

# Moldova





*June 2003*

## **Moldova: Result Assessment 1996 – 2003**



*Rural church in Teghina region, southeastern Moldova. Many churches have been restored since independence, even in the poorer rural areas.*

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for the Swedish International Development Cooperation Agency (Sida)**

## **List of Abbreviations and Terms**

CPC	=	Competitiveness and Productivity Center
EU	=	European Union
GNP	=	Gross National Product
GDP	=	Gross Domestic Product
HIF	=	Health Investment Fund
IMF	=	International Monetary Fund
Judet	=	Regional local authority
PRSP	=	Poverty Reduction Strategy Paper
Sida	=	Swedish International Development Cooperation Agency
SIF	=	Social Investment Fund
TBC	=	Tuberculosis
WB	=	World Bank

### **Currency Units:**

ML	=	Moldavian Lei
SEK	=	Swedish Krona
€	=	European Euro
US\$	=	United States Dollar
SEK 1.00	=	ML 1.75
€1.00	=	ML 15.6
US\$ 1.00	=	ML 14.2

This report was prepared by Anders Zeijlon, PAR Consulting, Ankara, Turkey, for the Swedish International Development Cooperation Agency (Sida). The Terms of Reference for the assignment are attached as Annex 1. The findings and recommendations made are based on interviews conducted in Moldova and Sweden, on reviews of relevant documents and on a stakeholder meeting in Chisinau discussing a draft of this report in May 2003. A list of people contacted is attached as Annex 2, and some of the documents consulted are listed in Annex 3. The author is particularly grateful to Eugen Hristev who served as a valuable discussion partner and provided assistance throughout the preparation of this report. Special thanks are also extended to Rebecka Kitzing-Ivarsson, Margareta Leijd (Sida, Stockholm), Nina Orlova, Elena Cozac and Carl Lindström (Sida, Chisinau) for their support and encouragement, to Neli Balode and Vladimir Conotop for interpretation and logistical support, and finally to the many people associated with the activities assessed who shared their opinions and impressions with the author.

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Moldova – Results at a Glance				
Summary Results Assessment for the Swedish Bilateral Development Cooperation Assistance 1996-February 2003				
Government Policy and Guidelines (Moldova Country Strategy 2001-2003)				
Overall Objectives	To enable poverty reduction through support for a socially sustainable economic transition process and stronger democratic governance; and to promote closer relations with the EU.			
Scope and Content	Poverty alleviation through (i) economic growth and income generation and (ii) social protection for vulnerable groups. Focus on knowledge transfer and institution strengthening, and on public administration, private sector development and on social sectors. Gender and environmental aspects are to be considered in the overall program. Support provided should be coordinated with the World Bank and other donors. Indicative annual amount 2001-2003: SEK 40-60 million			
Four Main Areas	(i) Democratic Governance	(ii) Social Service Sector	(iii) Private Sector (incl. Infrastructure and agriculture)	(iv) Economic Reform and Debt Relief
Activity Clusters Implemented Under Each Main Area				
Total: 37 different sets of activities with an average cost close to SEK 5.0 million	Democracy and local governance program, Local government/public administration strengthening, Gender leadership and networking, Court of Accounts, Trafficking, Human rights training for the police, Election observers	Care for children and teenagers at risk, Children's institutions, Social investment fund for schools and children's centers, Social protection strategy of children, Care for elderly and disabled, Combating TBC/Aids, Drug prevention, University cooperation and scholarships	Cadastre, Energy II project (heating), Business support, Rural investment and services, Road maintenance, Rural energy efficiency, Green teachers' network	Debt management, Labor market, Vocational training, Statistics, Macroeconomic studies and seminars, Migration
Funding Allocated Across Activity Clusters (SEK million, current, allocated 1996- March 2003)				
Total: 182.8	32.6	57.0	63.0	30.2
Overall results				
Some project activities provided at least some benefits for large parts of the population while others had a more profound impact on a smaller number of beneficiaries. The whole country benefited from two activities: better national debt management (default avoided, better terms of remaining debt) and development of a registration system for land and real estate (close to 4 million properties registered, improved ownership security), and indirectly through better governance through a strengthened Court of Accounts and provision of better national statistics. Large parts of the population (several 100's of thousands) benefited from improved public budget and financial management in selected regions. Several thousand benefited as program activities improved their lives in one or several ways: improved social care for children, elderly and the disabled through stronger institutions and better care conditions; better heating in public buildings and apartments; and many got jobs after receiving training or through better functioning public labor offices. Several hundreds of women took a greater part in political life and decision-making, and similar numbers of vulnerable women benefited from the prevention and combating of trafficking and the re-integration of trafficking victims. Several hundred businesses have received management support. An impressive estimated 9,000 people have been directly trained through program activities in a way that is likely to affect how he/she carries out her work or daily life. Many institutions were strengthened or new ones created (business support centers, centers for improved social care or gender issues).				

