



MINISTRY OF AGRICULTURE AND FOOD INDUSTRY OF THE REPUBLIC OF MOLDOVA

CONSOLIDATED UNIT FOR IMPLEMENTING AND MONITORING  
THE WINE SECTOR RESTRUCTURING PROGRAM



## WINE SECTOR RESTRUCTURING PROGRAM

### PROGRESS REPORT

(For period January 01 – March 31, 2012)

Date of submission to EIB: 27 April, 2012

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## Abbreviations

CLD	Credit Line Directorate
CEED II	Competitiveness Enhancement and Enterprise Development II
ECCYSA	Entidad de Promoción, Certificación y Servicios Agroalimentarios
EIB	European Investment Bank
EUR	EU currency
FB	Final Beneficiary
LPAs	Local Public Authorities
LLC	Limited Liability Company
M&E	Monitoring and Evaluation
MIS	Management Information System
MoAFI	Ministry of Agriculture and Food Industry
MoF	Ministry of Finance
MDL	Moldovan Lei
OM	Operations Manual of the Program
PB	Potential Beneficiary
PDO	Protected Designation of Origin
PED	Program Executive Director
PFI	Participating Financial Institution
PGI	Protected Geographical Indication
PIU	Program Implementation Unit
TA	Technical Assistance
USAID	United States Agency for International Development
WSRP	Wine Sector Restructuring Program

## INTRODUCTION

The Wine Sector Restructuring Program (WSRP) has been launched on the 23rd of November, 2010 and is expected to be finalized on the 31<sup>st</sup> of March 2016. From EIB sources EUR 75 million has been allocated for the implementation of activities envisaged under the Program being operational for almost 4 years.

The WSRP aims to contribute to wine sector recovery and develop the production of bottled wines of “Protected Designation of Origin” (PDO) and/or “Protected Geographical Indication” (PGI), by (i) restructuring the wine industry, (ii) improving the quality and consistency of wine produced in Moldova from the quality of vineyards to the final packaging and dispatch of products, and (iii) diversifying the country’s export markets.

In order to achieve the Program’s goal and objectives Program Implementation Unit (PIU) will act through **5 Program components**:

- i. **Winemaking enterprises development** - upgrade the equipment and facilities, establish new winemaking enterprises, or expand the activities of the existing ones;
- ii. **Viticulture sector development** - restructure and revitalize the old and un-productive vineyards, introduce new growing technologies (drip irrigation, other protection systems) and upgrade the viticulture equipment at the farm level;
- iii. **Associated industries enterprises development** - upgrade the equipment and facilities;
- iv. **Promote quality control bodies, education and research** - acting through:
  - a. National Laboratories Network Development – establishment / development of the relevant control bodies and testing wine quality at national level;
  - b. Promotion of pro-wine policies and institutions – support the introduction of the system of PDO and PGI for Moldovan wines; organize trainings for students; create working laboratories or update the equipment in the existing laboratories in four affiliated educational institutions.
- v. **Program management** – PIU operations undertaken for the Program implementation.

The Program Components will be financed through four **financial instruments**, which are the Credit line, Leasing, Loan guarantees, and Capital investments.

This Report has been elaborated by the PIU in accordance with Article 12.06, Schedule A (Reporting), point 3 of the Finance Contract Serapis № 2010-0484, and reflects the evolution of Program’s performance during January 2, 2012 – March 31, 2012.

## I. PROGRAM PERFORMANCE EVOLUTION

In the reported period, PIU activities were based on implementing and developing the following financial instruments:

- (i) **Credit Line;**
- (ii) **Leasing operations.**

During the reported period through the **Credit Line** PIU registered 11 Applications from Final Beneficiaries, provided assistance in the development of 10 business plans, 4 of which were finalized and received PIU eligibility notice. Three sub-projects were sent to EIB for NO Objection.

**Table 1. Summary performance on Credit Line Component as of 31.03.2012**

Informed and provided consultancy to PB	Registered applications	Developed Business Plans	PIU eligibility notice	PFI / CLD approval	EIB NO Objection (pending)	EIB financed sub-projects
<i>Annex 1</i>	<i>Annex 2</i>	<i>Annex 3</i>				-
<b>51</b>	<b>11</b>	<b>10</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>0</b>

For defining the **Leasing instrument** PIU started to elaborate the Operations Manual Annex D. *Leasing Instrument* and elaborated the drafts of several procedures/ templates/ documents for leasing operations.

