes the need to implement sustainable soil management procedures; ensure socio-economic conditions to provide for profitable farming; identification of technologies adapted to new climate conditions; and implementation of agricultural systems contributing to reduction of soil erosion and degradation.

As for the Transfer of the Environment-Friendly Technologies, the national priorities in this field mention the need to encourage the transfer of the technologies, practices and procedures that allow to control, reduce or prevent GHG emissions in all national economy sectors, including the agriculture sector, as well as to develop and approve a National Program on use of environment-friendly technologies.

Relevant to the Technology Needs Assessment report, and mainly relevant to the impact of agriculture on energy consumption and the requirements on environment protection, the report stresses the necessity for the implementation of the national concept on ecological agriculture, as well as undertaking measures on prevention and fighting soil erosion, land-sliding and other forms of soil degradation.

B. PROJECT OVERVIEW:

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

Moldova is the second smallest member of the Commonwealth of Independent States. A landlocked country, it has an area of 33,700 square kilometres and a resident population of 3.3 million, giving it a population density of 129 persons per square kilometre, the highest of the former Soviet Union countries. Twenty-one per cent of the population live in the two major cities of Chisinau, the capital, and Balti; 61.3 per cent live in rural areas. Agriculture and agro-processing account for nearly 30 per cent of GDP, 59 per cent of the value of exports and 43 per cent of employment. However, growth since 2000 has averaged just two to three per cent per annum, and the sector's relative contribution to the economy continues to decrease although 61.3 per cent of the population still live in rural areas.

One of the most important constraints facing agriculture in Moldova is the semi-arid climate. This leads to low yields and frequent crop failures within the dominant system of rain-fed agriculture, which mostly uses conventional land and crop management technology, albeit with obsolete and unreliable machinery. This involves ploughing the soil, one or more subsequent cultivations and crop establishment with seed drills. While such techniques work, they are no longer optimal in terms of their impact on the soils and their productivity. Long-term effects of using this type of technology, especially within the predominant Chernozem (black earth) soil types include: soil compaction; soil erosion; loss of organic matter; and reduction of moisture holding capacity.

Moldova is also increasingly suffering from conditions brought about by climate change, which is expected to result in "... elevated aridity of Moldova's territory, especially during periods of crop growth."⁶ In a recent report, the World Bank noted the trend towards higher temperatures and lower humidity, and the potential for climate change to influence the frequency and severity of several key threats, including erosion, droughts and flooding.⁷

In recognition of this problem, the Ministry of Agriculture has requested that more modern conservation farming approach be demonstrated and applied through the support of the IFAD Rural Financial Services and Agribusiness Development Project (RFSADP). The Project seeks to: (i) improve in a pro-poor manner the efficiency of agriculture-related value chains, particularly through support to the introduction and establishment of internationally-recognised quality and food-safety standards and support to the development of contract farming; (ii) increase the access of poor rural people to credit through support to appropriate, affordable, rural financial instruments; and (iii) alleviate or remove infrastructural bottlenecks to improving the assets and incomes of poor rural people. The RFSADP is a five-year project with a total budget of 13.8 m US\$. It will start in 2011 and will support small investments aimed at provision of improved crop production services through small-scale service providers.

⁶ R. Corobov, Estimations of climate change impacts on crop production in the Republic of Moldova, Institute of Geography, Moldovan Academy of Science, July 2006.

⁷ Rural Productivity in Moldova – Managing Natural Vulnerability, the World Bank, May 2007.

B. 2. DESCRIBE THE INCREMENTAL (GEF TRUST FUND) OR ADDITIONAL (LDCF/SCCF) ACTIVITIES REQUESTED FOR GEF/LDCF/SCCF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) OR ASSOCIATED ADAPTATION BENEFITS (LDCF/SCCF) TO BE DELIVERED BY THE PROJECT:

Due to its overwhelming dependence on climate conditions, agriculture is the most vulnerable sector of the Moldovan economy to climate change. Climate volatility is one of the main causes of unstable harvests and is an inherent risk of Moldovan agriculture.

The present project will be promoting Conservation Agriculture as a means to enhance climate resilience in Moldova. The main principles for conservation Agriculture include minimum soil disturbance, soil ground cover and promotion of crop rotation. The specific effects of application of such a system are: (a) Soil remains in a good condition to receive moisture from precipitation; (b) The ability of the soil to retain moisture is increased; (c) Soil fertility, especially organic carbon and humus, is improved; (d) Soil compaction is reduced, allowing easier root penetration; (e) Soil erosion is reduced due to better infiltration characteristics; (f) Energy used in crop production is greatly reduced; and (g) Beneficial Micro-fauna in soils, such as earthworms, are encouraged by the more favourable soil environment.