<b>Results Achieved Within Activity Clusters</b>	
<i>(i) Democratic Governance</i>	Improved understanding of democracy and local governance issues, better public budget/financial management and tax-collection in two counties, about 500 civil servants/local councilors intensively trained in financial/sector management and some training for about 2,500 others. Two business centers established and more pro-business attitudes in two county authorities. Stronger and wider female presence at senior political levels nationally and locally and in political parties. Enhanced awareness of gender aspects among both men and women through extensive networking and seminar activities. Four regional gender centers established. Intensive training for 150-200 women on gender leadership/networking and some training/information for a very wide audience (tens of thousands) through seminars and mass media. Introduction of modern control and investigation methods in the Court of Accounts, including thematic studies with more relevance and analytical content replacing conventional financial checks of one organization at a time. Four thematic studies completed (public procurement, VAT reimbursement, use of extra budgetary funds and use of external credits) of which three have led to new regulations and debate. Institutional strengthening for combating, preventing and prosecuting illegal trafficking of women. High-level debate on human rights issues in police detention centers initiated and 90 police officers trained in human rights issues. Three observers assisted in supervision of presidential and parliamentary elections. Participation in selective human rights and gender activities.
<i>(ii) Social Sectors</i>	Improved institutional framework for social workers working with children's issues. Alternatives to institutional care avoided for several hundred children. Centers for placement, information sharing and closer work with parents' groups established, and modern team-based methods in care for children and elderly introduced in three counties. 60 disabled boys previously confined to beds in Orhei now up and about receiving modern care. Improved care for many disabled newborns and small children prevent them from needing institutional care later. 11 schools for 5,500 students and five children centers with 176 children renovated or reconstructed (better heating) and staff trained. 100-200 social sector staff intensively trained, 1000-2000 indirectly trained, providing a national base for future better social care. Social protection strategy for children prepared together with UNICEF. High-level (Vice Minister) support committee for social projects established. Equipment and consultancies for combating TBC and Aids procured. NGO cooperation on awareness and actions to combat illegal drug use started. Some 200 participants have benefited from higher education/cultural events and exchange programs through the Swedish Institute.
<i>(iii) Private Sector (incl. Infrastructure and agriculture)</i>	Significant strengthening of the land/cadastre agency in a wide range of sector specific (surveying, mapping, legislation and regulation, new technologies) and project implementation (management, accounting, procurement) areas, thus enabling the gradual establishment of a market based land and real estate market. Close to 4.0 million properties registered, some legislation/regulations in place, development of a fiscal cadastre to support real estate taxation, under way. Contribution to an informed debate on heating options in urban and rural areas. Implementation and procurement support for World Bank funded heating investments benefiting 1,600 children/students and some 1000 apartments. About 20 trainers now use 23 course plans to provide modern business support to private small and medium business – about 200 clients have been served to date. Contractual model for road maintenance developed and awaiting testing in pilot regions. Farmers' training initiated for marketing of rural produce and rural finance. 200 trainers engaged in forming a network for improved education on environmental issues.
<i>(iv) Economic Reform and Debt Relief</i>	Improved management of Moldova's public foreign debt – debt strategy in place, assistance in many successful loan negotiations (including with Germany and Russia's Gazprom) leading to reductions of US\$130 million in debt, and in seminars for local decision makers and technical staff, successful restructuring (default avoided) of US\$75 million Euro Bond loan on favorable terms, assistance in the setting up of a public debt management office. Institution strengthening of two regional labor offices introducing pro-active methods in dealing with employers and development of action plans for unemployed – estimated increases in jobs filled about 2-3 thousand per year. Center with (currently five) modules for market oriented adult vocational training established. About 300 students in five schools supported have completed the training with as many as 80% finding employment afterwards. By end 2003 about 1,000 persons should have been trained, and the training modules are made available for other schools. Improved provision of statistics in three areas: (i) regional GDP data being produced, (ii) transport statistics where a survey has been designed and sample selected for later statistics production, and (iii) whole sale statistics where a survey preparing for statistics production is being prepared. Better understanding of key economic problems through seminars and studies, including activities by Nobel Prize Winner Professor J. Stieglitz.





## Map of Moldova

Moldova is located between Romania and Ukraine in Eastern Europe (47 00 N, 29 00 E) and comprises 33.8 thousand square kilometers. About half of the area is arable land and 12% is used for permanent crops. The country is landlocked, has moderate winters and warm summers. The terrain is mainly a rolling steppe with a gentle southern slope down towards the Black Sea.



## 1. Executive Summary

1.1 Swedish bilateral assistance to Moldova through Sida between 1996 and February 2003 amounted to SEK 183 million and was allocated across four main areas: democratic governance (18%), social services (31%), private sector (35%), and economic reform (16%). Policy guidance for the assistance is provided in the 2001 Moldova Country Assistance Strategy, stating that the emphasis should be on poverty alleviation through support of economic growth and social protection, and over time on Moldova's gradual integration with the EU. Poverty is widespread in Moldova after, first, the economic shock suffered after the break-up of the Soviet Union, and second, after the Russia financial crisis in 1998. Stable monetary and fiscal policies are generally in place, but poverty, income disparities, corruption and migration of young Moldavians to other countries are all increasing. Positive GDP growth is reported for the last few years, but it is unclear how and if this will translate to a broad-based income-increase for the population.

1.2 Sida's assistance is spread across almost 40 different activities in most sectors of the economy. Accordingly, the overall results are represented by a wide variety of outcomes. Most Moldavians have benefited from the support to improve the management of Moldova's public debt and the development of a registration system for land and real estate. Many people also benefited from improved financial management and from improved social care for children, the elderly and the disabled in selected regions. Thousands of jobs have been allocated as a result of improved management in labor offices and training provided, and heating provided in a number of public buildings and apartments. Support has contributed to several hundreds of women now taking a more active part in political decision-making, and police work to combat trafficking has been strengthened. Many entrepreneurs in the emerging business community have received support. A total of about 10,000 people have been directly and intensively trained, and many projects have supported larger programs in cooperation with the World Bank and others. Main issues hampering project performance include (i) difficulties to sustain activities because of changing government policies and priorities, (ii) problems in broadening the methods and practices developed to other parts of the country or sector, often because of little involvement from the central government due to either poor project design or disinterest, and (iii) difficulties in employing systems or practices developed in the projects due to conflicts with political or economic vested interests.

1.3 In the first main area, democratic governance, the largest activity has focused on support for strengthening democracy and improving governance in local authorities. Training in financial management has been provided in two regions. Results include better budget preparation and execution in all sectors on local government, improved tax collections, more pro-private business policies, and efforts are now underway to internalize the training into the national training systems. The second largest activity has successfully focused on enhancing women's role in political decision-making for several hundreds of beneficiaries. The previously one-enterprise-at-a-time focused Court of Accounts is now increasingly focusing on thematic audits and providing analytical analysis and recommendations to address wider governance issues, all following Swedish supported strengthening. Funding has paid for improved police resources to combat trafficking in women and minors, and another activity seeks to improve the human rights treatment received by the police.

1.4 Most activities in the second area, the social services sector, have focused on improving children's conditions through institutional strengthening. Modern methods for caring for children at risk (disabled, abandoned, etc) benefit several hundred children in two selected regions. Improved conditions for institutionalized children at one care center (60 boys) and improved care for disabled newborns and small children (about 75 per year) in select institutions have increased life quality for the affected children. Funding provided to the Social Investment Fund has helped provide appropriately heated schools and centers for some 6,000 children, and training of staff in several other institutions. A national social protection strategy for children has been developed. Similarly social care for the elderly and disabled in

two regions has been strengthened, equipment provided for institutions fighting the spread of TBC and HIV/Aids. Some 200 people have benefited from Swedish Institute programs in higher education and culture.

1.5 In the area of private sector development, the Swedish contribution to the First Cadastre Project has helped establish a unified system for registration of land and real estate for the various actors in the emerging land/real estate market. Sida's funding has focused on project implementation, new technology and the legal framework, while other donors have provided equipment and works. In the energy sector, a strategy study has been completed and implementation support provided for heating investments in one location (benefiting about 5,000 people). Further implementation support is to be provided in connection with an expected World Bank credit. Several hundred entrepreneurs have benefited from Sida-funded and trained business consultants in the emerging private small and medium enterprise sector. Training is under way for rural credit and marketing within a larger multi-donor rural business project, a system for contract based road maintenance has been developed, some 200 teachers have been contacted as part of forming a network to promote environmental awareness and education, and a handbook for rural energy efficiency in public buildings has been distributed.