### A. Credit Line Instrument

During the reported period PIU has conducted several actions in order to promote the Credit Line, to disseminate Program information and to establish partnership relations with all stakeholders, as follows:

- 1) Organized on January 27<sup>th</sup> a meeting with representatives of the CB "Moldova Agroindbank" JSC in order to inform and explain all provisions and lending conditions based on Finance Contract, OM, Side Letter and Sub-Financing Agreement;
- 2) Organized meetings and/or provided consultancy to 51 potential Final Beneficiaries in order to inform and explain all provisions and lending conditions based on Finance Contract, OM, Side Letter ( *Please see Annex 1*);
- 3) Informed 11 potential beneficiaries at their request by e-mail on EIB requirements and procedures, procurement rules and other issues in order to access the Credit Line sources, received and registered their applications (*Please see Annex 2*);

- 4) Analysed and reviewed 10 business plans of potential beneficiaries, of which 4 ("Euroalco", "DK-Intertrade", "Asconi", "Alianța-Vin") were finalised and accepted by PIU for financing and 6 business plans ("Fautor", "Tomai Vinex", "Agrovin Bulboaca", "Vinaria din Vale", "Vinaria Tiganca", "Wine International Project") are still in work (*Please see Annex 3*);
- 5) Signed and submitted the PIU Eligibility Notice for the following sub-projects: "Euroalco" LLC, "DK-Intertrade" LLC, "Alianța-Vin" LLC, "Asconi" JSC. All the above mentioned beneficiaries are eligible for financing and their sub-projects correspond to all eligibility criteria mentioned in the OM and Side-Letter;
- 6) Provided support (as requested) to the following Final Beneficiaries in organizing their respective procurements according to EIB procurement Guide and Program Operations Manual, as follows:

**Table 2. FB that received PIU consultancy upon procurement procedures based on EIB rules**

Final Beneficiaries	Procurement documentation (continuously) reviewed by PIU:
"Alianta Vin"	Yes
"Asconi"	Yes
"DK Intertrade"	Yes
"Euro-Alco"	Yes

- 7) Established partnership relations with the Competitiveness Enhancement and Enterprise Development II Project (CEED II, USAID Moldova) and agreed upon a Concept of Technical Assistance for winemaking companies that want to apply to the "Filiere du Vin" Program. This concept foresees the following assistance:
  - Inform potential beneficiaries about the existence of "Filiere du Vin" Program, the possibility of accessing resources from EIB through the Credit Line;
  - Inform potential beneficiaries on the Program eligibility criteria, application procedures and direct the potential beneficiaries to the "Filiere du Vin" Program;
  - Provide advice on completing application to the "Filiere du Vin" Program;
  - Directly provide advice and support to final beneficiaries in the development of the business plan recommended by the "Filiere du Vin" Program;
  - And / or co-develop business plan by a third party - financial consulting company, financed by CEED II, according to the available budget.

CEED II Project will assist micro, small and medium enterprises that correspond to several eligibility criteria established by them. One Final Beneficiary – "Agrovin Bulboaca" is benefiting from CEED's II assistance in business plan development.

During reporting period the PFI's (*after receiving the PIU Eligibility Notice for the above mentioned sub-projects*) examined the potential beneficiary's business, evaluated their payment capacity, estimated credit risk exposure level on each sub-project, made a positive credit decision and submitted to CLD the PFI request for Sub-financing, as follows:

**Table 3. Beneficiary dossiers approval schedules**

	Beneficiary Name	Date of submission		
		PIU Eligibility Notice	PFI approval	CLD approval
1	"Euroalco"	26.01.2012	31.01.2012	23.02.2012
2	"DK-Intertrade"	26.01.2012	31.01.2012	01.03.2012
3	"Alianța-Vin"	29.02.2012	05.03.2012	15.03.2012
4	"Asconi"	27.02.2012	In process of examination	-

## B. Leasing Instrument

During the 1<sup>st</sup> quarter of 2012 PIU focused its attention on developing leasing operation procedures and elaborating several supporting documents for the Leasing instrument. According to the EIB Side Letter (par. 5.6), allocation procedures for leasing operations shall be defined together with the international consultancy. Taking into consideration the high expectations of the wine sector beneficiaries regarding Leasing PIU started to elaborate draft documents for leasing operations. The final version of the documents and procedures should be defined and further reviewed by experts contracted by EIB for this scope. On the other hand, PIU has identified its necessities of technical assistance for developing and implementing the leasing operations. The necessities were presented to the ECCYSA, EIB TA team for review and support (*Please see Annex 4*).

During the reported period PIU have done the following activities:

- PIU continued and finalized to study the Moldovan regulations on leasing activities, legal and fiscal aspects of the financial leasing in order to have complete understanding on actual Moldovan regulations on leasing operations, all advantages, opportunities, obstacles and risks of this financial instrument;
- PIU prepared the SWOT Analysis for leasing operations regarding selection of the most advantageous option from those two considered: *implementing leasing activity directly by PIU versus local leasing companies which are specialized on financial leasing*;
- PIU organized several trainings in-house for PIU employees in order to provide a comprehensive overview on leasing as a method of finance;
- PIU elaborated the draft versions of the annexes to Program Operations Manual (OM) regarding the Leasing instrument, which comprise following documents:
  - **Attachment D to OM** - Leasing Operations Procedures;
  - **Annex D-1** List of eligible goods in leasing operations;
  - **Annex D-2** Sub-Financing Agreement signed between MoF and PIU;

