

Academy for Educational Development

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Abbreviations

AED	Academy for Educational Development
ACG	Agenda for Change Grantees
CfP	Call for Proposals
CMP	Consortium of Moldovan Partners
ECNL	European Center for Non-Profit Law
EEF	Eastern Europe Foundation
EU	European Union
GOM	Government of the Republic of Moldova
ODA	Organizational Development Assessment
MCSSP	Moldova Civil Society Strengthening Program
MoJ	Ministry of Justice
MoU	Memorandum of Understanding
NPC	National Participation Council
PMEP	Performance Monitoring and Evaluation Plan
PPF	Public Policy Forum
PBO	Public Benefit Organization
PPWG	Public Private Working Group
RFA	Request for Applications
RM	Republic of Moldova
TA/T	Technical Assistance and Training
USAID	United States Agency for International Development

I. EXECUTIVE SUMMARY

The Moldova Civil Society Strengthening Program (MCSSP) is a three-year effort funded by the United States Agency for International Development (USAID) and implemented by the Academy for Educational Development (AED). The overall goal of the program is to strengthen representative democracy in Moldova through support for a constituent-driven, financially viable civil society sector.

Some of the highlights of the work accomplished during this quarter include:

Objective 1: CSOs better represent citizen interests

- Agenda for Change Grantees (ACGs) started implementing their activities
- Inspire Program recipients selected

Objective 2: CSOs are transparently governed and capably managed

- Consortium of Moldovan Partners (CMP) developed training materials and started the ACGs organizational development assessment
- CMPs undergone organizational development assessment and developed individual training and development plans
- CICO launched the CSO Management Online Portal
- CONTACT Center organized and facilitated the MCSSP regional conferences in Cahul, Comrat, Bălți; and developed the Online Portal on CSO transparency and ethics principles
- Media RfP prepared and ready to be published

Objective 3: Relevant legislative framework for civil society approaches European standards

- Law on Volunteering and Amendments to Law on public associations on Public Utility Status adopted by Parliament of RM
- ECNL trip to Moldova: MoUs signed with the Ministry of Justice and workshop on the newly approved public utility status provisions for CSO leaders and public officials organized

Objective 4: CSOs are more financially sustainable and less dependent on foreign donors

- CMP grantee CONTACT develops activities for improving capacities of NGOs to diversify resources through individual giving and development of financial sustainability strategy
- Studies and activities promoting volunteering, opportunities for the Percentage law, social contracting and barriers to individual donations for CSOs initiated by CMPs and ACGs

Program Administration

- MCSSP Workshop: Civil Society in Moldova – Becoming Viable and Stronger
- Third Civil Society Donors' Meeting held

II. PROGRAM OBJECTIVES

OBJECTIVE 1: CSOS BETTER REPRESENT CITIZEN INTERESTS

AGENDA FOR CHANGE PROGRAM

Thirty two proposals were submitted in response to the RFA, published in the previous reporting period; 25 were eligible, based on the RFA selection criteria, and were submitted to the Review Committee (RC). The RC met on April 22, 2010, with four members from civil society donors in Moldova: UNDP Moldova, Soros Foundation, Eurasia Foundation, and DFID. Based on the Review Committee evaluation and recommendations 14 project proposals have been selected for funding, decision agreed by USAID Moldova representative. All Agenda for Change Grantees (ACGs) started implementing their activities in June. The fourteen CSO are:

Rural Development Agency CENTER (ADR CENTER) - creating a regional CSOs network and public-private partnership to better represent citizens interests in the regional development process.

Association of Independent Press (API) - advocacy campaign for local media development including independent press from Gagauzia and Transnistria regions: performing two short and practical studies and creating a Public-Private Working Group with Parliament and Government representatives to promote the recommendations from the studies.

Association of Psychologists Tighina (APT) - strengthening the capacity of a specialized CSO network, developing a common actions plan and increasing the capacity of the relevant public officials in the family protection field, expanding the successful experience to neighboring districts/raions including the localities from Transnistria - Bender and Tiraspol.

Centre of Legal Assistance for Persons with Disabilities (CAJPD) - developing the Reform Agenda representing people with disabilities interests based on UN Convention on Persons with Disabilities Rights, recently ratified by Moldova, creating a mechanism of monitoring the agenda implementation, awareness raising activities.

National Center for Child Abuse Prevention (CNPAC) - advocacy to improve the legal framework to protect children in the justice system, trainings and creating a public-private working group with representatives from the line ministries and prosecutors offices.

Regional Center of Assistance and Information for NGO's CONTACT-Balti - advocacy campaign aiming at intercommunity partnership and engaging citizens in the decision making process, partnership with Nord Agency for Regional Development, strengthening the capacity of the Comunitas Nord network of NGOs, trainings for journalists to cover CSO activities.

Regional Center of Assistance and Information for NGO's CONTACT-Cahul - advocacy campaign to support inter-regional development and citizens engagement in the economical development of the South region of Moldova, Public Private Forums on the regional development activities, two media campaigns on regional development, partnership with South regional development Agency.

Regional Center of Sustainable Development (CRDD-Ungheni) - strengthening the capacity of 7 local authorities and 15 regional SCOs in Ungheni, increasing citizen involvement and improving the

dialogue between the civil society, citizens, mass-media and the authorities, Community Forums and regional conference on citizens participation in decision making.

