



USAID
FROM THE AMERICAN PEOPLE



Moldova Partnerships for Sustainable Civil Society

Funding provided by:
United States Agency for International Development
Cooperative Agreement AID-117-A-14-00002

Quarterly Progress Report No: 5

April 1 – June 30, 2015

July 31, 2015

Chisinau, Republic of Moldova

Submitted to:

Ina Pislaru
Senior Democracy Specialist
USAID/ Regional Mission in Moldova
57/1, Banulescu-Bodoni str.
Chisinau, Moldova MD 2005
ipislaru@usaid.gov

Julie R. Ota
Regional Agreement Officer for Ukraine, Belarus,
and Moldova
USAID/Ukraine
19 Nyzhny Val Street
Kiev, Ukraine 04071
jota@usaid.gov

This report was prepared with funds provided by the U.S. Agency for International Development under Cooperative Agreement AID-117-A-14-00002. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development.

TABLE OF CONTENTS

ACRONYMS.....	3
I. INTRODUCTION.....	4
II. MPSCS HIGHLIGHTS, APRIL 1 – JUNE 30, 2015	5
OBJECTIVE 1: CSOS MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES.....	5
OBJECTIVE 2: INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED	5
OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY	5
III. MPSCS PROGRESS APRIL 1 – JUNE 30, 2015, BY OBJECTIVE.....	6
OBJECTIVE 1: CSOS MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES	6
CSO ADVOCACY AND GOVERNMENT OUTREACH.....	6
PEOPLE WITH DISABILITY RIGHTS ADVOCACY	9
YOUTH INTEGRATION	10
ADVOCACY INDEX CUSTOMIZATION	11
CIVIL SOCIETY STAKEHOLDERS’ COORDINATION.....	11
COMMUNICATION AND MEDIA	12
OBJECTIVE 2: INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED	13
CAPACITY BUILDING	13
SUPPORT TO A LOCAL MARKET FOR CAPACITY DEVELOPMENT SERVICES AND PROVIDERS	16
TA TO MPSCS PARTNERS AND OTHER CSOS.....	18
OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY ...	19
ENHANCING LOCAL EXPERTISE ON THE ENABLING LEGAL ENVIRONMENT FOR CSOS	19
SUPPORTING IMPLEMENTATION OF THE CSO STRATEGY.....	20
REVISING LEGISLATIVE FRAMEWORK AND IMPROVING IMPLEMENTATION	21
MOBILIZING DOMESTIC RESOURCES FOR CSO FINANCIAL SUSTAINABILITY.....	22
CROSS-CUTTING ACTIVITIES	22
GENDER INTEGRATION	22
EUROPEAN UNION INTEGRATION AWARENESS RAISING ACTIVITIES	23
IV. CHALLENGES.....	24
V. HIGHLIGHTS OF PLANNED ACTIVITIES FOR MPSCS NEXT QUARTER.....	24
OBJECTIVE 1: CSOS MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES.....	24
OBJECTIVE 2: INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED	25
OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY	25
ATTACHMENTS	25

ACRONYMS

API	Asociatia Presei Independente (Association of Independent Press)
APT	Asociatia Psihologilor Tighina (Association of Psychologists from Tighina)
ASD	Autism Spectrum Disorder
ATVJI	Asociatia "V.I.P." a Telegurnalistorilor Independenti din Republica Moldova (Association of Independent TV Journalists)
CBO	Community based organization
CJI	Centrul pentru Jurnalism Independent (Independent Journalism Center)
CJU	Clinica Juridica Universitara (University Legal Clinic)
CICO	Centrul de Informare si Consultanta Organizationala (Center for Organizational Consultancy and Training)
CNTM	Consiliul National al Tineretului din Moldova (National Youth Council of Moldova)
CPD	Centrul Parteneriat pentru Dezvoltare (Center Partnership for Development)
CRJ	Centrul de Resurse Juridice (Legal Resources Centre)
CRPE	Reprezentanta din Republica Moldova a Centrului Roman de Politici Europene (Moldovan Branch of Romanian Center for European Policies)
CSO	Civil Society Organization
CS	Civil Society
ECNL	European Center for Not-for-Profit Law
EP	Engage Program
EU	European Union
FEE	Fundatia Est-Europeana (East Europe Foundation)
FCPS	Femeia si Copilul – Protectie si Sprijin (Woman and Child – Protection and Support)
FDRM	Fundatia pentru Dezvoltare din RM (Foundation for Advancement of Moldova)
FHI	Family Health International
GoM	Government of Moldova
HRM	Human Resource Management
LPA	Local Public Authority
MoE	Ministry of Education
MoJ	Ministry of Justice
MoLSPF	Ministry of Labor, Social Protection and Family
M&E	Monitoring and Evaluation
MPSCS	Moldova Partnerships for Sustainable Civil Society
OD	Organizational development
ODA	Organizational Development Assessment
PBO	Public Benefit Organization
PWD	People with Disabilities
SOIR	Swedish Organization for Individual Relief
SP	Support Program
Tarna Rom	Uniunea Tinerilor Romi din Republica Moldova "Tarna Rom" (Union of the Roma Youth of Moldova Tarna Rom)
TDP	Training and Development Plan
TDV	Tinerii pentru Dreptul la Viata (Youth for the Right to Life)
TOT	Training of Trainers
TsL	Centrul de Resurse Tineri si Liberi (Young and Free Resource Center)
USAID	United States Agency for International Development

I. INTRODUCTION

This report covers the sixth quarterly reporting period (April 1 – June 30, 2015) of the Moldova Partnerships for Sustainable Civil Society (MPSCS) project. MPSCS is a five-year project funded by the United States Agency for International Development (USAID) and implemented by FHI 360 and its partner the European Center for Not-for-Profit Law (ECNL).

The purpose of the project is to improve the capacity of Moldovan civil society to represent citizens' interests, influence policymaking, and sustain the sector's democratic role for the future.

MPSCS accomplishes this goal by meeting three objectives:

- **Objective 1:** Civil Society Organizations (CSOs) more effectively represent their constituencies
- **Objective 2:** Institutional capacity of strategic partners developed
- **Objective 3:** Enabling environment more conducive to long-term sustainability of civil society

Under Objective 1, MPSCS continued to support activity of 19 Engage Program (EP) partners to provide better services to their beneficiaries and more efficiently represent their interests. In this quarter, activities implemented by the EP partners focused on further developing CSO networks, providing capacity-building activities for partner organizations, and advocating for improving legislation for and on behalf of the constituents.

Under the People with Disabilities (PWD) Rights program, MPSCS awarded five grants and the CSOs started project implementation. Through their projects, the CSOs aim to better represent their constituencies, advocate for and monitor the implementation of legislative reforms in the field of disability. The project activities will result in the development of two local strategies for social integration of PWD in Anenii Noi and Ialoveni districts, and one national strategy for social integration of people with autism. Additionally, people with mental disabilities will receive legal assistance, and the UN Convention on the Rights of Persons with Disabilities (UNCPRD) and the Moldovan Law no. 60 on social inclusion will be reproduced in easy-to-read format.

In this quarter, MPSCS continued its awareness campaign in support of Moldova-European Union (EU) integration. Seventeen CSOs, two media outlets, and a communication agency carried out activities promoting the benefits of European integration by mobilizing more than one million citizens throughout the country for the European path of Moldova. Fundatia Est-Europeana – FEE (East Europe Foundation) continued to raise awareness on the EU, monitor public authorities and encourage European path, covering 36 communities, organizing public discussions on EU integration attended by up to 400 people, and reaching out to about 300,000 people through public events and media.

Under Objective 2, through enhanced technical assistance, guidance and supervision, MPSCS continued to support capacity development of the MPSCS partner CSOs in order to improve their governance, financial management, procurement, project management, and fundraising skills. Both EP and Support Program (SP) partners continued to implement their Training and Development Plans (TDPs) and registered organizational development (OD) progress in several areas. To improve the long-term prospects for CSO sustainability, MPSCS partners Contact Center and Caraseni Training and Consultancy Organization (CTO Caraseni) conducted an assessment of institutional development needs of Moldovan CSOs and capacity building service providers (CBSPs) and organized a Training of Trainers (ToT).

Under Objective 3, MPSCS continued to support local stakeholders - Tineri si Liberi – TsL (Resource Center Young and Free) and Centrul de Resurse Juridice – CRJ (Legal Resources Centre) - in their efforts to reform and monitor the implementation of key civil society related laws and strategies,

including the 2% mechanism, and the Civil Society Development Strategy for 2012-2015 (CS Strategy). Moreover, MPSCS initiated development of the study on fundraising and philanthropy that will be published at the beginning of Year 3.

II. MPSCS HIGHLIGHTS, APRIL 1 – JUNE 30, 2015

Objective 1: CSOs More Effectively Represent their Constituencies

- Seventeen MPSCS partner CSOs carried out advocacy campaigns to ensure constituency rights protection and improve legislation in the areas of education, Roma inclusion, women's empowerment, improvement of quality and accessibility of social service provision, access to information and media transparency, and development of volunteerism in Moldova.
- A methodological guide for drafting legislative notes for educational normative acts developed by Fundatia de Dezvoltare din Republica Moldova – FDRM (Foundation for Advancement from Moldova) and adopted by the Ministry of Education (MoE).
- More than 1,000,000 citizens were reached and informed about positive impact of Moldova's European integration through MPSCS partners CSO project events and informational materials.
- FEE subgrantees Expert-Grup and ADEPT developed a progress report analyzing the performance of the Government of Moldova (GoM) in implementing the policies prior to signing of the EU-Moldova Association Agreement. The Progress Report titled, "Moldova in the Eastern Neighborhood Policy: 2005-2014", which included important findings and recommendations, was shared with the authorities and the public.

Objective 2: Institutional Capacities of Strategic Partners Developed

- Sixty-five representatives from MPSCS partner CSOs and USAID grantee organizations improved their knowledge and skills in human resource management, good governance, and partnerships development by attending trainings and workshops delivered by Centrul de Informare si Consultanta Organizationala - CICO (Center for Organizational Consultancy and Training).
- Nineteen EPs continued to improve internal policies and procedures in line with their TDPs through trainings, team-building activities, coaching, and consultations.
- Twenty CSO representatives enhanced their skills in financial management, cost share requirements and regulations, procurement policies and media outreach during the MPSCS Procurement, Finance, and Communications Managers' field visits.
- Four MPSCS PWD Rights partners underwent Organizational Development Assessment (ODA) and developed their TDPs.
- Twenty CSO representatives, including CBSPs and individual trainers improved their training and facilitation skills by attending the ToT delivered by Contact Centre in partnership with CTO Caraseni.

Objective 3: Enabling Environment More Conducive to Long-Term Sustainability of Civil Society

- CRJ developed a policy paper and a draft law on implementation of the 2% mechanism through consultations with the National Council of CSOs and ECNL, and submitted them to the Parliament for review.
- CRJ conducted a preliminary analysis of the shortcomings of the Law on Public Associations and a comparative research of the European standards for non-commercial organizations, which CRJ will present to the civil society stakeholders to solicit input in the next quarter.

- TsL and the National Council of CSOs came to an agreement with the Parliament and Government to review the CS Strategy in order to decide about the next steps in improving the legislative environment for civil society.
- MPSCS developed a survey that was distributed to CSOs across the country to map domestic practices in mobilization of local resources.
- MPSCS developed the capacity of local experts by organizing a three-day training on local level advocacy and impact on policymaking, and conducted two distance-learning sessions for CRJ on enabling environment for CSOs.

III. MPSCS PROGRESS APRIL 1 – JUNE 30, 2015, BY OBJECTIVE

OBJECTIVE 1: CSOS MORE EFFECTIVELY REPRESENT THEIR CONSTITUENCIES

By June 2015, EP partners had finalized activities in line with their first year implementation plans. Although many partner CSOs were implementing demanding EU awareness campaigns throughout Moldova, they were able to adhere to their initially planned activities aimed at improving the lives of their constituencies and providing better services and assistance to their target groups. In the reporting period, MPSCS partner CSOs organized more than 50 discussions, roundtable events, workshops, consultations and meetings with stakeholders and interested civic activists. Media, and social medial platforms in particular, remained an important tool of voicing citizens’ demands.

CSO ADVOCACY AND GOVERNMENT OUTREACH

EP partners organized a number of joint meetings and workshops with relevant authorities and citizens to present recommendations and advocate for implementation of current legislation and the CS Strategy. Despite the local elections and uncertainties stemming from changes in the national government, organizations and their partners carried out advocacy efforts to keep the authorities accountable and engaged in meeting their constituency needs. Each grantee’s efforts and contributions are described in more detail below.

Clinica Juridica Universitara - CJU (University Legal Clinic) provided free legal assistance to 134 vulnerable people in northern Moldova such as the elderly, pensioners, families with many children who cannot afford legal assistance, and informed 225 people and 21 representatives of the Local Public Authorities (LPA) about people’s right for state-guaranteed legal assistance by the National Legal Aid Council. As a result, 18 of these beneficiaries asked the National Legal Aid Council to represent them in court. In addition, CJU signed a cooperation agreement with the Youth Center Dacia from Soroca in order to extend its free legal assistance to their beneficiaries – mostly socially disadvantaged youth from Soroca.



The API Center of Assistance web designer providing support to API constituent – the “Ora Locala” newspaper, Chisinau, May 18, 2015.

Asociatia Presei Independente – API (Association of Independent Press) Center for

Assistance continued assisting its 16 members, including regional newspapers and news agencies. In the reporting period, the Center’s web designer, economist and legal expert provided support to independent media organizations in solving 35 legal, financial and IT issues. For example, the legal expert monitored a few court cases against the Ziarul de Garda newspaper (one of the most popular investigative newspapers) for which API had previously provided assistance. In addition, the legal expert helped API to prepare three legal cases for a court hearing related to limited access to public

information needed for the investigations conducted by API. Moreover, API's IT, design and finance experts provided assistance to its constituent newspapers and media outlets on various technical issues and recent changes in accounting regulations.

In order to improve the capacities of local social workers in representing vulnerable youth, such as orphans, children whose parents have left to work as migrant workers abroad, and children from disadvantaged families, the **Asociatia Psihologilor Tighina – APT (Association of Psychologists from Tighina)** conducted eight workshops for social workers and other relevant officers and activists from various localities of the Căușeni raion. A total of 153 participants from Ursoaia, Săiți, Baccealia, Chircăiești villages and Căușeni town learned to identify disadvantaged children, and assess their issues and find solutions to help them. As a result, more than 15 children attended recreational camps, some of them free of charge and others at a significantly reduced rates; parents from four families postponed their move for working abroad; and in three families, parents returned home to take care of their children. Additionally, participating LPAs began to proactively address the problems of these children. For example, for two children, the LPAs decided to waive the kindergarten fee, and for some children left under legal guardianship, the LPAs offered funds and in-kind support.

Tarna Rom continued to advocate for the Roma people's rights. In partnership with the Bureau of Interethnic Relations, the organization conducted a largescale roundtable with Government of Moldova (GoM) representatives, Ambassadors, the Roma people representatives, media and CSOs. About 70 individuals attended this event dedicated to the International Day of the Roma People on April 8, organized for the first time in Moldova. The organization conducted several meetings on implementation of the Government Decision no. 56 and its action plan on supporting the Roma people with the Ministry of Labor, Social Protection and Family (MoLSPF), MoE, and Ministry of Regional Development and Construction.

In this quarter, **Eco Contact** conducted a two-day training in Mihaileni village – one of the three selected villages for piloting the Green Economy initiatives at the local level. At this training, 10 local stakeholders learned about the impact of Green Economy. In addition, Eco Contact tasked the three target communities with analyzing the environmental situation in their communities and developing action plans for solving them in line with the Green Economy concept. Through these exercises, citizens from the target localities learned to participate in local decision making and take a more proactive stance in their communities.

In partnership with ECNL, **Contact-Cahul** trained 25 representatives of CSOs from throughout Moldova on conducting collective advocacy campaigns through CSO networks. As a result of the trainings and cluster clubs organized in Quarter 4, Contact-Cahul and its partners developed a set of recommendations on how to improve internal regulations of the Regional Development Agencies in Moldova. In the next quarter, Contact-Cahul and its partners will submit these recommendations to the Ministry of Regional Development and Construction and advocate for improving the legal and administrative framework of the Regional Development Agencies (RDAs). To support these initiatives, Contact-Cahul identified around 30 southern CSOs interested in becoming members of the Southern Consultative Group to be created when the local governments are established following the recent local elections. Once established, this group will get involved in local-level decision making to more effectively advocate for their constituents' interests.

MPSCS partner CSO from the north **Caroma-Nord**, in partnership with Environmental Coalition members, monitored the implementation of the Balti Regional Development Strategy, and will make specific recommendations in the next quarter. Identified suggestions will be presented to the authorities during the Balti Municipal Council sessions in the next quarter.

To support inclusion of youth in decision making, **Consiliul National al Tineretului din Moldova - CNTM (National Youth Council of Moldova)** conducted several meetings with youth specialists from Ocnița, Stefan-Voda and Chișinău, and consulted with local youth councils, active young people and the youth CSOs from target districts, to identify issues faced by youth from these communities. These meetings revealed that exclusion of youth from decision-making processes and participation in budgeting youth activities at the local level remain the main challenge. CNTM will formulate recommendations in the 2015 Transversal Policy Report and provide them to the Ministry of Youth and Sport, MoE, Ministry of International Affairs and European Integration, Educational Departments and CSOs.

In the reporting period, **Fundatia pentru Dezvoltare din Republica Moldova – FDRM (Foundation for Advancement from Moldova)** organized four working meetings with the MoE to discuss and adopt the methodological guide for drafting legislative notes for educational normative acts. At the last meeting, all involved stakeholders reached an agreement to accept the improvements proposed by MoE and the expert on Regulatory Impact Analysis methodology. The Ministry will present the final version of the above-mentioned guide to all relevant departments of the MoE prior to its final approval.



FDRM presenting the Methodological guide for drafting normative/information notes to the MoE, Chisinau, April 30, 2015.

In this quarter, **Casmed, Vesta and Femeia si Copilul – Protectie si Sprijin – FCPS (Woman and Child – Protection and Support)** focused on building the skills and improving internal regulations of the social service providers from the northern and central districts of Moldova and women's organizations in the southern districts. Grantees' experts and consultants provided five capacity building workshops, follow-up consultations, and meetings to the partner CSOs' team. As a result, five partner CSOs' staff improved their understanding and practical skills and were able to develop strategies and actions plans within their organizations.

Centrul de Jurnalism Independent – CJI (Independent Journalism Center) continued implementing activities aimed at ensuring free access of the press to the Parliament meetings so that media representatives are able to objectively and comprehensively cover the work of the legislative body and provide accurate information to citizens. In May, CJI sent to the Parliament, including parliamentary factions, Presidency and Government, a petition signed by 123 media representatives. The petition reminded the decision makers that limiting media access to the plenary sessions of the Parliament, and confining the journalists accredited by the Parliament to a room lacking adequate working conditions infringe on the freedom of expression and the right to work, and contradicts the principles of transparency in decision making. As a result, CJI received feedback from the Parliament, the Parliamentary Commission for Culture, Education, Research, Youth, Sport and Mass media, Presidency, and the Parliamentary Communist Party Faction. In their response, the authorities stated that they would take measures to solve this problem. In next period, CJI will continue monitoring the authorities' involvement and reaction to this issue.

In order to promote volunteerism in Moldova, **Tinerii pentru Dreptul la Viata – TDV (Youth for the Right to Life)** organized two large events – 2015 National Volunteering Week (April 27 through May 7) in 10 districts of Moldova, and a Volunteering Caravan (May 11-17). Through these activities, TDV-trained volunteer coordinators brought together more than 1,000 volunteers from 10 regions. In addition, TDV continued advocating for the creation of a working group within the MoLSPF to develop the occupational standard for Volunteer Coordinator profession.

PEOPLE WITH DISABILITY RIGHTS ADVOCACY

Two EP partners **Motivatie** and **CAJPD** continued to implement projects focused on promoting the rights of PWD. **CAJPD** trained and coached 20 beneficiary CSOs from different regions working on disability issues in advocacy and constituency mobilization at the local level. In June, CAJPD conducted second module of advocacy training for beneficiary CSOs in the south, center and north of Moldova. At these trainings, participants developed nine advocacy project proposals and a few advocacy campaigns to be implemented with CAJPD assistance. Two campaigns will be conducted in Sangerei district to advocate for accessibility of the building with social apartments and on the main street of Sangerei town, which is now in the process of renovation. Other two campaigns will be conducted in Edinet advocating for accessibility of the Civil Status Office in Edinet and adjustment of the public parking places, such as supermarkets, hospitals, and public institutions.

Motivatie monitored and coached the activities of 17 people with and without disabilities. During this quarter, these initiative groups collected data on accessibility for PWD in their localities, identified relevant local stakeholders able to solve these issues, posted the data on Facebook, and presented it to LPAs and other stakeholders. In addition, some of these groups sent official requests to relevant authorities asking to solve accessibility issues and are now monitoring the actions undertaken by the authorities.

A Motivatie initiative group from Hincești submitted to LPAs a request to adhere to accessibility guidelines in the construction of the new Regional Sports Center. As a result, the Deputy Head of the State Inspection for Construction contacted the group leader Iuliana Tabacari and promised to ensure compliance with accessibility guidelines and invited the group to verify compliance before commissioning the Center.

People with Disabilities Rights Program

Following an open call for applications under the PWD Rights Grants Program, the following five CSOs were selected to receive two-year grants totaling up to 830,000 MDL, which MPSCS will couple with technical assistance: **Speranta, Keystone Moldova, Speranta si Sanatate, SOS Autism and Resource Center OSORC.**

During the reporting period, four organizations signed grant agreements and began implementing their projects. The fifth organization, Transnistria-based Resource Center OSORC, needed more time to finalize administrative issues for proper grant management and compliance, such as putting in place accounting systems and developing minimum financial procedures according to Moldova's legislation, which is different from the practices in the Transnistrian region. In order to meet all the minimum requirements, MPSCS team provided extensive support to the CSO, including facilitating registration at the Ministry of Justice (MoJ). Resource Center OSORC met all the minimum requirements and the grant agreement was prepared for signature in July 2015.

To ensure donor coordination and avoid duplication of efforts, MPSCS team worked closely with the Swedish donor organization Swedish Organization for Individual Relief (SOIR), which awarded grants to three of the five above-mentioned organizations receiving awards from MPSCS (Keystone Moldova, SOS Autism, and Resource Center OSORC). Beginning with the pre-award phase and then during the grant agreement preparation, MPSCS team provided support to these organizations in designing and sequencing activities in order to avoid overlaps and maximize the potential impact of both projects.

Through its project, **Keystone Moldova** is working to ensure participation of PWD and civil society actors in developing public policies for PWD in the Anenii Noi and Ialoveni districts. On April 29, 2015, Keystone Moldova launched its project by organizing a workshop at the District Council of Anenii Noi for 20 participants. As a result of this activity, a partnership agreement was signed between the CSO and Anenii Noi District Council, thus establishing an open and active cooperation for the development and implementation of the local Strategy for Social Inclusion of People with

Disabilities. On May 7, 2015, a similar launch event was organized for another 19 participants in the Ialoveni district, where the authorities are interested but are yet to develop a strategy for social inclusion of PWD. Similarly, in the Anenii Noi district, as a result of the launch event, a partnership agreement was signed between Keystone Moldova and Ialoveni District Council, aimed at ensuring a better and more transparent development of a strategy. Keystone Moldova collected and analyzed statistical data on PWD from both districts. The data will be further used in the project activities and for development of final products. To collect information about the needs and challenges faced by PWD, Keystone Moldova organized 20 focus groups - 10 in each project target district – and involved 101 people from Anenii Noi and 92 people from Ialoveni with different types of disabilities and of different ages and social groups.

In the framework of its project, **SOS Autism** aims to increase social integration of people diagnosed with the autism spectrum disorder (ASD), and to improve their access to services and rehabilitation programs by developing a national strategy on social integration of people with ASD. At the beginning of its project, the CSO organized three focus groups in Chisinau, Sangerei and Tiraspol, in order to collect data on the needs of people with ASD and their families, and to identify the barriers in social integration of children and youth with autism. SOS Autism collected these data through a questionnaire and focus group discussions. More than 50 participants, including family doctors, social workers, CSOs, parents with children with ASD, and educators attended were surveyed.

Under its project, **Speranta** plans to develop an innovative easy-to-read handbook on the UNCRPD and Law on Social Inclusion of Persons with Disabilities, offering to people with intellectual and learning disabilities accessible information about their rights. During the reporting period, the CSO identified international partners (mainly from Romania), and formed a focus group of people with disabilities, who will be actively involved in the project activities and in testing the developed materials.

Speranta si Sanatate began to implement its project focused on increasing the level of legal knowledge among people with mental disabilities and their guardians. In addition, the CSO will be providing legal help to at least 50 target families. The CSO presented the project to its beneficiaries and their families, and began collecting requests for legal consultations. The next step is to organize an extended workshop with participation of public authorities and experts in the field.

YOUTH INTEGRATION

MPSCS partners **Certitudine**, **CNTM** and **Pro Comunitate** continued their activities focused on engaging youth. **CNTM** organized meetings with youth specialists and workers and consulted with the local youth councils in three localities: Ocnita, Stefan Voda and Chisinau in order to discuss the problems of youth in their districts. Following these meetings, CNTM learned that just 10 out of 35 districts have adopted a local strategy on youth. In addition, CNTM provided guidelines to youth workers from Ocnita, Ștefan-Voda, and Chisinau on how to collect data related to allocation of funding to youth activities in local budgets. CNTM held several discussions and meetings with the representatives from National Bureau of Statistics regarding the data collection and how to develop tools for data collection in youth development, especially in regards to entrepreneurship and local migration.



CNTM promoting EU values through summer school, Orhei, June 2015.

Pro Comunitate conducted a workshop on fundraising for eight youth workers from Magdacesti, Varnita, Chisinau, Floresti, Orhei, Ialoveni and Edinet. After this activity, one of the participants,

Svetlana Budistean of Varnita, conducted a debate discussion in her community the on topic of “Promoting volunteering in Varnita and Transntrian region”. **Certitudine** organized informational activities on youth mobility programs for up to 5,000 youth in 15 localities from the north of Moldova. Additionally, Certitudine trained 25 young people from Floresti on Project Cycle Management. In next quarter, youth will apply the newly acquired skills by identifying local issues and implementing local project through community mobilization.

ADVOCACY INDEX CUSTOMIZATION

MPSCS Advocacy Index

In June 2015, Contact-Cahul applied MPSCS Moldova Advocacy Index developed as a tool to assess the capacity of Community Based Organizations (CBOs) in six competency areas: constituency building, coalition building, outreach, engaging decision makers, research and advocacy. The following five CBOs were evaluated and performed self-assessments: Pas cu Pas (Cahul), Axis (Cahul), Pro-Europa (Cahul), Ecou (Cahul) and Contact-Cahul.

Preliminary data of this exercise show that CBOs are open to sharing their experiences and identifying gaps in their advocacy activities. The organizations have different levels of experience in advocacy and thus scored differently. Evaluation participants mentioned that the Advocacy Index was a very useful tool, and helped them identify their strengths and weaknesses. A common problem for most CBOs is the low capacity to engage citizens in their own governance and in public decision making. As a result of the evaluation, CBOs are considering new ways of establishing closer ties with their constituencies, such as through organizing open door events and revising decision making processes within their organizations. The results of the Advocacy Index assessments will be processed in the next quarter. As planned by MPSCS, this tool will be applied throughout next year to track the progress of these organizations.

MPSCS Community Scorecard

In the reporting period, MPSCS worked with its partners to evaluate the level of community involvement and participation in the CSOs project planning, implementation and evaluation by using the Community Scorecard – a tool previously developed by MPSCS. MPSCS partner Caroma Nord conducted the first focus groups in Parlita village with seven participants and in the Balti municipality with 10 participants, all aged 18-20. These focus groups discussed how the citizens were involved in all the phases (planning, implementing and assessment) of an older Carom Nord project called Green School. An externally hired expert moderated the focus group discussions. The results of the focus groups will be prepared and reported in the next quarter.

“We were cautious when MPSCS proposed to apply the Community Scorecard for Caroma Nord’s projects. The concern was about the possibility of negative results and our disappointment. Now, we have a good understanding of ways to improve our work. We cannot imagine how things will change after the entire process. We are going to be very close to our constituency and that is great.”

-Rodica Frecautanu, President of Caroma Nord, about Community Scorecard

CIVIL SOCIETY STAKEHOLDERS’ COORDINATION

MPSCS maintained its good working relationship with local and international donors and implementers such as FEE, SOIR, Friedrich-Ebert Stiftung Foundation, German Agency for International Cooperation, Organization for Security and Co-operation in Europe, Delegation of the European Union to Moldova, and UNDP. During the last meeting of the civil society donors on April 30, MPSCS Chief of Party provided a status update on the development of the 2% mechanism and implementation of the CS Strategy. In addition, a short overview of the MPSCS approach on CSO capacity development was presented. All donors agreed to arrange a thematic meeting to discuss in more detail the strengthening of CSO institutional capacities over the few next quarters.

COMMUNICATION AND MEDIA

MPSCS grantee activities received increased media coverage, especially activities related to the EU awareness. **API** published more than 30 articles promoting EU values and European integration in the “European Objective: Let's talk about Europe” newspaper supplement and posted 12 articles on the most popular news websites. **TsL** conducted public debates and participated in TV shows about the benefits of the integration for civil society development and for the society in general. Five articles about the **CNTM**'s EU project component and budget for youth development analysis were published on five news web portals (www.diez.md, www.stiripozitive.md, www.zugo.md, www.realitatea.md and www.ipn.md). **CJI** continued publishing comprehensive commentaries on how media function in the EU countries. April through June 2015, professional media experts and journalists published 12 materials on CJI's website, <http://media-azi.md/>.

FEE subgrantees made public presentations, published articles in print, used TV and radio, overall preparing 125 media items dedicated to the promotion of EU integration. Transparency International-Moldova conducted six TV shows at EuroTV channel on European values (<http://www.eurotv.md/emisiune-obiectiv-european>) and three radio talk shows about EU at JurnalFM. Pro Europa Comrat aired four radio programs at Radio Albena from Gagauzia and published four press articles at “Vesti Gagauzii” about the project activities and EU integration. Another subgrantee, Dialog Pro, frequently updated and published articles about the EU on website www.infoeuropa.md, to inform the general public about European integration processes. A total of 22 online articles, 17 publications, 254 translations and summaries, 71 documents on EU assistance were produced reaching 21,314 readers and viewers.

MPSCS partner **CRPE-Moldova**'s Open Day event at the National Institute of Standardization was publicized in online media: IPN News-Agency (www.ipn.md), Institute's website (www.standard.md) and CRPE Moldova and Romania websites (www.crpe.md, www.crpe.ro). The study visit to Poland, conducted by **Moldova Fruct**, was covered by online media: IPN News-Agency (<http://ipn.md/ro/economie/69628>), Agora news portal (<http://agora.md>), Fermer.md (<http://fermer.md>). Additionally, the CSO published three articles in the Newspaper “Curierul Agricol” about a study visit of Moldovan fruit producers in Poland, and about the two regional workshops in Edinet and Briceni organized by Moldova Fruct. **Pro Media** broadcast three TV programs about EU-Moldova Association Agreement: benefits from the local and regional perspective.

PWD Rights partners began promoting their activities through online and print media, as well as TV and radio. **Keystone Moldova** had three radio appearances in May on Radio Moldova, discussing the launch of the project in Anenii Noi district and the regional focus groups organized in Anenii Noi and Ialoveni for PWD and their families. **SOS Autism** published an article about symptoms of autism in the Jurnal de Chisinau (<http://www.jc.md/>) and CSO representatives participated in a TV Program “Cine vine la noi” on the Moldova1 public TV (<http://trm.md/>), presenting the project and speaking about autism.

MPSCS continued to actively use its Facebook page to highlight the results of the EU awareness campaign EUROPE FOR YOU and EU support offered to Moldova. On June 23, MPSCS launched a “selfie award contest”. The program invited people from all over the country to take selfies with an EU-funded project from their localities in the background and post them on Facebook with #EuropaPentruTine hashtag. For every selfie, people received a branded T-shirt and a bag with the campaign logo. The contest turned out to be very interesting and popular. During the first two weeks of the contest, about 15 selfies from different localities of the country were taken and about 200 new followers registered on the Facebook page. In addition, the contest was shared more than 50 times on Facebook and publicized by the national newspaper “Ziarul National”.

In order to improve its partners' media skills, MPSCS facilitated cooperation between its partner CSOs and journalists. To this end, MPSCS sent an email about advocacy initiatives of CSOs to about 50 journalists. As a result, two comprehensive journalistic reportages have been prepared and nationally broadcast by Publika TV. On May 24, one of the most popular TV shows on Publika TV, "Moldova, tara de minune", broadcast a reportage about the activity of CASMED. The media report highlighted that LPAs do not have enough resources – both human and material - to take care of the elderly and the only solution is to cooperate with CSOs, such as CASMED. Casmed was presented as a good example of cooperation between the state and civil society. A short version of the reportage was broadcast several times on May 25. On June 21, Publika TV broadcast another TV reportage about the need to finalize the of 2% mechanism, which will help CSO to get funds from citizens but also to engage them in CSO activities. During the same period, MPSCS developed a story about APT success in providing assistance to their beneficiaries and published it on MPSCS website and Facebook page.

OBJECTIVE 2: INSTITUTIONAL CAPACITIES OF STRATEGIC PARTNERS DEVELOPED

During this quarter, MPSCS concentrated its efforts on assisting the grantees with finalizing their internal policies and procedures documents. In addition, MPSCS provided OD support through financial management trainings, cluster club sessions, coaching, and technical assistance. In this reporting period, almost all MPSCS partners finalized development of their organizational policies and updating of their procedures in line with their TDPs and MPSCS special award conditions included in their agreements.

In April-June 2015, MPSCS facilitated ODA for four PWD Rights partners. With MPSCS support, CSOs' teams identified their organizational strengths and weaknesses and determined their capacity-building needs. After this exercise, each CSO incorporated ODA findings into their individual TDPs, project implementation, and monitoring and evaluation plans.

MPSCS capacity building strategic partner CICO continued to develop the capacity of MPSCS partner CSOs in transparent governance and partnerships, human resources management, and leadership. Additionally, MPSCS project staff provided technical assistance in accordance with the CSOs' needs in the following areas: internal procurement procedures, development of shared cost allocation plans and cost share policies, and media advocacy and effective media outreach.

CAPACITY BUILDING

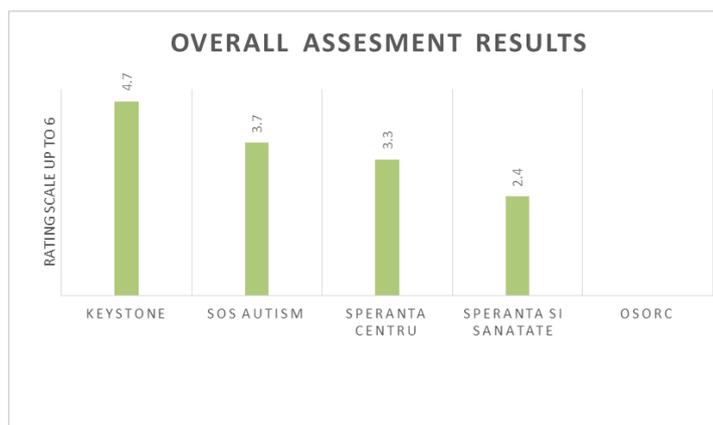
ODA of the PWD Rights partners

MPSCS ODA facilitates a self-evaluation of CSOs across seven capacity areas: governance, implementation and management practices, human resources management, financial management and sustainability, constituency-centered programming, networking and advocacy, and media and promotion. Each area is ranked on a four-part scale: nascent (0 – 1.4), emerging (1.5 – 2.9), expanding (3 – 4.4), and mature (4.5 – 6).

In this reporting quarter, MPSCS facilitated ODA with four PWD Rights partners. MPSCS held sessions lasting two to four hours with key personnel of each organization, including managers, board members, staff representatives, and volunteers. After the discussion, CSO teams with guidance from the MPSCS Capacity Building Manager calculated the average score for each capacity area. These scores constitute baselines against which MPSCS and partners will track progress. This assessment will also form the basis for a TDP for each CSO.

As shown in Figure 1 below, according to the overall scores in the seven ODA-assessed areas, three out of four PWD Rights CSOs were classified as expanding, with the average score ranking between 3.3 and 4.7. Speranta si Sanatate, with an average ranking of 2.4, was classified as emerging.

Figure no.1. Overall ODA results for four MPSCS PWD Rights partners



The preliminary conclusions of the ODA are as follows:

1. GOOD GOVERNANCE

MPSCS PWD Rights partners have established governance models as reflected in their bylaws, and according to the Moldovan legislation. However, as the baseline evaluation demonstrates, with some exceptions, PWD CSOs lack good governance procedures or rarely follow them.

Board chairs and members play a minimal role in approving annual reports and preparing for the general assembly. None of the boards is consistently involved in activities such as strategic planning, fundraising, performance evaluation, and project design. In some cases, board members serve on the executive team or the same person acts both as the president and executive director of the organization. Only Keystone Moldova has a Code of Ethics that it enforces with its employees and members.

2. MANAGEMENT PRACTICES (PLANNING, M&E, REPORTING)

Only two PWD Rights partners are implementing strategic plans. The plans are superficial and lack specific targets. MPSCS will assist two organizations, SOS Autism and Speranta si Sanatate, to develop their first strategic plans. The other two CSOs are currently developing these documents on their own.

3. HUMAN RESOURCE MANAGEMENT (HRM)

CSOs have established procedures for recruiting volunteers and interns, especially PWD able to make valuable contributions to these organizations. However, only three CSOs have formal human resource policies.

4. FINANCIAL MANAGEMENT

CSO have relatively good financial management systems in place, since this an important requirement from donors and state fiscal authorities. All CSOs use financial reporting as an accounting rather than a management tool that would inform the managers about the financial dynamics of their projects and organizational activities. Since most of the CSOs' activities are project based, none of them uses medium- and long-term financial planning or annual and multi-year budgets. Only Keystone Moldova has tried to evaluate costs under their strategic plans in order to plan for fundraising in the next two to three years.

5. NETWORKING AND ADVOCACY

PWD Rights partners are well connected to their beneficiaries and implement activities directly benefiting them. However, these activities are most often not advocacy-focused in nature. Only Keystone Moldova has an advocacy approach to represent the interest of their beneficiaries. MPSCS grants will provide an opportunity for these organizations to develop their advocacy strategies and conduct advocacy campaigns, especially through reengaging with the PWD umbrella network, to promote their constituencies' rights.

6. CONSTITUENCY CENTRED SERVICES

An important finding in this area is that PWD-focused CSOs usually have strong links to their constituency. For example, to facilitate participation by their key constituents, these CSOs hold meetings in accessible to PWD venues. This is a great achievement and will be shared with other MPCSC partner CSOs as best practice.

7. MEDIA AND EXTERNAL RELATIONS

The PWD Rights partners understand the power of media and try to utilize it as much as possible to further their advocacy campaigns and project activities. All of the CSOs have a good record of cooperation with journalists, even though only Keystone has a formal communications plan. Two organizations actively use their web pages to publish promotional and informational materials. Keystone Moldova publishes its own newspaper and has a staff member responsible for media relations. In other organizations, the executive director or the project coordinator fulfills this role. Keystone Moldova and SOS Autism conduct annual national communication and awareness campaigns.

Implementation of Training and Development Plans (TDP)

EP and SP partners continued to work on strengthening their internal capacities in order to improve their ability to meet project and TDP objectives.

CRJ improved their Internal Policies Manual and translated it into English as required by USAID's evaluation process that took place in early June. CRJ still needs to amend some of the chapters in its Internal Policies Manual as recommended by the USAID evaluation team, such as establishing project management standards. CRJ staff conducted its first planning and evaluation activity aimed at internally assessing CRJ's activities, directions and strategies, and drafting an action plan for the upcoming year. This activity also established its institutional development directions: CRJ's areas of advocacy, professional training for CRJ staff, and fundraising activities for the upcoming years.

Contact-Cahul developed and approved its cost share policy. In addition, Contact-Cahul started the process of developing a policy for fee-for-services. The policy will be further developed in the next quarter.

CICO developed two documents: CICO Development Strategy for 2016–2018 and CICO's Monitoring and Evaluation System. These two documents will help the organization improve the quality of its services, and become more financially sustainable over the next several years.

"The teambuilding activity was a great way to discover some qualities of my colleagues I was not aware of. It was also inspiring to continue doing our job in a positive and comfortable atmosphere. It confirmed for me that only with the help of colleagues, solidarity, a team can succeed."

Cristina Bobarca, participant at CJI Team Building Activity, May 2015.

Caroma Nord developed its Human Resources Manual and annexes which describe the process of engaging volunteers. **CICO** and **FDRM** received external assistance in developing their organizational communication strategies. **Casmed** trained its volunteers so that they can work with children from Balti's hospitals.

CAJPD attended the Global Forum of Civil Society organized by Disabled People's International and International Alliance at the UN office in New York. Participating organizations held discussions around civil society sector development in the field of disability and the UN agenda for disability beyond 2015. The **Vesta** team and volunteers developed their skills and knowledge in leadership, non-discrimination, and internal communication. **CJI** was actively involved in the teambuilding activity carried out by international and local trainers, and **API**, **Eco Contact**, and **Contact-Cahul** staff continued to improve their English language skills.

Considerable effort was invested in developing CSO internal regulations covering financial policies and procedures, including procurement procedures, shared cost allocation plans and cost share policies, and plans and reports, which were new for many partners. The MPSCS staff provided extensive assistance to these CSOs in the above-mentioned areas. Based on the MPSCS Finance Team's recommendations, **Casmed, Contact-Cahul, CRJ, Motivatie, CJU, FDRM, TDV, ProComunitate, Certitudine, and Keystone Moldova** revised their accounting policies and implemented necessary changes and updated their chart of accounts as required by the state accounting procedures. The **FCPS** board finalized and approved a set of internal regulatory documents and policies, including the shared cost allocation plan, procurement policy, travel policy and cost share policy. **Casmed** developed the petty cash and shared cost allocation policies, which will help them ensure an equitable distribution of their indirect expenses.

SUPPORT TO A LOCAL MARKET FOR CAPACITY DEVELOPMENT SERVICES AND PROVIDERS

In the reporting period, Contact Center, in partnership with CTO Caraseni finalized the institutional development needs assessment of Moldovan CSOs and service providers. The purpose of the assessment was to identify the strengths and weaknesses as well as opportunities and challenges for organizational capacity building in the Moldovan market. Contact Center surveyed 25 organizations and service providers from different regions of Moldova. The assessment findings indicate that the priorities in organizational capacity building in Moldova include bolstering strategic planning and prioritization within organizations; promotion of monitoring and evaluation; increasing efficiency of management of project, human, and financial resources; development of internal procedures; improvement of governance structure and practices of organizations; and enhancing in their financial sustainability.

Moldovan CSOs have made significant progress in human resources management, project management and fundraising, and have gained sufficient knowledge and skills in developing different operational and management procedures and delineating responsibilities within their organizations. However, weaknesses remain in the following areas: lack of performance assessment tools and resources for staff development; shortcomings in employee performance evaluations; low motivation and high staff turnover; modest capabilities in accessing European funds.

Organizations also struggle with improving governance and developing adequate governance structures. Even in cases where functional structures exist, most organizations grapple with distributing powers of governance and management, and increasing engagement of their board members.

The key findings on the quality of capacity service provision are summarized below:

Strengths:

- Organizational development services are provided based on successful models from European and American organizations;
- Services are provided by experienced Moldovan civil society representatives who know first-hand that strong internal systems, or lack thereof, can be detrimental in organizations securing funds to sustain themselves and implement effective activities;
- Trainings are tailored to the realities of the Moldovan civil society sector.

Weakness

- Trainings are focused more on knowledge transfer and less on development of competences and practical applications for organization;
- There is a lack of specialists sufficiently trained in the fields of project management, strategic planning, M&E, financial management, and so on;

- Services are not always accessible to smaller organizations whose financial resources are limited;
- There are few local/regional providers that CBOs can easily access.

The report lists the areas most in need for improvement according to CSOs. The most requested organizational development services are provided in the chart below. Strategic planning and M&E ranked highest, with 36% and 28% of surveyed organizations naming these two areas as top priorities, respectively.

In addition, the study revealed that 80% of service providers performed training and provided support in organizational capacity development in the last two years (2013-2014), while 20% did not due to insufficient demand.

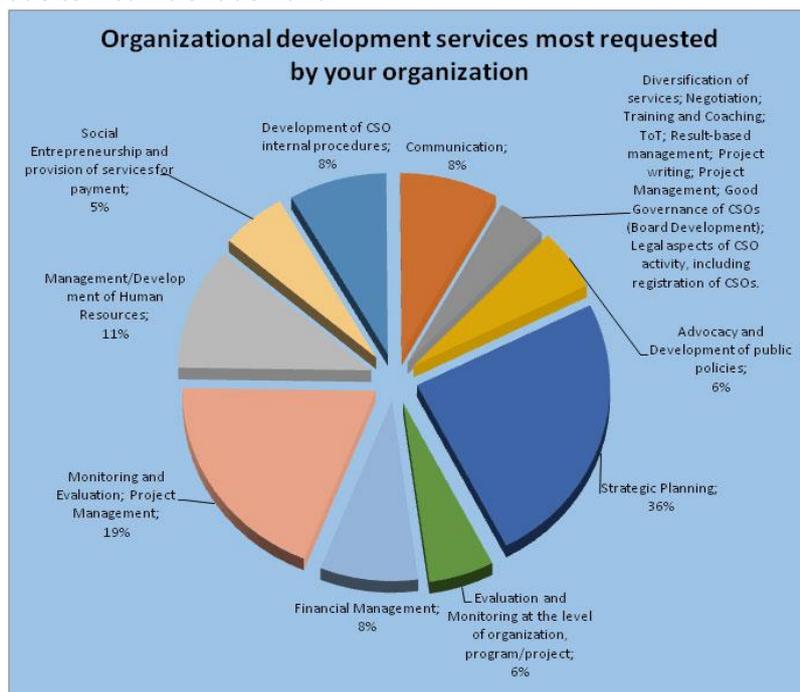


Figure no. 2: Most often requested organizational development services by CSOs

The key recommendations of the report are summarized as follows:

- Moldovan CSOs still need support in developing their internal systems, especially in result-based and organizational change management procedures;
- Capacity Building market is mostly lopsided, with many service providers and few clients able to pay for services;
- Services provider CSOs need to increase their visibility and form partnerships among themselves;
- In order to consolidate organizational development, CSOs need to follow up trainings with developing and implementing organizational development plans.

Contact Center and CTO Caraseni disseminated the results of the study during three roundtables organized in the north, south, and center of Moldova, attended by about 70 CSOs representatives. The purpose of the roundtables was to highlight the key findings of this assessment and inform Moldovan CSOs on the outcomes. MPSCS will share the report with its grantees so that they can revise their TDPs as needed. The report will be shared with other donors so that they can adjust their capacity building strategies.

On June 4-6, Contact Center and CTO Caraseni conducted a three-day ToT for 20 representatives of CBSP organizations and individual trainers. As a result of the ToT, the organizers will select up to four trainers who will apply gained knowledge in moderating a workshop during the capacity building trainings planned for the next quarter.

Moreover, Contact Center worked on improving the databases housing profiles of local CBSPs and journalists. Contact Center analyzed the existing databases and developed a plan for updating and improving them. Contact Center is working on the final technical aspects and plans to launch the database in next quarter. This virtual platform will enable CSOs to quickly and more efficiently find information on training opportunities and resources, upload information about their own organizations and activities, and share resources and experiences with other peers.

TA TO MPSCS PARTNERS AND OTHER CSOS

Improving Human Resources Management (HRM)

CICO delivered a one-day training on time management on May 7, and a two-day training on practical and legal aspects in HRM on May 19 –20, 2015. Twenty-two participants, including representatives of MPSCS partner CSOs and other Moldovan CSOs, attended these trainings.

“There were many practical examples, which I appreciated the most.”

“We want more comprehensive trainings like this on the practical and legal aspects of HRM.”

Participants’ feedback at CICO’s HRM training

In addition, CICO provided TA to four MPSCS partner CSOs - CJU, FDRM, FCPS and Vesta - and assisted them in developing internal regulations, policies and procedures.

Good Governance within the Moldovan CSOs

“The topics are very useful; the information is well explained and structured. I like it very much that the trainer supplements the training concepts with real examples; that helps to understand and apply the knowledge.”

Participants’ feedback at CICO’s Good Governance training

On June 3, CICO conducted a one-day training in developing partnerships for nine MPSCS partners and representatives of other six CSOs.

CICO’s expert conducted coaching in good governance for MPSCS partners FDRM, FCPS and Veste and carried out a needs assessment for Caroma Nord. Organizations have difficulties understanding the concept of good governance and struggle with developing appropriate procedures.

As part of MPSCS capacity development effort, MPSCS staff provided ongoing TA and coaching to MPSCS partner CSOs. MPSCS Procurement and Operations Manager conducted field visits to four grantees (Keystone Moldova, Contact-Cahul, CRJ and FDRM). The purpose of the visits was to provide guidance to CSOs on improving their organizational policies, including procurement policies. The Procurement and Operations Manager covered the following topics with the grantees: the importance of having an internal procurement policy; managing conflicts of interest; selection and evaluation of vendors (on best price or best value basis); sole sourcing; segregation of duties; procurement documentation and

“The Procurement and Purchasing process required by the project financed by the FHI 360 along with the monthly financial reports have a real contribution in improving Moldova Fruct internal financial management. Clear and transparent financial management within the Association and CSO focused services and activities are encouraging members to pay the membership fee in time and attracted seven new members during the reporting period.”

Iurie Fala, Moldova Fruct Director

record keeping; and applicable USAID regulations. In addition, the MPSCS grants team provided assistance to MPSCS partner CSOs in developing shared cost allocation plans and cost share policies.

CICO, Tarna Rom, Motivatie, CRJ and FCPS requested MPSCS assistance to improve their media skills. MPSCS Communications and PR Manager visited each organization and delivered a three-hour session on the subject. Assisted CSOs learned to identify their target audience, write effective press releases, establish relationships with media, turn information into news of public interest, write success stories, prepare for and give interviews, manage communication in crisis situations, and develop communication strategies. With MPSCS assistance, the organizations also identified success stories of public interest to be promoted through mass media and ways of drawing public attention to organizations' activities.

Throughout the reporting period, MPSCS continued to monitor its partners' organizational development activities by site visits, email and through phone discussions. Over 10 visits were performed to review project activities and to provide capacity development assistance. In the next reporting quarter, MPSCS will evaluate all partner CSOs against the pre-established ODA benchmarks to determine their institutional development progress to date

OBJECTIVE 3: ENABLING ENVIRONMENT MORE CONDUCTIVE TO LONG-TERM SUSTAINABILITY OF CIVIL SOCIETY

In this quarter, MPSCS and its partner ECNL carried out two distance-learning sessions for the strategic partner CRJ. Moreover, two local experts took part in the Global Forum on Civic Space organized in Stockholm, Sweden. In cooperation with Contact-Cahul, MPSCS held a successful training on participation in local policy making for 30 southern CSOs in Chisinau. MPSCS continued supporting local stakeholders in their efforts to advocate for legal and regulatory reforms and monitor the implementation of these reforms, including the 2% mechanism, CS Strategy, and Public Benefit Organization (PBO) status.

ENHANCING LOCAL EXPERTISE ON THE ENABLING LEGAL ENVIRONMENT FOR CSOS

In the last quarter, MPSCS shared with local stakeholders a comparative study report on social enterprises in Europe, materials on local level advocacy and participation, comparative materials on fundraising, translation of the Hungarian law on 1%, and other resources on percentage mechanism implementation.

To enhance CRJ's capacity in promoting enabling environment for CSOs, MPSCS continued to provide tailored training curriculum on enabling environment for CSOs. The sessions on CSO-government relationships and public funding for CSOs were delivered in Quarter 3. CRJ legal advisors learned about the issues, and received most up-to-date information on the implementation of laws across Europe and beyond in practice. At CRJ's request, MPSCS will provide a session on advocacy and coalition building for CSO reform in the next quarter.

On May 10-12, 2015, International Center for Not-for-Profit Law Alliance held its third Global Forum on CSO law Shaping Civic Space, which is a highlight event on enabling environment for CSOs. The Forum took place in Stockholm, Sweden and convened more than 150 participants (governments, CSOs, activists and donor community) from around the world. MPSCS funded the participation of two fellows from Moldova – a CRJ legal advisor and the assigned public official on coordination of the CS Strategy. Through participation in the Forum, fellows learned about current European and global trends in CSO regulation, such as fundraising from private sources, public participation, government-CSO cooperation, and monitoring of CSO policies. Both fellows took part in the regional CSOs' meeting, where practical issues such as ensuring transparency of the percentage mechanism were discussed.