The overall effect of such a system is that a far higher proportion of precipitation actually enters the soil profile and becomes available for crop growth. As a result, crop yields are much higher, crops are more resilient to dry periods, and crop production costs are lower. These factors together are intended to enhance socio-ecological resilience of small-holder farmers and increase their adaptive capacity to fluctuating weather conditions.

Promoting conservation agriculture is proposed to build socio-economic and ecological resilience within one of the most important and vulnerable sectors in the country.

Conservation Agriculture practices enhances the resilience of the agricultural sectors to the shocks of Climate Change as well as ensures the attainment of improved livelihoods, improved crop yields and food security.

Conservation Agriculture is being practiced in a number of countries as traditional soil and water conservation practices by specific communities or at pilot project scale. Despite the difficulties faced early through the implementation, benefits from this practice have shown great potential in boosting agricultural production and diversifying livelihood incomes. The project will move from pilot based approaches to programme large scale approaches through up-scaling of this approach. The additionally argument of this projects stems from its efforts for making agriculture in Moldova more sustainable and resilient to climate changes by reducing the vulnerability of soils and crops and up scaling technologies for conservation agriculture approaches.

The table below summarizes the added value of the GEF intervention in comparison to the baseline.

BASELINE	The capacity building activities are intended to help the different target groups increase production and create an enabling environment for value chain promotion. However, climate change is not addressed as a key constraint for value chain development, and enhancing adaptive capacity is not tackled, neither at policy nor at practice levels.	The baseline will support small investments aimed at provision of improved crop production services through small-scale service providers. However, this support is not envisaged to enhance the adaptive capacities of small-holders and increase their resilience to climatic variability.
ADDITIONALITY OF GEF INTERVENTION	<ul style="list-style-type: none"> • Training sessions to small-holder farmers on a system that would minimize input and enhance resilience • Transfer of innovative approaches and application of basic systems that reduce vulnerability 	<ul style="list-style-type: none"> • Vulnerability to climate change impact on agricultural production systems reduced. • Conservation agriculture successfully tested and scaled-up • Climate-resilient agricultural system put in place and water use

	<ul style="list-style-type: none"> • Informing and influencing policy relevant to enhancing adaptive capacity • Support to Moldova Green Economy Initiative (GEI) by putting forward strong and convincing evidence that would support a national plan for mainstreaming of conservation agriculture. 	<p>and energy efficiency improved</p> <ul style="list-style-type: none"> • A number of environmental benefits that entail climate change adaptation and sustainable management of natural resources namely water and land. • Reduction of soil erosion, which is one of the main obstacles to agricultural productivity in Moldova • Adaptive capacity to face irrigation water shortage enhanced through approaches that conserve soil moisture
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B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS(GEF TRUST FUND) OR ADAPTATION BENEFITS (LDCF/SCCF).

Climate change and livelihoods are not linked together in a simple cause-and-effect global relationship, but in interactive ways through mediating factors (such as access to land, access to appropriate technology, water and grazing, income inequality, gender...) and these factors have major importance in configuring the 'platform' on which adaptation is constructed. By tackling these issues both at the policy and implementation levels, and by building capacities and extending extension support, target communities will be able to make adequate choices that would enhance their vulnerability to climatic changes, and enhance their adaptation capacities.

Climate change is already having a profound impact on agriculture in Moldova with increasing climate volatility which is threatening natural resource base, agricultural production and food security. Moldova's vulnerability to climate change is also exacerbated by the high dependence on rainfall agriculture, inadequate infrastructure, and low level of technology, and thus low level of adaptive capacity to climate impacts. Building land-users' (farmers) resilience to these impacts would be catered for in this project through the adoption of conservation agriculture, as well as other appropriate approaches of "climate-smart" agricultural approaches. This would ensure adaptation to climate change, improving soil fertility and the overall agricultural productivity while enhancing ecosystem resilience and climate related risks.

Up till now, conservation agriculture has been practiced to a very limited extent, and basically limited to few field tests. The main target group, the rural poor who depend on agriculture for their livelihoods, who will be most affected by the impacts of climate change in Moldova, have not been aware of approaches that would help them increase their resilience and enhance their adaptive capacity. This will be the main aim of this GEF SCCF intervention. The other initiatives at the country level, being undertaken by development agencies and by relevant Government institutions, will help in picking up these approaches and scaling them up.

The promotion of sustainable agriculture affects all the participants in the system – farmers, labourers, policymakers, researchers, retailers and consumers – and holds adaptation benefits through its contribution to reducing labour power, energy input and water consumption.