1.6 In the fourth and final area, economic reform, the largest activity is in the area of public debt management. Here Swedish assistance helped restructure the debt, obtain better terms and avoid default, and has provided support to a new public debt office in the Ministry of Finance. Two regional Public Labor offices have increased the number of jobs offered by several thousand following the introduction of new management techniques (pro-active visits to employers and action plans for job seekers), and several hundred adults have received vocational training (and later got jobs) developed by Swedish support. Swedish assistance has also helped develop the preparation of regional GDP statistics in the National Statistics Department, with work underway to produce transport statistics and wholesale statistics. A number of studies have helped develop a more informed debate on overall macroeconomic and policy issues, including a weeklong visit by Nobel Prize Winner Joseph Stieglitz and his team.

1.7 The main lessons learned include, first, that many projects form well functioning enclaves with good local results in a generally difficult overall environment. This makes it hard to replicate the achievements made elsewhere in the economy. Policy changes and shifting priorities at times make it hard and to sustain activities after the Swedish funding runs out, while in some cases failure to involve the central government in the project activities have limited the results. In other cases political resistance and economic vested interests prevent methods and practices developed to be as widely applied as intended. Future management of the program portfolio should promote activities that are likely to be sustainable and could be replicated across the country. Central government involvement and a clear understanding of government obligations to support the activities are important. Many projects have excellent local results and would benefit from disseminating them in a more organized fashion. Future projects (and extensions) should be assessed against the pressing need to alleviate poverty, and to the extent possible adopt simple and monitorable objectives that can be easily assessed. Other recommendations include forming "country-teams" of Swedish and Moldavian partners who would benefit from sharing each other's experiences. Finally, cofinancing as a means to promote large programs should be continued, but the particular circumstances be analyzed in each case to ensure maximum likely impact of the Swedish contribution.

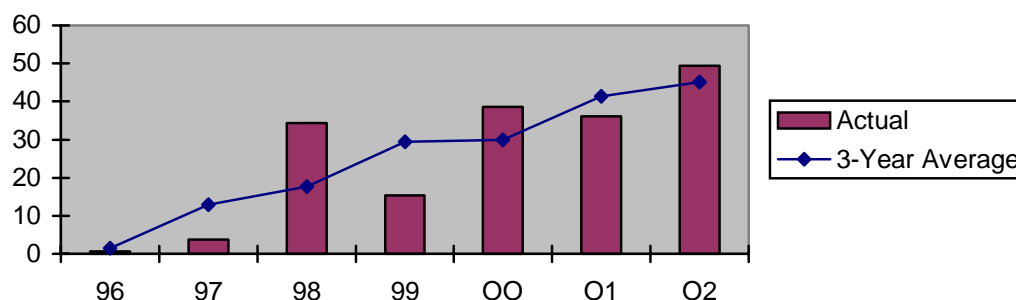
## **2. Swedish Development Cooperation with Moldova**

### *Funding Allocated and Country Assistance Policy*

2.1 From its inception in 1996 and until February 2003, a total of SEK 183 million was allocated for Swedish bilateral development assistance in Moldova. After two years of modest allocations, funding in 1998 increased to SEK 34 million as several large activities were initiated. This was followed by a smaller

allocation of SEK 15 million in 1999, and a larger average of SEK 41 million during the last three years, i.e. between 2000 and 2002. The annual allocations have varied depending on the exact timing of the readiness of individual projects, but the 3-year average amounts allocated show a clearly increasing trend.

Fig: Funding allocations in current SEK million between 1996 and 2002<sup>1</sup>



2.2 Policy and guidelines for the Swedish assistance are provided in the Moldova Country Strategy 2001-2003 document that was adopted by Parliament (Riksdagen) in June 2001. Poverty alleviation is the overall objective and is to be pursued through economic growth/income generation and improved social protection for vulnerable groups. Special focus is to be placed on knowledge transfer, institutional strengthening, public administration, private sector development and the social sectors. Gender and environmental aspects are to be mainstreamed across activities, coordination with the World Bank and other donors is to be pursued, and the indicative amounts to be allocated are set at SEK 40-60 million per year. Activities are to be organized in four broad main areas, i.e. democratic governance, social sectors, private sector (including infrastructure and agriculture, and economic reform and debt relief.

#### *Economic and Political Developments and the Swedish Assistance Program*

2.3 Moldova's economy was deeply integrated with, and suffered badly from the 1991 break up of, the Soviet Union. Most of the local agricultural produce was exported to other Soviet republics while inputs for other sectors of the economy and practically all oil, gas and electricity were imported at artificially low prices. The sudden end to this established production and trade pattern led to sharp falls in output and employment. Today, 12 years later, Moldova is the poorest country in Europe with production levels at about one third of what they were during Soviet times. The difficult economic issues have fuelled a situation with increasing poverty and widening income disparities, large flows of migration abroad, widespread corruption and worsening provision of basic social services. In addition, the part of the country located east of the Dniester river, Transnistria, is de-facto independent, does not recognize Moldavian authority and has become a conduit for smuggling, money laundering and other illegal activities, adding further instability to an already complex situation.

2.4 The difficult years since independence from the Soviet Union, and the associated responses by Sida and the rest of the donor community can be divided into three phases.

Phase 1: 1991 – 1996 Initial shock and reform attempts.

After the Soviet Union collapse, GNP was cut in half between 1991 and 1994, and the economy went into hyperinflation (2,200 percent in 2002). Employment and salaries fell while the budget deficit and foreign debt soared. Supported by the IMF/WB, an initially successful macro

<sup>1</sup> The 3-year average for 2002 assumes allocations of SEK 50 million during 2003.

economic stabilization program was launched in 1993. Inflation fell and a new and stable currency was put in place. Despite progress made, the GDP deterioration continued and the foreign debt, non-existent in 1991, continued to grow. Sweden, other donors and most of the Moldavian population pinned their hopes on the IMF/WB supported stabilization program and measures to liberalize trade and prices, a privatization program and reforms of the financial sector. It was still hoped that the country could establish an economic reform path to return to the previous living standards relatively quickly. As the recognition spread that the problems were more permanent, Sweden and other donors started putting programs in place to complement the ongoing multilateral efforts. Swedish assistance included technical assistance through UNPD for a democracy project and local government, election observers were provided, and collaboration in the area of statistics was explored.

Phase 2: 1997 – 2000 A second shock and increased donor activity.

The economy started to show signs of recovery, embraced and supported by a new government elected in 1997. These hopeful developments were, however, cruelly crushed by the onset of the 1998 Russia financial crisis. As much as 60 percent of the already diminished exports to Russia disappeared in 1998, the currency was depreciated and the inflation again started to increase. Sweden started to implement a multi faceted program initiating many of the activities that were later to become the main features in the country assistance program. A local government program and support to women politicians and business networking and support were launched, a study of the social sector resulted in an ambitious program focusing on children, the disabled and the elderly. A cadastre program to support land reform, and a vocational training program was started. A business support program was put in place, as was assistance for management of the public debt.

Phase 3: 2001 – 2003 Focus on poverty alleviation, recovery resumes.