Workshop on local level advocacy and impact on policy-making, Chisinau, April 27-29, 2015.

In cooperation with the strategic partner Contact-Cahul, consultant Ms. Katarzyna Batko-Toluc designed and delivered a three-day training on local level advocacy and impact on policymaking. Ms. Batko-Toluc is the director of Citizens' Network Watchdog Poland, a very active and successful grassroots organization with more than 10 years of experience. She is an experienced trainer, who has carried out capacity building for watchdog CSOs in Georgia, Ukraine, and the Transnistrian region. The training took place in April 27-29, 2015 in Chisinau and convened 30 participants from small CSOs from the south. The training focused on opportunities for policy impact at the local level, defining

practical skills for advocacy campaigns by CSOs, and network building. The training received positive media coverage and participants highly evaluated the trainer. Participants also met with the representatives of the National Council of CSOs and the National Participation Council to establish better links between CSO bodies in the capital and the regions.

Based on the outcomes of the training, MPSCS will provide further mentoring to a select group of activists and CSOs in building up their capacity for involvement in local level policy-making processes.

SUPPORTING IMPLEMENTATION OF THE CSO STRATEGY

At the request of representatives from the Parliament and the State Chancellery, MPSCS updated and shared the comparative brief on monitoring of implementation for CS strategies. The brief includes information on possible monitoring and reporting modalities for multiple stakeholder involvement in implementation of the Strategy, and provides an overview of monitoring tools and templates from Estonia, Croatia and Macedonia. MPSCS shared the brief with the National Council of CSOs, State Chancellery, and the Parliament in the run up to the Parliament's annual conference on cooperation.



TsL and National Council of CSOs discussing with the Parliament and Government the CS Strategy priorities, Chisinau, May 18, 2015.

The State Chancellery, Department for Policy Coordination and Strategic Planning, has a newly assigned staff member in charge of the CSO Strategy implementation. Ms. Ana Mereacre takes over from Mr. Stanislav Ghiletchi, who is on an academic leave for a year. MPSCS met with Ms. Mereacre to share information on the ongoing program and explore potential for cooperation. The State Chancellery considers reconvening coordination meetings with key ministry representatives in the fall of 2015.

TsL continued monitoring the GoM efforts related to improving the legal environment for CSOs and facilitated the National Council of CSOs activity aimed at civil society sector development. In this quarter, TsL organized four meetings for the National Council of CSOs members aimed at ensuring timely implementation of the CS Strategy and plan advocacy activities. To reinforce the implementation of the Strategy, TsL developed a monitoring report on the CS Strategy implementation and presented it to the members of the Parliament, government, CSOs and other stakeholders at the Annual Conference on Cooperation between the Civil Society and Parliament conducted on April 7. The conference is one of main events on monitoring the implementation of the CS Strategy, and is traditionally co-organized by the Parliament and National Council of CSOs.

The Conference brings together representatives of public authorities in charge of implementing the CS Strategy, CSOs, donor organizations, and other stakeholders. This year's conference, co-funded by MPSCS, convened more than 100 CSOs and high-level representatives of the Parliament (Speaker and Vice-Speaker), ministries, ambassadors, and international organizations. As a result, the Parliament and government representatives expressed their support to expedite the implementation of the Strategy. Participants agreed to meet quarterly in order to evaluate the CS Strategy implementation. Since the government recently resigned, the regular meetings related to evaluation and implementation of the CS Strategy will be resumed as soon as the new government is established.

In addition, on May 18, TsL organized a meeting for the National Council of CSOs members with the Parliament and government representatives as well as MPSCS partners CRJ and Motivatie in attendance to discuss the priorities for CSO legal framework improvement, such as development of regulations to implement the 2% mechanism and developing the legal framework for social entrepreneurship. During this meeting, participants agreed to develop and submit to relevant authorities a set of recommendations from CSO perspective. Shortly after the meeting, CRJ and other interested stakeholders developed and submitted recommendations on the 2% mechanism to the authorities.

REVISING LEGISLATIVE FRAMEWORK AND IMPROVING IMPLEMENTATION

The MoJ CSO Department is working on a new registry for CSOs with PBO status, which is mandated by the 2014 amendments to the Law on Public Associations. The CSO Department requested assistance with developing the concept of the registry and its technical implementation. MPSCS is supporting the MoJ in developing the new concept, and has provided examples from EU countries.

The new Public Benefit Commission was appointed and held its first meeting in June. In the first meeting, most of the CSO applications (more than 30) were declined due to non-compliance with the governance requirements, such as the need to have a supervisory board. At MoJ's request, MPSCS shared examples of board structures and functions. MPSCS will provide support to partner and other CSOs with improving compliance with the PBO requirements through updating the PBO Guide and raising awareness on good governance. In the next quarter, MPSCS will hold an expert session with the PBO Certification Commission to assist the members with mapping out their skills and needs for capacity building to better support their work.

CRJ developed a policy paper on the potential impact of the 2% mechanism on CSO financial sustainability. The paper outlines the main issues with the design of the adopted mechanism, such as excessive eligibility requirements for CSOs, and provides recommendations for amendments to make it an enabling mechanism for sustainability. The paper was presented at a roundtable organized by CRJ on May 5, 2015. The meeting convened 20 government and CSO representatives. As a result of the discussions, the policy document was further improved and shared with policy makers and through CRJ and MPSCS's website.

MPSCS also supported CRJ on drafting amendments to the Fiscal Code, Law on Public Associations, and Law on Religious Organizations. CRJ submitted the recommended amendments to the Parliament Committee of Economy, Budget and Finance in June.

MPSCS and its partner ECNL has been conducting a comparative study on the implementation of percentage mechanisms in Lithuania, Hungary, Slovakia and Poland to provide information for drafting the Moldovan implementing regulation. To address emerging technical questions from public authorities, the comparative chart is updated with implementation issues and practices as applied in other European countries. These include methods of transfer, calculations on income, and supervision of spending. This information feeds into the drafting process for implementing

regulation, currently being developed by the Ministry of Finance. At CRJ's request, MPSCS, with ECNL support, reviewed the draft government decision on implementing regulation for percentage mechanism and shared comments with CRJ. Through in-person consultations and an upcoming expert meeting with public authorities, who will be involved in the implementation process, MPSCS and CRJ plan to share their comments with the Ministry of Finance.

MOBILIZING DOMESTIC RESOURCES FOR CSO FINANCIAL SUSTAINABILITY

In the previous quarter, MPSCS carried out a call for proposals to develop a mapping study on fundraising and philanthropy in Moldova. The Contact Center was selected by the evaluation committee to develop the study report. The expert team consists of a legal expert, CSO expert trainer, and the director of Contact Center. The study report will include an overview of the current legal framework for philanthropy and fundraising, practical experience by CSOs in raising private funding, and five case studies of successful fundraising campaigns by CSOs. Through analysis of the current situation, the experts will draw conclusions and provide recommendations for CSOs to take advantage of domestic sources of income. Upon completion, the study report will be presented at an expert meeting on fundraising and philanthropy to take place in fall 2015. At the request of Contact Center, MPSCS may extend an invitation to two European experts on fundraising to attend the meeting and present best practices from Hungary and Slovakia.

On June 23, MPSCS staff participated in the workshop on social entrepreneurship organized by the Austrian Embassy with participation of the Ministry of Economy and MoLSPF. The workshop convened 20 participants from Moldovan CSOs that undertake economic activities in the field of social entrepreneurship. There is an equal number of CSOs registered as limited liability companies and public associations. In order for public associations to carry out economic activities, they need to confirm that the activity is part of their statutory purpose. For those social enterprises registered as limited liability companies, it proved challenging to state their mission as social development and non-profit nature in registration documents. One of the significant fiscal issues is VAT payment on imported goods. As a result of the meeting, MPSCS and its partner ECNL expertise will develop a policy brief on social enterprises in Europe with possible definitions, models of regulation, and benefits and state support to social enterprises. The brief will be shared with local stakeholders in the next quarter.

CROSS-CUTTING ACTIVITIES

GENDER INTEGRATION

Following the gender audit (described in the previous quarterly report), MPSCS continued assisting partners in improving their gender related policies and practices. In the reporting period, with MPSCS support, **CRJ** added the following statement in its Internal Policies Manual in regards to gender equality assurance: "CRJ is guided by the following principle: Respect for equality and prevention of discrimination". This and other adjustments to the Manual will be adopted at the organization's next board meeting, which will take place in next quarter. The organization has requested MPSCS support with developing specific action plans to further improve their gender related policies.

CAJPD promoted gender equality within the organization and encouraged equal participation of women and men in their organizational activities. **Motivatie** addressed gender considerations within the project objectives, goals, activities planned and internal policies. **Keystone Moldova** will incorporate a gender dimension in their Advocacy Strategy.

CPD is advocating for the adoption of non-discrimination procedures that will require Moldovan employers to implement effective measures to prevent gender discrimination. In this quarter, in order to learn from international experience on non-discrimination and gender equality, CPD

conducted a study visit to Sweden, with support from another donor. In Sweden, CPD met with various CSO, private-sector, and government stakeholders whose work focuses promoting gender equality, including: the representatives of “Winnet”, a Swedish CSO focused on promotion of gender equality; the representatives of “Volvo” company who are responsible for promoting and maintaining gender equality within the company; and the representatives of Swedish Ministry of Home Affairs. During this study visit, the CPD team learned about techniques and tools applied by Swedish companies and organizations to better promote and implement gender equality principles. CPD identified a useful tool that will be applied in auditing Moldovan companies for compliance with non-discrimination policies and certifying them accordingly. This tool will be improved and adjusted to the Moldovan labor market and submitted for approval to the MoLSPF.

EUROPEAN UNION INTEGRATION AWARENESS RAISING ACTIVITIES

MPSCS Public Information Campaign about Moldova’s European Integration

In the reporting period, MPSCS in partnership with Parc Comunicatii continued its EUROPE for YOU campaign to inform citizens in an accessible way about the EU-Moldova Association Agreement and promoted the results of past and current EU support offered to Moldova. Below are a few highlights of the campaign:

- Outdoor photo exhibition: At the Europe Days events organized by the EU Delegation on May 10 in Chisinau and May 16 in Soroca, MPSCS exhibited 70 photos highlighting EU promotion activities conducted by MPSCS and partner CSOs. Promoters and MPSCS team talked to people about the EUROPE FOR YOU campaign goals and achievements of the European support to Moldova. To increase public interest for the MPSCS informational campaign, the promoters invited citizens to take a quiz and handed out T-shirts, bags and keyrings with the campaign logo, which generated a lot of interest in the campaign stand from TV stations and other media agencies. During these events, MPSCS interacted with and distributed campaign materials to about 10,000 citizens.



Pirkka Tapiola, head of the EU Delegation to Moldova, Chiril Gaburici, Prime Minister of the Republic of Moldova, and Dorin Chirtoaca, General Mayor of Chisinau participating at EUROPE FOR YOU quiz, during European Village event.

May 10, Chisinau.

- MPSCS reached more than 10,000 citizens during the door-to-door campaign organized in 30 localities across Moldova. Promoters explained the advantages of Moldova’s European integration, providing examples about assistance provided by EU for people who want to live and work in their home country. An important part of the door-to-door campaign was the exchange of experience between Parc Comunicatii promoters and MPSCS partner CSO members and volunteers. Six MPSCS partner CSOs - PROEUROPA from Gagauzia, Contact-Cahul, Perspectiva, Casmed, CJU, and Certitudine - learned from the experience of promoters. Together with the promoters, CSO members and volunteers talked to people and distributed informational materials.

- Six weekly articles on Moldova EU integration were produced and distributed by the IPN news agency. The news agency has about 10,000 subscribers.

- Thirty people interviewed by Parc Comunicatii confirmed that they had seen or heard about the

“I saw the leaflet of the campaign. Someone gave it to me on the street. If the mentioned information in the leaflet is true, this is great. All of us want a better life, as the Europeans have. We do not know whom to believe. There is a lot of contradictory information around.”

Eugenia Daloglu, 34 years-old, Vulcanesti

campaign. The following sources of information were mentioned: videos, billboards, discussions on the street, informational lessons organized in schools by CNTM.

- The second EUROPE FOR YOU video spot was broadcast 427 times on TV channels such as Prime, Jurnal TV, Moldova 1, GRT and six local TV stations, reaching about 1.5 million viewers. The message of the spot was that ideas need support to become a reality and EU offers the assistance needed so that Moldovans can better their lives in a free and wealthy country. The video spot was also broadcast during eight weeks in trolleybuses and buses and four weeks in four supermarkets. The radio version of the spot was broadcast 244 times on Radio Noroc and Radio Moldova.
- Beginning in June 2015, other three TV and radio spots in Romanian and Russian showcasing examples of successful EU Integration from Poland, Estonia and Lithuania were broadcast 30 times on Moldova 1, Prime, GRT, Jurnal TV and six local TV stations. The radio versions of the spot will be broadcast 183 times on Radio Noroc and Radio Moldova and Radio Prim from Glodeni.
- EUROPE FOR YOU campaign banners supporting the campaign message, in Romanian and Russian, were promoted on five of the most popular websites in Moldova during six months through the end of May. The following results were registered: www.facebook.com 158,000 views; www.kp.md 500,000 views; www.unimedia.md 394,000 views; www.protv.md 7,225,033 views; and www.odnoklassniki.ru 5 million views. Unimedia decided to keep the campaign flash banner for one more month.

Additional information about EU awareness activities implemented by MPSCS partner CSOs can be found in the Annex 2 to this report.

IV. CHALLENGES

In June, MPSCS and its media partner Parc Comunicatii planned to organize a CSO Fair in Balti on under the EUROPE FOR YOU campaign. Since March, Parc Comunicatii had submitted three letters to the local authorities from Balti requesting their permission to organize the Fair. In May, a representative of the Balti mayor house informed Parc Comunicatii through during a phone conversation that they would not authorize the Fair to take place before the local elections on June 14. The authorities were concerned about the event influencing the voters to support more pro-European integration candidates. As a result, MPSCS postponed the CSO Fair in Balti until September 2015.

V. HIGHLIGHTS OF PLANNED ACTIVITIES FOR MPSCS NEXT QUARTER

Objective 1: CSOs More Effectively Represent their Constituencies

- CPD will organize a National Forum on Labor Market Non-Discrimination for Moldovan private companies;
- TsL will conduct a Forum on Civil Society Support for European integration to identify civil society role and contributions in facilitating the process;
- Expert Grup and ADEPT will present the monitoring report on the implementation of the National Action Plan for EU-Moldova Association Agreement;
- CRPE will finalize the support guide on inclusion of European standards in educational activities;
- Moldova Fruct will conduct at least one regional workshop on European integration process for fruit growers, with participation of the Association members, representatives of local and national public administration, processing enterprises, and input suppliers;

- Up to 80 people will be trained on the rights of PWD under the UNCRPD;
- SOS Autism will advocate for the development of a national strategy for social integration of people with autism through an awareness campaign and meetings with an inter-ministerial working group;
- Speranta will develop easy-to-read materials, based on UNCRPD and Law no. 60 on Social Inclusion of Persons with Disabilities.

Objective 2: Institutional Capacities of Strategic Partners Developed

- EP and SP program partners will continue the implementation of the TDPs;
- MPSCS will facilitate the second round of ODA with EP and SP partners to measure progress and identify areas in need of further development;
- Contact-Cahul and FCPS will continue to apply the MPSCS Advocacy Index to assess and develop the advocacy skills among 10 CBOs in Moldova;
- Contact-Cahul and Caroma-Nord will apply the Community Score Cards in order to consolidate their internal governance and accountability;
- Contact Centre and CTO Caraseni will conduct two capacity-building trainings and two cluster clubs for CBSPs.

Objective 3: Enabling Environment More Conducive to Long-Term Sustainability of Civil Society

- CRJ will meet with relevant authorities and the National Council of CSOs to finalize the draft law on 2% mechanism implementation;
- CRJ will conduct a survey among Moldovan CSOs to identify necessary amendments to the Law on Public Associations;
- TsL will evaluate the CS Strategy implemented activities and will advocate for implementation of pending actions under the Strategy;
- MPSCS will prepare a policy brief on social enterprises and will distribute it to the local stakeholders;
- MPSCS will prepare the first draft of the study report on fundraising and philanthropy in Moldova;
- MPSCS will organize training for CSO accountants on amended Methodological instructions for accounting.

ATTACHMENTS

- Annex 1: MPSCS Subaward Database
- Annex 2: MPSCS partner CSOs' EU integration promotional activities
- Annex 3: Assessment of the institutional development needs of CSOs, CTO Caraseni
- Annex 4: Impact of the 2% Law on financial sustainability of the Civil Society Organizations, CRJ
- Annex 5: Comparative brief on monitoring of policy documents for cooperation, ECNL
- Annex 6: Moldova in the Eastern Neighborhood Policy: 2005-2014, ADEPT, Expert-Grup

Annex 1: MPSCS Subaward Database

	Name of Organization	Full Name of organization	Contact	Address	Telephone/Email	Web Page	Project Title	Grant/Subcontract/Purchase Order No.	Duration	Amount of the award, MDL	Amount of the award, USD	Regions covered by project	Description of the project
1	CERTITUDINE	Centrul de Informare și Susținere a Tinerilor Economisți „CERTITUDINE”	EUGENIU GRAUR, EXECUTIVE DIRECTOR	63 Dostoievski street, office 22-28, Balti, Moldova	e-mail: eugeniu.graur@certitudine.md TEL: 023127554, 079995533	http://www.certitudine.md	Inspire, Empower, Engage Youth in Community Development	4572-CERTITUDINE-01	Aug 1, 2014 - Jul 31, 2017	MDL 390,000.00	\$30,000.00	9 villages from Balti Municipality	Certitudine empowers 180 active young people from nine different rural communities in the northern part of Moldova with skills and knowledge to actively participate in decision-making and community development processes within their communities. In each of the target communities, the round table discussions on youth participation are organized with representatives of LPA, youth, schools and other local institutions, in order to identify the opportunities, challenges and solutions for youth participation at local level. In addition, the organization conducts training activities in each community on youth participation, volunteering, project planning and implementation, community outreach, mobilization and fundraising. As result, 45 project proposals are developed and implemented by youth based on the assessed needs in target communities. Furthermore, Certitudine helps the youth to draft and to present public policy recommendations relevant to the issues addressed by their community projects.

Engage Program Partners	2	TĂRNĂ ROM	Uniunea Tinerilor Romi din Republica Moldova „Tarna Rom”	MARIN ALLA, EXECUTIVE DIRECTOR	Vasile Alecsandri str.1, of. 812, Chisinau, Moldova	e-mail: allaman17@yahoo.com Tel: 22 208 986 fax 22 208 985 076708928	na	Voice of Roma Coalition	4572-Tarna-Rom-01	Sept 1, 2014 - Aug 31, 2017	MDL 300,000.00	\$30,000.00	32 communities from North, South and Center Area	Tarna Rom Union of the Youth Roma of Moldova creates a civic platform named - Voice of Roma Coalition - consisting of CSOs working with Roma people in Moldova, to monitor the implementation of the Government Roma Inclusion Action Plan. Voice of Roma Coalition implements three advocacy campaigns in Gagauzia region cities - Comrat, Ceadir Lunga, Basarabasca and Taraclia, warn the Government about hasty decisions related to Roma people by producing and publishing four monitoring reports. In addition, the Voice of Roma Coalition publishes a policy document with solutions based on analyses and identified problems.
	3	CLINICA JURIDICA UNIVERSITARA (CJU)	Clinica Juridică Universitară	TABARCA OLESSA, EXECUTIVE DIRECTOR	38 Pușkin Street, 511 office, Balti, Moldova	e-mail: tab_olesa@rambler.ru tel: +373 221 02478 +373 79507946	http://www.clinicajuridica.md/	Strengthening capacities of CSOs providing community legal services and European Integration Values	4572-CJU-01	Aug 1, 2014 - Jul 31, 2017	MDL 300,000.00	\$30,000.00	At least 12 districts from North of Moldova	University Legal Clinic strengthens CSOs that provide pro bono legal services in their communities. University Legal Clinic develops minimum standards on how CSOs should provide legal assistance to citizens as well as strengthen their organizational capabilities. CJU also strengthens partnerships between 20 CSOs and regional offices of the National Legal Aid Council as well as with LPAs, and develops skills of 30 young people in advanced legal practices and involves them to provide free legal advice to people in Northern communities on a volunteer basis. In line with its mission, CJU provides free legal assistance to at least 1,000 socially disadvantaged people from northern Moldova.
	4	FEMEA SI COPILUL- PROTECTIE SI SPRINJ (FCPS)	Femeia și Copilul-Protecție și Sprinț	VICTORIA SECU, EXECUTIVE DIRECTOR	43 Paci str, Criuleni, MD-4001	e-mail: office@fcps.md tel: +373 248 21809	http://fcps.md	Different Shores – Common Goals	4572-FCPS-01	Aug 1, 2014 - Jul 31, 2017	MDL 300,000.00	\$30,000.00	Oxentea, Dubăsari, Cocieri, Dubăsari Vecii, Criuleni, Hârlăușul - Mare	Women and Child – Protection and Support strengthens the organizational capacities of four CSOs, on both banks of the Dniester River, to allow them to more effectively promote and protect the rights of disadvantaged persons. Activities include: focus groups and consultations as well as organizational development trainings for the CSOs. Furthermore, FCPS aims to improve collaboration between the CSOs and the LPAs through roundtable discussions, workshops, and cooperation agreements. In this regard, the CSOs organize three roundtables to discuss discrimination cases and develop recommendations to ensure the rights of disadvantaged people.
	5	ASOCIATIA PRESEI INDEPENDENTE (API)	Asociația Presei Independente	PETRU MACOVEI, EXECUTIVE DIRECTOR	Corobanau 15 str., Chisinau, Moldova	e-mail: api@api.md tel: +373 22 229986	http://api.md	Building capacities of independent media by providing specialized services and strengthening the resources of API members	4572-API-01	Aug 1, 2014 - Jul 31, 2017	MDL 300,000.00	\$30,000.00	Glodeni, Cimșia, Bălți, Rezina, Criuleni, and Nisporeni	Association of the Independent Press builds the capacity of independent media by strengthening its Center for Assistance to independent media. API's Center for Assistance IT specialist, web-designer, economist, designer and legal expert conduct training sessions and provide ongoing assistance aimed to strengthen and streamline the technical, web-design, financial and advertising resources of 16 media outlets. As result, 60 services to API constituents provided by the Center for Assistance experts and 90 members of editorial offices trained.
	6	TINERII PENTRU DREPTUL LA VIAȚĂ (DTV)	Tinerii pentru Dreptul la Viață	NICOLAE PROCOPE, EXECUTIVE DIRECTOR	5 G. Copbuș Street, Chisinau, R. Moldova	e-mail: dtv_secretariat@yahoo.com tel: 022 967 451, GSM 079 450 027	http://dtvmoldova.wordpress.com	Human and finance resources mobilization for development of the Moldovan civil society sector engaged in volunteer activities	4572-TDV-01	Aug 1, 2014 - April 30, 2017	MDL 300,000.00	\$30,000.00	National level	Youth for the Right to Life increases the viability, visibility and influence of the volunteer sector in Moldova. The CSO develops the core training curricula for Volunteer Coordinators and the course support. Fundraising for the Volunteer Programs in Moldova. Youth for the Right to Life creates the Moldovan network of host Moldova institutions provides support to around 300 CSOs in developing viable Volunteering Programs. Additionally, the organization conducts at least 12 workshops with relevant authorities to adopt the necessary regulations to simplify the acceptance of the volunteers by the host institutions. A total of three monitoring reports on the implementation of volunteering public policies are published during the project.
	7	CASMED	Centrul de Asistență Socio-Medică la Domiciliu „Casmed”	POSTOLACHI NATALIA, EXECUTIVE DIRECTOR	str. Stefan cel Mare, 191, Balti, Moldova	e-mail: casmed.md@gmail.com Tel: 373 231 2 76 74	http://casmed.md	Rural Civil Society Organizations as Proactive Actors in the provision and development of community services	4572-CASMED-01	Aug 1, 2014 - Jul 31, 2017	MDL 389,485.00	\$29,960.38	Balti, Răzani, Singerei, Drochia, Fălești, Foresti and Rezina	Casmed assists rural CSOs in the North of Moldova, facilitates partnerships with local and regional governments on social service contracting in rural communities, and raises awareness in these communities about the work of local CSOs. Casmed focuses on consolidating the network of 10 CSOs that provide community services in the northern part of the country. Activities for the network includes organizing a CSO study visit, a roundtable discussion with LPAs, community-surveying activities, four trainings on advocacy and fundraising, and one “Active Aging Festival”. At least 10 Informal dialogues are going to be organized in different communities to discuss the current interactions between civil society and local government, to inform them of the general sense of satisfaction in the community and to suggest potential improvements.
	8	CENTRUL PARTENERIAT PENTRU DEZVOLTARE (CPD)	Centrul National de Studii și Informare pentru Problemele Femeii „Parteneriat pentru Dezvoltare”	ALEXEI BUZU, EXECUTIVE DIRECTOR	13, Armeneasca street, Chisinau MD-2012, Republic of Moldova	13, Armeneasca street, Chisinau MD-2012, Republic of Moldova	www.progen.md	Top Moldovan employers become models of non-discrimination	4572-CPD-01	Aug 1, 2014 - Mar 31, 2017	MDL 300,000.00	\$30,000.00	National Level	Center Partnership for Development promotes the adoption of gender non-discrimination procedures in the labor market by organizing annual employers’ forums, analyzing best practice in non-discrimination, developing a labor market discrimination index, and advocating public policy reform and reform at the organizational level among top employers in Moldova. Lastly, CPD trains and consults at least 40 private companies on how to apply the gender non-discrimination procedures.
	9	ASOCIATIA PSIHICOLOGIOR TIGHINA (APT)	Asociația Psihologilor Tighina	AFTENI LUDMILA, EXECUTIVE DIRECTOR	Str. Mateevici 1, oficiul 105, 106, or. Clăușeni, MD –4301, Republic of Moldova	e-mail: ludmila.afteni@gmail.com TEL: (243) 2 16 80	http://psihologia.claușeni.org/	CSOs from Clăușeni, Anenii Noi, Ștefan Vodă Districts and Transnistria Region – More Visible and Competitive in Protection of Youth being in Social Difficulty	4572-APT-01	Aug 1, 2014 - Mar 28, 2017	MDL 300,000.00	\$30,000.00	Clăușeni, Ștefan-Vodă, Anenii Noi and including the left bank of the Nistru River	Association of Psychologists from Tighina develops the capacity of social actors from target districts to more effectively assist youth experiencing hardship and to facilitate these actors’ relationship with LPAs. The association builds capacities of CSOs from Clăușeni, Ștefan-Vodă, Anenii Noi including the left bank of the Nistru River, working with youth left without parental care as a result of migration, empowering them in providing better assistance and enhancing their internal organizational capacities. Lastly, APT encourages the participation of these organizations in local council meetings to put the issues of youth in hardship on the agendas of local governments.
	10	CENTRUL PENTRU JURNALISM INDEPENDENT (CJI)	Centrul pentru Jurnalism Independent	NADINE GOGU, EXECUTIVE DIRECTOR	57, Scuseșe St., Chișinău MD 2014	e-mail: ngogu@cji.md tel: +37322 219652	http://www.cji.md/	Advocacy Campaigns Aimed at Improving Transparency of Media Ownership and Access to Information	4572-CJI-01	Aug 1, 2014 - Jul 31, 2017	MDL 300,000.00	\$30,000.00	National Level	Independent Journalism Center ensures journalists’ and media consumers’ access to information by promoting legislative reforms and creating favorable conditions for media activity. CSO launches three advocacy campaigns aimed at promoting the bill on media ownership transparency, ensuring journalists’ access to meeting half of the Parliament plenary sessions and amending the law on Access to Information. The campaign includes four roundtable meetings, six press club events, the dissemination of petitions signed by journalists and media consumers in order to mobilize the society and strengthen public opinion with regard to the adoption of the Law on Access to Information, and Law on Transparency of Media Ownership.
	11	VESTA	Asociația Regională a mamelor cu Mușii Copii și a Famililor- Treptătorie din Gagauzia „Vesta”	RAISA VORONVIC, PROJECT MANAGER	11-a, Pobeda st., Comrat, Gagauzia, MD-3000, Republic of Moldova	e-mail: raisavoronvi@mail.ru Tel: (373) 69812943	www.vestagagauzia.md	Take part in decision making!	4572-VESTA-01	Aug 15, 2014 - Aug 14, 2017	MDL 389,978.00	\$29,998.31	Comrat, Ceadir-Lunga, Vulcanesti, Cahul, Cantemir, Taraclia, Basarabasca	Vesta creates a Southern Alliance of seven Women CSOs that work on women’s empowerment. Each member of the Alliance is establishing a public council at local level, consisting of active citizens and representatives of the Civil Society Organizations, to be systematically convened to advocate for rights of women including women-entrepreneurs, to collaborate with LPAs and to consult the LPAs’ representatives on solutions of women problem. These objectives are achieved through a variety of workshops, webinars, conferences, as well as a multimedia promotional campaign.
	12	CONSILIUL NATIONAL AL TINERETULUI DIN MOLDOVA (CNTM)	Consiliul Național al Tineretului din Moldova	ALEXANDR PETROV, SECRETARY GENERAL	Republic of Moldova, Chisinau, str. Stefan cel Mare, no. 126, of. 40	alexandru.petrov@cntm.md tel: 02312 235 175	http://cntm.md	Implementation and evaluation of action plan of National Strategy of Developing Youth Sector 2014	4572-CNTM-01	Aug 1, 2014 - Jul 31, 2017	MDL 389,911.00	\$29,993.15	National Level	National Youth Council of Moldova develops evidence-based youth policies by first developing an evaluation methodology and then using it to evaluate the implementation of youth policies, as well as performing a comprehensive evaluation of how central and local budgets are allocated with regard to youth activities, youth centers and local youth funds. CNTM organizes local consultations with youth and youth workers/public officers regarding implementation of local and national strategies on youth and creation and spending of local budgets allocated for youth, including youth workers action plan for youth till the end of each year. CNTM publishes one report summarizing local consultations results and recommendations.
	13	CAROMA NORD	Caroma Nord	FREAUȚANU RODICA, EXECUTIVE DIRECTOR	s. Pilița, r. Fălești MD5941	e-mail: caroma_pirlita2002@yahoo.com tel: 023153376	http://caromanord@bca.wordpress.com/	Increased involvement of civil society in Environmental protection and accountability in decision making through the creation of the Environmental Coalition in Balti.	4572-CAROMA NORD-01	Nov 1, 2014-Oct 31, 2017	MDL 300,000.00	\$30,000.00	Balti	Caroma Nord builds the capacity of environmental CSOs that are implementing advocacy campaigns with the active involvement of community members in decision-making. Caroma Nord creates a North Environmental Coalition of 30 CSOs and surveys around 50 citizens to find out what are the environmental issues in their region. Based on findings, Environmental Strategy and Action Plan of Balti region is developed, submitted to LPAs’ representatives and monitored its implementation.
	14	FUNDATIA PENTRU DEZVOLTARE DIN REPUBLICA MOLDOVA (FORM)	Fundația pentru Dezvoltare din Republica Moldova	GABRIELA OJOG, EXECUTIVE DIRECTOR	45 Pușkin str., 5th floor, of. 505, MD-2005, Chisinau, Republic of Moldova	e-mail: Gabriela.Ojog@form.md tel: +373 22 210 198	http://form.md	Improving the performance of the educational system by implementing regulatory impact analysis and effectively involving education-focused CSOs in the process	4572-FAM-01	Sept 1, 2014 - Aug 31, 2017	MDL 300,000.00	\$30,000.00	National Level	Foundation for Advancement of Moldova improves Moldova’s education system by developing the Regulatory Impact Assessment concept (RIA) in the education sector in partnership with the Ministry of Education. The organization develops skills of representatives of LPAs, the Ministry of Education and CSOs on how to apply RIA to ensure better regulatory initiatives and to improve public servants’ skills in implementing education policies. To improve the effectiveness of CSO involvement in public policy formation and implementation, the organization hosts workshops with CSOs and the Ministry of Education, and conducts trainings on social accountability tools.
	15	MOTIVAȚIE	Asociația „MOTIVAȚIE” din Moldova	IGOR MIERACRE, EXECUTIVE DIRECTOR	231 Traian ave. Chișinău MD-2060	e-mail: igor@motivatione.md.org Tel: +373 (0) 22 66 13 93	http://motivatione.md/	Youth with and without disability together actively participating in community life and decision making	4572-Motivate-01	Sept 1, 2014 - Aug 31, 2017	MDL 300,000.00	\$30,000.00	6 communities	Association Motivate from Moldova works on creating six functional structures formed of young people with and without disabilities in rural areas/regions in order to become actively involved in solving community problems. The organization selects and develops capacity of 18 best motivators to participate more actively in community decision-making and strengthen their organizational processes. Youth organized into six local groups develop and implement their project proposals based on identified needs.
	16	PRO COMUNITATE	Centrul Pro Comunitate	VITALIE POSTU, EXECUTIVE DIRECTOR	str. Testimiteanu 13, Chisinau	e-mail: vitaliepostu@yahoo.com Tel: +373 79547057	http://procomunitate.md	Strengthening youth work	4275-PROCOMUNITATE-01	Aug 15, 2014 - Aug 14, 2017	MDL 300,000.00	\$30,000.00	National Level	ProComunitate develops youth policies and promotes dialogue among community actors to stimulate youth participation in local governance processes. ProComunitate organizes public debates for young people between the ages of 16 and 30, representatives of local councils, teachers, and local civil society representatives to identify youth problems in the community and initiate a team-building session to identify solutions regarding youth participation in decision-making at the local level. Discussions highlight the issues of youth participation in the LPA public decision-making. ProComunitate creates a monitoring team to track the inclusion of youth participation in decision-making process. In the end of the project, 30 youth workers have skills in youth partnership, community development and other youth issues.
	17	ECO CONTACT	EcoContact	NATALIA GURANDA, PROJECT COORDINATOR	Chisinau, S. Lazo 4 str. MD 2004, Republic of Moldova	e-mail: n.guranda@vox.md tel: 09988607	www.aestus.vox.md	Strengthening participatory governance by developing the capacities of CSOs	4572-ECOCONTACT-01	Aug 1, 2014 - July 31, 2017	MDL 300,000.00	\$30,000.00	National Level	EcoContact strengthens participatory governance by providing capacity building trainings to CSO, facilitating the implementation of pilot projects and publishing lessons learned. EcoContact creates Communities’ Working Groups to implement in three pilot communities the Green Economy model, a method of engaging citizens in public decision-making. Governance experience from these communities is shared with other locales and CSOs.

	18	CENTRUL DE ASISTENȚĂ JURIDICĂ PENTRU PERSOANE CU DIZABILITĂȚI (CAJPD)	Centrul de Asistență Juridică pentru Persoane cu Dizabilități	VITALIE MESTER, EXECUTIVE DIRECTOR	str. Ashabad 134, MD-2002, Chișinău	e-mail: vitalie.mester@gmail.com tel: (+373) 22 38 70 90 www.advocacy.md	Increase the degree of people with disabilities participation in public policy processes	4572-CAJPD-01	Oct 1, 2014 - Sept 30, 2017	MDL 390,000.00	\$30,000.00	National Level	Center of Legal Assistance for Persons with Disabilities increases the capacity of 36 CSOs working with people with disabilities to influence public policy and better represent constituents' interests. CAJPD conducts a training on advocacy campaigns, participation in public policy process and mobilizing consciousness; and coaches at least nine of these CSOs in initiation/development/implementation/monitoring of at least nine major public policies related to people with disabilities at regional or national level.	
	19	TINERI ȘI LIBERI (T&L)	Centrul de Resurse „Tineri și Liberi”	ANTONINA FONARI, EXECUTIVE DIRECTOR	Bd. Traian 11/2, MD 2072, CP 3063, mun. Chișinău	e-mail: linieliberi@gmail.com tel: (+373) 79 450 028 (+373 22) 567 489 www.consiliul.org.md	Strengthening the sustainability of associative sector in the Republic of Moldova	4572-T&L-01	Nov 1, 2014-April 30, 2017	MDL 389,109.00	\$29,931.46	National Level	Resource Center Young and Free coordinates the secretariat of the National Council of NGOs - an umbrella organization elected by CSOs and representing the interests of the Moldovan CSOs. Young and Free holds regular meetings of the National Council of NGOs and monitors the implementation of the Civil Society Development Strategy for 2012-2015 and Government commitments under the Moldova – European Union Association agreement to develop the civil society. Resource Center Young and Free develops a large portfolio of projects such as: Young and Free Initiative quarterly meetings with relevant Ministries and Parliament Committees to discuss the mechanism of percentage designation (2% mechanism), the Laws on Donations and Social Contracting. The CSO also participates in the meetings organized by the Ministries and the Parliament Committees to develop the Civil Society Development Strategy for 2016-2019. In addition, the organization carries out at least 10 workshops to familiarize 100 Moldovan CSOs with current CSO-related fiscal legislation.	
	Sub-total										MDL 7,408,483.00	\$569,883.31		
Strategic Partners	20	CONTACT-CAHUL	Centrul Regional de Asistență și Informare a Organizațiilor Neguvernamentale din Moldova „Contact-Cahul”	STRELCIUC SILVIA, EXECUTIVE DIRECTOR	31 August 4/3 Street, Cahul	E-mail: contact_cahul@yahoo.com TEL + 373 299 84842 www.contact-cahul.md	Advocacy and mobilization for a more powerful action and greater power of action and intervention of CSO	4572-CONTACT-CAHUL-01	Aug 15, 2014 - Aug 14, 2017	MDL 1,890,000.00	\$145,384.62	National Level	Contact Cahul develops CSO networking and advocacy capacities by organizing cluster clubs, trainings, and workshops for CSOs on how to efficiently carry out advocacy campaign. Contact Cahul develops a database of southern advocacy CSOs and creates a Southern Consultative Group involving 12-15 regional CSOs to monitor public policies and to participate in decision-making processes. The Group members are trained in development and monitoring of public policies at different levels.	
	21	CENTRUL DE INSTRUIRE ȘI CONSULTANȚĂ ORGANIZATORIALĂ (CICO)	Centrul de Instruire și Consultanță Organizatoriale	STELA JEREBOV, EXECUTIVE DIRECTOR	Str. Tighina 66, Chișinău	E-mail: stela.jerebov@management.md tel: + 373 72605673 www.management.md	Increasing CSOs' sustainability through organizational development	4572-CICO-01	Oct 1, 2014 - Sept 30, 2017	MDL 1,889,756.00	\$145,365.85	National Level	Center for Organizational Consultancy and Training develops the institutional capacities in transparent governance, financial management, procurement, project management and fundraising of 21 MPSCS CSO Partners and approximately ten other interested Moldovan CSOs. 21 MPSCS CSO Partners develop and improve their internal policies and procedure in Financial Management, Human Resource Management, Procurement, and Good Governance as result of trainings, consultancy and coaching from CICO.	
	22	CENTRUL DE RESURSE JURIDICE (CRJ)	Centrul de Resurse Juridice	CRISTINA TURCU, PROJECT MANAGER	33, A. Scusev str., MD-2001, Chișinău	E-mail: contact@crjm.org TEL + +373 22 843 801/ 602 http://www.crjm.org/	Promoting legal and regulatory reforms and advocacy for reforms to foster an enabling environment for CSOs	4572-CRJ-01	Jan 1, 2015 - Dec 31, 2017	MDL 1,890,000.00	\$145,384.62	National Level	Legal Resource Center from Moldova fosters an enabling environment for Moldovan CSOs through legal and regulatory reform. The organization focuses on developing and submitting to the Ministry of Justice a new Law on Public Associations, finalizing the 2% Tax Designation Law, and developing amendments to the Fiscal Code and to the Law on Transparency in the Decision-making Process. The Center creates a roster of organizations that can support its initiatives to promote reforms and organizes public consultations on current CSO-related legislation and present conclusions and recommendations to relevant public authorities.	
Sub-Total										MDL 5,669,756.00	\$436,135.08			
Moldove EU 12 Grantees	23	ASOCIAȚIA PREȘII INDEPENDENTE (API)	Asociația Presei Independente	PETRU MACOVEI, EXECUTIVE DIRECTOR	Corobanica 15 str., Cehrișni, Moldova	e-mail: api@api.md tel: +37322 220986 http://api.md	Building capacities of independent media by providing specialized services and strengthening the resources of API members and Promoting the European values and norms through informing about the advantages of European integration	4572-API-01	Oct 1, 2014 - Sept 30, 2015	MDL 3,091,682.00	\$237,820.15	National Level	The Association of Independent Press conducts informational campaign about the advantages of European integration, through publishing of eight editions (84,000 copies each) of a newspaper supplement "Objective European: Let's talk about Europe" and distributing them through national and regional newspapers, publishes articles promoting the European integration process on 10 online media (24 articles on each outlet), conducts 20 topic-based debates on European integration issues in different regions, produces and publishes six journalistic investigations intended for thwarting false information on the European integration process, and places 10 advertising banners promoting European integration on billboards in Chișinău and throughout the country.	
	24	CENTRUL PENTRU JURNALISM INDEPENDENT (CJI)	Centrul pentru Jurnalism Independent	NADINE GOGU, EXECUTIVE DIRECTOR	67, Scusev St, Chișinău MD 2014	e-mail: ngogu@cji.md tel: +37322 213652 http://www.cji.md	Advocacy Campaigns Aimed at Improving Transparency of Media Ownership and Access to Information and Promotion of EU values and integration	4572-CJI-01	Oct 1, 2014 - Sept 30, 2015	MDL 2,203,474.00	\$169,498.00	National Level	Independent Journalism Center produces a series of media products targeting mostly rural populations and Russian-speaking regions who are more reluctant towards EU integration such as: 10 two-minute films focused on success stories of entrepreneurs or citizens who benefited from EU-funded projects; two video spots; 30-minute documentary analyzing the political context and geopolitical factors surrounding the EU integration process, as well as the relationship between the EU and Russia-Belarus-Kazakhstan Customs Union and 12 TV shows focusing on the advantages and disadvantages of EU integration and the Customs Union. All TV materials are broadcasted by local and national media. The organization also organized three-day study visits to countries that have joined the EU in recent years for 15 journalists, including those from Russian-speaking communities and the Gagauz region. During the study visits, the journalists learn to provide accurate coverage on the EU and EU integration related subjects. After the visit, each journalist is going to produce at least two materials on EU issues and publish or broadcast them through the media they represent. Additionally, CJI organizes 10 discussion clubs for students of the Chisinau School of Advanced Journalism. Ambassadors of the USA, EU, other EU countries, as well as representatives of European institutions, are invited to these discussions. Independent Journalism Center incorporates a one-week course on covering the EU integration process in the Chisinau School of Advanced Journalism curriculum.	
	25	CONSILIUL NAȚIONAL AL TINERETULUI DIN MOLDOVA (CNTM)	Consiliul Național al Tineretului din Moldova	ALEXANDR PETROV, SECRETARY GENERAL	Republic of Moldova, Chișinău, str. Stefan cel Mare, no. 126, of. 40	e-mail: alexandru.petrov@borm.md tel: +373 22 235 175 http://borm.md	Implementation and evaluation of action plan of National Strategy of Developing Youth Sector 2014-2020 and promotion of European integration	4572-CNTM-01	Oct 8, 2014 - Oct 7, 2015	MDL 1,299,990.00	\$99,999.92	National Level	National Youth Council of Moldova promotes EU benefits among youth on national level. In this regard, the organization develops an informational and methodological guide for educators and youth workers on organizing civic education lessons on the EU and the integration process. Educators and youth workers use the guide to organize EU Weeks campaign in schools across Moldova, in partnership with Ministry of Education. The EU Weeks campaign take place at the same time in all participating schools. Over a period of three weeks, youth attend courses on EU values and what European citizenship means, and prepare EU Fairs. Parents, friends, youth organizations, and the media are invited to the Fairs. CNTM support school youth councils to create European corners in their school libraries, where youth will find resources about the EU. Around 1,000 schools are involved and over 150,000 students and 1,000 teachers improve their knowledge about the EU's structure and the benefits of EU integration.	
26	CONTACT-CAHUL	Centrul Regional de Asistență și Informare a Organizațiilor Neguvernamentale din Moldova „Contact-Cahul”	STRELCIUC SILVIA, EXECUTIVE DIRECTOR	31 August 4/3 Street, Cahul	E-mail: contact_cahul@yahoo.com TEL + 373 299 84842 www.contact-cahul.md	Advocacy and mobilization for a more powerful action and intervention of CSOs and EU awareness campaign.	4572-CONTACT-CAHUL-01	Nov 1, 2014 - Oct 31, 2015	MDL 389,644.00	\$29,972.62	South of Moldova	Contact-Cahul organizes public events and distributes promotional materials to inform citizens about the EU. The organization prepares a team of community outreach representatives who travel to rural communities and organize 50 workshops for youth. In order to spread the campaign messages to more than 15,000 residents in the south, including a third of ethnic minorities (Gagauz, Russians, and Bulgarians), Contact-Cahul organizes a regional caravan, "Euro Mobil". Equipped with Moldovan and EU flags and stickers, cars pass through 35 communities in the South, 16 of which are populated by ethnic minorities. Contact-Cahul also organizes an open-air cultural event to inform people about the European cultural heritage, funds, and opportunities. Overall, more than 17,000 people are expected to be involved in the Contact-Cahul activities.		
27	CERTITUDINE	Centrul de Informare și Sensizare a Tineretului „CERTITUDINE”	EUGENIU GRĂUR, EXECUTIVE DIRECTOR	63 Dostoievski street, office 22-28, Balti, Moldova	e-mail: eugeniu.graur@certitudine.md TEL: 023127554, 079999533 http://www.certitudine.md	Inspire, Empower, Engage Youth in Community Development and promote EU integration	4572-CERTITUDINE-01	Oct 24, 2014 - Oct 23, 2015	MDL 389,091.00	\$29,930.00	North of Moldova	Certitudine organizes three flash mobs to raise awareness regarding EU integration reaching around 1500 youth and adults from local communities. All three flash mobs are organized in Balti. The CSO provides trainings to promote ERASMUS+ in local schools and universities in order to connect youth to opportunities provided by EU in terms of youth mobility, skills building and jobs reaching for around 500 youth interested in youth mobility and non-formal education in the EU context. Also, Certitudine promotes EU values through a veto marathon reaching directly more than 500 young people and adults. The CSO plans to organize around 60 movie nights and outreach activities in students' dormitories and public open-air events, door-to-door campaign in 50 villages to inform citizens about advantages of European integration and 50 quizzes on a Facebook page on EU topics. A youth conference organized in partnership with "Aiecu Russia" University about perspectives of EU integration for Moldovan citizens reaches directly around 100 young people. In addition, Certitudine carries out two photo exhibitions in Balti.		
28	CLINICA JURIDICĂ UNIVERSITARĂ (CJU)	Clinica Juridică Universitară	TABARCEA GLESEA, EXECUTIVE DIRECTOR	38 Puzhkin Street, 511 office, Balti, Moldova	e-mail: tab_olesa@rambler.ru tel: +373 231 52476 +373 79507946 http://www.clinicajuridica.md	Strengthening capacities of CSOs providing community legal services and promoting the European integration process	4572-CJU-01	Oct 15, 2014 - Oct 14, 2015	MDL 390,000.00	\$30,000.00	North of Moldova (Balti city, Singerei, Falesti, Floresci, Riscani, Glodeni, Drochia, and Telenesti)	University Legal Clinic conducts an awareness campaign in the Northern Moldova to increase the public understanding of democratic process and of the European values. Volunteers equipped with branded T-shirts and caps distribute informational materials and facilitate discussions in different localities. CJU holds information sessions at EU embassies in Balti, Singerei and establishes a European Information and Resource Center within their office open to the community to visit and take advantage of a variety of informational materials on the EU and the EU integration process. CJU expects around 300 visitors per year to benefit from the Information and Resource Center.		
29	TINERI PENTRU DREPTUL LA VIAȚĂ (DTV)	Tinerii pentru Dreptul la Viață	NICOLAE PROCOPE, EXECUTIVE DIRECTOR	5 G. Copbu Street, Chișinău, R. Moldova	e-mail: ntv_secretariat@yahoo.com tel: 022 567 551, GSM 079 450 027 http://ntvmoldova.wordpress.com	Human and finance resources consolidation for development of the Moldovan civil society sector engaged in volunteer activities and promotion of European integration	4572-TDV-01	Oct 24, 2014 - Oct 23, 2015	MDL 390,941.00	\$30,072.38	National level	Youth for the Right to Life conducts a mountable focused on European volunteering practices and the benefits of European integration of Moldova. The CSO organizes 2015 National Volunteer Week to support European integration and promote EU best practices in volunteering. To raise public awareness the organization distributes promotional and informative materials (T-shirts, bags, flyers, stickers, and reality TV) organizes fundraising activities to support European integrative activities and the National Caravan "Volunteering - European values and integration" in 10 different districts of Moldova. In each locality, TDV conducts cultural and artistic activities with local public authorities and citizens. The district and local organizations that promote European integration are mobilized to interact with citizens and distribute informational materials in the 10 tents.		
30	ASOCIAȚIA PSIHLOGOLOG TIGHINA (APT)	Asociația Psihologolog Tighina	AFTENI LUDMILA, EXECUTIVE DIRECTOR	Str. Mateevici 1, ofiul 105, 106, or Căușeni, MD -4301, Republica of Moldova	e-mail: ludmila.afteni@gmail.com TEL: (243) 2 16 80 http://apttighina.caușeni.org/	CSOs from Căușeni, Anenii Noi, Stefan Vodta Districts and Transnistria Region - More Visible and Committed Protection of Youth being in Social Difficulty and promoting European values	4572-APT-01	Nov 1, 2014 - Oct 31, 2015	MDL 384,220.00	\$29,555.38	Căușeni, Anenii Noi, Stefan Vodta Districts	Association of Psychologists Tighina mobilizes community leaders, LPA, volunteers, families, and children from Căușeni districts to promote European values by facilitating a series of public actions in support of Moldova's integration. APT works with Radio Moldova to produce and distribute three radio programs and with regional TV "Studio-L" channel to organize three public debates; develops and distributes 14,000 leaflets (in Romanian and Russian) on examples of social assistance provided in EU countries; the myths and reality regarding the EU integration into the EU; produces informational materials in the form of the broadcast of Moldova into EU; organizes "Europe Day in Căușeni"; conducts discussions with at least 500 citizens from 35 communities from the region about the values promoted in the EU; organizes Elderly People Day in six localities of Căușeni and a drawing contest titled "European Vector" for at least 30 young persons from the community.		