- **Annex D-3** Lessee Application form;
  - **Annex D-4** Lease contract model and annexes to it;
  - **Annex D-5** List of special provisions for sale - purchase agreement;
  - **Annex D-6** PIU Request form to MoF for sub-financing leasing transactions ;
  - **Annex D-7** Presentation report form of a sub-project;
  - **Annex D-8** The Flow of the Leasing process presented in two phases: pre-financing and post-financing phase of financial leasing;
  - **Annex D-9** Risk management scheme for leasing operations.
- PIU submitted to Minister of Agriculture and Food Industry documents elaborated for leasing component for review and expression of opinion;
  - PIU continuously collects from potential beneficiaries data referring to winemaking and viticulture equipment they intend to procure in leasing, quantities and technical specification.

### **C. Collaboration with ECCYSA, EIB TA**

Starting with February 27<sup>th</sup> PIU is continuously offering is supporting to ECCYSA, EIB TA team and is trying to benefit from their consultancy on different issues. ECYSSA, the TA mission organized two presentations for PIU Team. The first presentation was based on introducing the PIU Team to the “La Rioja” traditions and regulations, to familiarize PIU with “La Rioja” wine sector and to inform about the EU model of producing wine with PGI/PDO. The second presentation was made by a Romanian expert, regarding Romanian wine sector, with its specific legislative base, EU projects and initiatives directed into the wine sector, and gave recommendations on how to start creating the “Vine and Wine Registry”, which represents a stringent necessity and lack of the Moldovan wine sector.

In order to be more responsive to the necessities of the TA mission, PIU hired on a part-time basis a Winemaking Sector Advisor to undertake the following actions:

- To provide advice to TA mission experts on all aspects that contribute to smooth implementation of proposed activities;
- To facilitate interaction of TA experts with all involved parties, identify and solve possible problems with regard to wine sector involved stakeholders;
- To contribute to furnishing of studies/report/legislative base/other documents (elaborated by Moldova) as requested by TA mission;
- To contribute to analysis and approval, by Moldovan part of required reports that have been elaborated by TA mission;

## **D. Program Management Component**

During the 1<sup>st</sup> quarter PIU managed to implement all the actions planned in the 4<sup>th</sup> quarter regarding the Program Management Component. PIU actions classified by categories are described below.

### **1. Management Information System elaboration**

During the reported period the PIU together with contracted ICT service provider “Noi TI & Service” LLC worked on developing the MIS component related to the *Credit Line operations* and the component on *Monitoring and Evaluation of Final Beneficiaries*. The recording and reporting documents used within both components were developed, tested and partially adjusted.

### **2. Reporting and Budgeting**

During the reported period PIU prepared and submitted the following reports:

- Financial Reports due to deadlines and formats established by the national legislation to State Local Authorities (MoF, Fiscal Authority, social insurance authority, etc.);
- Progress Report for the 4<sup>rd</sup> quarter 2011 to EIB, and PIU’ Council of Observers ;
- Annual Work Plan and Budgets for 2012 to EIB for review and approval;
- Annual financial plan and detailed Program budget for 2012 per components, according to MoF requirements was submitted to MoAFI for approval and MoF for coordination;

### **3. PR actions**

During the reported period PIU began working on the creation of the Program website. It was selected the Program’s website developer and was started the work on website elaboration.

In the period 22-25 February, 2012 PIU participated at “ExpoVin Moldova 2012” which was held in Chisinau. Around 30 winemakers participated at the exhibition. During the exhibition vine growers and winemakers were informed about the conditions of access to the credit from EIB resources. During the exhibition were distributed about 100 flyers.

The Program Executive Director and the Credit and Lease Officer, along with representatives of several Moldovan winemaking companies, in the period 26-29 of March, 2012 were in a study visit in Germany on the wine issues. The scope of the visit was to help Moldovan winemaking enterprises to more and more converge to European Union and its markets.

On the 30<sup>th</sup> of March, 2012 the Moldovan delegation, consisting of Program Executive Director, the Credit and Lease Officer, along with representatives of several Moldovan winemaking companies and the Deputy Minister of Agriculture and Food Industry of Moldova participated in the expert forum “The negotiations of the DCFTA and the impact on the Moldovan wine industry”, held under the patronage of the International Organization of the Vine and Wine (OIV) in Geisenheim, Germany.