Young Journalist Centre Moldova (CTJM) - strengthening the youth mass-media: exchange of experience between young and experienced journalists, young trained journalists will join different NGOs to help them to increase their visibility and promote their activity, running and coordinating internships for young journalists, developing a strategy for the youth media network in Moldova.

Every Child, Branch Office in Moldova (EvCM) - survey on philanthropy, actions plans and awareness campaigns on individual philanthropy adapted to the community needs in four raions, partnering with ECNL and Moldovan SCOs to identify legal solutions for the development of individual donations in Moldova

Bulgarian culture society "Rodolubetz" - strengthening the civil society capacity in Transnistria: creating the Coordination Council of CSOs in Transnistria and Discussion Clubs on issues that the local civil society faces and its relation with the authorities, establishing partnerships between Transnistria CSOs and other Moldovan CSOs.

NGO "Soarta"- involving elderly people in volunteering activities (Sorooca), establishing cooperation among 15 CSOs active in volunteering on active aging and coordination with Volunteer Coalition of Moldova, awareness raising about the benefits of volunteering as a form of active ageing.

NGO "Youth for the Right to Live" (TDV) - developing the implementation mechanisms for the Law on volunteering, National Volunteering Conference, Festival of volunteers, encouraging volunteering supported by employers (corporate volunteering) and cooperating with relevant state authorities.

Association of Independent TV Journalists from Moldova (AITVJM) - broadcasting regular TV and Radio investigative programs on sensitive human rights topics, local TV and Radio networking for investigative journalism, creating partnerships between media organizations, investigative journalists and CSOs, 4 Regional public debates in 4 districts, trainings for journalists.

AGENDA FOR CHANGE GRANTEES ORGANIZATIONAL DEVELOPMENT

Besides developing reform agendas and public participation or advocacy activities in their fields these grantees work closely with AED and the Consortium of Moldovan Partners to improve their internal management, governing structures and to increase their financial viability. CPD and CICO undertook the first round of assessments of the Agenda for Change grantees and will submit a report on the findings from the assessments during the next reporting period. Based on this, ACGs will develop and start implementing their organizational training plans.

Based on these evaluations the grantees will develop their individualized organizational development plans. Trainings in NGO Management delivered by CMPs will be adjusted accordingly. In the end, the ACGs will serve as CSO models within Moldova of organizations that have a strong constituent base, technical sector expertise, and transparent governance systems.

INSPIRE PROGRAM - CIVIL SOCIETY INSPIRING COMMUNITIES

The Call for Proposals (CfP) for the *Inspire Program (Civil Society Inspiring Communities)* was published in May 2010. The Program has two main priority areas: Community Mobilization and CSOs visibility and credibility. Applications will be reviewed once in a quarter, on a rolling basis.



Regional Conference promoting Inspire Program in Cahul, May, 2010

Inspire Program objectives and application procedures were presented in May at three regional MCSSP conferences in Cahul, Comrat and Balti jointly organized with Contact Center. A total of 118 representatives (70 % of the participants were female) of the civil society from the south, north and Gagauz regions participated. Another presentation of the Program was held in Telenesti and it was co-organized with local authorities. Besides that, the information about the Program was also disseminated to over 2500 beneficiaries through the CONTACT e-newsletter, was published on NGO web portals as www.civic.md, www.ong.md and was sent by e-mail to a broad list of NGOs.

Forty six applications were received by the June 7th deadline. This number of responses indicates a high interest and also confirms that how important it is to reach out to CSOs outside of Chisinau. We see this as a direct outcome of above mentioned regional conferences. In addition, it is still unusual for donors in Moldova to fund projects that are not issue based. MCSSP has designed Inspire program to be open for projects from different areas, as long as they meet the criteria of engaging and mobilizing communities. This approach allows CSOs to remain true to their mission and their area of expertise.

The Review Committee met on June 25th with members from People In Need Foundation, CRS, East Europe Foundation and IREX Media Program. The RC recommended 14 proposals for funding. The approved proposals are addressing such topics as strengthening civil society in Gagauzia and Transnistria and connecting it to the rest of Moldovan CSOs, mobilizing CSOs to implement the Civil Society Strategy, media coverage for CSOs activities, women participation into public decision making, volunteering among youth, etc. The Inspire Program partners will start implementing their activities next quarter as soon as their contracts will be negotiated and signed.

OBJECTIVE 2: CSOS ARE TRANSPARENTLY GOVERNED AND CAPABLY MANAGED

CONSORTIUM OF MOLDOVAN PARTNERS

During this quarter Consortium of Moldovan Partners (CMP) undergone the organizational development assessment facilitated by MCSSP, developed their individual training and development plans, prepared the NGO Management Course and implemented other activities according to their activity plans.

1. **Center for Partnership Development (CPD)** – developed the Constituency Building module of the NGO Management Course, submitted to MCSSP their individual training and development plan and started the organizational development assessment of the Agenda for Change grantees.
2. **Center for Organizational Training and Consultancy (CICO)** –coordinated the development of the NGO Management Course and finished the on-line educational portal for training beneficiaries. The first trainings on Human Resources Management (HRM) and Strategic Planning for Agenda for Change grantees will be delivered by CICO next quarter.