31	FUNDATIA PENTRU DEZVOLTARE DIN REPUBLICA MOLDOVA (FORM)	Fundatia pentru Dezvoltare din Republica Moldova	GABRIELA OJOG, EXECUTIVE DIRECTOR	45 Puahkin str., 5th floor, of 505, MD-2005, Chisinau, Republic of Moldova	e-mail: Gabriela.Ojog@fam.md tel: +373 22 210 198 http://fam.md/	Improving the performance of the educational system by implementing regulatory impact analysis and effectively involving education-focused CSOs in the process and promotion of EU values in the educational field	4572-FAM-01	Oct 9, 2014 - Oct 8, 2015	MDL 386,452.00	\$29,727.08	Soroca, Comrat and Cahul	Foundation for Advancement of Moldova focuses on improving access to education and career development services for young people and bringing EU values in education closer to citizens. In partnership with the Ministry of Education, FORM equips three Career Guidance and Counseling Centers from Soroca, Comrat and Cahul with the necessary resources to transfer knowledge, ideas and experience regarding the EU integration process and promote quality education and civic education. The organization conducts three EU cultural nights and three intellectual games in each targeted community in Soroca, Comrat and Cahul. To all of these events are invited not only young people, but also senior citizens. Through discussions and presentations, FORM aims to bring closer to them the positive message of EU integration, benefits and values. All participants receive promotional materials and information about EU.		
32	CASMED	Centrul de Asistență Socio-Medicină la Domiciliu „Casmee”	POSTOLACHI NATALIA, EXECUTIVE DIRECTOR	str. Stefan Cel Mare, 19/1, Balti, Moldova	e-mail: casmed.md@gmail.com Tel: 373-231-276-74 http://casmmed.md/	Rural Civil Society Organizations as Proactive Actors in the provision and development of community services and promotion of European Integration	4572-CASMED-01	Oct 9, 2014 - Oct 8, 2015	MDL 300,003.00	\$30,000.23	Balti, Riscani, Singerei, Drochia, Falesti, Ploiesti and Rozari	Casmee organizes awareness campaign in Balti municipality and 10-12 target localities. The campaign include: door-to-door activities to inform elderly and isolated older people from rural villages about EU integration process; "Heart of Europe" events in ten schools; a nationwide drawing contest for children with the subject "I am a child of Europe"; posting 28+1 informative panels about each member country of EU in the Central Gallery of Balti; publishes 10,000 leaflets and 20,000 informational brochures in Romanian and Russian to address common myths and stereotypes about the EU; develops a video and an informational movie of 5-8 minutes about the what EU means; street painting contest for children with the title "Be free to create"; and organize a flash mob to attract people interest towards Europe integration process of Moldova.		
33	TINERI SI LIBERI (TSL)	Centrul de Resurse „Tineri și Liberi”	ANTONINA FONARI, EXECUTIVE DIRECTOR	Bd. Traian 11/2, MD 2072, CP 3063, mun. Chisinau	e-mail: tineri.liberi@gmail.com tel: (+373 70) 450 028 (+373 22) 567 489 www.consilium.md/	Strengthening a sustainable civil society and supporting the European integration process	4572-TSL-01	Nov 1, 2014 - Oct 31, 2015	MDL 390,890.70	\$30,068.52	National level	To empower civil society to support public authorities in the process of European integration of Moldova. Resource Center Young and Free conducts "five o'clock tea" informal meeting with the media partners of the Council of NGOs and organizes a forum entitled "Civil Society Support for the European Integration of the Republic of Moldova". The Forum brings together CSOs, media, central and local authorities and other key opinion leaders from communities to identify mechanisms through which the civil society and the Council of NGOs / National Council for Participation may support the Moldova's integration in the European Union. At the end of the forum, participants sign a Resolution for Collaboration between CSOs and central and local public authorities for successful European integration that is monitored. Results of monitoring are presented during the eighth CSO Forum organized in summer 2015.		
34	CAROMA NORD	Caroma Nord	FRECAUTANU RODICA, EXECUTIVE DIRECTOR	s. Piliș, r. Fălești MD0941	e-mail: caroma_nord2002@yahoo.com tel: 020152376 http://caromannord.roa.wordpress.com/	Increased involvement of civil society in Environmental protection and accountability in decision making through the creation of the Environmental Coalition in Balti and promote the EU environmental values.	4572-CAROMA NORD 01	Nov 1, 2014 - Oct 31, 2015	MDL 259,510.00	\$19,962.31	Balti, Falesti, Drochia, Glodeni, Riscani, Singerei	Caroma Nord organizes a forum under the thematic "EU solidarity for the environment" to spread information on environmental EU opportunities, partnerships between the stakeholders involved in EU projects on environmental issues, and promotion of green economy. The forum brings together around 100 - 120 individuals, representatives of various local bodies such as LPAs, CSOs, business sector, and schools. The organization produces informational materials (banners, T-shirts, TV and radio spots) to promote the forum. In addition, Caroma Nord conducts workshops on waste management in five districts from the North of Moldova such as for youth and teachers.		
	Sub-Total								MDL 9,965,886.70	\$766,606.67				
FEE														
	35	FUNDATIA EST-EUROPEANA (FEE)	Fundatia Est-Europeana (FEE)	SORIN MERCEARU, PRESIDENT	98, '31 August 1989' street, 3rd floor, MD-2004, Chisinau	e-mail: eef@eef.md tel: (+373 22) 235-343 www.eef.md/	Consolidation of Moldovan Societal Support for the European Integration	4572-FEE-01	Oct 15, 2014 - Dec 31, 2015	MDL 7,767,733.00	\$97,517.92	National level	Fundatia Est-Europeana (FEE) combines capacities of different partners by subgranting to the following 9 NGOs: Uma Ta, Chamber of Commerce and Industry, Pro-Europe Center, Contact Center Balti, Dialog Center Cahul, Transparency International Moldova, Dialog Pro, ADERT and Expert-Group. The CSO and its subgrantees increase awareness through which the European path among the targeted population, by creating video spots and show-casing good examples from Poland, Romania, Estonia and Lithuania, by conducting 30 debates on EU integration and by implementing the Campaign "Pro-Europe - Pro-Democracy". FEE supports the Secretariat of the NGO Platform for Europe, exploring the linkages available at national and grass roots level, enabling the Platform to highlight the benefits of EU Association Agreement and DCFTA and mobilizing popular support for EU integration. The project increases accountability of the Government on EU integration agenda by monitoring Moldova's progress in implementing the EU Association Agreement.	
	Sub-Total								MDL 7,767,733.00	\$597,517.92				
EU Action Grants	36	Interact Media Ltd	"Interact Media" SRL	TUDOR DARIE, DIRECTOR	160, Stefan cel Mare Street, 14th floor, MD-2071, Chisinau,	e-mail: office@interact.md, tudor.darie@interact.md tel: (+373-22) 699-332, (+373-70) 699-993 www.interact.md/	The Republic of Moldova approach to UE through online business media outlet	4572-INTERACTMEDIA-01	Jan 1, 2015 - Nov 30, 2015	MDL 374,991	\$28,845.46	National level	Interact Media , through its media product - agrora.md, which is the most visited business site in Moldova, with an audience of 200,000 unique visitors per month, increases the support and understanding of business people regarding the benefits of the European integration of Moldova. The aim is achieved by producing and broadcasting 15 success stories of entrepreneurs, who have increased exports to the EU, or companies who had developed economic relations with the EU, by developing 10 online-TV episodes dedicated to the EU integration process, by producing and airing online TV photographs that highlight the EU standards, which must be followed by the business people, by developing on www.agrora.md an interactive module where everyone can see the main actions envisaged by the Association Agreement, the ministry or agency responsible for a certain implementation period, and the level of achievement.	
	37	Pro Media Ltd	"Pro Media" SRL	ANDREI BARGAN, DIRECTOR	14, Stefan cel Mare Street, MD-4101, Comisija	e-mail: bargan_andrei@mail.ru tel: (+373 241) 22-868 www.radionedia.md/	TV programs: "Moldova-EU: Benefits from local and regional perspective"	4572-PROMEDIA-01	Jan 1, 2015 - Dec 31, 2015	MDL 375,302	\$28,869.38	Comisija, Basarabesca, Leova, Glodeni, Taraclia, Briceni, Basarabesca, Soroca, Comrat, Stanesi	Pro Media promotes the benefits and the impact of integration into European Union of Moldova for the inhabitants in villages from the South of Moldova. Pro Media will produce 24 TV programs (5-7 min each) about implemented projects with EU support in villages of Moldova and will broadcast these stories within 12 TV and Radio programs on EU integration of Moldova (2 stories per village). The stories and programs be also placed on-line and broadcasted by local TV network (Alo TV and Media TV).	
	38	Perspectiva	Asociația Obștească "Perspectiva"	VICTORIA IVANGIOLO	15/4, Republici Street, office 3, Cahul	e-mail: vicivan@perspectiva.org.md, vicivan@perspectiva.org.md tel: (+373-69) 030-796 www.perspectiva.wordpress.com/	The European Union closer to citizens of Moldova	4572-PERSPECTIVA-01	Feb 1, 2015 - Jan 31, 2016	MDL 340,136	\$26,164.31	Cahul	Perspectiva promotes the benefits of EU integration of Moldova through the dissemination of European information to residents of Cahul district involving active local youth. Under the project 20 young people are selected for creation of the Euro Promoters Youth Club. These young people are trained to carry out "door-to-door" campaign in 10 localities of Cahul district, and the social theatre presentations on the pro-EU topics in 8 target communities of Cahul.	
	39	ATVIJ	Asociația "T.V.P." a Telegmaililor Independenți din Republica Moldova	ANETA GROSU	22, Puzkin Street, office 324, MD-2012, Chisinau	e-mail: info@atvij.md tel: (+373 22) 224-438, (+373 79) 583-737 www.reporterobserva.md/	European answer to Moldovan concern	4572-ATVIJ-01	Mar 1, 2015 - Feb 29, 2016	MDL 375,000	\$28,846.15	National level	ATVIJ produces 6 media packages (TV programs, radio programs, print articles, and on-line stories) to explain the meaning of the EU-Moldova Association Agreement, the concerns faced by local population and how they might be solved. ATVIJ collects from Moldova's communities people's concerns, questions and topics about EU-Moldova Association Agreement and the EU integration process of Moldova, gathers answers and explanations to these concerns by filming in European communities interviews and stories and broadcasts the final media products on public TV and radio stations, on local TV stations, and in on-line and print media.	
	40	CRPE	Reprezentanța din Republica Moldova a Centrului Roman de Politici Europene	INGA SAVIN	39, Ion Nestor Street, MD-2009, Chisinau	e-mail: office@crpe.md, inga.savin@crpe.md tel: (+373 22) 223-250, (+373 79) 227-622 www.crpe.md/	Informing the public and stakeholders about the European standards adopted under DCFTA	4572-CRPE-01	Mar 1, 2015 - Feb 29, 2016	MDL 374,973	\$28,844.08	Chisinau, Comrat, Balti	CRPE contributes to harmonization with European standards in education and construction field, using best practices from Romanian experience. The CSO informs private sector, academia and public institutions about the importance of the harmonization with the EU standards, by elaborating 1,000 promotion materials, organizing an Open Day at the National Institute of Standardization and organizing 5 information campaigns at universities of Moldova. As well, CRPE involves academia in the process of transposing EU standards by conducting an assessment of the standardization issues in teaching process and curricula, elaborating a support guide for Ministry of Education and teachers and organizing a workshop with academic representatives to discuss these issues. The CSO informs also the representatives of construction sector about the need to use European standards in their business, through a case study on challenges in construction field and a public debate with all stakeholders.	
	41	Moldova-Fract	Asociația Producătorilor și Exportatorilor de Fructe "Moldova-Fract"	IURIE FALA	67, Bucuresti Street, MD-2012, Chisinau	e-mail: moldovafract@yahoo.com tel: (+373 22) 223-005, (+373 69) 386-424 www.moldovafract.md/	Strengthening the negotiation power of fruit growers due to the implementation of European practices of cooperation and self-government	4572-MOLDOVAFRACT-01	Mar 1, 2015 - Feb 29, 2016	MDL 374,995	\$28,845.77	Soroca, Briceni, Edinet, Dondușeni, Oniș and their communities	Moldova Fract increases the level of knowledge and awareness of its members and other fruit producers from the North regions of Moldova about the advantages and benefits of EU-Moldova Association Agreement. The CSO carries out a study visit to Poland for 15 Association members and based on gathered information Moldova Fract elaborates a study on advantages and benefits of EU integration for Moldova fruit growers. All information and learn practices are presented during 5 regional workshops, one National Conference and reflected in 7 press articles.	
	42	Contact Center	Centrul Național de Asistență și Informare a Organizațiilor Neguvernamentale din Moldova CONTACT	SERGHEI NEICOVEN	83, Bucuresti Street, MD-2012, Chisinau	e-mail: info@contact.md tel: (+373 22) 233-947 www.contact.md/	Awareness campaigns in the northern and central regions to inform public of EU integration benefits for Moldova	4572-CONTACT-01	Feb 15, Oct 14, 2015	MDL 375,155	\$28,858.08	Northern and central regions of Moldova	The Contact Center carries out EU awareness campaigns in 10 northern and central districts of Moldova. The CSO organizes 10 outside exhibitions of photographs and infographics in public locations about European projects implemented in communities accompanied by public discussions about the content, impact and importance of European integration for citizens of the target communities. 20 focus groups, organizing a workshop for Strategy development and a roundtable for consultation. As well, the CSO increases the capacities of CSOs and LPAs from Anenii Noi and Ialoveni to learn practices to implement actions according to the developed Strategy, by training them on project writing and management, and offering them on-going mentoring.	
		Sub-Total								MDL 2,990,592.03	\$199,273.23			
	MO Rights Grants	43	Keystone	Keystone Human Services International Moldova Association	LUDMILA MALCOCI, EXECUTIVE DIRECTOR	61 V, Carasescu Street, Chisinau, MD-2059	e-mail: kshisma@keystonemoldova.org, malcocli@keystonemoldova.org, mman@keystonemoldova.org tel: (+373 22) 9201918, (+373) 69501709 www.keystonemoldova.org/	Collaboration at the local level for social inclusion of persons with disabilities in Anenii-Noi and Falesti Districts	4572-KEYSTONE-01	Apr 1, 15 - Mar 31, 17	MDL 820,450	\$63,111.54	Anenii Noi and Ialoveni	Keystone ensures participation of people with disabilities and civil society in developing public policies for people with disabilities in the Anenii Noi and Ialoveni districts, supporting development of local Strategies on inclusion of people with disabilities. The CSO organizes a roundtable and two trainings to mobilize and empower people with disabilities, CSOs and LPA on participatory planning, monitoring and evaluation of the rights of people with disabilities. Keystone ensures a participatory development and approval of local Strategies for social inclusion of people with disabilities, by establishing a participatory group on Strategy development, 20 focus groups, organizing a workshop for Strategy development and a roundtable for consultation. As well, the CSO increases the capacities of CSOs and LPAs from Anenii Noi and Ialoveni to learn practices to implement actions according to the developed Strategy, by training them on project writing and management, and offering them on-going mentoring.
		44	SOS Autism	SOS AUTISM	ION DUMITRAS, PRESIDENT	191 Grenoble Street, Chisinau, MD-2043	e-mail: sosautism.md@gmail.com, iondumitras201@gmail.com tel: (+373) 69872896, (+373) 69878788 http://autismmoldova.md/	Social integration of children and youth with autism from Moldova	4572-SOSAUTISM-01	May 1, 15 - Apr 30, 17	MDL 830,000	\$63,846.15	National level	SOS Autism increases chances for social integration of people diagnosed with autism spectrum disorder (ASD) and facilitates their access to services and rehabilitation programs, by developing a National Strategy on social integration of people with ASD. The CSO collects the needs of people with ASD and their families through five focus-groups organized in different regions of Moldova. To facilitate development and approval of the Strategy, SOS Autism invites national and international experts, coordinates six meetings of the inter-ministerial working group and six meetings of the technical working group, and organizes one advocacy campaign. As well, SOS Autism increases awareness regarding the importance of social integration of people with autism, by developing a social spot, printing 300 calendars and 1,000 brochures, organizing one concert and publishing at least 10 media articles.
45		Speranta	Centrul "Speranta"	LUCIA GAVRILTA, EXECUTIVE DIRECTOR	12/2, Traian Blvd. ap. 2 Chisinau, MD-2043	e-mail: info@speranta.md, lucia.gavrilita@gmail.com tel: (+373) 79775511, (+373 22) 561100 www.speranta.md/	Easy-to-read, easy to understand, easy to act.	4572-SPERANTA-01	May 15, 15 - May 14, 17	MDL 830,000	\$63,846.15	National level	Speranta develops the UN Convention on the Rights of Persons with Disabilities and Law on Social Inclusion of Persons with Disabilities in an innovative "easy-to-read" format, offering to people with intellectual and learning disabilities accessible information about their rights. Speranta involves one international and five local experts to prepare the "easy-to-read" materials, which are tested by 15 youth with disabilities, within 10 activities. The CSO develops guidelines on how to use easy-to-read materials and promotes the products within a roundtable. Additionally, Speranta organizes 10 trainings and 45 individual sessions to ensure the promotion, and use of the materials, and to increase the capacities of people with disabilities to defend their rights.	

D.	46	Speranță și Sănătate	Asociația Părinților cu Copii Nedezvoltati Mintal "Speranță și Sănătate"	LUDMILA ANDRICEVICU, EXECUTIVE DIRECTOR	812, Vasile Lupu Street, Chisinau, MD-2008	e-mail: taliana@hopeandhealth.md, office@hopeandhealth.md tel: (+37322) 718574, (+373) 69336338	http://www.hopeandhealth.md/	Legal protection for parents/guardians of people with mental disabilities and assistance in maintaining the fundamental rights of persons with intellectual and psychiatric disabilities	4572-SPERANTA-SI-SANATATE-01	June 1, 2015 - May 31, 2017	MDL 830,000	\$63,846.15	Chisinau	Speranță și Sănătate raises the level of legal knowledge among people with mental disabilities and their guardians and provide legal help to at least 50 families. The CSO organizes 10 educational trainings for parents/guardians (8-10 trainings/year) of people with mental disabilities, offers 25 legal consultations per year to people with mental disabilities and their guardians. Develops and disseminates 500 copies of a brochure and one video spot about people with mental disabilities. Additionally, Speranță și Sănătate conducts an analysis of the existing legislation regarding housing and labor market and carries out a roundtable to debate with representatives of public authorities, other CSOs and CSO beneficiaries, the existing legal issues and to find solutions for its improvement.	
	47	OSORC	Centrul de Resurse "OSORC"	LUDMILA BOROCHINA, PRESIDENT	114a, Karl Libkneht, Trașeni, 3300	e-mail: osorc@yandex.ru, tel: +0037377864599, (+373) 69462988		Equal rights despite unequal opportunities	4572-OSORC-01	July 15, 2015 - July 14, 2017	MDL 830,000	\$63,846.15	Transnistrian region	OSORC raises awareness and informs the public about the rights of people with disabilities, and increases social activity of people with disabilities and their families through workshops, consultations, discussions, and participation in local and national events. The CSO organizes 3 master classes on needwork for people with disabilities, and the works are shown within two editions of Talent Fair in Trașeni and Rîbnița. OSORC together with its partners carries out two Open Door events and publishes news articles and video reports on local TV. Additionally, the CSO conducts Leadership Summer School for 35 young people, 4 workshops for 25 young people with disabilities, and one seminar for 30 active parents. The needs and recommendations collected during the project are presented within four roundtables and one conference.	
			Sub-Total									MDL 4,140,450.00	\$318,496.15		
	Subcontractors	48	Parc Comunicatii	Societatea Comerciala Parc Comunicatii SRL	ALEXANDR BEJENARI	89/1 Vasile Alexandri Street, MD-2012, Chisinau	e-mail: abejenan@parc.md, tel: (+373 22) 895-151	www.parc.md	Moldova European Integration Awareness Campaign	4572-Parc Comunicatii-01	Oct 15, 2014 - Oct 30, 2015	MDL 6,204,799.00	\$477,292.23	National level	Parc Comunicatii designs and implements a comprehensive nation-wide awareness campaign on Moldova's European Union (EU) integration. As part of the national campaign EUROPA PENTRU TINE EUROPE FOR YOU, Parc Comunicatii implements a wide range of activities aimed at raising awareness on Moldova's European integration. Over the course of one year, MPSCS with Parc comunicatii assistance uses television and radio spots, banners, leaflets, articles, TV programs, door-to-door activities, social media to communicate with citizens.
49		Contact Center	Centrul Național de Asistență și Informare a Organizatiilor Neguvernamentale din Moldova CONTACT	SERGHEI NEICOVCEN	83, Bucuresti Street, MD-2012, Chisinau	e-mail: info@contact.md, tel: (+373 22) 239-947	www.contact.md	Support to the local market for capacity development services and providers	4572	Feb 23, 2015 - Feb 22, 2016	MDL 674,515.00	\$51,885.77	National level	Contact Center in partnership with CTO Caraseni work on improving the skills of capacity building service providers. Initially, CTO Caraseni conducts a Needs Assessment Survey to identify strengths, weaknesses, opportunities, and challenges to CSO's capacity development marketplace. The findings of the assessment are presented during three round tables organized in Balti, Cahul and Chisinau. CTO Caraseni organizes cycle of trainings and cluster clubs in CSO organizational development and capacity building for trainers. Moreover, Contact Center improves and promotes capacity building/trainers and journalist databases. The database of trainers will be a major step toward creating a functional and competitive market of capacity building services for Moldovan CSOs. The database of journalists covering civil society topics will help CSO to access journalists and to improve the media coverage of their activities.	
50		ECNL	European Center for Not-for-Profit Law	HANNA ASIPOVICH	Apaczai Csere, Janos u.17, 1st floor, Budapest 1052, Hungary	Phone: (+361) 318 6923 / 483 1774	www.ecnfl.org.hu	Enable legal environmental for CSOs	PS122	Jan 15,2014-July 31,2018	MDL 8,701,836.00	\$669,372.00	National level	Under MPSCS, ECNL helps to advance key aspects of the Civil Society Development Strategy for 2012-2015 while engaging with both government and civil society. This includes supporting existing mechanisms for cooperation between government and civil society such as the National Council of CSOs. ECNL also provides in-person consultation to the assigned coordinator within the State Chancellery in charge of coordinating implementation of the Civil Society Development Strategy for 2012-2015, as well as specific ministries involved in drafting and implementing CSO legislation, such as Ministries of Finance, Labor, Social Protection and Justice. Moreover, ECNL assists the main stakeholders (CSOs, National Council of CSOs, public authorities) in advocacy planning (2% designation mechanism, social entrepreneurship, Laws on Associations and on Foundations), organizing joint events, sharing comparative materials and providing examples of good European practices. In addition, ECNL provides technical, organizational capacity building and mentoring to MPSCS's legal and regulatory reform strategic partner.	
			Sub-Total									MDL 15,581,150.00	\$1,198,550.00		
											MDL 53,124,010.73	\$4,086,462.36			

Annex 2

**MPSCS partner CSOs' EU integration promotional activities
April-June 2015**

Twelve Engage Program Partners, seven EU Action partners, FEE and its subgrantees continued to raise awareness around the EU support offered to Moldova, monitor public authorities, and encourage European path by organizing public discussions, producing and distributing success stories, TV shows, informational leaflets, and other informational materials in Romanian and Russian languages.

EU AWARENESS ACTIVITIES IMPLEMENTED BY TWELVE ENGAGE PROGRAM PARTNERS

MPSCS partner CSOs CNTM, FDRM and API organized activities across Moldova. In May, CNTM organized European Fairs in 1,016 schools from 35 Moldovan Districts. Under the European Fairs, youth, teachers, and youth workers organized concerts, squares, photo and drawing exhibitions, and engaged more than 7,000 participants. In addition, the CSO organized extracurricular activities in summer schools, including contests, interactive games, social theater, creative workshops, and discussion clubs. These activities were carried out in seven regions and involved more than 300 children and youth. The activities were planned and carried out by local coordinators in partnership with Departments of Education. As a result, the participants became more informed about online resources on the EU, learned about interesting cultural facts about Europe.

API published three new editions of the newspaper supplement, "European Objective: Let's talk about Europe" in Russian and Romanian, with a total circulation of 243,026 copies. API distributed these supplements through 19 national, regional and local newspapers, partner CSOs and Air Moldova company. Sixteen most interesting articles in Romanian and Russian were published on 12 most popular websites via total 86 postings. The articles covered a diverse range of topics and included reports about sectors, which have benefited from European investments, news about planned actions on the European integration agenda, analyses of EU assistance efficiency for the development of Republic of Moldova. Part of the editorial space was focused on dispelling the commonly perpetuated myths about EU by the opponents of the European integration process. Additionally, API in partnership with local newspapers conducted four public debate discussions in rural localities, such as Milesti and Ciutesti, Nisporeni district; Mascauti, Criuleni district; and Ustia, Dubasari district. The main topics included the following: European integration process; impact of the EU-Moldova Association Agreement and the Deep and Comprehensive Free Trade Area upon the democratic development of Moldova; economic relationships of local producers with EU companies; ways of exporting Moldovan food products on the European market. A total 93 participants at these debates received objective information about Moldova's European integration, asked questions and received qualified answers from the experts. To promote the assistance offered to Moldova by the EU, API displayed ten promotional billboards EUROPE FOR YOU in target towns, such as Basarabasca, Briceni, Vulcanesti, Donduseni, Comrat, Balti, Falesti, Rascani, Edinet and Taraclia.

On May 10, 2015, **FDRM** conducted a "European Sunday" event at Foundation's office in Chisinau. The activity was organized in the frame of the Europe Day, May 10, 2015 and attended by 15 students (10 female and 5 male) aged between 16 and 19 years old. This workshop is part of the informational campaign on promoting European values, "Europe for Education. Europe for you". The program included interactive sessions of illustrating youth's vision on European Union. In the second part of the program, group performed a role-play game based on the Handbook Overall prospects. Role Play Game for Adults

and Youth Education, on the topic of Local Government. The youth enjoyed the game and actively participated in the discussions, debates and reflection sessions. After the workshop, all participants visited the European Town organized by the EU Delegation in Moldova. They walked around the stands, received informational materials, and discussed EU related topics. Several of them mentioned that they gained a lot of information about programs and will consider studying in the EU, for example through the ERASMUS+ academic exchange program. At least five of them (from Soroca and Cahul) subscribed to receive the newsletter on the ERASMUS+ program.

Contact-Cahul organized 50 informational seminars with 1,056 citizens in attendance the under the EUROPE FOR YOU campaign banner in the south of Moldova. The purpose of the seminars was to inform citizens about the process of European integration. Another big activity took place in Cahul on May 10 – Europe Day in Cahul, organized in partnership with Cahul Mayoralty, national singers and other CSOs. More than 5,000 citizens attended the event and media outlets reported on this event.

Another CSO from the south, **APT** conducted 12 public debate discussions in Baimaclia, Ciuflesti, Cirnatenii Noi, Cainari, Chircaiesti, Zaim, Ursoaia, Causeni town, Causeni district; and Olanesti, Stefan Voda district. A total of 221 local stakeholders, including LPA representatives and leaders, actively discussed the benefits of the European integration and myths associated with this process. All participants received informational materials promoting the benefits of the European integration.

In the north, MPSCS partner CSOs focused on involving youth in their EU awareness activities. For example, **Certitudine** organized several activities for youth in the northern part of Moldova, such as door-to-door campaigns in about 15 localities, Erasmus+ trainings and movie nights, reaching about 5,000 youth. Another CSO, **CJU** conducted eight informative discussions in northern rural schools for 203 young people from eight localities from the north of Moldova. The participants were involved in discussions about European values and informed about benefits of the European integration of Moldova and received 1,500 promotional and informational materials on EU values and principles. Distributed materials included brochures, pens, calendars, and so on developed by CJU and other materials provided by partner CSOs, such as 1,250 copies of the API's "European Objective: Let's talk about Europe" newspaper supplements. Additionally, CJU informed 82 visitors of its European Information Resource Center opened in December 2014 about and displayed two outdoor banners promoting European values around the Balti city.

Casmed organized EU informational activities for its target groups – youth and elderly - during the most important holidays in the reporting period. On April 29, the EU Day of Solidarity between Generations, Casmed launched an activity aimed to raise awareness



Casmed Team and volunteers raising EU awareness in Balti on the International Children Day, June 1, 2015, Balti.

of the importance of engagement across the generations and to bring youth and the elderly together through involving them in common activities. During the event, participants received important information about the EU integration benefits. Europe Day in Balti was celebrated by engaging students in a flash mob at the Aleco Ruso State University forming a symbolic circle of friendship and solidarity. Pupils from four northern communities joined Casmed and prepared their messages to Europe, expressing their wishes, dreams and expectations about the EU. Europe Day celebration was followed by an EU awareness campaign in Balti town to raise interest and create positive attitude of citizens toward the EU countries and EU as an institution. On the International Children's Day, Casmed team came up with creative entertainment tasks and activities for youth and kids and use the possibility to talk to and distribute EU promotional materials to parents and grandparents enjoying the event. By organizing these events, Casmed engaged about 2,000 people and promoted culture and values of European countries among Moldovan citizens. Informal and apolitical character of the campaign helped Casmed win youth acceptance and support for the EU path.

CJI worked on improving journalists' and CSOs' skills in covering EU integration benefits in media through a number of trainings facilitated by international experts. In addition, the organized conducted a series of discussion clubs with participation of high-level guests and experts in journalism including one press club to solicit journalists' and citizens' feedback about the European path of Moldova. The grantee engaged 12 professional media experts and opinion leaders to offer their comments on various EU-related topics and standards, which received a total number of almost 8,000 views in online media. To support MPSCS EUROPE FOR YOU campaign, the Center produced and broadcast a series of TV shows highlighting European benefits and support for Moldova in the field of education, regional governance, justice, human rights respect, visa-free regime, and road infrastructure.

TsL conducted several meetings of the National Council of CSOs' members and one meeting with the Parliament to plan the upcoming Forum "The Civil Society Support for European integration", which will focus on the role of civil society in the process of European integration of Moldova. Additionally, TsL conducted a TV public debate with the participation of civil society representatives, where the followings topics were discussed: EU-Moldova Association Agreement; how the Eastern Partnership Platform functions; what a Capital of European country means; responsibility for clean environment; recycling and use of renewable energy; and the quality of water; how quality of life is promoted and managed in the EU countries.

FEE SUBGRANTEES

Exploring the linkages available at the national and grass roots levels, FEE continued to build a wide national platform of CSOs that highlighted the benefits of EU-Moldova Association Agreement and Deep and Comprehensive Free Trade Area and to mobilize popular support for EU integration.

To this end, **Urma Ta** developed three video testimonials, showcasing good examples of EU Integration from Poland, Estonia and Lithuania. The videos will be broadcast on Moldova1 Public TV. Based on the produced testimonials, three video and radio spots in Romanian and three in Russian were developed to be further broadcast on national television and radio.

Contact-Balti, Dialog Cahul and Pro Europa Comrat conducted seven public debates for 329 people, and 18 discussion clubs, actively engaging 384 people. The three organizations had developed promotional materials and informed more than 1,000 people about the EU benefits. Additionally, Dialog Cahul, in partnership with another MPSCS partner CSO Contact-Cahul organized the EU day concert in Cahul, with the participation of approximately 5,000 people. Dialog Cahul organized in three towns of Moldova (Cahul, Cantemir, Leova), three contests for students “European School”, involving pupils from 15 educational institutions.

Transparency International-Moldova produced eight TV shows and four radio programs on EU values and rights, and the EU-Moldova Association Agreement. To raise awareness about European path of Moldova, the CSO developed promotional materials and distributed more than 5,000 materials in Chisinau during the EU day on May 10. On June 6, Transparency International-Moldova organized an open air concert in Chisinau, to promote EU values and to speak about EU-Moldova relations. The event was attended by approximately 1,000 people. The CSO had organized an Essay contest “Towards Europe through Integrity”, conducted for student from Calarasi rayon, involving 26 young people. As result, the seven winners, were invited on June 24, to participate at a lunch with the Head of the EU Delegation to Moldova, H.E. Mr. Pirkka Tapiola.



Lunch with the Head of the EU Delegation to Chisinau, Pirkka Tapiola, organized by Transparency International-Moldova for winners of Essay Contest, June 24, 2015.

Dialog-Pro worked to support the CSO Platform “Pro-Europa” and to increase its visibility. As a result, the number of CSO members of the Platform “Pro-Europa” reached 62 CSOs, a substantial increase from 40 members at the beginning of the project. The Platform’s members actively participated in 46 media programs, including TV shows, radio debates, printed and online media, and developed two statements on the progress registered by Moldova toward the EU integration¹. Dialog-Pro, together with the CSO Platform “Pro-Europa” conducted two events with 31 stakeholders, focused on EU integration of the country: one seminar, attended by 11 participants, and one round table that engaged 20 participants. Additionally, Dialog-Pro, supported by members of CSO Platform “Pro-Europa, continuously updated and published materials about EU-Moldova bilateral relations on the web platform www.infoeuropa.md, including 22 articles, 17 publications, 254 translations and summaries, 71 documents on EU assistance reaching 21,314 users.

Exper-Grup and **ADEPT** had been monitoring the performance of the authorities in implementation of policies in between 2005-2014, prior to signature of EU-Moldova Association Agreement. As a result, on June 16, Expert-Grup together with its partner organization ADEPT organized a public presentation of the Progress Report “Moldova in the Eastern Neighborhood Policy: 2005-2014”. According to the document, between 2005 and 2014, Moldova saw important progress in terms of European integration - signing the Association Agreement, visa liberalization with the EU, ensuring more respect for human rights, providing e-governance, IT sector and social services’ reform. However, major weaknesses

¹ First statement available on <http://www.infoeuropa.md/platforma-societatii-civile-pentru-europa/societatea-civila-solicita-negocieri-transparente-si-urgente-pentru-crearea-noului-guvern/>; the second statement - www.infoeuropa.md/platforma-societatii-civile-pentru-europa/declaratie-cu-privire-la-transparenta-si-monitorizarea-utilizarii-fondurilor-europene/

remain in a number of sectors, particularly in fighting corruption, banking sector, implementation of EU quality standards and energy sector. Therefore, despite some progress, rampant corruption, politicization of public sphere and poor performance of public institutions indicate that in the last 10 years reforms have been promoted under external pressure, with little ownership and limited political will to reform. The findings and recommendations, reported by 17 media outlets, were submitted to the Government.

The last proposed subgrantee by FEE, Chamber of Commerce and Industry, failed to provide details and requested documents in a timely fashion and in accordance with FEE and FHI 360 procedures. Therefore, FEE is in the process of budget reallocation to another grantee, namely European Business Association. The final grant will be awarded by September 2015.

EU ACTION GRANTS PROGRAM

Two media outlets (Interact Ltd and Pro Media Ltd), and five CSOs (Perspectiva, Asociatia ATVJI, Moldova Fruct, Contact Center, and CRPE) focused on raising awareness of the benefits of European integration and mobilize community support for the European path of Moldova.

ATVJI filmed in three communities from Moldova: Glodeni, Cahul and Hincesti. These films covered a variety of topics, including: agriculture and difficulties for agricultural producers; role of local public administration; and concerns about losing national identity as a result of the integration. To tackle all these concerns, during June 25 – July 3, ATVJI team traveled to 12 communities from three EU countries (Slovakia, Poland and Czech Republic). The films will be broadcast at the national level through public TV stations, followed up by a public TV debate with participation of film protagonists.

On April 26-30, **Moldova Fruct** organized a study visit to Poland for 16 fruit producers, members of the Association. The visit was focused on marketing and lobby tools for fruit producers, and included discussions about the technological issues and about the advantages and benefits offered by the EU policy for fruit production industry; visits to small fruit processing companies, visits to fruit marketing cooperatives and producers groups, meeting with the President of the Polish Fruit Producers Association. After participating in the Study visit in Poland, nine Members of the Directory Board reported having a better understanding of the objectives and role of Moldova Fruct. They are promoting EU standards in the fruit industry and cooperation among members at the regional level to find out solutions for a better marketing and in advocating their interests. After the study visit, the CSO conducted three regional workshops in Edinet, Briceni and Floresti on the following topic: “European integration process for fruit growers: problems, solutions and responsibilities”. The workshops were attended by 70 fruit producers, and the following issues were discussed: (1) situation of fruit production industry in Moldova, (2) problems faced by the farmers, (3) support received by Moldovan farmers comparing to their colleagues from EU; (4) results of the study visit to Poland. The study on the, “Advantages and benefits of European integration for Moldovan fruit growers” developed by the implementation team was presented and discussed at the workshops. The three regional workshops became a real discussion platform for the Moldova Fruct members at regional level. Lessons learned and achieved results, based on the study visit and two workshops were described in three press articles, published in the newspaper “Curierul Agricol”.

CRPE developed brochures, leaflets and a video spot on EU standards and European standards versus GOST standards (acronym of the Russian stand which means state standard). The materials were

developed with an active participation of National Institute of Standardization. The CSO organized an Open Day event at National Institute of Standardization, on May 21, 2015. The event exceeded the expectations, thus the Open Day was organized in two similar sessions, in the morning and afternoon, being attended by 126 participants, while the organizers expected no more than 100 people. At the event participated representatives of private sector, academia, students, CSOs, national institutions, media. Special guest of the event was Diana Dorobanțu, from Standardization Association from Romania. The CSO is working on the research methodology for the support guide on inclusion of European standards in teaching activities on higher education and vocational education institutions, and starting the interviews with academia representatives.

Interact Media LTD produced and distributed via www.agora.md three infographics on the rights of airline passengers, new regulations and requirements for air and rail transport, transport and energy efficiency and two talk shows on energy efficiency and bank systems all of them addressing Association Agreement. In addition, the organization produced and broadcast a success story about a shoe company – OldCom – that exports to Europe. These media items registered more than 10,000 viewers.

Pro Media conducted three TV debates. One debate was focused on Business incubators funded by the EU, with participation of representatives from ODIMM (Organization for Small and Medium Enterprises Sector Development, Moldova), Cimislia Business Incubator and two entrepreneurs. The second debate was conducted on regional visas and tourism and was attended by representatives from CALM (Congress of Local Authorities in Moldova), South Regional Development Agency and CSO Migrant families Moldova–Italia. The topic of the third TV debate was “Regional consumer rights dimension” with participation of representatives from Consumer Protection Agency, CSO Consumer Assistance Center, Cahul and Cimișlia Food Safety Agency. During a live TV program broadcast by Pro Media on consumer rights, a viewer called and complained that at the local market from Cimislia one of the vendor from a sweet store calculated the sweets at the same price, even they are labeled differently. After this program, the vendor started to sell sweets according to the approved price list.

Perspectiva built capacities of youth from Cahul in promoting the European integration through the social theatre. In this quarter, Perspectiva worked with an actress from B.P. Hasdeu Theatre from Cahul and a technical expert, to conduct a training on social theatre for 20 young people – members of the EU-promoters Youth Club created under this project. After the training, this group put out social theatre performances in five localities of the Cahul district (Rosu, Colibasi, Zirnesti, Gotesti and Ciobalaccia villages). More than 80 locals were involved in social theatre discussions on the benefits of EU-Moldova Association Agreement and formed a clearer image about the Moldova’s current situation and the benefits of Moldova’s integration into the EU. In addition, this youth group conducted a door-to-door campaign promoting EU values and European integration in Tatarasti, Huluboaia, and Bucuria villages of Cahul district, engaging more than 200 locals.



Annex 3



REPORT

Assessment of the institutional development needs of Moldovan Civil Society Organizations and needs of organizational strengthening service providers

May, 2015

Author: CTO CARASENI

This assessment is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of authors and do not necessarily reflect the views of USAID or the United States Government.

Table of Contents

Acknowledgments	3
Disclaimer	3
Abbreviations	3
Summary	4
1. Background	7
2. Associative Sector in the Republic of Moldova.....	7
3. Thematic Concept of the Survey	8
3.1 Purpose of the Survey.....	8
3.2 Variables of the Survey	8
4. Performance of the Survey	9
4.1 Preparation Phase	9
4.2 Media Coverage Phase	10
4.3 Information Collection Phase	10
5. Findings and Conclusions.....	10
5.1 Participation and Representation.....	10
5.2 The Work of Service Providers	11
5.3 Beneficiaries and Frequency of Providers' Interventions	12
5.4 Challenges/Difficulties in Organizational Capacity Building.....	13
5.5. Capacity Building of Service Providers	14
5.6 Services Required the Most by Providers	15
5.7 Sources for Payment for Providers' Services.....	16
5.8 Organizations that Have the Necessary Organizational Development Capacity/ Experience.....	17
5.9 Strengths and Weaknesses of Organizational Development Services Offered on the Market?.....	19
5.10 Knowledge/ Skills/ Products/ Systems in the Organization	21
5.11 Organizational Development Needs.....	25
5.12 Gaps and Needs of the Associative Sector in Transnistrian Region	26
5.13 Final conclusions	27
6. Recommendations	29
6.1 Recommendations on the Areas Requiring Capacity Building in CSOs.....	29
6.2 Strategic Recommendations for Development Partners	32
7. ANNEXES	34

Acknowledgments

The authors of this survey express their gratitude to all those who facilitated the launching and implementation of the survey by publishing the relevant advertisement (Civil Monitor Informational Portal www.civic.md, www.contact.md, etc.), providing the needed information support and, in particular to the civil society organizations and individual experts who participated in the survey, expressing their opinions on the tackled issues and providing the requested information. We highly appreciate the cooperation of all civil society organizations and individuals and would like to thank all of them for their support, dedication and trust.

Disclaimer

Whilst the information contained in this survey is considered to be complete and accurate, the factual or numerical errors that may appear in the report are unintentional, though they fall under the responsibility of the author.

The findings, conclusions and recommendations given in this report mirror only the opinion of the author based on the information collected during the survey and do not necessarily represent the opinions of all internal or external constituents.

Abbreviations

GM - General Meeting
LPA - Local Public Administration
CEO - Chief Executive Officer
PMC - Project Management Cycle
NYCM - National Youth Council of Moldova
RBM - Results-based management
M&E - Monitoring and evaluation
EMM - Ecological Movement of Moldova
FM - Financial Management
HRM - Human Resource Management
AP - Action Plan
PDP - Personal Development Plan
ODP - Organisational Development Plan
IGP - Income Generating Project
UNDP - United Nations Development Programme
PRs - Public Relations
SP - Strategic Plan
NAS - Needs Assessment Survey
ToR - Terms of Reference
CTO - Consulting and Training Organization
CSO - Civil Society Organization
REC - Regional Environmental Center
RM - Republic of Moldova

Summary

CTO CARASENI conducted the “*Assessment of the institutional development needs of Moldovan Civil Society Organizations and needs of organizational strengthening service providers*” Survey in April 2015 as part of the initiative “*Support to the Local Service Market and to Providers of Organizational Capacity Development Services*”, in partnership with CONTACT Center (Chisinau) under the “*Moldova Partnerships for Sustainable Civil Society*” Program (MPSCS), funded by USAID and implemented by FHI 360. For more information about the “*Moldova Partnerships for Sustainable Civil Society*” Program please visit www.fhi360.md and for more information about OCT CARASENI please visit www.caraseni.md.

This survey aimed at assessing the needs of civil society organizations and providers of organizational strengthening services in the Republic of Moldova (RM), identifying the strengths and weaknesses, opportunities for organizational capacity building, challenges and gaps in the market of organizational development service providers.

The survey was conducted on a sample of 25 organizations and service providers in different regions of the RM and was open to all kinds of non-governmental (public benefit and mutual benefit) national, local, international organizations and foundations, foreign representative offices and individual trainers-consultants on organizational development. The results of the survey will be disseminated at three roundtables, organized in three regions of Moldova and attended by up to 70 CSO representatives. The planned roundtables aim at underlining the key findings of this assessment and informing the Moldovan CSOs about its outcomes.

In the opinion of authors, the survey was an important and necessary exercise, because it reflects many aspects related to the development of organizational capacities of CSOs in the country, in particular: it identified the most recent and demanded areas of interventions in organizational capacity building; their payment sources; organizations' perceptions about the main providers of development services; problems/difficulties faced by organizations and providers; their achievements, weaknesses and development needs, and the relevant trends in organizational capacity building.

The survey identified that the main trends in organizational capacity building in Moldova are to boost the strategic planning and prioritization by organizations; promote monitoring and evaluation; increase the efficiency of management of human, financial resources and projects; develop the internal procedures; adjust the structure and improve governance in organizations, as well as increase their financial sustainability. Progresses have been undisputably made in these fields, with different levels of achievement among organizations, for example in strategic planning, over 60% of the surveyed organizations managed to set priorities, but find it difficult to implement the strategic plan and secure the necessary resources for implementation. Often organizations do not perceive the link and do not ensure the transition between the strategic aspects (included in SP) and the operational ones (reflected in projects), as the strategic documents are too theoretical. According to some respondents, many organizations do not yet fully understand the benefits of organizational development, which is often carried out only because it is a requirement/condition imposed by donors, rather than their own proactive approach.

In other fields, e.g. human resource management, project management and fundraising, organization progressed significantly, managing to acquire knowledge, develop different

operational and managerial procedures, delineate responsibilities in the organizations. The remaining deficiencies are related to: no development tools available to team members; failure to assess the performance of team members; low motivation and staff turnover; low capacities in accessing European funds, lack of fundraising plans and qualified fundraisers, and paradoxically, lack of time to carry on these activities, which could afterwards save time and effort.

In spite of the efforts and investments made, slower and moderate progresses were made with regards to improving the organizations' governance and developing proper organizational structures. Only about 40% of respondent organizations reported to have a proper functional structure, most of them finding it difficult to distribute the governance and management duties and to improve the activity of their boards. This is a sensitive issue because in order to improve the organizational structure it is often necessary to redistribute the powers and duties, while many organizations have not delineated the duties between their CEO and the President, with the leader of the organisation holding both functions. Respectively, the "externally" imposed requirement to restructure the organization according to the organizational management principles often generates individual and/or organizational resistance to change.

Development of internal procedures is another issue, which although has an increasing trend, is still difficult and cumbersome, because it is complex (includes management, legal, and financial regulations) and is less known to organizations, which often perceive it as a perfunctory requirement imposed by donors, failing to understand its usefulness and applicability.

Whereas, most of the organizations surprisingly defined development and implementation of organizational strengthening interventions/programmes (organizational development plans) as a priority, though it was not promoted systematically and comprehensively in the previous or current initiatives of organizational capacity building, with some exceptions.

Two other issues, which although were stated as weaknesses and difficulties by the participants in the survey, were not identified, as development needs: 1) Problems with the practical application of the knowledge acquired during trainings/overcoming the obstacles to organizational changes and 2) Evaluation of performances/effects. In this case, support is required in two areas: Organizational Change Management and Results-Based Management. Analyzing the achievements, weaknesses and difficulties identified by organizations and comparing them with the invoked development needs, we find that most of the organizations detected their weaknesses that require strengthening, such as: fundraising and increasing the financial sustainability; development and implementation of organizational strengthening plans; enhancing the efficiency of human resource and project management, and streamlining the organizational processes.

At the same time, implementation of good governance and streamlining of the organizational structure are still low on the organizations' agendas, mainly due to the reasons explained above.

In conclusion, it is worth mentioning that some of the organizations that participated in the survey suggested certain „atypical” subjects for the associative sector of Moldova, which in our opinion are important and necessary for many organizations, such as: sales, diversified services and the use of IT.

As result, we make the following recommendations: 1) *Recommendations for areas of organizational capacity building* and 2) *Strategic recommendations for development of partners*, mainly for the supporters of civil society strengthening in Moldova.

Thus, the first group of recommendations are more „technical“, as they refer to the “internal peculiarities” of the organizational development and suggest a series of coherent logical interventions in the field:

- Develop organizational development plans/CSO Development Plans;
- Enhance the governance of organizations/Good Governance;
- Identify the strategic priorities/Strategic Planning;
- Encourage organizational changes/Change Management;
- Focus on results-based management/RBM;
- Improve the human resource management and involve volunteers/HRM;
- Promote the regulation of internal procedures/Internal Procedures;
- Encourage partnerships and increase visibility/Relations Management;
- Support the involvement of organizations in the decision making/Lobby and Advocacy.

The second group of recommendations is the following:

- Assess the organizations, develop ODP, synchronize the ODP, SP and priorities of strategic partners, and budget the resources for both aspects (ODP and SP);
- Use the findings and recommendations of the studies on the development needs of civil society organizations when designing the macro-programmes for civil society support;
- Foster positive changes in the civil society and influence the relevant trends, which subsequently will boost the development of organizations, e.g. Certification of providers of organizational development services, encourage the establishment and development of the Association of Fundraisers in Moldova etc.).

The report details all the achievements, findings, conclusions and recommendations of the survey.

1. Background

CTO CARASENI, with the support of CONTACT Center (Chisinau), launched this survey in April-May 2015 in order to identify and assess the needs of Moldovan civil society organizations (CSOs).

For any survey, it is important not only to have a good information collection methodology and quality and diversified tools, but also knowledge of the studied area, extensive experience in analyzing the collected information and identifying the relevant trends. It is not enough to collect information with some sociological tools, but it is important for the author to know the studied area. To analyze the development needs of civil society organizations, the researchers also need to have credibility, good image and experience, because there is a risk that CSOs will not be open to an unknown organization or expert.

Therefore, the authors performed the survey on the basis of the collected information, following the principles of an *impartial, independent and representative survey* (both geographically and in terms of areas covered), offering *credibility* with their expertise, creativity and dynamics, as well as by their knowledge of the situation of Moldovan civil society, in particular the CSOs capacities.

The authors were also guided by the principle of *accessibility* of the collected and analysed data and recommendations, aligning the examination and analysis process to the set objectives, and preparing the report by the set deadline in the requested format.

As for the methodology, the authors collected the information using questionnaires, and in exceptional they resorted to interviews by phone to clarify and verify the collected information, thus removing the errors and ensuring reliability and validity of the methodology.

2. Associative Sector in the Republic of Moldova

The Moldovan civil society is young, with a history of about 20 years, since the declaration of the country's independence in 1991. Currently, about 9,740 non-profit organizations are recorded in the State Register of the RM. According to the Civil Society Development Strategy 2012-2015, only about 25% of the total number of CSOs are active enough and develop various projects and initiatives.¹ That means that about 1,948 organizations are active on the market. The same strategy states that most of the registered organizations (approx. 65%) are located in Chisinau municipality, although this administrative territorial unit represents only about 25% of the country's population. According to the State Register, about 70% of the registered public associations are public benefit associations².

The establishment and operation of civil society organizations in Moldova is governed by several laws and regulations, but the main ones are Law No 837 on Public Associations (1996) and the Civil Code of RM (2003). The Republic of Moldova does not have a Law on Non-Profit Organizations, although in 2008-2009 a draft law was developed to this effect, but was not adopted by the Moldovan Parliament for various reasons and was not actively promoted by

¹ http://www.fhi360.md/docs/MD_Strategy_2012-2015_unofficial_translation_ENG.pdf, page 4

² See State NGO Register, published and updated on the website of the RM Ministry of Justice www.justice.gov.md

the Government and/or the civil society, therefore the foundations, churches, trade unions and political parties are governed by different laws.

3. Thematic Concept of the Survey

3.1 Purpose of the Survey

The purpose of the survey was to assess the needs of civil society organizations and organizational strengthening service providers in the Republic of Moldova.

The survey aimed at identifying the strengths and weaknesses, opportunities for organizational capacity building, challenges and gaps on the market of organizational development service providers.

CTO CARASENI conducted this survey in April 2015 as part of the project “Support to the Local Service Market and to Providers of Organizational Capacity Development Services” in partnership with CONTACT Center (Chisinau) under the “Moldova *Partnerships for Sustainable Civil Society*” Program (MPSCS), funded by USAID and implemented by FHI 360. The survey was open to all kinds of civil society organizations (public benefit and mutual benefit), national, local, international organizations and foundations, foreign representative offices, and individual trainers-consultants in organizational development.

3.2 Variables of the Survey

The information was collected by means of the *Questionnaire for assessment of needs of civil society organizations and individuals, organizational capacity building service providers*. In some cases, the questionnaire responses were clarified by skype, email and telephone. Although a total of 25 CSOs were assessed out of the 1,948 active organizations, the collected data give enough information to understand and analyse the organizational development needs of the entire sector. This number does not diminish the importance of any conclusion or information included in the survey.

The survey includes, but is not limited to, the following organizational development issues:

- ✓ Organizational capacity building interventions, made in the past 2 years by the participants in the survey;
- ✓ Main challenges/difficulties encountered while implementing the organizational capacity building activities;
- ✓ Organizational capacity building interventions, performed for the benefit of the service providers participating in the survey;
- ✓ The organizational development services, demanded the most by other organizations;
- ✓ The source of payment for development services and whether they were paid or free;
- ✓ The organizations in the country that have capacity/experience in organizational development/technical assistance;
- ✓ The most demanded organizational development service providers on the market;
- ✓ The strengths and weaknesses of organizational development services offered on the market;
- ✓ Knowledge/skills/products/systems (achievements and weaknesses) existing in organizations with regards to:
 - Strategic Planning

- Project Management
 - Responsible Structure
 - Human Resource Management - HRM
 - Volunteering
 - Fundraising & Financial Sustainability of an organization
 - Organizational Processes - Institutional Capacities
 - Infrastructure
 - Inter-institutional relations/partnerships with media, public authorities, associative sector, private sector, donors' community, etc.
 - Development and implementation of organizational strengthening interventions/programmes
 - Other fields
- ✓ Organizational development needs of CSOs;
 - ✓ Willingness to participate in the organizational development programme supported by FHI 360.

4. Performance of the Survey

4.1 Preparation Phase

CTO CARASENI developed the survey methodology in partnership with CONTACT Center (Chisinau), which was coordinated with the international expert Keith Aulick, who suggested some topics that were subsequently approved (and included) by FHI 360.

The survey organizers decided to apply a mixed approach: on the one hand, they selected certain organizations and approach them directly, and on the other hand, they “left the door open” for others, by placing advertisements in media to encourage the participation of other organizations. They thus ensured a wider participation and tested the organizations' openness to such initiatives. Various methods and research tools were used, such as: Questionnaire for assessment of organizational development needs³ and, if necessary, email and face-to-face/individual interviews on skype were used.

CTO CARASENI jointly with CONTACT Center (Chisinau) identified 54 CSOs and individual service providers using their sources and other sources of information available, which they contacted by email and invited to participate in the needs assessment survey. CTO CARASENI used the list of CSOs and individual service providers given by FHI360. Selection criteria included the experience, diversity of fields of activity and the geographical coverage both of organizations and individual consultants-trainers that provide services of organizational capacity building.

During this period, CTO CARASENI developed the needs assessment methodology, the questions for the questionnaire, the advertisement, the list of CSOs and individual service providers that will be invited to comment on the survey, together with the other organizations that will apply on the basis of the advertisement published in the media⁴.

³ See the Needs Assessment Questionnaire in the Annex.

⁴See the advertisement in the Annex.

4.2 Media Coverage Phase

The survey was publicized in the media from 15 to 24 April 2015 by placing the advertisement and questionnaire on the website of CONTACT Center (Chisinau) (www.contact.md) and the Civic Monitor Informational Portal (www.civic.md).

Below are provided the links to the advertisement and the questionnaire on these sites:

- <http://contact.md/new1/index.php/ro/homepage/toate-noutatile/197-studiu-de-evaluare-a-necesitatilor> and
- <http://www.civic.md/stiri-ong/28058-studiu-de-evaluare-a-necesitatilor-ale-organizatiilor-societatii-civile.html>.