**Table 4. PIU consolidated PR actions for the 1<sup>st</sup> quarter 2012**

	Type of Activity	Location	Period	Participant
<b>1</b>	<b>Exhibitions</b>			
	ExpoVin Moldova 2012	Chisinau, Republic of Moldova	22-25 of February	Credit Specialist, Administrative Officer
<b>2</b>	<b>Meetings</b>			
	Associations of vine producers	MoAFI, Chisinau, Republic of Moldova	18 <sup>th</sup> of February	Credit and Leasing Officer
<b>3</b>	<b>Forums</b>			
	Expert Forum “The Convergence of Republic of Moldova to the EU”	Geisenheim, Germany	30 <sup>th</sup> of March	PED, Credit and Leasing Officer
<b>4</b>	<b>Study visits</b>			
	Technologies of wine productions and wine quality control	Geisenheim, Germany	26-29 of March	PED, Credit and Leasing Officer

#### 4. Procurement activities

During the 1<sup>st</sup> quarter of 2012 the PIU procurement operations were oriented on continuous and permanent endowment of the Program office with goods and services necessary for making PIU operational. The below mentioned Table 5 states the list of goods and services procured by local tenders and the Table 6 - the list of goods and services procured by direct contracting (usually these are small value contracts (up to 2,000 Euro per 1 contract) and which make part of Project Incremental Operational Costs).

**Table 5. Goods and services procured by tenders classified by supplier**

Supplier’s Name	Procurement method	What was procured
“Birovits”	Shopping	Office supplies
“Tirex Petrol”	Shopping	Fuel for project car(s)
„BRV ISTCOM”	Shopping	Development of Project Web Page

**Table 6. Goods and services procured by direct contracting classified by supplier**

<b>Supplier's Name</b>	<b>What was procured</b>
"NOI TI and Service"	Maintenance services for project ICT equipment, minor procurements of IT equipment.
"Jecars"	Project car maintenance services
"Dedal Business Travel"	International Air Travel – tickets (+ CASCO insurance for project car)
"Metro Cash & Carry Moldova"	Supplies (office/coffee brakes etc.)
"Centrul de Perfecționare în Domeniul Mecanizării Agriculturii"	Program office rent/utilities contract

Also, during the reported period two PIU experts: the Local Winemaking Expert and the Administrative Officer were fired on their own and PIU hired the following individual consultants:

- a) a part-time Legal Expert to help PIU with legal aspects of developed documents/new financial instruments etc.
- b) a part-time Winemaking Sector Advisor that will provide wine sector expertise / advice and general coordination to PIU during the implementation of the EIB hired TA mission activities to Moldova.

In total, during the reported period (January 01 - March 31, 2012) the PIU spent about **52,678 EUR** for goods, services, and consulting services (including salaries of PIU staff). This amount came exclusively as contribution of RM Government.

## II. PROSPECTS FOR ALLOCATIONS WITHIN CREDIT LINE, IN THE COMING QUARTER

In the second quarter of 2012 the **total planned cost of Credit Line** investments constitutes around **EUR 12,918.00 thousands**, which comprises **5 sub-project investments** (Table 7).

**EIB sources.** It is planned to allocate through Credit Line almost **EUR 6,423.0 thousands** from EIB loan.

**Beneficiary's contribution.** It is envisaged that beneficiaries will contribute with the amount of around **EUR 6,495.0 thousands** which represents 50 % of the total Credit Line cost of investment.

**Table 7. Sub-project investments structured on Beneficiaries (EUR '000)**

No	Beneficiary Name	Program Component	PFI	EIB loan	Beneficiaries' co-financing	Total sub-project amount	weight, %
				<b>EURO</b>			
1	"Euroalco"	<i>finance permanent increasing working capital</i>	<i>Energbank</i>	593.17	611.97	1205.14	9.3
2	"DK Intertrade"	<i>finance permanent increasing working capital</i>	<i>Banca Socială</i>	588.29	616.85	1205.14	9.3
3	"Alianta Vin"	<i>finance permanent increasing working capital</i>	<i>Energbank</i>	602.35	627.70	1230.06	9.5
4	"Asconi"	<i>update plant equipment</i>	<i>Moldova Agroindbank</i>	3699.65	3699.65	7399.31	57.3
5	"Fautor"	<i>update plant equipment and renovate production buildings</i>	<i>Moldindconbank</i>	939.08	939.08	1878.15	14.5
<b>Total</b>		x	x	<b>6422.55</b>	<b>6495.24</b>	<b>12917.79</b>	<b>100</b>

