



UNITED STATES
DEPARTMENT OF STATE



USAID
FROM THE AMERICAN PEOPLE

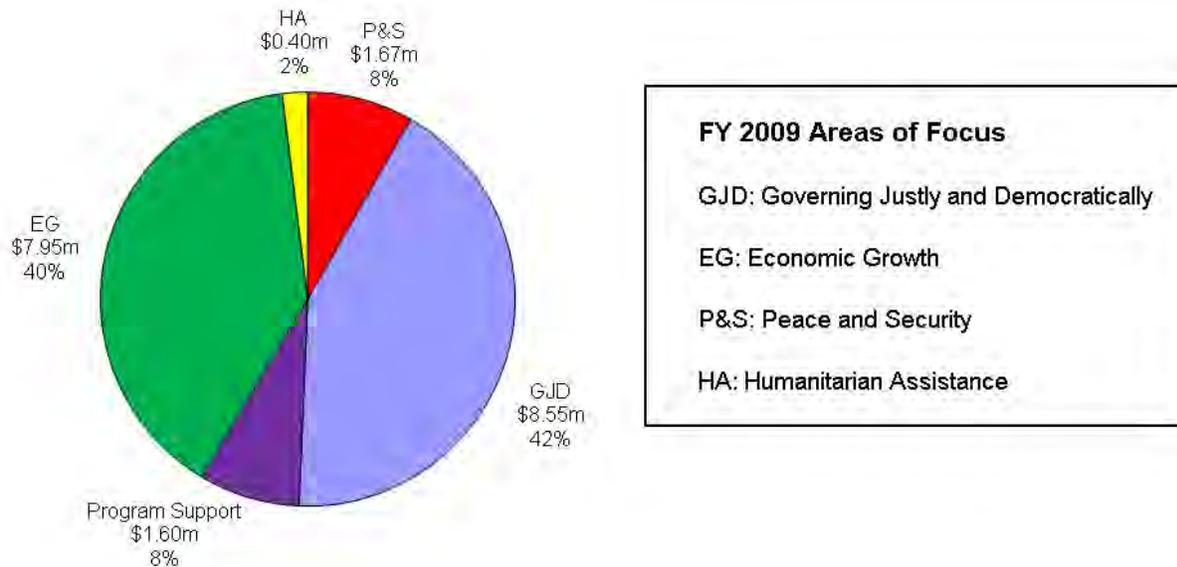
MOLDOVA

U.S. FOREIGN ASSISTANCE PERFORMANCE PUBLICATION Fiscal Year 2009

FY 2009 FOREIGN ASSISTANCE GOALS

U.S. assistance in Moldova works to strengthen democratic institutions, increase economic prosperity, secure the country's recognized borders, and assist Moldova in becoming a full partner in the European and international communities. In FY 2009, U.S. Government (USG) assistance supported improvements to electoral administration capacity and election monitoring in two rounds of parliamentary elections. U.S. programs also supported the development of civil society and greater professionalism and sustainability of media, especially outside of Chisinau. These initiatives helped to increase the public's knowledge of its legal rights and access to justice, directly addressing weaknesses highlighted after the April elections. In FY 2009, Moldova was deemed eligible for a Millennium Challenge Corporation Compact. As one of the poorest countries in Europe, Moldova's economy has suffered from the global economic crisis. Against this backdrop, U.S. assistance helped key industries to realize their export potential, which over time is expected to increase incomes and jobs. Other programs streamlined administrative processes reducing the time and cost of doing business. U.S. programs also helped provide economic opportunities for vulnerable populations. Trafficking-in-persons (TIP) programs improved law enforcement personnel/officers' ability to identify and prosecute traffickers, while protecting victims of trafficking through the implementation of better laws and assistance for their social and economic integration. In FY 2009, the United States increased support for the re-integration of the breakaway region of Transnistria through increased economic growth and civic-participation programs in that region.

TOTAL FY 2009 FOREIGN OPERATIONS APPROPRIATED ASSISTANCE: \$20.17 MILLION*



(*Foreign Operations funding appropriated for FY 2009, including supplemental appropriations under the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329), but not including \$2.86 million in Peace Corps funding and centrally managed, regional Foreign Operations funding that is not budgeted for specific countries. Humanitarian Assistance total does not include the value of donated humanitarian commodities transported by the Department of State, estimated at \$3.51 million in FY 2009.)