The information and the Questionnaire were distributed directly by email to the civil society organizations included in the list mentioned above (about 54 CSOs and individual experts). Some organizations (about 37) were informed about the launching of the survey by phone.

4.3 Information Collection Phase

25 of the 54 contacted CSOs and individual experts providing capacity-building services agreed to participate in the survey. Therefore the survey explicitly and this report implicitly contain information obtained from 25 questionnaires, filled in by 23 civil society organizations and 2 trainers-consultants from the Republic of Moldova.

5. Findings and Conclusions

5.1 Participation and Representation

This section of the report contains the findings and conclusions on the number and geographical location of the organizations that participated in the survey, their field of activity and other general aspects of the survey.

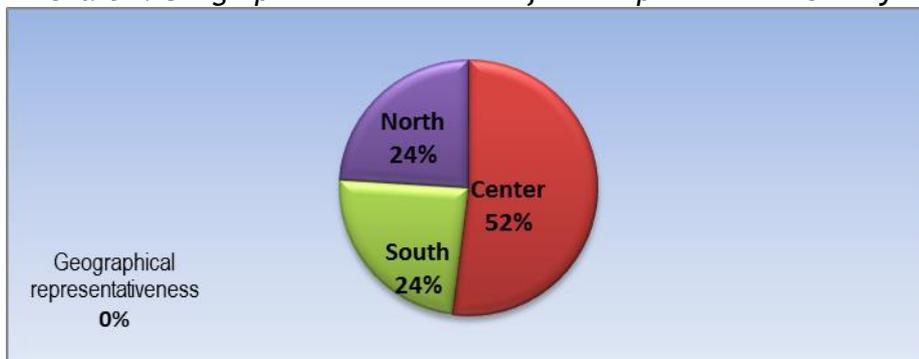
Thus, 25 respondents (23 Moldovan civil society organizations and 2 individual experts in organizational development) participated in the survey. The advertisement about the survey was publicized in several media sources and the term was extended; some civil society organizations were also contacted by telephone, and hence the number of organizations that participated in the survey increased up to the initially planned level⁵, but did not exceed the expected number. This is explained by the fact that the organizations had to make some effort to fill in the form.

Some civil society organizations that participated in the survey acknowledged its importance, but refused to answer the questions and fill in the form due to lack of time. In the expert's opinion, although the advertisement was publicized intensively by media and the deadline for form submission was extended, the low level of participation indicates the unavailability of many organizations, which is an indicator per se. Of course, organizations had to spend some time to fill in the form, but if they prioritized well their work, they could have found time.

⁵ Initially we planned to consult 25-30 CSOs from different regions of Moldova

The civil society organizations participating in the survey had a balanced geographical representation. Chart 1 confirms the balanced representation of the civil society organizations that participated in the survey.

Chart 1: *Geographical Distribution of Participants in the Survey*



Thus, although the number of local civil society organizations in the Republic of Moldova accounts for about 35% of the total number of CSOs, which is significantly lower than the number of CSOs registered in Chisinau (65%), the civil society organizations participating in the survey account for 52% of the total number of participating organizations, with 24% in the Northern and Southern regions of Moldova each.

5.2 The Work of Service Providers

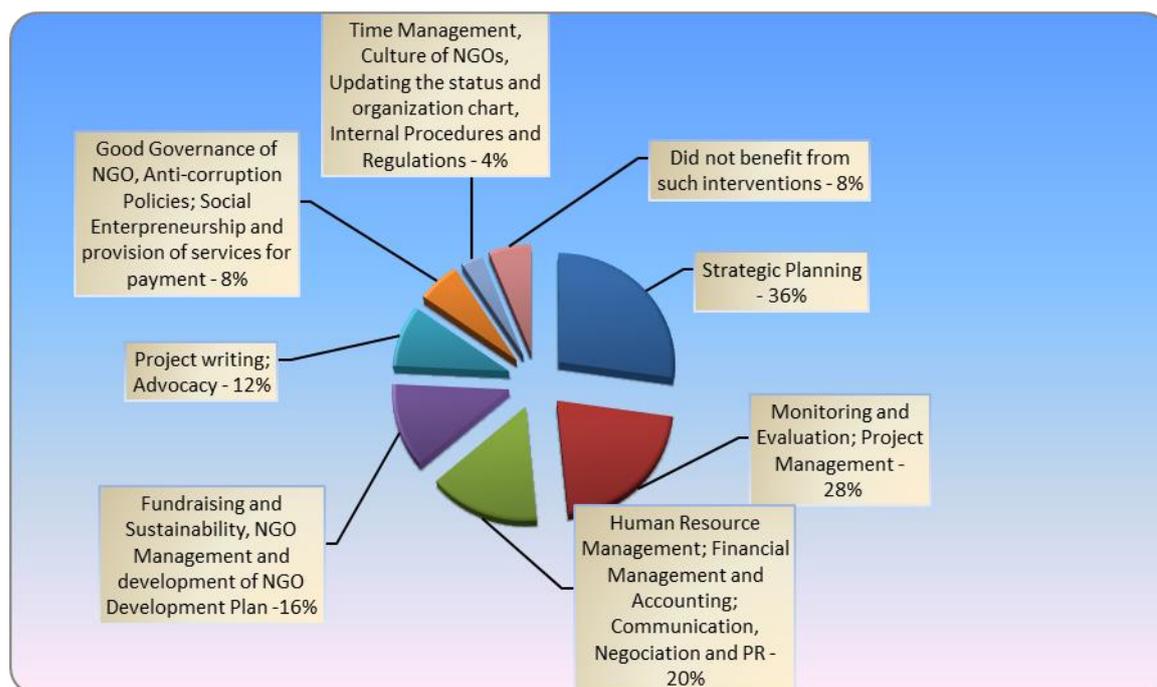
What organizational capacity building interventions have you performed in the past 2 years? What areas have you covered?

The survey determined that 80% of service providers have delivered training/support in organizational capacity development in the past two years (2013-2014), while 20% have not. The participants in the survey reported the following most common areas of interventions in organizational capacity building (presented in descending order):

- Strategic Planning
- Monitoring and Evaluation; Project Management
- Human Resources Management; Financial Management and Accounting; Communication, Negotiation and PR;
- Fundraising and Financial Sustainability; Organization Management and development of Organizational Development Plan;
- Project writing; Advocacy;
- Good Governance of CSOs; Anti-corruption policies; Social Entrepreneurship and provision of paid services;
- Time Management; Culture of CSO; Updating the statute and organizational chart; internal procedures and regulations.

Chart No. 2 shows the percentage of participants in the survey by areas of intervention.

Chart 2: *Recent Interventions of Capacity Building Service Providers*



The figures (%) show the percentage of the questionnaires which mentioned the above assessed issues. For instance, strategic planning was mentioned in 36% of the questionnaires, Human Resources Management and other topics in 20% of the questionnaires, etc.

The providers also reported interventions specific for their areas of activity, such as: survey visits, consultations and specific individual trainings in various areas: electoral processes, assisted community development, provision of home-based socio-medical services; use of IT and webinars, video conferences etc.

5.3 Beneficiaries and Frequency of Providers' Interventions

The providers participating in the survey has the following beneficiaries:

- Civil society organizations and initiative groups, which participated in the open courses/seminars held by providers;
- Civil society organizations belonging to the network of some donors;
- Civil society organizations from certain coalitions/unions of organizations (councils)
- Local public authorities (LPAs)
- Public educational institutions (schools, kindergartens, libraries)
- Individual beneficiaries (parents, people with disabilities, etc.)
- Community leaders
- Business sector representatives
- Own team (provider's staff and/or Board members).

The frequency of interventions (consultations, training) was determined by the contractual arrangements or project requirements, ranging from: weekly, monthly, bi-monthly and occasionally. The interventions took place both face-to-face and by phone, via skype or email.

The providers' interventions had from three to 40 beneficiary organizations (in case of unions of organizations).

5.4 Challenges/Difficulties in Organizational Capacity Building

The survey identified the following challenges/difficulties in the organizational capacity building:

- The organizations and their key staff are not fully aware of the need to develop, believing that this is for the sake of donors rather than for their own sake, i.e. low motivation and unwillingness to change and leave the comfort zone;
- The developed management procedures are not implemented. The organizations find it difficult or are unwilling to change internally. It is necessary to overcome the resistance to change of some organizations or members;
- The staff does not have all the necessary resources, tools, knowledge and skills to improve their capacity;
- Low level of expertise, perceived competition among CSOs;
- Some members of CSOs have language barriers, they do not speak well enough the official language and cannot acquire the necessary knowledge;
- Shortage of funds in the project budgets. The high workload of CSOs and poor planning of organizational development activities;
- Insufficient financial sources to cover the costs of organizational capacity building activities;
- Reluctance of (youth) organizations to be assessed, invoking the lack of time or irrelevance of such an action;
- The failure of local CSOs to comprehend the need to enhance and build the capacity of team members and the benefits of this process;
- Indifference to community activities;
- Failure to understand the civil society's role and LPA's unwillingness to cooperate with the local civil society;
- Shortage of time;
- Unwillingness to move from the identification of the organization's problems to implementation of practical solutions;
- Sometimes proposed events were not realistic, especially when the human capacities of the association were limited to 2-3 people;
- Insufficient knowledge, resources and experience and lack of specialized subject-matter trainers;
- Lack of internal body/structure that would directly implement the proposals/objections obtained within the assessment;
- Low demand for interventions in organizational capacity building from CSOs;
- Low involvement of the Board in the CSOs activity;
- Lack of written procedures for the CSO activity;
- High costs of the training activities organized abroad;
- A provider that participated in a training in Romania obtained an European certification, which is not valid in Moldova;
- Insufficient trainings organized by professional institutions and undiversified range of training topics;
- Most of the trainings in Moldova are not adjusted to the needs and their quality is low;
- There is not any accreditation system for providers of organizational development service.

5.5. Capacity Building of Service Providers

Did your organization benefit from training/support in developing its capacities in the last two years?

80% of providers benefited from training/consulting, i.e. support for the development of their own capacities in the last two years, while 20% did not have this opportunity.

The statement of a service provider is eloquent in this respect: *“Our organization has benefited a lot thanks to the support of our donors. We submit to every donor information about our training needs and request financial resources to meet these needs and support for team building and institutional development. We do the same in the case of projects that have a separate component for organizational development and require an organizational development plan. This is accepted by donors with whom we have a strong long-term cooperation”*.

Organizations involved in providers’ development: CTO CARASENI, CONTACT Center, CICO, ASCENDING Center, Chamber of Commerce and Industry of the RM (outsourcing), Association of Professional Accountants and Auditors of the RM, Open Government Institute, Development Training Consulting (Iasi, Romania), Expert Group, Pro Business Nord and FHI 360.

Topics demanded by the provider (in decreasing order):

- Strategic Planning
- Advocacy
- Results-Based Management
- Internal Procedures: Manual for the staff, Code of Ethics, Data Security Policy
- Institutional Evaluation
- Communication and PR
- CSO Management
- Equal Opportunities

Donors who supported the providers of organizational development services:

- USAID
- FHI 360 /MPSCS
- SOIR Moldova (Sweden)
- HEKS Foundation - Moldova (Switzerland)
- AHEAD - Moldova (Norway)
- Diakonia Foundation, Czech Republic
- Swiss Red Cross
- REC - Hungary
- East Europe Foundation
- International DVV
- UNDP
- IREX/Novateca
- International Federation of Library Associations
- Caritas Moldova
- Soros Foundation Moldova

The list of donors that supported the organizational development of CSOs was developed based on the surveyed CSOs and authors’ knowledge. Although a separate question if authorities support OD of

CSOs through their Grant program was not included in the Questionnaire, a few CSOs mentioned that the Government does provide financial assistance. Anyway, the authorities are not reluctant to fund this because of their Regulations, which have to be considerably improved. This could be the topic of another survey.

5.6 Services Required the Most by Providers

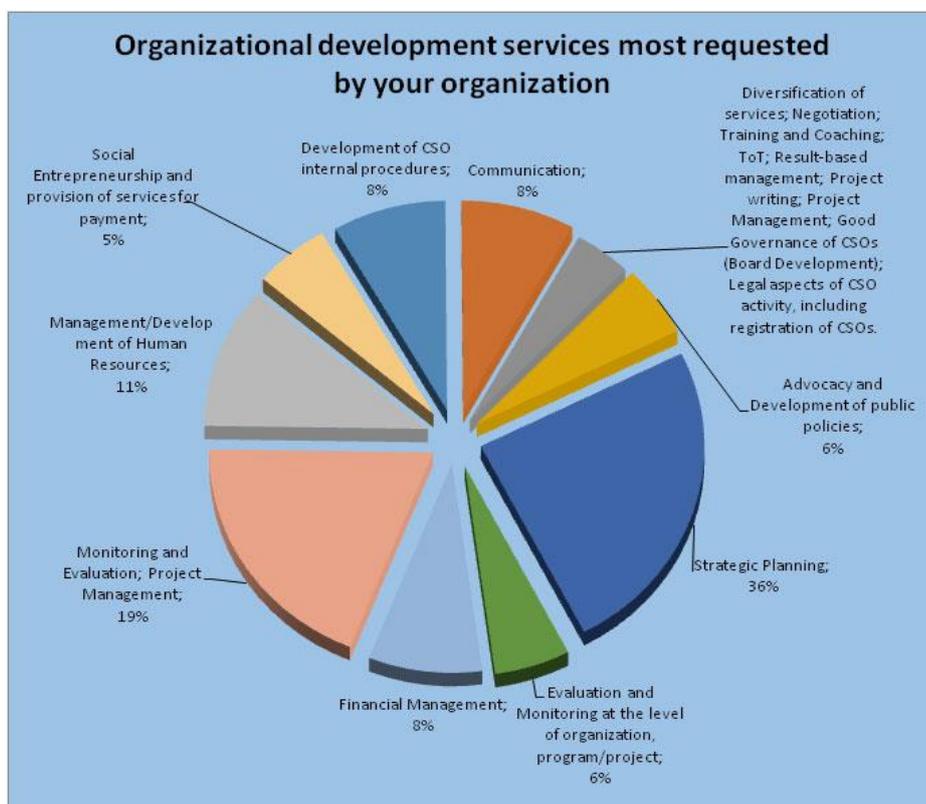
What organizational development services are most required by your organization?

The organizations participating in the survey stated that they had required services in the following areas:

- Strategic Planning
- Fundraising
- Human Resource Management/Development
- Development of internal procedures of CSOs
- Communication, involvement of (social) media and public relations
- Financial Management
- Social entrepreneurship and provision of paid services
- Evaluation and Monitoring at the level of organization, programme/project
- Advocacy and Public Policy Development
- Diversification of services; Negotiation; Training and Coaching; ToT; Result-based management; Project writing; Project Management; Good Governance of CSOs (Board Development); Legal aspects of CSO activity, including registration of CSOs;
- Involvement of volunteers.

Below is the relevant chart.

Chart 3: Organizational Development Services Requested the Most by Providers



The figures (%) show the percentage of the questionnaires which mentioned the above assessed issues.

Providers requested the following support methods: training, consulting and assistance when needed, and mentoring/coaching for certain areas of organizational development that require qualified, long-term intervention with tangible results.

Each activity of organizational development would have measurable results related to CSO's institutional development and internal behaviour. Though the questionnaire did not contain a specific question on the applicability of these activities, CSOs mentioned difficulties with the application of the obtained knowledge due to the lack or insufficiency of time, financial and human resources. Various organizations face different challenges. Based on the experience of CTO CARASENI, we may notice the difference between mature and developing CSOs and between their internal systems. However, the findings drawn from the need assessment survey are not enough for a comprehensive analysis, therefore we cannot formulate any recommendations with regards to systems, policies and procedures.

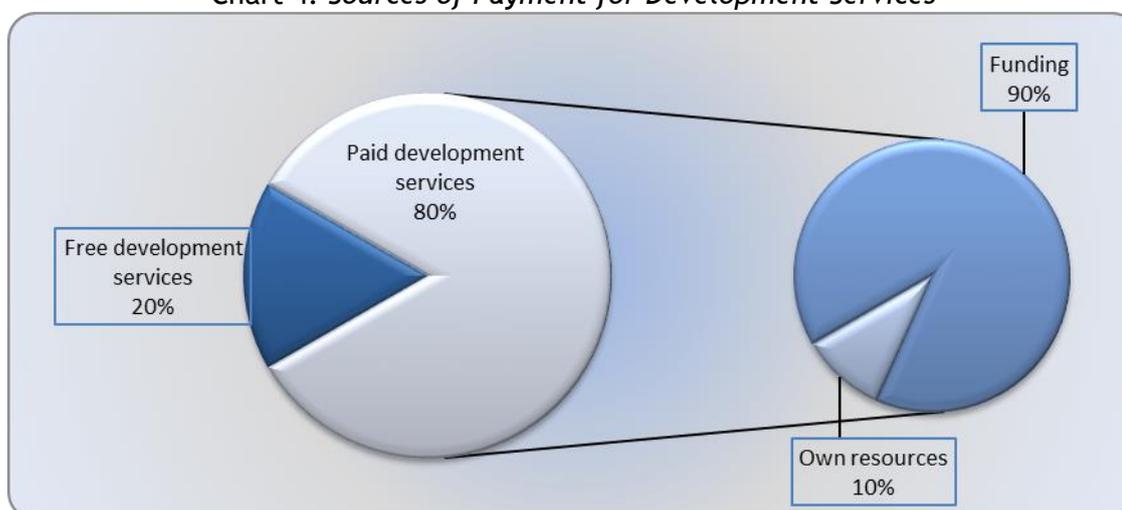
5.7 Sources for Payment for Providers' Services

From what sources are development services covered? Are they paid or free?

The survey found that 80% of the services of participating providers are financially covered, and 20% are provided at their own initiative.

Of the 80% financially covered services, about 90% come from project budgets and are covered by donors, and 10% from beneficiaries' own resources obtained from the provision of certain services, membership fees and other income. Chart No 4 shows the structure of the payment sources.

Chart 4: Sources of Payment for Development Services



Hence, 90% of beneficiaries of organizational development trainings participate for free in workshops or programs and only 10% of them pay a certain fee for the provided services.

The organizations said they do not have a budget for capacity building. In addition, based on CTO CARASENI experience and observations, the trainers' fees vary (from \$80 to \$250 per day) from trainer to trainer, and from region to region. Thus, the fees charged by local trainers in regions are lower than in Chisinau. The trainers' fees are established, considering

the level (local, national and international) and duration of their experience in organizational capacity building. Because of many individual and contextual (socio-economical) factors, the prices and costs for capacity building services has increased, compared to the last years. However, it worth noting that a specific research in this area was not subject of this survey, so it is not possible to confirm or infirm the above mentioned costs. This could be a subject for a specific market research, targeting the financial aspects of the capacity building interventions.

In any cases, there are few web resources⁶ for Moldovan CSOs offering capacity development tools (methodology and guidance on organizational growth). Thus, the CSOs should learn by themselves and try to develop their organization with minimum financial resources.

5.8 Organizations that Have the Necessary Organizational Development Capacity/ Experience

The participants in the survey were asked to nominate the organizations in the country that have the ability/experience in organizational development/technical assistance. Some of those nominated are: AXA Management Consulting, AIESEC, Students Alliance of Moldova, ASCENDING, CASMED CONTACT Center (Balti), DACIA Center, CICO, CIDO, CCF, Demos, DICTIE.MD, DVV, Eco-Tiras, CONTACT Center (Chisinau), CONTACT Center (Cahul), Eco-Contact, Expert Group, FHI 360, East Europe Foundation, GUTTA CLUB, HEKS, IDIS Viitorul, Open Government Institute, IPP, IREX, MEM, Motivation, CTO CARASENI, Pro Regional Cooperation, Resonance, SOIR Moldova, Trimetrica (IT), UAP.

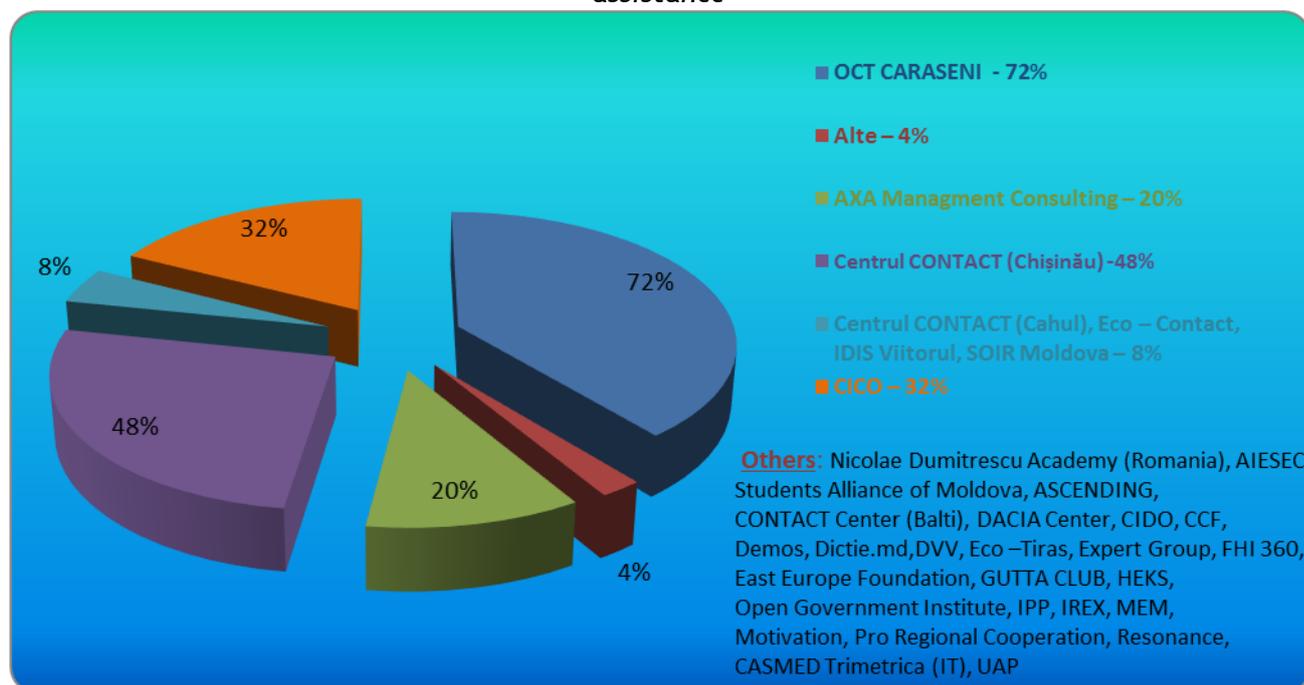
As an observation, service providers are both CSOs and companies. The market of capacity building services increased or at least the companies' name became known. There are no researches on fluctuation of the capacity building service providers or on the profitability of the businesses from this sector. It is worth mentioning that the activity of companies that provide organizational development services depends on the same conditions as CSOs - the market offer. Both CSOs and business are ready to provide paid services to all categories of customers, but in many cases, the organizations (non-profit ones) cannot afford them.

Regarding trainers, the common practice of Moldovan CSOs is to work with local ones, but when the organization cannot find such expert or the existing ones have insufficient experience, they invite foreign experts/trainers.

Chart No. 5 shows the participants' answers in the survey, including the share of questionnaires that stated the respective providers out of the total number of questionnaires.

⁶ <http://www.civic.md/util.html>
<http://www.fhi360.md/index.php/ro/resources/cso-organizational-management.html>
<http://management.md/resurse-utile/>
<http://sector.rec.org/index.php?page=dezvoltare-organizationala>

Chart 5: RM organizations that have the ability/experience in organizational development/technical assistance



The figures (%) show the percentage of the questionnaires which mentioned the above assessed issues.

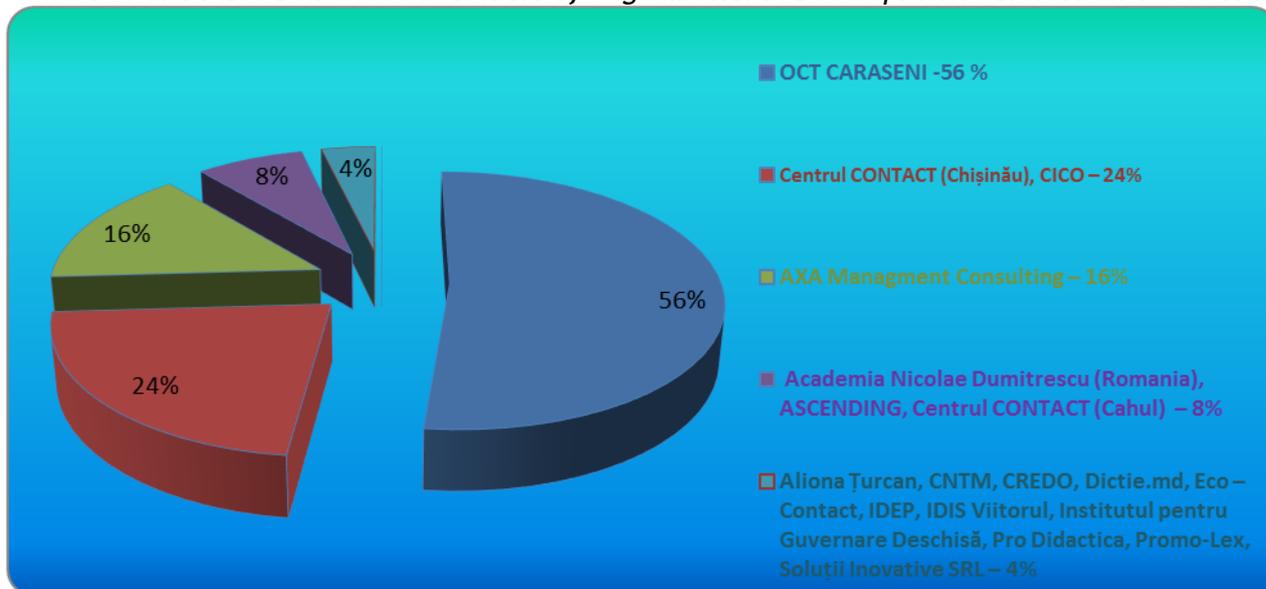
When asked Who are the most demanded organizational development service providers on the market, in your opinion (training, coaching, mentoring, evaluation)? The participants' responses were:

- We don't know;
- Training. There was a surplus of such trainings in the RM, with different levels of expertise, which devaluated the idea itself. Development of some alternative forms that could provide a perspective;
- CTO CARASENI;
- I personally do not value the words "most demanded on the market", because "demanded" does not necessarily mean quality. I prefer another approach, the best providers in the country, from which I learned a lot, are the following: Gheorghe CARASENI, Nicolae Dumitrescu Academy, CICO, CONTACT Center (Cahul);
- ProDidactica NGO, Innovative Solutions LLC, AXA Management Consulting, CARASENI, CICO
- CARASENI;
- Aliona Turcan;
- CONTACT Center, CTO CARASENI, IDIS Viitorul;
- Trainings - CONTACT, CICO, CNTM, Coaching - CTO CARASENI; Evaluation - CTO Caraseni, AXA Management Consulting;
- Gheorghe CTO CARASENI, Axa Management Consulting, CONTACT Center, Promo-Lex, CREDO;
- Contact/CTO CARASENI/CICO;
- CTO CARASENI/Ascending/Contact/Open Government Institute;
- We don't have any information;
- CTO CARASENI, Contact, CICO;

- CICO, AXA Consulting, Ascending;
- CTO CARASENI;
- Gheorghe CARASENI;
- CTO CARASENI;

The summary of the respondents' answers are presented in the chart below.

Chart 6: The Most Demanded Providers of Organizational Development Services on the RM Market



The figures (%) show the percentage of the questionnaires which mentioned the above assessed issues.

Chart No. 6 shows the participants' answers in the survey, including the share of questionnaires that stated the respective providers out of the total number of questionnaires.

5.9 Strengths and Weaknesses of Organizational Development Services Offered on the Market?

As was mentioned above, providers of capacity development services are both companies and CSOs. All of them have both strength and weaknesses. This survey emphasized the role of CSOs as capacity development service providers starting from the most vulnerable point - their own internal development. Thus, it could be said that the "grey areas", identified during the survey, influence these CSOs⁷, oftentimes limiting their opportunities.

Civil society organizations will have to determine for themselves how to organize their work and what to improve, on the basis of on the key findings of this survey. We may thus conclude that the CSOs, which provide services, still need comprehensive capacity building support.

⁷ Please see the explanation at the end of p. 6.1

The strengths and weaknesses listed below are areas for improvement for CSOs-service providers with a strong understanding that it is more difficult than not to create a service provision system without strong internal structure and functional policies and procedures. This list is only an indication for the interested organizations, and are not mandatory for them.

Strengths and weaknesses of the organizational development services offered on the market:

Strengths:

- Help improve the management of organizations;
- Develop system-based management (policies and procedures);
- The teaching material is up-to-date, easy to remember, interesting, and useful;
- Competition between providers;
- Existence of expertise in certain areas;
- The external donors covering the costs for organizational development services;
- Organizational development services are provided based on the successful models existing in other organizations in the EU or US;
- Services are provided by people from our society, who know our realities;
- Help establish the identity and create visibility, high quality services, especially in case of providers (CARASENI CTO, CICO, ASCENDING, Open Government Institute) and mobility to travel in the field, to the CSO offices outside the capital city;
- Level of professionalism of some trainers;
- Use of international experience in the development of CSOs, development of guides and support materials;
- Knowledge of the peculiarities of CSOs in Moldova;

Weaknesses:

- Lack of individual approach and consulting services not focused on results;
- Trainings are focused on knowledge transfer and to a lesser extent on development of competences, practical skills for organizations;
- Often the organizational development is focused on the professional development of staff and to a lesser extent on development of management systems;
- Lack of subject-matter specialists with enough training;
- Few organizations (CSOs) that are ready to pay for such services;
- Such services are occasional;
- There are several experienced national consultants in the RM, but some donors do not accept to contract them repeatedly;
- Some providers are limited only to the knowledge acquired in the past and do not persevere anymore;
- Services are too focused on “*how it should be*” and less on “*what you need to do to make things right*”;
- Training models are not always adapted to the RM realities;
- The quality of services is low to medium, high quality services are practically nonexistent;
- The participants in trainings are very heterogeneous in terms of their skills and experience, which affects the effectiveness of learning/development;
- Low promotion, we are not aware of an electronic platform with information on providers of organizational strengthening services and new development opportunities;

- Such services are quite expensive, and projects usually focus on practical actions, rather than on organizational development.
- The allocated budget is limited, while the implementation period is long and the requirements are very high. It is very difficult to find experts to develop the IT infrastructure (e.g. database, website) or to train members of staff in specific areas (in particular fundraising and project management);
- Lack of specialized trainers;
- Beneficiaries cannot afford paying for services;
- The services are not always affordable to smaller organizations, whose financial resources are extremely limited;
- There are few providers who work at the community level, tackling the local problems;
- Insufficient support materials in minority languages;

5.10 Knowledge/ Skills/ Products/ Systems in the Organization

The survey has revealed the following knowledge / skills / products/ systems, existing in organizations:

Field	Achievements/Strengths/Qualities	Drawbacks/Weaknesses/Difficulties
Strategic planning (SP) <ul style="list-style-type: none"> ○ Existence of SP ○ Implementation and assessment of SP and AP ○ Etc 	<p>64 % of the respondents declared that they have Strategic Plans and Action Plans, which are totally or partially implemented, assessed and revised.</p> <p>12% are working now on their strategic priorities</p> <p>24% do not have yet long term strategic plans/priorities</p>	<p>SP is outdated, and not updated;</p> <p>The requirements are different for every donor;</p> <p>The strategic plan is implemented only partially;</p> <p>Lack of performance indicators that would allow assessing the progress made in each strategic direction;</p> <p>Lack of a single system of indicators, which would allow assessing all CSOs projects;</p> <p>Insufficient resources for implementation;</p> <p>Gaps in management and risk management;</p> <p>Dependence of external factors/financial resources;</p> <p>Sporadic and sometimes theorized planning; not everyone is involved in planning, and persons in charge of the implementation are not assigned;</p> <p>SP is a grave for CSOs, allowing them to move only within the limits of a closed space;</p> <p>Difficulties in the implementation and assessment of SP/AP;</p> <p>Difficulty in the development of the strategic plan;</p>

<p>Projects Management</p> <ul style="list-style-type: none"> - project development/writing - project implementation - project assessment - <u>Results-Based Management</u> - RBM (planning, implementation, monitoring – assessment, reporting) 	<p>96 % of respondents have declared that they have knowledge and experience in the development and management of projects. The responsibilities for project implementation are relatively delimited, and CSOs have monitoring and assessment experts.</p> <p>4% declared that they have brief knowledge in development and management of projects.</p>	<p>Deficiencies related to the involvement of the team; Project writing is a problem requiring training, including on how to access external funds; Absence of Results-Based Management; Absence of an internal tool that would regulate the project writing process; Projects are not results/impact-oriented; Difficulties with monitoring, assessment and reporting on project outcomes/impact; Difficulties with time/deadline management; Gaps in media coverage of projects and communication between partners/ donors/ beneficiaries; Inadequate resources for the implementation of projects; Difficulties in involving more donors and distributing resources within one project; Absence of grant writers in CSOs;</p>
<p>Unit in charge</p> <ul style="list-style-type: none"> - Active Administrative Board/Council; - Ifferentiation between the President/CEO; - Cooperation between the Board and the executive staff. 	<p>44% of the respondents have mentioned that the structure of the CSO sets out clearly the role of the Board and the Executive, that is why the cooperation is quite productive. Members of the Board are relatively active. The president is a volunteer, elected by the GM or the Board, for a certain period of time. The CEO is appointed for a negotiated period with or without remuneration. The President chairs the Board that takes decisions; the CEO manages the team that implements the decisions, etc.</p> <p>12% of the respondents have mentioned that they are working on streamlining their organizational structure. 36% of the respondents gave a negative answer to this question.</p>	<p>Most the respondents (56%) mentioned that they encounter difficulties in motivating the Board members.</p> <p>Other 20% - do not have a CEO position in their organizational chart.</p> <p>The rest of deficiencies and difficulties are related to:</p> <ul style="list-style-type: none"> - Failure to separate powers between the CSO President and CEO; - Unclear distribution of powers and insufficient cooperation between the Board and the Executive; - Ambiguity of the Executive’s powers; - The Board does not have persons with influence;

<p>Human Resource Management - HRM (employed staff)</p> <ul style="list-style-type: none"> - Employed staff - Knowledge, skills, expertise - HR motivation, staff turnover - HRM/HR development tools - HRM procedures - HR performances assessment 	<p>76% of the interviewed respondents have declared that are have a HR policy, they have a series of HR procedures, job descriptions, performance indicators. The staff is trained periodically, and the staff turnover is low.</p> <p>24% did not have any employees at the moment of the survey.</p>	<p>16% of the organizations have problems with staff turnover;</p> <p>However, most of the organizations (56%) have shortcomings and need to improve their skills in assessing the staff performances, and feel the lack of human resources assessment and development tools (Personal Development Plan). Other shortcomings stated:</p> <ul style="list-style-type: none"> - Poor knowledge and skills in HRM; - Absence of a HRM manager; - Difficulties with staff motivation; - Insufficiently qualified staff in development and management of initiatives; - Insufficient knowledge of foreign languages;
<p>Volunteer activity</p> <ul style="list-style-type: none"> - Involvement of volunteers - Motivating volunteers - Types of volunteers (short and long term) 	<p>52% of the respondents have declared that they periodically involve volunteers in project implementation activities, at different public meetings or for logistical purposes. Volunteers come from the community, educational institutions, and/or beneficiaries.</p> <p>The volunteers' involvement may last from one month to 3 years, while the number of involved volunteers may vary from 1 to 13.</p>	<p>48% of the organizations do not have volunteers.</p> <p>The most frequent deficiencies are:</p> <ul style="list-style-type: none"> o CSO does not have a volunteer policy and mechanisms to recruit volunteers; o Insignificant knowledge of CSOs leaders about the recruitment and motivation of volunteers; o Difficulties in motivating volunteers⁸; o Volunteers turnover; o Active young people want to be volunteer, but lack time; adults are not motivated to participate in volunteer activities; o Poor knowledge about volunteering in Moldova; o Lack of an employee - coordinator of volunteers; o Difficulties with legalizing the work of volunteers.
<p>Fundraising & Financial sustainability</p> <ul style="list-style-type: none"> - Diversification of CSOs income sources - Ongoing projects - Donors Matrix - Fundraising Plans - Fundraiser - Etc. 	<p>72 % of CSOs have ongoing projects for 1 - 3 years. The number of active projects varies from 1 to 5, and the number of donors - from 1 to 10.</p> <p>36% of respondents have diverse sources of income for CSOs (external donors, public authorities, business entities, fundraising, economic activity, provision of paid services)</p> <p>8 % of CSOs have Fundraising Plans</p>	<p>The most common difficulties/shortcomings in the field:</p> <ul style="list-style-type: none"> - Lack of a Fundraising Plan and of the necessary resources for fundraising (92% of CSOs); - Lack of a fundraiser or specialist in project writing, these tasks being carried on by the leaders of the organization; - Lack of a matrix of potential sponsors/donors; - Lack of financial resources to pay for the fundraiser;

⁸Some of the participants of in survey declared that it is impossible to motivate the volunteers only with some workshops, trainings, team building activities.

	4 % of CSOs have a Fundraising specialist and a Donors Matrix.	<ul style="list-style-type: none"> - Lack of trainings and knowledge in innovative fundraising methods; - Lack of time for fundraising.
<p>Organizational processes</p> <ul style="list-style-type: none"> - Institutional capacities - Administrative procedures / Operational guidance - Internal communication - Delegation - Etc. 	<p>44% of CSOs have declared that they have developed most of all internal procedures and documents/policies.</p> <p>12% of the CSOs are working on the development of internal procedures: Communication plan (internal and external), internal regulations, instructions for the implementation of different technological processes in the organization (assessment, development, consulting, etc.)</p>	<p>24% of the CSOs do not have an Operational Manual with the internal procedures, which should be developed.</p> <p>16% have declared that the current administrative procedures are not relevant and shall be updated.</p> <p>Other identified deficiencies and needs:</p> <ul style="list-style-type: none"> - Internal policies and procedures are separated and not merged in a single document. - There aren't any clear procedures for monitoring and assessment; - It is not clear from what sources the CEO is paid, because 90% of the raised funds are earmarked for concrete projects; - Inadequate delegation of responsibilities;
<p>Infrastructure</p> <ul style="list-style-type: none"> - Office (private or leased) - Training Room/Conference Room - Equipment - Furniture - Motor vehicles - Etc. 	<p>8 % of the CSOs own their offices.</p> <p>92% lease their offices.</p> <p>94% of organizations have the necessary logistic and technical conditions for their activity (equipment, furniture, etc.)</p> <p>36% have space for conferences and trainings.</p> <p>24% of organizations have 1-5 cars that their own.</p>	<p>Main identified shortcomings that affect the activity of organizations, are:</p> <ul style="list-style-type: none"> - Lack of training spaces; - Lack of transportation means; - Lack of own offices, and high leasing fees. In some cases, this generates other problems, related to: Activity License, sanitary authorization and Certificate of accreditation, which stipulate the registered address of the CSO. It could be problematic to change the office, because the Government authorities monitor the activities annually, and if at the moment of control the CSO does not have an appropriate office, in line with the quality standards, the Activity License, sanitary authorization and Certificate of accreditation are withdrawn and the CSO cannot provide services anymore to beneficiaries.
<p>Inter-institutional relationships /Partnerships with:</p> <ul style="list-style-type: none"> - Mass Media - Public authorities - Associative sector - Private sector - Donors community 	<p>84% of organizations have productive partnerships within the associative sector from the Republic of Moldova and other countries, with the community of donors, with central and local public authorities, with mass media and occasionally - with the commercial sector.</p>	<p>Main drawbacks:</p> <ul style="list-style-type: none"> - Many of the existing partnerships are not documented; - The relations with mass-media and public authorities are not sufficient; - Lack of specialists in public relations; - Low visibility of organizations; - The relations with the community of donors and private sector are underdeveloped.
<p>Development/implement ation of organizational</p>	<p>36% of organizations have or have planned and budgeted</p>	<p>Main drawbacks:</p> <ul style="list-style-type: none"> - Insufficient resources (human and

<p>strengthening interventions/programs</p> <ul style="list-style-type: none"> - Trainings for Trainers (ToT) - Mentoring/Coaching - Change management etc. 	<p>ongoing programs of capacity development and strengthening with mentoring/ coaching and trainings for partner CSOs, have a team of trainers that participates in various trainings, provide consulting.</p>	<p>financial) for the development and implementation of interventions/programs aimed at organizational strengthening;</p> <ul style="list-style-type: none"> - Insufficient ToT, especially mentoring/coaching, - Lack of knowledge in fostering and management of organizational changes.
--	--	--

5.11 Organizational Development Needs

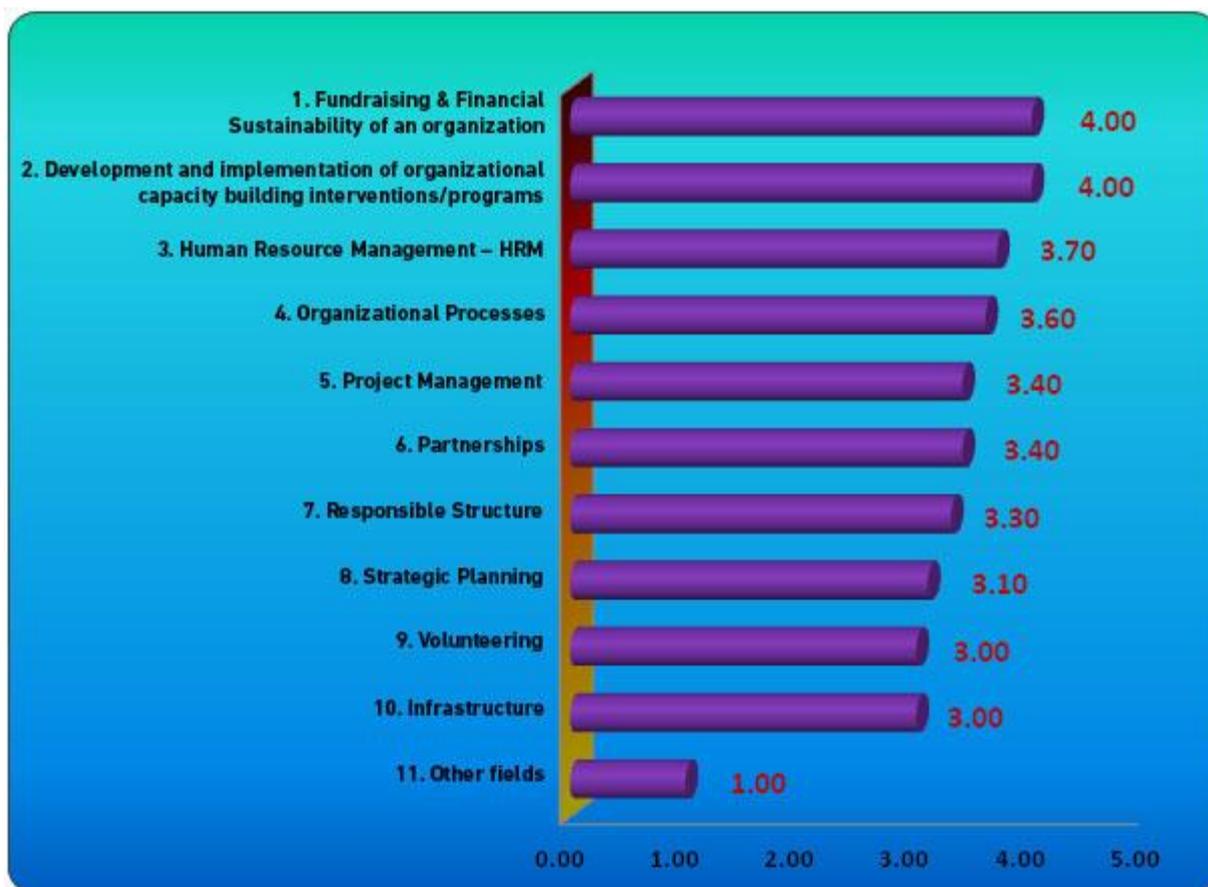
The participants in the survey have been asked to assess the needs for organizational development of their CSOs⁹. The development needs and the score assigned by participants are presented below, in Chart 7.

1. *Fundraising and Financial Sustainability of the organization*
2. *Development and implementation of organizational consolidation programs*
3. *Human Resource Management*
4. *Organizational processes*
5. *Management of projects*
6. *Partnerships*
7. *Unit in charge*
8. *Strategic planning*
9. *Volunteering*
10. *Infrastructure*
11. *Other fields* that have been mentioned: sale of services; public relations; development of skills and capacities in service provision: IT, e-learning, live streaming, management of interactive platforms, photo, video processing, web design, development and administration of database, organization of public events.

There are neither studies nor researches on the number of service providers on the Moldovan market, nor the list of provided services, with very few exceptions. Each service provider - organization - depends on its staff, i.e. involved trainers, experts, consultants and their experience. The staff turnover is a common practice in Moldova, therefore the diversification of services is strongly connected to this. Moreover, many experts and trainers work for more than one service provider, so it is very difficult to establish the areas of services provision.

Chart 7: Organizational Development Needs

⁹On a scale of 1 to 5: 1- it is not relevant; 2-less relevant; 3-quite relevant;4-relevant;5 -very relevant.



For the question „Would you be interested and are you available to join the Program of Organizational Development carried on by CTO CARASENI in partnership with the Center CONTACT and supported by FHI 360?” - 92% have answered YES unconditionally, while 8% gave an affirmative answer, but depending on the approached program and subjects, which is an indicator of high interest for the organizations in this project.

5.12 Gaps and Needs of the Associative Sector in Transnistrian Region

While the survey was open to all civil society organizations across Moldova, including Transnistrian region, organizations from the left bank of the Nistru river did not participate. In this context, the survey authors, “Apriory” Association elucidated the deficiencies and needs only of the organizations from the Transnistrian region and reflected the findings of the Forum¹⁰, which covered the relevant topics.

According to the Forum’s findings, the main shortcomings of the CSOs from Transnistrian region are the following:

- Difficulties in cooperation with the Transnistrian authorities;
- Low trust in CSOs due to the limited promotion and anti-propaganda of the Transnistrian authorities;

¹⁰ Solidarity Lab-Hub Forum was created with the support of European Council, Austrian Agency for Development and Cooperation and Foundation for Solidarity and Partnership.

- Underdeveloped infrastructure of CSOs;
- Lack of any organizational development plans;
- Low level of development, evaluation and motivation of human resources;
- Staff turnover;
- Underdeveloped volunteering;
- Knowledge gained during various trainings is not applied;
- Lack of strategic planning;
- No differentiation between strategic and operational planning;
- No segregation of duties within the organizations;
- Lack of financial resources, fundraisers and weaknesses in fundraising activities.

The following needs were established for the Transnistrian CSOs:

- Development of a common vision on the development of CSOs;
- Improvement of the organizational structure;
- Motivation and development of human resources, development of appropriate policies;
- Development of volunteering;
- Strengthening partnerships;
- Development (culture) of fundraising;
- Developing fundraising plans and grow experts in the field.

5.13 Final conclusions

In the opinion of authors, the survey was an important exercise, which brought benefits both to its owners and the participating organizations, because it reflected a number of aspects related to the development of organizational capacities of CSOs from the country, in particular: identified the most recent and demanded areas of intervention in organizational capacity building; the sources of payments; the players - the main providers of development services; problems/difficulties faced by organizations and providers; achievements, shortcomings and their needs for development, as well as the relevant trends in consolidation of organizational capacities.

The survey identified that the main trends in the consolidation of organizational capacities in Moldova aimed: to stimulate strategic planning and prioritization by organizations; promote monitoring and assessment; improve the management of human, financial resources and projects; develop the internal procedures; adjust the structure, and improve the management of organizations and the financial sustainability of organizations. Progresses haven been undisputably made in these fields, with different levels of achievement among organizations, for example in strategic planning, over 60% of the organizations managed to set priorities, but find it difficult to implement the strategic plan and secure the necessary resources for implementation. Often organizations do not perceive the link and do not ensure the transition between the strategic aspects (included in the strategic plans) and the operational ones (reflected in projects), as the strategic documents are too theoretical. As stated by some respondents, many organizations do not fully understand yet the benefits of organizational development, which is often carried out only because it is a requirement/condition imposed by donors, rather than their own proactive approach.

In other fields, e.g. human resource management, project management and fundraising, organization progressed significantly, managing to acquire knowledge, develop different operational and managerial procedures, delineate responsibilities in the organizations. The remaining deficiencies are related to: no development tools available to team members; failure to assess the performance of team members; low motivation and staff turnover; low capacities in accessing European funds, lack of fundraising plans and qualified fundraisers, and paradoxically, lack of time to carry on these activities, which could afterwards save time and effort.

In spite of the efforts and investments made, slower and moderate progresses were made with regards to improving the organizations' governance and developing proper organizational structures. Only about 40% of respondent organizations reported to have a proper functional structure, most of them finding it difficult to distribute the governance and management duties and to improve the activity of their boards. This is a sensitive issue because in order to improve the organizational structure it is often necessary to redistribute the powers and duties, while many organizations have not delineated the duties between their CEO and the President, with the leader of the organisation holding both functions. Respectively, the "externally" imposed requirement to restructure the organization according to the organizational management principles often generates individual and/or organizational resistance to change.

Development of internal procedures is another issue, which although has an increasing trend, is still difficult and cumbersome, because it is complex (includes management, legal, and financial regulations) and is less known to organizations, which often perceive it as a perfunctory requirement imposed by donors, failing to understand its usefulness and applicability.

Whereas, most of the organizations surprisingly defined development and implementation of organizational strengthening interventions/programmes (organizational development plans) as a priority, though it was not promoted systematically and comprehensively in the previous or current initiatives of organizational capacity building, with some exceptions.

Two other issues, which although were stated as weaknesses and difficulties by the participants in the survey, were not identified as development needs: 1) Problems with the practical application of the knowledge acquired during trainings/overcoming the obstacles to organizational changes and 2) Evaluation of performances/effects. In this case, support is required in two areas: Organizational Change Management and Results-Based Management. Both these aspects are recommended in the following chapter - *Recommendations*.

Analyzing the achievements, weaknesses and difficulties identified by organizations and comparing them with the invoked development needs, we find that most of the organizations detected their weaknesses that require strengthening, such as: fundraising and increasing the financial sustainability; development and implementation of organizational strengthening plans; enhancing the efficiency of human resource and project management, and streamlining the organizational processes.

At the same time, implementation of good governance and streamlining of the organizational structure are still low on the organizations' agendas, mainly due to the reasons explained above.

The weaknesses and needs of CSOs from both banks of the Nistru river, identified during the survey and forum, are similar. Anyway, there are some major differences regarding the difficulties encountered by Transnistrian CSOs, such as: working with authorities, limited financial resources, non-friendly legislation, less qualified human resources, management issues, volunteering, fundraising, delineation of responsibilities, etc.

The needs of these CSOs are similar in essence. Preparation of Organizational Development Plans, setting of strategic priorities, improvement of human resource efficiency and diversification of funds.

In conclusion, it is worth mentioning that some of the organizations that participated in the survey suggested certain „atypical” subjects for the associative sector of Moldova, which in our opinion are important and necessary for many organizations, such as: sales, diversified services and the use of IT. These and many other recommendations are presented in the next chapter.

6. Recommendations

This final chapter of the Report on the assessment of the needs of civil society organizations from the Republic of Moldova, contains the recommendations formulated on the basis of the findings and conclusions presented above. The recommendations have been structured in two groups:

- 1) *Recommendations on the areas that require organizational capacity building in the civil society organizations (CSO), and*
- 2) *Strategic recommendations for development of partners, mainly for the supporters of civil society strengthening in the Republic of Moldova.*

6.1 Recommendations on the Areas Requiring Capacity Building in CSOs

Therefore, based on: 1) results of the survey; 2) invoked development needs/preferences of the nongovernmental organizations and service providers, and 3) opinion of CTO CARASENI CTO, interventions are necessary, mainly for the development of organizational capacities of both CSOs and capacity builders in the following fields (which are not presented in order of importance, but rather in a logic order):

- ✓ *Development of organizational development plans (ODP) to define the overall vision and set a full and comprehensive framework for the organization's activities, and synchronize it with the strategic plan of the organization. In other words, the projects/programs (stipulated in SP) are implemented in parallel with the organizational development activities (stipulated in ODP). This approach could have several undeniable benefits, because it: 1) narrows the gaps between the organizational objectives and the human resource capacity; 2) synchronizes the implementation of initiatives with capacity development, which will help raising*

financial resources for both processes. It is recommended for the ODP to include properly budgeted interventions in the fields listed below. The ODP should be attached to the SP.