B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS TO BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:

Through the introduction of a new agricultural system, the success of the project is highly dependent on the quality of the farmers' contribution and engagement. These risks will be minimized through the organization of targeted training and through the efforts that the project will put on awareness raising and information dissemination. The entry point for the SCCF operation will be the Rural Financial Services and Agribusiness Development Project (RFSADP). This baseline will

offer a good platform for farmer's organisation, participation and contribution and this is likely to minimise the risks.

Another risk is related to the ability of the existing institutional and policy/legal context to drive a successful wider implementation of the up-scaling efforts that the project is aiming at. Lack of Incentives and institutional bottlenecks could lead to limited results. However the project will put significant efforts to create an enabling environment for mainstreaming and up-scaling conservation agriculture. The successful examples at the national level and beyond will be built upon, and policy makers will be also targeted in awareness campaigns and involved in the planning of investment choices in order to ensure a buy-in at all levels.

As conservation agriculture is a new approach to agricultural production in Moldova, there is limited capacity at the national level to develop and further on sustain this type of activity and scale it up. The project (and through its 2 different components) will stress the capacity-building elements which will contribute to the sustainability of project outcomes, linking specifically various capacity building activities to desired outcomes that will contribute to this project's sustainability. The IFAD project will adopt the success stories from the GEF SCCF intervention and scale them up.

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES AND THEIR RESPECTIVE ROLES, AS APPLICABLE:

The project will proactively strive to reach poor rural women and men who have the potential to take advantage of improved access to assets and opportunities for agricultural production and related rural income generating activities. Within this target group in Moldova there is significant variety in the capital assets owned (land, physical assets, income, education), the livelihood options available as a result, and the strategies that are actually pursued. It is possible to discern at least three target sub-groups for the Project:

(i) The commercially-oriented poor: oriented towards gaining ground in commercial agriculture and/or consolidating existing investments. This group is distinguished by an awareness of market constraints, above average technical capacity in agriculture, higher education, access to information, a credit history and membership of associations.

(ii) The economically-active poor: Usually farming their land shares and producing a small surplus that is sold on an occasional basis in local markets. These households are likely to have secondary or higher education and access to a remittance income, which may however be unreliable and occasional.

(iii) The very poor: either landless or do not cultivate their land shares. They tend their household plots for some fruits, vegetables and keep some backyard animals, usually poultry and maybe a few pigs. Their main income is from low-end employment, usually in agriculture, land leasing and social insurance benefits.

There are several active NGO operating in the project area in Moldova, and they will be involved through the project activities due to the outreach they provide in terms of awareness and training. The local authorities will also have a major role in the project in what relates to identification of implementation areas and basic applied technologies, and will be targeted through the institutional strengthening activities.

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

The project will benefit from the initiatives carried out jointly by other partners and actors in the country. The initiatives of greatest relevance to the proposed project are described in Table 1 below:

Table 1: Complementary Donor Initiatives and Partnership Potential

Funding Agency	Nature of Programme	Complementarity/ Synergy Potential
World Bank	The World Bank's Country Partnership Strategy (CPS) 2009-2012 for Moldova. This is based upon: (i) improving economic competitiveness to support sustainable growth; (ii) minimising social and environmental risks, building human capital and promoting social inclusion; and (iii)	Create an enabling policy environment to upscale and mainstream conservation agriculture

	improving public sector governance.	
FAO	FAO project on Piloting Small-Scale Modern On-farm Irrigation Technology in six locations in Moldova and focusing on development of a legal framework for Water Users Associations (WUAs). FAO has also provided a Euro 1.5 million financing facility to complement their existing programme on irrigation equipment leasing	Partnerships for exploring options and synergies for development and introduction of adequate coupling technologies
JICA	Leasing of agricultural Equipment	Support the provision of basic technologies
Millennium Challenge Corporation (MCC)	Under the recently signed (February 2010) Compact with Moldova, MCC will finance the rehabilitation of 11 central irrigation systems at an estimated USD 70 million. The overall goal is to provide irrigation for about 15000 ha of high value crops.	Synergies for scaling-up and field implementation
USAID	The Agricultural Policy Project: working with the Ministry of Agriculture and Food Industry to strengthen and restructure the Ministry so it can effectively support the development of a market-based agro-industrial sector in Moldova. Farmer-to-Farmer – Agriculture Volunteers Program (AVP): mobilizes skilled volunteers to assist individual farmers and farmer cooperatives in grassroots initiatives that impact agribusiness development. Roughly 35 volunteers, many of whom have over 20 years of farming and business experience in the U.S, participate every year. Volunteers work side by side with Moldovan farmers in assignments that help local farming communities with strategic marketing, development of farmer cooperatives, assistance with developing budgets and work plans, and training local trainers in financial management and record-keeping.	Support in scaling-up conservation agriculture - exploring emerging new market based opportunities Potential for learning from wide-ranging experience. Complementary support for system implementation in rural areas, youth entrepreneurship and farmer organization.
The National Agency for Rural Development (ACSA).	NGO that provides agricultural extension and rural business advisory activities for farmers and rural SMEs	Technology transfer, training and business development services
National Farmers Federation of Moldova (NFFM)	NGO non-profit organization in which representatives of farmers' associations, cooperatives and peasant farms from 29 locations of the country participate. At present, NFFM numbers 27,000 dues-paying members and about 30,000 passive members and sympathizers. 11 regional organizations and 712 local organizations as well as 9 information and consultancy centres, which aim to stimulate business links among SME farmers.	Provide a good platform for implementation of awareness and extension activities, as well as replication of the system