GDP statistics report positive growth rates since 2001 - a welcome development by many attributed to the successful land privatization program and increased agricultural production. However, after 12 years of difficult transition many policies and institutional mechanisms needed to ensure that the economic growth translates into broad based income increases are missing. The need for institutional reforms and transparency to put the growth on a sustainable path and ensure that poverty is reduced is larger than ever. The World Bank and other donors have placed big hopes on a Poverty Reduction Strategy Paper (PRSP) being developed by Government, but remain critical of many interventionist policy actions taken by the communist government elected in 2001. The Swedish Government adopted a Country Strategy for Moldova in June 2001 confirming that the country would remain a priority country for Swedish assistance provided reforms and improved governance progressed as envisaged. Sweden during this period continued and intensified the programs in place, but also launched a number of new initiatives, i.e. Aids/TBC, trafficking, road maintenance, statistics, and energy heating, in some cases together with the World Bank.

### *Overall Results*

2.5 The overall results from the Swedish assistance program can be summarized under three headings:

(i) Outcomes: The various activities have created a wide variety of benefits distributed across large sections of the population. Some project activities benefited a lot of people in some way while others had a more profound impact on a smaller number of beneficiaries. The whole country benefited from two activities: better national debt management where outcomes included avoiding

default and better terms of the public debt, and development of a registration system for land and real estate where to date close to 4 million properties have been registered, thus providing improved ownership security and valuable information for the emerging real estate market. Also strengthening of the Court of Accounts and Statistics Department have led to better governance and more informed policy decisions. Large parts of the population (several 100's of thousands) benefited from improved public budget and financial management in selected regions. Several thousands benefited as program activities improved their lives in one or several ways: improved social care for children, elderly and the disabled through stronger institutions and better care conditions; better heating in public buildings and apartments; beneficiaries got jobs after receiving training or through better functioning public labor offices. Several hundreds of women took a greater part in political life and decision-making, and similar numbers of vulnerable women benefited from the prevention and combating of trafficking and the re-integration of trafficking victims. Several hundred businesses have received management support from Swedish-trained staff.

(ii) Outputs: An impressive estimated 10,000 people have been directly trained through program activities (training, study tours, working with Swedish experts on-the-job) in a way that is likely to affect how he/she carries out her work or daily life. Many institutions have been strengthened or new ones created. Regional and local authorities providing social care work differently (team-based) and have opened special agencies to care for target groups (mainly children); two regional business support centers and four gender offices have been opened, and hundreds of trainer-of-trainers continues to deliver seminars and training courses to an diverse and increasing audience of beneficiaries.

(iii) Complementarity/leveraging: By selective support to larger programs, often with the World Bank or EU, Sida has facilitated the implementation of larger reform programs. Sida's grant funding has made accepting World Bank loans more appealing for Government, as exemplified by the First Cadastre Project where Sida funding provides foreign consultants and technical assistance while loan funds are used for equipment and works. Other examples of using Sida grant funds to enable/support a larger program include the energy sector (Energy Efficiency project), the Social Investment Fund and the Health Investment Fund.

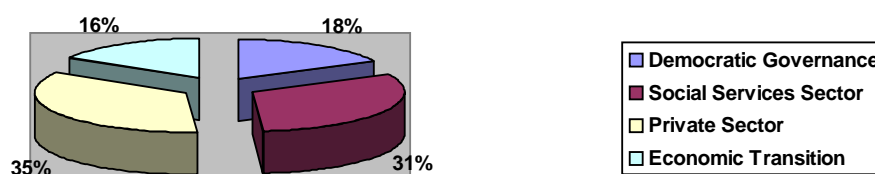
2.6 Main issues: The assistance program's performance suffers from three main issues, all causing the results to be poorer than they could have been. First, there is a general problem with project sustainability. There is a general danger that project impact is limited because of shifting policies and priorities and because of poor involvement from the central government in project activities, either because of poor project design or disinterest. For example the recent reversal of the earlier local government reforms, the preparation and implementation of which was supported by Sida. Second, it has proved difficult to expand good work methods and practices developed under the projects beyond the selected pilot project sites. For example, the social and public administration projects developed excellent results locally, and these could have been adopted centrally and applied across the country. Third, various kinds of resistance and opposition have hindered the systems or practices developed under the projects to be applied as intended. For example, the use of real estate systems developed under the First Cadastre Project is impeded by unwillingness in local authorities to assign property rights in urban areas, supposedly because of possible later taxation, thus delaying the process of mass registration of real estate.

### 3. Results Achieved Within the Main Areas

3.1 The four selected main areas supported by the Sida funds have been and remain very relevant and well matched with the far-reaching demands for assistance. Most funds have been channeled to activities

supporting the two fundamental pillars of society, i.e. private sector development to support developing opportunities for gainful employment (35 percent of total funds) and support to the social services sector seeking to safeguard the provision of health, education and other assistance to vulnerable groups (31 percent of total). These two main blocks are complemented by two significant and complementary sets of activities, i.e. democratic governance seeking to build good governance in times of economic hardship (18 percent of total) and economic reform and debt relief (16 percent of total) mainly complementing the larger macro economic management support spearheaded by the World Bank and the IMF.

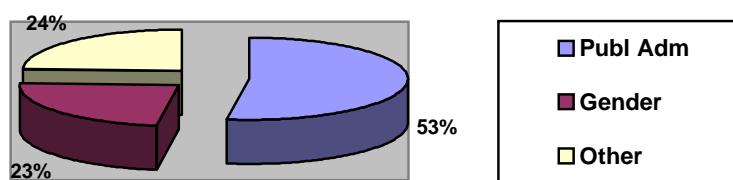
Fig: Allocation of the total funding across the four main areas



### 3.1 Democratic Governance

3.2 Activities promoting democratic governance comprise two large programs – local government/public administration and gender/leadership/networking – three medium sized activities – support to the Court of Accounts, combating trafficking of women and human rights training for the police – and three smaller activities, i.e. provision of election observers, a human rights seminar and participation in a “Women Can” fair.

Fig: Funding allocated for Democratic Governance across main activities



### Government/Public Administration

*Local*

3.3 The local government/public administration program started with seminars and study tours under the auspices of the partly Swedish funded UNDP Democracy and Local Governance Program in 1997, increasingly focusing on towns in the district of Causeni – an agriculturally based region in southeastern Moldova – and with the Southern Sweden (Skåne) Local Authority Association as the Swedish partner. A SEK 2.7 million project was approved in 1998 with the aim of preparing the local and regional administration in Causeni for the later implemented decentralization of the public administration system. In early 1999 Sida supported the drafting of the new local government legislation with technical assistance – two consultants advised on the draft regarding local authority financing. The legislation was then put in place.