- ✓ *Efficient governance of CSO.* Though important (the survey revealed that most of the organizations (56%) have serious issues in this regard), this area of intervention is not very popular among the organizations, which could be explained by the difficulties related to separation of powers between the President and CEO/Board and the Executive, Board motivation, etc. That is why it ranks the 7th in the top 10 necessities/preferences of organizations.
- ✓ *Strategic planning.* Though it was the most demanded area of interventions aimed at consolidation of organizational capacities (see Chart 3), it is still a priority, because it is the first stage and defining element of the organizational management. That is why, this area needs to be supported further on, as it helps organizations to think outside the box, identify and harness opportunities. The fact that many organizations have gaps in implementing the strategic priorities that they have identified is a normal „biological” stage of the organizational development cycle. It is not enough to only develop the SP. In addition, it is necessary to plan/budget the monitoring and evaluation/revision of SP implementation. Besides, the key strategic partners from certain areas need to synchronize their priorities with the priorities of the donors supporting those areas. To do this, both groups need to define their priorities and exchange information systematically in order to achieve synergy of their efforts.
- ✓ *Management of organizational changes.* Though service providers have not identified expressly this subject as a „need”, they have mentioned the difficulties and issues related to understanding and implementation of organizational changes, which coincides with the opinion of CTO CARASENI. Therefore, more interventions are needed in planning, management and overcoming the individual and organizational resistance in the process of CSO development. Otherwise, many of the members of organizations attend various trainings in different fields, and then they return to their organizations and encounter resistance and difficulties in implementing the knowledge and instruments obtained during the trainings. This decreases significantly the efficiency of civil society’s capacity building.
- ✓ *Results Based Management.* Is another recommendation for the development of civil society organizations, and its elements can be derived from the deficiencies mentioned above (e.g. identification of performance indicators; assessment of performances and effects of interventions in organizations). This would allow organizations to focus not only on the implementation of planned activities and reporting of the „performed” activities, but also on „what has changed as a result of what we have done” and on outputs, outcomes and impacts. In other words, the organizations will focus equally on processes and effects, or changes in the intra- and extra-organizational environments.
- ✓ *Fundraising, project development and management, and access to European funds.* This complex subject will probably never lose its topicality, because it is the cornerstone and a precondition for the civil society organizations to carry out their mission and achieve the strategic and operational priorities. Though many trainings

have been organized in this area and organizations acquired wide knowledge, it is important to foster the development and implementation of fundraising plans, appointment of fundraising coordinators/fundraisers, development of job descriptions and personal development plans of fundraisers, promotion of the social responsibility concept in the business community, access to European funds, and provision of paid services. Sales of services/provision of paid services are also relevant in this context. All these measures will improve both the organizations' financial sustainability and fundraising efficiency.

- ✓ *Development and management of human resources and volunteering.* This is another topic frequently tackled during trainings, but implemented with difficulty, especially in respect of staff motivation, development and performance assessment. We recommend including these major topics in the future initiatives aimed to consolidate organizational and personal capacities of the members of civil society organizations. Volunteering is an asset, which civil society organizations should use, as it is a unique benefit, available only to the associative sector, compared to the Government and business sectors. However, only 50% of organizations have reported to involve volunteers in their projects on a regular or systematic base. In the „development needs” chapter, this aspect is underestimated and cannot be found among the development priorities of organizations. The contribution of volunteers is valuable and represents the support of the community offered to an organization, which has a role in the respective community. The approach shall be different when the organization is willing to make efforts to obtain and keep such a support.
- ✓ *Regulation of organizational procedures.* It is not only a technical, but also a complex area, as it comprises rules and procedures from different fields (legal, management, financial). The implementation of this recommendation would make the organizational management more efficient, as a whole, including the management of the human, material and financial resources, and of the organizational processes, which influence the organization's activity.
- ✓ *Management of relationships and consolidation of partnerships.* Overall organizations have very good results in this area (see the conclusions of the survey), however, there are obvious shortcomings in respect of public relations, use of mass media and raising the awareness of business communities in the field of social responsibility. As a result, most of the organizations have insufficient visibility and do not have a substantial support from the business community.
- ✓ *Lobby and Advocacy.* The extent to which civil society organizations manage to influence the public decision-making process, either at the local or national level, is an important indicator. Even the service providers, who are often involved in meeting the beneficiaries' needs, should influence the decision-making related to their area of activity.

It is important to mention that the range and consecutiveness of interventions may vary from organization to organization, however, at least these fields are recommended to be included in the Organizational Development Plans (ODP).

Additionally, analyzing the weaknesses of the organizational development services and the most demanded interventions, "gray areas" could be noticed, i.e. there are many weaknesses that service providers should take into accounting when designing and developing the appropriate services. For example, the adjustment of the organizational development tools to the specific needs of the civil society of Moldova, segmentation of services by participants' level of development and dividing participants depending on their experience, use of webinars etc.

6.2 Strategic Recommendations for Development Partners

These recommendations refer, first of all, to the development partners and supporters of civil society consolidation in the Republic of Moldova, including - without any doubt - the rest of stakeholders and CSOs.

It is important that our efforts - to consolidate civil society organizations, through both thematic programs and some components especially aimed at organizational development of CSOs operational projects - to have a *relevant* and *consecutive* logic of interventions, given the development needs of organizations.

In this context, for development partners who have specific networks of organizations or support the development of certain organizations (for example, SOIR Moldova, HEKS, partially - SOROS Foundation, East European Foundation, FHI 360, etc) our recommendation is to request that the application/vision of organizational capacities consolidation be accompanied by ODP, which is a *map* or „roadmap“, reflecting the destination to be reached by the organization in its course of capacity and skills development. Thus organizations will be able to meet their strategic and operational commitments.

Each program, which supports the organizational development, has specific components. The donors' community does not have a common approach to organizational development process and the documents to be used to this end. Thus, the organizational development plans do not represent a must for the organizations that receive a financial support from the donors' community. Anyway, such donors as FHI 360 have supported and required that CSO work on their organizational development plans, which strengthen and direct CSOs towards valuable achievements.

On the other hand, any map is useless if you do not know the point of your location. So it is necessary to trace your course up to the destination point. In other words, the development of the ODP should be preceded by the assessment of the organization in order to identify the baseline situation (the point showing the current location of the organization) and the transformations that are necessary to improve its operational standards, efficiency and impact.

Therefore, these are the key pre-conditions for a consistent intervention in the development of concrete organizations and that is why they are recommended.

Another aspect that must be mentioned refers to the continuous support for consolidation of organizational capacities together with thematic projects for basic fields of organizations. *Capacity building is an endless process and not an one-time act*, which means that the development of new and more ambitious initiatives and implementation of changes in the

intra- and extra-organizational context should be permanently accompanied by organizational capacity building, to bring the organization to the next level. That is why it is recommended to budget financial resources for this purpose.

For the development partners, who have programs/projects aimed at supporting the civil society as a whole and not (only) some certain organizations, which are strategic partners (for example, UNDP, FHI 360 - partially, SOROS Foundation, East European Foundation, etc.) our recommendation is to use the findings and recommendations of this survey on the assessment of needs of the associative sector in the Republic of Moldova, in order to identify and stimulate changes at macro levels and influence the corresponding trends in the field, for example, lack of fundraisers in the absolute majority of CSOs may constitute a good opportunity for such programs, which could boost the creation of the Association of Fundraisers in Moldova, which, for example, could become member of the Association of Professional Fundraisers¹¹. This can provide access to professional expertise in the field, which will influence in a positive way the trends of civil society organizations in the Republic of Moldova. This situation is valid for the community of valuers from Moldova, which - in fact - exists, even though, in some post-Soviet countries such as Kyrgyzstan, Ukraine, Georgia or Russia, it exists only as a formality without being registered, operating more as a platform.

Another key and relevant subject for the Moldovan civil society is the lack of certification for providers of organizational development service (as in many developed countries, including, from recently, Romania) - which is recommended to improve the quality standards in the field.

These two tangible and highly relevant initiatives - Association of Professional Fundraisers and a Certification Committee could catalyze fundraising, but donors should not establish them, only support their establishment. Such an intervention requires time, financial resources and a professional approach. Thus, donors can support development of tailored courses (not workshops) on fundraising and valuation, and at the next stage - to encourage the establishment of specialised bodies in both areas and provide capacity development support, including grants to both associations. These bodies would be regarded as the output of the capacity building interventions and would provide tailored services to CSOs.

Anyway, these are just some examples, which are recommended to be included in the action plan of programs for civil society consolidation in the Republic of Moldova, drafted and implemented by development partners. Specific studies on organizational development issues, e.g. incomes of service providers, costs of services provision, Governmental funding of organizational development etc. might give a broader picture to the further CSOs' development in Moldova.

For the future, the development of more initiatives of this type is recommended, because these initiatives must be directed to identifying the needs of nongovernmental organizations, as well as the corresponding trends, since such exercises may stimulate and calibrate the development of the associative sector, as well as contribute to fostering the spirit of cooperation.

¹¹Association of Fundraising Professionals <http://www.afpnet.org/>

Planned roundtables in regions will contribute to the dissemination of the results, and will emphasize the appropriate directions for CSOs' development. Such events will generate immediately key finding, thus revealing the opinions of civil society representatives, which could be subsequently taken into consideration for future initiatives.

7. ANNEXES

Annex 7.1

ADVERTISEMENT

The Organization for Consultancy and Training CARASENI in partnership with the *Center CONTACT* (Chisinau), is conducting a *Needs Assessment Survey (NAS) of Civil Society Organizations (CSO)* in the period of April 15 - 22, 2015. This survey is conducted the "Support to the Local Service Market and to Providers of Organizational Capacity Development Services" Project, implemented by CTO CARASENI and Center CONTACT (Chisinau) under the *Partnerships in Moldova for a Consolidated Civil Society* program, financially supported by the US Agency for International Development (USAID) and implemented by FHI 360. For additional information see <http://fhi360.md/>.

NAS has the aim to identify the strengths and weaknesses, opportunities for organizational capacities consolidation, challenges and gaps on the market of organizational development service providers. The survey will identify the needs of CSOs and organizational consolidation services.

At the end of the survey a NAS Report will be prepared, which will contain findings, conclusions and recommendations for the consolidation of organizational capacities.

The report will be made public, placed on-line (on web-sites, information portals) and submitted/discussed in three round tables (in Cahul, Balti and Chisinau). CSOs, providers of organizational development services, and individual consultants/trainers are encouraged to participate in this *Needs Assessment Survey*, by filling in and sending the ***Needs Assessment Questionnaire***.

The Needs Assessment Questionnaire can be downloaded from the website www.contact.md or here: <http://contact.md/new1/index.php/ro/homepage/toate-noutatile/197-studiu-de-evaluare-a-necesitatilor>, or requested and returned from/to nadya_parasca@yahoo.com until **April 22, 2015**.

For questions and additional information, please contact Nadia Parasca by email or by phone 0692-86-594.

Annex 7.2

Needs Assessment Questionnaire

Introduction

Information about the CSO

Name of the organization:

Address:

Period of activity:

Field of activity:

(healthcare, management, community development, disabilities, environment, human rights, culture, etc)

Information about the person in charge (who filled in the questionnaire)

Name, surname:

Position:

Contact data:

- email:
- Mob:
- Skype:

Key questions related to the background of the needs to consolidate the organizational capacities:

1. What kind of interventions do you implement/have you implemented in the last 2 years in order to improve the organizational capacities? Which are/were the subjects?
2. For whom and how frequent do you implement/have you implemented the respective interventions?
3. Which are/ were the main challenges/difficulties that you had to overcome during your activities of organizational capacities consolidation?
4. Did your organization benefit from training/ support in the development of personal capacities in the last two years?
5. If YES - explain (who, when, whose support)?
6. Provide the names of national organizations that have capacity/experience in the field of organizational development/ technical assistance?
7. What knowledge/ skills/ products/ systems does your organization have in the following fields?

Field	Achievements/strengths /qualities	Drawbacks/weaknesses/ difficulties
Strategic planning - Existence of Strategic Planning - Level of SP implementation - SP assessment - Action Plan (AP)		
Project Management - project development/writing - project implementation - project assessment - <u>Results Based Management</u> - RBM - (planning - implementation - monitoring - assessment - reporting)		
Unit in charge - Active Administration		

<p>Board/Council</p> <ul style="list-style-type: none"> - Separation between President/CEO - Cooperation between the Board and the executive staff 		
<p>Human Resource Management</p> <ul style="list-style-type: none"> - HRM (employed staff) - Employed staff - Knowledge, skills, expertise - Staff motivation - Staff turnover - HRM/HR Development tools - HRM procedures - Staff performance assessment 		
<p>Volunteering</p> <ul style="list-style-type: none"> - Involvement of volunteers - Types of volunteers (long and short term) 		
<p>Fundraising and Financial Sustainability of the organization</p> <ul style="list-style-type: none"> - Diversification of CSOs income sources - Ongoing projects - Donors Matrix - Fundraising Plans - Fundraiser/grant writer 		
<p>Organizational processes - Institutional capacities</p> <ul style="list-style-type: none"> - Administrative procedures / Operational guidance - Internal communication - Delegation 		
<p>Infrastructure</p> <ul style="list-style-type: none"> - Office (owned or leased) - Training Room/Conference Room - Equipment - Furniture - Motor vehicles 		
<p>Inter-institutional relationships /Partnerships with:</p> <ul style="list-style-type: none"> - Mass Media - Public authorities - Associative sector - Private sector - Donors community 		
<p>Development/implementation of organizational strengthening interventions/programs</p> <ul style="list-style-type: none"> - Trainings for Trainers (ToT) - Mentoring/Coaching 		

- Management of organizational changes.		
Other fields		

8. *Assess the needs for organizational development in your organization*; use the 1 to 5 scale which is provided below: 1 - not relevant; 2- less relevant; 3 - mainly relevant;4- relevant; 5 - very relevant

	1	2	3	4	5
1. Strategic planning	<input type="checkbox"/>				
2. Project Management	<input type="checkbox"/>				
3. Unit in charge	<input type="checkbox"/>				
4. Human Resource Management	<input type="checkbox"/>				
5. Volunteering	<input type="checkbox"/>				
6. Fundraising and Financial Sustainability of the organization	<input type="checkbox"/>				
7. Organizational Processes	<input type="checkbox"/>				
8. Infrastructure	<input type="checkbox"/>				
9. Partnerships	<input type="checkbox"/>				
10. Development and implementation of programs for organizational strengthening	<input type="checkbox"/>				
11. Other fields	<input type="checkbox"/>				

9. *Are you interested and available to join the Program of Organizational Development, carried out by CTO CARASENI in partnership with the Center CONTACT and supported by FHI 360¹²?*

Thank you for your efforts

Annex 7.3

List of Participants in the Survey

No	ORGANIZATION	LOCALITY
1	CRAION CONTACT - Cahul	Cahul town

¹²The Program of Organizational Development will last for 12 months and will consists of: 1 ToT of 3 days; five workshops of 2 days each, in organizational development, discussion clubs, follow-up assistance for the individuals and organizations involved in the project.

2	“AZI” NGO	
3	“SPERANȚA” NGO	
4	PRIMA NGO	Taraclia town
5	”Vdohnovenie” NGO	Comrat town
6	”Vesta” NGO	
7	Center of Organizational Training and Consultancy (CICO)	Chisinau municipality
8	“Voinicel” Center of Early Interventions	
9	“Center of Legal Assistance for Persons with Disabilities” NGO	
10	National Youth Council of Moldova (CNTM)	
11	CONTACT Center	
12	Daria Mandziuc, trainer-consultant	
13	Gutta-Club National Center	
14	Representative Office of “ HEKS” Swiss Foundation in the Republic of Moldova	
15	Association of Librarians from the Republic of Moldova	
16	“Millenium” Training and Development Institute	
17	“Eco-Razeni” NGO	Razeni village, Ialoveni District
18	“Woman and Child - Protection and Support” NGO	Criuleni town
19	Serghei Lisenco, trainer-consultant	
20	CONTACT- Balti Regional Center	Balti municipality
21	Pro Regional Cooperation	
22	”CASMED” Center for Home-Based Social and Health Care NGO	
23	“Mostenitorii” NGO for children and youth	
24	Alliance of Community Centers for Access to Information and Training	Rezina town
25	“DEMOS” NGO	Edinet town



Policy Paper

**Impact of the 2% Law on financial sustainability of the
Civil Society Organizations**

Authors: Sorina MACRINICI, Ilie CHIRTOACĂ



Policy paper was drafted by Legal Resources Centre from Moldova, in partnership with European Center for Not-for-Profit Law, within the Moldova Partnerships for Sustainable Civil Society, implemented by FHI360. This Policy paper is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the authors and do not necessarily reflect the views of USAID or the United States Government.

Table of Contents

- Development of Percentage Designation Mechanism in the Republic of Moldova 2
- Provisions of the “2% Law” - Problems and Solutions..... 3
 - 1. Unequal Conditions for Civil Society Organizations and Religious Institutions..... 3
 - 1.1. Eligibility..... 3
 - 1.2. Liability..... 4
 - 2. Failure to Ensure Financial Sustainability of Civil Society Organizations 4
 - 2.1. Beneficiaries..... 4
 - 2.2. Making the Percentage Designations 5
 - 2.3. Use of Percentage Designations 7
 - 2.4. Control and Sanctions 9
 - 2.5. Institutional Capacity 9
- Recommendations 10

Development of Percentage Designation Mechanism in the Republic of Moldova

The Civil Society Development Strategy for 2012-2015 (p. 2.1.1.) foresees the approval of a mechanism that allows redirecting 2% of the individuals' income tax to civil society organizations (CSOs).¹ According to Action Plan for Strategy Implementation, this mechanism was supposed to be approved in 2013 and enforced since January 1st of 2014.²

On 12 February 2013, with the participation of civil society representatives, an inter-ministerial working group was established,³ empowered to present an analysis on the opportunity of granting the right to direct a part of income tax and time frame for its implementation.⁴ The Ministry of Finance was appointed as responsible to check the fulfillment of this task. The working group developed a study on the opportunity of percentage designation mechanism implementation, a draft Law and a draft Government Decision for the implementation of percentage designation mechanism. However, in November 2013, the Ministry of Finance withdrew the developed draft regulatory acts from the Government's agenda.

On 23 December 2013, the Parliament approved the amendments to the Tax Code by introducing in Article 88 (7) of the Tax Code the right to redirect at most 2% of the income tax in order to support public benefit non-profit organizations and religious institutions.⁵ This draft law was included by the Parliament in a draft law developed by Government,⁶ when adopting it in the second reading. On 13 February 2014, the Constitutional Court declared Article 88 (7) of the Tax Code as being unconstitutional due to the fact that it was approved without the consent of the Government, in violation of the budgetary procedure stipulated in Article 131 of the Constitution, and without consulting the local authorities, contrary to the local autonomy principle stipulated in Article 109 of the Constitution.⁷

On 18 July 2014, the Parliament approved a new "2% Law",⁸ which was included in a draft law, proposed by the Government, which was already approved in the first reading.⁹ It is unclear whether the shortcomings found by the Constitutional Court and pointed out in its judgment of 13 February 2013 have been repaired.¹⁰ The Government was supposed to approve the implementation mechanism within 3 months since the law entered into force, i.e. until 15 November 2014. By 15 April 2015, the implementation mechanism of the "2% Law" had not been adopted and the law was not enforced.

Government's Action Plan for 2015-2018 has as an objective "to promote and strengthen the financial sustainability of CSOs by approving enforcement procedures of the legal provisions on the redirection of a part of tax to public benefit organizations by individuals and legal entities".¹¹ The development

¹The Civil Society Development Strategy for 2012-2015, approved by Law No 205 of 28 September 2012, page 14.

²The Action Plan for the Implementation of Civil Society Development Strategy for 2012-2015, page 6.

³The civil society was represented, inter alia, by members of Council of NGOs and National Council for Participation.

⁴ Government Order No 17-d of 12 February 2013.

⁵Law No 324 of 23 December 2013 on Amendments and Addenda to Some Legal Acts, Art. IX, p. 34.

⁶ Draft law No 491 on the Amendments and Addenda to Some Legal Acts, available at <http://www.parlament.md/ProcesulLegislativ/Proiectedeactelegislative/tabid/61/LegislativId/2051/language/ro-RO/Default.aspx>.

⁷Constitutional Court, Judgment of 13 February 2014

⁸Law No 158 of 18 July 2014 on Amendments and Addenda to Some Legal Acts, which amended the Tax Code, Law on Civic Associations, Law on Freedom of Consciousness, Thought and Religion and Code of Administrative Offences.

⁹ Draft Law No 163 on Amendments and Addenda to Some Legal Acts, available at <http://www.parlament.md/ProcesulLegislativ/Proiectedeactelegislative/tabid/61/LegislativId/2268/language/ro-RO/Default.aspx>.

¹⁰There are no evidences of Government's consent or of consultations with the local public authorities.

¹¹Activity Program for 2015-2018 of the Government of the Republic of Moldova, pages 41-42, available at <http://www.parlament.md/LinkClick.aspx?fileticket=uskJCCIZKzg%3D&tabid=128&mid=506&language=ro-RO>.

partners of the Republic of Moldova recommended to the Government to implement the “2% law” as soon as possible.¹²

Provisions of the “2% Law” - Problems and Solutions

The designation mechanism was approved with the aim to increase public awareness of the civil society sector, enhance communication skills of CSOs, developing a culture of philanthropy and contribute to enhance financial sustainability of CSOs. However, the provisions of the current package of laws could compromise this goal. These include unequal conditions for civil society organizations and religious institutions to access the mechanism, use the designations, report and sanction in case of improper use of sources. In addition, some provisions on the mechanism beneficiaries, manner to perform the designations, use of accumulated sums, as well as the control and sanctions for improper use could affect negatively the existence of percentage designation mechanism, and implicitly, the financial sustainability of civil society organizations. These problems could be solved by approving Government decision in order to enforce the implementation mechanism, while other problems require amendment of the package of laws that constitute the “2% Law”.

Further, we will describe the problematic provisions of the “2% Law” and indicate policy options.

1. Unequal Conditions for Civil Society Organizations and Religious Institutions

CSOs and religious institutions are the direct beneficiaries of the “2% Law” and respectively, competitors in attracting designations. At the same time, they are in unequal conditions in terms of accessing the percentage designation mechanism, reporting and financial control on use of designations, as well as sanctioning in case of improper use of funds obtained as a result of percentage designation. This means a different treatment without a reasonable justification, which could constitute discrimination.

1.1. Eligibility

CSOs have to obtain the public benefit in order to be able to receive percentage designations, unlike the religious cults and their components, which must be only registered at the Ministry of Justice.¹³ The public benefit status is conferred to civic associations that have been operating for one year at least and perform activities for public benefit. In addition, the organization must comply cumulatively with certain criteria on its statute, organizational structure, submitting annual reports and no debts to the National Public Budget.¹⁴ The Public Benefit Certificate is provided for a 3-year term.¹⁵ Therefore, civil society organizations must obtain it every 3 years in order to participate in the 2% mechanism, unlike religious institutions that do not have such a condition. According to the information provided by the Ministry of Justice in 2013, out of about 9,500 CSOs registered, less than 1,000 hold public utility status.¹⁶ For example, in Hungary the CSOs can receive the public benefit status, but it is not a precondition to receive the percentage designations, being enough to prove that the organization is registered for at least 2 years and carries out public benefit activity.

Eligibility conditions must be equal for both civic associations and religious institutions. We believe that it would be fair for CSOs to prove public benefit activity as a precondition to be eligible for the designation mechanism. In this way, we will assure that public money is spent for public benefit.

¹²Informative notices submitted by the Moldova’s development partners, January 2015, page 36, available at http://gov.md/sites/default/files/document/attachments/briefing_book_rom.pdf.

¹³Article 8(1)(d) of the Tax Code.

¹⁴Article 30¹ of Law No 837 on Civic Associations of 17 May 1996.

¹⁵Article 32² (2) of Law No 837 on Civic Associations of 17 May 1996.

¹⁶ ECNL, Comments on the designation mechanism in Republic of Moldova, October 2014, page. 2 (unpublished)

Policy option: Replacing the eligibility condition for public associations to benefit from the "2% Law" from holding public utility status to proving in carrying public utility activities.

1.2. Liability

The "2% Law" foresees that both CSOs¹⁷ and religious institutions¹⁸ must report financial data on the use of amounts received as a result of percentage designations. The liability for improper use of amounts obtained as a result of percentage designation for civil society organizations consist in paying a fine and withdrawal of status of public benefit for a 3-year period.¹⁹ In addition to the loss of benefits provided by the public benefit status, it also included the failure to access the designation mechanism during 3 years. For the same actions, the religious institutions will fine the persons in positions of accountability, and they will continue to participate in 2% mechanism.²⁰

Policy option: Introduce equal rules and sanctions for CSOs and religious institutions the improper use of designations – (1) fines (2) return of misused sums and (3) exclusion from the designation mechanism for a certain period of time.²¹

2. Failure to Ensure Financial Sustainability of Civil Society Organizations

The current version of the "2% Law" includes some provisions that could affect negatively the existence and development of percentage designation mechanism and as a result the financial sustainability of civil society organizations. Specifically, it refers to the beneficiaries of the mechanism, making of designations, use of accumulated amounts, as well as control of the use of amounts and sanctions for illegal use of percentage designations.

2.1. Beneficiaries

Competition between Civil Society Organizations and Religious Institutions

Both CSOs and religious institutions are beneficiaries of the same percentage designation mechanism. Inevitably, it will lead to competition between these organizations. This competition will not be equal, considering the different conditions of accessing, reporting and imposing of sanctions, but also the great confidence in churches and a quite modest confidence in CSOs. According to Public Opinion Barometer of April 2015, 81% of persons from the Republic of Moldova trust churches, and only 24% trust NGOs.²² These figures have not changed a lot during the past years.²³

The "2% Law" does not provide for the possibility to divide those 2% between a civil society organization and a religious institution. Therefore, the designation could be made to a civil society organization, or to a religious institution. Considering the unequal conditions of access and reporting, on one hand, and general mistrust of people in civil society from the Republic of Moldova, on another hand, the 2% mechanism might rather become a financial support mechanism for religious institutions. This does not contribute to the financial sustainability of civil society organizations.

¹⁷Article 32⁵ (e¹) of Law No 837 on Civic Associations of 17 May 1996.

¹⁸Article 43¹ (3) of Law on Freedom of Consciousness, Thought and Religion No 125 of 11 May 2007.

¹⁹Article 33⁴ of the Law on Civil Associations No 837 and Article 298 (4¹) of the Code of Administrative Offences.

²⁰Article 43² of the Law on Freedom of Consciousness, Thought and Religion No 125 and Article 298 (4¹) of the Code of Administrative Offences.

²¹ See p. 2.4 of the document for more details on the penalties for the misused funds from the designation mechanism.

²²Institute for Public Policy, Barometer of Public Opinion, April 2015, page 37, available at http://ipp.md/public/files/Barometru/BOP_04.2015_prima_parte_finale.pdf.

²³According to the Barometer of Public Opinion, November 2014, 80% of persons trust churches, and only 26% trust NGOs, page 42, http://ipp.md/public/files/Barometru/Brosura_BOP_11.2014_prima_parte-r.pdf. In November 2013, about 84% of persons trusted the church, and only 22% - NGOs, page

41, http://ipp.md/public/files/Barometru/BOP_11.2013_prima_parte_finale.pdf.

Both CSOs and religious institutions contribute to the development of community and should benefit of a mechanism that will ensure and increase their financial sustainability. However, it is important to ensure equal chances for all the participants involved in the process. For example, in Hungary, people might designate 1% to CSOs and another 1% to churches. Thus, CSOs and churches are not forced to compete with each other, but with organizations of the same category.

Policy options: Eliminate the competition between civil society organizations and religious institutions by:

- 1) Designating 1% to civil society organizations and another 1% to religious institutions, or
- 2) Introducing a new designation option, providing for the possibility to divide the 2% in two parts: for a CSO and a religious institution.

List of Beneficiaries

The amendments introduced by the “2% Law” foresee that the list of beneficiaries of the 2% mechanism shall be adopted annually by the Government.²⁴ This process could be quite bureaucratic and slow, considering the legislative technique that could lead to delays in the preparation of the list, and respectively, to the inefficiency of mechanism. In addition, the “2% Law” provides that all the CSOs with public benefit status and all registered religious institutions automatically participate in the 2% mechanism. However, there could be situations when certain organizations would not want to receive the percentage designations. Due to this reason, the organization needs to register in this program in advance and on a voluntary basis. This would increase the interest of organizations in this mechanism, it would make them more active, and respectively, it will enhance the mechanism’s efficiency.

Considering that the Ministry of Justice is involved directly in the registration of religious cults and their components and provides assistance to the Certification Commission that issues public benefit certificates, we believe that the Ministry of Justice has all the necessary resources to draw up annually the list of “2%” Law beneficiaries. For instance, in Hungary the central tax authority checks the compliance with eligibility conditions and draws up a list of beneficiary organizations annually.

Policy option: Introduce a preliminary registration procedure to be able to benefit from the 2% mechanism. The Ministry of Justice should be the authority that establishes annually the list of beneficiaries of the percentage designation mechanism.

2.2. Making the Percentage Designations

Methods to direct the 2%

The Tax Code stipulates three options by which the amounts designated to beneficiaries could be directed:

- a) with the submission of the income tax return;
- b) by wire transfer;
- c) by the employer.²⁵

The existence of several ways to transfer percentage designations is welcomed, offering flexibility to both employers and employees. At the same time at least two of these three methods could create difficulties and confusion for the authorities responsible for the transfer and control of funds. The Tax Code does not define the exact frequency of percentage designations. The employers must withhold and pay taxes to the budget of all monthly payments to employees.²⁶ Therefore, now it is possible to direct 2% monthly, considering that the employers pay the income tax to the budget each month. The gross nominal average salary for the Republic of Moldova in January 2015 amounted to about MDL 4,260.²⁷ Resulting from these figures, the monthly percentage designation would consist about MDL

²⁴Article 15² (3) of the Tax Code.

²⁵Article 15² (1) of the Tax Code.

²⁶The tax withheld according to Article 88-91 of the Tax Code shall be paid to the budget by the person who withdrew it by the date of 25 of the month following the month in which the payments were made.

²⁷National Bureau of Statistics <http://www.statistica.md/newsview.php?l=ro&idc=168&id=4686>.

6.7. In this case, the administrative costs for monthly processing of the transfers and control could exceed significantly the designated resources and the administrative burden would make the mechanism unattractive for tax authorities and employers.

Policy option: Limit the possibilities to allocate the percentage designations to a sole transfer mode of 2% from the income tax upon submission of the return, once a year.

Income Tax Return

Currently, the “CET08” standard form by which the individual submits the income tax return²⁸ does not include any section that would indicate the right to direct 2% from the income tax. In order to be able to make designations, in addition to the implementation mechanism, amendments are needed to the Government Decision which sets out the income tax declaration form.²⁹ Currently, there is a draft law that foresees the standard form “CET08” amendment. It provides, *inter alia*, a column for directing a fixed amount of money which must be up to 2% of income tax, and not specifically a fixed percentage for designation to the CSOs.³⁰

Another problem could be lack of individuals’ knowledge about the right to make percentage designations. If the “CET08” standard form included information about these options, the taxpayer would find out about this right and would be able to use it. However, when the person has one job and one source of income, the employer fills in the tax return. There is no obligation for employers to inform their employees about the right to direct 2% of their income tax to CSOs or religious institutions. This means that there aren’t any guarantees that employers will inform their staff about this possibility. Considering that the percentage designation is a new tool that requires certain efforts from employers, there is a risk that they will not inform their employees about this option and there will be few designations made by beneficiaries with one source of income. Moreover, completing the tax declaration form by the employer pose a risk to ensure confidentiality when making designations. This issue is addressed in the following sections.

Policy options:

- 1) Include in “CET08” standard form a section that would allow the taxpayer to exercise his/her right to direct 2% of the income tax;
- 2) Oblige employers to inform, under signature, about the employees’ right to direct 2% of the income tax to eligible CSOs or religious institutions

Amount of Percentage Designation

The taxpayer must indicate expressly the exact amount of money that shall be redirected to beneficiaries. If the amount of percentage designation exceeds 2% of the annual income tax, the person will be sanctioned with a fine³¹ according to the same rule as in the case of a taxpayer who did not pay the income tax³², and the amounts will remain on the account of the indicated beneficiary. We believe that it is too burdensome for the taxpayer to calculate by themselves the amount of percentage designation, and the sanction for the inaccuracy is too severe and could discourage taxpayers to direct 2% of their income tax. Due to the severe sanctions, individuals will be reluctant to make designation in the future this could compromise the entire mechanism.

An optimal solution for this could be to consider the Hungarian model, which states that the taxpayer indicates only the tax identification number of the eligible organization, and the tax authority will accrue and subsequently transfer the amount of percentage designation.

²⁸Annex 1 to Government Decision No 1398 of 8 December 2008 approving the form for individuals’ income tax return and method of filling it in.

²⁹Government Decision No 1398 of 8 December 2008 approving the form for individuals’ income tax return and method of filling it in

³⁰ Draft project prepared by the State Fiscal Authority in august 2014, Available here:

<http://particip.gov.md/proiectview.php?l=ro&idd=1818>

³¹Article 15² (4) of the Tax Code.

³²Article 228 of the Tax Code.

Policy option: Indicate in the designation form only the percentage designation, with amounts calculated subsequently by the tax bodies.

Confidentiality of Designations

Currently, there is no procedure that would ensure the confidentiality of designations that have been made by employer. Neither the proposed changes to the declaration form on income tax³³ are not ensuring the anonymity of the designations. The beneficiary's fiscal code is shown directly in the statement. Therefore, the taxpayers are exposed to a potential risk. Since the procedure is not confidential, the employer could use its position in an abusive manner. Labor relations are characterized most often by hierarchical relations of subordination. The employer, using his/her position, is able to exert pressure on employees for them to direct the percentage designations to an organization selected by the employer. Such actions can result in an undesired behavior in respect to the employee who does not conform to such indications. Moreover, this is contradictory to the designation mechanism's philosophy, which is the expression of participatory democracy in which people decide to direct 2% based on their own believes.

Side effects could also occur when the employee directs 2% to an organization that deals with protection of rights and freedoms of a certain group, organization and/or institution that the employer does not agree with (e.g. ethnic minority group, religious group, LGBT persons etc.). This can lead to violation of the right to privacy and the risk of unintended consequences for the employee, manifested by discriminatory actions.

These scenarios can be avoided by the development of separate forms, which would indicate the beneficiaries of percentage designations, ensuring the confidentiality of percentage designations allocated by the employees as well as by keeping records of designations by the employers.

Policy options:

- 1) Develop a separate form to indicate the beneficiaries of the 2% mechanism;
- 2) Assure that Employees have the possibility to fill in the designation form in a confidential manner and give it to the employer in a sealed envelope;
- 3) Make sure that the employer keeps records of percentage designations, by keeping of an internal register of employees who made percentage designations. The employers shall send the sealed envelopes and a copy of the register to the territorial tax office.

Exception to Confidentiality

When the CSOs do not know the profile of taxpayers who direct 2% of their income tax, it is difficult for them to build a trust-based relation with them. In Poland and since 2014 in Hungary there is the option to disclose the identity of the taxpayer. This is done by the taxpayer voluntarily and helps organizations build more effective fundraising strategies.

Policy option: Include the option of revealing the taxpayer's identity

2.3. Use of Percentage Designations

Administrative costs

The funds obtained as a result of directing 2% of the income tax are generally used for both performance of activities related to the mission of the organizations, and for expenditures that are not covered by donors. One of the main advantages of the percentage mechanism is that it provides greater flexibility in covering the institutional costs.³⁴ However, the "2% Law" limits the possibility of using the resources accumulated from the mechanism for certain categories and services. Currently,

³³ See reference no. 30 from above

³⁴ECNL, Comments on the designation mechanism in Republic of Moldova, October 2014, (unpublished)

CSOs of public benefit can use maximum of 5% of the directed amounts to cover the administrative costs.³⁵

In addition to development of philanthropic spirit and strengthening of civil society' constituents, the goal of the "2% Law" is to contribute to the development of financial sustainability of CSOs and its institutional capacities. The experience of other countries shows that the designed amounts, especially during the first years after the implementation of percentage designation mechanism, are not too high. Due to this reason, it is necessary to increase percentage interest of expenditures designed for administrative costs. For example, in Hungary between 1996 and 2014, the beneficiary organizations could spend up to 50% of the directed amounts for administrative expenditures. Since 2014, this rate is 25% or maximum 25 million HUF (approx. 89,500 USD).

In addition, there is no clarification of what "administrative costs" mean. This could lead to a misinterpretation of this budget category and, respectively, improper use of designation, which may have as a consequence the sanctioning of civil society organizations, withdrawal of public benefit status and impossibility to benefit of the mechanism during 3 years.

Policy options:

- 1) Increase the percentage share for administrative expenses from 5% to 50%
- 2) Define in detail the category of "administrative costs"

Advertising Costs

The amounts resulted from percentage designation must be used only for purpose of public benefit activities, which are stated expressly in the law.³⁶ In order to ensure the viability of the mechanism from the very beginning, it is necessary to allow CSOs to have "advertising costs". This will give them the chance to improve their image, to increase their visibility and to communicate with constituents. The quota for these expenditures could be of at least 10% (Hungarian model) of the funds resulting from designations.

Policy option: Assign a category of expenditures from the percentage designation for advertising costs.

Timeframe for the Use of Designations

Currently, the beneficiaries of the 2% mechanism must use the amounts received during a period not exceeding the tax period following the tax period when the designation was made, that means no later than one year after the year of designation.³⁷ One year term could be insufficient if the beneficiaries have no capacity to absorb the funds resulted from percentage designation or, if for instance, activities budgeted from these funds are designed for achievement of an ongoing objective, planned for several years (for example, the monitoring activity; special funds to purchase expensive items, such as nursing home beds or vehicles equipped with mechanisms for accommodating people with disabilities etc).

An optimal solution in this respect would be the possibility to submit a request to extend by at least one year in order to use the remaining funds. In Hungary, the organizations have to inform the tax authority about the goal and amount of the reserve that they can create for an additional year. In Moldova, the appropriate authority would be the Ministry of Justice or State Tax Inspectorate.

Policy option: Provide the possibility to extend by another year, on request, the period for the use of sources obtained as a percentage designation and explain the purpose for the extension request.

Public Benefit Status

According to Law on Civic Association, the Certification Commission assigns the public benefit status to the CSOs for a 3-year term. This could lead to several practical problems with the implementation

³⁵Article 33³ (2)(b) of Law on the Civil Associations No 837 of 17 May 1996.

³⁶ Article 30 of Law on Civil Associations No 837 of 17 May 1996.

Article 33³ (2)(a) of Law on the Civic Associations No 837 of 17 May 1996.³⁷

of the 2% mechanism. For example, the status of public benefit could expire before the organization receives funds on the account or before the deadline for funds' use expires. The solution would be to exclude the condition of having public benefit status and focus more on checking the organizations' activities or to provide the status for an indefinite period of time. Also, as mentioned above, another solution that would ensure equal opportunities and access to the designation mechanism would be waiving the requirement to obtain public benefit status and replace it with the requirement to prove public benefit activities.

Policy options:

1. Exclude the status of public benefit from the eligibility criteria for the participation in the 2% mechanism; or
2. Provide the status of public benefit for an indefinite period of time; or
3. Introducing a requirement of eligibility for CSOs to carry out public benefit activities.

2.4. Control and Sanctions

Financial Control

The use of funds obtained as a result of percentage designation shall be monitored by the Certification Commission.³⁸ This Commission does not have enough capacities to carry out such a procedure, which falls under the tax authorities' competence. Lack of an appropriate financial control from the very beginning of mechanism implementation could lead to improper use of funds. As a result, this could generate distrust in this mechanism and individuals' reluctance to make designations.

Policy option: The control of the use of funds obtained in the result of percentage designation for both CSOs and religious institutions must be performed by the Tax Inspectorate.

Sanctions

The liability of CSOs for illegal use of funds obtained as a result of percentage designation consists in the withdrawal of public benefit status for a 3 years term.³⁹ Thus, organizations will have no access to the 2% mechanism and other benefits resulting from the status of public benefit. The sanction set for CSOs is not proportional to benefits resulting from the percentage designation mechanism. This sanction should be linked to the designation mechanism. In Hungary, the sanction consist in the inability to access percentage designation funds during the upcoming designation year and inclusion in a list of excluded beneficiaries that can be accessed on the tax authority's website.

Policy option: CSOs that use illegally the funds obtained as a result of percentage designation must be sanctioned with: (1) fines (2) return of misused sums and (3) exclusion from the designation mechanism for a certain period of time (1-2 years) and from the list of beneficiary organizations.

2.5. Institutional Capacity

Capacity of the Certification Commission

The Certification Commission is supposed to publish the list of civic associations with public benefit status until 20 December of each year.⁴⁰ As of 15 April 2015, the list for 2014 was not yet posted on the website of the Ministry of Justice. The last available list dates back to 2010. In these circumstances, many CSOs that comply with eligibility conditions will not participate in the two percent mechanism, for reasons not depending on their will.

³⁸Article 33³ (3) of Law on Civil Associations No 837 of 17 May 1996 and Article 43¹ (3) of Law on Freedom of Consciousness, Thought and Religion No 125 of 11 May 2007.

³⁹Article 33⁴ (3) of Law on Civil Associations No 837 of 17 May 1996.

⁴⁰ Article 31 (11¹) of Law on Civil Associations No 837 of 17 May 1996.

In addition, the „2% Law” brings new competences to the Certification Commission, engaging the commission to verify the use of the designation mechanism funds by both civil society organizations and the religious institutions.

According to the conclusions of the CSOs National Conference on state funding in 2011, the Certification Commission has limited capacity to perform its tasks.⁴¹ Since the "2% Law" brings new responsibilities, it needs to empower the Certification Commission while implementing the mechanism of appointing percent.

Policy option: Enhance the capacity of the Certification Commission

Recommendations

Table: *Matrix of the Proposed Legal Amendments*

Proposed amendments	Regulatory act to be adopted / amended
Ensure equal treatment of civil society organizations and religious institutions	
Introduce the eligibility condition for public associations to carrying public benefit activities instead of acquiring public benefit status	<ol style="list-style-type: none"> 1. Tax Code 2. Law on Freedom of Consciousness, Thought and Religion
Introduce the same rules for civil society organizations and religious institutions on the accountability for the illegal use of designations	<ol style="list-style-type: none"> 1. Tax Code 2. Law on Civic Associations / Law on Freedom of Consciousness, Thought and Religion
Ensure financial sustainability of civil society organizations	
Beneficiaries	
Eliminate the competition between civil society organizations and religious institutions by: <ol style="list-style-type: none"> a. Designating 1% to civil society organizations and another 1% to religious institutions, or b. Introducing a new designation option, providing for the possibility to divide the 2% in two parts: for a civil society organization and a religious institution. 	<ol style="list-style-type: none"> 1. Tax Code 2. Law on Civic Associations 3. Law on Freedom of Consciousness, Thought and Religion
Introduce a preliminary registration procedure to be able to benefit of the 2% mechanism. The Ministry of Justice is the authority that establishes annually the list of beneficiaries of the 2% mechanism.	<ol style="list-style-type: none"> 1. Tax Code 2. Government Decision (Regulation)
Performance of Designations	
Limit the possibilities to allocate the percentage designations to a sole transfer mode of 2% from the income tax upon submission of the return, once a year	<ol style="list-style-type: none"> 1. Tax Code 2. Government Decision (Regulation)

⁴¹ Conclusions and recommendations. International conference on state funding of civil society organizations 26-27, September 2011, p. 3-7, available here: http://www.fhi360.md/docs/2012/21.02.2012/Concluzii_si_Recomandari_de_la_Conferinta_Internationala_privind_Finant_area_de_Stat_a_Organizatiilor_Societatii_Civile.pdf (Romanian)

Proposed amendments	Regulatory act to be adopted / amended
Include in "CET08" standard form a section that would allow the taxpayer to exercise his/her right to direct 2% of the income tax	Government Decision (Regulation)
Oblige employers to inform, under signature, about the employees' right to direct 2% of the income tax to eligible civil society organizations or religious institutions	Government Decision (Regulation)
Indicate in the designation form only the % designated to the beneficiary entity, and the amounts will be calculated subsequently by the tax bodies	<ol style="list-style-type: none"> 1. Tax Code 2. Government Decision (Regulation)
Ensure confidentiality of designations by: <ol style="list-style-type: none"> 1) Develop a separate form to indicate the beneficiaries of the 2% mechanism; 2) Employees must have the possibility to fill in the designation form in a confidential manner and send it to the employer in a sealed envelope; 3) Make sure that the employer keeps records of percentage designations, by keeping of an internal register of employees who made percentage designations. The employers shall send the sealed envelopes and a copy of the register to the territorial tax office. 	Government Decision (Regulation)
Include the option of revealing the taxpayer's identity	Government Decision (Regulation)
<i>Use of Designations</i>	
Increase the percentage share for administrative expenses up to 50%	<ol style="list-style-type: none"> 1. Tax Code 2. Government Decision (Regulation) 3. Law on Civic Associations
Define in details the category of "administrative costs"	Government Decision (Regulation)
The possibility to use the percentage designations for "advertising costs" category	<ol style="list-style-type: none"> 1. Tax Code 2. Government Decision (Regulation) 3. Law on Civic Associations
Provide the possibility to extend by another year, on request, the period for the use of sources obtained as a percentage designation	<ol style="list-style-type: none"> 1. Tax Code 2. Government Decision (Regulation) 3. Law on Civic Associations
<ol style="list-style-type: none"> 1. Exclude the status of public benefit from the eligibility criteria for the participation in the 2% mechanism; or 2. Provide the status of public benefit for an indefinite period of time. 3. Introduce the requirement of eligibility for civil society organizations to carry out public benefit activities. 	<ol style="list-style-type: none"> 1. Law on Civic Associations 2. Government Decision (Regulation)
<i>Control and Sanctions</i>	
The control of the use of funds obtained in the result of percentage designation for both civil society organizations and religious institutions must be performed by the Tax Inspectorate	<ol style="list-style-type: none"> 1. Government Decision (Regulation) 2. Law on Civic Associations 3. Law on Freedom of Consciousness, Thought and Religion

Proposed amendments	Regulatory act to be adopted / amended
<p><u>Policy options:</u></p> <ol style="list-style-type: none"> Sanctions for the illegally use of the funds obtained as a result of percentage designation (1) fines (2) return of misused sums and (3) exclusion from the designation mechanism for a certain period of time (1-2 years), including the exclusion from the list of beneficiary organizations. 	<ol style="list-style-type: none"> Government Decision (Regulation) Law on Civic Associations Law on Freedom of Consciousness, Thought and Religion
<i>Institutional Capacity</i>	
<p>Enhance the capacity of the Certification Commission</p>	<ol style="list-style-type: none"> Law on Civic Associations Government Decision No 266 of 12 April 2011 approving the Regulation on the Organization and Operation of the Certification Commission and Sample of Public Benefit Certificate



Annex 5

Comparative brief¹ on monitoring of policy documents for cooperation

March, 2015

This brief provides information on key issues related to monitoring and reporting on implementation of policy documents for cooperation (PDC)²: possible purposes of monitoring, available monitoring mechanisms and aspects in developing the monitoring report on implementation. The brief also includes a comparative overview of monitoring processes in place from Macedonia, Croatia and Estonia.

Based on review of examples³ from countries where policy documents for cooperation are implemented, it is clear that specific rules for monitoring and reporting on implementation of policy documents for cooperation should be in place. Monitoring is usually vested within the body designated for cooperation/implementation and should be conducted in collaboration with other state offices, parliament and/or civil society organizations (CSOs). The government can support the process if it structures the monitoring process together with CSOs and, if possible, allocates specific budget allocations for it.

What is the value of monitoring the implementation of policy documents for cooperation?

Typically, public authorities establish a formal monitoring mechanism to follow and report on the implementation of PDCs for the following purposes:

1. **Show progress in achieving the objectives.** This is the main reason for carrying out monitoring, as it gives a more detailed overview of the carried out activities in the reporting period and provides a reality check on current state of implementation (e.g., is it completed, or in process, or has not started). It holds the stakeholders accountable to their commitments and ensures that there is common understanding on what has been achieved and what still needs to be done.
2. **Promote examples of successful implementation of specific objectives.** Quite often, the stakeholders focus on criticism of missing components, but fail to acknowledge the success examples and progress made in certain areas. The success examples may be guiding inspiration for other implementers to undertake, e.g., if certain policy document was developed in a highly participatory manner and reflected on needs of the sector and state's priorities, then the process of its development can be considered by other state authorities.

¹ This brief is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of ECNL and do not necessarily reflect the views of USAID or the United States Government.

² Policy documents for cooperation may cover a range of documents – concept for cooperation, strategy for civil society development, compact with the nongovernmental sector, charter, etc.

³ ECNL, European practices on implementation of policy documents and liaison offices that support civil society development (2009). The article available in English: <http://www.icnl.org/research/resources/ngogovcoop/paperpol.pdf>



3. **Establish the cause for delay of activity and suggest what can be done to address it.** Strategies and other documents for cooperation are flexible, living documents. Their implementation is, and should be adjusted according to changing circumstances. This is why one of the purposes of the monitoring is to establish the changes and put forward suggestions for adjusting the implementation plan. Further, some objectives and activities may not get implemented at all. The reasons can be multiple, e.g., change of priorities, need for further assessments or lack of resources. Monitoring report should help to identify the reasons for delay and propose feasible solutions.
4. **Give feedback on the monitoring process.** Monitoring is also a learning process, as it provides information not only on the achieved results, but also on the overall level of cooperation. Hence, it is important to reflect on cooperation during developing a monitoring report. It can reflect on the methods of information collection, participation of stakeholders and their input to the process. It can also provide suggestions for improving the process of developing the monitoring report and what can be done differently the following reporting cycle. The government may encounter similar issues in collecting the necessary information or ensuring implementation of certain objectives depending on level of cooperation by other stakeholders.

Who is involved in monitoring the implementation of policy documents for cooperation?

Based on examples of European countries, the implementing bodies for PCD are usually in charge of carrying out internal monitoring and reporting to other stakeholders and general public.

The stakeholders involved in the process of monitoring are:

- Parliament – in countries where the policy document was adopted by the parliament, it may play a key role in initiating annual or biannual hearings on the status of implementation (Estonia, Latvia);
- Government office – in many countries the government offices are established to facilitate coordination of ministries' work on implementation of the policy document, serve as secretariat for government-CSO relationships, carry out regular monitoring of implementation (Croatia, Macedonia);
- Joint committees – these are composite bodies of government, and/or parliament representatives and civil society (Croatia, Estonia);
- Ministry office – in case of the United Kingdom there is a special ministry established for civil society, which is in charge of carrying out monitoring process as well;
- Ministries – as the ministries are responsible for implementation of the objectives of the policy document, they are also closely involved in the process. For example, the Ministry of Finance has a special role in this, as it is also in charge of allocation of resources for implementation;
- CSOs – non-governmental sector may undertake a function of regular monitoring of the policy implementation, publish and present joint and/or shadow reports (United Kingdom, Estonia).



Possible methods of monitoring the implementation by public authorities

Through European examples, we identified the following methods of monitoring and reporting on the implementation of PDC, which can also be used in combination with each other:

- regular internal reports (e.g. quarterly) summarizing the results from the implementation, usually developed by the key ministries on implementation of PDC and submitted to the focal point in charge of coordination of implementation;
- annual or biannual composite reports summarizing the results from the implementation and developed by a responsible government unit;
- parallel reporting by CSOs, including shadow reports;
- real time online monitoring on implementation of objectives, i.e. continuous update of information on a webpage dedicated to the document and its implementation;
- regular (monthly, quarterly) joint committee meetings;
- public hearings at the Parliament.

Some countries (Estonia, Macedonia) have developed an internal monitoring mechanism in place with guidance for the implementers, i.e. ministries, and CSOs.

Setting clear guidance to the responsible government offices in charge of implementation of the specific objective of the strategy is important because it:

- ensures clarity about the division of tasks and specific responsibilities assigned to the Ministry;
- provides for regular monitoring of how implementation is going and early identification of possible challenges;
- contributes to better understanding and embedding of strategic principles of cooperation with CSOs in the work of the ministries;
- supports joint decision-making with CSOs;
- identifies good practices or areas where support is needed;
- ensures that undertaken activities meet overall objectives of the strategy and the actions.

In the absence of methodology on monitoring, it is likely the public authorities in charge of implementation will provide information only on the accomplished activities without reflecting on process, good practices, what needs to be further achieved. However, this approach does not provide the full picture on implementation, nor allows for improvements. In addition, it will not show if certain number of activities (meetings) has been implemented, but the overall objective (for instance, improving conditions for financial sustainability of CSOs) has not been achieved.

Involvement of CSOs

CSOs as the target beneficiaries of the policy document for cooperation hold an essential role in the monitoring process. The modality of their involvement may be:

- Public consultations before preparing the report on implementation (e.g. Macedonia);
- Ongoing complaint procedure to the responsible government body on delays in implementation of specific objectives (Estonia);



- Parallel shadow reports by CSOs (Estonia, Macedonia).

