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# FINAL REPORT

## Ex-Post Evaluation of the Programme for Attracting Remittances into the Economy "PARE 1+2"

**To:** Public Institution Organisation for Entrepreneurship Development (ODA)

**From:** Date Inteligente SRL

Chișinău, 7 July 2026

# Report Description and Author Team

## Ex-post Evaluation of the SME Retooling and Energy Efficiency Programme

**Report description.** This report summarises the results of the ex-post evaluation of the Programme for Attracting Remittances into the Economy "PARE 1+2", implemented by the Organisation for Entrepreneurship Development (ODA). The report analyses the extent to which the support provided contributed to transforming remittances and savings accumulated through migration into productive investments, developing local businesses, and strengthening the decision to return to or remain in the Republic of Moldova.

**Subject of the evaluation.** The evaluation is structured around the OECD-DAC criteria: relevance, coherence, effectiveness, efficiency, impact, and sustainability. The analysis combines administrative and fiscal data, a quantitative study of beneficiaries, and a qualitative study based on in-depth interviews. The report examines the links between migration, investment, business development, and effects on families and communities.

**Use of the report.** The document is intended for ODA and institutional partners involved in developing support instruments for SMEs, entrepreneurship, and the economic reintegration of migrants. The findings and recommendations aim to improve the design of future programmes, strengthen results-oriented monitoring, simplify procedures, and link investments to local development, employment, and economic reintegration.

### Authors


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|---|---|
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**Authors' contribution.** The author team coordinated the evaluation methodology, data analysis, interpretation of results, and formulation of conclusions and recommendations.

### About iData

Date Inteligente SRL, the company operating under the iData brand, is a research, data-analysis, and consulting company. iData conducts quantitative and qualitative studies, policy and programme evaluations, socio-economic analyses, and consulting services for public institutions, international organisations, and the private sector. In evaluation projects, iData emphasises methodological rigour, triangulation of data sources, and the formulation of conclusions that can be applied in public-policy decision-making.

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## List of Abbreviations and Acronyms

| | |
|---|---|
| **AIPA** | Agency for Intervention and Payments for Agriculture |
| **LPA** | Local Public Administration |
| **CAEM** | Classification of Activities in the Moldovan Economy |
| **CATI** | Computer-assisted telephone interview |
| **CAWI** | Computer-assisted web interview |
| **EIRR** | Economic internal rate of return |
| **ENPV** | Economic net present value |
| **EU4SMEs** | “EU for SMEs” / European Union-funded project |
| **FIRR** | Financial internal rate of return |
| **FNPV** | Financial net present value |
| **SME** | Small and medium-sized enterprises |
| **PI** | Public institution |
| **SCM** | Standard Cost Model |
| **MDED** | Ministry of Economic Development and Digitalisation |
| **OECD-DAC** | OECD-DAC evaluation criteria |
| **ODA** | Organisation for Entrepreneurship Development |
| **PARE 1+2** | Programme for Attracting Remittances into the Economy “PARE 1+2” |
| **Programme 373** | Subsidised-interest investment loan programme |
| **STS** | State Tax Service |
| **LLC** | Limited liability company |
| **START** | START Programme for Young People: a sustainable business at home |
| **USA** | United States of America |
| **VAT** | Value added tax |
| **EU** | European Union |

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# Executive Summary

**Overall finding.** The ex-post evaluation of the Programme for Attracting Remittances into the Economy "PARE 1+2" shows that the instrument was relevant, coherent, and useful for channelling remittances and savings accumulated abroad into productive investments. The Programme supported the launch and development of local businesses, reduced investment risk for beneficiaries, and strengthened the decision to return to or remain in the Republic of Moldova.

**Added value of the Programme.** The grant functioned as an investment accelerator and a risk-reduction instrument for returning entrepreneurs, diaspora-connected families, and small businesses with limited resources. In practice, ODA support enabled the purchase of agricultural machinery, production equipment, delivery vehicles, equipment for local services, and assets needed to start or expand economic activity.

**Basis of the evaluation.** The analysis was based on programme documents, ODA administrative data, STS fiscal data, the quantitative study conducted among beneficiaries eligible for the ex-post evaluation, and nine in-depth interviews. The Programme portfolio includes 276 beneficiaries, of whom 149 were eligible for the ex-post evaluation, while the quantitative component covered a sample of 100 respondents.

**Portfolio profile.** The Programme primarily reached microenterprises, which account for 82.2% of the portfolio, followed by small enterprises (16.4%) and medium-sized enterprises (1.3%). Enterprises founded by young people represent 43.1% of the portfolio, while women manage or represent 34.4% of the supported enterprises. The territorial distribution is almost even: 52.5% of beneficiaries are from rural areas and 47.5% from urban areas.

**Relevance.** The Programme responded to genuine investment needs. In the quantitative study, 76.5% of respondents sought to modernise equipment and improve the quality of products or services, 68.1% sought to increase income, 61.3% aimed to provide products or services accessible to the local community, 60.5% sought permanent return and family stabilisation at home, and 55.5% aimed to develop their home locality or region.

**The additionality of the support is high.** Only 11.8% of respondents state that they would have made largely the same investment even without the grant. By contrast, 39.5% would have invested later, 27.7% would have invested on a smaller scale, and 21.0% would probably not have made the investment. Thus, for 88.2% of respondents, public support influenced the timing, scale, or feasibility of the investment.

**Coherence.** The Programme is coherent with public policies on SME development, the productive use of remittances, the economic reintegration of migrants, and local development. In practice, investments were financed from own resources, family savings, remittances, loans, agricultural subsidies, or other ODA programmes. 79.8% of respondents had previously participated in an ODA programme, showing that PARE 1+2 often functions as part of a broader investment pathway.

**Effectiveness.** The Programme was effective at output and operational-result level. 72.3% of respondents reported the modernisation of machinery, technologies, or processes, 69.7% reported increased efficiency or productivity, 63.0% reported increased production or service-delivery capacity, and 58.0% reported improved quality of products or services. The qualitative study confirms that the financed assets are used in day-to-day operations and have produced concrete changes in working methods.

**Efficiency.** The Programme has generally good administrative and financial efficiency, with room for optimisation. 41.2% of respondents consider the application process simple or very simple, while 49.6% regard it as neither simple nor complicated. The main difficulty remains document preparation, mentioned by 40.3% of respondents. Co-financing was generally appropriate: 69.2% considered their own contribution fully appropriate and 27.4% considered it partially appropriate.

**Impact.** The Programme's impact is positive at business, family, and community levels. 83.2% of respondents assess the impact on their business as high or very high, while 73.2% report a high or very high impact on the community. The Programme contributed to creating or maintaining jobs, involving family members in entrepreneurial activity, and providing more accessible products or services in beneficiary localities.

**The pre/post analysis** indicates favourable developments for all cohorts analysed. In 2025 compared with the year before application, the 2023 cohort recorded increases of 63.6% in the number of employees, 210.5% in salary payments, 54.6% in average salary, 91.1% in declared revenues, 91.9% in profit, 42.9% in labour

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productivity, and 141.2% in tax contributions. For the 2024 cohort, increases were 43.8% in the number of employees, 95.2% in salary payments, 54.1% in average salary, 67.1% in declared revenues, 118.8% in profit, 102.5% in labour productivity, and 120.5% in tax contributions. For the 2025 cohort, the effects are at an earlier stage: 14.3% in the number of employees, 29.8% in salary payments, 11.4% in average salary, 14.6% in declared revenues, 14.3% in profit, 14.5% in labour productivity, and 11.6% in tax contributions.

**The cost-benefit analysis** supports a positive conclusion. From the public-budget perspective, the financial net present value (FNPV) is MDL 9.2 million, the financial internal rate of return (FIRR) is 12.7%, and the benefit-cost ratio is 1.2. From the societal perspective, the economic net present value (ENPV) is MDL 437.1 million, and the economic benefit-cost ratio is 5.4.

**Sustainability.** The prospects for maintaining results are good when the investment is integrated into current operations, demand exists, and the beneficiary has access to staff, maintenance, and complementary financing. 43.2% of respondents intend to access another grant or subsidy programme, 29.7% are still considering their options, 13.6% intend to invest from their own resources, and 6.8% intend to do so through a loan. Only 6.8% do not currently intend to make additional investments.

**The main sustainability risks are external to the investment**: lack of qualified staff (18.3%), energy or raw-material costs (17.4%), insufficient demand or market problems (16.5%), maintenance costs (13.9%), and climate or environmental factors (11.3%). Satisfaction with the Programme is high: 75.4% of respondents gave a score of 10 for the likelihood of recommending the Programme, while 12.7% gave a score of 9.

**Key recommendations**. The Programme should be maintained as a dedicated instrument linking the diaspora, entrepreneurship, and local development. The next cycle should strengthen the investment-pathway logic: needs diagnosis, grant, training, practical consultancy, sector-differentiated monitoring, market support, and linkage with other ODA instruments, loans, guarantees, agricultural subsidies, vocational training, and local infrastructure.

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This report summarises the results of the ex-post evaluation of the Programme for Attracting Remittances into the Economy “PARE 1+2”, implemented by the Organisation for Entrepreneurship Development (ODA), with the support of the Government of the Republic of Moldova and the European Union under the “EU for SMEs – EU4SMEs” project. The Programme supports migrants, returnees, and their families in transforming remittances, savings, and experience accumulated abroad into local economic activities.

The evaluation examines the extent to which the Programme responded to beneficiary needs, was coherent with public policies and other ODA instruments, produced immediate results, used resources efficiently, generated impact on businesses, families, and communities, and has prospects for sustaining results after funding ends.

The empirical basis includes programme documents, administrative and fiscal data, the quantitative study of beneficiaries, and the qualitative study based on in-depth interviews. Economic results and changes reported by beneficiaries are interpreted cautiously because business performance also depends on the market, climate, labour force, local infrastructure, own investments, and other support programmes.

The report is structured around the OECD-DAC criteria – relevance, coherence, effectiveness, efficiency, impact, and sustainability – and concludes with recommendations aimed at maintaining the Programme, differentiating support by sector and stage of development, simplifying procedures, and linking the grant to complementary investments.

# Chapter 1. Evaluation Methodology

This overview describes the methodology applied for the ex-post evaluation of the Programme for Attracting Remittances into the Economy “PARE 1+2”, implemented by ODA with funding from the Government of the Republic of Moldova and the European Union under the “EU for SMEs – EU4SMEs” project. The evaluation sought to determine the extent to which the Programme responded to beneficiaries’ needs, supported the transformation of remittances and savings accumulated abroad into productive investments, contributed to business development, and generated lasting effects on families, communities, and the local economy.

The methodology used was aligned with the Methodology for the Ex-Post Evaluation of Support Programmes/Instruments implemented by the Public Institution ODA and its accompanying Application Guide, both based on the OECD-DAC criteria: relevance, coherence, effectiveness, efficiency, impact, and sustainability. For PARE 1+2, these criteria were applied with due regard to the specific nature of the intervention: its link to migration, the use of beneficiaries’ own contribution originating from remittances or savings accumulated abroad, the creation or development of a local business, and the reduction of the risk of remigration.

## Overall Evaluation Approach

The evaluation used a mixed, sequential, and triangulated approach. The document review and analysis of administrative data formed the factual basis of the evaluation, while the beneficiary survey and in-depth interviews supplemented these data with perceptions, explanations, and concrete examples of how the support worked in practice. This approach was necessary because the effects of a programme such as PARE 1+2 cannot be understood solely through economic indicators; they must also be analysed in relation to the decision to return, family investment, local conditions, and risks specific to each field of activity.

In applying the methodology, the evaluation separated the analysis of implementation from the analysis of effects. Thus, the quality of the administrative process, accessibility of procedures, processing time, and support provided by ODA were analysed separately from the effects on the business, family, employment, market, and migration risk. This separation helped avoid confusing satisfaction with procedures with the actual results generated by the investments.

Triangulation was the central principle of the analysis. Data from the quantitative study were used to identify general trends among beneficiaries, while the qualitative-study findings explained why some investments generated rapid results whereas others produced slower effects or were more vulnerable to external factors. In the case of PARE 1+2, the qualitative component was important for understanding the differences among investments in services, production, furniture, and agriculture, as well as the specific effects of climate risks, labour shortages, and limited market access.

## Data Sources and Instruments Used

The evaluation of the PARE 1+2 Programme was based on four main categories of sources: programme documents and the ODA methodology, administrative data on beneficiaries and financed projects, the beneficiary survey, and the qualitative study based on in-depth interviews. Programme documents were used

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to reconstruct the intervention logic, objectives, and eligibility conditions. Administrative data were relevant for understanding the beneficiary portfolio, the types of investments financed, and the implementation framework.

The quantitative component consisted of a survey administered to PARE 1+2 beneficiaries eligible for the ex-post evaluation. According to the general methodology, 276 PARE 1+2 beneficiaries were identified, of whom 149 were eligible for the ex-post evaluation, while the proposed survey sample comprised 100 respondents. Data collection was carried out mainly through CATI, with CAWI used as a complementary method where the beneficiary's profile or availability made online completion appropriate. Inclusion in the evaluation required a minimum period of 12 months since completion of the investment project, allowing post-intervention effects to be observed. The quantitative instrument mainly collected beneficiaries' perceptions and explanations regarding the need for support, investment additionality, project implementation, perceived effects, sustainability, and recommendations for improvement.

The qualitative component included in-depth interviews with Programme beneficiaries. For PARE 1+2, the general methodology provided for nine in-depth interviews distributed across regions in order to capture the diversity of implementation contexts. The interviews were semi-structured and sought to explain the mechanisms of change behind the data: how the decision to return and invest was made, the role of the Programme relative to beneficiaries' own savings, the difficulties encountered during implementation, the actual changes produced in the business, and the risks affecting the maintenance of results.

**Table 1. Summary Methodology for PARE 1+2**

| Component | Role in the evaluation | Application to PARE 1+2 |
|---|---|---|
| Document review | Reconstruction of the intervention logic and evaluation criteria | Programme documents, ODA methodology, application guide, and OECD-DAC framework |
| Administrative data | Portfolio characterisation and implementation verification | Beneficiaries, eligibility, investments, financing, and implementation periods |
| Beneficiary survey | Quantification of perceptions and reported effects | Proposed sample: 100 PARE 1+2 beneficiaries out of 149 eligible beneficiaries |
| In-depth interviews | Explanation of change mechanisms and success/risk factors | Nine interviews with PARE 1+2 beneficiaries, with regional coverage |

## Application of the OECD-DAC Criteria

The analysis of the PARE 1+2 Programme was structured around the six OECD-DAC criteria, each adapted to the Programme's logic. Relevance examined the extent to which the support responded to the actual needs of returning migrants or migration-affected families, as well as to the concrete investment needs of businesses. Coherence assessed the compatibility of the intervention with beneficiaries' own resources, other programmes or subsidies accessed, and the logic of business development. Effectiveness assessed whether the investments were made and used in accordance with the approved purpose and whether they produced immediate and intermediate results.

Efficiency examined the relationship among resources, time, procedures, and results, including the duration of the application process, the volume of documentation, the appropriateness of the financing mechanism, and the indirect costs borne by beneficiaries. Impact analysed broader changes affecting the family, community, employment, market, and the decision to remain in the Republic of Moldova. Sustainability examined the likelihood that investments and results would be maintained after support ended, as well as the main risks: climate, market conditions, qualified personnel, operating costs, local infrastructure, family succession, and the possibility of remigration.

For each criterion, findings were formulated by combining quantitative and qualitative data. Responses from the quantitative study provided an aggregated picture of trends, while the qualitative-study findings explained differences between cases. For example, investments in production and services generated visible effects on capacity, quality, or clientele more quickly, whereas agricultural investments were more strongly influenced by climate, biological cycles, access to storage, or sales markets. This approach enabled a nuanced interpretation of results and avoided applying a uniform assessment to economic sectors with very different dynamics.

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### Quality Control, Ethics, and Methodological Limitations

Evaluation quality was ensured by verifying the data-collection instruments, checking the consistency of responses, comparing findings across sources, and reviewing the conclusions before formulating recommendations. Work with beneficiaries respected the principles of informed consent, confidentiality, and the strict use of data for evaluation purposes. In the report, findings were formulated so as to protect beneficiaries' identities where individual examples did not require explicit identification.

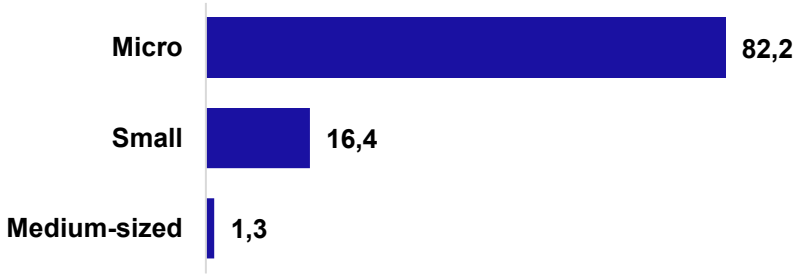
The evaluation also has certain methodological limitations that must be considered when interpreting the results. First, an important part of the analysis is based on beneficiaries' perceptions, which may be influenced by recent experiences, expectations, or their level of satisfaction with the Programme. Second, the economic effects of investments do not emerge at the same pace in all sectors; in agriculture, for example, results are strongly influenced by climate risks and production cycles. Third, the evaluation does not causally isolate the Programme's impact through a strict counterfactual design, but instead uses a contribution-based logic grounded in triangulation of administrative data, survey data, and interviews.

Under these conditions, the report's conclusions should be read as an assessment of the contribution of PARE 1+2 to beneficiaries' business development, the productive use of remittances, and the continued engagement of families in local economic activity, rather than as an experimental measurement of net impact. Nevertheless, combining the sources makes it possible to formulate robust findings on the Programme's relevance, the functioning of the co-financing mechanism, the effects on investment, and the main risks affecting the sustainability of results.

## Chapter 2. Characteristics of Programme Beneficiaries

The PARE 1+2 Programme portfolio comprises 276 beneficiary enterprises, analysed below by size, founders' age, administrators' gender, area of residence, and field of activity.

**Figure 1. Portfolio Structure by Size of Beneficiary Enterprise (%)**




The portfolio is clearly dominated by microenterprises, which account for more than four fifths of supported companies (82.2%), followed at a considerable distance by small enterprises (16.4%); medium-sized enterprises have only a marginal presence (1.3%), while large enterprises are absent, in line with the Programme's eligibility criteria. This structure shows that support primarily reached the most vulnerable segment of the SME sector: companies with limited internal resources, for which grant additionality is generally highest, but which also have lower co-financing and investment-absorption capacity.

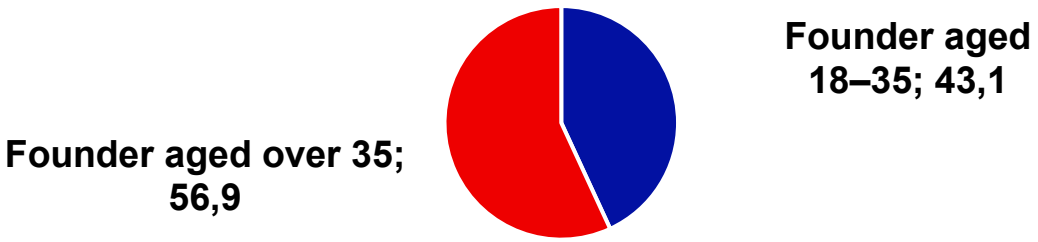



**Figure 2. Portfolio Structure by Founder Category (%)**

Enterprises founded by young people account for 43.1% of the portfolio, a remarkably high share that exceeds the levels observed in other support programmes. The result indicates that the Programme is particularly attractive to the younger generation of entrepreneurs, who are open to technological modernisation, and suggests that the intervention also functioned, de facto, as an instrument supporting youth entrepreneurship, despite not having a component specifically dedicated to this category.

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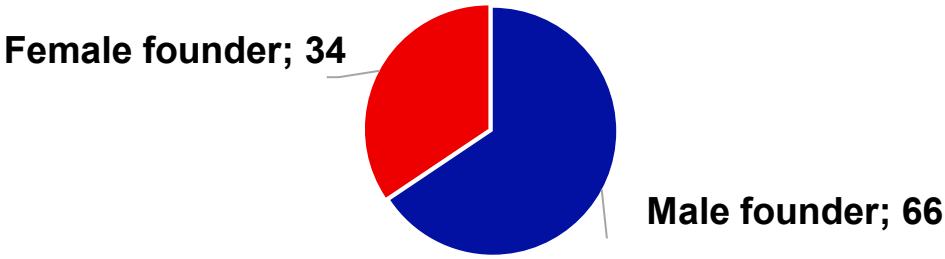


**Figure 3. Portfolio Structure by Gender of the Founder or Applicant (%)**

Women manage or represent 34.4% of the supported enterprises, a share aligned with the average level of women's entrepreneurship in the Republic of Moldova (approximately one third of enterprises). Thus, the Programme did not generate underrepresentation of women entrepreneurs, despite its focus on productive sectors where female participation is traditionally lower, which supports its coherence with gender-equality policy objectives.