3.4 Sida continued its support to the Tighina district - of which Causeni had become part under the new legislation - with Sipu International as the main Swedish partner and with a sharper focus on training in budgeting and planning in the institutionally weak regional and local administrations. A first SEK 765 thousand allocation in late 1999 was followed by a larger SEK 2.8 million project deepening the budget oriented training and broadening the project to include another district, Cahul. In addition methodology, training material and equipment was provided at central level. Work in Tighina focused on evaluation of the 2000 budget and preparation of the one for 2001. This included more advanced training on the revenue side, service performance and follow-up of expenditures. In Cahul, the previous year program from Tighina was repeated. The regional administrations in the two districts received a total of 12 computers, and a study tour for 12 people to Sweden carried out. In total about 200 people were trained. Work finished in late 2000.

3.5 Funding for a SEK 4.9 million third phase was approved in February 2001, again focusing on the financial and management capacities at municipal and regional level in Tighina and Cahul. Project implementation was initially delayed as the new Government (elected in 2001) hesitated to sign the project agreement. This reflected a more fundamental policy issue as the new government declared that it would reverse some of earlier (and project supported) decentralization and local public administration reform. After strong support from the local and county authorities the necessary approvals were obtained, implementation begun in the summer of 2001 and continued until the end of 2002. Main components included seminars for mayors and training of accountants, budget training for municipal councilors, and sector specific training (health, social, education, financial, administration) at regional level. This phase also included support for establishing two business information centers (private sector/business promotion departments) in the two county administrations. A booklet on budgeting and management was prepared and printed in 1,000 copies. 15 computers and some other equipment were provided.

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The Chairman of the Teghina Judet's Council and the sector chiefs in the administration confirm the positive assessment of the Public Administration support project. The most tangible result is that the many mayors in the judet now prepare better budgets. The links between expenditures and outputs are more based on "value for money" rather than, as previously, mere formal submissions. Many staff value provision of literature (i.e. laws, regulations and other relevant rules and regulations) that was printed and distributed under the project. There is also a more positive attitude to private business. The health sector administrators manage their budgets better and in the education sector the project benefited staff in nine schools that now manage their budgets, especially the expenditure side, better than before. The finance department finds managing the finances easy on the two computers provided.

The judet social assistance staff have benefited not only from the public administration project, but also received training on the integration of disabled children under Sida funded social projects. Work is under way, with the education authorities, to make disabled children attend regular schools to a greater extent. The possibility of setting up rehabilitation centers is discussed. A decision has been taken to set up a center for elderly where they can stay closer to their relatives as an alternative to institutionalized care. A team-based way of working has been established in the social assistance staff.



*Picture: The Chairman of the Teghina Judet Council (far right) and some of the key staff*

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3.6 Despite good project results locally, concerns emerged on the sustainability and replicability of the activities. The aim for any future activities should be to institutionalize the training and support mechanisms within the Moldavian government. To develop these ideas further, two teaching professionals were hired by Sida in November of 2002 to assess the Academy of Public Administration in Chisinau –



where a large part of the previous Sipu supported training had taken place – and see if it could take over and continue the activities, and also estimate what would be needed to enable the Academy to do so. Following a generally positive assessment of the Academy, a final phase of SEK 3.7 million was approved in February 2003 with the aim of, first, raising the capacity of the Academy to take over the training and (ii) provide some further support to the business centers in the two counties. By March 2003 32 teachers in the Academy had received training in modern teaching methods.

### 3.7 Results achieved include:

First, the initial UNDP and Southern Sweden Local Authority sponsored projects established good working relations, improved knowledge and awareness on local government issues, and funded a vast number of seminars, reports and study tours. About 30 persons benefited from study tours in Sweden, and 400 people from seminars and other activities in Moldova.

Second, valuable legal assistance in 1990 to help draft the legal text for the financing of local authorities as Moldova reformed its local administration system.

Third, many impressive and tangible results from project activities since 1999 with emphasis on financial and managerial strengthening: (i) better budget and financial management in the two participating counties as evidenced by the central authorities, (ii) better tax collection efficiency in the two participating counties, estimated by Sipu to have increased from 50-60% to about 90%, (iii) a more pro-business attitude in the local and regional administrations and establishment of functioning Business Centers in both counties, (iv) improved understanding among municipal and regional councilors of the financial and managerial realities. Close to 500 people have benefited directly from the seminars and training activities. In addition about 500 councilors in other municipalities have received some training, as have about 2,000 staff in other municipalities.

The business center in Causeni in Teghina judet is a nice example of cooperation efforts as training and a computer from the Sida funded was complemented by ML 3,000 raised from the local business community to renovate the premises that were provided by the judets administration. There are several visitors daisy and the numbers are increasing. Most ask for guidance about permits and procedures for establishing businesses, or come in simply to talk about their business ideas.

*Picture: Information is available at the Business Center in Causeni*



project

3.8 Problems encountered during implementation include: (i) Hesitant political support for the activities, as evidenced in the implementation delay in 2001. The current Government is about to reverse the 1999 reforms (supported by the project) and abolish the regional structures where a considerable part of the training was focused. However, this may not have as severe an impact as is feared since the knowledge and training provided will remain with the beneficiaries in whatever new capacities they will serve; (ii) Sustainability. The original project concept included counterparts at three different levels (local municipalities, county level administrations, and the central State Chancellery), but did not address the issue of how training activities should be sustained after the Swedish funding is exhausted. The recent efforts to put the operations on a sustainable and replicable basis by getting the Academy more involved are commendable and could perhaps have been developed at an earlier stage.

### *Gender, Leadership, Networking*

3.9 Sida support for gender related issues started in 1998 with a SEK 1.4 million allocation to launch a program aimed at increasing women's participation in decision-making, particularly in politics. A Swedish team, headed by Språnbrådan Development Consultants and with the UNDP Gender in Development Project as local partner, received a further SEK 1.2 million allocation in 1999 to continue the program and broaden it to promote gender considerations in political decisions, develop gender strategies and prepare a handbook for female politicians.

3.10 The local UNDP partner estimates that 80 politically active participants directly benefited from the various project activities, and that four out of five of them (i.e. 80%) have achieved a more influential position, at least in part because of the project. Many of the beneficiaries became local councilors, many advanced and gained a higher position in their political party, and many advanced within their professions. The project also provided indirect support and encouragement to a much wider audience and reinforced the general trend towards greater women participation in political life. Several deputy chairs in the parties are now held by women, women head many parties at local level and many women are now on the parties' central management boards. Between 1994 and 1997, about 10-15 percent of party members were women, and today the number is about 45%. The number of women in parliament has increased from 5 in 1994 to 16 today (out of a total of 100 seats). The speaker of parliament is a project participant, and a club for female parliamentarians has been established. An estimated 10 percent of mayors are women. Gender promotional components have been included in many of the party programs, and equality-enhancing aspects have been included in national laws and regulations, i.e. the Min Labor to ensure gender aspects in the department of social assistance. About 50% of county councilors and country management are women.