It is beneficial to provide opportunity to CSOs to give feedback and facilitate their input to the monitoring process by the public officials. This way in the run up to the public hearing, for example, the state officials can also prepare their responses to the questions, address the expressed concerns and give more extensive information on the status of implementation.

Country examples on monitoring policy documents for cooperation

Below we provide country examples on how monitoring of implementation of the policy document for cooperation is carried out in the countries of Estonia, Croatia and Macedonia.

ESTONIA

*Estonian Civil Society Development Concept (EKAK)*⁴ was adopted by the Estonian Parliament in 2002. It sets the goals for cooperation between the sectors, promoting civic initiative and supporting democratic development in Estonia. The document establishes the principles of cooperation and suggests ways of implementation for achieving the goals.

Based on the EKAK provisions, development of the implementation plan was vested with the **Ministry of Interior**.⁵ The Ministry was appointed with this assignment because the development of civil society was set as a priority in the coalition agreement and so the Government saw the need to appoint a separate minister to deal with the matters. The Local Government and Regional Affairs Department under the auspices of the Minister of Regional Affairs is specifically tasked to undertake activities to support the development of civil society. In the department, two chief specialists are responsible for analyzing, planning and coordinating the active community development and the co-operation between the state and CSOs.

In 2006 the Government adopted the first *Development Plan for Civic Initiative Support (KATA)* for the period of 2007-2011. Later on, new *Civil Society Development Plans (KODAR)* for 2011-2014 and 2015-2020 were developed and adopted by the Government. These documents are based on the long-term priorities specified in the EKAK. The Ministry of the Interior also coordinates work by other stakeholders - Ministry of the Finance, Ministry of the Education and Science, Ministry of Foreign Affairs and Ministry of Economics. These state bodies are expected to cooperate with the local government units, CSOs and businesses in the implementation of the activities.

The Ministry of the Interior prepares and submits to the Government **annual progress reports** on the implementation plan and the **Development Plan**, based on the assessment of the responsible ministry and involved ministries on the compliance of the activities with the goals specified in the Development

⁴ Estonian Civil Society Development Concept (EKAK) is available in English at the Ministry of Interior's webpage: https://www.siseministeerium.ee/sites/default/files/dokumendid/estonian_civil_society_development_concept.pdf

⁵ European Practices on implementation of Policy Documents and Liaison Offices that Support Civil Society Development (2009): <http://www.icnl.org/research/resources/ngogovcoop/paperpol.pdf>



Plan. To collect information, the Ministry of the Interior contacts the involved ministries and other relevant interested persons and institutions in the matters associated with the reporting on the Development Plan, its cost prediction and implementation plan, as well as supplementation and amendment of the documents. The ministries involved and other relevant interested persons and institutions associated with this Development Plan are required to submit the data related to the implementation, supplementation or amendment of the document. Each year the involved ministries and institutions inform the Ministry of the Interior about the civic initiative support activities planned for the next planning period and budget year in their government area, based on which the Ministry of the Interior will launch the implementation plan and Development Plan amendment process if required.

The Ministry of Interior chairs and coordinates work of **the Joint Committee for Implementation of the Estonian Strategy**⁶. The Committee consists of 22 members: including representatives of five line ministries, a representative of the Parliament from the Civil Society Support Group, chancellors, heads of foundations, employers 'and employees' organizations and CSOs selected through public competition. The Joint Committee meets at least twice a year for review of the EKAK implementation. Among other responsibilities of the Joint Committee is reviewing **complaints and appeals** by both public authorities and CSOs regarding the implementation of EKAK. The procedure is clearly described on the Ministry's webpage. It also has a [template complaint form](#). The form can be submitted by CSOs and public authorities equally. Every month the Committee's Secretariat reviews admissibility of complaint and then the appointed members of the Joint Committee (two representatives of the public authority and two representatives of CSOs) provide their opinion on whether a violation took place and suggest remedy. The opinion is circulated among all Committee members and is publicized on the Ministry's webpage. However, there are arguments by local stakeholders that this procedure is not necessarily effective, nor is in line of good cooperation principles.

At the level of the Parliament, there is a special **Civil Society Support Group**, which includes representatives of all parties and it is one of the largest of its kind. It was established based on a decision of MPs to form such a group and it does not have separate legal status or separate administrative rules. It uses the parliamentary administrative support and receives no separate funding. The purposes of this group are to attend to issues concerning civil society and to initiate legislation in support of the development of the third sector. The Civil Society Support Group is also represented on the Joint Committee.

Every two years the Parliament convenes **public hearings on implementation of the EKAK**⁷, where the Ministry of Interior is commissioned to present its report on implementation of the Concept. Upon

⁶ Ministry's of Interior webpage for EKAK implementation outlines the main actors, key documents and the procedure of complaint: <https://www.siseministeerium.ee/et/tegevusvaldkonnad/kodanikuuhiskond>

⁷ The minutes of all hearings are available on NENO's webpage: <http://ngo.ee/ekaki-kuulamised>



presentations by the Ministry of Interior and a parallel report by CSO, debates take place on each area of the document.

CROATIA

The Office for Cooperation with NGOs is the key coordinator in the implementation of the Strategy and is tasked to ensure that the goals and action plans developed in the *Strategy*⁸ and its *Operational Plan* are realized. Currently, it consists of Department for Strategic Planning, Programming and Informing, Department for EU Programs Implementation and International Cooperation and Department for Financing Management and Quality Assurance. There are 22 employees in the Office for Cooperation.

Previously on the annual basis the Office for Cooperation with NGOs prepared reports on implementation of the Strategy. From 2014 a new webpage, which serves as a real time online monitoring tool⁹ is in operation for tracking of implementation by each Strategy's objective. Each objective is color coded based on the status of implementation (green for completed, red for not started yet, yellow for those actions in progress). Anyone can submit their information on the progress made toward achieving the objective through the response form online. While this is a novelty tool, which was initially met with much enthusiasm, it has not been recently updated (last time in the beginning of 2014).

The screenshot shows the website of the Croatian Government's Office for Cooperation with NGOs. The header includes the logo of the Government of the Republic of Croatia and the text "VLADA REPUBLIKE HRVATSKE URED ZA UDRUGE". Below the header, there is a search bar and navigation links: "Ured za udruge", "Nacionalna strategija", "Pojmovnik", and "Kontakt". The main content area is divided into two sections: "AKTIVNOSTI" (Activities) and "Novosti" (News). The "AKTIVNOSTI" section features a vertical progress bar with three items: 3.1. Izraditi nacrt Zakona o udrugama (Status: Završeno - green), 3.2. Izraditi nacrt Zakona o zakladama i fondacijama (Status: Nije započeto - red), and 3.3. Izraditi nacrt Zakona o računovodstvu neprofitnih organizacija i donijeti podzakonske akte za primjenu Zakona u vezi s registrom neprofitnih organizacija (yellow). The "Novosti" section contains three news items, each with a colored square icon and a date: a red square for a report on public consultations (27.02.2014), a blue square for a call for projects (17.01.2014), and another blue square for a regulation (date not fully visible).

⁸ The First Strategy for Cooperation was adopted in 2006.

⁹ Online monitoring tool for Strategy implementation: <http://strategija.uzuvrh.hr/index.php/podrucje1.html>



The Office for Cooperation works closely with the **Council for the Development of Civil Society**¹⁰ in the implementation and monitoring process of the Strategy. The Council for Civil Society Development is an advisory body to the Government of the Republic of Croatia acting towards developing cooperation between the Government with the civil society organisations in Croatia. The Council has 27 members out of which 12 representatives of relevant state administrative bodies and the Croatian Government offices, 12 representatives of non-governmental, non-profit organizations and 3 representatives of civil society from foundations, trade unions and employers' associations. The Council has a president, elected by the Council members representing civil society from their own ranks while the vice-president is elected by the members of the Council representing the state institutions. The president and the members of the Council are elected for a mandate of 3 years and can be re-elected. The logistic and administrative work for the Council is done by the Office for Cooperation with NGOs of the Croatian government. To support the implementation of specific tasks in the implementation plan of the Strategy, the Council established **3 working groups**, which work in the areas of legal framework for NGOs, financing of NGOs and international cooperation and EU accession. The mandate of these working groups draws from the National Strategy and the specific goals outlined in it.

Based on the practice of implementation and recommendations of the Council, a special **Committee for the Implementation of the measures of the Operational Plan of the National Strategy** was established in 2008. The aim of the Committee is to ensure more efficient monitoring and reporting on the implementation of the Strategy. The Committee is composed of coordinators/representatives of 18 different ministries and government bodies responsible for implementation of the Strategy and the Operational Plan. The Office for Cooperation with NGOs coordinates the work of the Committee and holds individual meetings with the coordinators to discuss and monitor the steps and activities in realization of the tasks from the Operational Program. These meetings are an opportunity to provide further guidance and consultation to the coordinators in the implementation of the tasks from the Operational Plan.

MACEDONIA

Macedonian **Government Unit for Cooperation with NGOs within the General Secretariat of the Government** is in charge of coordinating preparation of annual action plans, implementation and reporting to the Government on implementation status of the *Strategy for cooperation with the civil sector (2012-2017)*. The Strategy sets the measures and methodology for implementation and updating of the Action Plan on biannual basis. At the same time, the Government Unit developed forms for planning and reporting activities by the state bodies for the implementation of the Strategy, which set the monitoring framework.

¹⁰ Council for the Development of Civil Society webpage: <http://www.uzuvrh.hr/page.aspx?pageID=75>



After adoption of the Strategy, the Unit for Cooperation with NGOs developed a Plan for Monitoring and Evaluation of Implementation of the Strategy.¹¹ The monitoring plan was developed based on desktop research and consultation with the informal group that also took part in the development of the strategy and the action plan. The aim of the monitoring plan is to provide guidance to the Unit for Cooperation with the NGOs and the various ministries in the process of delivering activities under the Strategy's Action Plan and also the reporting on the achieved results. The monitoring plan contains steps to revise the Action Plan after the two year period. Importantly, it outlines the steps for involving CSOs in the reporting and planning processes.

The monitoring plan includes the following measures:

1. An Annual Report to the Government about the performed activities and accomplished objectives in regard to implementation of the Strategy by the General Secretariat, which will summarize the reports submitted by state administration bodies.
2. Annual reports on the implementation of the Strategy's measures by state administration submitted to the Unit for Cooperation with NGOs and preparation of a form regarding the format and contents of annual reports for implementation of Strategy's measures;
3. Consultations with CSOs in the processes of assessment of implementation of the Strategy.

In addition, there are templates that ministries need to fill in when developing reports and plan the following year actions. The reporting of the Unit for Cooperation with NGOs also follows an established template. The annual report of the Government Unit for Cooperation with NGOs is submitted to the Government by February 15 of the following year.

The structure of the annual report by the Government Unit for Cooperation with NGOs to the Government is the following:

I. Introduction
II. General overview of the achieved results and aims of the Strategy in the current year
III. Summary overview the accomplished measures and activities on each priority area <i>Priority area 1: Developed and sustainable civil society</i> ▪ <i>Measure 1:...</i>

¹¹ This process was done with support of ECNL expertise.



USAID
FROM THE AMERICAN PEOPLE



<i>Summary description of activities carried out under each measure, achieved results and what in general needs to be done to achieve the aim.</i>
IV. Total funds allocated for aims under the budget, and funding provided through CSOs and other donors
V. Summarized overview of the basic recommendations for further implementation of the Strategy and Action Plan, and review the messages received from civil society organizations
VI. Attachment: Annual reports on implementation of the strategic goals of the state administration

The annual report is drawn based on reports submitted to the Government Unit for Cooperation with NGOs by the ministries and other state bodies in charge of implementing specific actions. The ministries' reports are prepared in the templates provided by the Government Unit. They include information on consultations carried out with CSOs in the run up to preparing the report, and consultation with other responsible state bodies in charge of the same objective. The ministries' reports are due not later than January 20.

The reporting template for the ministries is developed on the basis each ministry's yearly action plan in relation to CSO policy development. The plans are prepared and submitted by the ministries to the Government Unit before December 20.

The sample of reporting template for the ministries looks the following:

Activities	Indicators	Status of implementation	Description of activities	Who was involved in the process (gov-t and CSOs)	Financial resources	Recommendations for future	New initiatives
Measure 1: Monitoring of implementation of the Law on Associations and Foundations (responsible body: Ministry of Justice)							
Forming a working group on	Working group, system	Yes <input type="checkbox"/>					



USAID
FROM THE AMERICAN PEOPLE



developing monitoring and evaluation system	for monitoring and evaluation	No <input type="checkbox"/> In process <input type="checkbox"/>					
---	-------------------------------	--	--	--	--	--	--

Before publishing the annual report, the Government Unit for cooperation with CSOs carries out consultation with CSOs on its contents. The draft report and the monitoring tables are published on the [Government’s webpage](#) for CSOs’ feedback. The CSOs have 15 days to provide their input. Opinions must include:

4. Good practices in implementation of measures and activities that were implemented;
5. Opinions on implementation of measures and activities in their area of operation and how it can be improved;
6. Method of involvement by CSO in implementation of the measure, activities.

The Unit also organizes a consultation with CSOs on the developed draft report. These inputs are then submitted as aggregated input in the attachment to the report on the Government. It also explains why some of the inputs were not reflected in the final version of the report.

In 2015 CSOs issued their own report on implementation of the Strategy in 2014, according to which 48% measures did not have any progress, excellent progress was made in 10% measures, considerable progress in 13%, 13% was partial progress and in 12% there is little progress. Only two measures were fully realized, which constitutes 4% of the planned.

Resources and further readings:

ECNL, European practices on implementation of policy documents and liaison offices that support civil society development (2009): <http://www.icnl.org/research/resources/ngogovcoop/paperpol.pdf>

Croatia, online monitoring tool on implementation of the Strategy:
<http://strategija.uzuvrh.hr/index.php/nacionalna-strategija-17.html>

Estonia, Ministry of Interior’s webpage on implementation of EKAK and KODAR, in English:
<https://www.siseministeerium.ee/en/regional-affairs/civil-society>; In Estonian:
<https://www.siseministeerium.ee/et/tegevusvaldkonnad/kodanikuuhiskond>

Macedonia, Government Unit for Cooperation with CSOs webpage with public consultation on annual report: <http://nvorabotka.gov.mk/>

MOLDOVA IN THE EASTERN NEIGHBORHOOD POLICY: 2005-2014

Igor Boțan
Denis Cenușă
Mariana Kalughin
Adrian Lupușor
Iurie Morcotiło
Polina Panainte

Chisinau, June 2015



DRAFT

The report was elaborated under a project implemented by ADEPT and Expert-Grup with the support of the US Agency for International Development (USAID) through the East European Foundation and FHI 360. This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the authors and do not necessarily reflect the views of USAID, the United States Government, FHI 360 and / or East European Foundation.

Authors: Igor Boțan, Denis Cenușă, Mariana Kalughin, Adrian Lupușor, Iurie Morcoțilo, Polina Panainte

Association for Participatory Democracy ADEPT

str. Alecsandri 97, Chișinău MD-2012, Republica Moldova.

tel. +373 22 21 34 94

fax + 373 22 21 29 92

e-mail: adept@e-democracy.md

www.e-democracy.md

Independent Think-Tank EXPERT-GRUP

str. Pușkin, 45 B, Chișinău MD-2005, Republica Moldova.

tel. +373 22 92 99 94

fax +373 22 21 21 51

email: info@expert-grup.org

www.expert-grup.org

Chisinau, June 2015

TABLE OF CONTENTS

LIST OF FIGURES.....	4
LIST OF TABLES.....	4
INTRODUCTION.....	5
JUSTICE SECTOR REFORM.....	6
COMBATING CORRUPTION	9
HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	11
TRANSNISTRIAN CONFLICT SETTLEMENT.....	14
COMMERCIAL RELATIONS.....	21
CUSTOMS SERVICE	23
IMPROVING WELFARE	25
RURAL AND REGIONAL DEVELOPMENT.....	27
STANDARDS, TECHNICAL REGULATIONS AND CONFORMITY ASSESSMENT PROCEDURES (HARMONIZED AREAS).....	29
ELIMINATION OF RESTRICTIONS AND ADMINISTRATION OPTIMIZATION (NON-HARMONIZED SECTORS)	30
SANITARY AND PHYTOSANITARY ISSUES	31
SOCIAL AND EMPLOYMENT POLICY	33
THE RIGHT OF ESTABLISHMENT AND COMPANY LAW.....	35
INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS.....	36
MOVEMENT OF PERSONS, INCLUDING THE MOVEMENT OF WORKERS AND THE COORDINATION OF SOCIAL INSURANCE	39
SERVICES.....	40
TAXATION	42
PUBLIC PROCUREMENTS.....	44
COMPETITION POLICY	45
STATISTICS	46
INDUSTRIAL POLICY.....	47
TRANSPORTATION.....	49
INFORMATION SOCIETY	52
PUBLIC HEALTH.....	54
MACROECONOMIC AND MACROFINANCIAL POLICIES	56
FINANCIAL SERVICES	57
FINANCIAL CONTROL AND RELATED ASPECTS	58
MOVEMENT OF CAPITAL AND CURRENT PAYMENTS.....	60
FUNCTIONING MARKET ECONOMY	61

LIST OF FIGURES

Figure 1. SJSR: Realized actions	8
Figure 2. Level of trust in justice sector	8
Figure 3. Percentage of citizens who find corruption one of the three most worrying issues	11
Figure 4. Indicators of corruption perception in Moldova	11
Figure 5. The score of press freedom in Moldova	13
Figure 6. Public trust in mass media	13
Figure 7. What are the most important problems that must be solved in Moldova? (Transnistrian problem settlement)	20
Figure 8. What worries you the most at present? (a war in the region)	20
Figure 9. How satisfied are you by what the country's government does in terms of Transnistrian conflict settlement? (quite satisfied/very satisfied)	20
Figure 10. How do you appreciate current relations of Moldova with the following countries? (good/very good)	20
Figure 11. Exports to the EU, million EUR	22
Figure 12. Structure of exports per groups of countries	22
Figure 13. Dynamics of the coefficient of variation for investment in long-term assets financed from the state budget	28
Figure 14. Total distribution of Moldovan standards per category, 2014	29
Figure 15. Degree of "internationalization" of national standards at regional level, 2014, %	29
Figure 16. Total export of the main products of animal origin, according to HS 2007, USD	32
Figure 17. Volume of exports of products of the "live animals and animal products" category, thousand USD	32
Figure 18. The position of Moldova in the international classification on the protection of intellectual property (IP) according to the Global Competitiveness Report	37
Figure 19. Evolution of the amount of requests to protect intellectual property objects and titles awarded by AGEPI	38
Figure 20. Number of Entries of Moldovan Citizens in the EU Before and After the Visa Liberalization	39
Figure 21. Transport of Goods, thousand tones	50
Figure 22. Transport of Passengers, thousands of passengers	51

LIST OF TABLES

Table 1. Position of Moldova in cross-border trade compared with other Eastern Partnership countries, Russia and Romania, according to "Doing Business" ranking	24
Table 2. Aspects of cross-border trade referring to Moldova, according to "Doing Business" ranking	24
Table 3. Welfare development indicators	26
Table 4. Employment development indicators	34
Table 5. Progress Indicators of business establishment	36
Table 6. Share of Services in the GDP (in %) according to the Global Competitiveness Report	41
Table 7. Ease of Paying Taxes by Companies in the Republic of Moldova, according to <i>Doing Business</i>	43
Table 8. Moldova's ranking in <i>Doing Business</i> on Ease of Paying Taxes Compared to Other Countries	43
Table 9. Development Indicators on Competition Policy	46
Table 10. Development Indicators in Statistics	47
Table 11. Development Indicators on Industrial Policy	48
Table 12. Evolution of the National Roads Condition, %	51
Table 13. Ranking of Moldova in the Global Competitiveness Report on the level of technological readiness	53
Table 14. Development Indicators in Public Health	55
Table 15. Development Indicators on Macroeconomic and Macrofinancing Policies	56
Table 16. Development Indicators on Financial Services	58
Table 17. Indicator of policy and public institutions estimation	59
Table 18. Development indicators on Movement of Capital and Current Payments	60
Table 19. Development Indicators on Market Economy	61

INTRODUCTION

This Progress Report is an analysis of how authorities reached the objectives set for political, economic and institutional rapprochement with the European Union. The study includes monitoring of the period between the signing of the European Union – Republic of Moldova Action Plan on 22 February 2005, which is a comprehensive document of strategic planning for the implementation of the Partnership and Cooperation Agreement (PCA), and the signing of the Association Agreement between the Republic of Moldova and the EU in 2014, which includes creation of the Deep and Comprehensive Free Trade Area (DCFTA). In this period, 2005-2014, the most important developments are related to fulfilling political, institutional and economic conditions required for the signing of the Association Agreement and visa-free regime with the EU. Important progress has been made in human rights, electronic government, reforms in the IT sector and social services. Against this positive background, there have been important deficiencies in a number of fields, especially in combating corruption, banking sector, implementation of EU quality standards and energy sector.

The discrepancy between human rights and freedoms, enshrined in official documents and everyday practices, is still distinguishable. Moldova currently has a solid legal framework for the promotion of human rights, but there are significant gaps in its application, and this situation is determined by the poor quality of the country's justice system. The legal and regulatory framework in the justice sector has been substantially reviewed and new institutions have been created. Despite these efforts, the justice reform is slow, being hindered by the lack of real political will to reform. Corruption has become the main obstacle in the modernization and development of the country. The roots of endemic corruption are in complete politicization of law enforcement and regulatory institutions, which, despite current legislation and binding decisions of the Constitutional Court, have been politically shared by governing parties. As a consequence, the institutionalization of the fight against corruption and verification of senior public officials' integrity has had no effect. On the contrary, corruption has grown, generating political instability and citizens' discontent. Domestic and regional security issues had Transnistrian settlement in the center of attention; it became more complex as a result of continued institutionalization of the negotiations format, known as "5+2". Subsequent efforts were related to increasing efficiency and unifying customs procedures in the Transnistrian segment of the Moldovan-Ukrainian border and launching the European Border Assistance Mission (EUBAM). The EU-Moldova Association Agreement significantly contributed to the change of the regional context, creating new conditions that shall be exploited in the process of involving Transnistria into the processes provided by the DCFTA and in further political settlement of the conflict.

Important progress has been made in trade relations with other countries, due to commitments assumed under the World Trade Organization and deepening trade relations with the EU. Exports to the EU grew from EUR 440 million in 2005 to over EUR 1.1 billion in 2014, and the Community Area became the main market for Moldovan products. To further exploit the country's export capacity and to benefit from the DCFTA, additional efforts are needed to adopt EU quality standards. Although opening a business in Moldova has become easier over the past nine years due to the implementation of 'one stop shops' for enterprise registration and reduction of the amount of required documentation, there still are problems related to obtaining permits, especially construction permits. The social protection system underwent structural and institutional reforms, through the creation of several institutions in order to promote better services and correct application of regulations. However, the continued reform of the pension system and poor efficiency of social aid distribution are still critical issues. In employment, international agreements on migrants' social protection have been signed with 14 countries. In the country, informal employment remains an important problem, and it needs to be addressed by improving conditions for businesses and tax regulations. Financial services remain underdeveloped in terms of quality and size, with a digital infrastructure that is below modern standards, especially at the local stock exchange. In addition, recent problems in the banking sector are indicative of important deficiencies in the surveillance of the sector.

JUSTICE SECTOR REFORM

Major developments

- In the period of 2005-2014, the justice sector reform showed important progress, with considerable efforts for the development of the policy framework, regulatory framework and institutional framework, including in procedures and justice sector transparency.
- Regarding policies, we shall mention developments in the strategic approach to justice: transition from segmental policy documents (aimed at some institutions or aspects relevant to justice) to a common policy document (aimed at the entire sector). Initially, in the period of 2005-2007, several programs and strategies specifically covered some issues in the justice sector. In 2007, the approval of the Strategy on Consolidation of the Judiciary and of the Action Plan for its implementation¹ was aimed at joining reform efforts into a single framework. Reform was intended only for the judiciary and did not equally cover the other elements of the justice sector (prosecution, related legal professions, the execution system, etc.), which were still treated separately.² In 2009, relevant reforms were initiated³, which eventually were set into the Strategy of Justice Sector Reform for 2011-2016⁴ (SJSR) and, accordingly, into the Action Plan for its implementation⁵. Prosecution reform was addressed, with major delays, in 2014.⁶
- Regarding the regulatory framework, efforts have been made both to substantially review it and to develop and adopt new laws. The following laws have been modified and supplemented: Law no. 514 of 06.07.1995 on judicial organization; Law no. 544 of 20.07.1995 on the status of judge; Law no. 789 of 16.03.1996 on the Supreme Court of Justice; Law no. 947 of 19.07.1996 on the Superior Council of Magistracy; Law no. 950 of 19.07.1996 on the disciplinary board and disciplinary responsibility of judges; Law no. 353 of 28.10.2004 on the Governmental Agent. In the period of 2005-2011, several new legislative acts were adopted: Code of Execution, no. 443 of 24.12.2004; Law no. 152 of 08.06.2006 on the National Institute of Justice; Law no. 333 of 10.11.2006 on the status of investigating officer; Law no. 59 of 15.03.2007 on the status and organization of the work of courtroom secretaries; Law no. 198 of 26.07.2007 on the state guaranteed legal aid; Law no. 371 of 01.12.2006 on international legal aid in criminal matters; Law no. 134 of 14.06.2007 on mediation; Law no. 8 of 14.02.2008 on probation; Law no. 87 of 21.04.2011 on compensation by the state of the prejudice caused by violation of the right to trial within reasonable time of a case or the right to execution within reasonable time of court judgments. Also, Law no. 294 of 25.12.2008 on Prosecution was adopted. The approval of the SJSR led to modification and supplementation of: civil and criminal procedural law (division of phases, reduction of detention time, review of court judgments); legislation related to the organization and functioning of the judiciary (organization and management of courts, functioning of the Superior Council of Magistracy (SCM), status and immunities of judges). At the same time, new laws were adopted: Law no. 59 of 29.03.2012 on special investigative activity; Law no. 154 of 05.07.2012 on selection, performance evaluation and

¹ Policy documents approved by Parliament Decision no. 174 of 19.07.2007

² Execution System Development Strategy (Government Decision no. 1393 of 12.12.2007); Concept of the Automated Information System "Execution Procedures Register" (Government Decision no. 1520 of 29.12.2007)

³ Concept on the funding of the judiciary (Parliament Decision no. 39 of 18.03.2010); Action plan for the realization of the Concept on funding of the judiciary (Government Decision no. 803 of 07.09.2010)

⁴ Policy document approved by Law no. 231 of 25.11.2011

⁵ Policy document approved by Parliament Decision no. 6 of 16.02.2012

⁶ Concept of Prosecution Reform, approved by Law no. 122 of 03.07.2014

career of judges; Law no. 328 of 23.12.2013 on the salaries of judges; Law no. 161 of 18.07.2014 on authorized administrators; Law no. 178 of 25.07.2014 on disciplinary responsibility of judges.

- Following legislative developments, institutions were created in order to ensure implementation of laws, including: Department of Judicial Administration under the Ministry of Justice; National Institute of Justice; Council of Mediation; probation bodies; bodies for administration of the system of state guaranteed legal aid. Essential changes took place in the organization and functioning of the SCM, with creation of the Judicial Inspection and, later, of the Selection Board and Evaluation Board. The SCM approved rules for application of laws, some of them referring to random distribution of cases in courts. An important document is the Judge's Code of Ethics, approved by SCM Decision no. 366/15 of 29.11.2007. In the part concerning prosecution, the following bodies were created: the Superior Council of Prosecutors (SCP), the Disciplinary Board and the Prosecutors Qualification Board. The SCP approved a series of regulations. In terms of integrity, we shall mention the Prosecutor's Code of Ethics, approved by SCP Decision no. 12-3d-228/11 of 04.10.2011.
- As a result of considerable efforts, the justice sector became more transparent, including through computerization of the judiciary, online publication of court judgments, video and audio recordings of court sessions. Relevant web pages were launched and developed: www.justice.md; www.csj.md; www.csm.md. A single portal of courts was developed. Also, efforts were made to increase the transparency of Prosecution (development and publication of annual and topical reports, periodic syntheses; periodic issue of press releases). The prosecution's web page was developed: www.procuratura.md.

Main problems

- In the policy framework, despite constant progress in the implementation of the SJSR, key document in the field, this progress is not spectacular. According to authorities⁷, in 2014, the degree of realization of planned and pending actions was 69%. Several important issues are overdue; they are related to: reform of the National Institute of Justice; efficient functioning of judicial police; initiation of construction works of the Palace of Justice; optimization of the judicial map; Prosecution reform; modification and standardization of the codes of ethics of justice sector actors; capacity building for authorities responsible for punishing disciplinary violations. There may have been different reasons of why these issues were not solved: lack of real will to reform; problems related to the reform budget; quality of the policy document. Some actions provided by the SJSR are still doubled by other policy documents. They are, for example, actions related to consolidation of the legal framework on the declaration of income and property and personal interests in public service, which are also stipulated in the National Anticorruption Strategy for 2011-2015, approved by Parliament Decision no. 154 of 21.07.2011.
- In the regulatory framework, frequent legislative interventions, which might have been determined by authorities' incoherence in this exercise, affect the stability, predictability and efficiency of regulations. For example, the Law on judicial organization was modified and supplemented 10 times in the period of 2005-2014, the Law on the Superior Council of Magistracy – 13 times, the Law on Prosecution – 14 times, the Law on the status of judge – 19 times. Legislative interventions do not always seem convincing in terms of constitutionality. The Constitutional Court, for instance, was asked to judge on the constitutionality of the Law on the status of judge 3 times. The process of justice sector reform is not fully supported by the Parliament. For example, one of the most

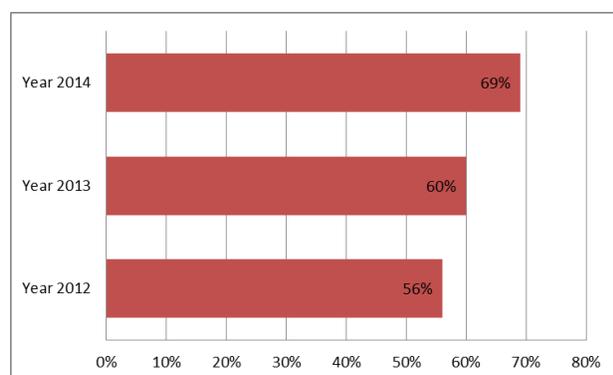
⁷ Annual report on the implementation of the Strategy of Justice Sector Reform for 2011-2016 (reporting period: January-December 2014), p.21

important legislative acts in the field, the Law on the disciplinary responsibility of judges, was adopted by engaging the disciplinary responsibility of judges.

- In the institutional framework, the politicized nature of some key positions (general prosecutor, Supreme Court judges) is still a major challenge. Appointments are practically at the discretion of the Parliament, eventually – at the discretion of political parties. Despite competition procedures established for appointment by the Parliament of 3 members of the SCM and 3 members of the SCP, the Parliament fails to convince the public that it is guided by public interest, as this exercise is being compromised by non-explanation of the reasons for preferring certain candidates. The SCM and the SCP did not manage to assert themselves as true self-administration bodies. In the procedures of selection, evaluation and career, as well as in disciplinary procedures, the treatment applied to judges and prosecutors does not seem to be always equal and objective. The SCP, in contrast with the SCM, having no adequate status or resources, faces serious problems related to visibility and transparency. Clearly, all of that affect public trust in justice.

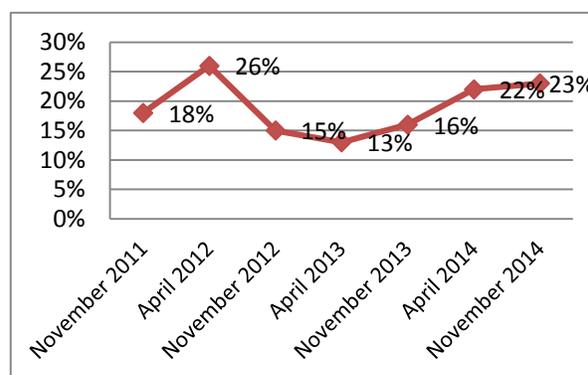
Progress Indicators

Figure 1. SJSR: Realized actions



Source: Ministry of Justice

Figure 2. Level of trust in justice sector



Source: Barometer of Public Opinion

Conclusions and recommendations

- Efforts for implementation of the SJSR shall be consolidated so as to ensure realization of all planned activities. Unsolved issues (especially reform of prosecution) shall be addressed with priority and responsibility.
- In the process of implementation of actions related to legislative interventions, documents shall be developed, promoted, examined and adopted in strict compliance with all requirements of legislative procedure and in compliance with procedures ensuring real transparency of decision making.
- An imperative is full de-politicization of the process of appointments for key positions in the system – revision of appointment of the general prosecutor and Supreme Court judges, so that the final decision might belong to self-administration bodies.

- Authorities shall be insistent in the implementation of adopted laws and shall analyze the impact of regulations in the process of evaluation of relevant policies.
- The SCM and the SCP, which shall assert themselves as real self-administration bodies of judges and prosecutors, shall be guided exclusively by the principles of legality, independence and impartiality.
- In the process of reforming prosecution bodies, the SCP shall obtain a status similar to the status of the SCM, thus achieving importance, visibility and transparency.

COMBATING CORRUPTION

Major developments

- Prevention and combating of corruption, in the period of 2005-2014, were constantly addressed in policy documents. In 2005, the implementation of the National Strategy on Prevention and Combating of Corruption and its Action Plan began⁸, with policies focused on: improvement of the legislative framework and ensuring application of laws; prevention of corruption in public institutions and in the political process; intensification of cooperation between public institutions and civil society; extension of international collaboration. Beginning in 2009, pushed by the requirements of policy documents⁹, the intention to review the anticorruption policy was put into action. In the end, in 2011, the National Anticorruption Strategy for 2011-2015¹⁰ (NAS) was approved, with priorities systematized in the following elements: research, legislative, institutional, educational and public communication.
- The regulatory framework on anticorruption has been developed, and Moldova currently has an important number of special documents in the field: Law no. 16 of 15.02.2008 on the conflict of interests; Public Officer's Code of Conduct, adopted by Law no. 25 of 22.02.2008; Law no. 90 of 25.04.2008 on prevention and combating of corruption; Law no. 252 of 25.10.2013 on approval of Regulations on the operation of the anticorruption hotlines system; Law no. 269 of 12.12.2008 on application of lie detector (polygraph) testing; Law no. 271 of 18.12.2008 on verification of holders of and candidates for public offices; Law no. 325 of 23.12.2013 on professional integrity testing; Government Decision no. 977 of 23.08.2006 on estimation of corruptibility of draft legislative acts; Government Decision no. 906 of 28.07.2008 on approval of the Methodology of evaluation of corruption risks in public authorities and institutions; Government Decision no. 134 of 22.02.2013 on establishment of permissible value of symbolic gifts, of gifts offered by courtesy or on occasion of protocol actions and approval of the Regulations on the evidence, evaluation, storage, use and redemption of symbolic gifts and of gifts offered by courtesy or on occasion of protocol actions; Framework Regulations on whistleblowers, approved by Government Decision no. 707 of 09.09.2013. Essential modifications and supplements were made to the following documents: Law no. 1264 of 19.07.2002 on declaration and control of income and property of persons in public offices, judges, prosecutors, civil servants and persons in managing positions; Contraventions Code of the Republic of Moldova no. 218 of 24.10.2008; Criminal Code of the Republic of Moldova no. 985 of 18.04.2002 (criminalization of illicit enrichment (Article 330²), introduction of extended confiscation as a safety measure (Articles 98 para. (2) letter (e) and 106¹).

⁸ Policy documents approved by Parliament Decision no. 421 of 16.12.2004

⁹ Rules on development of and standard requirements for policy documents, approved by Government Decision no. 33 of 11.01.2007

¹⁰ Policy document approved by Parliament Decision no. 154 of 21.07.2011

- The institutional framework on anticorruption was marked, following the adoption of Law no. 180 of 19.12.2011 on the National Integrity Commission (NIC), by the establishment of an anticorruption agency specialized in the control of declarations on income/property and personal interests in public service. At the same time, the modification and supplementation of the law¹¹ broadened the competences of the National Anticorruption Center (NAC), which was additionally tasked with conduct of anticorruption examination of draft legislative acts and draft regulatory acts of the Government and with ensuring conduct of corruption risk assessment in public authorities and institutions.

Main problems

- In anticorruption policies framework, a major problem is delays in approval of action plans for implementation of the NAS. For example, the Action Plan for 2014-2015 on implementation of the National Anticorruption Strategy was approved by Parliament Decision no. 76 on 16.05.2014. As a result of delayed approval of this policy document, several activities were late. Thus, according to authorities¹², in 2014, 59% of the planned actions were successfully realized, 12% were overdue, and 29% were ongoing.¹³ Despite anticorruption efforts, corruption still worries the public, and there are no spectacular performances in specialized international rankings.
- Another problem is the quality and safety of the legal framework on anticorruption. The confusing and lacking aspect of specialized laws related to the work of the NIC is still an obstacle in this authority's institutional efficiency.¹⁴ At the same time, new anticorruption instruments are not always sufficiently clear, predictable and safe. For example, after adoption, several provisions of the Law on professional integrity testing were declared unconstitutional.¹⁵
- In the part of institutions, the main problem is the high political dependence of anticorruption agencies. It is evident in frequent reorganizations of the NAC, which are not always justified¹⁶, and in delayed creation of the NIC. Legal provisions on appointment of members of the NIC entered into force in February 2012. Despite them, the nominal composition of the NIC was approved many months later.¹⁷ The de facto work of this authority began with significant delays by appointment of its chairman¹⁸ and allocation of the institutional budget (beginning in 2013, although according to the law funding was supposed to begin in March 2012).

¹¹ Law no. 1104 of 06.06.2002 on the National Anticorruption Center

¹² http://cna.md/sites/default/files/sna_rapoarte/raportul_de_monitorizare_-_2014.doc, Report on monitoring the realization of the Action Plan for 2014-2015 for implementation of the National Anticorruption Strategy for 2011-2015 (year 2014), page 4

¹³ For year 2014, the policy document provided for execution of 48 actions with deadline in 2014 and 22 actions with permanent realization.

¹⁴ Further details: <http://www.e-democracy.md/files/cni-2-ani-mariana-kalughin.pdf>, Two years of activity of the National Integrity Commission: expectations and achievements, Mariana Kalughin, Association for Participatory Democracy (ADEPT), Chisinau, November 2014

¹⁵ Constitutional Court Decision no. 7 of 16.04.2015 on the verification of constitutionality of some provisions in Law no. 325 of 23 December 2013 on professional integrity testing (Application no. 43a/2014)

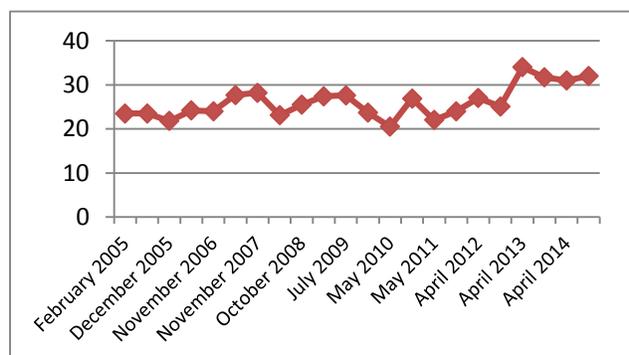
¹⁶ Law no. 1104 of 06.06.2002 on the National Anticorruption Center was modified and supplemented 19 times.

¹⁷ Parliament Decisions no. 145 of 22.06.2012; no. 226 of 25.10.2012; no. 65 of 04.04.2013

¹⁸ Parliament Decision no. 226 of 25.10.2012

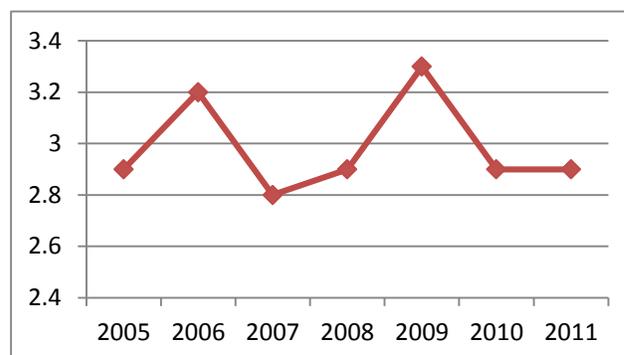
Progress Indicators

Figure 3. Percentage of citizens who find corruption one of the three most worrying issues



Source: Barometer of Public Opinion

Figure 4. Indicators of corruption perception in Moldova



Source: Transparency International

Conclusions and recommendations

- Efforts to implement the NAS shall be consolidated so as to ensure realization of all planned actions. Overdue issues shall be addressed with priority and responsibility. We are especially referring to the need to strengthen the legal framework governing the declaration and control of income/property and personal interests in public service, with fundamental review of the NIC status as an imperative.¹⁹
- The Government and Parliament shall responsibly address anticorruption policies and the institutional needs of anticorruption agencies. In the process of implementation of the actions related to legislative interventions (including policy documents), documents shall be developed, promoted, examined and adopted in strict compliance with all requirements of the legislative techniques and in compliance with procedures ensuring real transparency of decision making (eventually avoiding adoption of important anticorruption projects by engaging the Government's responsibility).

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

Major developments

- In the period of 2005-2014 Moldova confirmed its commitment for promotion and protection of human rights, having ratified several basic UN conventions and optional protocols and adopted several important laws. Thus, the death penalty was abolished, while standards and provisions were introduced to regulate civil and political rights, the rights of persons with disabilities, children's rights, etc. The following laws were adopted: Law on equality, Law on prevention and combating of domestic violence, Law on equal opportunities for men and women, and Law on the social inclusion of persons with disabilities. Therefore, legislation was improved so that it now prohibits

¹⁹ For further details: <http://www.e-democracy.md/files/cni-2-ani-mariana-kalughin.pdf>. Two years of activity of the National Integrity Commission: expectations and achievements, Mariana Kalughin, Association for Participatory Democracy (ADEPT), Chisinau, November 2014

discrimination based on race, sex, disability, ethnicity or social status. Authorities, however, did not always apply these provisions efficiently.

- The Criminal Code of the Republic of Moldova was supplemented so as to discourage crimes related to torture, inhuman and degrading treatment. As a result, positive developments in this period included gradual reduction of complaints related to torture.
- To prevent and combat human trafficking, modifications were introduced into the Criminal Code, broadening the range of crimes that fall under human trafficking, providing for harsher punishments for human trafficking, introducing punishments for the use of products and/or services that are the results of exploitation in human trafficking or child trafficking.
- Moldovan legislation provides for freedom of expression and press freedom, which were not always complied with. Individuals can criticize the government in public and in private without being repressed. To establish mechanisms designed to guarantee freedom of expression and punishment of public officials for intimidation and censorship of mass media, new articles were introduced into the Criminal Code, stipulating new punishments for illegal intentional hindrance of mass media activities and intimidation of persons for criticism and censorship. These types of crimes were included into the category of light offences.
- After press freedom improved in the period of 2010-2012 in contrast with 2005-2009, it started worsening in 2014, with Moldova ranking 56th, in the category of countries with “visible issues” in the field of pluralism, independence of mass media, the environment in which journalists work, self-censorship, the legislative framework, transparency of institutions and infrastructure necessary to journalists.
- Laws were adopted to prohibit employment discrimination against LGBT persons. Discrimination based on sexual orientation and gender identity, however, is still widely spread in society.
- Despite some achievements in terms of equality of opportunities, women continued to be underrepresented in public authorities of various levels, discriminated against in terms of employment and remuneration. Also, domestic violence, including violence against women, continued to be a widespread phenomenon.
- The number of children in residential care decreased with over 50% in the period of 2005-2014, following reform in the residential care system, promotion of deinstitutionalization of children and inclusive education. The deinstitutionalization of children with disabilities was less successful.
- Transition from institutional care for various vulnerable categories of citizens to care in families and communities was initiated and applied. In this sense, a social service at local level was established for adults with disabilities and pensioners that have no possibility to live with their biologic families or alone, in order to prevent their institutionalization.

Main problems

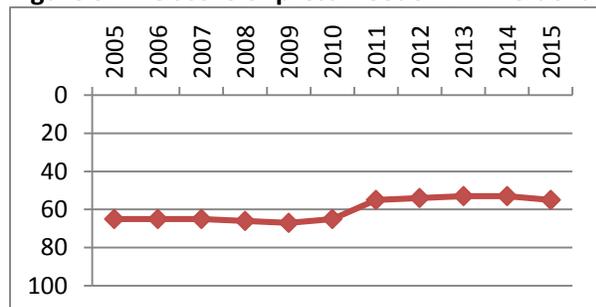
The discrepancy between human rights and freedoms enshrined in official legislative acts and everyday practices continues to be noticeable and recorded in a number of national and international reports; it is also evident in the maintenance of Moldova under the monitoring of the Council of Europe. Although efforts are made to adjust the legislative framework to international standards, they are not always followed by creation of efficient human rights protection mechanisms, while the strengthening of existing mechanisms is not seen as a priority.

- High level corruption undermines the credibility and efficiency of human rights protection bodies, being a major problem in ensuring respect for the rule of law.

- The main policy document referring to human rights – the National Action Plan in the field of human rights – continues to be implemented with delays, in conditions of insufficient funding.
- Accusations of torture and ill treatment of persons in detention is still a concern. The government has made limited progress in bringing to justice the officials involved in abuses committed by the law enforcement during repression of post-electoral demonstrations in 2009.
- During this period, Moldova was brought to the ECtHR over 10 thousand times. Relative to population, in 2013, Moldova ranked 4th out of the 47 countries signatories of the European Convention on Human Rights. This significant increase in the number of complaints can be explained mainly by the lack of trust in the judiciary in Moldova. Overall, in this period, Moldova was convicted in about 280 cases, and the Moldovan government had to pay over EUR 14 million. Most times Moldova was convicted for violation of rights to a fair trial, protection of property, freedom and security, inhuman treatment and unprofessional investigations.
- Conditions in most prisons are still poor, although certain measures were implemented to improve institutions of preventive detention and several penitentiaries.
- Reform of the institution of parliamentary advocate is being delayed. The process of modification of national legislation in order to strengthen the institution of parliamentary advocate and capacity of the Center for Human Rights in Moldova was to be completed in 2011, but even at the end of 2014 this target was not achieved.
- The problem of mass media ownership transparency and limitation of mass media ownership concentration has remained unsolved. In the period of 2005-2014, there were several cases of limitation of press freedom and intimidation of mass media representatives.
- The parliamentary elections of November 2014 revealed deficiencies in ensuring the universal right to vote, as the registration for elections of a candidate was annulled several days before voting day. This case is also indicative of selective application of justice.
- At the end of 2014, the parliament failed to adopt in final reading the draft law on introduction of a quota of minimum representation for men and women, designed to promote active participation of women in decision making in government structures. Thus, women are still underrepresented in the parliament (21 women out of 101 MPs), although over 30% of candidates on the electoral lists of parties competing in elections in 2014 were women.

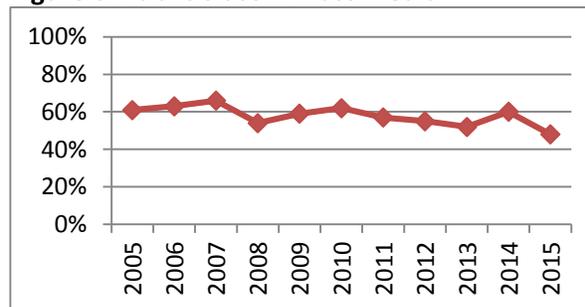
Progress Indicators

Figure 5. The score of press freedom in Moldova



Source: Freedom House

Figure 6. Public trust in mass media



Source: Barometer of Public Opinion

Conclusions and recommendations

- Moldova continued its progress in harmonizing the national legislative framework in the field of human rights with that of the EU. Thus, Moldova has a solid legal framework for promotion of human rights, but there are important gaps in their application.
- The improvement of the legislative framework governing protection of human rights is still driven from the outside. As a result, the adoption of legislation is not always followed by the creation of efficient human rights protection mechanisms, while the strengthening of existing mechanisms is not seen as a priority. This half-measure approach does not allow efficient protection of human rights. At the same time, problematic exercise of human rights is determined by the problems related to the quality of justice in Moldova.
- Although Moldovan authorities provided to complainants the compensation awarded by the ECtHR, they delayed taking general actions (legislative and regulatory), which explains repeated convictions of Moldova for the same accusations, such as application of torture or violation of freedom of expression.
- There is a general lack of disaggregated data on human rights, and together with sporadic monitoring efforts it does not allow assessing the impact of state policies on human rights. We recommend responsible ministries and the State Chancellery to ensure transparency in the implementation of the action plans adopted in the field of human rights by including civil society representatives in the councils for their monitoring/implementation.
- We reiterate the importance of implementing multi-sector strategies and the need to establish mechanisms to ensure coordination and accountability of institutions responsible for promotion and observance of human rights.

TRANSNISTRIAN CONFLICT SETTLEMENT

I. Phases of the Transnistrian conflict and their dependence on the regional context

The Transnistrian conflict (conflict in the eastern regions of the Republic of Moldova) has gone in the past 25 years through **several phases**. These phases are characterized by the regional political context:

- **Preliminary phase**, separation of Transnistria from Moldova, took place **in the context of the collapse of the USSR (1989-1991)**.
- **“Hot” phase**, characterized by violent clashes between the law enforcement of Moldova and the paramilitary forces of Transnistria, supported by the units of the 14th Army of Russia, took place in 1991-1992, **in the context of declaration of independence by the Republic of Moldova** and its adherence to international institutions – CSCE (OSCE) and the UN.
- **“Frozen” phase** began immediately after signing on 21 July 1992 of the Convention on the principles of peaceful settlement of the armed conflict in the Nistru zone of the Republic of Moldova²⁰, signed by the presidents of Moldova and Russia. The **“frozen” phase** of the Transnistrian conflict can be divided into **three stages**, determined by context.

²⁰http://ro.wikisource.org/wiki/Conven%C8%9Bie_cu_privire_la_principiile_reglement%C4%83rii_pa%C8%99nice_a_conflictului_armat_din_zona_nistrean%C4%83_a_Republicii_Moldova

a) The **first stage** of the “frozen” phase lasted from 1992 to 2005. In this period, the situation in the Transnistrian region was dominated by Russian presence in the region, and with its military, economic, financial and diplomatic aid **Transnistria managed to establish all institutions of a *de facto* state**, but officially non-recognized by the international community. In that period, Transnistria’s industrial enterprises were privatized by Russian companies. At the same time, Moldovan authorities accepted to sign on 8 May 1997 the *Memorandum on the principles of normalization of relations between the Republic of Moldova and Transnistria*²¹, also known as the “Primakov Memorandum”. In November 2003 Russia prepared a plan for the *federalization* of the Republic of Moldova, named the “Kozak Memorandum”²², which was designed to share decision making between three centers – Chisinau, Tiraspol and Comrat (the latter two had deep pro-Russian attachments). On the eve of signing this document, Moldovan authorities refused to do it, which dramatically deteriorated bilateral relations between Moldova and Russia.

b) The **second stage** of the “frozen” phase began with the signing on 22 February 2005 of the EU-Moldova Action Plan (EUMAP)²³ in order to accelerate the implementation of the Partnership and Cooperation Agreement, the main legal document between the EU and Moldova. At that time, **an essential change of the regional context** took place, related to EU enlargement and **launch of the European Neighborhood Policy (ENP)** in 2004. The Transnistrian conflict entered the **phase of internationalization** of settlement efforts.

c) The **third stage** of the “frozen” phase in the Transnistrian conflict began with the signing in 2014 of the Association Agreement (AA) between Moldova and the EU and the start of the *Ukrainian crisis*. The change in context is related to the “**enclavisation**” of the Transnistrian region, which is surrounded by a free trade area (DCFTA) of Moldova and Ukraine and affected by the drastic change of Ukraine’s attitude to the Transnistrian enclave.

- The “**thawing**” phase of the Transnistrian conflict is a thing of the future; it will probably start when Transnistria accepts to become part of the DCFTA, signed by Moldova with the EU. It might be followed by the start of conflict settlement, which **will need a new context** of restoring the architecture of regional security, with participation of Russia, the EU and the US, as well as revision of a number of documents and approaches. This process will probably take a long time.

II. The impact of the ENP strategy on Transnistrian conflict settlement

Beginning in 2005, extensive work to **internationalize Transnistrian settlement** has been done within the ENP; it included a number of measures involving Moldova’s international partners interested in the stabilization of the situation in the region, institutions and international community of experts:

- On 16 March 2005, the EU Council appointed a European Union Special Representative (EUSR) in Moldova, whose mandate referred, in particular, to the EU’s contribution to the peaceful settlement of the Transnistrian conflict. The event signifies **official involvement of the EU into Transnistrian conflict settlement**.