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

Environmental threats such as climate change are inseparable from IFAD's mission of helping poor smallholders. Climate change is multiplying the existing risks of IFAD's target group and IFAD is keen on turning these into opportunities. IFAD, and through the implementation of its climate change strategy, is maximising its impact on rural poverty in a changing climate. IFAD has been successful in doing so through supporting innovative approaches to helping smallholder producers – both women and men – build their resilience to climate change; helping smallholder farmers take advantage of available adaptation incentives and funding; informing a more coherent dialogue on climate change, rural development, agriculture and food security, as well as influencing relevant policies. Moreover, IFAD brings a good knowledge of natural resource management issues in and a significant pool of knowledge and experience in capacity-building and empowerment and sustainable agricultural production. The Fund's comparative advantage also lies in its ability to work

at the grass-roots, community level. Government recognizes IFAD as a leader in participatory rural development in Moldova.

C.1 INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO THE PROJECT:

The GEF resources will be co-financed through the IFAD Rural Financial Services and Agribusiness Development Project (RFSADP), which will provide the Republic of Moldova with a loan of US \$ 13.3m and a grant of US \$ 0.5m for the implementation of baseline activities. The proposed GEF funding is justified to pay for the incremental cost in up-scaling conservation agriculture and development and introduction of financial products and basic technologies to mainstream it and reduce the vulnerability of producers to climate change.

C.2 HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM (REFLECTED DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:

The proposed project builds on IFAD's past experience and lessons learned in the Republic of Moldova and it is synergistic and complementary to the activities of the Rural Financial Services and Agribusiness Development Project (RFSADP). The project is also in line with the National Agriculture Strategy 2006-2015. This strategy specifies eight 'mechanisms' for addressing objective-related tasks: harmonisation with the relevant EU legal framework; agricultural modernisation through research and development; use of private sector initiative and competitiveness; cooperation and integration of production, processing and marketing; land consolidation; improved standards and certification; development of production-related infrastructure; and ecological agricultural development.

IFAD in Moldova already has a Programme Steering Committee (IPSC) established by Government decree and responsible for providing overall policy, guidance and oversight for all IFAD-financed projects and programmes in Moldova. For the implementation of the IFAD/GEF project, the IPSC current membership will be expanded to include representatives from the Ministry of Environment.

It was in principle agreed that the fiduciary services and safeguards will be provided by the Consolidated Programme Implementation Unit (CPIU-IFAD), which has been discharging its statutory responsibilities in a highly satisfactory manner as evidenced by all IFAD supervision missions, while day to day technical implementation of the Project will rest with the Consolidated Environmental Projects Implementation Unit (Ministry of Environment). Implementation arrangements will be further developed during the design of the project. The CPIU will carry out the overall programming and budgeting of Project activities, take the lead in Project implementation in cooperation with relevant actors and beneficiary institutions, such as farmer-based organisations and rural women's groups. The specific role of each of the executing partners will be further detailed during the project design.

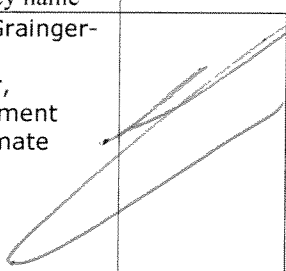
PART III: APPROVAL/ENDORSEMENT BY OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT:

(Please attach the country endorsement letter(s) or regional endorsement letter(s) with this template).

NAME	POSITION	MINISTRY	DATE (Month, day, year)
H.E. Mr. Gheorghe Salaru	Minister	MINISTRY OF ENVIRONMENT	

B. AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with SCCF policies and procedures and meets the SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Elwyn Grainger-Jones Director, Environment and Climate Division IFAD		13 May 2011	Rami Abu Salman, Regional Climate and Environment Specialist, Environment and Climate Division IFAD	+39 06 5459 2291	r.salman@ifad.org