3. **Resource Center for Human Rights (CReDO)** – finalized the advocacy module for NGOs, promoted the adoption of the amendments on public utility status for CSOs and the Action Plan for the Civil Society Strategy and started the research on public utility status for CSOs. Also, CReDO has helped ECNL to organize the joint workshop on Public Utility Status for CSOs (for more details please see the Objective 3). Additionally, CReDO presented the new regulations on public utility and its benefits for CSOs in a popular talk show at Journal TV news channel.
4. **CONTACT Resource Center** – prepared the module on Financial Management of NGOs and finalized their individual development. In May CONTACT Center organized three regional MCSSP conferences. A special attention was paid to presenting the Inspire Program objectives and application procedures. A fourth regional conference for NGOs is planned to be organized in Transnistria next quarter.

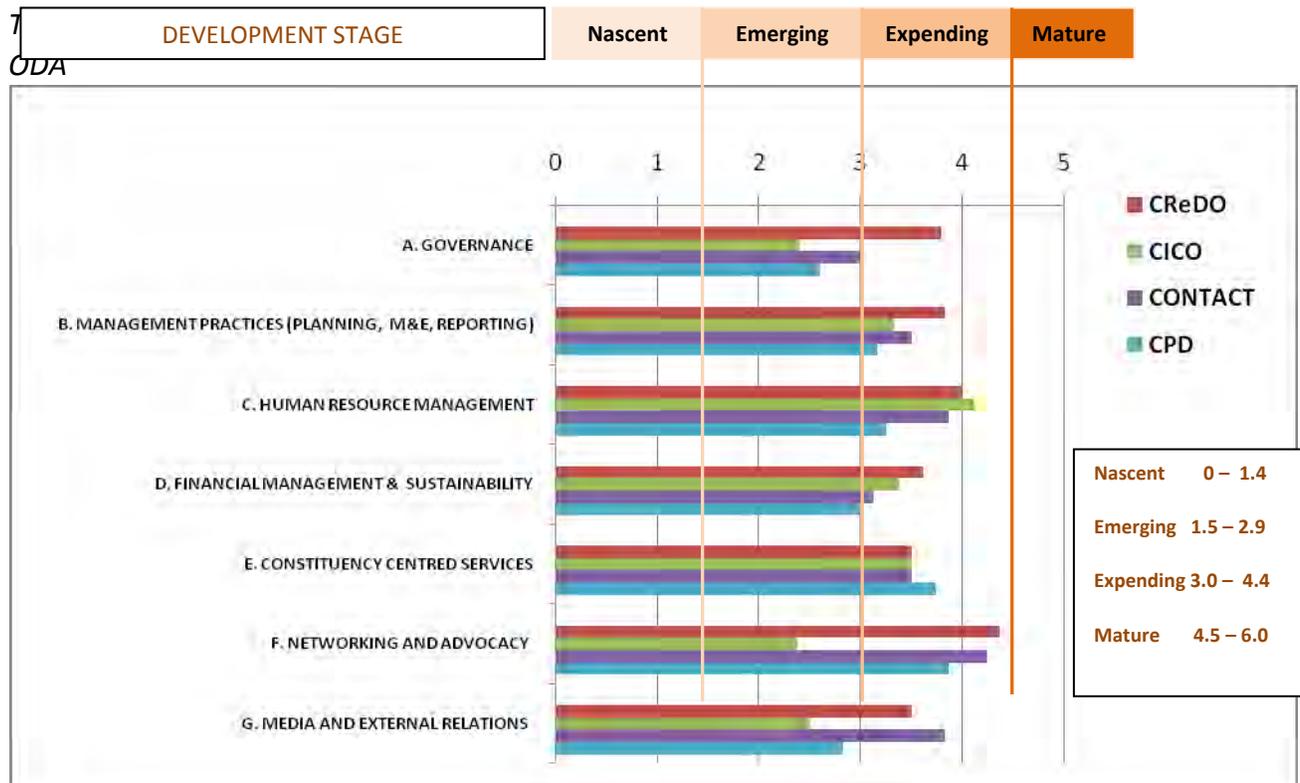
CMP ORGANIZATIONAL DEVELOPMENT ASSESSMENT (ODA)

MCSSP Chief of Party and Training Coordinator facilitated the ODA process of the CMP members, based on which the organizational development priorities were identified and Training and Development Plans (TDP) for the first project implementation year developed by CMPs. On a 0 to 5 scale all the CMPs have got more than 3 points. 0 to 1.4 points representing Nascent CSOs, 1.5-2.9 Emerging, 3-4.4 Expanding and over 4.5 - CSOs at the Mature stage.

The ODA results and key findings confirmed one more time the main problematic areas registered by different studies and evaluations on civil society in Moldova, including USAID Sustainability Index. The main identified development priorities of the CMPs refer to improving governance principles and structures, strategic planning and M&E, media relations etc.

First of all the democratic governance structure is present mostly on paper (as it is required by the registration procedures of the CSOs) and is less functional in practice. The benefits and good governance principles are less understood and respected by the Moldovan CSOs and there are some examples of really major violations of these principles (ex. the Executive Director is a Board member also etc.) Moldovan civil sector registered modest progress in establishing a good and prolific relation with mass-media outlets. Partly this is caused by low developed skills and abilities in PR and media relations, however there is also a weak initiative and interest to consolidate this relation for mutual benefits, since the major part of the CSOs' communication efforts are directed mostly towards other NGOs in the sector and to donor institutions and less to general public.