²¹ <http://www.olvia.idknet.com/memorandum.htm>

²² <http://www.regnum.ru/news/458547.html>

²³ <http://infoeuropa.md/files/planul-de-actiuni-ue-moldova.pdf>

- On 22 April 2005, the Ukrainian presidential administration presented its plan of Transnistrian conflict settlement through the democratization of the region. The event meant an essential change of Ukraine's policy in the ENP towards Transnistrian conflict settlement, after the change of power in Kiev following the "orange revolution".
- On 27-28 September 2005, the EU and the US were invited to participate in negotiations on the Transnistrian problem as observers; it actually established a new asymmetric format of negotiations, known as "**5+2**" format.
- On 7 October 2005, the Memorandum of Understanding between the EU, Ukraine and Moldova was signed, referring to the Border Assistance Mission, on the Transnistrian segment of the Moldovan-Ukrainian border. On 30 November 2005, **EUBAM** (European Union Border Assistance Mission) began its activity as a proof of the EU involvement into the settlement of crises and efficient conjugation of foreign and security policy (CFSP) and technical assistance. EUBAM was launched in response to the joint letter of the presidents of Moldova and Ukraine of 2 June 2005, in which they were asking for the EU support to strengthen the capacity of border management and establish "international customs control" at the Moldovan-Ukrainian border.
- On 30 December 2005 the heads of Moldovan and Ukrainian governments adopted the Joint Declaration on **unification of customs procedures applied at the Moldovan-Ukrainian border** on the Transnistrian segment. According to the document, only goods accompanied by Moldovan official customs documents could cross the Moldovan-Ukrainian border, which required the registration of Transnistrian economic agents in the relevant bodies of Moldova. Moldovan authorities introduced simplified procedures for temporary registration of Transnistrian economic agents at the State Registration Chamber of the Republic of Moldova and reimbursement to them of customs duties. The mission helped to legitimize the commercial activities of Transnistrian economic agents.
- On 19 July 2006, a study was published, "*Thawing a Frozen Conflict: Legal Aspects of the Separatist Crisis in Moldova*"²⁴, produced by the experts of the Association of the Bar of the City of New York (ABCNY), which reached the following conclusions: a) Transnistria has no right to external self-determination. Secession without the consent of Moldova's constitutional authorities is not permitted by international law; b) The Transnistrian regime may be treated as a *de facto* regime, with certain rights and obligations. The administration of public property in Transnistria by this regime must be treated, according to international law, as administration by an *occupation regime*, which can only use property for the benefit of the population, but cannot alienate it. The study is the most valuable document of complex analysis of the Transnistrian conflict through the prism of international law.
- On 17 May 2010, in Kiev, the presidents of Ukraine and Russia signed three declarations: on European security; on security in the Black Sea region; and on Transnistrian settlement. The Transnistrian issue was addressed according to the *matryoshka* principle, in the regional context (Black Sea basin) and European context. According to the declaration on Transnistrian conflict settlement, Russia and Ukraine as guarantors and mediators in the Transnistrian conflict settlement process are pleading for: final settlement of the Transnistrian problem exclusively by peaceful political means; creation of a single legal, economic and security space; observance of the sovereignty, territorial integrity and constitutional neutrality of Moldova; provision of guarantees

²⁴ <http://www.nycbar.org/pdf/report/NYCity%20BarTransnistriaReport.pdf>

for the special status of Transnistria. The Kiev declarations represented the **expression of Russia's new approaches on regional security**.

- On 7 June 2010, at the meeting in Merseburg of German Chancellor Angela Merkel and Russian President Dmitry Medvedev, they discussed the Transnistrian problem on an eventual agenda of the Russia-EU Committee for foreign and security policy at the level of ministers of foreign affairs. In this sense, a joint statement was released, saying: "The Committee could serve as a forum for exchange of opinions on current issues related to international policy and security, development of basic principles on the conduct of joint civilian and military operations of Russia and the EU to overcome crises, exchange of opinions and recommendations on concrete issues of cooperation, within appropriate international formats." The Merseburg declaration represented Germany's attempt to take into consideration **Russia's new approach to European security issues, through the prism of shared experience in solving the Transnistrian problem**.
- On 17-18 April 2012, six years after interruption of consultations in Vienna in the "5+2" format, under the auspices of the OSCE, it was agreed to: a) approve the text of the document establishing the organizational basis for the operation of "5+2" negotiations format, setting general principles on which official negotiations will be based; b) specify aspects related to the development of agendas for negotiation rounds, frequency of meetings, role of working groups, confidence building measures, methods of formalizing negotiation results; c) come to an understanding on **differentiated negotiations following the model of the OSCE** – on social issues (free movement, education, health), economic issues (customs procedures, banking) and political settlement.
- On 27 June 2014, the EU signed with Moldova the Association Agreement, where Article 8 says: "The Parties reiterate their **commitment to a sustainable solution to the Transnistrian issue**, in full respect of the sovereignty and territorial integrity of the Republic of Moldova, as well as to facilitating jointly post-conflict rehabilitation. Pending its resolution and without prejudice to the established negotiating format, the Transnistrian issue will constitute one of the central subjects on the agenda of political dialogue and cooperation between the Parties, as well as in the dialogue and cooperation with other interested international actors."²⁵

The domestic efforts of Moldovan authorities included adoption of a number of documents to comply with the international effort in the process of international settlement:

- On 22 July 2005, Law no. 173 on the basic provisions of the special legal status of localities on the left bank of the Nistru (Transnistria)²⁶ was adopted; it fixed the basis parameters of Transnistrian conflict settlement in the current constitutional framework of the Republic of Moldova, offering a broad autonomy to the Transnistrian region. The law was meant rather to maintain the "frozen" state of the conflict until an eventual change of the regional context in favor of Moldova. The adoption of this law actually signified transition to the second stage of the "frozen" conflict. The law provided that it may be modified only with a qualified majority of 3/5, to ensure that the attitude of the parliamentary opposition is taken into consideration in the eventual "thawing" of the conflict.
- On 3 August 2006, the Moldovan Government adopted Decision no. 891 on approval of the Action Plan on using, in the process of reintegration of the country, the conclusions of "Thawing a Frozen Conflict: Legal Aspects of the Separatist Crisis in Moldova" report, produced by the Association of the Bar of the City of New York. According to the action plan, the main international institutions –

²⁵ <http://www.parlament.md/LinkClick.aspx?fileticket=gXkOTU94I6Q%3d&tabid=203&language=ro-RO>

²⁶ <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=313004&lang=1>

UN, OSCE, Council of Europe, etc. – and the main capitals and decision-making centers were to be familiarized with the conclusions of the study.

- In October 2007, Moldovan presidential administration launched a plan for Transnistrian conflict settlement, proposing: a) to assign to the “5+2” format mediators and observers the task of finding a solution for the status of Transnistria; b) Moldovan and Transnistrian authorities to promote measures of building confidence between citizens on both banks of the Nistru, by jointly solving humanitarian, economic and infrastructural problems; c) demilitarization of the Moldovan territory, including Transnistria, by liquidating heavy weapons; d) creation of a single army, trained to conduct peacekeeping missions at the request of competent international organizations; e) financial support by mediators and observers of the negotiation process to the process of demilitarization and army reform.
- In the period of 2005-2013, namely in 2005²⁷ (Tarlev government), 2008²⁸ (Greceanii 1 government), 2009²⁹ (Greceanii 2 government), 2009³⁰ (Filat 1 government), 2010³¹ (Filat 2 government), 2013³² (Leanca government), the 6 government programs adopted after the signing of the EU-Moldova Action Plan contained express provisions on priorities for the Transnistrian conflict settlement. Moldova did not have an explicit conflict settlement strategy, but, given its limited potential in all aspects, it had a relatively coherent approach in the external and internal dimension. A summary of the above-mentioned provisions was included into the text of the *Strategy of National Security of the Republic of Moldova*³³, adopted on 15.07.2011. These provisions were reiterated by Moldovan decision makers in international assemblies – UN, OSCE, Council of Europe – as follows:
 - a) The main objective of the process of political settlement of the Transnistrian conflict consists in finding a comprehensive, viable and definitive solution, by developing and assigning a special legal status to the Transnistrian region as part of Moldova, in the current constitutional framework;
 - b) Transnistrian conflict settlement must be reached exclusively by peaceful means in the “5+2” negotiations;
 - c) Political settlement of the conflict will occur in the context of achievement of the strategic goal of the country’s European integration, ensuring the country’s political, economic and social attractiveness and the attractiveness of the reintegration objective;
 - d) Focusing efforts on the management of confidence building measures, meaning elimination of suspicions, and on the negotiations process aimed at the political settlement of the conflict;
 - e) Transformation of the current peacekeeping operation into a multinational civil mission with an international mandate will help reach political settlement, creating necessary mechanisms for building confidence and security;
 - f) Obtaining external partners’ support for reintegration policies promoted by the state and for ensuring joint approaches by international actors – OSCE, UN, Council of Europe, Russia, Ukraine, EU and its member states, as well as the US;

²⁷ <http://www.e-democracy.md/files/parties/program-activitate-guvern-moldova-2005-2009-ro.pdf>, page 4

²⁸ <http://www.e-democracy.md/files/parties/program-activitate-guvern-moldova-2008-2009-ro.pdf>, page 10

²⁹ <http://www.e-democracy.md/files/parties/program-activitate-guvern-moldova-2009-ro.pdf>, page 7

³⁰ <http://www.e-democracy.md/files/parties/program-activitate-guvern-moldova-2009-2013-ro.pdf>, page 21

³¹ <http://www.e-democracy.md/files/parties/program-activitate-guvern-moldova-2011-2014-ro.pdf>, page 56

³² <http://www.e-democracy.md/files/parties/program-activitate-guvern-moldova-2013-2014-ro.pdf>, page 42

³³ <http://lex.justice.md/md/340510/>

- g) Ensuring security in the Transnistrian segment of the Moldovan-Ukrainian border, including through cooperation with the EUBAM Mission;
- h) Removing foreign military presence from Moldova is imperative and shall be done by virtue of it having no legal basis.
- On 10 July 2014, after ratifying the EU-Moldova Association Agreement, the Parliament adopted Decision no. 123 on approval of the *Declaration on the processes of territorial reintegration of the country in the context of the European course of the Republic of Moldova*³⁴. According to the declaration: territorial reintegration is a national priority; creation of the Deep and Comprehensive Free Trade Area (DCFTA) is a major step in ensuring free movement of goods and services between Moldova and the EU, and visa-free regime already ensures free movement of Moldovan citizens from both banks of the Nistru to the EU; efforts will continue being made to ensure equal access of residents and business community from both banks of the Nistru to new opportunities that are opening with ratification of the AA and creation of the free trade area between Moldova and the EU; Transnistrian partners in the dialogue will be informed about the efforts made at the executive and legislative level in order to prepare for implementation of the DCFTA; the EU decision to extend the application of the Autonomous Trade Preferences for Transnistrian economic agents by the end of 2015 gives the time needed to find solutions.

III. Adverse effects of addressing Transnistrian conflict settlement within the ENP

In addition to positive effects, the internationalization of the Transnistrian settlement within ENP, more active involvement of Ukraine, EU and US had some negative effects, too:

- On 3 March 2006, Transnistrian administration announced about withdrawal from the “5+2” negotiations format, qualifying the measures taken in 2005 by Moldova within ENP as unilateral, aimed at blocking the region’s external economic activities. As a result, for 6 years, until 2012, only consultations took place in the “5+2” format, with the goal to maintain a certain level of trust between parties in conflict;
- On 17 September 2006, Transnistrian authorities organized a referendum, in which the region’s residents opted for “the course towards the independence of the Transnistrian Moldovan Republic and subsequent free joining of Transnistria to the Russian Federation”;
- In 2006, Russia introduced embargoes against goods of plant and animal origin from Moldova. Embargoes were aimed at discouraging Moldova from adapting the efforts of Transnistrian conflict settlement to the new consensus, but they were also a response to the refusal to sign the “Kozak Memorandum” on federalization of Moldova in 2003;
- On 16 April 2014, after the annexation of Crimea, Transnistrian administration addressed Russian authorities, as guarantor and mediator in the Transnistrian settlement process, with the appeal to recognize the independence of Transnistria. Russia did not recognize the independence of Transnistria, but it still became more independent with annual Russian financial support of about USD 1.1 billion³⁵, which was drastically reduced because of expenses necessary for Crimea and Donbass;

³⁴ <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=353969>

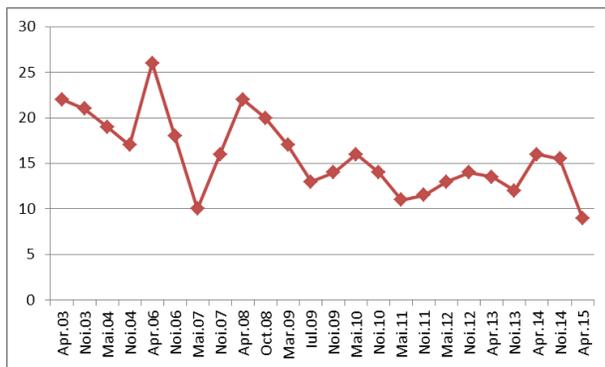
³⁵ <http://www.dniester.ru/node/10571>

- In the period of 2005-2014, despite the implementation of confidence-building measures and Transnistrian settlement measures within the ENP, there were constantly challenges against: free movement of Moldovan citizens and peacekeepers in the Security Zone; Romanian-language schools under Moldovan jurisdiction in Transnistria; Moldovan farmers whose lands are located on the left bank of the Nistru.

IV. Citizens’ perceptions on the efforts and context of Transnistrian settlement

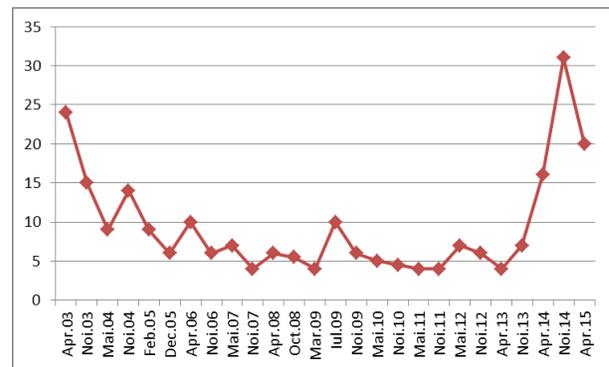
Opinion polls, especially conducted for the Barometer of Public Opinion (BPO)³⁶, under the auspices of the Institute of Public Policies (IPP), revealed little and continuously decreasing interest of Moldovan citizens for Transnistrian settlement. There is, however, a close correlation between domestic and international efforts for Transnistrian settlement and citizens’ interest for them. It should be mentioned that citizens’ concern about an eventual war in the region is related to the problem of separatist crises in Moldova and Ukraine: the project of federalization of Moldova in 2002-2003, annexation of Crimea, war in Donbass and Transnistrian administration’s address to Russian authorities about recognition of region’s independence and its incorporation into Russia in 2014. There is also a close correlation between citizens’ attitude to the above-mentioned events and perception of relations with Russia, Ukraine, Romania, US and EU.

Figure 7. What are the most important problems that must be solved in Moldova? (Transnistrian problem settlement)



Source: Barometer of Public Opinion

Figure 8. What worries you the most at present? (a war in the region)

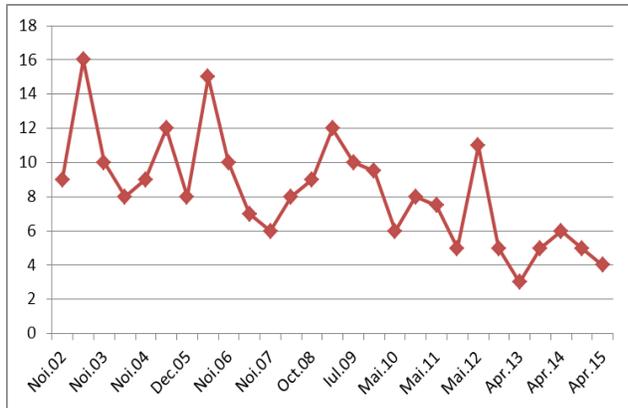


Source: Barometer of Public Opinion

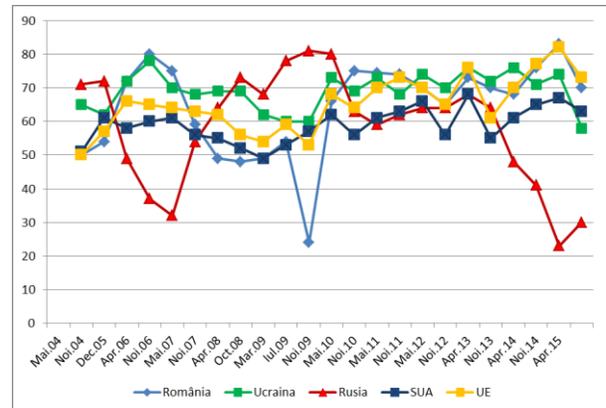
Figure 9. How satisfied are you by what the country’s government does in terms of Transnistrian conflict settlement? (quite satisfied/very satisfied)

Figure 10. How do you appreciate current relations of Moldova with the following countries? (good/very good)

³⁶ <http://www.ipp.md/lib.php?l=ro&idc=156>



Source: Barometer of Public Opinion



Source: Barometer of Public Opinion

V. Conclusions

- Efforts to Transnistrian settlement in the period of 2005-2014 strongly depended on the political situation and regional context.
- The launch of ENP in 2004, followed by extended internationalization of settlement efforts and involvement of the EUBAM mission, provided Moldova with the first real levers to influence Transnistrian commercial activities through customs regulation.
- The Ukrainian crisis caused by annexation of Crimea by Russia further diminished the potential for survival and separation of Transnistria from Moldova through dramatic restriction of the commercial and military movement of Transnistrian citizens to and from Russia, provoking an acute socio-economic crisis in the region in 2014.
- Moldova does not have its own resources for constructive initiatives to redress and improve the situation in the Transnistrian region other than those provided by partners in the “5+2” format. Therefore, Transnistrian settlement in the new regional context, created by the signing of the Association Agreement and the DCFTA, should take place strictly according to the above-mentioned documents and approaches.

COMMERCIAL RELATIONS

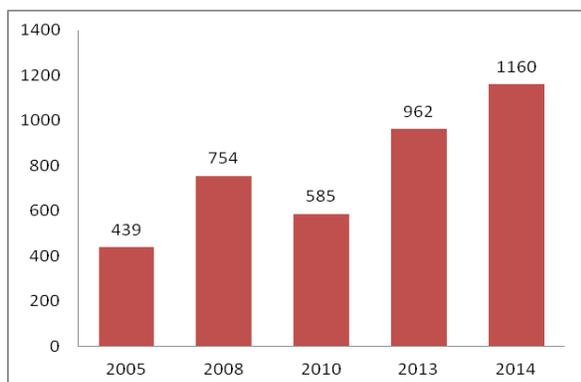
Major developments

- Major developments in the field of commercial relations in the period of 2005-2014 are related to gradual liberalization of trade with the EU, which evolved from the Generalized System of Preferences (GSP) to GSP Plus, Autonomous Trade Preferences (ATP) and advanced to the establishment of the Deep and Comprehensive Free Trade Area (DSFTA) with the EU.
- In the analyzed period, Moldova fulfilled all requirements concerning efficient control of the origin of goods and improved the institutional framework in this sense, through implementation of SICOM and SPECIMEN information systems. They are integrated in the ASYCUDA World information system and are transferring competences for issuance of EUR.1 and CT-1 movement certificates from the Chamber of Commerce and Industry to the Customs Service.

- Measures were adopted to fulfill obligations before the World Trade Organization (WTO). Also, the Combined Nomenclature of Goods and the Regulations on administration of tariff quotas for the import/export of goods to/from Moldova were approved. Important changes were obtained to facilitate, simplify and expedite customs procedures: introduction of electronic declarations for import and export, development of the concept of Authorized Economic Operator (AEO). Besides, Moldova applied for membership in the Regional Convention on Pan-Euro-Mediterranean preferential rules of origin.
- Major progress in commercial relations is the signing of the Association Agreement with the EU (June 2014), which provides for the establishment of the Deep and Comprehensive Free Trade Area (DCFTA), ratified by Moldova and provisionally implemented since 1 September 2014. In this sense, the Moldovan side started the process of reducing and/or eliminating import tariffs on some products from the EU, while continuing to approximate the national legislation with the EU acquis.
- A Free Trade Agreement was signed with Turkey, creating opportunities for diversification of Moldovan exports.
- Preferential trade regimes with the EU (GSP, GSP+, ATP and DCFTA) helped increase exports to the European market. As a result, the share of exports to the EU in total exports grew from 40.7% in 2005 to 53.3%, which was also determined by reduction of deliveries to the CIS countries, in particular due to Russian trade embargoes and recently due to the crisis in Ukraine.

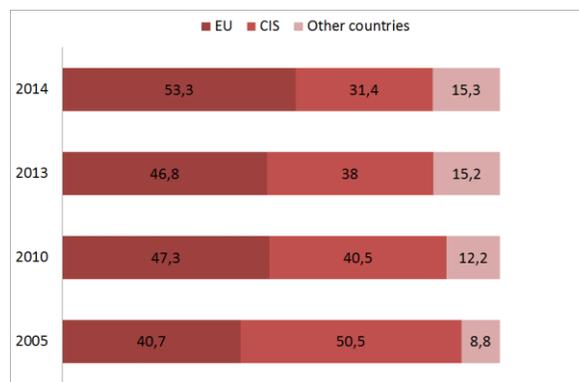
Progress Indicators

Figure 11. Exports to the EU, million EUR



Source: European Commission

Figure 12. Structure of exports per groups of countries



Source: National Bureau of Statistics

Main problems

- Maintenance of non-tariff barriers on the Community market for products of animal origin;
- Reduced capacities of local exporters to fully exploit tariff quotas set by the EU in the ATP;
- Absence of efficient mechanisms for promotion of Moldovan products on the Community market;

- The majority of quality standards remain non-harmonized with European standards.

Conclusions and recommendations

Institutional and legislative changes related to fulfilling commitments within the WTO, interconnection with trade-related information systems, deepening of trade liberalization with the EU helped expand, diversify and modernize foreign trade in the period of 2005-2014. To exploit and strengthen the country's export capacities, the following measures are recommended:

- To attract European financial and technical assistance in order to bring products of animal origin in compliance with the EU sanitary and phytosanitary requirements, thus allowing their export to the European market. Also, implementation of European safety standards will help increase the quality and competitiveness of products of animal origin on other external markets and on the local market.
- To conduct activities of familiarizing Moldovan producers with European market requirements (technical regulations, export procedures, European information instruments) and building management skills in the field of promotion of local products (marketing, PR) on external markets.
- To negotiate (in trilateral format, Chisinau-Tiraspol-EU) and define a mechanism for implementation of aspects of DCFTA in Transnistria, considering three essential aspects: i) harmonization of the quality infrastructure; ii) meeting the requirements of the rules of origin; iii) state aid transparency.
- To adopt an efficient strategy for MIEPO, with emphasis on strengthening institutional capacities. The strategy should include practical measures to empower Moldovan exports, which shall complement traditional activities of promotion of local products.

CUSTOMS SERVICE

Major developments

- Definition of “counterfeit goods” in the Customs Code and establishment of measures to counter the flow of counterfeit goods and pirated works. In this sense, “cases of detention of the goods suspected of being counterfeit/pirated” indicator was introduced into the system of performance indicators of the Customs Service (CS). Also, the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property was ratified in 2007.
- Adjustment of external trade statistics to European and international standards. The nomenclature of goods of the Republic of Moldova was reviewed in compliance with the Harmonized Commodity Description and Coding System, and in 2014 the law on combined nomenclature of goods was approved. The Integrated Customs Tariff (TARIM) online data system was launched, where information can be sought on tariff and non-tariff measures applied on imported or exported goods.
- Extension of CS competences through transfer to this institution of tasks related to issuance of certificates of origin from the Chamber of Commerce of Industry, as well as some functions previously held by the specialized services of the Ministry of Transport, Ministry of Environment, phytosanitary and veterinary authorities. Also, in the context of ATP, the customs authority expanded its activity on Transnistrian economic agents exporting to the EU.

- Implementation of the ASYCUDA World system, provision to the CS of special modern equipment necessary for customs fraud detection (including with the assistance of EUBAM), provision of video surveillance equipment to customs posts, simplification of customs clearance procedures and approval of the customs officer's Code of Conduct.
- Creation of an online database with information about tariff quotas in trade with the EU.
- Modernization of customs procedures through approval of the Regulations on electronic customs clearance procedures in the export of goods (E-customs), which simplifies customs procedures and reduces related time and costs while minimizing corruption risks. Adoption of a regulatory framework that facilitates customs procedures by conferring the status of Authorized Economic Operator (AEO).

Progress Indicators

- Exports conducted exclusively through electronic customs clearance reached 43% (on 1 January 2015).
- By now, about 70 entities obtained the status of Authorized Economic Operator (AEO).

Table 1. Position of Moldova in cross-border trade compared with other Eastern Partnership countries, Russia and Romania, according to "Doing Business" ranking

	2008 (178 countries)	2010 (183 countries)	2014 (189 countries)	2015 (189 countries)
Moldova	122	140	150	152
Ukraine	120	139	148	154
Georgia	64	30	43	33
Armenia	118	102	117	110
Belarus	137	129	149	145
Russia	155	162	157	155
Romania	38	46	76	65

Source: World Bank

Table 2. Aspects of cross-border trade referring to Moldova, according to "Doing Business" ranking

	2008	2010	2014	2015
Number of documents for export	6	6	7	9
Time for export (days)	32	32	32	23
Cost for export (US \$ per container)	1,425	1,815	1,545	1,510
Number of documents for import	7	7	8	11
Time for import (days)	35	35	35	27
Cost for import (US \$ per container)	1,545	1,945	1,870	1,870

Source: World Bank

Main problems

- Application of physical customs control prevails, determined by inefficient use of risk analysis tools, which generates risks of corruption.
- There are some problems related to transparency in the work of the CS, which are related to non-publication of data about performance in combating of contraband, work of the Information Service (Call Center), efficiency of Consultative Councils under the CS in solving the problems of economic operators, cases of corruption with involvement of customs officers, etc.

Conclusions and recommendations

Measures taken in the period of 2005-2014 visibly contributed to modernizing the customs service, by increasing efficiency, simplifying and digitalizing customs operations, according to international and European standards. Nevertheless, considerable efforts must be focused on solving a series of problems that have a negative effect on the work of the CS and hinder external trade:

- Facilitation of external trade through efficient customs procedures: (i) active promotion of electronic customs procedures with complete abandonment of paper-based customs procedures; (ii) implementation of a “one stop shop” to issue all permissive documents; (iii) continuing simplification of customs control procedures and increase of the number of AEOs.
- Efficient combating of corruption in the CS: (i) elimination of sources generating situations of corruption (removal from current legislation of evasive provisions related to the determination of customs value, with reference to the Law on customs tariff); (ii) technical equipment of customs points (video surveillance at all customs points); (iii) reduction of physical contact in the process of customs controls (electronic customs clearance for all customs regimes, customs control based on risk analysis); (iv) stimulation of economic agents to report cases of abuse by the CS (through facilitation of the AEO status); (v) improvement of CS’s capacities of reporting and communication (publication of information about combating contraband, cases of abuse by the CS, settlement of problems identified by Consultative Councils); (vi) improvement of personnel quality and introduction of performance indicators and stimuli (bonuses) to contribute to combating corruption in the CS.

IMPROVING WELFARE

Major developments

- The social protection system has been reformed structurally and institutionally. New institutions were created, including the Social Inspection, in order to facilitate correct application of relevant legislation and to ensure a higher level of services.
- Establishment of the “State financial support” mechanism in order to strengthen the social protection of persons whose pensions are below the minimum subsistence level. According to this mechanism, pensioners in this category receive financial aid in addition to pensions, which is indexed regularly.
- A new program of monetary social transfers called “Social Aid” was launched in 2008. This program, together with some legislative modifications, led to implementation of a new mechanism of social benefits based on testing real income and assessing applicants’ needs. Thus, the efficiency of social assistance grew due to improvement of criteria of eligibility for such assistance and more efficient orientation of funds towards the poorest categories of population.
- The Automated Information System of records of applicants for and beneficiaries of social assistance was created within the “Health and Social Assistance Services” project. This information system will strengthen the capacities of managing the social assistance system at country level, offering a broad range of information for relevant institutions.

- The national system of accreditation of social service providers and the National Accreditation Council in this field were established. Accreditation of social service providers will help improve the quality of these services due to increase of their responsibility for observance of quality standards.
- The legal framework on protection and monitoring of children at risk and children left without parental care was improved. Also, the range of services aimed at families with children and children at risk was diversified, including creation of the service of free telephone support service for children.

Main problems

- The current pensions system of Moldova fails to ensure the minimum subsistence level for the majority of pensioners. The average age-based pension, despite having grown in recent years, was constantly below the subsistence minimum for pensioners, covering only 83% of it in 2014.
- The social assistance provided to families with children, despite being regularly adjusted, remains below the subsistence minimum for children. By the end of 2013, monthly allowances for childcare covered only 75.5% of the subsistence minimum for children aged 0-17 among insured persons and only 49.1% of non-insured.
- Although the poverty level significantly decreased in recent years, this process depends a lot on the growth of remittances from abroad. This model of reducing poverty is not sustainable and it is vulnerable to external shocks (e.g. worsening of the economic situation in Russia, where about 2/3 of Moldovan migrants work).
- Despite continuing reform of the social assistance system, there still are major dysfunctions that adversely affect the quality of services. Thus, inefficient management and imperfection of the regulatory framework led to the growth of irregularities found by the Social Inspection with 6.2 p.p. in 2014 compared with 2013 (13.4% of the cases subjected to inspection procedures and techniques).

Table 3. Welfare development indicators

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Ratio between the average pension and the subsistence minimum for pensioners (%)	57.2	60	57.1	78.3	70.6	69	75.8	79.1	83
Ratio between allowances for children and the subsistence minimum for children; Insured persons (%)	54.8	58.5	65.7	49.6	61.6	62.1	69.1	75.5	
Share of population below the absolute national poverty threshold (%)	30.2	25.8	26.4	26.3	21.9	17.5	16.6	12.7	

Source: National Bureau of Statistics

Conclusions and recommendations

- To increase the level of pensioners' insurance and sustainability of the pensions system, a broad range of restructuring and reforms is necessary. Thus, to reform the current pensions system, a set of parametric measures is necessary, such as balancing the retirement age between men and women, changing the current formula for counting pensions and changing the amount of social insurance contributions paid by employers and employees. Also, in the medium term it is important to develop the second pillar of pensions, which is based on the cumulative principle of social contributions.
- To reduce irregularities and increase the range of social services, it is necessary to further strengthen the institutional capacities of the Social Inspection. Also, it is important to increase the capacities of territorial institutions of social assistance, which currently do not fulfill more than 50% of the Inspection's recommendations.
- The policy of support for children and families with children should become a priority from the socio-economic and demographic perspective. Therefore, it is essential to adjust allowances for children to the subsistence minimum, and to implement non-fiscal measures, such as extending the range of free medicines and medical services for children under 18 y.o.

RURAL AND REGIONAL DEVELOPMENT

Major developments

- Development of the regulatory and institutional framework for regional development. In 2006, the Law on the regional development of Moldova was approved, which is the basis for development of further policies in this field. Also, regional development agencies were created for the regions of South, North, Center, Chisinau, Gagauzia and Transnistria. Other key elements of the institutional framework are regional councils and the national council for coordination of regional development, which manages the use of allocations from the National Fund of Regional Development.
- Approval of amendments to the Law on local public finances, which entered into force provisionally in 2014 and fully in 2015. They gave more fiscal autonomy to local public authorities of level 1, by establishing a mechanism of transfers to local public authorities based on income, according to formulas excluding the discretionary and political factor. In addition, transfers are allocated from the state budget directly to local public authorities of level 1 and level 2. As a result, local public authorities will be able to individually establish development priorities at the local level, without interference from upper level authorities.
- The main actions of regional socio-economic impact were focused mainly on the development of basic infrastructure. They included amplification of construction of roads, water supply infrastructure and building of social housing in several regions of Moldova.
- Several technical assistance projects were launched with funding from external development partners. A priority for these projects is strengthening institutional capacities of local public authorities in application of regional socio-economic development tools.
- Another important area in the regional development policy was the development of the regional statistics base. Regional statistics is developed within the project of technical assistance "Improved

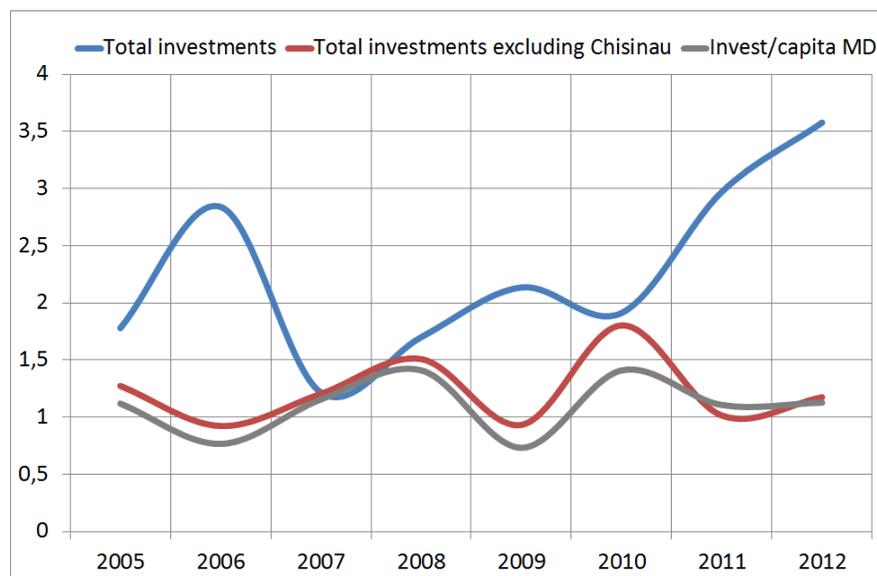
availability and reliability of regional statistics for decision makers in Moldova”, funded by the Government of Romania.

Main problems

- Moldovan economy is extremely unbalanced in regional profile. About half of the country’s GDP is produced in Chisinau municipality. At the same time, the state did not use public investments to the maximum in order to diminish regional discrepancies. On the contrary, investments from the state budget have been recently distributed with less and less geographic uniformity, contributing to maintenance of regional disparities (see Figure 1).
- Enhancement of infrastructure works largely depends on the institutional framework of development, management and implementation of these projects, which is still poorly developed. This applies in particular to local public authorities and becomes a critical point in the process of decentralization and regionalization of responsibilities in those areas.
- Increase of investment in infrastructure was not correlated with improvement of the quality and efficiency of spending. So, to ensure the multiplier effect in the construction of the basic infrastructure, it is necessary to ensure strict control of the above-mentioned components by relevant authorities.
- Despite some progress in recent years, regional statistics is still underdeveloped. It inhibits the complex analysis of socio-economic processes at regional level and negatively affects the quality of regional development policies.

Progress Indicators

Figure 13. Dynamics of the coefficient of variation for investment in long-term assets financed from the state budget



Source: I.Morcoțîlo, „Dezvoltarea regională și două realități paralele” [Regional Development and Two Parallel Realities], Expert-Grup

Conclusions and recommendations

- To diminish regional discrepancies, it is important to strengthen institutional and self-funding capacities of local public authorities. In this sense, it is important, along with implementation of the Law on local public finances, to stimulate local public authorities to borrow for capital expenditures, especially by issuing infrastructure bonds.
- Another critical area for regional policy is further development of statistics, in order to comply with the highest international standards.

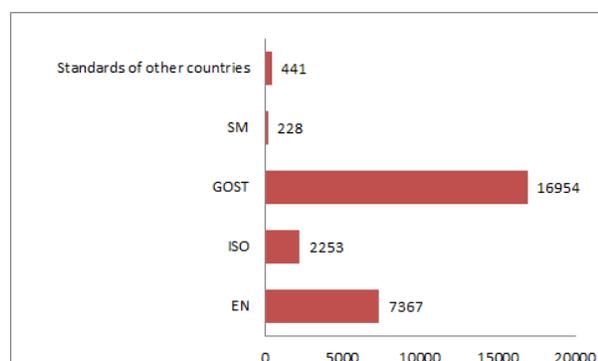
STANDARDS, TECHNICAL REGULATIONS AND CONFORMITY ASSESSMENT PROCEDURES (HARMONIZED AREAS)

Major developments

- Approval of the Concept on quality infrastructure in Moldova, adjustment of the Law on standardization, adoption of the National Consumer Protection Strategy.
- Adoption of Sector Strategy of spending on quality infrastructure and consumer protection for the period of 2013-2015, which provides for actions and costs necessary for reforming the quality infrastructure system in 5 sectors: national system of standardization, metrology, accreditation, consumer protection, and industrial safety.
- Creation of the National Accreditation Agency (MOLDAC) and adjustment of the institutional framework in the field of standardization and metrology to European legislation through creation of the National Institute of Standardization (NIS) and National Institute of Metrology (NIM).
- NIS joining the European Committee for Electrotechnical Standardization (CENELEC) and European Telecommunications Standards Institute (ETSI), which facilitates adoption of European standards.

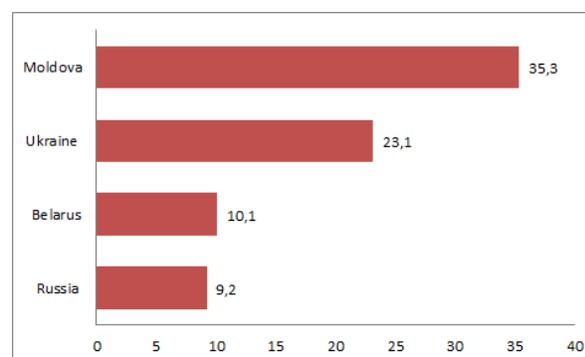
Progress Indicators

Figure 14. Total distribution of Moldovan standards per category, 2014



Source: NIS

Figure 15. Degree of “internationalization”³⁷ of national standards at regional level, 2014, %



Source: NIS

³⁷ Adoption of European and international standards as national standards is characteristic to the process of “internationalization” of standards.

Main problems

- The national system of accreditation failed to align to the requirements necessary for joining the Multilateral Agreement of the European Cooperation for Accreditation (EA MLA).
- Insufficiency of financial and human resources necessary for efficient functioning of the quality system (inadequate equipment of laboratories, constraints in implementation of European standards for economic operators, etc.).
- Slow adoption of European standards in the context of existence of many conflicting standards, which are dominated by interstate standards (GOSTs), which make up about 60% (16,954) of all national standards.³⁸
- In the food sector, the transposition of some binding European documents (regulations, directives) produces collisions with GOST standards, not annulled yet, which set technical requirements for various food products (e.g. condensed milk, jam, chicken, etc.).³⁹

Conclusions and recommendations

The start of the process of adjusting the quality infrastructure to European requirements led to first results, such as revision of the legal framework and reorganization of relevant institutions (standardization, metrology and accreditation). However, more efforts are necessary to:

- Attract financial and technical assistance from outside to modernize evaluation and testing bodies (laboratories) according to European requirements and to strengthen the institutions of quality infrastructure (NIS, NIM and MOLDAC);
- Promote European standards by applying fiscal stimuli for the businesses that implement them and by facilitating the access of SMEs to relevant financial assistance from the EU (ENPARD, COSME) for implementation of European standards.

ELIMINATION OF RESTRICTIONS AND ADMINISTRATION OPTIMIZATION (NON-HARMONIZED SECTORS)

Major developments

- Periodic organization of consultations with stakeholders on various draft laws within the working group for regulation of entrepreneurship, created by Government Decision (GD) no. 1429 of 16.12.2008.
- Establishment in 2012 of WTO notification and information centers within ministries and other central authorities under coordination of the Ministry of Economy.
- Production of the Study on non-tariff measures applied in trade by Moldova, which identified the main obstacles in Moldova's trade with goods and services.

³⁸ Denis Cenușa, Expert-Grup, Notă analitică: Oportunitățile standardelor europene și soarta GOST-urilor, Septembrie 2014, <http://expert-grup.org/ro/biblioteca/item/1017-na-standardde-europene>

³⁹ Denis Cenușa, Expert-Grup, "Adoptarea standardelor europene și situația din sectorul agro-alimentar: provocări și oportunități", Septembrie 2014, p.17, <http://expert-grup.org/ro/biblioteca/item/1010-adoptarea-standardelor-europene>

Progress Indicators

Although the working group for the regulation of entrepreneurship has been regularly convened since 2009, official information about the total number of meetings or the number of entrepreneurs who participated in them is unavailable.

Main problems

- The government produced the majority of its decisions outside consultative processes, with companies being announced about consultations post factum. Also, the majority of consultations were formal, and small companies were practically absent from this process.
- The work of the information and consultation centers and communication between them was anemic and had little visibility.

Conclusions and recommendations

Although authorities took some measures to remove restrictions and optimize the circulation of goods, some actions are recommended to maximize results:

- Revision of the regulatory framework on the working group for the regulation of entrepreneurship through introduction of performance indicators, which will enable assessment of the impact of the consulting platform, the degree and quality of participation of this group's members and its relations with the civil society. Also, business and civil society representatives should be allowed to access these indicators.
- Strengthening of institutional capacities of relevant ministries and other institutions of central public authorities in communication with WTO and in the context of the DCFTA, ensuring greater visibility of WTO notification and information centers.

SANITARY AND PHYTOSANITARY ISSUES

Major developments

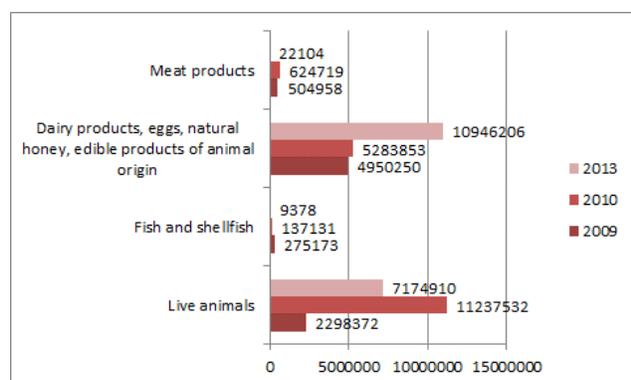
- Adoption of the Law on sanitary and veterinary activities, which provides for creation of the Sanitary Veterinary Agency for Safety of Products of Animal Origin (2008). Transfer of phytosanitary and veterinarian services to the border (2011) and adoption of the Law on establishment of general principles and requirements in food safety legislation and of the Food Safety Strategy for 2011-2015.
- Adoption of Regulations on organization and functioning of the National Food Safety Agency (NFSA) as institution responsible for implementation of state policy on the regulation and control in the field of food safety, sanitary veterinary, zootechnics, plant protection and phytosanitary quarantine, seed control, safety of primary products, foodstuffs and animal feeding.
- Launch of the System of Identification and Traceability of Animals (SITA) in 2007 and its migration to the MCloud electronic platform, which allowed increasing the system's efficiency, flexibility and cost savings on maintenance.
- Approval of Regulations on creation and functioning of the 'one stop shop' for issuance of export/import phytosanitary certificates (2014), which reduced the number of documents required

in order to obtain a phytosanitary certificate to 3 documents (from the 7 mandatory documents previously). Also, the Regulations provide for reduction of the number of visits to NFSA territorial offices (from 5 to 2 visits), elimination of the need to present the document confirming phytosanitary control and certificate of quarantine examination of plants and products of plant origin. Also, the invoice and the sales (export) contract shall be presented only once at any subdivision of NFSA.

- Launch of the e-NFSA system, which involves increasing the efficiency of surveillance of import-export activities in the context of ensuring sanitary and phytosanitary conditions. Initiation of assessment by DG Santé (DG SANCO) of the state control system in the field of regulation of animal production (production of table eggs).
- Intensification of collaboration with the UN Food and Agriculture Organization (FAO), which opened a representative office in Moldova.

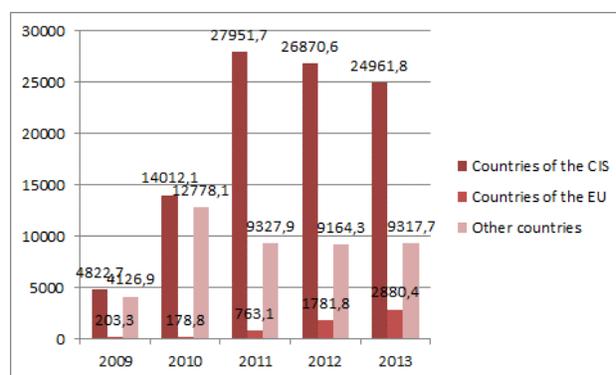
Progress Indicators

Figure 16. Total export of the main products of animal origin, according to HS 2007, USD



Source: UN Comtrade

Figure 17. Volume of exports of products of the “live animals and animal products” category, thousand USD



Source: National Bureau of Statistics

Main problems

- Insufficiency of funds for proper maintenance and equipment of the system of laboratories in the sanitary and phytosanitary sectors.
- Reduced and inefficient capacities in ensuring safety control of products of animal and plant origin.
- Troublesome compliance with European sanitary and phytosanitary requirements impedes export of animal products to the EU market. Problems in surveillance of animal production and in ensuring traceability create obstacles for deliveries to traditional markets in the CIS (Russia).

Conclusions and recommendations

In the analyzed period, actions were made to increase food safety, on the one hand, and reform and modernize the sanitary and phytosanitary sectors in compliance with European requirements, on the other hand. To exploit the potential of this sector, the following actions are recommended:

- To channel external assistance in order to accelerate the process of adjusting to technical requirements on the EU market in the sanitary and phytosanitary field; to modernize food sector laboratories, which are subordinated to the Ministry of Agriculture and Food Industry and to the NFSA, and to improve the system of animal identification and traceability.
- To strengthen institutional and operational capacities of NFSA at national and local level in order to increase efficiency in ensuring quality control of products in export-import. Also, to provide NFSA with the right to legislative initiative in order to accelerate reforms in the food and agriculture sector.
- To increase efficiency in surveillance and control in the food and agriculture sector, through broader use of risk control, removal of overlaps and duplications in food safety control, ensuring an efficient mechanism of animal traceability and developing information systems to facilitate data exchange in the sector.
- To identify stimulating measures (fiscal, technical and financial assistance, consultancy and free information support) for producers and exporters in order to adjust food and agriculture production to European sanitary and phytosanitary requirements.
- To implement the recommendations of DG Santé (DG SANCO), such as strengthening capacities in products traceability or developing, purchasing and applying mechanisms for prevention and control of diseases in the field of animal production.

SOCIAL AND EMPLOYMENT POLICY

Major developments

- Negotiation and signing of a number of international agreements on social protection and labor migration. In the period of 2008-2014, such agreements were signed with 14 countries. Their aim is to ensure Moldovan emigrants' labor and social protection rights.
- Elaboration of the Strategy for development of vocational-technical education for 2013-2020 and implementation of the project "Consolidation of management in the vocational-technical education sector" for 2013-2017. The measures in them will enable adjusting this system to the conditions of market economy by raising professional training standards and by involving economic agents into the educational process.
- Approval in 2014 of Regulations on the mechanism of using funds allocated from the state budget to support investors in the preparation and training of personnel (staff) in connection with the creation of new jobs. According to this document, economic agents will be able to receive compensations amounting to up to 50% of the training expenses.
- Approval in 2014 of the Regulations on the amount and criteria of establishment of expenses incurred and determined by the employer for the transport, food and professional studies of the employee. The document set fiscal criteria for deduction of employer's expenses for the

maintenance and professional development of employees, creating additional incentives for investment in human capital.

Main problems

- Informal employment is still an important problem for the labor market, both in terms of more efficient and complete use of labor force and in terms of ensuring social protection of workers in this field. In the recent period, the rate of people with informal jobs started to grow again, reaching 385.5 thousand persons in 2014.
- Although the number of social protection agreements grew quite significantly in recent years, there are no such agreements with some countries with a significant concentration of Moldovan emigrants. It primarily refers to Russia; negotiations with this country were finalized, but the agreement has not been signed mostly for political reasons. Also, lack of budget funding for the negotiation and signing of these agreements by 2014 delayed the process of geographic expansion of these agreements.
- Employment policies so far have had a minor impact on the degree and efficiency of use of labor. The employment rate is extremely low, 39.6% (in 2014), much smaller than in other countries in the region. Also, the discrepancy between curricula and the quality of training has a negative impact not only on labor productivity, but also on the integration of young people into the labor market. Thus, the unemployment rate for young people aged 15-24 was constantly about twice as big as the average unemployment rate in the country.

Table 4. Employment development indicators

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Informally employed population (thousand persons)	441	441.5	419.5	389.6	355.4	353.5	360.7	340.9	362.8	385.5
Employment rate (%)	45.4	42.9	42.5	42.5	40	38.5	39.4	38.4	39.3	39.6
Unemployment rate. 15-24 years (%)	18.7	17.1	14.4	11.2	15.4	17.8	14.9	13.1	12.2	9.8

Source: National Bureau of Statistics

Conclusions and recommendations

- Reduction of informal employment can be achieved by improving doing business conditions for the companies that operate in the formal sector and, at the same time, by increasing costs for the companies that conduct informal activities. In this sense, it is important to improve the institutional capacities of the Tax Inspectorate and the Labor Inspection, with an additional emphasis on increasing penalties for informal employment.

- To mitigate the risks associated with external migration, it is important to increase efforts of negotiating social protection and temporary migration agreements with several countries. A broader network of such agreements will enable broader protection of Moldovan emigrants' rights and diversification of migration flows.
- Maintenance of efforts to reform the education system, especially vocational and higher education, is critical for improvement of labor force quality in Moldova. Therefore, improvement of infrastructure, curricula and quality of the teaching staff, as well as involvement of economic agents into the educational process, are key elements for progress in this field.

THE RIGHT OF ESTABLISHMENT AND COMPANY LAW

Major developments

- In recent years, some measures were implemented to optimize the regulatory framework governing entrepreneurship, and the main measures were several generations of Guillotines. It resulted in significant reduction of the number of procedures and costs for business registration.
- Another important measure was creation of 'one stop shops' for business registration. Also, in recent years modifications were made to the current legislation on 'one stop shops'. These modifications, improving the mechanism of registration of individual entrepreneurs and legal entities, brought positive changes to the operation of 'one stop shops' by establishing a single tariff for business registration.
- Development of a set of legislative modifications to simplify the procedure of voluntary liquidation of a business. Following these modifications, the term of voluntary liquidation will be halved and some legal collisions will be removed from the legislation.

Main problems

- Having made essential progress in registration of businesses in recent years (a growth of 16 positions in this segment of Doing Business 2015 compared with 2014), Moldova still falls behind in other important aspects related to business management. Specifically, protection of shareholders' rights, first of all minority shareholders, must become a priority for the government. It is confirmed by the poor performance of our country in this segment of Doing Business 2015, where Moldova dropped 1 point, to 56th position.
- Despite the simplification of the procedure of business liquidation, Moldova did not advance in this segment of Doing Business 2015, climbing 5 points to position 58. The main factors that contributed to this involution include the increase of liquidation costs and reduction of the recovery quota for creditors. Thus, in the past year the cost for liquidation of a business for the first time grew from 9% to 15% of a company's shares, and the credit recovery rate dropped to the minimum of the past four years.
- Although it does not take long to establish a business (6 working days), the process of obtaining permissive documents (e.g. licenses, authorizations), without which the majority of companies are non-functional, is still difficult. The main problems are related to obtaining construction permits, export and import documents, and connection to electricity networks.

Table 5. Progress Indicators of business establishment

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
No. of procedures to open a business	10	10	9	9	8	8	7	7	6	5
No. of days to open a business	30	30	23	15	10	10	9	9	7	6
Rate of recovery for creditors (cents per 1 USD)	27.3	29.4	28.8	28.6	28.6	28.2	31.3	32	32.8	29.4

Source: World Bank

Conclusions and recommendations

- Reforms in the regulation of entrepreneurship reached a certain limit of optimization of the number of documents required to open and manage a business. So, to facilitate the business environment, it is important to accelerate the process of digitalization of public institutions responsible for business registration, transferring to the maximum authorization processes into the electronic form.
- An area that can be optimized is the current regulatory framework of voluntary liquidation of businesses. Progress in this field depends, in addition to modifications in the current legislation, on the justice sector reform. Part of the business liquidation costs are related to corruption. The more corrupted the judiciary, the bigger third-party costs unrelated to official payments are.
- It is necessary to facilitate the process of obtaining permissive documents in order to enable more dynamic businesses activities, especially for small and medium enterprises. In this sense, the implementation of the principle of tacit approval of applications for licenses and authorizations is inopportune.

INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

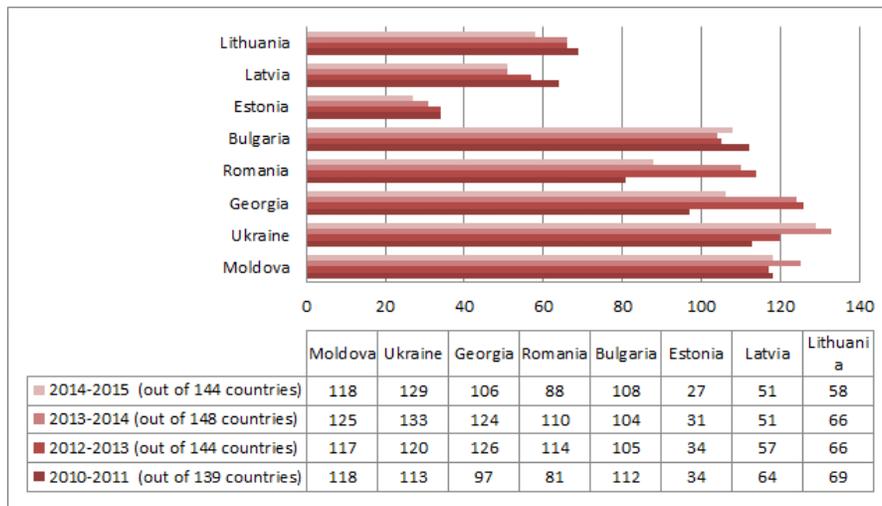
Major developments

- Until January 2014 AGEPI had issued 121 patents for plant varieties, 1403 certificates on registration of industrial drawings and models (IDM), 4560 patents (of which 78% Eurasian patents), 24,988 certificates on trademark registration. The number of certificates issued to protect software copyright has increased compared to the protection of other works (96% of registrations belong to domestic developers).
- The withdrawal of Moldova from the Eurasian Patent Convention (EAPC) (2012) and the broad application of procedures provided by the Patent Cooperation Treaty (PCT). Thus, foreign applicants can patent their inventions in Moldova under PCT, or by submitting a request directly to the State Agency on Intellectual Property (AGEPI).
- AGEPI has conducted training for judges in order to increase the enforcement of IP rights and the fair review of IP related litigations in the courts.
- Adoption of the Law on AGEPI, which defines the general rules on the IP rights and IP objects in the national legislation.

- Entry into force of the Agreement between the EU and Moldova on the protection of geographical indications (GI) of agricultural products and foodstuffs (2013). Thus, 3136 GIs and designations of origin (DOs) from the EU are protected in the Republic of Moldova, as provided by the annexes to the Agreement.
- The inclusion of 4 GIs (“Codru”, “Valul lui Traian”, “Divin” and “Stefan Voda”) and 2 DOs (“Ciumai”, “Romanesti”) in the annexes to the Agreement between the EU and Moldova on the protection of geographical indications of agricultural products and foodstuffs.
- Launching of the “GIs from the EU” module in the Geographical Indications database, available online on the official website of AGEPI.
- Launching of the “e-AGEPI” e-service that allows submitting online the requests to register intellectual property objects (trademarks, inventions, industrial drawings, works, sound images and other IP objects).

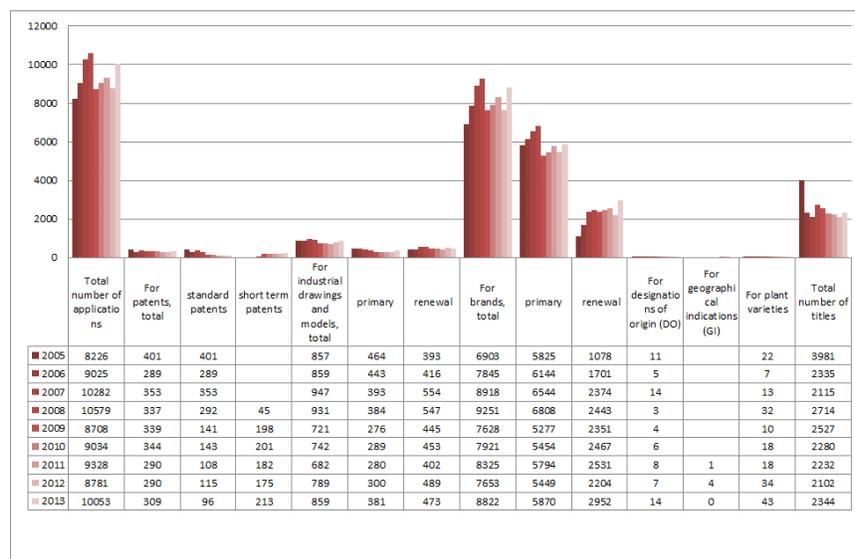
Progress Indicators

Figure 18. The position of Moldova in the international classification on the protection of intellectual property (IP) according to the Global Competitiveness Report



Source: World Economic Forum

Figure 19. Evolution of the amount of requests to protect intellectual property objects and titles awarded by AGEPI



Source: AGEPI

Main problems

- Limited cooperation with international holders of intellectual property rights due to the economic potential and the risks for such property rights caused by the Moldovan market.
- There is still a small number of titles to protect local products (GI, DO and TSG)⁴⁰. Thus, two DOs (Ciurmai and Romanesti), three GIs for wines (Valul lui Traian, Codri, Stefan Voda) and one GI for brandy (Divin) are registered.
- There are still some problems with the enforcement of laws in the IP field and the exercise and observance of IP rights, due to poor knowledge of the IP system by judges.

Conclusions and Recommendations

Although some progresses were made in bringing the promotion and protection of intellectual property rights closer to the European practice, the authorities still need to invest further efforts on the following issues:

- Improve the strategic and operational coordination between the various institutions responsible for the protection of intellectual property rights. Remove the overlapping competence areas of several authorities, as well as the training and employment of staff qualified in the area of intellectual property rights by the Customs Service, the Prosecutor's Office, the Ministry of Internal Affairs, the Ministry of Information Technology and Communications, MAFI, the Ministry of Health and the Ministry of Culture.

⁴⁰ GI - Geographic Indication, DO - Designation of Origin, TSG - Traditional Speciality Guaranteed

- Enhance the qualification of judges in IP area by continuing the training programs for judges with the participation of international consultants and study visits to the EU states in order to assimilate the good practice.
- Develop a strategy to identify the local products that could obtain intellectual property titles (GI, DO and TSG), which would also include training and support (technical and financial) activities for producers, as well as actions to promote those products in the EU and on other sales markets.

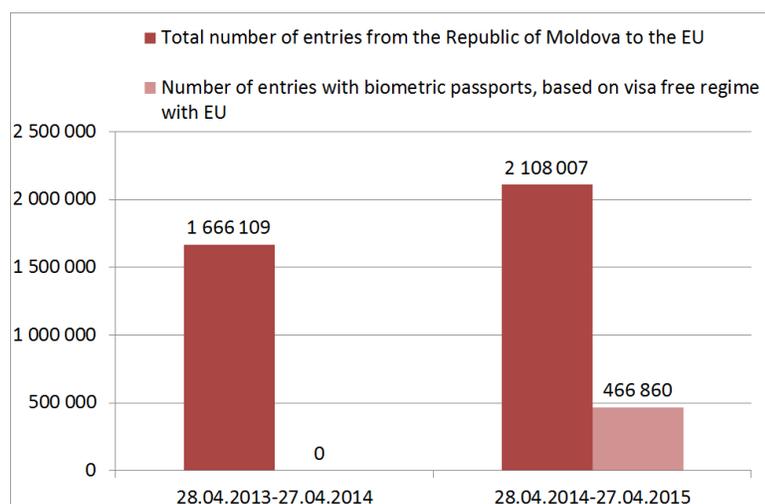
MOVEMENT OF PERSONS, INCLUDING THE MOVEMENT OF WORKERS AND THE COORDINATION OF SOCIAL INSURANCE

Major developments

- Removal of discriminatory measures based on nationality, which affect the migrant workers, related to work conditions, remuneration and dismissal. Several laws and regulatory acts were adopted in order to simplify the procedures to obtain visas, work permits and residence permits by immigrant workers.
- Introduction of the one-stop-shop for the documentation of foreigners, established in the Bureau for Migration and Asylum of the Ministry of Internal Affairs (2010).
- Signing of social security agreements with some EU Member States (11 states) and progress achieved in the negotiations with Greece, Italy, Spain, Latvia and also with Turkey.
- EU visa liberalization for Moldovan citizens holding biometric passports, who may travel into 30 UE and Schengen states (for 90 days within 6 months since the date of first entry).

Progress Indicators

Figure 20. Number of Entries of Moldovan Citizens in the EU Before and After the Visa Liberalization



Source: Border Police, border.gov.md

Main problems

- In spite of some progresses, there are still some discriminatory practices towards immigrant workers, notably related to the priority given compulsorily to local workers by employers. The adjustments made in 2012 to the legislation related to the employment of immigrants did not remove some discriminatory provisions. Hence, the provisions under which immigrants can work only for one employer and occupy only the vacant jobs (Article 4(3) of the Law on Labor Migration of 2008) have remained in force.
- Limited human resources available to the relevant authorities of the Republic of Moldova (Ministry of Labour, Social Protection and Family) to negotiate social security agreements with all EU states.

Conclusions and Recommendations

The progress in this area, although significant, is not sufficient. Thus, the following actions are recommended:

- Review the immigration policy in order to facilitate the integration of foreign workers on the local labor market and remove any discriminatory practice.
- Supplement the human resources of the Ministry of Labor, Social Protection and Family in order to accelerate the negotiation and signing of bilateral agreements on social protection with all EU states, but also with Russia, which is the main destination for Moldovan migrants.

SERVICES

Major developments

- Adoption of important laws regarding the principle of non-discrimination in various activity areas for service providers (e.g. Law on Public Procurement, Law on Domestic Trade).
- Adoption and implementation of several strategic documents in the field of transport (Land Transport Infrastructure Strategy for 2008-2017, Civil Aviation Development Strategy for 2007-2012, Transport and Logistics Strategy for 2013-2022), which helped the revival of the transport services (goods, passengers).
- Fostering of online services following the implementation of the National Strategy for Building the Information Society - "E-Moldova" (2005) and increasing the degree of Internet usage and accessibility.
- Adjustment and renewal of legal and regulatory framework on financial services related to the extended use of movable collateral; improved access to funding for business entities; increased role of financial authorities in the surveillance of changes occurred in shareholders structure; improved framework for the financial and audit monitoring of state-owned enterprises.

Main problems

- Despite the significant improvements of the regulatory framework on public procurement, there are still some discriminatory provisions against foreign business entities. Thus, although the Public

Procurement Law provides the principle of non-discrimination, the Regulation on the procurement of goods and services by request of price offers (2008) allows (p. 13) to favor the domestic business operators.

- The Civil Aviation Development Strategy for 2007-2012 provided market quotas for the local companies (75%); this protected the state enterprise “Air Moldova” and handicapped the foreign operators.
- According to the Association Agreement between the EU and Moldova, the parties agreed to ensure non-discriminatory treatment in the provision of cross-border services. However, the liberalization of services is not exhaustive, as it has some limitations regarding the market access and the national treatment (Article 212). On the one hand, the EU Member States maintain a series of restrictions for the Moldovan services and service providers, in such areas as legal services, accounting, tax advice, architecture, engineering, medical services, etc. (Annex XXVII-B). On the other hand, there are some constraints applies to EU entities, for example with regards to the international mail services, where the state-owned company “Posta Moldovei” has the monopoly (Annex XXVII-F).
- In addition, some parts of the Tax Code may generate cases of discrimination (Title 3, Article 104, paras f) and g)). Thus, the Code provides that services and goods supplied to/from FEZ are taxed at zero VAT rate in relation to the remaining customs territory of Moldova. The Code also entitles the Ministry of Economy to approve the list of light industry enterprises (service providers) that may benefit of zero VAT rate.
- Insufficient institutional capacities in the central institutions responsible for the implementation of DCFTA (Ministry of Economy) related to the harmonization of service sector regulations with the EU legislation.

Progress Indicators

Table 6. Share of Services in the GDP (in %) according to the Global Competitiveness Report

	2010-2011	2012-2013	2013-2014
Moldova	74	78	74
Ukraine	55	63	60
Georgia	69	69	75
Romania	68	67	68
Bulgaria	62	64	64
Estonia	68	68	65
Latvia	74	74	74
Lithuania	63	70	68

Source: World Economic Forum

Conclusions and Recommendations

Although several measures were taken to remove the protectionist aspects regarding the services provided by foreign companies, some efforts are recommended to strengthen this field:

- Give up on the principle of protecting local producers by putting foreign companies at a disadvantage, which generate obstacles for foreign capital. Liberalization of the market of passenger air transport services by fair treatment for all enterprises that operate or intend to enter on the local market. Likewise, liberalize the public procurement by removing the provisions under which local companies are favored over the foreign ones.
- Review the tax law in order to remove the provisions that distort the market mechanisms and competitive environment. Therefore, it is necessary to remove the facilities offered to some service providers by taxing them at zero VAT rate, and enhance the transparency of the conditions under which such facilities could be granted.
- Strengthen the internal capacities of central institutions (in particular the Ministry of Economy) in order to facilitate the harmonization of national regulations on services with the EU legislation in this area.

TAXATION

Major developments

- Implementation of the preliminary budget forecast, via the Medium Term Budget Framework (MTBF), with the involvement of the relevant stakeholders (public authorities, social partners, LPAs, business environment, civil society) in order to collect the recommendations related to budgetary, tax and customs policies.
- Implementation of some measures to increase budgetary transparency by developing and presenting the information on the 2015 state budget in a more accessible format for the broad audience - "Budget for the citizens"⁴¹.
- Adoption of the Law on Public Finance and the Budgetary and Fiscal Accountability (2014), which envisages the use of a new budgetary classification and budget planning methodology to be implemented beginning with the 2016-2018 budget planning cycle.
- Strengthening of the capacity of local public authorities (LPAs) to manage public funds by developing the knowledge and skills related to program and performance-based budgeting. The new budget planning methodology is reflected in the Action Plan implementing the National Decentralization Strategy for 2012-2015, but also in the Strategy for the Development of Public Finance Management for 2013-2020.
- Facilitation of the online filling in of documents via the Online Tax Services, as well as the payment of some taxes (income tax, real estate tax) via MPay electronic payment system (launched in 2013).
- Lower costs for companies by decreasing the rate of social insurance contribution paid by the employer.
- Upgraded fiscal reporting procedures by the implementation of electronic and mobile signatures, introduction of indirect methods of taxable income estimation, simplification of VAT collection procedures.

⁴¹ Ministry of Finance, Budget for the citizens, 2015, <http://www.mf.gov.md/files/files/News%20MF/BS%202015%20definitivat/buget%20pentru%20cetateni%20%202015%20def.pdf>

- Higher excise taxes on tobacco, alcohol and fuel in order to gradually align them to the minimum EU rates until 2025.

Progress Indicators

Table 7. Ease of Paying Taxes by Companies in the Republic of Moldova, according to *Doing Business*

	2007	2009	2010	2011	2012	2013	2014	2015
Payments (number per year)	44	53	48	48	48	48	31	21
Time (hours per year)	250	234	228	228	228	220	181	185
Total tax rate (% of profit)	48.8	42.1	31.3	30.9	31.3	31.2	40.4	39.7

Source: World Bank

Table 8. Moldova's ranking in *Doing Business* on Ease of Paying Taxes Compared to Other Countries

	2007	2009	2013	2015
Moldova	119	123	109	70
Ukraine	174	180	165	108
Georgia	104	110	33	38
Romania	131	146	136	52
Bulgaria	107	94	91	89
Estonia	29	34	50	28
Latvia	52	36	52	24
Lithuania	40	57	60	44

Source: World Bank

Main problems

- Slow refunding of VAT, bureaucratic tax administration and persistence of fiscal protection measures.
- Protectionist barriers to the import of several agrifood products distort the competitive environment.
- Problems were recorded as regards the implementation of one-stop-shop for the receipt of tax reports and servicing taxpayers.
- The tax authority consists of decentralized and fragmented territorial offices.

- The mechanisms needed to ensure the consultation and participation of citizens in the budget development process are still lacking.⁴² At the same time, there are deficiencies related to the presentation of budget data in the “Budget for the citizens 2015”, with a huge amount of data on the budget, but explained in a statistical language, not suitable for the public.

Conclusions and Recommendations

The measures taken to adjust the fiscal sector to the EU practices have had positive effects. Nevertheless, it is recommended to pay attention to the following issues:

- Shift from the mechanical principle of taxation and sanctioning the taxpayers to the principle of communication, interaction and consultation with them. This means the shift from the “police” approach of the tax administration and CS to the role of business and trade facilitator.
- In the tax area it is necessary to focus on the following: (i) streamlining the tax administration activity (reducing the number of tax reporting documents, implementation of one-stop-shop, simplification of VAT refund, enhanced communication and consultation with the business environment, etc.); (ii) unification of tax administration in the form of a unique legal entity (with central headquarters and regional offices), which will streamline the operational and organizational capacities; (iii) applying the principle of risk assessment in all stages of tax administration (registration, file classification, payment and audit), which will strengthen the professionalism and integrity of tax inspectors; (iv) transparency of the decision-making related to tax collection and use of budget resources.
- Implement efficiently, in line with the best international practices, the budget transparency principle by disclosing the budget related information in due time, visibly, accessibly and in open format. Increase the participation of stakeholders in all stages of the budgetary process. At the same time, the format used to describe and present the information in the “Budget for the citizens” needs to be improved or simplified by using info-charts.

PUBLIC PROCUREMENTS

Major developments

- Adoption of the Law on Public Procurement, which gives the Public Procurement Agency the power to ensure organization of public tenders by publishing the Invitations to Tender on the website and in the Public Procurement Bulletin (2007). Amendment of legislation in order to regulate the electronic tender and the activity of the Appeals Settlement Agency.
- Launching of the “State Register of Public Procurement” Automated Information System (SRPP AIS). Extension of the list of contracting authorities (from 98 to 149 institutions) that will use the public procurement procedures “public tender” and “request of price offers” only via SRPP AIS.
- Development of the Guide of Good Practices in Public Procurement in order to facilitate the law enforcement by awarding the public procurement contracts in line with the good practices in the field, including by referring to the case law of the European Court of Justice.

⁴² Expert-Grup, “Analysis of the budgetary transparency”, November 2013, <http://expert-grup.org/en/biblioteca/item/878-analiza-cadrului-de-transparen%C8%9B%C4%83-bugetar%C4%83/878-analiza-cadrului-de-transparen%C8%9B%C4%83-bugetar%C4%83>

Progress Indicators

The number of public procurements made by open tender via SRPP AIS is increasing: 1004 contracts (MDL 2 billion) – in 2013; 2469 contracts (MDL 3.5 billion) - in 2014. The transparency of procurement contracts increased. Thus, the number of public procurement contracts implemented without prior publication in the Public Procurement Bulletin decreased significantly: from 22% in 2011 to only 2.2% in 2013.

Main problems

- Failure to use the electronic public procurements: lack of a clear strategy for the development of electronic procurements; lack of financial resources to promote the use of electronic procurements; poor information of business entities on the existence of electronic procurement components, etc.
- Poor transparency of public procurement in respect of: sporadic publication of public procurements; limited public access to information about the procurement process; lack of access to reporting documents (post-procurement stage); improper implementation of public procurement contracts.
- There are some problems affecting the proper organization of public procurements: failure to fulfill the contract clauses; submission of false documents and reports (at the stage of tendering, contract awarding and contract implementation); replacement of products provided in procurement contracts without notifying the beneficiary and obtaining its approval; faking of public procurements.⁴³

Conclusions and Recommendations

Some legal, institutional and procedural changes have occurred in the field of public procurement. Nevertheless, there are some problems that affect the public procurements and should be removed:

- Adopt the new Public Procurement Law, ensuring the total independence of the Appeals Settlement Agency in the field of public procurement, active promotion of electronic tendering.
- Revise the regulatory framework in order to ensure transparency of public procurements and availability of information about public procurements made by public institutions, which, together with electronic tendering, will help reduce the risk of embezzlement in the public procurement process.

COMPETITION POLICY

Major developments

- Reform of the institutional and regulatory framework on the competition policy in the national economy, conducted in 2012. Thus, the National Agency for Competition Protection has become the Competition Council and several key documents in this area, such as the Law on Competition and the Law on State Aid, were adopted.

⁴³ Expert-Grup, "Public Acquisitions in Moldova: Problems and Solutions", June 2014, <http://expert-grup.org/en/biblioteca/item/969-achizitii-publice-moldova/969-achizitii-publice-moldova>

- In 2014 the Competition Council developed and launched the State Aid Register. Thus, this information system will centralize the storage, processing and analysis of information on all state aid measures, providers and beneficiaries of the state aid, and sectoral statistics on aid allocation.

Main problems

- Although the institutional and regulatory framework was largely changed and harmonized to the EU regulations, the Competition Council still has little impact on the concentration of economic activity in some branches. Thus, sectors like banking and fuel trade are still extremely distorted and uncompetitive.
- The allocation of state aid, due to endemic corruption of the public sector, is still non-transparent, which causes the sub-optimal allocation of scarce public resources and the distortion of competition environment in the country.

Table 9. Development Indicators on Competition Policy

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Indicator of policy and public institutions assessment. Structural policies (1-min, 6-max)	3.7	3.5	3.8	3.8	3.8	3.8	3.8	3.8	3.8

Source: World Bank, World Development Indicators

Conclusions and Recommendations

- To progress with the economy liberalization and fair competition for all business entities, it is extremely important to strengthen the capacities of the Competition Council. Thus, after establishing the institutional and regulatory framework in this area, one should focus on policy improvement, namely by increasing the technical assistance and revising the Council funding. In addition, in the medium-term, in order to increase the efficiency of actions related to competition, the Council should focus its actions on some key areas with greatest irregularities, such as banking and energy.

STATISTICS

Major developments

- In the past 10 years two censuses of population and housing (2004 and 2014) were organized in the Republic of Moldova. The last one was implemented, using the methodology and organizational principles developed by the National Bureau of Statistics (NBS), which are in compliance with Conference of European Statisticians Recommendations for the 2010 Censuses of Population and Housing and adjusted to the Moldovan realities.

- The E-reporting system was launched and tested for 4 monthly statistical questionnaires. In order to maximize the utility for the business entities and for the statistical data recipient institutions, the E-reporting system was integrated on the national common reporting platform.

Main problems

- In spite of the registered progress in the digitalization of the statistical reporting mechanism, this process is still in a beginning phase. Taking into consideration the importance of statistical data for economic planning and, simultaneously the cost of reporting for the business entities, it is very important to expedite the transition to electronic reporting in all economic fields.
- However, even if the National Bureau of Statistics is making efforts to standardize the national statistics processes to the European ones, in some fields, such as the regional and energy statistics, the discrepancy is significant. This discrepancy is reflected in terms of volume of information available and levels of disaggregation in the Republic of Moldova compared to the information published by Eurostat.

Table 10. Development Indicators in Statistics

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
The national statistics system capacity (0-100)	83.3	86.7	86.7	86.7	84.4	84.4	84.4	91.1	94.4	94.4

Source: World Bank, World Development Indicators

Conclusions and Recommendations

- The National Bureau of Statistics should focus, as a matter of priority, on the extension of the national and regional statistical indicators. Also, it is important to expedite the adjustment of the statistical standards to the international and European ones in order to ensure international compatibility of the information. In this sense, given the shortage of national financing, attracting foreign technical and financial assistance should be a priority for the sectoral authorities.

INDUSTRIAL POLICY

Major developments

- Development of the institutional and regulatory framework on SME promotion and support. Thus, in 2006 the Law on Support to SME Sector was adopted and in 2007 the SME Sector Development Organization was set up.
- Initiation of the business infrastructure development throughout Moldova by launching a network of business incubators and industrial parks.
- Launching of Pilot Program for Attracting Remittances in the Economy "PARE 1 +1"

- Signing with the EU the Agreement on the participation in the programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) running from 2014 to 2020, Moldova being the first country from the Eastern Partnership to have adhered to this programme.
- Accession of the Republic of Moldova to the Energy Community Treaty and the approval of a certain set of laws in the energy field, focusing on transposing EU energy Package II and III.
- Construction of Iasi - Ungheni gas pipe and the signing of the Natural Gas Sales Contract between Republic of Moldova and Romania. Extension of Iasi-Ungheni gas pipe to Chisinau is planned for 2015 under the same project.
- Launching of the corporative, institutional and financial restructuring of the Centralized Heating System in Chisinau municipality.
- Establishment of the institutional and regulatory framework on energy efficiency. Thus, the Energy Efficiency Agency and the relevant fund were set up.

Main problems

- In spite of the Government's efforts to improve the business environment, in 2015 no significant progresses were made by the Republic of Moldova in *Doing Business* classification, the country oscillating between 80-85 positions. But even the visible advancement in the 2015 classification was not symmetrical throughout all the measured areas, significant failures being identified in such areas as dealing with construction permits, getting electricity and trading across borders.
- The energy sector progress depends on the transposition of the Association Agreement, Treaty Establishing the Energy Community, and firstly The Third Energy Package. The transposition of this document, which slowed down in the recent years, undermines the efforts of sector de-monopolization, efficiency enhancement and energy security.
- The SME sector, in spite of the efforts made, is confronted with major problems. The main negative factors that impact the competitiveness of these enterprises include the underdeveloped financial markets, corruption and the low quality of public institutions, and last but not least, the high concentration and unfair competition on some domestic markets, especially on the fuel market.

Table 11. Development Indicators on Industrial Policy

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Doing Business ranking		83	88	92	108	94	90	81	83	82	63
Energy consumption per USD 1000 in the GDP (kilogram oil equivalent)	294.4	276.1	260.3	243.1	243.8	246	223.9				
SME revenue from sales Share in the total number (%)					39.2	36.8	34.6	34.5	33.4		

Note: Due to the changes applied to methodology for the Doing Business report, the rankings for 2014 and 2015 are not compatible with the ones from the previous years.

Source: World Bank, NBS

Conclusions and Recommendations

- The progress in the energy sector depends on the application of the Second and Third Energy Package on the liberalization of the energy market. In order to expedite this process it is important to ensure the independence of the Energy Regulatory Authority (ANRE), to accelerate the interconnection with Romania, which gives the opportunity of accessing the common European energy market and developing the local infrastructure.
- The development of the SME sector depends on the coherence and the extent of the support measures for these enterprises. Thus, the SME support measures have to include not only the regulatory framework, but also a variety of other aspects, such as competition and technological transfer, labor force fitting, access to external markets, as well as better entrepreneurial culture. Also, facilitating SMEs depends on the existence of a fair competitive environment for all business entities, regardless of their size.

TRANSPORTATION

Major developments

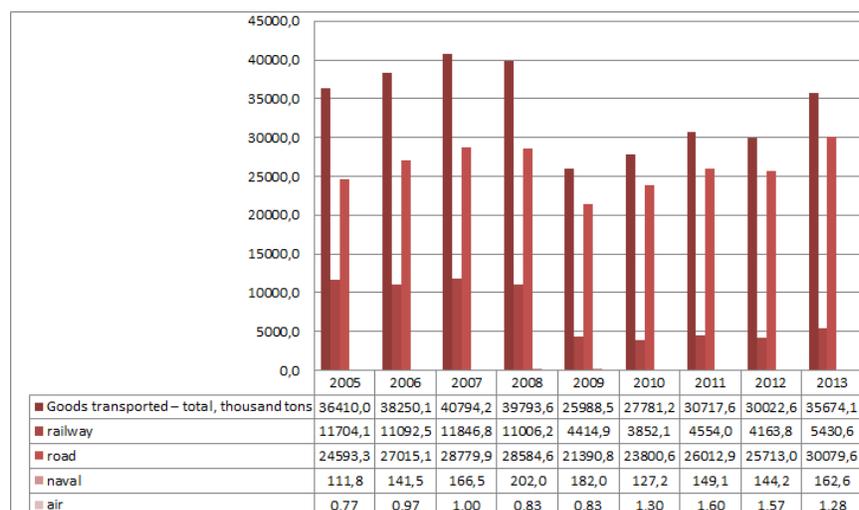
- Adoption of a series of strategic plans focused on the transport sector: National Traffic Safety Strategy (2011), Land Transport Infrastructure Strategy (for 2008-2017), the public roads maintenance system reform adopted in 2012, Civil Aviation Development Strategy for 2007-2012, Transport and Logistics Strategy for 2013-2022. Adoption of the Regulation on the Organization and Operation of the Automatic Traffic Supervision System (“Traffic Control”).
- Launching of the electronic service dedicated to transporters - “e-Authorizations”, which allows transport agents to purchase online the permits issued by the National Road Transport Agency.
- Starting with 2010 the Road Fund was enlarged substantially, as a result of the increase of excise taxes in 2010 coupled with an increase in the share of the excise tax volume directed to the Road Fund - from 50% in 2010 to 80% in 2012.
- The considerable growth of accumulations to the Road Fund: from MDL 241 million in 2009 up to MDL 1.5 billion foreseen for 2015. Until the beginning of 2015 a number of projects on the reconstruction and rehabilitation of the national roads (about 450km) were launched. They imply attracting financial sources (from financial institutions, such as EBRD, EIB and foreign donors) amounting to EUR 350 million⁴⁴.
- Launching of a Local Roads Rehabilitation Program in 2014, with funds allocated from the Road Fund (390 million MDL) to LPAs.
- Establishment of the National Road Transport Agency, under the subordination of the Ministry of Transport and Road Infrastructure, in charge of monitoring and implementing the national laws and regulations and relevant international documents on road transport.
- Enhanced road transport security and ensured ecological transport by introducing new practices: technical testing of vehicles and trailers; their refitting and certification; pre-service and in-service training of road transport specialists; implementation of the tachographs to record the driving time, breaks and rest periods in compliance with the AETR agreement, etc. Adoption of the National Strategy for Road Transport Safety (2010) and the Action Plan for its implementation (2011).

⁴⁴ Ministry of Transport and Road Infrastructure (MTID), Program of Rehabilitation Works from Foreign Sources 2011-2015 <http://www.mtid.gov.md/img/Site/Program%20surse%20externe%202011-2015.pdf>

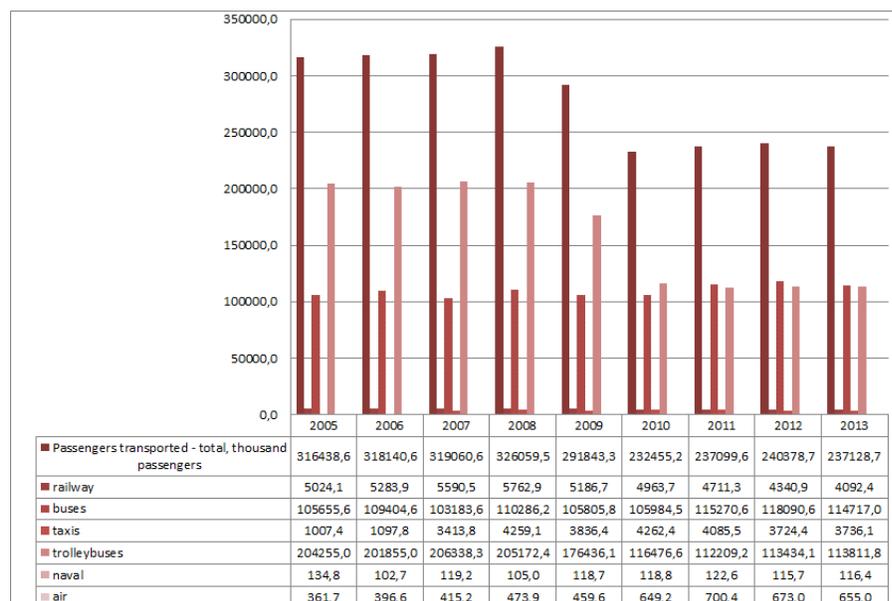
- Adopting the new Road Transport Code (2014, July), which allows a better control over the road transport and drivers, foresees the introduction of new measures of preventing accidents (speed delimiters, tachograph).
- Adoption of the Action Plan to improve the situation of “Moldovan Railroad” state-owned enterprise in crisis situation and ensure its restructuring. Accession of the “Moldovan Railroad” state-owned enterprise to the Community of European Railway and Infrastructure Companies. Implementation of the railroad project “Implementation of the Suw Technology 200 of automatic switching from 1520mm track spacing to the European 1435 mm at the Moldovan - Romanian border (Ungheni station)”.
- Adoption of the Law on Aeronautic Safety (2007) of the Civil Aviation Development for 2007-2012 and of the Law on Air Space Control. Approval of the Regulation on the Organization and Operation of the Civil Aeronautic Authority, which has replaced ASAC, responsible for the certification, control and surveillance in the field of civil aviation. Adoption of the Law on Aeronautic Safety (2007), approval of the National Program on Quality Control of Aeronautic Safety (2006).
- Accession of Moldova to the Single European Sky (starting with December 2012) has eliminated the restrictions of foreign companies, which want to be operate flights from and to Moldova, thus contributing to a decrease in the tickets prices, access on the market to low-cost operators (Wizz Air) and increased passengers rights protection (right to compensations).
- Establishment of the public institution “Captainship of the Giurgiulesti Port”, which has control and surveillance functions “state - port” or “state - pavilion”, as well as of the “Naval Registry” state-owned enterprise, in charge of technical surveillance of the river ships. Approval of the Law on Internal National Transport. Opening of the first railway terminal with mixed track spacing for liquid products in the Free International Giurgiulesti Port, which creates new opportunities for the export-import transactions with the EU states, including by railway transport.
- Until 2015, approximately 10% of the European acquis on transport was transposed.

Progress Indicators

Figure 21. Transport of Goods, thousand tones



Source: NBS

Figure 22. Transport of Passengers, thousands of passengers

Source: NBS

Table 12. Evolution of the National Roads Condition, %

	Good	Fair	Bad	Very bad
2009	9.78	29.64	40.70	19.88
2010	19.70	36.70	27.10	16.50
2012	32.00	41.41	19.29	7.30
2013	41.26	37.99	14.93	5.82

Source: Ministry of Transport and Roads Infrastructure

Main problems

- Insufficient financial and institutional capacities (investments) for the implementation of the local roads rehabilitation (and maintenance) program.
- Low transparency of the road rehabilitation tender procedures, the lack of an effective system of technical audit, which would comply with the international norms.
- Only 70% of the Civil Aviation Development Strategy for 2007-2012 was implemented. Moreover, according to the Ministry of Economy, the general objective set by the Strategy was achieved to an extent of 40% only.
- Delayed development and approval of the European legislation (about 15 European legal documents) on the surveillance of civil aviation, passenger rights, coordination of the air operator, flight safety, etc., foreseen in the Common Aviation Area Agreement EU-RM (Annex III); inefficient supervision of the air operators by the Civil Aeronautic Authority.

- The situation in the naval transport remains very difficult due to several causes: obsolete ships, low navigability of the Prut and Nistru rivers due to siltation and failure to perform the necessary works to maintain the guaranteed depth for a safe navigation.
- Degradation of the railway sector, due to the inefficient activity of the “Moldovan Railway” state-owned enterprise, underfinancing of the sector, as well as obsolete railway infrastructure.

Conclusions and Recommendations

The progress in the transport field was substantial, contributing to the modernization of infrastructure, integration of the European transportation system (air), but also to the strengthening of the passengers transport safety. However, a number of efforts are necessary in order to address the following aspects:

- Change the Road Fund management by its depoliticizing, as well as ensure the transparency of the decision-making with regards to funds allocation, by ensuring a broader participation of road users and of the public.
- Expedite and ensure the transparency of the restructuring of the “Moldovan Railroad” state-owned enterprise, modernize the railway sector, optimize the services and liberalize the tariffs for passengers.
- Liberalize the passengers’ service market and facilitate competition in this sector, as well as revise the airport charges and assure a non-discriminatory treatment of foreign companies by public authorities.
- Establish a Naval Agency for efficient surveillance of the commercial fleet, registered under the Moldovan pavilion, attracting external assistance investments, but also from the private sector for the development of the naval infrastructure and for expanding the navigability on the Nistru and Prut rivers.

INFORMATION SOCIETY

Major developments

- Adoption of the National Strategy of Edification of Information Society - “Electronic Moldova”, as well as its Action Plan (2005).
- Adoption of the Law on Electronic Communications (2008), which was aligned to the EU directives and included new conditions to facilitate the access of new operators to the electronic communications market. Development of the Program on Developing the Access to Broadband Internet for 2010-2013 and adoption of the Strategic Program for Governance Technological Modernization (e-Transformation) (2011).
- Establishment of the National Regulatory Agency for Electronic Communications and Information Technology (ANRCETI) (2008) by reorganizing the National Agency for Telecommunications and Informatics Regulations (ANRTI).
- Establishment of the e-Government Center (2010), which simplified the procedure of obtaining public documents by launching the online public services (e-Record, Electronic Fiscal Record, Fast Electronic State, e-Licensing, e-Invoice, e-Traffic, e-Visa, e-Reporting, e-Customs, e-ANSA, digital

signature (Msign), e-Public Procurement, e-Integrity, e-Subsidies, e-Import/Export Permits), Open Data Platform, Unique Public Services Portal).

- Approval of the Government Decision on Interoperability Platform Piloting to test the efficiency of inter-institutional communication by facilitating the data exchange among public administration authorities, as well as between public institutions and state-owned enterprises. Storage of crucial systems and data on the Mcloud platform.

Progress Indicators

- Computer penetration rate increased from 3 to 37 computers per 100 inhabitants between 2004-2010.
- Mobile phone penetration rate increased from 52.6 units per 100 inhabitants to 104.3 units (2007-2011).
- The number of documents that can be requested online has increased - up to 21 civil status documents.

Table 13. Ranking of Moldova in the Global Competitiveness Report on the level of technological readiness

	2010-2011	2012-2013	2013-2014	2014-2015
Availability of latest technologies	112	118	116	96
Firm-level technology absorption	133	128	124	109
FDI and technology technology transfer	110	103	109	97
Internet users	64	74	77	70
Broadband Internet subscription per 100 inhabitants	68	58	52	52
Mobile telephone subscription per 100 inhabitants	-	92	97	42

Source: World Economic Forum

Main problems

- Low competition in the sector because of the influence of “Moldtelecom” state-owned operator, which holds monopoly over the access infrastructure.
- Insufficient financial and human resources in LPAs for the implementation of ICT solutions.
- Absence of a regulatory framework on cyber security, which generates threats to the safety and, respectively, sustainability of e-Government.

Conclusions and Recommendations

The significant evolution of this sector has covered the improvement of the regulatory framework, liberalization of operators’ access to the ICT market, as well as establishment of an efficient platform for the digital transformation of the services provided by public authorities. Yet, efforts are still necessary to eliminate the barriers that hinder the development of the information society by addressing the following aspects:

- Strengthen the ANRCETI capacities and decrease its dependence on the Government, as well as privatize or restructure “Moldtelecom” state-owned enterprise in order to ensure a better regulation of the ICT sector and foster a solid competitive environment, respectively.
- Synchronize the digitalization process with the modernization of public institutions and public services. Strengthen the administrative capacities of central and local public institutions in order to implement the new technologies, including in the interaction with the business environment and civil society.
- Educate the population in online public services. Promote the e-Government concept among citizens and the business environment in order to broaden the use of ICT solutions in the interaction with public institutions and in the conduct of their economic activities.
- Establish an ICT Policies Coordination Unit, which would include the relevant ministries and Government agencies that are linked to e-Government.
- Open the Government data for the business environment, academia and local authorities, currently available for a fee, in order to stimulate the use of new technologies.
- Set up a data storage platform that would replicate the information from Mcloud and would allow data recovery if the main system crashes.
- Develop and adopt a regulatory framework on cyber security.

PUBLIC HEALTH

Major developments

- Implementation of the Epidemiological Warning Information System in 2012 to monitor the epidemiological situation and take measures aimed at preventing the spread of diseases and decreasing the impact of these diseases on public health.
- Amplification of the construction and rehabilitation of health centers in regional aspect, focusing on rural areas. 117 such centers were constructed and rehabilitated during 2009-2014.
- Approval of the National Program for Prevention and Control of HIV/AIDS and Sexually Transmitted Infections for 2014-2015. Development of this program and inclusion of some amendments proposed by national and international experts, which will allow the Republic of Moldova to apply to Global Fund grant to support the national HIV response during the transition to a new financing model in the sector.
- Approval of the National Food and Nutrition Program for 2014-2020. The final purpose of the national Program is to set up by the end of the decade a functioning and effective national system of surveillance, monitoring and evaluation of nutritional health, nutritional status and the key determinants.
- Approval of the National Program for Prevention and Control of Cardiovascular Diseases for 2014-2020, the main purpose to increase the life expectancy and reduce cardiovascular mortality by 10% by 2020.

Main problems

- A sufficient level of universal coverage with compulsory health insurance was not achieved yet. The coverage rate was 83.2% in 2014.
- The current nutritional health system is fragmented and depends of foreign donations; most of the monitoring indicators cannot be disaggregated sufficiently to evaluate their dynamics and analyze the inequality issues.
- Despite the recent development of the public health system infrastructure, there are still discrepancies in terms of access to quality health services between the country's regions.
- The information system of data collection and processing, as well as the registries of some diseases are still in a fragmented state.
- The coverage with family doctors is still imbalanced. Thus, the rate for the Republic of Moldova is of about 5.2 per 10 thousand inhabitants, while the EU average is 8.5 per the same number of inhabitants.

Table 14. Development Indicators in Public Health

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Child mortality per 1000 births	12.4	11.8	11.3	12.2	12.1	11.7	10.9	9.8	9.4
Number of medical staff in urban area per 10 thousand inhabitants	120	120	150.4	149.5	150.4	151	149.9	149.6	145.7
Number of medical staff in rural area per 10 thousand inhabitants	27.1	26.5	26.1	25.4	25.1	24.7	24.9	24.6	23.8

Source: NBS, Ministry of Health

Conclusions and Recommendations

- To reduce the regional discrepancies, especially affecting the rural population, it is necessary to amplify the process of construction and rehabilitation **of health centers from country's regions**. In addition, to attract specialists with higher education in the rural area, which is affected by a shortage, it is crucially important to review the system of financial and non-financial remuneration.
- To improve the quality of the provided services, motivate the staff and ensure revenue transparency, it is necessary to continue the implementation of actual autonomy of healthcare facilities.
- To improve the outcomes of the provided health services, it is necessary to further extent the number of primary health facilities contracted on the basis of performance; the current share is 72%.
- Enhancement of the health management system depends on the successes in diminishing corruption in the system. Thus, it is necessary to enhance the transparency of the public procurement processes and decrease the discretionary component in the decision-making.

MACROECONOMIC AND MACROFINANCIAL POLICIES

Major developments

- Implementation of the Medium Term Expenditure Framework is its correlation with the strategic planning documents, such as “Moldova 2020” National Development Strategy.
- Adoption of the inflation targeting regime by the NBM in 2010 (target of 5%, +/- 1,5 p.p.), which stabilized the information.
- Development of BOOST public expenditure database, thus facilitating the budget transparency process.
- Approval of the Law on Public Finance and Budgetary-Fiscal Accountability in 2014, which will replace the old Law on the Budgetary System and Budgetary Process. The new version of the documents includes some quantitative criteria to assess the quality of the fiscal-budgetary policy and minimize its discretionary nature.
- Government approval of the “Management of Medium Term State Debt (2014-2016)” Program, which sets the main objectives related to the financing of the state budget by attracting loans at low costs and low risks.

Main problems

- The fiscal-budgetary discipline is not enforced, in term of complying with the legal provisions for the budgetary cycle. Thus, for several years consecutively the Government has been breaking most of the deadlines on the submission, publication and reporting of the National Public Budget (NPB).
- Involvement of discretionary and political influences in the planning and implementation of the fiscal-budgetary policy. This has a negative impact on the predictability and sustainability of public funds.
- High dependency on external funds from donors and international financial institutions. The share of external grants increased up to 3.7% of the GDP in 2014, from 1.6% in 2009.
- The problems of some commercial banks and non-transparency of macrofinancing decisions, that can increase the public debt by over 10% of GDP, have a negative long-term impact on the main parameters of the NPB.

Table 15. Development Indicators on Macroeconomic and Macrofinancing Policies

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Indicator of policy and public institutions estimation. Public debt policy (1-min, 6-max)	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Indicator of policy and public institutions estimation. Tax policy (1-min, 6-max)	3.5	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5

Indicator of policy and public institutions estimation. Macroeconomic policy (1-min, 6-max)	3.5	4.0	4.0	4.0	3.5	3.5	3.5	4.0	4.5
---	-----	-----	-----	-----	-----	-----	-----	-----	-----

Source: World Bank, World Development Indicators

Conclusions and Recommendations

- In the medium term, the Government must negotiate a new memorandum with IMF in order to strengthen the macrofinancial framework. This document will allow filling up the official reserves of NBM, and will unlock other funds from external partners.
- Adoption of the new Law on Public Finances and Tax Liabilities must be accompanied by the implementation of a Tax Council. Participation of civil society representatives in the activity of this institution and adoption of strict rules for tax policy monitoring will increase the transparency and predictability in this area.
- The public finances can be balanced not only by attracting foreign grants and loans, but also by strengthening the domestic tax base and reducing tax evasion. From this perspective, it is necessary to implement measures of both coercion and facilitation for those who pay fully their taxes.

FINANCIAL SERVICES

Major developments

- Reform of institutional and regulatory framework of the non-banking financial market via the transformation of the National Securities Commission into the National Commission for Financial Markets (NCFM) in 2007.
- Establishment of the National Financial Stability Committee in 2013, in order to mitigate the risks and maintain financial system stability.
- Approval of the Law on Capital Market in 2012, which establishes the necessary legal framework for a balanced and fair development of the non-banking financial markets.
- Approval of the Regulation on the Activity of the National Commission in charge of monitoring and coordinating the improvement of access to funds. This body will have an advisory status, will monitor and coordinate coherently the activities aimed at improving business operators' access to funds.
- Approval in 2014 of amendments to the Law on Financial Institutions No 550-XIII of 21 July 1995, which provide a bigger role to the supervisory bodies, enabling their early intervention in case of shareholders structure change, as well as subsequent monitoring of further changes.

Main problems

- Lending history infrastructure is yet underdeveloped. Thus, according to the number of people and business entities served by public or private lending offices, as well as to the public availability of this type of information, our country is beyond our partners from the region.
- The non-banking financial market is underdeveloped both in quantitative and qualitative terms. Thus, the digital infrastructure of most business operators from the market, including the Stock Exchange, does not comply with the needs of a modern financial market. In addition, the small number of investment tools provided on the local market does not create a sound offer of investment offers for population and business operators.
- NCFM institutional capacities are yet underdeveloped. Thus, the weak cooperation between regulatory institutions, and political interferences contributed to the increase in forced and illegal transmission of some share packages, as well as to the financial crisis of last year.

Table16. Development Indicators on Financial Services

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Indicator of policy and public institutions assessment. Financial sector policy (1-min, 6-max)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
People covered by private registers (% of adult population)	0	0	0	0	0	0	3.0	3.9	4.5

Source: World Bank, World Development Indicators

Conclusions and Recommendations

- Qualitative development of the non-banking financial market is critical for strengthening its role in the economic growth. Thus, relevant authorities must stimulate business operators to implement the most modern IT technologies on the market, which are needed to increase the processing speed, transparency and safety of financial information.
- To mitigate the systemic risks and avoid some future financial crises, NCFM must strengthen its capacities of monitoring and cooperating with other regulatory institutions. In addition, it is crucial to ensure the autonomy of the Commission and strengthen the legal protection of its employees.
- A key institution that can foster lending to the real economy are the credit offices, especially the private ones. Their development can contribute to a higher access to loans and lower expenses for creditors, as well as fewer frauds in the system.

FINANCIAL CONTROL AND RELATED ASPECTS

Major developments

- Approval of a new Law on Court of Accounts in 2008, which strengthen its position as a supreme audit institution for public resources and property.
- Approval of the Law on Public Internal Financial Control in 2010 and approval of the Strategy on Public Internal Financial Control Development.
- The Court of Accounts has conducted audit missions in plenty of central and local public institutions and state-owned enterprises. As a result, a set of audit reports on public funds' use and management was published. The audits identified a lot of irregularities, gaps and nonconformities in the previous audits conducted by the Court of Accounts in all mentioned institutions, and a set of recommendations has been formulated.
- "Strengthening the Capacity of the Court of Accounts" Project was launched and financed by the World Bank. Thus, as part of this project, the public audit authority will be assisted by the KOSI Company and individual consultants to strengthen its institutional capacities and increase the efficiency of audit activities.

Main problems

- A persistent problem between the Court of Accounts and the monitored institutions is the latter's failure to implement the audit recommendations. This highlights the limited enforcement and monitoring capacity of the audit institution. Without a significant improvement of the quality of the judiciary institutional framework, it will be almost impossible to change the deep-rooted trends.

Table17. Indicator of policy and public institutions estimation

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Transparency, corruption and responsibility for public money (1-min, 6-max)	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5

Source: World Bank, World Development Indicators

Conclusions and Recommendations

- Full implementation of the Court of Accounts recommendations depends not only on the level of cooperation with audited institutions and investigation bodies, which is quite important, but also on the independence and professionalism of investigation bodies. Thus, the Parliament and investigation bodies shall be encouraged to get involved in the sanctioning of institutions that do not implement systematically the Court of Accounts recommendations.

MOVEMENT OF CAPITAL AND CURRENT PAYMENTS

Major developments

- During the past 14 years, treaties for the avoidance of double taxation were negotiated and signed with 47 countries.
- Establishment of a National Payment Council in the NBM, which is a high-level forum for counselling between public and private institutions, with the aim to ensure sound and stable development of the payment system in the Republic of Moldova.
- Mpay service was launched, which allows paying for services by several payment methods.
- Approval of the Concept on the Optimization of International Transfers and of the Applicable Surveillance Framework that contributed to the implementation of SWIFT FINInform Service and IBAN Code.

Main problems

- In spite of the efforts to improve the regulatory framework and institutional quality of NBM, the banking sector is still likely to be susceptible to deficiencies of the country's judiciary system. Practically, the banking regulator is limited to measures aimed at combating the negative processes at the level of bank corporate management, as well as protecting shareholders from the forced transfer of the share package.

Table18. Development indicators on Movement of Capital and Current Payments

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of cards in circulation (% y-o-y)	33.9	33.4	-5.2	1.8	9.6	11.5	11	13.8	13.1
Number of cards issued (% y-o-y)	14.8	35.9	-10.2	-21.2	30.4	6.7	9.5	12.4	12.6

Source: NBM

Conclusions and Recommendations

- Consolidate the NBM capacity of monitoring and prompt intervention when finding irregularities in doubtful cash transactions in the banking system.
- Facilitate the electronic payments in the transactions made on the local market. The increased transparency of electronic transactions allows for a more complex monitoring of doubtful transactions, and respectively, contributes to tax evasion decrease.
- Development of banking tools for remittances transfer. Thus, the diversification of these tools will enable bank to attract money for their crediting activity from these transfers.

FUNCTIONING MARKET ECONOMY

Major developments

- Improvement of the decisional transparency framework, thanks to approval, in 2008, of the Law on transparency and involvement of civil society and business environment in the consultations related to development of new draft laws. Establishment of a National Participation Council in 2010 is also a major progress in this respect.
- Establishment of an Inter-Institutional Communication Platform, that convenes heads of central public authorities, managers of national development funds, Regional Development Agencies, as well as different non-governmental and consultancy institutions.
- Approval of the Law on Public-Private Partnership in 2008.
- Approval of the Business Regulatory Reform Strategy for 2013-2020.
- Approval by the Government of the Draft Government Decision on the Establishment of Competition Council. This council will coordinate, monitor and evaluate the activities of central public authorities on the implementation of Road Map to improve the competition in the Republic of Moldova.
- Approval of Draft Law on Market Surveillance. This law stipulates clear market surveillance rules on the compliance of non-food goods with fundamental requirements set in the technical regulations of the relevant bodies.
- Approval of the Regulation on the National Commission in charge of monitoring and coordinating the improvement of access to funds. This Commission will coordinate and monitor the activities of public institution on the improvement of the access to funds in the real economy sector.

Main problems

- The main challenges for the business environment consist in the low quality of public institutional framework, prevalence of group interests within regulatory institutions, and non-transparent processes for allocating subsidies and public procurement. The lack of progress on other components related to the enhancement of the business environment is related mostly to the corrupted judicial system.
- Corruption in public institutions and judicial system led to the undermining of property rights, in particular in the financial system. The regulatory institutions' independence from political stakeholders is another critical factor for the business environment. The past years' regresses in this area generated the current financial crisis, which will have sustainable negative consequences on the real economy sector.

Table19. Development Indicators on Market Economy

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Indicator of policy and public institutions estimation. Business	4.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

regulatory framework (1-min, 6-max)									
Indicator of policy and public institutions estimation. Guarantee of property rights (1-min, 6-max)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5

Source: World Bank, World Development Indicators

Conclusions and Recommendations

- Ensure the independence of regulatory institutions from political interferences.
- Enhance the transparency of public institutions by setting some well-established compliance criteria for public officials.
- Access to public service must be based on principles of meritocracy and competition. To strengthen this system it is necessary to review the current system of public salaries.
- Implement faster the ICT tools in the chain of interaction between public authorities and economic operators to reduce the likelihood of acts of corruption.