HIGHLIGHTS OF FY 2009 PERFORMANCE BY AREA OF FOCUS

Peace and Security

In FY 2009, USG assistance:

- Helped the Ministry of Defense develop the country's draft National Security Strategy. This strategy awaits approval by the Parliament and the President.
- Equipped Moldovan police working on counter-trafficking issues with vehicles and communications equipment, and supported the development of an Internet site for the Center for Combating Trafficking in Persons
- Through a network of 9 USG-supported Social Reintegration Centers (SRC), provided psychological and social assistance as well as temporary accommodation in a safe and supportive environment to 2,354 vulnerable women and youth, including 35 victims of TIP, representing 15 percent of the total registered number of trafficking victims. As part of TIP prevention efforts, U.S. programs provided 981 beneficiaries with vocational training and job skills, and 754 of these found employment. The new Government of Moldova (GOM), formed in August 2009, has included support for the SRCs in its draft 2010 budget law, which, if passed, will provide a significant boost to the sustainability of the SRCs. To ensure sustainability further, the SRCs have created social enterprises that provide revenue to the centers as well as jobs for center clients. During the reporting period, two new social enterprises were formed, bringing the total across the nine SRCs to eight enterprises.

- Supported implementation of the law on domestic violence, which also covers child abuse. As a result, Moldovan authorities issued the first restraining order in the country and made several successful prosecutions under the law.
- Supported former weapons scientists in non-weapons research through the Science and Technology Center – Ukraine

Governing Justly and Democratically

In FY 2009, USG assistance:

- Expanded across the Dniester River to include Transnistrian stakeholders. This expansion included providing support to establish a legal clinic in Transnistria to provide legal services, providing grants to non-governmental organizations (NGOs) in three communities in Transnistria to support the region's first ever community-led improvement projects, and training in journalism and business to five media outlets.
- Increased access to justice through support for university-based legal clinics, including one in Transnistria, and a network of 12 traveling lawyers to provide over 7,000 people with legal services in cases, including those concerning police abuse, child support, rape, domestic violence, and land leasing
- Trained more than 14,000 individuals in civic education, with a focus on voting and participation in elections. Programs also increased access to civics information through newspapers and local television programs, teacher training, and dissemination of materials to schools nationwide.
- Supported Internet access in three training centers, including the underserved areas of Transnistria and the autonomous region of Gagauzia. These centers provided training in information technology skills to over 1,100 people.
- Supported training and technical assistance to help political parties across the spectrum build effective party organizations, communicate their messages more effectively, and mobilize voters. For the parliamentary elections in April and July, USG-supported programs trained election-day poll watchers and lawyers on the electoral code and adjudication of disputes related to voting.
- Increased awareness of and resources for victims of domestic violence. As a result of USG-assisted local efforts to draft and implement a new law on domestic violence including related public education and legal services, social service providers have observed a significant increase in the number of domestic violence victims seeking assistance at shelters and other social service centers. At 2 shelters for vulnerable women and victims of trafficking which had not typically seen many domestic violence victims, domestic violence victims now represent 30 percent of the beneficiaries served.

Economic Growth

In FY 2009, USG assistance:

- Supported Moldova's efforts to draft its official offer to the Government Procurement Agreement (GPA) of the World Trade Organization (WTO), completing the country's accession request. This helped the GOM to negotiate its accession to the WTO GPA. This

assistance focused on responding to WTO's "Questions for Clarification" originating from member countries and translation of the procurement-related legislation, which became part of the accession package submitted to the WTO Secretariat in Geneva. An average of 5,200 visitors per month accessed the USG-supported WTO trade website for Moldova.