**Annex 1. Potential Beneficiaries that received PIU consultancy on different Program issues**

Beneficiary Name					
1	"API Orhei"	18	"Euroalco"	35	"Suvorov-Vin"
2	"Agrogled"	19	"Fabrica de vinuri din Sângerei"	36	"Tomai-Vin"
3	"Agrosudresurs"	20	"Fabso"	37	"Tomai-Vinex"
4	"Agrovin-Bulboaca"	21	"Fautor"	38	"Univers-Vin"
5	"Alianța-Vin"	22	"Gavrilov Ion"	39	"Vestresurs"
6	"Alimivino"	23	"Leovin"	40	"Vinăria Căinari"
7	"Altes"	24	"Leuntea-Vin"	41	"Vinăria din Vale"
8	"Artvlad"	25	"Lion-Gri"	42	"Vinăria-Țiganca"
9	"Asconi"	26	"Maidan-Grup"	43	"Vindicum"
10	"Atgaia-SU"	27	"Migdal-P"	44	"Vinex-Victoria"
11	"Carahasani-Vin"	28	"Persavin"	45	"Vinia Traian"
12	"Cărpeni"	29	"Podgoria-Vin"	46	"Vismos"
13	"CNVVC"	30	"Sadacagro"	47	"Viță-Podgoreană"
14	"Cricova"	31	"Saic-Dar-Vin"	48	"Wine International Project"
15	"DK-Intertrade"	32	"Sălcuța"	49	"Zolotoi Aist"
16	Ala Polustanova, official of "Moldova-Agroindbank"	33	Arcadie Guidea, chief of branch of "Moldindconbank"	50	Hatuna Maximciuc, chief of branch of "Mobiasbanca", district Comrat
17	Alexandru Cudlea, official from "Mobiasbanca", central office	34	Gheorghe Cainarean, director of ACSA, Svetlana Copanji, official from ACSA, district Ciadâr-Lunga	51	Lilia Ceban, official of "Mobiasbanca"

**Annex 2. Potential beneficiaries registered as participants in the program till the 31<sup>st</sup> of March 2012**

No	Registration data	Beneficiary Name	Program Component	PFI	EIB loan	Beneficiaries' co-financing	Total sub-project amount
<b>4th quarter 2011</b>							
1	12.12.11	"Euroalco"	<i>finance permanent increasing working capital</i>	<i>Energbank</i>	593.17	611.97	1,205.14
2	23.12.11	"DK Intertrade"	<i>finance permanent increasing working capital</i>	<i>Banca Socială</i>	588.29	616.85	1,205.14
3	23.12.11	"Alianta Vin"	<i>finance permanent increasing working capital</i>	<i>Energbank</i>	602.35	627.70	1,230.06
4	15.12.11	"Asconi"	<i>update plant equipment</i>	<i>Moldova Agroindbank</i>	3699.65	3699.65	7,399.31
5	22.12.11	"Fautor"	<i>update plant equipment and renovate production buildings</i>	<i>Moldindconbank</i>	939.08	939.08	1,878.15
6	22.12.11	"Vitalis Land"	<i>mechanization of vine growing processes</i>	<i>Moldindconbank</i>	49.93	49.93	99.85
7	23.12.11	"Agrovin Bulboaca"	<i>update plant equipment, renovate production buildings and finance working capital</i>	<i>Moldova Agroindbank</i>	1329.81	1,329.81	2,659.61
8	12.12.11	"Tomai-Vin"	<i>update plant equipment, renovate production buildings</i>	<i>Moldova Agroindbank</i>	2630.15	2,630.15	5,260.31
<b>1st quarter 2012</b>							
9	24.02.2012	"Vinăria Țiganca"	<i>update plant equipment, renovate production buildings</i>	<i>Moldindconbank</i>	510.09	510.09	1,020.18
10	27.02.2012	"Wine International Project"	<i>finance permanent increasing working capital</i>	<i>Moldindconbank</i>	502.12	502.12	1,004.24
11	26.03.2012	"Vinăria din Vale și Co"	<i>update plant equipment, renovate production buildings</i>	<i>Moldova Agroindbank</i>	5000.00	5,000.00	10,000.00
x	x	<b>Total</b>	x	x	<b>16,444.64</b>	<b>16,517.34</b>	<b>32,961.98</b>

**Annex 3. Final Beneficiaries situation at 31<sup>st</sup> of March**

No	Beneficiary Name	Program Component	PFI	Current Status
1	"Euroalco"	finance permanent increasing working capital	Energbank	Wait EIB's NO Objection
2	"DK Intertrade"	finance permanent increasing working capital	Banca Socială	
3	"Alianta Vin"	finance permanent increasing working capital	Energbank	
4	"Asconi"	update plant equipment	Moldova Agroindbank	Received PIU eligibility notice and waits PFI's approval
5	"Fautor"	update plant equipment and renovate production buildings	Moldindconbank	Develop the business plan
6	"Agrovin Bulboaca"	update plant equipment, renovate production buildings and finance working capital	Moldova Agroindbank	
7	"Tomai-Vin"	update plant equipment, renovate production buildings	Moldova Agroindbank	
8	"Vinăria Țiganca"	update plant equipment, renovate production buildings	Moldindconbank	
9	"Wine International Project"	finance permanent increasing working capital	Moldindconbank	
10	"Vinăria din Vale și Co"	update plant equipment, renovate production buildings	Moldova Agroindbank	
11	"Vitalis Land"	mechanization of vine growing processes	Moldindconbank	

#### Annex 4. Proposed new assignments via TA mission ref. developing leasing operations

1. **Support PIU in developing the Project Lease Component Manual.**
2. **Propose best EU practices in financial lease, in accordance with Program scope and RM realities.**
3. **Trainings abroad and in-house for PIU specialists.**
4. **Support to PIU to identify at least two countries for performing 2 study visits** (1 EU member state and 1 former socialist-type country) on wine sector machinery lease domains for PIU experts. Organize and fully cover study visit expenses/logistics (travel (local/international), per diems, accommodations etc.), elaborate study visit agenda; TA expert(s) join the study group during the visits.