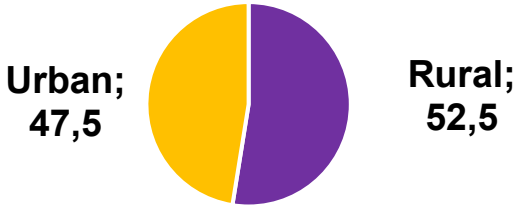


**Figure 4. Portfolio Structure by Area (%)**

The portfolio has an almost even territorial distribution, with a slight predominance of rural areas (52.5%, compared with 47.5% urban). This structure differs significantly from the overall configuration of the SME sector in the Republic of Moldova, which is heavily concentrated in urban areas and particularly in Chișinău municipality. The Programme succeeded in reaching rural enterprises at an above-average rate; such enterprises generally face more limited access to financing, qualified labour, and technical infrastructure, thereby helping spread technological modernisation beyond urban centres.

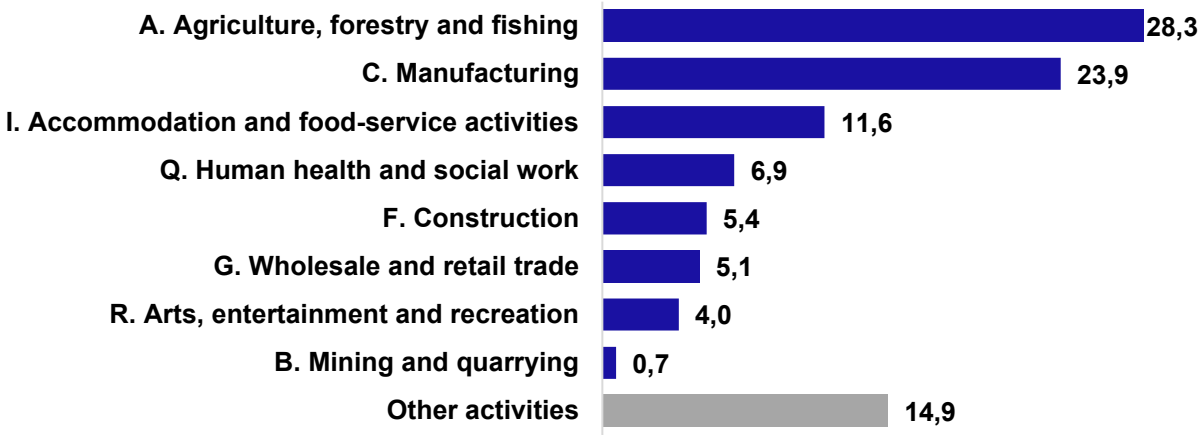


**Figure 5. Portfolio Structure by Field of Activity**

The distribution by field of activity is concentrated in three sectors, which together account for approximately two thirds of the portfolio: agriculture, forestry, and fishing (28.3%), manufacturing (23.9%), and accommodation and food-service activities (11.6%). This concentration is consistent with the intervention logic: these are equipment-, energy-, and labour-intensive sectors with the greatest potential gains from technological upgrading and energy efficiency. Unlike other programmes, however, the portfolio also shows notable sectoral diversification, with 16 CAEM sections represented, including human health and social work (6.9%), construction (5.4%), trade (5.1%), arts and recreation (4.0%), transport and other services (3.6% each). This demonstrates that the need for technological and energy modernisation cuts across the economy and that the Programme was accessible to a broad range of activities.

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# Chapter 3. Programme Evaluation

## 3.1 Relevance

Both the quantitative and qualitative studies indicate a high level of relevance for the PARE 1+2 Programme. The Programme responded to genuine investment needs: equipment modernisation, business start-up or consolidation, mechanisation of agricultural work, increased service-delivery capacity, and productive use of capital accumulated through migration. Relevance is confirmed both by the high share of beneficiaries who state that the Programme influenced their investment decision and by qualitative accounts describing the support as an impetus, an acceleration, or a condition for moving to a larger scale. However, the analysis shows that the Programme's relevance is stronger at the level of the initial investment than across the entire business-development chain, where needs such as storage, market access, utility infrastructure, maintenance, labour, and adaptation of monitoring timeframes to sector-specific circumstances remain unmet.

**Table 2. Statistical Data for Assessing Relevance**

| Aspects analysed | Main results | Interpretation |
|---|---|---|
| The Programme influenced the investment decision | 50.5% – "to a large extent";<br>35.8% – "partially";<br>13.7% – "did not influence it". | For 86.3% of respondents, the Programme played at least a partial role in the investment decision. |
| Most important Programme benefit | 47.9% – the grant;<br>43.7% – the opportunity to invest in the business;<br>5.0% – credibility for accessing other financing;<br>2.5% – consultancy / training / guidance. | Beneficiaries perceive relevance primarily through the value of the financing and the acceleration of investment. |
| Intention to invest without the grant | 39.5% would have invested later;<br>27.7% would have invested less;<br>21.0% would not have invested;<br>11.8% would have invested in the same way. | The Programme has high additionality: for 88.2%, the investment would have been delayed, reduced, or not made. |
| Objectives pursued through PARE | 76.5% – modernisation and quality;<br>68.1% – increased revenue;<br>61.3% – products / services accessible to the community;<br>60.5% – permanent return and family stabilisation;<br>55.5% – development of the locality / region;<br>47.1% – use of skills acquired in the diaspora. | The stated objectives combine SME development with the economic reintegration of migrants and local development. |
| Likelihood of returning without the PARE Programme | 51.8% – ruled out;<br>26.3% – low;<br>14.0% – moderate;<br>7.9% – high. | For a significant share of respondents, the Programme is associated with the feasibility of returning to or remaining in Moldova. |

### Alignment of the Programme with Beneficiaries' Actual Investment Needs

> *"With the help of this grant, we managed to get our heads somewhat above water." (beneficiary returned from the diaspora, furniture production)*

The integrated analysis shows that the PARE 1+2 Programme was relevant to beneficiaries' immediate investment needs. In the quantitative study, equipment modernisation and improvement of product or service quality emerged as the main objective pursued through the Programme, mentioned by 76.5% of respondents. This result is confirmed by the interviews: beneficiaries used the support for agricultural machinery, production equipment, a delivery vehicle, a car wash, processing equipment, or logistics. In most cases, the financed investments were not incidental assets but addressed critical links in business operations.

The Programme's relevance is particularly visible where financing removed a clear operational constraint. In one beneficiary's furniture business, the financed vehicle solved the problem of delayed deliveries and made it possible to meet commitments to clients. On farms, the machinery purchased reduced dependence on external service providers, enabled work to be completed within shorter timeframes, and reduced manual labour. In the

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furniture workshop in Nisporeni, the new machinery made it possible to cut panels and apply edging on site, avoiding trips to other companies and increasing work speed. For the detergent producer, the support contributed to equipment, logistics, raw materials, and the arrangement of a more credible showroom for clients.

> *"We were moving slowly, with more complications, more manual work, greater difficulty, and more stress. The pace of work would have remained the same as before." (beneficiary, furniture production)*

At the same time, the qualitative study shows that the Programme's relevance should not be interpreted uniformly. For some beneficiaries, PARE 1+2 was the factor that enabled an activity to be launched from scratch. For others, the investment decision had already been made, and the support accelerated development, reduced financing costs, or enabled the business to move to a larger scale. This distinction is important for the evaluation: the Programme did not always trigger entrepreneurship, but it frequently acted as an accelerator and reduced investment risk.

### Relevance to the Migrant Profile, Return, and Productive Use of Remittances

> *"I had already decided to return to the country. The Programme helped me take the step more safely and develop the business here." (beneficiary returned from the diaspora, furniture production)*

The relevance criterion is also supported by the Programme's fit with the profile of its intended beneficiaries. The qualitative study includes cases of migrants who returned after long periods abroad, beneficiaries with family members living abroad, and families that decided to transform accumulated savings into productive investments. Some beneficiaries had lived in the United States or Italy for 19–20 years, others had worked abroad for several years, while in other cases a husband, wife, parents, or children contributed financial resources earned through migration.


**Figure 6. Main Objectives Pursued through PARE (%)**

The quantitative-study data confirm this orientation. Figure 6 shows that 60.5% of respondents identify permanent return to Moldova and family stabilisation at home among the objectives pursued through PARE, while 47.1% identify the use in Moldova of professional skills and experience acquired in the diaspora. Moreover, 51.8% of respondents consider that the likelihood of returning without the Programme would have been ruled out, while 26.3% consider it low. These data suggest that a significant share of beneficiaries perceive the Programme as an instrument for lowering the barrier to return or strengthening the decision to remain.

> *"We decided to return and needed to start an activity, earn an income, and maintain a standard of living here." (beneficiary returned from the diaspora, beekeeping)*

The qualitative study adds nuance to this finding. Several beneficiaries state that the decision to return had already been made before accessing the Programme, driven by attachment to the country, a desire for family stability, or the intention to build a business at home. In such cases, the relevance of PARE 1+2 lies in transforming return into a more feasible economic pathway. The Programme provided capital, institutional confidence, and a framework of guidance for people returning to a business environment different from the one they had known in the diaspora. This function is particularly relevant for entrepreneurs who brought technical skills and professional practices from abroad but needed support to adapt to the market, procedures, and economic relationships in the Republic of Moldova.

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## Additionality of Support and Acceleration of Investment

*"Without ODA, it would have been a more difficult period—half a year or a year—until we saved the money for the investment we needed." (beneficiary, furniture production)*

Responses from the quantitative study indicate an important contribution by the Programme. Only 11.8% of respondents state that they would have made largely the same investment even without the grant. By contrast, 39.5% would have invested later, 27.7% would have invested on a smaller scale, and 21.0% would probably not have made the investment. Overall, 88.2% of beneficiaries indicate that the support changed the timing, scale, or even the feasibility of investing. This distribution confirms that PARE 1+2 did not merely replace private resources that were already available, but accelerated and amplified investment.

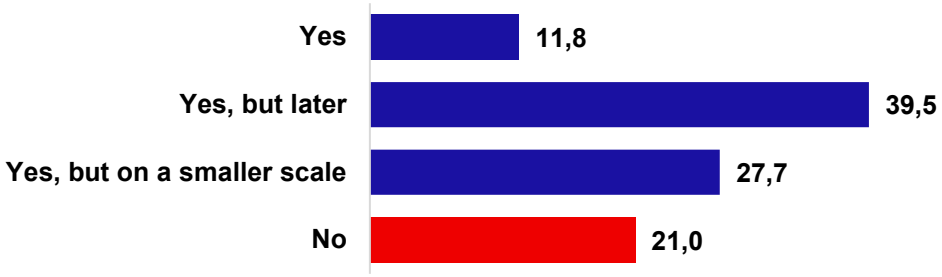


**Figure 7. Intention to Invest without the Grant (%)**

This finding is supported by the qualitative accounts. Agricultural beneficiaries mention that, without the grant, they would have cultivated smaller areas, remained dependent on service providers, or postponed mechanisation. In production and service businesses, the grant enabled purchases that would otherwise have been made later through loans or gradual accumulation of resources. A detergent producer mentions that, without ODA financing, the company would probably have taken out a bank loan, adding financial pressure at an already difficult stage. Another beneficiary in the furniture sector indicates that, without the support, an additional six months to one year would have been needed to purchase the vehicle required for deliveries.

Additionality nevertheless differs from case to case. In some situations, the Programme was essential for starting the business; in others, it functioned as complementary support within an investment process that was already under way. This diversity does not reduce the Programme's relevance, but indicates that PARE 1+2 responds to two types of needs: launching the economic activities of returning migrants and consolidating businesses that have moved beyond the idea stage but still lack sufficient capital for modernisation, expansion, or stabilisation.

## Relevance of the Financial Instrument and Advisory Support

In the perception of surveyed beneficiaries, the Programme's relevance is associated primarily with its financial component. 47.9% identify the grant or the value of non-reimbursable financing as the most important benefit, while 43.7% identify the possibility of investing in the business sooner. This shows that the Programme's practical value is understood mainly through its ability to mobilise capital at a critical moment. For small entrepreneurs and families returning from migration, the grant is directly important because it reduces the need for borrowing, lowers the risk assumed, and allows part of their own resources to be retained for related expenses.

*"We invested a great deal from our own resources as well, and the grant was assistance that allowed us to take the step sooner." (beneficiary returned from the diaspora, local production)*

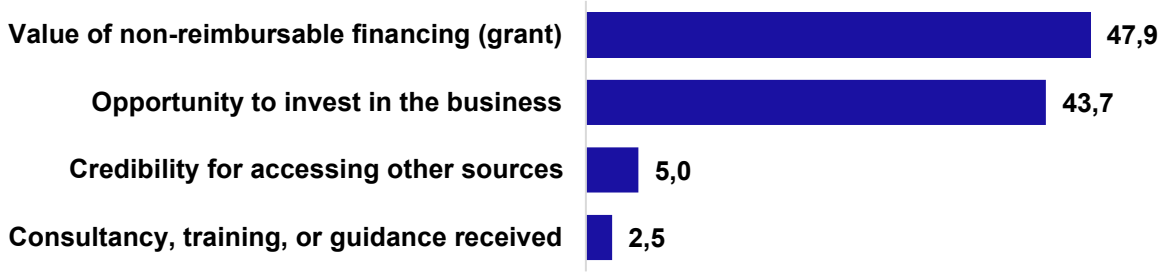


**Figure 8. Most Important Programme Benefit (%)**

The qualitative study confirms the general appropriateness of the co-financing formula. Beneficiaries appreciated that the formula enabled them to combine their own savings, remittances, family resources, or loans

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with ODA support. In several cases, the beneficiaries' own contribution was substantial and exceeded the grant value. For example, in the case of the detergent producer, total private investment was much higher than the grant, while ODA support served as a "helping hand" and institutional validation. In agriculture, beneficiaries combined the PARE grant with other instruments, such as AIPA subsidies, showing that the Programme can function as part of a broader package for financing rural investment.

Non-financial support is less visible in the quantitative study, where only 2.5% of respondents directly identify consultancy, training, or guidance as the most important benefit. Nevertheless, the qualitative study shows that this component had real value for beneficiaries at the beginning of their entrepreneurial journey or for those returning after a long period abroad. Several respondents mentioned that training, consultations, or support from business incubators clarified the criteria, documents, application-file preparation, and certain aspects of business development. For beneficiaries who returned after many years outside the country, this guidance also helped reintegrate them into the local business environment.

> *"The consultations were quite useful, especially for beginners." (beneficiary returned from the diaspora, furniture production)*

### Sectoral Relevance of the Financed Investments

The qualitative analysis indicates that the Programme was applicable across a diverse range of sectors: agriculture, fruit growing, beekeeping, furniture production, detergent production, automotive services, and car washing. This diversity confirms the Programme's flexibility, but also shows that relevance must be assessed in relation to the specific characteristics of each field. In agriculture, investment relevance concerns mechanisation, reduced manual labour, timely completion of work, and adaptation to climate risks. In furniture production, relevance concerns precision, speed, quality, and meeting delivery deadlines. In detergent production, it concerns equipment, logistics, raw materials, compliance, and the capacity to gain the confidence of large clients. In automotive services, it concerns specialised equipment and local availability of the service.


**Figure 9. Main Objectives Pursued through the PARE Programme (%)**

This sectoral fit is supported by quantitative-study data on the objectives pursued. 76.5% of beneficiaries sought to modernise equipment and improve the quality of products or services, while 68.1% sought to increase turnover and income. At the same time, 61.3% identified the provision of products or services accessible to the local community, confirming that beneficiaries perceive investments both as internal modernisation and as a response to local demand for services and products.

The qualitative study shows that the Programme was also relevant for businesses located in rural areas or smaller localities. In such cases, the support enabled the creation or maintenance of services that would otherwise have been concentrated in district or urban centres. However, relevance is conditional on the size of the local market, population density, access to clients, and labour availability. In rural localities, even a well-chosen investment may be constrained by demand, infrastructure, or migration of the working-age population.

### Limitations of Relevance and Remaining Unmet Needs

Although the Programme's overall relevance is high, the integrated analysis identifies several limitations. The first is that the grant generally addresses a specific investment but does not always cover the entire business-development chain. Agricultural beneficiaries mentioned needs relating to storage, preservation of produce, protection against climate risks, and access to markets and collection points. Without these elements, machinery increases working capacity but does not guarantee that production can be sold at a better price.

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The second limitation concerns expenses related to the investment. The qualitative study identified relevant costs that were not covered or did not fall within the main financing logic: purchasing or repairing premises, connection to electricity networks, sewerage infrastructure, VAT on certain purchases, maintenance of directly imported machinery, and technical-compliance costs. These do not alter the fact that the grant was relevant, but show that, for some businesses, the true cost of making the investment operational is higher than the cost of the financed equipment.

> *"The costs of purchasing the premises, repairing them, and connecting them to the electricity networks were not covered, although they were necessary for the business to operate." (beneficiary returned from the diaspora, furniture production)*

The third limitation concerns sectoral differences in the pace at which results are achieved. In beekeeping, raspberry plantations, and fruit growing, beneficiaries emphasised dependence on climate, biological cycles, and long periods before results are obtained. In such sectors, standard expectations concerning revenue, turnover, or rapid job creation may be insufficiently adapted. This observation is important for Programme relevance because the support may be well suited in terms of the type of investment, but less suitable in terms of the monitoring horizon and success indicators.

The fourth limitation is related to labour. In the qualitative study, beneficiaries identified the lack of qualified staff or the departure of workers abroad as a risk affecting the use of the investment. In such cases, modern machinery and grants are relevant but cannot fully compensate for a shortage of human capital. For production and service businesses, the capacity to turn investment into growth depends on having a stable team, training, and maintaining work quality.

*"If things go well, we have orders and workers to work with, we will stay. But workers are a major problem." (beneficiary returned from the diaspora, furniture production)*

## 3.2 Coherence

The integrated analysis indicates a generally high level of coherence for the PARE 1+2 Programme. In most cases, the financial support was well integrated into beneficiaries' investment logic: it supplemented their own contributions, remittances, family savings, loans, or investments already made, and financed concrete links in the business model. The qualitative study does not indicate a systemic problem of overlap or double financing for the same assets; where beneficiaries also accessed other programmes, these generally covered distinct and complementary investments. At the same time, the Programme's external coherence is affected by constraints that extend beyond the PARE instrument: insufficient local infrastructure, difficult access to utilities, limited sales markets, shortages of qualified staff, sectoral requirements that are insufficiently adapted, and procedures that can become burdensome for small businesses.

> *"The calculations we made proved correct: our working speed increased, quality improved, and new markets opened up to us." (beneficiary, furniture production)*

**Table 3. Statistical Data for Assessing Coherence**

| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Previous participation in an ODA programme | 79.8% – yes;<br>16.8% – no;<br>3.4% – do not remember / do not know. | This shows frequent engagement of beneficiaries with the ODA ecosystem. This may support complementarity between instruments, but requires clear records to avoid overlaps. |
| Degree of implementation of the planned investment | 72.3% – fully;<br>17.6% – to a large extent;<br>5.9% – significantly different from the initial plan;<br>4.2% – to a small extent. | For 89.9% of respondents, implementation was fully or largely in line with the plan, indicating good coherence between the approved project and the investment made. |
| Appropriateness of own co-financing | 69.2% – fully appropriate;<br>27.4% – partially;<br>3.4% – created liquidity pressure. | The co-financing formula is generally compatible with beneficiaries' financial capacity, although for some of them the own contribution required pressure or adjustments. |
| Main difficulty encountered | 40.3% – document preparation;<br>35.3% – no major difficulties; | The greatest procedural-coherence tensions relate to documentation and |

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| Aspects analysed | Main results | Interpretation |
|---|---|---|
| | 16.0% – securing the own contribution;<br>3.4% – procurement / implementation of the investment;<br>1.7% – instalment / reimbursement mechanism;<br>1.7% – monitoring. | the own contribution, rather than to the financed investment itself. |
| Complexity of the application process | 41.2% rated the process as simple / very simple;<br>49.6% – neither simple nor complicated;<br>9.2% – complicated / very complicated. | The process is perceived as manageable by most beneficiaries, but there is scope for simplification, especially for small entrepreneurs. |
| Intention to access additional financing | 43.2% – through another grant / subsidy programme;<br>29.7% – considering their options;<br>13.6% – from own resources;<br>6.8% – through a loan;<br>6.8% – not at present. | PARE is perceived as part of a broader investment pathway, indicating the potential for complementarity with other financial instruments. |
| Reasons for recommending the Programme | 71.4% mention the 1+1 / 1+2 formula as multiplying remittances;<br>71.4% – simple and transparent process;<br>63.0% – reasonable criteria;<br>51.3% – assistance tailored to entrepreneurs returning from the diaspora. | Beneficiaries confirm the coherence between the Programme logic, co-financing, transparency, and the target profile of returning migrants. |
| Suggestions for improving PARE | 50.0% – increase the maximum grant value for developing businesses;<br>50.0% – relax conditions for second-hand equipment. | This indicates two areas for improving coherence: the scale of support for more advanced businesses and adaptation of eligibility conditions to market realities. |

## Coherence of the Financed Investments with Beneficiaries' Business Models

The qualitative analysis shows that investments financed through PARE 1+2 were generally well connected to the operating logic of the businesses. The support did not finance marginal purchases, but relevant operational links, such as agricultural machinery for completing work on time and production equipment. This orientation indicates good coherence between the Programme's purpose and beneficiaries' investment decisions.