These areas will be targeted through MCSSP technical assistance program, both through organizational individual training plans and through group assistance provided to all MCSSP beneficiaries. Some of the illustrative activities will be developing strategic plan, setting up monitoring and evaluation system, procuring financial management software and receiving training on how to implement it.



CSO CREDIBILITY CAMPAIGN

The *CSO Credibility Strategy and Action Plan* for its implementation was finalized in May 2010. The aim of the communication strategy is to raise authority and increase trust to civil society organizations through MCSSP activities. The strategy presents the contextual analysis, current level of trust towards CSOs, obstacles in the CSO-media communication and determines the targets groups.

The key problems in the perception of civil society by broad audiences were identified through the results of public opinion polls (IPP), sampling analysis of publications in mass-media and interviews of the representatives of NGOs, mass-media and businesses.

At a general level, many people in Moldova do not have a clear idea of what NGOs are, as a small amount of information about NGOs is disseminated by the highest ranking mass-media. Moreover, widespread stereotype was created and supported by some mass media outlet, which are mainly focused on finding “negative sensations” as “grant hunters” etc. – since they traditionally enjoy higher demand with the audience than “success stories and good deeds”. The exceptions may be only very narrowly-specialized public associations (disables people, legal experts, veterans, etc.) that are not focused on the assistance of donor structures and exist almost exclusively on the money of their members or slender state transfers.

The CSOs are often accused by mass-media for lack of openness of their employees and a certain fear of competition from their colleagues, lack of strong contacts with journalists, poor skills in making public statements and poor efficiency in commenting on the events etc. The communication system information is oftentimes one-sided, of affiliated nature and/or is not timely. Also some of the interviewed persons pointed out the insufficient level of NGOs competence in the sphere of their activity, many of CSOs representatives being incapable of formulating and giving clear answers to the inquiries made by journalists. Partly, this situation is affected also by the fact that the key specialists

have left NGOs becoming politicians or working in the Government. However, there is also a reverse process – former statesmen and politicians are making shots at public activities. However, both processes constitute a certain problem for normal and politically unmotivated development and positioning of NGOs.

MCSSP CSO Credibility Strategy suggests the most appropriate communication tools for different target groups and regions - usage of social media by CSOs, CSOs media campaigns and trainings for media and civil society representatives.

MCSSP developed the Request for Proposals for media or communication organizations to implement the elaborated MCSSP communication strategy. The RfP will be published next quarter. The media campaign activities will start after the referendum and electoral campaigns planned for the next quarters. During that period- quarter 3 and 4 of 2010 the strategy implementers will be selected and preparatory work i.e. development of media materials and trainings will be initiated.

OBJECTIVE 3: RELEVANT LEGISLATIVE FRAMEWORK FOR CIVIL SOCIETY APPROACHES EUROPEAN STANDARDS

FIELD TRIPS TO CHISINAU

Field trip to Chisinau on May 24-28, 2010

The main purpose of the trip was to learn more about the ongoing legal initiatives and identify opportunities for cooperation, sign memorandum of understanding with the NGO Council and participate in donors' meeting arranged by AED. Several meetings were held with CSO representatives and government:

- Olesea Cruc, Viitorul, Viorica Craievschi, Social Policy expert
- Mariana Ianachevici, Salvati Copii
- Natalia Simagustina, LUMOS
- Viorel Albu, Project Manager Better Opportunities for Youth and Women, UNDP
- Igor Grosu, State Chancellery
- Anastasia Certan, Head of the Department on Tax Policies, Ministry of Finance
- Mihai Godea, Liberal Democrat Party
- Daniela Leahu, Every Child Moldova
- Antonita Fonari, Executive Director "Tineri si Liberi"
- Nicolae Rosca, legal expert
- Tatiana Prisacar, Accounting consultant
- Aliona Sarbu, BCNL fellow

The main focus of the visit was to learn more about the ongoing legal initiative regarding the draft Law on Social Services. ECNL established important connections with the organizations that took active part in discussions of the law, as well the organizations that will further work on the draft Law on Accreditation and Regulations on Inspection.

In addition, ECNL held a number of meetings regarding fiscal matters with the legal expert who drafted the Law on 2% within the framework of the UNDP project that, however, is not on the Parliaments agenda at the moment and will need to be further developed in case this legal initiative proves appropriate in the Moldovan context. ECNL also met with Ms. Anastasia Certan, the Head of the

Department on Tax Policies at the Ministry of Finance, and achieved an informal agreement on cooperation with the Ministry regarding the percentage initiative.

Finally, ECNL participated in the donors' meeting held at Soros Foundation premises on May 26, 2010 where it shared with the participants the results of its assessment trip and actions planned under Objective 3 as outlined in the assessment report and also provided information on current CSO related legal initiatives.

Field trip to Chisinau on June 21-25, 2010

During the visit ECNL met with a number of government officials and CSOs, participated in the AED planning retreat for Project Year 2, and signed a memorandum of understanding with the Ministry of Justice.

The following meetings were held:

- Liliana Palihovici, MP, Chair of the Committee of Social Protection
- Lidia Foalle, Head of the Department on Accounting, Ministry of Finance
- Diana Leahu, Anatol Mamaliga, Daniela Mamaliga, Every Child Moldova

The main focus of the visit was the PBO amendments and the Law on Social Services. The amendments and the law had been approved in the second reading by the time of the visit.