I. Trainings abroad				
		<i>Main objective</i>	<i>Key issues</i>	<i>Who should attend</i>
1	<b>Asset Management in the Leasing company</b>	The course is specifically designed to present and explain the essential tools and techniques used in evaluating equipment for current value and anticipated redemption value.	a) Learn the key techniques for accurately evaluating the current and residual value of the equipment; b) Understand the importance of on-going portfolio management; c) Particularities of relation with supplier and procurement process of goods in the financial leasing ; d) Other issues.	a) Credit and Lease Officer; b) Lease specialists; c) Risk manager; d) Finance Officer; e) Assistant Accountant; f) M&E Expert; g) Lawyer; h) Procurement Officer; i) Anyone involved in leasing activities.
2	<b>Treasury management</b>		a) Cash flow forecasts and planning; b) Cash flow budget control; c) Monitoring and supervising of cash transactions; d) Coordination and correlation of lease	a) Credit and Lease Officer; b) Risk manager; c) Finance Officer; d) Assistant Accountant.

			payments and funding payment;	
3	<b>Asset and Liabilities Management in the Leasing company</b>		<ul style="list-style-type: none"> <li>a) Maturity Risk and Gap Analysis;</li> <li>b) Currency Risk and Gap Analysis;</li> <li>c) Interest rate Risk and Gap Analysis;</li> <li>d) Spread Analysis;</li> <li>e) Planning of leasing activity, monitoring, and control of activities;</li> </ul>	<ul style="list-style-type: none"> <li>a) Program Executive Director;</li> <li>b) Credit and Lease Officer;</li> <li>c) Risk manager;</li> <li>d) Finance Officer;</li> <li>e) Assistant Accountant;</li> <li>f) M&amp;E Expert;</li> <li>g) Anyone involved in leasing activities.</li> </ul>
4	<b>Risk management of the Leasing operations</b>		<ul style="list-style-type: none"> <li>a) Reimbursement risk Analysis ;</li> <li>b) Delinquency Management and Setting Sustainable Interest Rates for leasing operations;</li> <li>c) Understand of the problems regarding leasing portfolio recovery;</li> <li>d) Arrears collection procedures and leasing property recovery process.</li> </ul>	<ul style="list-style-type: none"> <li>a) Credit and Lease Officer;</li> <li>b) Risk manager;</li> <li>c) Lawyer;</li> <li>d) Finance Officer;</li> <li>e) Assistant Accountant;</li> <li>f) M&amp;E Expert;</li> <li>g) Anyone involved in leasing activities.</li> </ul>
5	<b>Procurement management for goods</b>	To be able to competently plan and execute the entire procurement process functions for acquisition of equipment, including choice of contractual strategy and supervision of contracts performance in accordance with best standards.	<ul style="list-style-type: none"> <li>a) The standard bidding documents for equipment in world bank-financed projects</li> <li>b) BID Evaluation and contract management</li> <li>c) Goods procurement management</li> <li>d) Procurement management in the public sector</li> <li>e) Other issues.</li> </ul>	<ul style="list-style-type: none"> <li>a) Procurement Officer;</li> <li>b) Finance Officer;</li> <li>h) Assistant Accountant;</li> <li>i) Anyone involved in leasing activities.</li> </ul>