*Picture: Ms. Silvia Saca, second left, UNDP project manager, and her staff at the Chisinau office*



3.11 In end 2000, SEK 5.0 million was allocated to a multi-component and still ongoing program comprising several seminars and conferences in Moldova, a study tour to Sweden and participation in an international conference in Kiev, and establishment of, and equipment for, four regional Gender Development Centers. Although the focus remained on promoting the role of women in political decision-making, the project scope was broadened to include men's issues and gender issues as seen by both men and women. Participation is made on competitive basis in each judet (region) and political party – arrangements designed to improve sustainability.

The table below compares the stated expected results to results achieved by end 2002.

Expected results	Achieved by end 2002
Four regional centers linked to the Department of Social in the respective judets administration opened and in use	Five centers established (one paid person in each) in the four regions (two in Cahul region) the last one in Gagauzia opened in March 2003. Seminar and training activities have started in opened centers. Centers receive a steady flow of visitors and about 3-4 calls per day on their hot-line.
Increased co-operation between female parliamentarians and local politicians.	Initiated, Women MPs attended the opening of the four regional centers. Members of both groups were in the study tour to Sweden.
40 participants from the four selected regions to be	Mainly achieved as more than 10 people per region are

trained.	involved in project activities (i.e. about 40 in the Soroca region alone. About 30 participants on average for each seminar or training activity.
Four regional teams formed and (i) disseminating information related to the project, (ii) train politicians from other regions on project related activities.	Teams are formed and (i) disseminating gender related information to the general public, and (ii) five new regions have participated in activities (November 2002 conference) and a schedule for mentoring new regions is being worked out.
Workbook on gender in politics produced and used in seminars.	PM/Manuals on gender mainstreaming and election skills prepared and translated, both to be used later during 2003.
At least 10% women in Parliament, at least 50% of women participants in project promoted.	Achieved – 16 of 101 parliamentarians women, most participants already promoted.
At least 50% of women running for local elections voted in.	Elections delayed until May 2003, training activities of about 40 women candidates under way.
Gender issues raised in connection with constitutional changes. Women campaigning for Parliament to use new campaigning methods.	No results to date. Campaigning component cancelled as elections preceded the project.

Ms. Ala Taran is in charge of the gender center in Soroca in northern Moldova. Since the center opened in October 2002 she has supervised (i) the establishment and adoption of regulations for the center, (ii) the identification of gender focal points in the towns and districts in the judets and distributed a list of gender related rights and obligations to those points, (iii) planned seminars to be held in the focal points, (iv) carried out a gender awareness survey in three schools and discussed the results, (v) carried out two seminars including one (with 14 participants) on the reaching of the objectives of the center, and one (with 21 participants, all men) on the role of men in the changing Moldavian society, and supported radio interviews and the publishing of newspaper articles about the seminars and the project, (iv) engaged volunteers from the nearby Teachers' Collage to plan the center's future activities, and (vii) carried out daily contacts with several daily visitors and about 3-4 calls on the telephone hotline. Issues discussed with visitors/callers vary from how to get a job, how to manage financially, how to deal with difficult family situations, to how to read the electricity meter.



Picture: Ms. Taran outside her office at the local administration in Soroca

3.12 The project's two phases have provided valuable encouragement for the direct beneficiaries and a broader audience interested in gender issues. The keen enthusiasm among the participants is at least in part due to the hands-on and very concrete approach adopted, such as the direct link between project and election activities. A web site is established at [www.leadership.org.md](http://www.leadership.org.md).

3.13 As for several of the Sida supported activities, the key issue is sustainability, i.e. will the project activities be able to continue after the Swedish funding is exhausted. The current activities to establish gender centers and involve the local public administration offices are steps in the right direction. In any case, many of the benefits achieved will remain. The enhanced awareness and networking structures in place will remain.

### *Combating Trafficking of Women*

3.14 In 2001, Sida allocated SEK 2.0 million to the Chisinau office of the International Organization for Migration (IOM). This formed part of a larger US\$ 1.0 million program with the EU, the USA, Switzerland and Belgium as the other main donors with three objectives: (i) putting in place trafficking prevention measures, (ii) promoting criminalization and prosecution of trafficking, and (iii) introducing measures to reintegrate trafficking victims into society. The Sida funding was explicitly allocated to the second objective, i.e. to strengthen prosecution and criminalization by building the capacity of enforcement and judicial authorities to more effectively prosecute crimes of trafficking.



main  
law

*Picture: Handbook for law enforcers on combating trafficking, prepared with Sida support*

3.15 Results attributable to the Sida contribution include, first, the successful establishment of a 17 staff strong counter trafficking unit in the Ministry of Internal Affairs. Second, a best practice manual for law-enforcers on how to detect and catch traffickers has been prepared and distributed. It is based on Moldova-specific conditions, including the legislation in place. Third, on the legislative side, modifications to the civil code enabling easier prosecution of trafficking have been prepared and are being processed.

3.16 With the stronger institutional set-up, and the training provided (including the manual) the number of investigated cases has increased dramatically – an estimated 400 cases are reported to be or have been processed, but only two cases have been successfully prosecuted so far. This low number is widely interpreted as illustrating the vast economic interests involved in the trafficking business. Collaboration with police forces in other countries (to a large extent a result of networking funded by the project) has successfully secured the release of nine trafficked Moldavian women in other countries. The project offers a telling example of how good results within the program are prevented to reach the ultimate project objectives because of broader, external issues.

3.17 Overall, the multi-donor project has moved up trafficking on the social and political agenda and promoted more debate and awareness. A National Committee under a Vice Prime Minister has been established, but at the same time, the general public attitude towards the trafficking victims remains harsh and essentially unforgiving. Most donors are involved in one way or another as are many NGOs. There are various coordination mechanisms in place to avoid duplication of efforts and share information. On the re-integration side, more than 1,000 women have benefited from the projects support mechanisms – including immediate and medical support, legal assistance and some vocational training.

3.18 The project objectives regarding training, institution strengthening and better collaboration across agencies and countries have been achieved. The donors would be encouraged to see a more pro-active attitude from Government and more forceful prosecution in the legal system.

### *Court of Accounts*

3.19 In 1997, SEK 1.3 million was allocated for staff training, international networking and computerization of the Moldavian Court of Accounts – the main audit organization for the public administration system – with SPM Consultants as the lead Swedish partner. The objective was to help the court, established in 1995, to develop into an efficient audit institution in harmony with the transition to a market economy. Training was provided both in Moldova and Sweden, five computers and printers were

provided and the participation of Moldavian staff in other international events funded. A second SEK 2.8 million phase (still ongoing) with similar components and objectives was approved in 2000.

3.20 To date close to 100 staff have been trained during the first phase and in four training cycles during the second phase in modern control methods in areas such as regional audit control systems, combating corruption and fraud and cooperation with other local control organs. Many international contacts, informal as well as through seminars and study visits, to Sweden as well as EU and CIS, have increased the capacity of staff. 24 computer units have been purchased, and a similar number donated by other Swedish agencies. The court's previous five computers now number 50 and an internal network is in place. Future plans include linking up to a central network with customs, the central bank and other agencies to improve the court's control functions as needed. Vast amounts of printed materials (instructions, manuals, etc) have been provided.