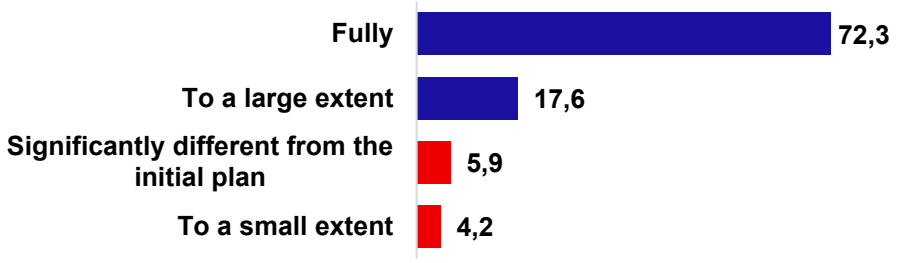


**Figure 10. Degree of Implementation of the Planned Investment (%)**

Quantitative-study data support this finding. 72.3% of respondents state that the planned investment was implemented in full, while 17.6% state that it was implemented to a large extent. Thus, nearly nine out of ten respondents report implementation consistent with the initial plan. This high compliance rate suggests that the investment-selection and design process produced, in most cases, feasible projects compatible with the real needs of the enterprises.

In the qualitative cases, coherence is visible in the way the investments complement existing business flows. In furniture production, cutting, drilling, or edge-banding machinery reduced dependence on external services and enabled better control over quality and deadlines. In another case in the same sector, the financed vehicle

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covered a missing logistics link, while production itself had already been equipped from the beneficiary's own resources. In agriculture, the purchased machinery supplemented existing assets such as tractors or irrigation systems. At the car wash, the financed equipment formed the operational basis of the business from its launch.

> *"Until now, we used services in the city and lost time taking and collecting orders; today I do everything on site." (beneficiary, furniture production)*

### Complementarity of the Grant with Remittances, Own Savings, and Other Private Resources

> *"Through this activity, we support our family and ensure our material stability. People are more at ease when they have a stable source of income." (beneficiary, furniture production)*

A central element of PARE 1+2 coherence is the mechanism for combining the grant with private resources. The qualitative study confirms that public support was used together with beneficiaries' own contributions, savings accumulated abroad, remittances from family members, reinvested revenue, and, in some cases, loans. In this respect, the Programme functioned in accordance with its logic of multiplying migrants' resources and directing private capital towards productive investment.

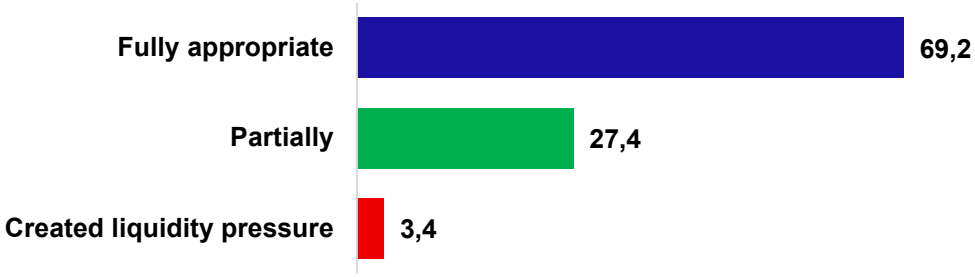


**Figure 11. Appropriateness of Own Co-financing (%)**

The quantitative-study results confirm the general compatibility of the co-financing formula. 69.2% of respondents state that the level of their own contribution was fully appropriate, while 27.4% consider it partially appropriate. Only 3.4% report liquidity pressure. In addition, 71.4% of respondents cite the 1+1 or 1+2 formula as a reason for recommending the Programme, considering that it produced a genuine multiplier effect for the remittances invested.

The qualitative study shows that this complementarity took different forms. Some families used savings accumulated in the USA or Italy; others supplemented the grant with money reinvested from the business or support from relatives. For the detergent producer, the ODA grant was relatively small compared with total private investment, but it was coherent with the need to cover part of the costs of equipment, logistics, and raw materials. In agriculture, beneficiaries combined the grant with their own resources for machinery, land, or infrastructure. This suggests that PARE 1+2 did not replace private investment, but mobilised it and reduced perceived financial risk.

### Complementarity with Other Programmes and Avoidance of Overlaps

The qualitative study does not indicate a systemic problem of overlap or double financing. In several cases, beneficiaries state that they did not access other programmes during the same period. Where other sources of support existed, they appear to have financed different assets or stages of business development. For example, an agricultural beneficiary used PARE for machinery and the Employment Agency for the purchase of a tractor. On a fruit-growing farm, ODA support for the tractor was complemented by AIPA support for irrigation and other agricultural implements. In the case of the car wash, another project concerned a hydrocarbon separator, an investment complementary to the washing equipment financed through PARE.

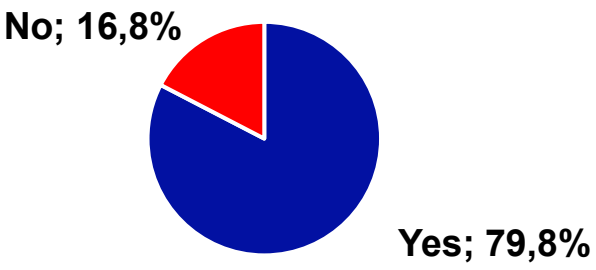


**Figure 12. Previous Participation in ODA Programmes (%)**

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The quantitative-study data must be interpreted with care. 79.8% of respondents report previous participation in an ODA programme. This high share does not in itself mean overlap or double financing; rather, it shows that PARE beneficiaries frequently form part of a broader entrepreneurial-support ecosystem. In this context, Programme coherence depends on ODA's capacity to track financing history, distinguish between complementary investments and overlaps, and direct beneficiaries towards the instrument appropriate to their stage of development.

From the beneficiaries' perspective, complementarity with other instruments is viewed positively when the support finances distinct links in the same investment pathway. Accessing AIPA, a local grant, support through an incubator, or intending to access Programme 373 are not seen as competing alternatives to PARE, but as subsequent or parallel stages in business development. 43.2% of respondents intend to continue investing through another grant or subsidy programme, while 29.7% are still considering their options. This indicates that PARE is often perceived as part of a broader investment pathway rather than as an isolated intervention.

### Procedural Coherence: Accessibility, Documents, and Implementation Conditions

Procedural coherence is generally assessed positively, but not without reservations. Quantitative-study data show that the application process was manageable for most respondents: 41.2% describe it as simple or very simple, while 49.6% describe it as neither simple nor complicated. Only 9.2% consider it complicated or very complicated. At the same time, document preparation is the most frequently mentioned difficulty, accounting for 40.3% of responses, followed by the absence of major difficulties, reported by 35.3%.

*"There was a great deal of documentation, and often the same documents were requested several times." (beneficiary, furniture production)*

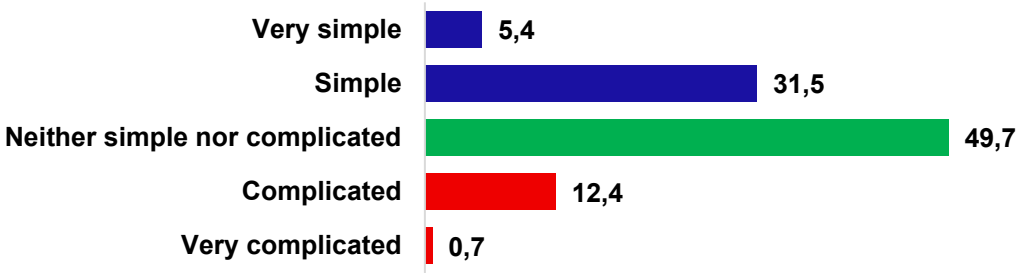


**Figure 13. Complexity of the Application Process (%)**

This combination of results suggests that the procedure is functional but still requires substantial administrative effort. The qualitative study confirms the same picture. Some beneficiaries described the process as simple, clear, and accessible, including through online submission and good communication with ODA. Others mentioned a large volume of documents, repeated requests for records, difficulties proving the source of their own contribution, or obstacles related to specific technical conditions.

The clearest procedural tension arose in the purchase of a vehicle, where the requirement concerning the degree of wear complicated the identification of an eligible asset and prolonged the process. This situation is consistent with the improvement suggestions from the survey: 50.0% of respondents mention relaxing the conditions for second-hand equipment, including age, degree of wear, and valuation documents. Thus, even though procedures are considered largely transparent, some conditions may be insufficiently adapted to the realities of the used-goods market, particularly for small entrepreneurs seeking cost-effective purchases.

### Coherence with Advisory Support and Local Entrepreneurship Infrastructure

*"They guided us through all the necessary points. The list of documents was clear; everything was set out in black and white." (beneficiary returned from the diaspora, furniture production)*

The Programme functioned both as a financial mechanism and as an access point for information, training, and counselling. In the qualitative study, several beneficiaries mention courses, individual consultations, support in preparing the application file, or guidance on implementation stages. This component was particularly important for entrepreneurs returning after many years abroad, who were not fully familiar with the rules, institutions, and functioning of the business environment in the Republic of Moldova.

Coherence is strengthened when ODA works through local support structures. The case of the car wash in Sângerei illustrates the role of the Business Incubator in informing the beneficiary, explaining Programme details, preparing the business description, and supporting the financial component. Such structures reduce the distance between the national Programme and entrepreneurs in the regions and contribute to more coherent application of the instrument.

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However, the qualitative study shows that access to support was not uniform. Some beneficiaries received consistent consultations, while others state that they did not receive individual consultations or had to inform themselves. For Programme coherence, this variation is relevant: when projects finance technical fields or high-risk sectors, advisory support should be both administrative and sector-specific, including guidance on business maturation, market risks, machinery maintenance, technical standards, and cash-flow planning.

### External Coherence: Infrastructure, Sector, Market, and Labour

The cases analysed indicate good coherence at the level of individual projects, but also several external-coherence tensions. These do not relate directly to the financial design of PARE 1+2, but they affect beneficiaries' capacity to make full use of the investments. In agriculture, beneficiaries identify climate risks, lack of storage facilities, insufficient collection infrastructure, and difficulty obtaining better prices when produce must be sold directly from the field. In automotive services, the absence of centralised sewerage may conflict with compliance requirements for a hydrocarbon separator. In production, connection to utilities, maintenance of imported machinery, or a lack of qualified staff may reduce investment efficiency.

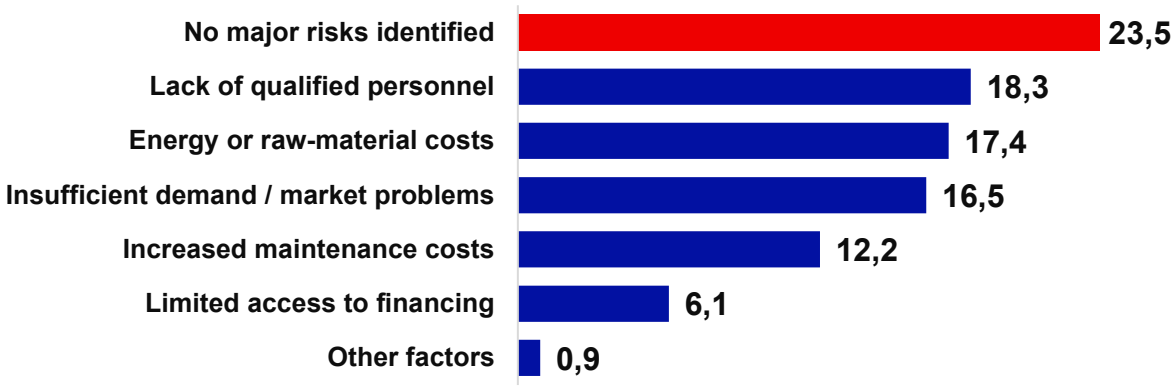


**Figure 14. Main Risks Identified (%)**

Quantitative-study data on risks confirm these findings. 18.3% of respondents identify the lack of qualified staff, 17.4% energy or raw-material costs, 16.5% insufficient demand or market problems, and 12.2% rising maintenance costs. Although 23.5% identify no major risks, the remaining responses show that investment sustainability depends on external conditions that the Programme can influence only partially.

The qualitative study suggests that these tensions may become coherence problems when the Programme finances equipment without being able to address the infrastructure or value chain in full. A tractor or other machinery increases production capacity but does not solve the sales-market problem. Car-wash equipment enables the service to be provided but does not solve the absence of sewerage. Furniture machinery increases technical capacity but cannot replace qualified personnel. External coherence can therefore be strengthened through more explicit links between PARE and other public instruments related to infrastructure, employment, vocational training, standards, energy efficiency, and market access.

### Coherence of Monitoring with Sector-specific Characteristics and Business Maturity

A sensitive aspect of coherence is the relationship between monitoring requirements and the realities of different economic sectors. Most beneficiaries accept monitoring as legitimate, and some even consider it reasonable. However, the qualitative-study findings indicate that the same monitoring framework may be perceived differently depending on the sector and stage of business development. Businesses started from scratch, particularly in agriculture, beekeeping, or plantations, may require more time before the investment is reflected in sales, profit, or stable employment.

The beekeeping case is illustrative: the beneficiary considers that standard deadlines and expectations of rapid results are not coherent with biological risks, bee-colony mortality, and the long development cycle of an apiary. Similarly, the beneficiary with the raspberry plantation reports climate effects that almost completely reduced the harvest in the first years, although the financed machinery is used in accordance with the approved purpose. In fruit growing, the beneficiary emphasises that output may vary from high quantities to zero depending on frost, late frost, or drought.

This finding does not indicate a lack of investment coherence, but the need to differentiate monitoring indicators and expectations. In sectors with high natural risk or in new businesses, Programme coherence could be strengthened through phased indicators: making the investment operational, equipment use, reduction of manual labour, increased technical capacity, market readiness, and only subsequently revenues, profit, and employment. Such an approach would maintain Programme rigour while reducing the risk of assessing businesses with very different dynamics in a uniform manner.

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## 3.3 Effectiveness

The integrated analysis indicates generally high effectiveness of the PARE 1+2 Programme at the level of immediate and intermediate results. Most beneficiaries completed the planned investments, use the financed assets, and report clear effects on equipment modernisation, increased productivity, product or service quality, production/service-delivery capacity, and company image. At the same time, effectiveness is not uniform. In production and service businesses with existing demand, effects are faster and more visible. In agriculture, beekeeping, and plantations, economic results are more vulnerable to climate conditions, biological cycles, mortality of biological material, market access, and the lack of complementary investments. Thus, the Programme is effective in generating outputs and operational changes, but their transformation into revenues, profit, and stable jobs depends on the maturity of the business, the sector, the market, and the beneficiary's managerial capacity.

**Table 4. Statistical Data for Assessing Effectiveness**

| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Degree of implementation of the planned investment | 72.3% – fully;<br>17.6% – to a large extent;<br>5.9% – significantly different from the initial plan;<br>4.2% – to a small extent. | Almost nine out of ten respondents report full or substantial completion of the planned investment, confirming the Programme's effectiveness at output level. |
| Financial/operational effects of the Programme | 72.3% – modernisation of machinery/processes;<br>69.7% – increased efficiency / productivity;<br>63.0% – increased capacity;<br>58.0% – improved quality;<br>51.3% – reduced costs. | The most frequently reported effects are directly related to the investment objectives: modernisation, productivity, capacity, quality, and lower costs. |
| Market and credibility effects | 52.1% – improved image or credibility;<br>41.2% – access to clients or new markets;<br>30.3% – reduced environmental impact;<br>0.8% – no visible effects. | The effects are not limited to equipment; the Programme also contributed to market positioning, credibility, and, for some beneficiaries, environmental results. |
| Extent to which changes are attributed to the Programme | 31.1% – to a very large extent;<br>52.1% – to a large extent;<br>14.3% – partially;<br>1.7% – to a small extent;<br>0.8% – not at all. | 83.2% attribute the changes to the Programme to a large or very large extent, indicating a strong perception of the support's direct contribution. |
| Non-financial effects of the Programme | 69.7% – increased team motivation;<br>63.9% – improved working conditions;<br>60.5% – improved reputation;<br>58.0% – new skills / knowledge;<br>54.6% – better access to additional financing. | The Programme also produced organisational effects: motivation, working conditions, reputation, skills, and the capacity to mobilise other resources. |
| Impact on revenue growth | 27.4% – very high;<br>48.7% – high;<br>20.5% – neither high nor low;<br>0.9% – low;<br>2.6% – none. | 76.1% report a high or very high impact on revenue, although the qualitative study shows significant variation between sectors. |
| Turnover trend | 30.5% – increased significantly;<br>37.9% – increased moderately;<br>31.6% – remained unchanged;<br>0% – decreased. | 68.4% report a moderate or significant increase in turnover, and the absence of cases of decline suggests an overall positive direction. |
| Impact of PARE on the business | 22.2% – very high;<br>53.0% – high;<br>21.4% – neither high nor low;<br>3.4% – low. | 75.2% assess the Programme's impact on the business as high or very high, confirming perceived effectiveness at beneficiary level. |
| Reasons for recommending the Programme | 58.8% – the Programme contributed significantly to increased competitiveness; | Recommendation of the Programme is associated with both access to financing and economic results, |

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| Aspects analysed | Main results | Interpretation |
|---|---|---|
| | 50.4% – the investment produced visible and rapid economic results;<br>42.9% – the grant enabled the launch of a business that would otherwise not have been possible. | competitiveness, and business creation. |
| Risks that may affect the maintenance of results | 18.3% – lack of qualified personnel;<br>17.4% – energy / raw-material costs;<br>16.5% – insufficient demand / market problems;<br>12.2% – maintenance;<br>23.5% – identify no major risks. | The effectiveness achieved may be affected over time by external factors: personnel, costs, the market, and maintenance, as also confirmed by the interviews. |

### Implementation of Planned Investments and Use of Financed Assets

The first level of Programme effectiveness concerns completion of the approved investments and use of the financed assets. Quantitative-study data indicate a high rate of implementation in accordance with the plan: 72.3% of beneficiaries state that the planned investment was completed in full, while 17.6% state that it was completed to a large extent. Thus, 89.9% of respondents confirm achievement of the Programme's central immediate result: transforming the approved project into an actual investment.

> *"The equipment is being used, it works, and we use it." (beneficiary returned from the diaspora, furniture production)*

The qualitative study confirms this finding. Beneficiaries describe the purchase and actual use of financed equipment: beehives, a honey extractor, and other beekeeping equipment; a seed drill, cultivator, plough, auger, rotary tillers, sprayers, and a harrow; a tractor; a vehicle for delivering furniture; cutting and edge-banding machinery and other furniture-production equipment. In most cases, beneficiaries explicitly state that the assets are used in accordance with the approved purpose.

This result is important because it shows that the Programme did not merely transfer financial resources, but produced functional assets for enterprises and farms. In production and service cases, the financed assets are integrated into daily operations. For the detergent producer, the assets are used "from morning until evening"; in furniture workshops, machinery is used for routine technical processes; at the car wash, the equipment operated throughout the monitoring period; in agriculture, the machinery is used for seasonal work.

### Modernisation, Productivity, and Quality Improvement

Programme effectiveness is most visible in the modernisation of processes and increased productivity. Thus, 72.3% of respondents identify modernisation of machinery, technologies, or processes as an effect of the Programme, while 69.7% report increased efficiency or productivity. At the same time, 63.0% mention increased production or service-delivery capacity, and 58.0% report improved quality of products or services. These data show that the Programme produced consistent technical and operational effects.