II. Trainings in-house				
		<i>Main objective</i>	<i>Key issues</i>	<i>Who should attend</i>
1	<b>Lease procedures and documentation</b>	The training course aims to provide a comprehensive overview of leasing as a method of finance, demonstrating the benefits of lease transactions for both the lessor and lessee.	<ul style="list-style-type: none"> <li>a) Assessing the financial applications and understanding the realities of the leasing process;</li> <li>b) Understand lessor and lessee accounting;</li> <li>c) Develop a thorough understanding of the key legal and tax issues;</li> <li>d) Evaluate the lease process;</li> <li>e) Assess lessee risk;</li> <li>f) Collateral valuation, documentation, registration and execution;</li> </ul>	<ul style="list-style-type: none"> <li>a) Lease specialists(sale personnel);</li> <li>b) Credit and Lease Officer;</li> <li>c) Risk manager;</li> <li>d) Lawyer;</li> <li>e) M&amp;E Expert;</li> <li>f) Anyone involved in leasing activities.</li> </ul>
2	<b>Quantification and evaluation procedures of leasing risk assessment.</b>	This course shall offer a competency-based approach to explore leasing portfolio risk, client risk, collateral risk, and fraud risk assessment, fraud prevention and deterrence techniques, as well as key components of anti-fraud policy and risk evaluations procedures.	<ul style="list-style-type: none"> <li>a) Financial analysis of lessee business;</li> <li>b) Monitoring and evaluation of the client before approval at leasing committee;</li> <li>c) Dossiers analysis according to specific indicators;</li> <li>d) Identification and evaluation of possible frauds;</li> <li>e) Crosschecking method within leasing clients (lessees) evaluation;</li> <li>f) Leasing portfolio key performances;</li> <li>g) Technical and after-sales client support</li> </ul>	<ul style="list-style-type: none"> <li>a) M&amp;E Expert;</li> <li>b) Risk manager;</li> <li>c) Lawyer;</li> <li>d) Credit and Lease Officer;</li> <li>e) Anyone involved in leasing activities.</li> </ul>
3	<b>Accounting and reporting of leasing transaction and leasing portfolio according to IFRS</b>	The training course main objective is to understand all provisions on leases of property, plant and equipment accounting procedures and reporting system.	<ul style="list-style-type: none"> <li>a) Lessor accounting system;</li> <li>b) IFRS leasing measurements and recognitions;</li> <li>c) Lessor reporting system and disclosure of the leasing data;</li> <li>d) Analysis of tax implications of lease operations;</li> </ul>	<ul style="list-style-type: none"> <li>a) Financial Officer;</li> <li>b) Assistant Accountant;</li> <li>c) Credit and Lease Officer;</li> <li>d) M&amp;E Expert;</li> </ul>
4	<b>Financial Analysis of Key performance</b>	The training courses shall provide the evidence of the	<ul style="list-style-type: none"> <li>a) Leasing portfolio quality ratio;</li> <li>b) Efficiency and Productivity Ratios;</li> </ul>	<ul style="list-style-type: none"> <li>a) Financial Officer;</li> <li>b) Assistant Accountant;</li> </ul>

	<b>indicators according to IFRS.</b>	<p>impact of leasing operations on financial ratios and offer the possibility to understand the financial ratio calculations and future analysis.</p> <p>It shall permit to understand the framework of financial statements analysis. Read, analyze and accurately interpret of F/S based on financial indicators.</p>	<ul style="list-style-type: none"> <li>c) Liquidity ratio;</li> <li>d) Sustainability ratios;</li> <li>e) Capital adequacy ratio;</li> <li>f) NIM and Interest Spread;</li> <li>g) Profitability ratio;</li> </ul>	<ul style="list-style-type: none"> <li>c) Risk manager;</li> <li>d) Credit and Lease Officer;</li> <li>e) M&amp;E Expert;</li> <li>f) Anyone involved in leasing activities.</li> </ul>
5	<b>Budgeting and forecasting process.</b>	<p>This course shall provide the information of budgeting and forecasting techniques, to understand the fundamental budgeting principles and forecasting methods, budget process.</p>	<ul style="list-style-type: none"> <li>a) Costing methods of planning, budget process, capital budgeting;</li> <li>b) Revenue forecasting, cost accounting;</li> <li>c) Budget analysis and control.</li> </ul>	<ul style="list-style-type: none"> <li>a) Financial Officer;</li> <li>b) Risk manager;</li> <li>c) Credit and Lease Officer;</li> <li>d) M&amp;E Expert;</li> <li>e) Anyone involved in leasing activities.</li> </ul>
6	<b>Communication skills. Marketing (sales and clients service). Building efficient management teams.</b>	<p>This course shall identify their communication styles and learn to incorporate communication techniques to improve their relationships and attain their goals.</p>	<p>Topics include:</p> <ul style="list-style-type: none"> <li>a) Communication styles, obstacles to communication;</li> <li>b) Active listening, intentional responding, solutions-based communication techniques;</li> <li>c) Apply techniques to diffuse tension and solve problems in difficult communications</li> <li>d) Apply constructive feedback techniques to improve relationships and attain goals.</li> </ul>	<ul style="list-style-type: none"> <li>a) Program Executive Director;</li> <li>b) Lease specialists;</li> <li>c) Credit and Lease Officer;</li> <li>d) Risk manager;</li> <li>e) Financial Officer;</li> <li>f) Assistant Accountant;</li> <li>g) M&amp;E Expert;</li> <li>h) Procurement Officer;</li> <li>i) Anyone involved in leasing activities.</li> </ul>