MEMORANDA OF UNDERSTANDING WITH THE COUNCIL OF NGOS AND MINISTRY OF JUSTICE

Memorandum of Understanding signed with the NGO Council

On May 26, 2010 ECNL signed a Memorandum of Understanding with the NGO Council. By signing the document, the parties agreed “to cooperate closely in order to create synergies in their work and, thus, to enhance the efforts for CSO related legal reforms in the Republic of Moldova.” The memorandum identifies priority work areas for the NGO Council and ECNL, outlines the mode of cooperation, where ECNL “will provide technical assistance and support to the Council of NGOs in promoting legal reform in the identified priority areas”. ECNL also committed to sharing comparative materials and good practices regarding NGO legislation in Europe and internationally.

Memorandum of Understanding signed with the Ministry of Justice



ECNL signing the MoU with Ministry of Justice, June 24,2010

On June 24, 2010 ECNL signed a Memorandum of Understanding with the Ministry of Justice. Minister Alexandru Tanase countersigned the document in the presence of press and electronic media. The overall objective of the document is to create synergies and enhance efforts for enabling environment for CSOs. By signing the document, the parties agreed to cooperate and share information on the legal initiatives concerning CSOs over the course of the three-year Moldova Civil Society Strengthening Project. The memorandum identified priority areas for cooperation, such as PBO provisions, capacity-building and technical assistance to the Ministry. ECNL committed to providing comparative materials and technical assistance for developing and implementing CSO related legislation. The Ministry committed to sharing drafts of the laws and ensuring a participatory process in drafting legislation.

ONGOING TECHNICAL ASSISTANCE AND COMPARATIVE LEGAL EXPERTISE

ECNL provides ongoing technical assistance and comparative legal expertise to local partners through sharing publications and materials on CSO law. In Quarter 3 ECNL provided information during the meetings and one-on-one consultations on a range of issues, including experiences from Western and Central and Eastern Europe related to PBO legislation, percentage mechanism and social contracting. The presentations made at the Civil Society Law Expert Meeting and presentation from the workshop on PBO amendments were made available on BCNL's and ECNL's web pages respectively. In addition, ECNL continued to share the Assessment Report on the Legal Framework for Civil Society in Moldova with a number of CSOs and government officials.

Workshop on PBO Amendments, June 23, 2010

On June 23, 2010 ECNL organized a workshop on PBO amendments. The agenda of the workshop is provided in Annex I. The workshop convened some 20 participants from the CSO sector and government. The meeting introduced the recently adopted amendments and offered a European perspective on the relevant issues of PBOs regulation.

Due to a coinciding official event, Mr. Aurel Baiesu from the Legislative Committee of the Parliament could not attend, but passed his word to the CSOs. He mentioned that the passed PBO amendments are "the first step to make activities of CSOs more transparent."

Ms. Elena Gritco, the head of the NGO department at the Ministry of Justice, talked more about the issues the Certification Commission (CC) currently faces and the role the new amendments will have on the sector. Mr. Serghei Ostaf, CReDO, and Mr. Vlad Melnic, Eurasia Foundation (also a member of the CC) talked about the practical changes and reflected on whether these changes can benefit the sector. Generally, the speakers supported the new legal provisions and considered them as a significant improvement for the sector. However, opinions were expressed that especially for the local CSOs the process of PBO registration might become even more challenging and would prevent a significant number of organizations from keeping their PBO status or acquiring it.

Ms. Nilda Bullain, ECNL, made a presentation with a focus on the fact that effective PBO status calls for a balance between the obligations undertaken by a CSO and the benefits provided by the state that it can enjoy in return. The adopted amendments provide in principle for considerable benefits, but these have yet to be implemented in practice.

Based on the latest text available, the law is indeed an important step forward in the legal framework for CSOs in Moldova. It aims to give practical meaning to the status of public benefit, which has already been in existence for almost 10 years but recently without a real meaning for the CSOs. (One participant at the workshop has echoed this by saying that her CSO requested this status merely for reasons of “prestige”.) The law provides a definition that is generally in line with other European laws; establishes obligations concerning reporting and transparency, while assigns a range of direct and indirect benefits to the PBOs. Both obligations and benefits are greater than what the current legislation provides for. Finally, the law provides for a new composition of the Certification Commission, ensuring that the majority of the CC will consist of CSO representatives (2 out of 3 representatives delegated by the President, the Parliament and the Government respectively – in total 6 out of 9 members - will have to be representatives of a PBO).

However, the expected impact of the law remains unclear. Stakeholders raised two main issues: (1) the increased difficulty of acquiring PBO status, and (2) the uncertainty of what benefits will be available for PBOs. Much will depend on the implementation of the foreseen benefits, some of which are rather generous, e.g. the provision that can be interpreted to position PBOs as the only type of organization that may compete for contracts for social services.

Comments on PBO Amendments

Regarding the text of the PBO amendments, upon close examination of the provisions, ECNL noted only a couple of points of concern, the greatest one being related to the definition of public benefit activities. Under the latest available draft, the definition implies that only activities directed towards disadvantaged persons and groups shall be deemed public benefit. If adopted in this form, the definition would significantly and unnecessarily narrow the interpretation of the public benefit status. It would not be clearly applicable to a range of activities where the beneficiary may be the general public, such as in culture, science or the environment. ECNL also noted in the law some other smaller inconsistencies that were included in the comments, prior to promulgation.