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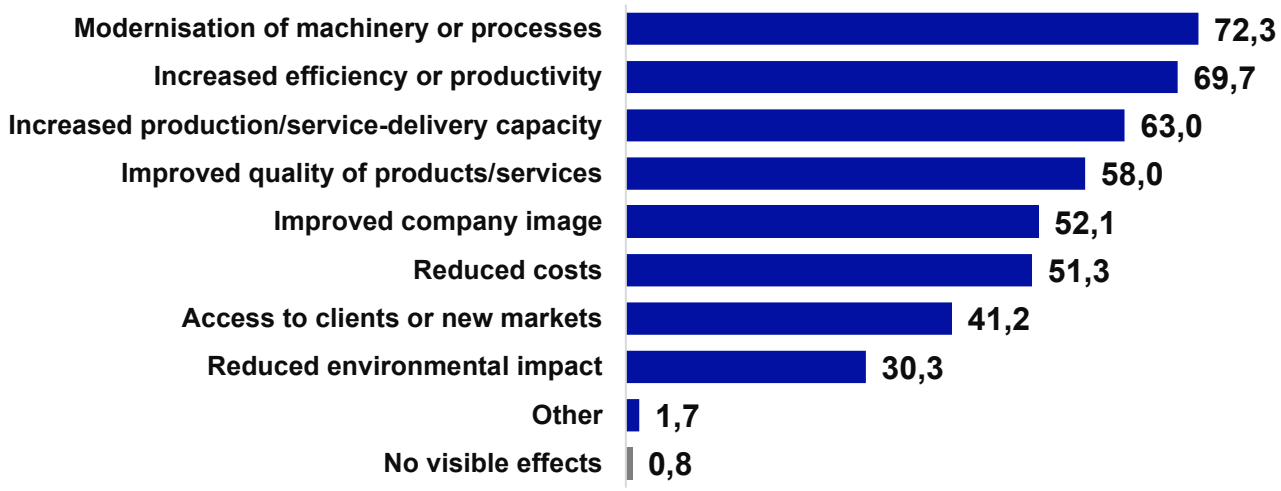


**Figure 15. Effects of the Programme (%)**

The qualitative study provides concrete explanations for these results. In agriculture, machinery reduced dependence on external service providers, enabled work to be completed within shorter timeframes, and reduced manual labour. Beneficiaries describe effects such as more precise sowing, faster soil preparation, mechanised spraying, easier handling of produce, and savings of time and resources. In furniture production, new machinery replaced manual operations, increased precision, reduced working time, and enabled certain operations that had previously been outsourced to be carried out in-house.

In services and production, modernisation translates into quality and credibility. The delivery vehicle improved punctuality and strengthened responsibility towards clients. The car-wash equipment enabled a local business to operate with a growing client base. In detergent production, investments in equipment, logistics, and raw materials supported a quality-based position and the capacity to work with larger clients. These examples show that effectiveness lies not only in the existence of equipment, but also in concrete changes in production, delivery, and service provision.

## Economic Results: Revenue, Turnover, and Market Capacity

Quantitative-study data indicate a positive perception of the Programme's economic effects. 27.4% of respondents assess the impact on revenue growth as very high and 48.7% as high. Overall, 76.1% report a high or very high impact on revenue. 30.5% state that turnover increased significantly, while 37.9% state that it increased moderately; no respondent reports a decrease in turnover. These results generally suggest positive economic effectiveness.

However, the qualitative study shows that economic effects differ. In some cases, the results are clear: the farm that purchased a seed drill, cultivator, plough, and auger reports an estimated 50%–60% increase in income; the detergent producer states that the company moved from losses in its first months to covering current expenses and gradually increasing production volume; the car wash expanded its client base and reached three jobs. In these cases, the investment contributed to observable economic results.

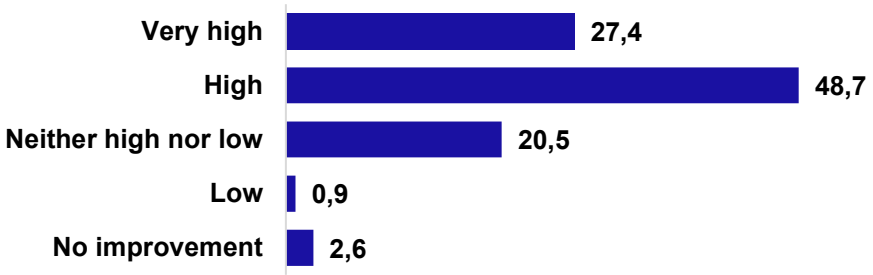


**Figure 16. Impact on Revenue Growth**

In other cases, economic effectiveness is limited or delayed. The beekeeping business has not yet generated sales or commercial-scale production because of repeated bee-colony losses. The raspberry plantation uses machinery and mechanises work, but the harvest has been very poor in recent years because of the weather. The fruit-growing farm uses the tractor and implements, but income depends on frost, late frost, drought, and the sales market. These cases show that the Programme may be operationally effective even when economic effects are delayed or affected by external factors.

Public

*"A business of this kind needs at least several years. Expecting very rapid results is not realistic." (beneficiary, beekeeping)*

### Access to Clients, New Markets, and Strengthened Credibility

The Programme also affected market relationships. Thus, 52.1% of respondents report an improved company image or credibility, while 41.2% mention access to clients or new markets. These results are relevant to effectiveness because they show that the financed investments created internal capacity and improved positioning in relationships with clients and partners.

The qualitative study confirms this effect, especially in production and services. In furniture production, modern machinery and the capacity to perform operations in-house opened access to Chișinău and other markets, reduced dependence on third parties, and improved the workshop's image. Beneficiaries mention that modern equipment inspires greater client confidence than old machinery. For the delivery vehicle, the market effect is associated with meeting deadlines and avoiding delays that would affect client satisfaction.

For the detergent producer, the credibility effect is particularly visible. The fitted-out office, the equipment, production capacity, and status as a local producer helped the company persuade large clients to cooperate. The beneficiary mentions clients from different sectors, including large companies, restaurants, car washes, and cleaning agencies. Thus, the support contributed to consolidating the company's market position and strengthening client relationships.

### Non-financial Effects and Organisational Development

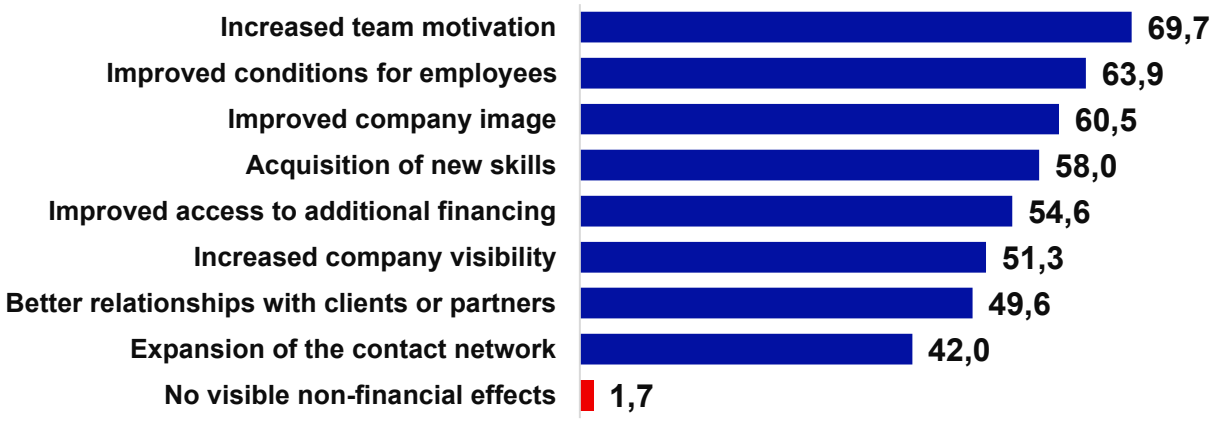


**Figure 17. Non-financial Effects of the Programme (%)**

Programme effectiveness is also reflected in non-financial effects. 69.7% of respondents report increased team motivation, 63.9% improved working conditions, 60.5% improved company image or reputation, 58.0% acquisition of new skills or knowledge, and 54.6% improved access to additional financing. These data show that the Programme also functioned as an organisational-strengthening mechanism.

The qualitative study shows that, for many beneficiaries, the support also had a psychological and motivational effect. For entrepreneurs returning from the diaspora, the Programme was perceived as a sign that the state supports the initiative to invest in the country. For small businesses, acceptance into the Programme increased confidence in their own capabilities and encouraged further development plans. Some beneficiaries mentioned that participation in training, consultations, or activities through business incubators helped them better understand business management, financial control, client relations, and financing opportunities.

These effects are important for the evaluation because the results of an entrepreneurship programme are not limited to immediate turnover. Especially for businesses launched or consolidated after migration, motivation, confidence, management skills, and a sense of belonging to the local business ecosystem can influence medium-term continuity. In this respect, PARE 1+2 produced effects that are not always visible in fiscal data but that support the entrepreneurial pathway.

### Jobs and Use of Human Resources

Effectiveness in relation to employment is more moderate than technical effectiveness. The qualitative study shows a varied situation. In some cases, the Programme contributed to job creation: the car wash began with the administrator's own work and reached three jobs; some furniture workshops seek workers and have employees or collaborators; in agriculture, there is seasonal work or the involvement of day labourers during harvesting. In other cases, businesses operate mainly through family labour and have no permanent employees.

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This situation must be interpreted in relation to the type of investment and business maturity. Many financed projects primarily aimed to provide technical equipment and reduce manual labour, not necessarily to create immediate employment. In agriculture, mechanisation may even reduce the need for permanent physical labour while increasing the capacity to complete work on time. In production, machinery may increase productivity with the same number of employees. From this perspective, the absence of rapid employee growth does not automatically indicate a lack of effectiveness.

However, the shortage of qualified personnel limits economic effectiveness. Furniture-sector beneficiaries mention recruitment difficulties, high staff turnover, and substantial costs for training inexperienced workers. In one case, a worker trained for a year left the sector; in another, the beneficiary reported workers leaving for Germany. These examples show that equipment investment should be complemented in the medium term by measures for training, retention, and skills development.

### Differentiated Effectiveness by Sector and Business Maturity

The integrated analysis shows that the Programme produces faster and stronger effects in businesses where the financed investment can be immediately converted into services, products, or deliveries. Examples include the car wash, detergent production, and furniture workshops. In these cases, the financed assets are directly linked to daily workflows, client relations, and service or production capacity.

In agriculture, effectiveness follows a different timeframe. Machinery and tractors are used and reduce manual labour, but economic results depend on climate, water, disease, markets, storage, and the agricultural calendar. The beekeeping and raspberry cases show that completing the investment does not guarantee immediate commercial production. In these sectors, effectiveness should be assessed through a more nuanced set of indicators: asset use, continuation of the activity, reduction of manual labour, restoration of biological material, technological adaptation, and investments in protection and resilience.

Business maturity is just as important as the sector. In existing businesses, the investment addressed a clear constraint and produced rapid effects on quality, speed, or delivery. In businesses launched from scratch, the Programme created capacity, but commercial results require time. This distinction is important for interpreting effectiveness: a project may be effective as an investment start-up while still being insufficiently mature to demonstrate profit, exports, permanent jobs, or market expansion.

### Factors Limiting Effectiveness

Quantitative-study data identify the main risks that may affect the maintenance of results: 18.3% of respondents mention the lack of qualified personnel, 17.4% energy or raw-material costs, 16.5% insufficient demand or market problems, and 12.2% rising maintenance costs. These risks explain why Programme effectiveness may be high at the level of the completed investment but more variable at the level of economic results.

The qualitative-study findings add specific factors. In agriculture, climate is the main limiting factor: drought, extreme temperatures, late frost, and frost reduced or eliminated harvests. In beekeeping, bee-colony mortality prevented commercial production. In manufacturing, shortages of qualified staff and difficulties maintaining directly imported machinery delayed full use of the investments. In services, a village location limits demand, while local infrastructure such as sewerage or access to utilities may affect operation and compliance.

These findings do not diminish the results achieved, but show that Programme effectiveness depends on complementary conditions. Financing equipment is a necessary but not always sufficient condition for economic performance. To transform technical effectiveness into sustainable economic effectiveness, beneficiaries need markets, personnel, maintenance, infrastructure, climate protection, access to additional capital, and advice tailored to their stage of development.

## 3.4 Efficiency

The integrated analysis indicates generally good efficiency of the PARE 1+2 Programme, particularly in terms of the relationship among the grant value, the own contribution, and the operational results achieved. For most beneficiaries, the application and financing process was manageable, the duration was reasonable, the co-financing formula was acceptable, and the financed assets are used intensively in current operations.

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**Table 5. Statistical Data for Assessing Efficiency**

| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Time from application to implementation | 76.3% – 1–6 months;<br>11.0% – 6–12 months;<br>6.8% – more than 12 months;<br>5.9% – less than one month. | In most cases, investments were implemented within a relatively short period. Nevertheless, almost one fifth of respondents report durations longer than six months, confirming the differences observed in the qualitative study. |
| Main difficulty encountered | 40.3% – document preparation;<br>35.3% – experienced no major difficulties;<br>16.0% – securing the own contribution;<br>3.4% – procurement/implementation of the investment;<br>1.7% each – other, instalment/reimbursement mechanism, and monitoring. | Document preparation is the main administrative cost of participation, even though one third of respondents report no major difficulties. |
| Complexity of the application process | 49.6% – neither simple nor complicated;<br>35.3% – simple;<br>5.9% – very simple;<br>8.4% – complicated;<br>0.8% – very complicated. | The process is perceived as manageable: 41.2% consider it simple or very simple, while only 9.2% consider it complicated or very complicated. |
| Appropriateness of own co-financing | 69.2% – fully appropriate;<br>27.4% – partially;<br>3.4% – created liquidity pressure. | The co-financing formula is generally efficient and affordable, although almost one third of respondents report only partial suitability or financial pressure. |
| Overall assessment of the Programme | 75.6% – very good;<br>21.0% – good;<br>2.5% – satisfactory;<br>0.8% – poor. | The highly positive overall assessment confirms beneficiaries' perception that the Programme functions efficiently as a support mechanism. |
| PARE Programme NPS | 75.4% gave a score of 10;<br>12.7% gave a score of 9;<br>9.3% gave a score of 8;<br>1.7% gave a score of 7;<br>0.8% gave a score of 6. | The high likelihood of recommendation indicates strong satisfaction with the relationship between the effort required to participate and the benefit obtained. |
| Suggestions for improving PARE | 50.0% – increase the maximum grant value for Component III;<br>50.0% – relax conditions for second-hand equipment. | The recommendations concern increasing financial efficiency and reducing procedural constraints so that investments are better adapted to SME realities. |

However, Programme efficiency is not uniform. It declines in cases where procedures lasted almost a year, documents were perceived as repetitive, the instalment or reimbursement mechanism caused delays, and ineligible or external costs—VAT, utility connections, maintenance, imports, premises, rent, or local infrastructure—created additional pressure on beneficiaries. The Programme is therefore efficient as a mechanism for mobilising private investment, but its efficiency could be strengthened by simplifying certain procedures, clarifying conditions for second-hand equipment, and extending advisory support for costs associated with investments.

*"Payment was made in two instalments. When all the money comes at once, matters are resolved faster; when it comes in stages, misunderstandings arise." (beneficiary, furniture production)*

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## Process Duration and Time Efficiency of Financing

From the perspective of process duration, the quantitative data indicate relatively good procedural efficiency. 76.3% of respondents reported a period of 1–6 months from application to implementation, while 5.9% reported a period of less than one month. Overall, more than four fifths of respondents report a duration of no more than six months, suggesting that, for most beneficiaries, the Programme operated within a timeframe compatible with the needs of an entrepreneurial investment.

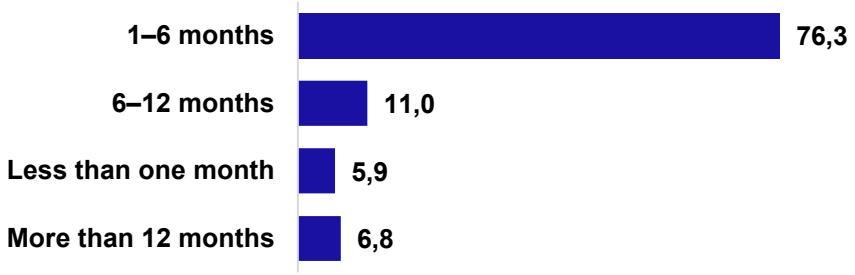


**Figure 18. Time from Application to Implementation (%)**

The qualitative study confirms this trend but also shows significant variation among cases. Some beneficiaries described rapid processes: approximately two months for the detergent producer and the furniture workshop that had already purchased the machinery; three to four months for the fruit-growing farm and the beekeeping business; and approximately six months for the agricultural farm and car wash. In these cases, the duration was considered reasonable and sometimes even useful for preparing the own contribution, arranging the premises, or finalising documents.

At the same time, the qualitative study highlights cases in which time efficiency was lower. The furniture producer who requested financing for a vehicle estimated the duration at approximately 9–12 months, while the beneficiary with furniture machinery mentioned that almost a year elapsed between submitting the documents and refinancing. These cases correspond to the shares reporting durations of 6–12 months and more than 12 months and show that, although the average perception is positive, delays may become critical for beneficiaries who urgently need equipment or depend on supplier deadlines.

## Administrative Costs and Complexity of Procedures

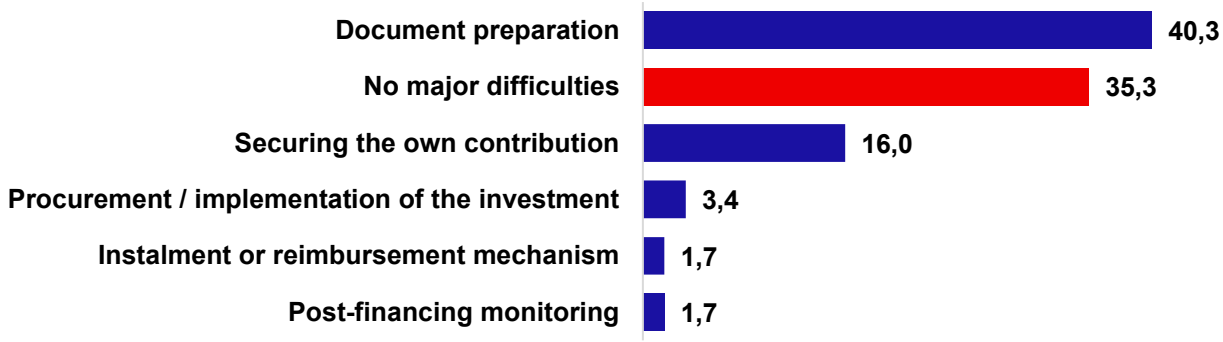


**Figure 19. Main Difficulty Encountered (%, One Response)**

Quantitative-study data show that the main source of administrative cost was document preparation. 40.3% of respondents identified document preparation as the main difficulty. Nevertheless, 35.3% stated that they encountered no major difficulties, suggesting that the procedure is manageable but not effortless. This interpretation is also confirmed by responses to another question: 49.6% rated the process as neither simple nor complicated, 35.3% as simple, 5.9% as very simple, and only 9.2% as complicated or very complicated.

The qualitative study provides a more nuanced explanation. For some beneficiaries, procedures were clear and online submission greatly simplified access to the Programme. A farm in Sângerei applied independently and assessed the process as simple and accessible. Another fruit-growing farm mentioned completing the required courses and encountering no difficulties, while a furniture workshop in Chișinău considered the list of documents clear and cooperation with ODA very good.

For other beneficiaries, however, the volume of documentation and repeated requests increased costs over time. In the case of one furniture producer, the beneficiary mentioned extensive documentation and repeated

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requests for the same records. For the purchase of the delivery vehicle, the process was complicated by requirements concerning the degree of wear, valuation of the asset, and difficulty identifying an eligible vehicle. These examples show that procedural efficiency depends on the Programme's general rules, the type of asset financed, and the beneficiary's capacity to navigate technical requirements.

### Efficiency of the Co-financing Formula and Mobilisation of Private Resources

The co-financing formula is one of the elements supporting Programme efficiency. In this regard, 69.2% of respondents consider the co-financing mechanism fully appropriate, 27.4% consider it partially appropriate, and only 3.4% state that it created liquidity pressure. This result indicates that the Programme generally succeeded in mobilising private contributions without generating excessive pressure for most beneficiaries.

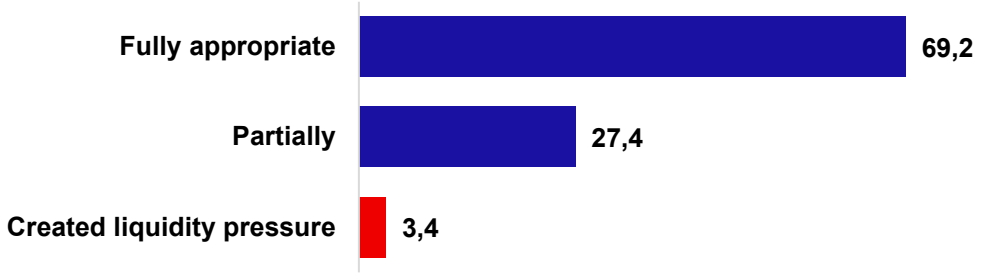


**Figure 20. Appropriateness of Own Co-financing (%)**

The qualitative study confirms the Programme's financial leverage effect. Beneficiaries supplemented the grant with savings from migration, own resources, reinvested revenues, loans, or family support. In some cases, the grant value was relatively small compared with the total investment—for example, a detergent producer reported own investments of approximately EUR 150,000 compared with a grant of MDL 250,000—but the support nevertheless played a significant role in reducing financial pressure and maintaining the pace of development.

The efficiency of the formula is highly visible where PARE was combined with other public instruments without overlap. A fruit-growing farm described purchasing a tractor through an own contribution and ODA support, followed by subsidisation through AIPA, which significantly reduced the final cost borne by the beneficiary. This example shows that the Programme can generate a higher financial return when coordinated with other complementary mechanisms and when the financing covers distinct assets.