- Provided technical assistance for the implementation of a 2008 Cabinet Decision mandating the electronic exchange of data among 10 Government agencies, which improved the efficiency of the "One-Stop Shop" at the Licensing Chamber, a critical agency that issues 39 licenses in Moldova. As a result of USG support, the process of applying for a license to register a business is more efficient and transparent, reducing opportunities for corruption.
- Provided technical assistance to support the drafting of two new laws that will reduce the number of procedures required for authorization from the Ministry of Construction and Territorial Development for renovations or new construction. These laws will reduce the number of procedures required from 30 to 23, as well as lessen the number of days required to obtain the authorization from 292 to 180, thereby improving private-sector competitiveness and reducing opportunities for corruption.
- Supported exchange visits for 17 Moldovans who received training in the United States and established links with key players in their industry sectors. In the United States, participants visited 35 associations and 131 private companies to learn about industry trends, innovative technologies, and new managerial and financial concepts.
- Supported the first internationally recognized Certified Leasing Training Course in Moldova, which is now offered on a commercial basis by the Association of Public Accountants and Auditors. Similarly, the first internationally recognized Certified Mortgage Lender training program, which had been previously introduced with USG support, became sustainable in FY 2009. The program is now offered on a commercial basis by the Moldovan Bankers Association. As a result of this training, Moldova has 92 Certified Mortgage Lender Specialists compared to none when the program started in 2007.
- Supported the Ministry of Agriculture and Food Industry (MAFI) to help restructure its operations to meet the needs of a market-oriented economic system. In FY 2009, several key milestones were achieved toward the establishment of a separate Agency for Payments and Intervention in Agriculture (APIA), a European Union requirement. The USG assisted in developing the full package of documents necessary for formalizing the APIA and obtaining approval from the MAFI. In addition, the USG helped the MAFI to develop a new draft subsidy concept, which will increase transparency and accountability in the distribution of approximately \$25 million per year in agricultural subsidies through APIA once established.
- Facilitated new loans with a value of more than \$6 million, new trade linkages, and new infrastructure investments in agribusiness. The USG supported training of 25 export companies that led to the award of 5 "Global Partnership for Good Agricultural Practice" certificates and 3 "Hazard Analysis & Critical Control Point" certificates in Moldova. Finally, USG support led to the formation of the first producer-marketing cooperative, the Premium-Fruit Marketing Cooperative (PFM), and further strengthened seven other marketing cooperatives. The PFM Cooperative signed the first long-term forward contract in Moldova to supply apples to a major market in Moscow.

- Provided critical policy and analytic support in formulating development strategies for producers in two important high value agriculture areas: table grapes and greenhouse produce, which led to increased profits for many producers. Open field vegetable producers increased their average profits per hectare from \$565 to \$2,424, while profits for greenhouse vegetable producers increased from \$2,860 to \$7,281 per hectare from spring 2007 to fall 2009.
- Helped increase sales by \$50 million and improve productivity in growth-oriented companies in the wine, textiles, and apparel, and ICT sectors by providing assistance areas such as marketing and brand development. As a result of USG assistance, over 25 high-quality companies participated in major trade shows in England, Poland, Germany, the Czech Republic, and Russia. Although the economic crisis resulted in a significant loss of employment, over half of the jobs lost by firms participating in these trade shows in FY 2009 have already been regained.
- Contributed to expansion of the number of local academies offering Cisco Certified Networking Associate training, and helped launch a Microsoft IT Academy at the Academy of Economic Studies. To date, over 180 students have enrolled in Cisco or Microsoft training programs.
- Contributed to a multi-donor project, which included the World Bank and the Japanese Social Investment Fund, which provided grant funding for new microenterprises proposed by youth. With USG support, 103 business plans were developed and submitted to the Project Funding Institutions for review and possible funding. Thirty-two businesses have received financing to date. The total investment of \$327,600 was comprised of bank loans totaling \$121,600; grants of \$151,600; and personal, in-kind contributions by the clients of \$54,400. Thirty-eight new jobs with an average salary of \$180 per month were created during the last 6 months.

Humanitarian Assistance

In FY 2009, USG assistance:

- Was provided to vulnerable populations in Moldova including the elderly, orphaned children, and the disabled. USG resources leveraged significant contributions from partner NGOs in order to distribute donated clothing, hygiene items, and medical equipment and supplies with a total value of over \$3.5 million in FY 2009.