3.21 The main qualitative outcome of the project is the speedier introduction of performance management and the shifting of activities away from executing legally mandated audits to audit the outcome of actual activities. Here, the most important result has been the faster introduction of, and better quality of, thematic studies. These have increased the court's analytical role and relevance compared to the traditional focus on assessing financial aspects of activities one agency or enterprise at the time. Four thematic studies have been carried out during the last couple of years of which three have come up with very interesting results relating to overall governance issues in Moldova:

- (i) Public procurement by agencies using government budget funds. This study pinpointed many cases of procurement in violation of established regulations and identified actions that would approve the situation;
- (ii) Reimbursement of VAT to enterprises. This review identified many fraudulent cases of how enterprises illegally claim back VAT, assessing that more than the amount claimed and reimbursed is more than twice what it should be. An elaborate system of made-up companies and false exports is in use, and about 27 thousand of the total 57 thousand enterprises obliged to pay VAT does not do so;
- (iii) An assessment of the use of extra budgetary funds and other outside-the-budget revenues revealed that many government bodies actually have two budgets – one official based on the annual budget allocations, and one "hidden" funded by extra budgetary funds and other revenue streams, boosting salaries and other benefits for select staff in a non-transparent manner.
- (iv) The fourth study was on the use of external credits by government agencies and was less conclusive.

3.22 The court's findings are disseminated and discussed in Moldova, including during TV shows and debates. This means that the court is one a very active and central focal points for promoting good governance. This, together with the good results to date, and the fact that Sida is the only foreign donor supporting the court, makes it a strong candidate for future assistance. One suggestion is that future activities should focus more on the dissemination and use of the court's findings and recommendations – and not exclusively on technology and methods. This would bring future project activities closer to the goals set out in the country strategy.

#### *Human Rights Training for the Police.*

3.23 In April 2002, Sida allocated SEK 1.7 million to the Helsinki Committee for Human Rights in Moldova to improve the observance of human rights in the Moldavian police force. Project activities started in August 2002, and by April 2003 two clusters of results had been achieved:

1/ A review of pre-trial facilities in Moldova was compiled and summarized into a report. This was presented at a roundtable for the chiefs of Moldova's police stations at a roundtable on Feb 18; some 40 people attended the gathering. A broader discussion was attended by some 120 people including representative from government (Ministry of Justice, the police, Ministry of Interior) and the NGO community, in all about 120 people. The report was referred to by the Interior Ministry during a discussion on human rights in Parliament, and used in a number of other contexts by the committee.

2/ Training of police officers. A total of 90 police officers (30 each from the three regions of Moldova) were selected and received training during the first seminar. Of those 30 were selected to attend training during February 19-24 February in Chisinau, and they will also be sent to Prague for a third session.

3.24 Discussions with three of the beneficiaries confirmed their appreciation opening effect of the training. There is no that participants will become good representative for more humane treatment detained and imprisoned inmates. It was especially appreciated that the committee concentrated on the law enforcers at the level. Critical points included that some more facts and comparisons with laws and arrangements in other countries.



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*Picture: Three of the police officers trained*

#### *Other smaller activities*

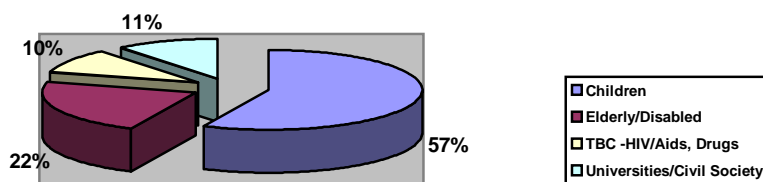
3.25 At the request of OSCE/ODIHR, one short term election observer was provided for the first and second rounds of the 1996 presidential elections, and two for the March 1998 parliamentary elections at a total cost of SEK 125 thousand. SEK 150 thousand covered the costs for about 30 man-days of participation in Human Rights conferences Held in Chisinau, Kiev and Prague. SEK 70 thousand funded the participation of five Moldavian women in the 1998 Women Can (Kvinnar Kan) fair in Sweden, supporting networking and contacts.

### *3.2. Social Services Sector*

3.26 Support to the social services sector is the second largest component of the assistance program at 31 percent of total (second only to private sector development at 35 percent). A multi-phasetted program with a large number of activities is organized around four focus areas, i.e. (i) vulnerable children and teenagers, (ii) the elderly and disabled, (iii) TBC-HIV/Aids and drug prevention, and (iv) cooperation with universities and civil society.



Fig: Funding allocated to the Social Services Sector across main project activities



### Vulnerable children and teenagers

#### Children and teenagers at risk

3.27 Following a SEK 223 thousand preparation study in 1997 focusing on children, the disabled and the elderly, Sida in 1998 allocated funding for a number of activities, one of which was focusing on better social care for children and teenagers at risk. SEK 1.7 million was allocated for a pilot activity to introduce new concepts in the social work with disadvantaged institutionalized children in Orhei district. A SEK 3.0 million was approved in 2000 to further the work in Orhei with on-the-training for ten social workers and cooperation with other stakeholders, and to start activities in two new districts, and Ungeni. A further allocation of SEK 6.0 million was in 2002. Here, the objectives are to further train the social the three earlier areas, and also train 14 trainer-of-trainers for the country and to develop training materials. A further SEK thousand was approved in 2002 to finance seminars and a study Sweden for seven senior officials forming a Social Support Committee, with the objective of facilitating implementation of project and help disseminate the results wider. The committee expected to support the project activities related to social care for the elderly and disabled.



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Picture: Young boy being cared for in a day-time care facility in Ungeni

3.28 Results for the first phase of the project included in-depth training for 14 social workers who applied their new skills in their daily work: work in teams, holistic approach to children's problems, etc. In addition, better cooperation developed with schools in the district with individual action plans developed for some children. An NGO called Binerva was registered with one of the schools to serve as a temporary center for children in need of care/activities during vacations, after school and as needed. An information center was also established in the same school for parents and children, and lectures held of family related issues from time to time. Similarly another location was identified as a temporary center for small children needing support.

3.29 Results from phase two mainly focused on Ungeni district as work in Orhei was mainly consolidated and the planned program in Chisinau did not materialize as planned. Further training was provided to about 40 social workers. The project also provided some assistance in the development of a 2001 law stating that each district should have social assistants responsible for working with children. Today there are 43 social assistants in the whole country with this task and 20 of them are supported by the project. Taking the two first project phases together, an estimated 60 people have received intensive training, and about 1,000 students in various schools have been in contact with the project. The press and other media have reported extensively on project activities making them well known across the country.