The comments were shared with Mr. Aurel Baiesu from the Legislative Commission of the Parliament and Ms. Liliana Palihovici, the Head of the Parliamentary Committee for Social Protection, Health and Family.

Once ECNL acquires the final text of amendments, it will provide its official commentary on the newly adopted provisions.

It will also stay involved in organizing promotional events on the PBO status and the new legislation together with the NGO Council. ECNL will be engaged in development of the secondary legislation together with the Ministry of Justice, Certification Commission and the working group that has been established under the auspices of the Ministry of Justice. ECNL also plans to work together with the Ministry of Finance on the benefits package.

In addition, the research CReDO is involved with aims to establish the impact of the new provisions on CSOs (both those currently holding a PBO status and those who are not), the outcomes of which will guide the project in undertaking the next steps to promote the law and to assist with secondary legislation.

Next steps on the Law on Volunteering

The draft Law on Volunteering was approved in the second reading on June 18, 2010. Once ECNL acquires the official text of the passed law, it will provide feedback and advice on next steps relating to the strategy to be followed in developing secondary legislation.

ECNL will also consult with the local partners on how best to promote the new law. It could be arranged through (a) organizing a public event, where the new law will be introduced and next steps for developing implementation regulations will be discussed; (b) organizing a larger event, where in addition international experience will be discussed; and/or, (c) through organizing a number of events in the regions on how to apply the new law. ECNL will also work with the local partners to prepare a practical publication with an overview of the newly passed law. This publication will guide CSOs through the provisions of the law and explain in detail their rights and obligations under the law.

Research on percentage law

During its visit to Chisinau in May, ECNL tried to arrange a meeting with the Vice Minister of Finance, Viktor Barbaneagra. Due to his unavailability, the meeting was held with Anastasia Certan, the Head of the Tax Policies Unit. Ms. Certan was a member of the initial working group on percentage legislation that was meant to work on the draft Law on 2%, however, it was discontinued with the change of the political environment. Ms. Certan appeared very open to restart discussions on the issue. Ms. Certan was especially interested in international practices and the impact the law had in Romania and Hungary. She also agreed that in order to launch discussion on the draft law on percentage in Moldova it is important to consider what impact this legislation will likely have on the sector.

The Ministry of Finance formed a working group on fiscal issues, where among others the percentage law will be discussed. CReDO, one of Consortium partners participates in the working group. ECNL shall provide technical assistance and comparative materials to the group.

While most of the Moldovan CSO leaders remain enthusiastic about the potential adoption of the percentage law, ECNL considers it important to carry out a proper policy assessment before engaging in a process to revise the draft law. With this in mind, ECNL is currently working on guidelines for drafting percentage legislation, which will provide an overview of the key policy questions involved; an algorithm for baseline calculations; and the issues that need to be researched in order to decide whether the percentage law would be a feasible initiative for enhancing CSO sustainability in Moldova. ECNL will share the guidelines with the working group created at the Ministry of Finance on fiscal issues as well as the NGO Council.

Establishing cooperation links on fiscal framework for CSOs

During its visits to Chisinau in June 2010 ECNL held a meeting with Ms. Lidia Foalle, the head of the Department on Accounting. Ms. Foalle was interested in learning more about ECNL's initiative and asked to share any materials on CSO related accounting that ECNL promised to provide her with. She also told about the working group that was recently established at the Ministry of Finance for drafting Accounting Standards for NGOs. Ms. Prisacar, the accounting expert, who ECNL has been cooperating with, is one of the members of the group; the group also includes Alexandr Nedirica, a renowned academic expert and Svetlana Certan, a representative of PWC. According to the Ministry's plan, the

first draft of the Accounting Standards is supposed to be developed by the end of August, discussed with the CSOs and finally adopted in October-November 2010. ECNL will stay in touch with the Ministry to provide its comments and help arrange a wider public discussion, once the draft is available.

To ensure closer cooperation with the Ministry, during its next visit in July ECNL will aim to arrange a meeting with Mr. Barbaneagra, Vice Minister of Finance to sign the memorandum of understanding that will outline the criteria for cooperation and identify the priorities for cooperation.

SHARING EXPERIENCE BETWEEN REGIONAL NGO LEGAL EXPERTS

Civil Society Law Expert Meeting, Nessebar, Bulgaria June 3-4, 2010

The Bulgarian Center for Not-for-Profit Law (BCNL) in cooperation with ECNL organized a meeting of some 20 experts from 9 countries of the Black Sea region (Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, Romania, Russia, Turkey and Ukraine). The meeting was held on 3-4 June, 2010 in Nessebar, Bulgaria. Three participants from Moldova: Vlad Melnic (Eurasia Foundation), Aliona Sarbu (Center for Public Integrity) and Svetlana Rogov (Association of Graduates of the Academy of Public Administration) were invited by BCNL to participate in the meeting. Serghei Ostaf from CREDO was also invited; however, unfortunately he could not attend due to a technical problem with visa procedures. Participants committed to share the knowledge with their peers and assist in ECNL's work regarding their countries, including the CSSP in Moldova.