### Efficiency of the Use of Financed Investments

Intervention efficiency is most clearly observed in the use of financed assets. In the qualitative study, most beneficiaries state that the equipment, machinery, or means of transport are routinely used and in accordance with the approved purpose. The furniture-delivery vehicle is used daily, the car-wash equipment operates continuously, agricultural machinery is used for sowing, soil preparation, spraying, or handling produce, and detergent-production equipment is used "from morning until evening".

This intensive use indicates a good relationship between the resources allocated and the operational needs addressed. In furniture production, machinery reduced travel to external service providers, fuel consumption, and time lost correcting errors. In agriculture, machinery reduced dependence on service providers, enabled work to be completed within shorter timeframes, and reduced manual labour. In automotive services, the equipment created the basis for operating a car wash in a rural locality. In detergent production, the financed equipment and assets supported raw-material handling, production, and delivery.

However, operational efficiency does not automatically translate into full economic efficiency. In agriculture and beekeeping, machinery may be used correctly while income remains low because of climate, bee-colony mortality, or lack of harvest. In production, technical efficiency may be limited by a lack of qualified staff, maintenance, insufficient demand, or inadequate premises. Thus, financed assets are generally used efficiently, but the final economic return depends on sectoral and market factors.

### Role of Advisory Support in Implementation Efficiency

Advisory support contributed to implementation efficiency in several cases. Beneficiaries who received direct guidance avoided mistakes, better understood the steps to be followed, and were able to prepare their application files more efficiently. A raspberry-plantation beneficiary considered the initial consultation important for clarifying stages and avoiding mistakes, while the detergent producer found the online courses highly productive, especially for adapting to the business environment in the Republic of Moldova after 20 years in Italy. Another case—that of a car wash—also illustrates the role of the Business Incubator in reducing information costs and preparing the financing application.

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At the same time, access to consultancy was not uniform. The beekeeping beneficiary mentioned that no individual consultations were received, although further discussions would have been useful. Other beneficiaries stated that they informed themselves or turned to accountants, suppliers, brokers, friends, or informal consultants. This variation matters for efficiency because projects often finance technical investments involving customs, fiscal, maintenance, eligibility, or infrastructure-connection risks.

The qualitative study shows that a lack of specialised advice can lead to high costs. The detergent producer reported significant losses caused by administrative and customs errors outside the Programme. The beneficiary who imported machinery from China saved on the purchase price but incurred high time and stress costs related to maintenance and commissioning. These examples suggest that Programme efficiency would increase if financial support were accompanied, for certain types of investment, by technical, fiscal, customs, and legal advice.

### Ineligible Costs, Hidden Costs, and Pressure on Investment Returns

An important limitation on efficiency arises from costs that are not covered by the grant but are indispensable for making the investment operational. The qualitative study provides several examples: VAT on fixed assets, connection to the electricity network, repair or purchase of premises, infrastructure arrangements, rent, machinery maintenance, differences between quotations and final costs, and import or customs-clearance costs.

These costs do not necessarily indicate a problem with the grant design, but they affect the efficiency perceived by the beneficiary. The furniture workshop in Chișinău mentioned the high costs of connecting to electricity and the inability to include infrastructure expenses. The car wash paid VAT and faced constraints related to local sewerage infrastructure. The detergent producer emphasised the pressure of fixed costs, including rent and monthly expenses, while agricultural beneficiaries identified needs for storage, climate protection, or collection points.

Quantitative-study data confirm that financial pressure remains relevant for some beneficiaries. Thus, 27.4% considered co-financing only partially appropriate, while 3.4% stated that it created liquidity pressure. At the same time, 16.0% identified securing their own contribution as the main difficulty. These results show that, although the mechanism is efficient for most beneficiaries, for some SMEs the total investment cost exceeds the financial effort visible in the grant value.

### Monitoring, Instalments, and Post-financing Efficiency

Monitoring is necessary to protect public funds and verify use of the financed assets, and most interviews do not describe it as a disproportionate burden. In the case of the car wash, three years of monitoring were completed without major problems, and the equipment was found to be in place and operational. At the furniture workshop in Chișinău, monitoring visits were considered reasonable, announced in advance, and focused on verifying the presence and use of the machinery.

However, in the quantitative study, post-financing monitoring is reported as the main difficulty by 1.7% of respondents, while the instalment or reimbursement mechanism is also mentioned by 1.7%. The share is small, but the qualitative study shows that these aspects may become important in particular situations. The beekeeping beneficiary described strong tension related to monitoring and a request to repay the grant, against the background of failing to achieve rapid economic results in an agricultural field with high biological risk. The furniture-production beneficiary considered that payment in two instalments slowed down implementation of the investment.

Post-financing efficiency therefore depends on balancing control with sectoral adaptation. Verification of asset use is legitimate, but assessment of economic results should take account of business maturity and sector-specific characteristics. In agriculture, beekeeping, and plantations, an excessively standardised framework may generate additional administrative and psychological costs without accurately reflecting actual use of the investment.

### Overall Assessment and Beneficiary Recommendations on Programme Efficiency

The overall perception of the Programme is very positive. Thus, 75.6% of respondents rated the Programme as very good and 21.0% as good. In addition, 75.4% gave a score of 10 for the likelihood of recommending the Programme, 12.7% gave a score of 9, and 9.3% gave a score of 8. These results indicate a high level of satisfaction and suggest that, in beneficiaries' perception, Programme benefits exceed the administrative costs of participation.

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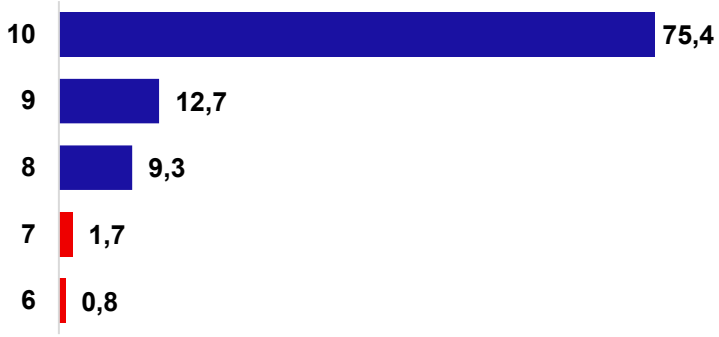


**Figure 21. Recommendation Score for the PARE Programme (%)**

The qualitative study supports this conclusion. Even beneficiaries who encountered procedural difficulties or achieved slower economic results appreciate the usefulness of the support. The Programme is described as welcome assistance, an impetus, a helping hand, an instrument enabling faster investment, or a mechanism that gives energy and confidence to entrepreneurs returning from the diaspora. This assessment is important for the efficiency criterion because it reflects both the formal costs of the Programme and the return perceived by beneficiaries.

At the same time, improvement suggestions indicate where efficiency could be increased. Responses are evenly divided between two recommendations: increasing the maximum grant value for Component III and relaxing conditions for second-hand equipment. These suggestions are consistent with the interviews: some beneficiaries considered the grant insufficient relative to actual investments, while others encountered obstacles when purchasing used assets, especially vehicles or equipment subject to technical eligibility conditions.

## 3.5 Impact

The analysis indicates a positive impact of the PARE 1+2 Programme on beneficiaries, particularly through transforming remittances and savings into productive investments, strengthening local businesses, increasing revenues, modernising production/service-delivery capacities, and reducing pressure to remigrate for some families. Quantitative-study data show a favourable perception of the Programme's impact on the business, community, and family, while the qualitative study confirms that the support produced both economic and non-financial effects: stability, confidence, reputation, better client relationships, entrepreneurial skills, and a sense that beneficiaries can build an economic activity in the Republic of Moldova. However, impact is not uniform. In some cases, particularly in agriculture and beekeeping, economic results remain limited by climate, lack of harvests, biological losses, difficult market access, and labour shortages. Programme impact must therefore be interpreted in a differentiated manner: strong at the level of investment, motivation, and local anchoring, but more variable at the level of profit, permanent employment, and large-scale community effects.

**Table 6. Statistical Data for Assessing Impact**

| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Programme impact on the business | 31.1% – to a very large extent;<br>52.1% – to a large extent;<br>14.3% – partially;<br>1.7% – to a small extent;<br>0.8% – not at all. | 83.2% of respondents attribute a high or very high impact on the business to the Programme, confirming a substantial effect on economic activity. |
| Impact of PARE on the community | 17.0% – very high;<br>56.2% – high;<br>20.5% – neither high nor low;<br>1.8% – low;<br>4.5% – none. | 73.2% report a high or very high impact on the community, although the qualitative study shows that this impact is often local, microeconomic, and gradual. |
| Effects on the family or community | 64.7% – creation of jobs for community members;<br>57.1% – increased family income;<br>54.6% – involvement of other family members;<br>40.3% – return of family members from the diaspora;<br>6.7% – no visible effects;<br>0.8% – negative effects. | The Programme has visible effects on employment, income, and family anchoring, but the impact on actual return from the diaspora is not uniform. |

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| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Impact on revenue growth | 27.4% – very high;<br>48.7% – high;<br>20.5% – neither high nor low;<br>0.9% – low;<br>2.6% – none. | 76.1% report a high or very high impact on revenue, although the qualitative study shows significant differences between sectors. |
| Turnover trend | 30.5% – increased significantly;<br>37.9% – increased moderately;<br>31.6% – remained unchanged;<br>0.0% – decreased. | 68.4% report increases in turnover, and the absence of responses reporting a decrease suggests a positive net economic effect. |
| Financial effects of the Programme | 72.3% – modernisation of machinery / processes;<br>69.7% – increased efficiency / productivity;<br>63.0% – increased capacity;<br>58.0% – improved quality;<br>52.1% – image / credibility;<br>51.3% – reduced costs;<br>41.2% – access to clients or new markets. | The impact on businesses is multidimensional: technological, productive, commercial, and reputational. |
| Non-financial effects | 69.7% – increased team motivation;<br>63.9% – better working conditions;<br>60.5% – image / reputation;<br>58.0% – new skills;<br>54.6% – access to additional financing;<br>51.3% – visibility through ODA promotion;<br>49.6% – better relationships with clients / partners. | The impact extends beyond financial results and includes social capital, confidence, reputation, and entrepreneurial learning. |
| Main objectives pursued through PARE | 76.5% – modernisation and quality;<br>68.1% – increased turnover / revenue;<br>61.3% – products / services accessible to the community;<br>60.5% – permanent return and family stabilisation;<br>55.5% – local economic development;<br>47.1% – use of diaspora experience. | The objectives stated by beneficiaries are aligned with the impacts observed in the qualitative study: modernisation, family stabilisation, and local development. |
| Likelihood of returning without the PARE Programme | 51.8% – ruled out;<br>26.3% – low;<br>14.0% – moderate;<br>7.9% – high. | 78.1% suggest that return without the Programme would have been ruled out or unlikely, indicating an important contribution by the Programme to the decision to return or stabilise, although some interviews show that the decision had already been made before applying. |

### 3.5.1 Analysis of Key Economic Indicators

The pre/post analysis of key economic indicators used the year in which the grant was awarded as the reference year (baseline) and 2025 as the current-period year (post-implementation), as this was the latest year for which complete data were available at the time of the evaluation. Based on the ODA Ex-post Evaluation Methodology (Annex 1), the comparison was made with the year preceding application to the Programme. Thus, for example, for beneficiaries who applied to the Programme in 2023, the indicators are expressed as percentage changes calculated according to the formula: (value recorded in 2025 – value recorded in 2022) / value recorded in 2022 × 100.

To capture differences arising from different periods of exposure to Programme effects, the results were presented separately for beneficiaries who received grants in 2023, 2024, and 2025. This approach shows how Programme impact evolves over time and avoids directly comparing beneficiaries at different stages of investment implementation and maturation.

Comparison of results across programmes is methodologically limited because they have different objectives and different numbers of beneficiaries analysed. Consequently, a direct comparison between programmes may lead to conclusions that do not adequately reflect their performance or effectiveness. For this reason, the indicator section does not present a direct comparison among programmes; the emphasis is on analysing the results achieved within each programme separately.

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It is important to note that some of the observed increases may also be explained by the natural development of the businesses and by the influence of other economic or market factors. At the same time, given the nature of the interventions and the support provided to beneficiaries, the Programme can be expected to have made a significant contribution to the recorded results, even though these developments cannot be attributed exclusively to the Programme.

The indicator analysis was conducted using data provided by the State Tax Service (STS).

**Number of employees.** This indicator measures the percentage change in the number of employees recorded after application compared with the number recorded before application.

The results indicate a significant increase in the number of employees among beneficiaries of the Programme for Attracting Remittances into the Economy "PARE 1+2". The largest increase was recorded among beneficiaries who applied in 2023 (63.6%), followed by those who applied in 2024 (43.8%). For beneficiaries who applied in 2025, the increase was 14.3%, a lower level that may be explained by the shorter period available for implementing the investments and for their effects on economic activity to materialise.

**Table 7. Trends in Key Economic Indicators: 2025 Compared with the Year before Application to the Programme (%)**

| Indicator | Application year 2023 | Application year 2024 | Application year 2025 |
|---|---|---|---|
| **Number of employees** | +63,6 | +43,8 | +14,3 |
| **Salary payments** | +210,5 | +95,2 | +29,8 |
| **Average salary** | +54,6 | +54,1 | +11,4 |
| **Declared revenue** | +91,1 | +67,1 | +14,6 |
| **Profit/loss** | +91,9 | +118,8 | +14,3 |
| **Labour productivity** | +42,9 | +102,5 | +14,5 |
| **Tax contributions** | +141,2 | +120,5 | +11,6 |

### 3.5.2 Cost-benefit Analysis: Financial Analysis

**Table 8. Values of the Main Financial-analysis Indicators**

| Indicator name | Unit of measurement | Value |
|---|---|---|
| Financial net present value (FNPV) | MDL million | **9,2** |
| Financial internal rate of return (FIRR) | % | **12,7** |
| Benefit-cost ratio | n/a | **1,2** |

Details of the data used and calculations performed are presented in Annex 1. Data and Calculations Relating to the Financial and Economic Analysis.

The financial-analysis results indicate that the Programme generates financial benefits exceeding implementation costs, although the level of financial return is relatively modest. The financial net present value (FNPV) is positive at MDL 9.2 million, confirming that discounted financial benefits exceed the costs incurred.

The financial internal rate of return (FIRR) is 12.7%, exceeding the discount rate used in the analysis and indicating a net financial benefit. However, the relatively limited difference from the discount rate suggests that the Programme's return margin is not particularly high.

The benefit-cost ratio is 1.2, meaning that every Moldovan leu invested generates approximately MDL 1.2 in discounted financial benefits. Although the ratio is above one and confirms the appropriateness of the intervention, its value, relatively close to the break-even threshold, indicates that the Programme's direct financial benefits are moderate.

Overall, the results demonstrate that the Programme is financially justified and creates positive net value. Nevertheless, the relatively modest level of the financial indicators suggests that the principal arguments for supporting the Programme are both its direct financial benefits and the broader economic and social effects generated for beneficiaries and the economy.

As noted in the methodological section of the evaluation, the evaluation also involves a sensitivity analysis because the cost-benefit analysis uses estimated future values that are subject to a degree of uncertainty. In this evaluation, the sensitivity analysis is conducted by presenting the neutral scenario, namely by reducing the values of the calculation parameters (future benefits) until the FNPV equals zero, a situation in which the Programme creates no additional net value but also generates no financial loss. The results show that the Programme's financial indicators are positive, but the return margin is relatively modest. Consequently, the sensitivity analysis indicates that an approximately 18% reduction in estimated benefits would be sufficient for

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the FNPV to become zero. This result indicates that the Programme's financial return is sensitive to relatively small variations in projected benefits, confirming that its direct financial advantages are moderate and that a substantial part of the justification for the intervention lies in the economic and social benefits generated.

### 3.5.3 Cost-benefit Analysis: Economic Analysis

The ex-post economic analysis examines whether the Programme generates benefits for society that exceed the costs incurred. As in the financial analysis, financial (cash) flows are examined over a ten-year post-implementation period and discounted to the 2026 reference year. Like the financial analysis, the economic analysis uses a discount rate and specific indicators to assess Programme performance. In this case, however, a lower discount rate of 6% is applied, reflecting the social perspective as explained in the methodological section of the report, and the indicators calculated are economic in nature, such as economic net present value (ENPV), economic internal rate of return (EIRR), and the economic benefit-cost ratio.[1]

Unlike the financial analysis, the economic analysis includes a broader range of costs associated with Programme implementation. In addition to the grant amounts transferred, beneficiaries' own contributions were included in the intervention costs because they represent real economic resources used to implement the investments supported by the programmes. Consequently, the total value of the investment made was included in the calculation.

In the context of the economic analysis, it is important to note that additional national public-budget revenue from taxes and VAT, although a fiscal benefit for the public budget, is paid by natural and legal persons and therefore constitutes an additional expense of the same amount for them. From the economic-analysis perspective, these flows are treated as internal transfers among different actors in the economy—from taxpayers to the state. Economic analysis considers the impact on the economy as a whole rather than redistribution among participants in economic processes. Therefore, increased budget revenue is fully offset by the reduction in taxpayers' financial resources, resulting in a net impact of zero.

In the financial analysis, by contrast, the perspective is different and centres on the actual cash flows of a specific entity, usually the public budget. From this perspective, additional revenue from taxes and VAT represents actual receipts into the public budget. Expenses borne by taxpayers are not reflected in the financial analysis of the budget because taxpayers are not part of the entity analysed.

The cost-benefit analysis uses an incremental approach based on comparing the observed post-intervention situation with the counterfactual scenario, namely the estimated situation in the absence of the Programme. Thus, only the additional economic and financial effects generated by interventions supported through ODA programmes were reflected in the analysis. From an economic perspective, the principal impact of the programmes was reflected in increased value added generated by beneficiary enterprises. In practice, this increase in value added materialised mainly through:

- Increased profit;
- An increased wage fund, including additional wage income generated by additional employment.

Accordingly, on the benefit side, the economic analysis focused mainly on the extent to which the programmes contributed to creating additional economic value in the economy, reflected in increased profit and income generated for employees.

The calculations show that the main economic-analysis indicators for the Programme for Attracting Remittances into the Economy "PARE 1+2" are very favourable.

**Table 9. Values of the Main Economic-analysis Indicators**

| Indicator name | Unit of measurement | Value |
|---|---|---|
| Economic net present value (ENPV) | MDL million | **437,1** |
| Economic internal rate of return (EIRR) | % | **n/a**[2] |
| Benefit-cost ratio | n/a | **5,4** |

[1] **Economic net present value (ENPV)** represents the difference between discounted economic benefits and costs, reflecting the project's contribution to economic welfare. **Economic internal rate of return (EIRR)** is the discount rate at which ENPV equals 0. It reflects the project's economic return; a rate higher than the discount rate indicates that the project generates net economic benefits for society.

[2] The economic benefits generated during the preceding period (2023–2025), including those estimated for 2026, were treated as effects already realised or in the process of being realised and were included in full in the evaluation for 2026. In this economic evaluation, the accumulated benefits had already exceeded the initial intervention costs. In this situation, the IRR was not calculated because the series of economic flows does not contain the change of sign required to determine the internal rate of return.

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The economic-analysis results indicate that the Programme generates significant economic benefits that considerably exceed the associated implementation costs. The economic net present value (ENPV) is positive at MDL 437.1 million, demonstrating that the intervention creates net economic value for society and contributes to the development of economic activity among beneficiary enterprises.

The benefit-cost ratio is 5.4, meaning that every Moldovan leu invested through the Programme generates approximately MDL 5.4 in discounted economic benefits. This result confirms the high economic efficiency of the intervention and shows that the economic benefits obtained exceed the costs incurred by more than five times.

The estimated economic benefits are driven mainly by the increase in value added generated by beneficiary enterprises, reflected in higher operating profit and wage funds. These effects indicate that the Programme contributed to business development, increased productivity, and additional income for employees and enterprise owners.

The beneficiary survey included questions on the Programme's financial and non-financial effects on businesses. In the economic analysis, these effects were reflected through the two main categories of quantified economic benefits: increased profit and an increased wage fund. These two effects capture both improved financial performance among beneficiary enterprises and the Programme's impact on employment and employee remuneration.

The most frequent beneficiary responses concerning the Programme's financial and non-financial effects on enterprise activity are presented below.

Survey results indicate that the Programme for Attracting Remittances into the Economy "PARE 1+2" had a significant impact on the development and modernisation of beneficiary businesses. The most frequently mentioned effects were modernisation of machinery, technologies, or processes (72.3%), increased efficiency or productivity (69.7%), and increased production or service-delivery capacity (63.0%). Beneficiaries also reported improved product or service quality (58.0%), improved company image and credibility (52.1%), and reduced operating costs (51.3%).

Compared with other programmes, respondents placed greater emphasis on effects related to business development and expanded market opportunities, with 41.2% of beneficiaries reporting access to clients or new markets. At the same time, 30.3% of respondents mentioned reduced environmental impact. Overall, the results suggest that the Programme contributed both to strengthening enterprises' operational capacities and to increasing competitiveness and long-term development potential.