III. Consultancy			
Shares with international consultant's experiences on leasing operations.	<b>Key issues</b>		<b>Who should attend</b>
	Topics include: a) Company's overall approach to analyzing its exposure to leasing risk; b) Effective client analysis procedures and make an adequate financial decision; c) Leasing portfolio evaluating techniques; d) Leasing Delinquencies management ; e) Cash planning and forecasting; f) Arrange financial leasing disbursement process; g) Particularities of relation with supplier and procurement process of goods in the lease; h) Risk management of the Leasing operations; i) Financial Analysis of Key performance indicators of the Leasing operations; j) Monitoring and controlling the leasing process before and after-sales; k) Other issues.		a) Program Executive Director; b) Financial Officer; c) Assistant Accountant; d) Credit and Lease Officer; e) Lease specialists(sale personnel); f) Risk manager; g) M&E Expert; h) Lawyer; i) Anyone involved in leasing activities.
IV. Study trip			
2 Study visits to lease companies specialized on wine sector machinery.	<b>Main objective</b>	<b>Key issues</b>	<b>Who should attend</b>
	Shares leasing operations experiences from different countries;	a) Shares experiences on financial leasing policies and procedures; b) Shares experiences on organize, coordinate, control of leasing operations; c) Shares experiences on portfolio risk measurements and procedures;	a) Program Executive Director; b) Financial Officer; c) Assistant Accountant; d) Credit and Lease Officer; e) Lease specialists(sale personnel); f) Risk manager; g) M&E Expert;

		<ul style="list-style-type: none"> <li>d) Understand of the problems regarding leasing portfolio recovery;</li> <li>e) Understand of how to build efficient MIS (management information system) for leasing operations;</li> <li>f) To look at what organizational structure will work best for your company, how to articulate roles and responsibilities, how to define what is “risk tolerance level for leasing transactions”;</li> <li>g) Shares experience on procurement procedures used in procuring wine sector machinery to be leased;</li> <li>h) Other issues.</li> </ul>	<ul style="list-style-type: none"> <li>h) Lawyer;</li> <li>i) Procurement Officer;</li> <li>j) Anyone involved in leasing activities.</li> </ul>
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### Annex 5. Planned activities for the second quarter 2012

No	Activities	II quarter		
		April	May	June
<b>I.</b>	<b>Credit Line</b>			
1	To organize meetings with CLD and PFIs on issues related to implementation of Credit Line instrument of the Program			
2	To identify potential beneficiaries of the Program and inform them about the way to access EIB funds, terms and conditions for on-lending, procurement rules			
3	To consult potential beneficiaries in filling in the "Questionnaire of the Program applicant" and Business plan elaboration			
4	To consult potential beneficiaries on eligibility issues of the sub-projects			
5	Continuous review of Procurement documentation of the Final Beneficiaries. Continuous consulting of potential beneficiaries on procurement rules/practices to be followed			
6	To finance sub-projects through participating commercial banks based on request of payment from CLD			
7	To analyse and review Business Plans of potential beneficiaries			
8	To submit to the MoF the disbursement request from EIB loan			
9	To consolidate statistic and financial data on final beneficiaries			
<b>II</b>	<b>Leasing</b>			
1	To define final version of Annexes to Program Operations Manual regarding the Leasing instrument			
2	To develop Leasing Policy and Client Evaluation Procedures			
3	To develop several specific to Leasing instrument documents, including Beneficiary Leasing Guide, Leasing Questionnaire and Business Plan template, etc.			
4	To elaborate the Accounting Policy and Financial Reporting procedures on Leasing operations in accordance with NAS and IFRS principles and rules			
5	To elaborate the Risk Management Manual			
6	To elaborate the Leasing Monitoring Policy			
8	To elaborate the Internal Security Policy			
9	To continue collecting from potential beneficiaries data referring to: type of equipment they intend to procure via leasing, the quantities and technical specification			
<b>V</b>	<b>Project management Component:</b>			
<b>A</b>	<b>PIU operational activities</b>			
1	To monitor the contract implementation regarding procurement of 1 4x4 project vehicle			
2	Continuously monitor implementation of goods/consulting contracts. Sign/extend new contracts for supply of goods and services			
<b>B</b>	<b>PR activities</b>			
1	To finalize the elaboration of the Program's website			

2	To maintain and update the website's content			
3	To write, edit and place several articles in national newspapers and magazines targeting the agriculture and wine industry ( <i>Agricultura Moldovei, Curierul Agricol, Viticultura și Vinificația, etc.</i> )			
4	To develop and design of promotional and customized materials (brochures, maps, posters, banners, pens etc.)			
5	To participate at "FOOD AND DRINKS" / " <a href="#">PACKAGING. DEPOT</a> " Exposition , which will be held during 16-20 of May, 2012			
<b>C</b>	<b>MIS elaboration and implementation</b>			
1	To organize meetings between PIU and <i>Noi TI &amp; Service</i> in order to achieve the MIS development plan			
2	To develop system for recording and reporting the credit application and documents within Credit Line			
3	To test and adjust documents and reports developed within the Credit Line instrument			
7	To develop reporting system on performance indicators (second level indicators)			
<b>D</b>	<b>Budgeting and Reporting</b>			
1	To elaborate and submit quarterly progress reports as required by Finance Contract with EIB			
2	To prepare all quarterly and monthly reports for 2012 for relevant institutions (MoF, Fiscal Authority, social insurance authority, etc.) and other monthly and quarterly reports for 2012 required by national authorities			