The meeting convened experts from the region, who shared information on the current conditions related to the CSO law framework in their countries, and international experts from BCNL, ECNL and from the Network of the Estonian Nonprofit Organizations (NENO) who talked about the European experience in improving CSO legislation and presented good practices from countries from Central and Eastern Europe. Based on the survey of participants' interests that was carried out before the meeting, sessions included on the agenda were related to framework legislation, state control, public participation, government contracting and public funding for CSOs. The event was organized with the support of the Black Sea Trust and East-East: Partnership Beyond Borders Program of the Open Society Institute – Sofia. Materials of the Conference are available from:

<http://blacksea.bcnl.org/en/nav/37-civil-society-law-meeting-2010.html>

OBJECTIVE 4: CSOS ARE MORE FINANCIALLY SUSTAINABLE AND LESS DEPENDENT OF FOREIGN DONORS

SOCIAL CONTRACTING FOR CSOS

The Law on Social Services was recently approved. It allows for the first time to contract out social services to non-state actors, including CSOs. ECNL will continue to work with CREDO and other local partners such as National Agency for Government Procurement, Ministry of Economy and the Ministry of Finance to improve current legal framework for state funding for CSOs and social contracting procedures. Improvement of the legal framework which insures the financial sustainability of Moldovan CSOs is crucial in an environment where everything which is not clear regulated is forbidden. Besides this activity MCSSP will work with grantees to achieve concrete financial sustainability best practices which later can be easily applied by other CSOs and stakeholders.

COMMUNITY FOUNDATIONS

CONTACT Center provides technical assistance to the three Moldovan Community Foundations, particularly in areas related to the involvement of volunteers, building viable and mutually beneficial relationships with businesses. Thus Community Foundations will develop their organizational capacities and strengthen their role as the local funding source for CSOs. Expanding the success of some of the Community Foundations to other regions will be encouraged through the Inspire program.

FINANCIAL SUSTAINABILITY TRAINING

In addition, CONTACT finalized the Module on financial sustainability strategies for MCSSP beneficiaries and next quarter will host the first ever Public Policy Forums discussing opportunities for CSOs involvement in Public Private Partnerships.

INDIVIDUAL AND CORPORATE PHILANTHROPY

Under the Agenda for Change Program, AED awarded a grant to Every Child Moldova to promote the culture of philanthropy and individual donations in Moldova. Every Child will run a sociological survey to study the citizens' perception of percentage mechanism, practices of individual giving and corporate philanthropy in Moldova. A series of trainings on fundraising will be held with the Kiev Philanthropy Centre (Ukraine)' trainers, in line with the European Association Fundraising Standards, for 28 CSOs working in the field of child and family social protection in four raions. The CSOs will be assisted also in developing their fundraising plans tailored to the community needs.

MOBILIZING LOCAL RESOURCES

During this quarter the Law on Volunteering was also approved. Under the Agenda for Change Program, TDV will work on developing the implementation mechanism of this law and promote policies for the corporate volunteering. Soarta Association will support the CSOs involved or willing to involve in promoting volunteering as a form of active ageing.

Through the Inspire Program AED encourages CSOs to mobilize the community's local resources by reaching out to financial support from various actors acting at local level or by encouraging volunteers' free services. All the applicants for the first deadline of the Inspire program included in their project budgets an amount in cost sharing or in – kind contributions of more than 20% from the overall project budget. Almost all of them managed to get support from authorities or from local business. These successful examples will be used in training Moldovan CSOs on their financial sustainability and widely disseminated through the communication campaign.



MCSSP Workshop: Civil Society in Moldova – Becoming Viable and Stronger, 19 April 2010

III. PROGRAM ADMINISTRATION

MCSSP WORKSHOP: CIVIL SOCIETY IN MOLODVA-BECOMING VIABLE AND STRONGER

On April 19th the MCSSP Workshop: Civil Society in Moldova – Becoming Viable and Stronger, to present the MCSSP objectives, approaches to achieve them and the

implementing partners – the Consortium of Moldovan CSO Partners. Over the course of the two hours workshop, MCSSP Partners and civil society representatives discussed the most efficient approaches and opportunities on how to make civil society in Moldova viable, stronger and better advocate of citizen interests through four workshops on each of the four MCSSP objectives. Subsequently, the conclusions of the workshops were presented in plenary session.

Specifically, as regard the first and second MCSSP objectives, the participants concluded that Moldovan CSOs' capacity to represent citizens' interests and their governance and management capacities are at an emergent level; this is why an individual and practical approach, including the transfer of best practices to CSOs, is needed.

Regarding legislative framework for civil society and their financial viability participants mentioned that changes to the law on sponsorship and philanthropy and new accounting standards for CSOs are needed, development of a social contracting policy and social entrepreneurship, public – private partnerships and percentage law; in order to stimulate donations to civil society significant work on CSOs' visibility and credibility needs to be done. All the suggestions presented at the workshop are taken into account by MCSSP when implementing activities for the 1st program year and while planning for the next year.

COORDINATION WITH OTHER DONORS



On May 26 MCSSP organized the next quarterly Civil Society Donors' meeting in the offices of the Soros Foundation to discuss about the donor's contribution to the implementation of the Civil Society Development Strategy. The meeting was attended by 22 representatives of donors present in Moldova and by two members of the National NGO Council - CReDO and CONTACT Centre. Sorin Mereacre from East-Europe Foundation, who is also the chairman of the National Participation Council, has presented the Council's role in Government's decision making. Representatives of NGO Council and National Participation Council, Maria Badan from CReDO and Serghei Neicovcen from CONTACT talked

about the NGO Council in promoting NGO legal reform and strengthening the capacities of CSOs. ECNL has provided a brief overview of the current legal environment for civil society in Moldova. Representatives from main civil society donors appreciated this new information for them and discussions on the concrete topics related to the Moldovan civil society needs and issues. They have asked to be informed about the Action plan for the civil society Strategy and agreed with MCSSP initiative to develop a short matrix of each donor funding opportunities for Moldovan civil society. MCSSP will share this matrix with donors and will post it on the program web site. World Bank representative volunteered to hold the next donors meeting in September, 2010.