Regarding non-financial effects, beneficiaries of the Programme for Attracting Remittances into the Economy "PARE 1+2" reported a range of positive organisational and managerial changes. The most frequently mentioned effects were increased team motivation (69.7%), improved working conditions for employees (63.9%), and improved company image or reputation (60.5%). In addition, more than half of respondents reported acquiring new skills or knowledge (58.0%), increased access to additional financing (54.6%), and increased company visibility through promotion carried out by ODA (51.3%).

The Programme also contributed to strengthening relationships with clients and business partners (49.6%) and expanding networks of contacts with other entrepreneurs or suppliers (42.0%). The results suggest that Programme benefits extended beyond the strictly financial dimension, contributing to the development of entrepreneurial skills, strengthening confidence in the business, and increasing enterprises' capacity to access new development and financing opportunities.

Survey results show that the Programme for Attracting Remittances into the Economy "PARE 1+2" contributed to expanding the activity of beneficiary enterprises and entering new markets. 71.4% of respondents reported expansion of company activity into new foreign markets (exports), while 21.0% reported expansion into new local markets.

### Assessment of the Extent to Which the Programme Influenced the Investment Decision

For the Programme for Attracting Remittances into the Economy "PARE 1+2", survey results show that the Programme had a significant influence on beneficiaries' investment decisions. Thus, 50.5% of respondents stated that the support provided through the Programme had a major influence on the decision to invest, 35.8% reported a partial influence, and 13.7% stated that they would have made the investment even without the grant. Overall, 86.3% of beneficiaries confirmed that the Programme contributed to the investment decision to some extent, indicating a high level of added value from the intervention.

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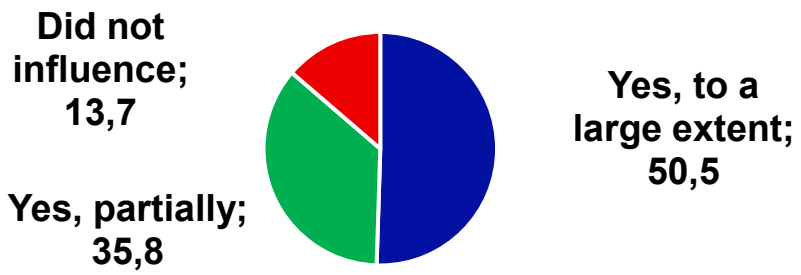


**Figure 22. Did the Programme Influence the Investment Decision? (%)**

The qualitative study confirms these results. Entrepreneurs stated that non-reimbursable financing reduced investment risks and made it possible to undertake investments that would otherwise have been postponed or made on a smaller scale. Some beneficiaries stated that they could not have afforded to purchase the necessary machinery without Programme support, while others emphasised that the grant accelerated business development and facilitated their return and permanent settlement in the Republic of Moldova.

Unlike the common economic and financial effects analysed for all programmes, the programmes assessed also have programme-specific effects, which are examined in this subsection.

Survey results highlight that the PARE 1+2 Programme generated a range of effects extending beyond direct economic benefits for beneficiary enterprises, contributing both to business development and to important social and community effects. The most frequently mentioned effect was equipment modernisation and improved product or service quality (76.5%), followed by increased company turnover and revenue (68.1%). These results confirm the Programme's role in stimulating productive investment and strengthening enterprise competitiveness.

A distinctive feature of the Programme is its emphasis on local development and use of the human potential accumulated abroad. Thus, 61.3% of beneficiaries stated that the investments contributed to providing products or services accessible to the local community, while 55.5% considered that the business developed through the Programme had a positive impact on the economic development of their home locality or region. These results suggest that Programme effects extend beyond the beneficiary enterprise, generating benefits for the communities in which it operates.

At the same time, 60.5% of respondents indicated that the Programme contributed to permanent return to the Republic of Moldova and family stabilisation at home, highlighting its role in creating economic opportunities that make a sustainable life in the country possible. In addition, nearly half of beneficiaries (47.1%) mentioned using in the Republic of Moldova the professional skills and experience acquired in the diaspora, demonstrating the Programme's contribution to transferring knowledge, experience, and entrepreneurial practices accumulated abroad.

In addition, 42.0% of respondents observed changes in organisational culture, reflected in a stronger orientation towards investment, planning, innovation, and continuous development. Overall, the results suggest that the PARE 1+2 Programme had a multidimensional impact, contributing to the development of beneficiary businesses, the strengthening of local entrepreneurship, community development, and the use of human capital accumulated abroad by citizens of the Republic of Moldova.

Survey results indicate that beneficiaries perceive the PARE 1+2 Programme as having a significant impact on the communities in which it is implemented. More than half of respondents (56.2%) assessed the Programme's community impact as high, while another 17.0% considered it very high. Thus, nearly three quarters of beneficiaries (73.2%) assessed the Programme's contribution to community development as high or very high. At the same time, 20.5% rated the impact as neither high nor low, while only 1.8% considered the effects low and 4.5% stated that the Programme had no community impact. These results suggest that benefits generated by investments made through the Programme extend beyond the beneficiary enterprise and are felt in the local economy.

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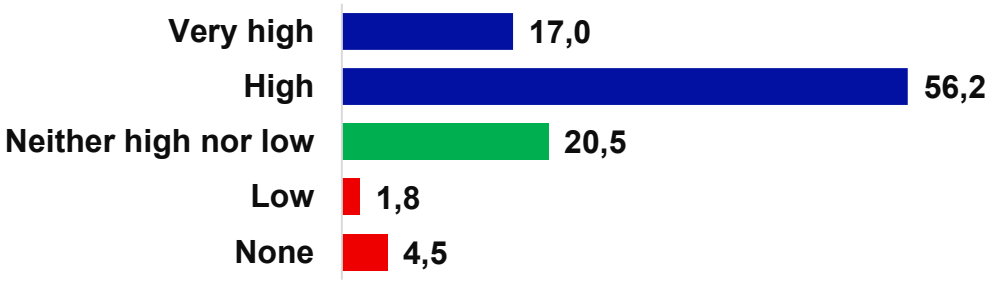


**Figure 23. Impact of PARE on the Community (%)**

Survey results show that the effects of the PARE 1+2 Programme extended beyond beneficiary enterprises, generating important benefits for entrepreneurs' families and local communities. The most frequently mentioned effect was job creation for community members (64.7%), suggesting that investments made through the Programme contributed to local economic development and increased employment opportunities. In addition, 57.1% of respondents reported increased family income following business development, while 54.6% mentioned the involvement of other family members in entrepreneurial activity. These results show that Programme benefits were felt both at business and household level, contributing to greater economic and financial stability for families.

A Programme-specific effect is the encouragement of return and economic reintegration among citizens living abroad. Thus, 40.3% of respondents stated that the investment contributed to the return of family members from the diaspora. This result confirms the Programme's role in harnessing the economic potential of migration and creating development opportunities in the country. At the same time, only 6.7% of beneficiaries stated that the Programme had no visible effects on the family or community, and only 0.8% reported negative effects. Overall, the results suggest that the PARE 1+2 Programme generated important social and community effects, contributing to job creation, increased household income, family involvement in entrepreneurial activity, and stronger economic and social ties with the local community.

Survey results highlight the important role of the PARE 1+2 Programme in encouraging the return and economic reintegration of citizens living abroad. More than half of respondents (51.8%) stated that returning to the Republic of Moldova would have been ruled out without the Programme, while another 26.3% considered the likelihood of return low. Thus, for 78.1% of beneficiaries, the existence of the Programme was an important or determining factor in deciding to return and invest in the country. At the same time, 14.0% considered the likelihood of return moderate, while only 7.9% believed that they would have returned with a high probability even without the Programme. These results suggest that the Programme had a significant effect in mobilising investment and reducing the risks associated with returning and starting a business in the Republic of Moldova.

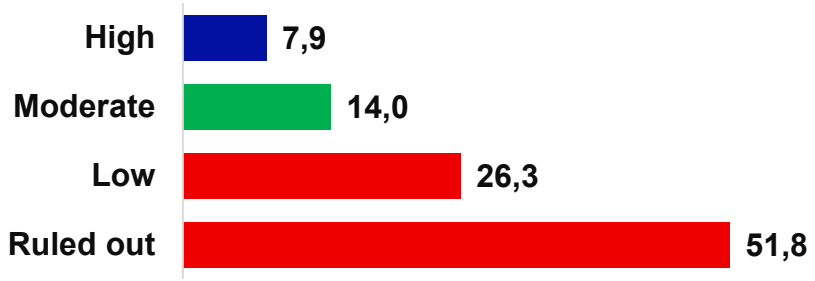


**Figure 24. Likelihood of Returning without the PARE Programme (%)**

Overall, the findings confirm that the PARE 1+2 Programme functioned not only as a financial-support instrument for entrepreneurship, but also as a mechanism that encouraged citizens to return and enabled financial capital, professional experience, and skills accumulated abroad to be used in the national economy.

Based on the interviews, the following findings can be highlighted for the economic-reintegration component. The Programme facilitated the transformation of savings accumulated abroad into productive investments in the Republic of Moldova. Beneficiaries used both remittances and their own savings to launch and develop businesses. In one agricultural business, the beneficiary's parents and husband worked abroad and contributed financially to developing the enterprise. In the case of a car wash, the returning migrant invested more than MDL 500,000 from own resources, supplemented by the PARE grant. Another beneficiary invested more than EUR 150,000 saved in Italy in developing a professional-detergent production business, with the grant contributing to financing equipment and the capital needed to launch operations.

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The qualitative study suggests a high level of direct involvement by beneficiaries and family members in business management. The agricultural business is family-managed, with active involvement by the husband and other family members. In the car-wash case, the beneficiary directly manages the business together with his wife, while the activity also generated jobs in the community. In other cases, spouses jointly manage the commercial, administrative, and operational activities of the business, thereby strengthening the family character of enterprises created through the Programme.

One of the strongest effects identified is reduced dependence on migration and remittances. Beneficiaries stated that the main objective was to create a stable source of income in the country that would enable family reunification and avoid repeated departures abroad. In the agricultural business, the beneficiary explicitly stated that the family no longer considers returning to work abroad and that the business provided stability and confidence for the future. Similarly, the car-wash beneficiary does not intend to leave again and aims to expand economic activity in the locality. Other interviewed beneficiaries confirmed that the decision to return was permanent and that business development is the main reason they intend to remain and continue investing in the Republic of Moldova.

In addition to financial support, the Programme contributed to developing beneficiaries' entrepreneurial skills. Participation in courses and consultancy sessions provided information on business management, access to support programmes, product promotion, and development in the local market. Beneficiaries appreciated both the training provided by ODA and the advisory support received during project implementation.

Beneficiaries highlighted several positive effects on local communities:

- creation and maintenance of jobs in rural and urban areas;
- growth of the local tax base through payment of taxes and duties;
- use of local suppliers and stimulation of economic activity in the community;
- development of new services and products;
- provision of successful examples for other people in the diaspora who intend to return and invest in the Republic of Moldova.

The qualitative study confirms that the PARE programmes contributed to business development and the sustainable economic reintegration of returning migrants. Financial support enabled remittances to be transformed into productive investment, reduced dependence on income earned abroad, created stable local sources of income, and strengthened beneficiaries' contribution to the economic development of the communities in which they operate. At the same time, the Programme played an important role in strengthening returning migrants' confidence in economic-development opportunities in the Republic of Moldova and in encouraging additional investments subsequently made through other entrepreneurship-support programmes.

### Overall Impact on Beneficiary Businesses

Quantitative data indicate a significant impact of the PARE 1+2 Programme on beneficiary businesses. Thus, 83.2% of respondents considered that the Programme had a large or very large impact on their business. An additional PARE-specific measurement confirms this trend: 75.2% reported a high or very high impact on the business. This convergence between two different questions shows that beneficiaries perceive the Programme not merely as a one-off source of financing, but as a factor that genuinely influenced the business pathway.

The qualitative study supports this finding but shows that the impact took different forms depending on the beneficiary's stage of development and sector. For some businesses, the impact consisted of launching the activity itself, as seen in the beekeeping, raspberry-growing, car-wash, and detergent-production cases. For others, the Programme strengthened existing businesses through modern machinery, means of transport, logistics, faster work, or improved quality. Thus, Programme impact is not uniform in type, but is relevant in terms of its effect on beneficiaries' capacity to engage in economic activity in the Republic of Moldova.

The most frequently reported effects confirm the technological and operational dimensions of impact: 72.3% mentioned modernisation of machinery, technologies, or processes, 69.7% increased efficiency or productivity, 63.0% increased production/service-delivery capacity, and 58.0% improved product or service quality. The qualitative study provides concrete examples: mechanisation of agricultural work, automation of furniture-production operations, more punctual order delivery, local production of professional detergents, and reduced dependence on external service providers.

### Impact on Return, Remaining in the Country, and Reduced Dependence on Migration

The Programme has an important impact on the migration dimension, although it manifests differently from one case to another. In this respect, 60.5% of respondents identified permanent return to Moldova and family stabilisation at home as objectives pursued through PARE, while 47.1% mentioned using in Moldova the skills and professional experience acquired in the diaspora. 78.1% of respondents suggest that the likelihood of

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returning without the Programme would have been ruled out or low. These data indicate a relevant contribution by PARE to transforming migration from a survival strategy into an investment resource.

The qualitative study confirms this effect but adds nuance. For some beneficiaries, the decision to return had already been made before accessing the Programme: the furniture producer, the raspberry beneficiary, and the custom-furniture entrepreneur would have returned in any case, but the support enabled a larger, faster, or safer investment. For others, the Programme played a more direct role in keeping the family in the country: the detergent producer states that, during difficult periods, ODA support helped him avoid abandoning the business and returning abroad; the agricultural beneficiary says that the family is no longer considering leaving; and the fruit-growing farm links the support to the wife ceasing migration.

The impact on migration should therefore be interpreted as a combination of accelerated investment, strengthened staying decisions, and reduced remigration risk. The Programme is not always the sole cause of return, but contributes to creating the economic and psychological conditions for return to become sustainable. Cases in which beneficiaries state that they may still leave if there are no orders, workers, or stability show that the impact on migration depends on business performance and the local economic environment.

### Impact on the Family and Household

Impact on the family is one of the Programme's most visible dimensions. 57.1% of respondents reported increased family income, 54.6% the involvement of other family members in the business, and 40.3% the return of family members from the diaspora. These data show that PARE 1+2 finances not only companies, but also influences the economic structure of households, redistributing roles and creating a basis for local family activity.

The qualitative study clearly illustrates this dimension. In several cases, the business is managed by husband and wife, while other family members contribute to agricultural work, sales, accounting, client relations, or technical activities. For the detergent producer, the wife handles accounting, online sales, and client communication, while the beneficiary manages the laboratory, production, deliveries, and website. On an agricultural farm in Sângerei, the family participates in the activity, and the explicit objective was for the husband to remain at home. At the raspberry plantation, family members become involved in manual work when needed.

However, family impact is not always equivalent to immediate income. In the case of a beekeeping beneficiary, the business has not yet generated revenue and even consumes resources from the family budget, although it sustains the hope of earning a decent income in the village. In another case, the beneficiary's children do not wish to take over the activity, limiting the long-term impact on family continuity. Thus, family impact is strong in terms of anchoring, involvement, and economic identity, but depends on profitability and the interest of the next generation.

### Impact on the Local Community and Employment

At community level, quantitative-study data indicate a positive perception: 73.2% of respondents assessed PARE's community impact as high or very high. Similarly, 64.7% mentioned job creation for community members. In addition, 61.3% reported providing products or services accessible to the local community, while 55.5% reported contributing to the economic development of their home locality or region.

*"Through this activity, we have employees known in the community who are gaining the status of specialists in the field." (beneficiary, furniture production)*

The qualitative study confirms community effects, but shows that they are primarily microeconomic and local. The car wash provides services in a village, creates approximately three jobs, and reduces the need for clients to travel to the district centre. The agricultural farm contributes to local taxes and works with local suppliers. Furniture producers offer customised services and products, can attract clients from outside the locality, and can create jobs when staff are available. The fruit-growing farm supplies organic apples, including to kindergarten children, and can employ seasonal workers for harvesting.

At the same time, the employment impact is more fragile than the aggregated perceptions suggest. Some businesses have no permanent employees and operate with the help of the beneficiary's family or day labourers. Other businesses seek workers but are unable to find or retain them. Labour migration directly affects the capacity to turn investments into economic growth: the beneficiary in Nisporeni reduced the number of employees from eight or nine to three or four, while the furniture producer mentions that trained workers leave before becoming productive. Thus, the Programme creates employment potential, but the actual impact depends on the availability of local staff and the stability of demand.

Non-financial impact is one of the most important findings of the analysis. In response to question Q_18, respondents reported increased team motivation (69.7%), improved working conditions (63.9%), improved company image or reputation (60.5%), acquisition of new skills or knowledge (58.0%), increased access to additional financing (54.6%), visibility through ODA promotion (51.3%), and better relationships with clients or partners (49.6%). These data show that Programme impact extends beyond financial indicators.

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### Impact on Markets, Quality, and Competitiveness

The impact on competitiveness is visible in both the quantitative data and the qualitative study. Thus, 58.0% reported improved product or service quality, 52.1% improved company image or credibility, and 41.2% access to clients or new markets. Among respondents who reported expansion, 71.4% identified new foreign/export markets and 21.0% new local markets, suggesting that for some beneficiaries the Programme supported both business survival and commercial expansion.

> *"We can now produce almost anything related to furniture and make more with the same number of people." (beneficiary returned from the diaspora, furniture production)*

In the qualitative study, the impact on quality is visible across several fields. Furniture producers mention better quality, speed, precision, and the possibility of producing more complex items. The beneficiary who purchased the delivery vehicle improved punctuality and the client experience. The detergent producer built a market strategy based on high-quality raw materials, testing, adapting formulas, and a direct relationship between factory and client. This case also indicates an impact of partial import substitution by creating a local offering in a niche previously dominated by imported products.

However, access to new markets is not universal. In agriculture, beneficiaries identify limitations related to lack of storage, collection points, direct sales from the field, and inability to obtain better prices. In the raspberry-plantation case, the lack of harvest completely blocked market access. Thus, the impact on competitiveness is more evident in production and services than in agriculture, where complementary interventions are needed in storage, processing, climate protection, and marketing.

### Differentiated Impact and Factors Limiting the Transformation of Investments into Broad Effects

The qualitative analysis shows that Programme impact is conditioned by the sector, business maturity, and the local environment. Businesses with a shorter investment-turnover cycle—automotive services, furniture production, and detergent production—tend to produce faster effects on clients, reputation, quality, and revenue. In agriculture and beekeeping, impact is slower and more vulnerable to external factors such as climate, biological losses, lack of collection infrastructure, or harvest volatility.

This differentiation is important for interpreting impact. In beekeeping and raspberry growing, investments created productive capacity but have not yet generated significant revenue. In fruit growing, the tractor eased work and sustained the activity, but revenue depends on favourable agricultural years. In furniture production, the technological impact is clear, but labour shortages constrain growth capacity. In the car-wash case, the business operates and creates jobs, but the limited local market constrains the scale of growth.

Quantitative-study data show an overall positive impact, but the interviews caution against a uniform interpretation. The Programme generates important effects, but cannot by itself eliminate structural constraints in the business environment: labour migration, market access, lack of local infrastructure, energy or water costs, limited demand, climate risks, and the absence of a successor in family businesses. These constraints do not diminish the relevance of PARE's impact, but explain why results are stronger in some cases than in others.

## 3.6 Sustainability

The integrated analysis indicates generally favourable sustainability of the results of the PARE 1+2 Programme, but with differences depending on sector, business maturity, and external risks. Most beneficiaries describe the investments as continuing to be used, integrated into current production or service-delivery flows, and associated with intentions for further development. Quantitative-study data show a strong orientation towards continued investment: 43.2% of respondents intend to access another grant or subsidy programme, 29.7% are considering their options, 13.6% plan to invest from their own resources, and only 6.8% state that they do not currently intend to make additional investments. However, the qualitative study shows that sustainability depends not only on the financed assets, but also on post-investment conditions: climate, market access, production or storage premises, qualified personnel, local infrastructure, fixed costs, maintenance, and succession in family businesses. The Programme therefore created an important productive base, but maintaining and amplifying the results requires complementary support adapted to sector-specific characteristics.