During this quarter MCSSP continued individual meetings with donors and participated at Romania-Moldova Civil Society Forum, Forum on Slovak CSOs experience in the EU integration process, European Partnership for Democracy CSO Fair, Ukraine-Moldova Civil Society Task Force. At these meetings it was noticed that Moldovan civil society still has only limited contact with European NGOs, which thereby limits their ability to learn from more experienced counterparts. MCSSP established good cooperation with the involved stakeholders and will support the Moldovans CSOs to exchange experience with their European counterparts.

MCSSP SECOND PROGRAM YEAR PLANNING

A planning session was organized with MCSSP and ECNL teams, from June 21st to June 23rd, to review the achievements obtained in the year one of the program and plan the activities for the year two of the program. Discussions held during the planning session focused on overseeing the MCSSP planned activities that will be covered by the program in the year two, planned but not covered yet activities and finally to collect new innovative ideas that would help the program in meeting its objectives. As result of the planning session, a draft Implementation Plan was developed that will be finalized and submitted to USAID in the next quarter.

RISKS, CONSTRAINTS AND WAYS TO MITIGATE THEM

During this quarter Moldovan authorities identified a solution for the constitutional deadlock regarding the election of the president of Moldova. It was decided to have a referendum in September and simultaneous parliamentary and presidential elections in November 2010. The proposed solution was supported by European structures. This fact reduced the level of uncertainty in the public decision making process.

As result, MCSSP adjusted planned activities related to the development of a favorable legal framework for CSOs to these new developments. On one hand, MCSSP will focus on promoting the implementation of the laws which were already approved - the Law on Volunteering, the amendments to the Law on Public Associations regarding the Public Benefit Status of CSOs. On the other hand, MCSSP will be providing TA and developing relevant feasibility studies in order to elaborate other drafts laws aiming at improving the legal framework for CSOs (Law on social contracting, Percentage law, Tax/Accounting Standards for CSOs).

CSOs credibility campaign activities will be also planned accordingly to these new developments.

National Participation Council (NPC) to the Government of Moldova composed of representatives including 30 NGOs approved the draft Action Plan to implement the civil society development strategy. The document is pending approval by GOM.

NPC members were quite active in developing the Strategy Action plan and other relevant legislation but this process lacked large civil society participation. In this context MCSSP will support National NGO Council activities aimed at increasing the level of expertise and participation of a larger number of CSOs especially from the regions into this process.

AED continues to be involved in permanent discussions with civil society, the donor community, and concerned GOM bodies on law initiatives. Memoranda of Understanding were signed with the Ministry of Justice and the National NGO Council. A separate MoU is expected to be signed also with Ministry of Finance next quarter which will be focused mostly on the passing of the legal initiatives regarding the accounting standards for CSOs, Percentage law and tax deductions for donations.

IV. HIGHLIGHTS OF PLANNED ACTIVITIES FOR THE NEXT QUARTER

During the next quarter, MCSSP expects to carry out the following activities:

- Trainings in Human Resources Management and Strategic Planning delivered by CICO to Agenda for Change grantees; Online Portals for CSOs administered by CICO and Contact functioning
- CReDO finishing the study regarding the public utility status benefits for CSOs
- Consultancy to the Community Foundations provided and Public Policy Forum on Public – Private Partnerships carried out by CONTACT Center
- Data from the Agenda for Change Grantees’ Organizational Assessments gathered and analyzed; Individual institutional development plans developed by each Agenda for Change grantee
- Agenda for Change grantees implementing their projects
- Inspire Program partners implementing their projects; 2nd round Inspire Program proposals selected and recommended for funding by a Review Committee
- ECNL technical assistance with the amendments on PBO status, with the draft Law on Social Services and Law on Accreditation, preparing seminar and an NGO friendly guide on implementation of the Law on Volunteering; assistance to the Ministry of Finance on the draft accounting/tax standards for CSOs
- Forth Civil Society Donors’ Coordination meeting held
- Communication Strategy’s implementers selected and preparatory work i.e. development of media materials and trainings initiated.
- Preparing and submitting to USAID the annual Implementation Plan and Program Monitoring and Evaluation Plan for Year 2 of the MCSSP

V. ANNEXES

ANNEX A: AGENDA FOR CHANGE GRANTS PROGRAM (ACG)

- 1) ACG grants program selection process overview
- 2) Agenda for Change review committee members
- 3) List of approved Agenda for Change grants



ACG Selection
process overview.doc



Review committee
List_ACG.doc



List of approved
Agenda for Change g

ANNEX B: INSPIRE PROGRAM (IP)

- 1) IP Announcement
- 2) IP Call for Proposals
- 3) IP Review committee members



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Inspire_Program_CfP
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IP Review Committee
Members.doc

ANNEX C: CIVIL SOCIETY DONORS' COORDINATION GROUP

- 1) Civil Society Donors' Meeting List of participants



MCSSP Civil Society
Donors Meeting List o