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**Table 10. Statistical Data for Assessing Sustainability**

| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Main risks identified | 23.5% – identify no major risks;<br>18.3% – lack of qualified personnel;<br>17.4% – energy or raw-material costs;<br>16.5% – insufficient demand / market problems;<br>12.2% – increased maintenance costs;<br>6.1% – limited access to financing;<br>5.2% – legislative/administrative changes. | Although almost one quarter identify no major risks, most report operational, market, cost, and human-resource risks, confirming that sustainability depends on the post-investment environment. |
| Intention to access additional financing | 43.2% – another grant/subsidy programme;<br>29.7% – considering their options;<br>13.6% – own resources;<br>6.8% – loan;<br>6.8% – not at present. | 86.5% intend to make further investments or are considering this option. This indicates a strong orientation towards continuity and development, but also dependence on future support instruments. |
| PARE Programme NPS (0–10) | 75.4% gave a score of 10;<br>12.7% gave a score of 9;<br>9.3% gave a score of 8;<br>1.7% gave a score of 7;<br>0.8% gave a score of 6. | The very high recommendation level suggests satisfaction and confidence in the Programme, factors that may support beneficiaries' continued relationship with ODA and access to other development instruments. |
| Why would you recommend the PARE Programme? | 78.2% – adequate and accessible grant;<br>71.4% – simple and transparent process;<br>71.4% – the co-financing formula multiplied resources;<br>58.8% – increased competitiveness;<br>51.3% – tailored assistance;<br>50.4% – rapid integration into the business community;<br>50.4% – visible and rapid economic results. | The reasons for recommendation show that beneficiaries associate sustainability with grant accessibility, process transparency, the leverage effect of co-financing, and business competitiveness. |
| Turnover trend | 30.5% – increased significantly;<br>37.9% – increased moderately;<br>31.6% – remained unchanged;<br>0.0% – decreased. | 68.4% report increases in turnover, and the absence of responses reporting a decline indicates a relatively favourable economic basis for maintaining the investments. |
| Impact on revenue growth | 27.4% – very high;<br>48.7% – high;<br>20.5% – neither high nor low;<br>0.9% – low;<br>2.6% – none. | 76.1% report a high or very high effect on revenue, supporting the prospect of continuity, although the qualitative study shows that results are more fragile in the agricultural sector. |
| Financial effects of the Programme | 72.3% – modernisation of machinery / processes;<br>69.7% – increased efficiency / productivity;<br>63.0% – increased capacity;<br>58.0% – improved quality;<br>52.1% – image / credibility;<br>51.3% – reduced costs. | The reported financial and operational effects create conditions for sustainability because the investments improved firms' capacity, quality, and efficiency. |
| Non-financial effects of the Programme | 69.7% – increased team motivation;<br>63.9% – better working conditions;<br>60.5% – reputation;<br>58.0% – new skills;<br>54.6% – access to additional financing;<br>49.6% – better relationships with clients/partners. | Sustainability is also supported by non-financial capital: motivation, skills, reputation, business relationships, and the capacity to mobilise future financing. |
| Suggestions for improving PARE | 50.0% – increase the maximum grant value for Component III;<br>50.0% – relax conditions for second-hand equipment. | The suggestions show that sustainability could be strengthened through larger grants for developing businesses and more flexible rules on equipment adapted to market realities. |

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| Aspects analysed | Main results | Interpretation |
|---|---|---|
| Likelihood of returning without the PARE Programme | 51.8% – ruled out;<br>26.3% – low;<br>14.0% – moderate;<br>7.9% – high. | For a significant share of beneficiaries, the Programme contributed to their return or stabilisation. This local anchoring is an important social factor for sustainability. |

### Continuity of Financed Investments and Their Integration into Current Operations

The qualitative analysis indicates that, in most cases, investments financed through PARE 1+2 continue to be used in accordance with the approved purpose. Beneficiaries confirm the daily or routine use of the purchased assets: the vehicle for delivering furniture orders, agricultural machinery for soil work and spraying, the tractor on the fruit-growing farm, furniture-processing machinery, car-wash equipment, and detergent-production equipment. This finding is important because Programme sustainability begins with productive assets remaining operational after the support ends.

Quantitative-study data support this interpretation through the reported effects on processes and productive capacities. 72.3% of respondents reported modernisation of machinery, technologies, or processes, 69.7% increased efficiency or productivity, and 63.0% increased production or service-delivery capacity. These results show that the investments were not perceived as mere administrative purchases, but as elements integrated into business operations. This integration is clear in the qualitative study: beneficiaries describe time savings, reduced manual labour, better deliveries, higher quality, and greater independence from external service providers.

However, asset continuity does not automatically mean full economic sustainability. In agricultural and beekeeping cases, machinery and equipment are available and used, but revenue depends on external factors such as climate, bee-colony mortality, market access, or the lack of storage facilities. In these situations, the Programme created productive capacity, but converting it into stable economic results requires time and further investment.

#### Intention to Continue and Additional Investment

*"When things go well and further improvement is needed, we will apply to other programmes too, not only for the financial component, but also for experience and consultancy." (beneficiary returned from the diaspora, furniture production)*

An important indicator of sustainability is beneficiaries' intention to continue investing in the same direction. 43.2% of respondents state that they intend to access another grant or subsidy programme, 29.7% are considering their options, 13.6% intend to invest from their own resources, and 6.8% intend to do so through a loan. Only 6.8% state that they do not currently intend to continue investing. This shows that the Programme generated both a specific investment and subsequent investment momentum.

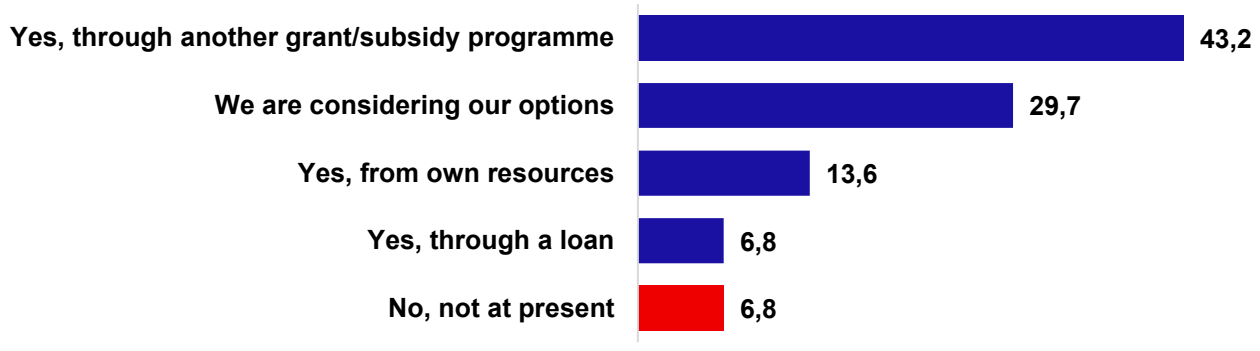


**Figure 25. Intention to Access Additional Financing (%)**

The qualitative study confirms this orientation. Agricultural beneficiaries state that farming requires continuous investment and mention the need for equipment compatible with the existing tractor. The furniture producer who purchased the vehicle plans a larger production space with an office and shop and intends to access other grants. The detergent producer plans to purchase production premises, automate operations, acquire a semi-automatic bottling machine, develop distribution, and enter the Romanian market. The car wash is considering expansion into vehicle-repair services. These plans indicate a clear orientation towards post-support development.

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There are, however, cases in which the intention to develop is moderated by age, succession, or unstable economic results. The fruit-growing beneficiary does not plan to expand, but rather to maintain the investments already made, because the children do not wish to take over the farm and age limits the prospects for development. In beekeeping and raspberry cultivation, further investment is needed, but depends on family resources and the capacity to cover losses caused by biological or climate factors. The overall intention to continue is therefore high, but the actual capacity to continue varies.

## Financial Viability and Self-financing Capacity

Economic sustainability is supported by the fact that most respondents report favourable effects on income and turnover. Thus, 76.1% of respondents consider that the Programme had a high or very high impact on income growth. 68.4% report a significant or moderate increase in turnover, and no respondent reports a decrease. These data suggest that the Programme created economic conditions for maintaining the investments.

The qualitative study provides concrete examples of viability. A farm in Sângerei estimates an increase in revenue of 50%–60%, even though the income is reinvested. Another beneficiary (a car wash) covers its expenses and generates resources for gradual development, while the previously mentioned detergent producer moved from initial losses to covering company and family expenses, becoming a VAT payer and attracting large clients. In these cases, sustainability is supported by the business's capacity to generate current income and plan further development.

At the same time, the qualitative analysis shows that financial viability is not uniform. In one beekeeping business, the LLC does not yet generate sales and requires investment from the family budget. Another beneficiary managing a raspberry plantation had very small harvests because of climate conditions, which blocks revenue. A fruit-growing farm has years with very good production and years with total losses because of frost or late frost. Positive quantitative indicators must therefore be interpreted together with sectoral risks: for some businesses, financial sustainability is already visible; for others, it remains potential and depends on external conditions.

### Main Risks to Maintaining Results

*"Expecting immediate results, especially in beekeeping, is not realistic. Results take time and depend on risks specific to the sector." (beneficiary returned from the diaspora, beekeeping)*

Quantitative-study data show a mixed picture of risks. Thus, 23.5% of respondents identify no major risks, while the remainder indicate risks relevant to continuity: lack of qualified personnel (18.3%), energy or raw-material costs (17.4%), insufficient demand or market problems (16.5%), maintenance costs (12.2%), limited access to financing (6.1%), and legislative or administrative changes (5.2%). These responses suggest that Programme sustainability depends not only on the initial financing, but also on beneficiaries' capacity to manage a complex set of post-investment risks.

The qualitative study provides detail on these risks. In agriculture and beekeeping, the dominant risks are climatic and biological: drought, extreme heat, late frost, frost, loss of bee colonies, and the need for further investment in climate protection. The beneficiary with the raspberry plantation estimates that more than 90% of the risks are climate-related, while the beekeeper considers that the standard monitoring period is too short for a sector in which results emerge slowly. In fruit growing, agricultural years can vary from very high production to almost total losses.

In production and services, risks are mainly operational and market-related. Furniture producers report shortages of qualified staff, worker migration, turnover of trained personnel, and the need to develop staff. The detergent producer points to risks related to fixed costs, especially rent for the production premises, cybersecurity, theft, and sales development. The car wash is exposed to infrastructure risks, particularly the lack of centralised sewerage and water costs. These risks differ from one sector to another, supporting the need for differentiated approaches to monitoring and post-financing support.

## Human Resources, Migration, and Succession

The sustainability of PARE 1+2 is closely linked to the Programme's migration objective, but the qualitative study shows that the effect on migration has two distinct dimensions. The first concerns stabilising beneficiaries and families that have returned. In several cases, the Programme reduced the intention to remigrate or strengthened the decision to remain in the Republic of Moldova. 78.1% of respondents indicate that the likelihood of returning without the Programme would have been ruled out or low. This suggests that the Programme plays an important role in anchoring some beneficiaries locally.

The second dimension is labour-force migration, which may affect the sustainability of the investments themselves. The furniture producer in Nisporeni describes workers leaving for Germany as the main problem in maintaining business continuity. Another furniture-sector beneficiary explains that workers trained for several months leave before becoming productive. In agriculture, the lack of people willing to work and dependence on

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seasonal labour reduce the capacity to use the investments fully. Thus, the Programme may reduce beneficiary migration, but is affected by employee migration and the decline of the local active population.

A specific sustainability risk is succession in family businesses. In the fruit-growing farm, the children do not wish to take over the activity, and the beneficiary explicitly notes that age and the absence of a successor limit future development. This issue is important for the evaluation because some investments may function in the short and medium term but become vulnerable in the long term if there is no family or managerial continuity.

### Infrastructure, Market, and the Post-investment Ecosystem

The qualitative study shows that the sustainability of financed investments frequently depends on factors outside the Programme. In agriculture, the lack of storage facilities forces beneficiaries to sell production directly from the field at lower prices, reducing the economic benefit of mechanisation. The fruit-growing farm reports a lack of district collection points, which limits market access. On the raspberry plantation, the lack of investment in shading, protection, and processing reduces the capacity to convert production into stable income.

In production, sustainability is influenced by access to infrastructure and technical services. A beneficiary who imported machinery from China saved money on the purchase but remained vulnerable in terms of maintenance because local suppliers did not provide support for equipment purchased outside their network. The same beneficiary mentions high costs and difficult procedures for connection to the electricity network. For the detergent producer, the main problem is access to suitable production premises at affordable prices.

For services with environmental impact, local infrastructure becomes decisive. A beneficiary operating a car wash invested in a hydrocarbon separator under another project, but the lack of centralised sewerage created compliance risks and possible penalties. This shows that the sustainability of a private investment may be limited by public infrastructure. To strengthen the results of PARE 1+2, financing interventions should therefore be linked to complementary measures concerning local infrastructure, market access, maintenance, and technical-support services.

### Monitoring, Rules, and Recommendations for Strengthening Sustainability

*“Monitoring seems reasonable to me. If you use the machinery in your activity, there is no problem with it being inspected.” (beneficiary returned from the diaspora, furniture production)*

Perceptions of monitoring are generally favourable when it is predictable and proportionate. The beneficiary who purchased furniture machinery considers the two-year monitoring period reasonable, because it is not a problem if the machinery is used in the approved activity. The car wash completed the three-year monitoring period without major difficulties. However, the beekeeping case indicates an important tension: applying standard expectations of rapid results may conflict with the specific nature of new agricultural businesses, where the maturation cycle is longer and risks are greater.

Beneficiary suggestions point towards greater flexibility and better-adapted post-financing support. 50.0% of respondents recommend increasing the maximum grant value for Component III, while 50.0% recommend relaxing conditions for second-hand equipment. In the qualitative study, recommendations include simplifying documents, additional programmes for storage facilities and greenhouses, support for utility connections, mentoring by experienced entrepreneurs, more grants, and adjustment of monitoring periods according to sector-specific characteristics.

These recommendations are important for sustainability because they concern both initial access to financing and beneficiaries’ capacity to maintain results after financing ends. A differentiated approach by sector—agriculture, services, production, new businesses, and developing businesses—would enable ODA to set more realistic expectations, reduce abandonment risks, and increase the return on public investment.

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# Chapter 4. Recommendations

1. **Maintaining the PARE 1+2 Programme** as a dedicated instrument for transforming remittances into productive investments. The Programme should be retained as a distinct mechanism supporting the diaspora, returning migrants, and their families because it combines economic, social, and territorial objectives in an instrument that beneficiaries can readily understand.
2. **Differentiating monitoring according to sector and business maturity**. For agriculture, beekeeping, and fruit growing, result indicators should be interpreted over longer periods because effects depend on climate and biological cycles. For services and production, monitoring may focus on capacity, quality, deliveries, clients, and revenue.
3. **Simplifying documentation and standardising pre-application support**. ODA should provide short guides, budget templates, examples of eligible projects, and document checklists by type of investment, so that small beneficiaries can prepare their applications without excessive administrative costs.
4. **Strengthening the practical-consultancy component.** The Programme should include guidance on business planning, cash flow, equipment maintenance, market access, production organisation, and risk management. For beneficiaries returning after long periods of migration, this component also helps facilitate reintegration into the local business environment.
5. **Linking the grant with other support instruments**. PARE 1+2 should be explicitly connected with Programme 373, agricultural subsidies, START programmes, digitalisation instruments, business incubators, and local support mechanisms. This approach would make it possible to finance a complete investment pathway beyond a single isolated asset.
6. **Introducing financing mechanisms** that reduce pressure on cash flow. For higher-value investments, ODA may consider direct payments to suppliers, more flexible instalments, tripartite contracts, or bridge financing for the beneficiary's own contribution, without reducing control over the use of public funds.
7. **Adapting the eligibility of related costs**. In some projects, the financed asset becomes functional only together with premises, utility connections, installation, transport, training, or initial maintenance. The Programme Guide should clarify these costs and allow their inclusion where they are indispensable for using the investment.
8. **Strengthening links to the market and local community**. The Programme should support equipment purchases, access to clients, promotion, quality standardisation, participation in fairs, use of digital platforms, and local partnerships, especially for rural businesses and small producers.
9. **Integrating the personnel and skills dimension.** The lack of qualified personnel is one of the most important sustainability risks. The Programme could be linked to vocational training, mentoring, apprenticeship support, or incentives for hiring and retaining workers in beneficiary businesses.
10. **Maintaining eligibility checks and monitoring**, with emphasis on actual use of the investment. Control should remain sufficiently rigorous to prevent improper use of assets, but should be results-oriented and focused on remedying issues rather than burdening beneficiaries with formal reporting.
11. **Improving Programme communication and promotion in the diaspora and regions**. Digital channels, recommendations among entrepreneurs, business incubators, LPAs, and business associations can be used more systematically to reach returning migrants, families with migration savings, and rural communities with entrepreneurial potential.
12. **Developing a results-oriented monitoring system**. ODA should track simple and comparable indicators: investment completed, use of the asset, revenue, jobs, family involvement, new markets, tax contributions, reinvestment intentions, and main risks. Indicators should be adapted to the sector and stage of development.

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# Annex 1. Level of Achievement of Result Indicators

| Programme for Attracting Remittances into the Economy "PARE 1+2" (16 September 2022 – 16 September 2025) | | | |
|---|---|---|---|
| **Product/result indicator name according to Government Decision** | **Indicator value according to Government Decision** *total implementation period (36 months)* | **Progress in achieving product/result indicators according to Government Decision** *period from launch to the reporting date (36 months)* | |
| ***Output indicators:*** | ***target*** | ***achieved*** | ***%*** |
| - **Number of media and information activities organised to promote the Programme** | 10 | 10 | 100 |
| - **Number of persons informed about Programme opportunities** | 3.000 | 9.200 | 306 |
| - **Number of enterprises receiving consultancy** | 1.000 | 4.250 | 425 |
| - **Number of persons (migrant worker, spouse, or first-degree relative) trained in business development** | 600 | 562 | 94 |
| - **Number of enterprises receiving financial support to develop businesses launched by migrants or their first-degree relatives** | 200 / 260 | 204(182) | 102(70 |
| • ***financed from the State Budget*** | 200 | 137 122) | 69 (61) |
| • ***financed from external sources*** | 60 | 67 (60) | 112 (100) |
| **Number of beneficiaries who terminated non-reimbursable financing contracts** | | -26 | |
| - **Number of enterprises receiving financial support to expand economic activity** | 100 | 72 (68) | 72 (68) |
| • ***financed from the State Budget*** | 100 | 72 (68) | 72 (68) |
| • ***financed from external sources*** | 0 | 0 | - |
| - **Approved grant amount, of which:** | 104,3 | 78,7 (72,3) | 76 (69) |
| • ***from the State Budget (MDL million)*** | 90,0 | 63,2 (58,4) | 70 (65) |
| • ***from external sources (MDL million)*** | 14,3 | 15,5 (14,0) | 108 (98) |
| ***Result indicators:*** | | | |
| - **Number of migrants or their first-degree relatives who will improve their entrepreneurial skills and competencies** | 500 | 598 | 120 |
| - **Number of new businesses created by migrants or their first-degree relatives** | 100 | 141 | 141 |
| - **Number of newly created jobs** | 250 | 898 | 359 |
| - **Number of jobs maintained** | 600 | 1.203 | 200 |
| - **Volume of remittances invested in the national economy, increased by MDL 45.0 million** | 45,0 | 105,5 | 234 |
| - **Volume of investment in the national economy, increased by approximately MDL 320.0 million** | 320,0 | 184,2 (169,1) | 58 (53) |
| - **Share of beneficiaries recording an increase in taxes and duties paid to the national public budget** | 60% | 88% | 147 |
| - **Share of beneficiaries ensuring an average gross monthly salary at the sector level** | 60% | n/a | n/a |
| - **Share of beneficiaries recording improved financial performance** | 60% | 60% | 100 |

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# Annex 2. Data and Calculations Relating to the Financial and Economic Analysis

This annex contains the annual figures from the financial and economic analyses conducted, as well as the data, sources, and calculations relating to these analyses.

**Table 11. Financial Analysis**

| Name / year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Additional corporate income-tax revenue | 7,3 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 |
| Additional personal income-tax revenue | 6,8 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 |
| Additional VAT revenue payable to the budget | 8,1 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 |
| **Inflows, MDL million** | **22,2** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** |
| Grant amounts transferred | 47,7 | - | - | - | - | - | - | - | - | - | - |
| Administrative costs borne by ODA for programme implementation and monitoring | 14,5 | 1,8 | 0,9 | - | - | - | - | - | - | - | - |
| **Outflows, MDL million** | **62,2** | **1,8** | **0,9** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Net cash flow, MDL million** | **-40,0** | **5,9** | **6,8** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** |
| Discount factor | 1,0 | 0,93 | 0,86 | 0,79 | 0,74 | 0,68 | 0,63 | 0,58 | 0,54 | 0,50 | 0,46 |
| **Discounted net cash flow, MDL million** | **-40,0** | **5,5** | **5,8** | **6,1** | **5,7** | **5,2** | **4,9** | **4,5** | **4,2** | **3,9** | **3,6** |
| **Financial discount rate** | | | | | **8%** | | | | | | |
| **Financial net present value (FNPV), MDL million** | | | | | **9,2** | | | | | | |
| **Financial internal rate of return (FIRR)** | | | | | **12,7%** | | | | | | |
| **Benefit-cost ratio*** | | | | | **1,2** | | | | | | |

*Based on discounted net cash flow.

The results of the financial and economic analyses are based on data for beneficiaries of the evaluated programmes for whom information provided by the State Tax Service (STS) was available. The absolute values of the financial and economic indicators presented therefore reflect only the estimated impact for this group of beneficiaries. At the same time, the results obtained make it possible to draw conclusions regarding programme efficiency and impact at the level of the entire beneficiary population; however, the financial and economic indicators calculated in the analysis relate strictly to beneficiaries for whom complete and usable data were available during the evaluation process.

The year 2026, as the reference year (year 0) against which the main financial and economic analysis indicators are calculated, represents the sum of the estimated values for 2023–2025 and the amounts relating to 2026.

Additional corporate income-tax revenue for 2026 was calculated as follows:

MDL 7.3 million = (13,665.6 × 82 × 3.5 + 21,271.4 × 62 × 2.5 + 2,734.2 × 17 × 1.5) / 1,000,000, where:

82, 62, and 17 are the numbers of Programme beneficiaries in 2023, 2024, and 2025, respectively, for whom STS provided data.

3.5, 2.5, and 1.5: 3.5 represents the number of years in the 2023–2026 period, including 2026, with the first year—the year of application to the Programme (2023)—counted as half a year because enterprises apply throughout the year. 2.5 represents the number of years in the 2024–2026 period, including 2026, with the first year—the year of application to the Programme (2024)—counted as half a year because enterprises apply throughout the year. 1.5 represents the number of years in the 2025–2026 period, including 2026, with the first year—the year of application to the Programme (2025)—counted as half a year because enterprises apply throughout the year.

13,665.6 – average annual additional corporate income-tax revenue per enterprise for companies that applied to the Programme in 2023, calculated as follows:

13,665.6 = ((131,148.2 − 73,520.5) / 3) / (1 + 0.4057), where:

131,148.2 – average tax per enterprise in 2025.

73,520.5 – average tax per enterprise in 2022.

3 – three years in the 2022–2025 period.

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0.4057 – the growth rate of income tax in 2022 compared with 2021, calculated as follows:

0.4057 = (73,520.5 − 52,303.2) / 52,303.2, where:

52,303.2 – average tax per enterprise in 2021.

All financial and economic indicator values are calculated on the basis of data provided by STS for each enterprise.

21,271.4 – average annual additional corporate income-tax revenue per enterprise for companies that applied to the Programme in 2024, calculated as follows:

21,271.4 = ((141,650.5 − 70,462.9) / 2) / (1 + 0.6733), where:

141,650.5 – average tax per enterprise in 2025.

70,462.9 – average tax per enterprise in 2023.

2 – two years in the 2023–2025 period.

0.6733 – the growth rate of income tax in 2023 compared with 2022, calculated as follows:

0.6733 = (70,462.9 − 42,109.7) / 42,109.7, where:

42,109.7 – average tax per enterprise in 2022.

2,734.2 – average annual additional corporate income-tax revenue per enterprise for companies that applied to the Programme in 2025, calculated as follows:

2,734.2 = (142,847.7 − 139,446.9) / (1 + 0.2438), where:

142,847.7 – average tax per enterprise in 2025.

139,446.9 – average tax per enterprise in 2024.

The period is a single year (2024–2025); therefore, the difference is not divided by the number of years.

0.2438 – the growth rate of income tax in 2024 compared with 2023, calculated as follows:

0.2438 = (139,446.9 − 112,111.7) / 112,111.7, where:

112,111.7 – average tax per enterprise in 2023.

Additional corporate income-tax revenue for 2027 and subsequent years through 2036 inclusive, assumed at the estimated 2027 value, was calculated using the same formula as for 2026, but without the values 3.5, 2.5, and 1.5 representing the numbers of years in the periods included in the 2026 calculation. The formula is therefore as follows:

MDL 2.5 million = (13,665.6 × 82 + 21,271.4 × 62 + 2,734.2 × 17) / 1,000,000.

Additional personal income-tax revenue for 2026 was calculated as follows:

MDL 6.8 million = (16,800.4 × 82 × 3.5 + 10,076.5 × 62 × 2.5 + 16,807.9 × 17 × 1.5) / 1,000,000, where:

16,800.4 – average annual additional personal income-tax revenue per enterprise for companies that applied to the Programme in 2023, calculated as follows:

16,800.4 = ((115,786.6 − 37,285.5) / 3) / (1 + 0.5575), where:

115,786.6 – average tax per enterprise in 2025.

37,285.5 – average tax per enterprise in 2022.

3 – three years in the 2022–2025 period.

0.5575 – the growth rate of income tax in 2022 compared with 2021, calculated as follows:

0.5575 = (37,285.5 − 23,938.9) / 23,938.9, where:

23,938.9 – average tax per enterprise in 2021.

10,076.5 – average annual additional revenue per enterprise for companies that applied to the Programme in 2024, calculated as follows:

10,076.5 = ((59,701.0 − 30,581.5) / 2) / (1 + 0.4449), where:

59,701.0 – average tax per enterprise in 2025.

30,581.5 – average tax per enterprise in 2023.

2 – two years in the 2023–2025 period.

0.4449 – the growth rate of income tax in 2023 compared with 2022, calculated as follows:

0.4449 = (30,581.5 − 21,164.8) / 21,164.8, where:

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21,164.8 – average tax per enterprise in 2022.

16,807.9 – average annual additional revenue per enterprise for companies that applied to the Programme in 2025, calculated as follows:

16,807.9 = (101,340.5 − 78,073.2) / (1 + 0.3843), where:

101,340.5 – average tax per enterprise in 2025.

78,073.2 – average tax per enterprise in 2024.

The period is a single year (2024–2025); therefore, the difference is not divided by the number of years.

0.3843 – the growth rate of income tax in 2024 compared with 2023, calculated as follows:

0.3843 = (78,073.2 − 56,398.6) / 56,398.6, where:

56,398.6 – average tax per enterprise in 2023.

Additional personal income-tax revenue for 2027 and subsequent years through 2036 inclusive, assumed at the estimated 2027 value, was calculated using the same formula as for 2026, but without the values 3.5, 2.5, and 1.5 representing the numbers of years in the periods included in the 2026 calculation. The formula is therefore as follows:

MDL 2.3 million = (16,800.4 × 82 + 10,076.5 × 62 + 16,807.9 × 17) / 1,000,000.

Additional VAT revenue payable to the budget for 2026 was calculated as follows:

**MDL 8.1 million** = (11,401.7 × 82 × 3.5 + 30,220.8 × 62 × 2.5 + 6,868.9 × 17 × 1.5) / 1,000,000

11,401.7 – average annual additional VAT revenue payable to the budget per enterprise for companies that applied to the Programme in 2023, calculated as follows:

11,401.7 = ((74,556.7 − 22,501.5) / 3) / (1 + 0.5219), where:

74,556.7 – average VAT per enterprise in 2025.

22,501.5 – average VAT per enterprise in 2022.

3 – three years in the 2022–2025 period.

0.5219 – the VAT growth rate in 2022 compared with 2021, calculated as follows: 0.5219 = (4,695,052.5 − 3,085,076.2) / 3,085,076.2, where:

4,695,052.5 – average declared revenue per enterprise in 2022.

3,085,076.2 – average declared revenue per enterprise in 2021.

Declared enterprise revenue was used to estimate the natural growth in VAT, in order to avoid potential distortions that could arise if this rate were calculated exclusively on the basis of VAT data. This approach is justified by the fact that not all enterprises are VAT payers and VAT values may vary significantly from one year to another.

30,220.8 – average annual additional VAT revenue payable to the budget per enterprise for companies that applied to the Programme in 2024, calculated as follows:

30,220.8 = ((132,138.1 − 50,225.5) / 2) / (1 + 0.3552), where:

132,138.1 – average VAT per enterprise in 2025.

50,225.5 – average VAT per enterprise in 2023.

2 – two years in the 2023–2025 period.

0.3552 – the VAT growth rate in 2023 compared with 2022, calculated as follows: 0.3552 = (4,442,698.8 − 3,278,175.3) / 3,278,175.3, where:

4,442,698.8 – average declared revenue per enterprise in 2023.

3,278,175.3 – average declared revenue per enterprise in 2022.

6,868.9 – average annual revenue (revenue reduction) from VAT payable to the budget per enterprise for companies that applied to the Programme in 2025, calculated as follows:

6,868.9 = (116,666.7 − 105,945.2) / (1 + 0.5609), where:

116,666.7 – average VAT per enterprise in 2025.

105,945.2 – average VAT per enterprise in 2024.

The period is a single year (2024–2025); therefore, the difference is not divided by the number of years.

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0.5609 – the VAT growth rate in 2024 compared with 2023, calculated as follows: 0.5609 = (8,257,902.6 − 5,290,507.3) / 5,290,507.3, where:

8,257,902.6 – average declared revenue per enterprise in 2024.

5,290,507.3 – average declared revenue per enterprise in 2023.

Additional VAT revenue payable to the budget for 2027 and subsequent years through 2036 inclusive, assumed at the estimated 2027 value, was calculated using the same formula as for 2026, but without the values 3.5, 2.5, and 1.5 representing the numbers of years in the periods included in the 2026 calculation. The formula is therefore as follows:

**MDL 2.9 million** = (11,401.7 × 82 + 30,220.8 × 62 + 6,868.9 × 17) / 1,000,000.

The grant amounts transferred are based on ODA data for the companies included in the calculation. They total MDL 47.7 million, comprising 22.0 (2022) + 19.4 (2023) + 138.3 (2024) + 6.3 (2025).

The administrative costs borne by ODA for programme implementation and monitoring are shown in Table 12.

**Table 12. Calculation of Administrative Costs Borne by ODA for Programme Implementation and Monitoring**

| ODA programme name | 2023 | | | 2024 | | | First half of 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | no. of applications | share | payments, MDL | no. of applications | share | payments, MDL | no. of applications | share | payments, MDL |
| START Programme for Young People: a sustainable business at home | 212 | | | 100 | | | 87 | | |
| Women's Entrepreneurship Support Programme | | | | 110 | | | 135 | | |
| Programme for Attracting Remittances into the Economy "PARE 1+2" | **133** | **15,0** | **8,1** | **97** | **11,1** | **6,2** | **39** | **7,0** | **5,1** |
| **SME Greening Programme** | **47** | **5,3** | **2,9** | **58** | **6,6** | **3,7** | **15** | **2,7** | **2,0** |
| SME Digital Transformation Programme | 103 | | | 133 | | | 55 | | |
| SME Competitiveness and Internationalisation Programme | 45 | | | 25 | | | 6 | | |
| **SME Retooling and Energy Efficiency Programme** | **278** | **31,4** | **17,0** | **200** | **22,9** | **12,7** | **168** | **30,2** | **22,1** |
| Digital Innovation and Technology Start-up Support Programme | 67 | | | 57 | | | 0 | | |
| SME Tourism Development Support Programme | | | | 80 | | | 41 | | |
| Small Producers Support Programme | | | | 13 | | | 10 | | |
| **Total applications evaluated** | **885** | **100** | | **873** | **100** | | **556** | **100** | |
| **Payments to employees and social and health-insurance authorities, MDL million** | | | **43,3** | | | **44,5** | | | **58,5** |

Source: Number of applications evaluated, based on statistical information on the number of beneficiaries and financial support granted under programmes implemented by ODA. Payments to employees and to social and health-insurance authorities, based on the financial statements.

The share of evaluated applications was calculated as the ratio of applications evaluated under each analysed programme to the total number of applications evaluated during a year (the first half of 2025 for that year). The amount of payments relating to each analysed programme represents the product of the calculated shares and the total payments to employees and social and health-insurance authorities. A share of 25% was added to the result, representing the general-overhead share used in accordance with the Guide for Applying the Standard Cost Model (SCM) in the Republic of Moldova. The annual amounts obtained for each analysed programme constitute the administrative costs borne by ODA for implementing and monitoring the programmes in the respective years. For 2026, the amount is the average for 2023–2025, while for 2027 half of this average is included in the calculation and, for 2028, 25% of this value is included in order to account for post-implementation monitoring costs.

Based on the total number of beneficiaries and the number eligible for ex-post evaluation under each programme, the following shares of ex-post eligible beneficiaries in the total number of beneficiaries were used: SME Retooling and Energy Efficiency Programme – 69% (300/433), SME Greening Programme – 45% (48/107), and Programme for Attracting Remittances into the Economy "PARE 1+2" – 56% (149/267).

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The following values were therefore used in the calculation:

**Table 13. Financial-Impact Calculations for ODA Programmes**

| Programme name | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|---|
| SME Retooling and Energy Efficiency Programme | 11,8 = 17,0 * 69% | 8,8 = 12,7 * 69% | 15,3 = 22,1 * 69% | 12,0 = 17,3 ((17,0+12,7+22,1)/3) * 69% | 6,0 = 12,0 /2 | 3,0 = 12,0/4 |
| Programme for Attracting Remittances into the Economy "PARE 1+2" | 4,5 = 8,1 * 56% | 3,4 = 6,2 * 56% | 2,9 = 5,1 * 56% | 3,6 = 6,5 ((8,1+6,2+5,1)/3) * 56% | 1,8 = 3,6 /2 | 0,9 = 3,6/4 |
| SME Greening Programme | 1,3 = 2,9 * 45% | 1,7 = 3,7 * 45% | 0,9 = 2,0 * 45% | 1,3 = 2,9 ((2,9+3,7+2,0)/3) * 45% | 0,6 = 1,3 /2 | 0,3 = 1,3/4 |

**Table 14. Economic Analysis**

| Name / year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Grant amounts transferred | 47,7 | - | - | - | - | - | - | - | - | - | - |
| Additional corporate income-tax revenue | 7,3 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 |
| Additional personal income-tax revenue | 6,8 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 |
| Additional VAT revenue payable to the budget | 8,1 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 |
| Additional increase in profit | 68,8 | 24,4 | 24,4 | 24,4 | 24,4 | 24,4 | 24,4 | 24,4 | 24,4 | 24,4 | 24,4 |
| Additional increase in salary payments | 77,4 | 26,0 | 26,0 | 26,0 | 26,0 | 26,0 | 26,0 | 26,0 | 26,0 | 26,0 | 26,0 |
| **Inflows, MDL million** | **216,1** | **58,1** | **58,1** | **58,1** | **58,1** | **58,1** | **58,1** | **58,1** | **58,1** | **58,1** | **58,1** |
| Total value of investment made | 110,9 | - | - | - | - | - | - | - | - | - | - |
| Additional corporate income-tax expenditure | 7,3 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 | 2,5 |
| Additional personal income-tax expenditure | 6,8 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 | 2,3 |
| Additional VAT expenditure payable to the budget | 8,1 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 | 2,9 |
| Administrative costs borne by ODA for programme implementation and monitoring | 14,5 | 1,8 | 0,9 | - | - | - | - | - | - | - | - |
| **Outflows, MDL million** | **147,6** | **9,5** | **8,6** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** | **7,7** |
| **Net cash flow, MDL million** | **68,6** | **48,6** | **49,5** | **50,4** | **50,4** | **50,4** | **50,4** | **50,4** | **50,4** | **50,4** | **50,4** |
| Discount factor | 1,0 | 0,94 | 0,89 | 0,84 | 0,79 | 0,75 | 0,70 | 0,67 | 0,63 | 0,59 | 0,56 |
| **Discounted net cash flow, MDL million** | **68,6** | **45,8** | **44,1** | **42,3** | **39,9** | **37,7** | **35,5** | **33,5** | **31,6** | **29,8** | **28,1** |
| **Economic discount rate** | | | | **6%** | | | | | | | |
| **Economic net present value (ENPV), MDL million** | | | | **437,1** | | | | | | | |
| **Economic internal rate of return (EIRR)** | | | | **n/a** | | | | | | | |
| **Benefit-cost ratio*** | | | | **5,4** | | | | | | | |

*Based on discounted net cash flow.

The grant amounts transferred and the administrative costs borne by ODA for programme implementation and monitoring are used in the financial analysis.

Additional corporate and personal income-tax revenue and additional VAT revenue payable to the budget are used in the financial analysis and are equal to the additional expenditure on these taxes and VAT paid by legal entities and individuals.

The total value of the investment made is shown for the companies included in the calculation, according to ODA data. It amounts to MDL 110.9 million, comprising 52.5 (2023) + 44.4 (2024) + 14.0 (2025).

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The additional increase in profit for 2026 was calculated as follows:

MDL 68.8 million = (123,500.0 × 82 × 3.5 + 192,442.8 × 62 × 2.5 + 139,300.9 × 17 × 1.5) / 1,000,000, where:

123,500.0 – average annual additional increase in profit per enterprise for companies that applied to the Programme in 2023, calculated as follows:

123,500.0 = ((1,087,549.5 − 566,718.7) / 3) / (1 + 0.4058), where:

1,087,549.5 – average profit per enterprise in 2025.

566,718.7 – average profit per enterprise in 2022.

3 – three years in the 2022–2025 period.

0.4058 – the profit growth rate in 2022 compared with 2021, calculated as follows: 0.4058 = (566,718.7 − 403,143.2) / 403,143.2, where:

403,143.2 – average profit per enterprise in 2021.

192,442.8 – average annual additional increase in profit per enterprise for companies that applied to the Programme in 2024, calculated as follows:

192,442.8 = ((1,128,170.7 − 515,627.1) / 2) / (1 + 0.5915), where:

1,128,170.7 – average profit per enterprise in 2025.

515,627.1 – average profit per enterprise in 2023.

2 – two years in the 2023–2025 period.

0.5915 – the profit growth rate in 2023 compared with 2022, calculated as follows: 0.5915 = (515,627.1 − 323,989.1) / 323,989.1, where:

323,989.1 – average profit per enterprise in 2022.

139,300.9 – average annual additional increase in profit per enterprise for companies that applied to the Programme in 2025, calculated as follows:

139,300.9 = (1,479,324.9 − 1,293,882.3) / (1 + 0.3312), where:

1,479,324.9 – average profit per enterprise in 2025.

1,293,882.3 – average profit per enterprise in 2024.

The period is a single year (2024–2025); therefore, the difference is not divided by the number of years.

0.3312 – the profit growth rate in 2024 compared with 2023, calculated as follows: 0.3312 = (1,293,882.3 − 971,939.4) / 971,939.4, where:

971,939.4 – average profit per enterprise in 2023.

The additional increase in profit for 2027 and subsequent years through 2036 inclusive, assumed at the estimated 2027 value, was calculated using the same formula as for 2026, but without the values 3.5, 2.5, and 1.5 representing the numbers of years in the periods included in the 2026 calculation. The formula is therefore as follows:

MDL 24.4 million = (123,500.0 × 82 + 192,442.8 × 62 + 139,300.9 × 17) / 1,000,000.

The additional increase in salary payments for 2026 was calculated as follows:

MDL 74.4 million = (190,773.5 × 82 × 3.5 + 114,421.3 × 62 × 2.5 + 190,858.5 × 17 × 1.5) / 1,000,000, where:

190,773.5 – average annual additional increase in salary payments per enterprise for companies that applied to the Programme in 2023, calculated as follows:

190,773.5 = ((1,314,792.4 − 423,388.2) / 3) / (1 + 0.5575), where:

1,314,792.4 – average salary payments per enterprise in 2025.

423,388.2 – average salary payments per enterprise in 2022.

3 – three years in the 2022–2025 period.

0.5575 – the salary-payment growth rate in 2022 compared with 2021, calculated as follows: 0.5575 = (423,388.2 − 271,833.8) / 271,833.8, where:

271,833.8 – average salary payments per enterprise in 2021.

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114,421.3 – average annual additional increase in salary payments per enterprise for companies that applied to the Programme in 2024, calculated as follows:

114,421.3 = ((677,923.0 − 347,262.8) / 2) / (1 + 0.4449), where:

677,923.0 – average salary payments per enterprise in 2025.

347,262.8 – average salary payments per enterprise in 2023.

2 – two years in the 2023–2025 period.

0.4449 – the salary-payment growth rate in 2023 compared with 2022, calculated as follows: 0.4449 = (347,262.8 − 240,332.9) / 240,332.9, where:

240,332.9 – average salary payments per enterprise in 2022.

190,858.5 – average annual additional increase in salary payments per enterprise for companies that applied to the Programme in 2025, calculated as follows:

190,858.5 = (1,150,753.5 − 886,546.0) / (1 + 0.3843), where:

1,150,753.5 – average salary payments per enterprise in 2025.

886,546.0 – average salary payments per enterprise in 2024.

The period is a single year (2024–2025); therefore, the difference is not divided by the number of years.

0.3843 – the salary-payment growth rate in 2024 compared with 2023, calculated as follows: 0.3843 = (886,546.0 − 640,424.0) / 640,424.0, where:

640,424.0 – average salary payments per enterprise in 2023.

The additional increase in salary payments for 2027 and subsequent years through 2036 inclusive, assumed at the estimated 2027 value, was calculated using the same formula as for 2026, but without the values 3.5, 2.5, and 1.5 representing the numbers of years in the periods included in the 2026 calculation. The formula is therefore as follows:

MDL 26.0 million = (190,773.5 × 82 + 114,421.3 × 62 + 190,858.5 × 17) / 1,000,000.

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