3.30 Under the recently started third phase 12 trainer of trainers have started holding seminars on their own, focusing on the approach adapted when working with children, what the roles of the family should be and how various actors can collaborate to promote what is best for the child. Several parents' groups have been formed to increase the involvement of the family in working with the child. 3,000 copies have been distributed of a handbook on how parents and staff work with disabled children. Interviews with staff from other regions confirm that the Swedish funded training is having effect outside the selected priority regions. In Causeni (Tenghina Judet) the local government is trying to make more disabled children attend regular schools and to establish a rehabilitation center. A team-based way of working has been established in the social assistance staff.

3.31 As with many other projects, issues focus on mainstreaming the methods and practices introduced through the project to a broader audience. Lags in adapting the new methods and spreading them to other parts of the country (perhaps mainly as a result of legislative issues) imply that the cost is high per beneficiary child or person trained. The selected approach during the current phase – to focus on training or trainers – should rectify the situation, but other solutions could be considered as well. One option may be to provide volunteers as a low-cost means to sustain and broaden the use of the methods and practices introduced. Ways to encourage central government ownership of the project (in addition to the Social Committee) should be encouraged. The results, methods and practices should also be more assertively published and disseminated. A public awareness component could be added, and ways to link the project to the local education system be explored.

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#### Results from Ungeni judets:

Following training and technical assistance provided under the "Children and Teenagers at Risk" project, the Social Assistance Department in the judet administration in Ungheni started taking follow up action in 2001. Out of the total judet population of 230 thousand, about 68 thousands were judged as current or potential beneficiaries, including elderly, disabled, families with many children, i.e. the main disadvantaged groups. A staff of 140, including social assistants, social workers and various specialists were organized.

As a first measure, a NGO was formed serving as information arranging lectures, and also distributing small amounts of assistance. In addition to scheduled events, each center about 20-30 inquiries/requests from beneficiaries every week. centers were formed as NGOs – outside the normal public structure – because of the elaborate, detailed and inflexible legislation governing the social service functions and which explicitly state that such activities are to be carried out.



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*Picture: Tudor Radianu, far right, is Chief of the Social Assistance Department in Ungheni Judet Administration, here with Ungheni mayor Vitalie Vrabie, center, and one of his staff.*

As a result of the assistance provided under the "Children and Teenagers at Risk" project, the social workers work in teams and closely involve the other family members in the work. One particular activity is where 70 cases on households where children are judged at risk of being institutionalized have been identified, and where activities are provided during a 3-6 month period to put in place measures enabling the children to stay at home.

Another activity where the new approach to social work is applied is where three cross-agencies committees have been formed (social department, health, police, medical staff, etc) and a holistic approach has been used in evaluating children's' problems and proposing solutions. So far, about 35 cases have been successfully dealt with under this mechanism. Another result is the creation of a database for children at risk – abandoned children, domestic violence, etc.

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## Children's Institutions

3.32 The second project that came out of the initial sector studies was one focusing on children's institutions. First, in 1998, SEK 1.5 million was allocated to improve the situation for about 60 disabled children, confined to their beds, in a boarding school for in Orhei. This was followed by a SEK 2.8 million in 2000 to improve treatment of disabled newborns and small children in the Perinatal Center at City Hospital No 1 and the Republican Children's Home, both in Chisianu and a source of recruitment for the Orhei center. A smaller extension of SEK 780 thousand in 2002 currently provides bridge financing for continued support to the Perinatal Center and to broaden activities to the primary care facilities in one municipal district until procurement for a larger extension is finalized.

3.33 Results to date include a completely new type of care for the 60 children at the Orhei school. They are no longer confined to their beds, some of them have improved and moved on to other wards and most of them now see their families more frequently. In the Perinatal Clinic, an estimated 50 newborns per year are examined using new methods and about 10 with risk for long lasting disabilities are treated with new methods – including less use of pharmaceuticals - to prevent later unnecessary worsening. New methods are applied in the care for some 50 disabled children in the Republican Children's Home, increasing the probabilities that as many as possible can avoid becoming institutionalized. A parent group has been formed and has led to more active involvement of the parents. A broad audience in Chisinau in the local medical community, including professors in medical schools is informed about the project. Contacts are also established with family doctors and local authorities.

*Picture: Mother, patient and doctor during a therapy session at the Republican Children's Home*



3.34 The main issue concerns the sustainability and broadening of the new methods employed. Much of the new practices are not costly, meaning that the project could have a much larger impact if information on methods used were effectively disseminated to other parts of the country and the medical/health community. Ways to achieve this could include a dissemination component and provision of more information to the medical community and local authorities. Another alternative to sustain the results would be to employ volunteers at the medical facilities that have received assistance, and possibly use the volunteers to spread the methods used elsewhere. Closer links between the medical training schools should be developed.

## Social Investment Fund

3.35 The Moldavian Social Investment Fund is a financing vehicle through which Government, local communities and international donors can support the provision of basic infrastructure and social services at the local, mainly rural, community level. Funding for the current program amounts to about US\$20 million, of which US\$15 million comes from a World Bank/IDA credit, and other contributors include Sida, DFID, government, and others. Since its start in 1999, 319 so-called micro-projects had been completed by April 2003 in areas such as roads, schools, water, energy supply, etc, benefiting an estimated 350,000 people. By the end of the current funding cycle, an estimated 453 micro projects will have been completed. A formal application procedure for communities wishing to access SIF support is in place, local contributions must be a minimum of 15 percent of total costs, firm and transparent

procurement guidelines must be followed and an annual audit is carried out by independent auditors in line with World Bank guidelines.

3.36 Sida has provided support for the fund in three ways: first by an allocation of SEK 4 million in 1998, second by another SEK 6 million in 1999, both for children oriented activities, and third through an allocation of SEK 3.0 million 2000 to Zenith International to provide training for local staff associated with children-at-risk activities.

The first Sida SEK 4.0 million was used for 11 school rehabilitation projects in six different regions across the country; 73 percent for reconstruction and the rest for supporting equipment and training. Each school provides education for about 500 children, implying that 5,500 children were the prime beneficiaries from this funding, mainly through the provision adequate heating and a general increase standards of the school environment. Another estimated five micro-projects where other donors financed the renovation costs benefited from Sida funded training.

*Picture: Staff from the Social Investment Fund visiting a children's center renovation project in Causeni*



The second SEK 6.0 million is being used for the reconstruction and upgrading of children's social care centers and 41 percent had been spent by April 2003 of which most (74 percent) on reconstruction work and the remaining on training and equipment. Five centers are already operating and servicing 176 children, and upon completion the remaining six will provide another 275 slots for children in need, putting the total number of beneficiaries at 451. The local authorities generally cover the running costs, and it is estimated that each child stays in care for about 6-12 months. Again, another estimated five micro-projects where other donors financed the renovation costs benefited from Sida funded training.

List of the five social centers where renovation is completed		
Facility	Opening date	Total cost
"The House for Everybody" for 48 children at risk in Ungeni	August 2002	58,100
CVIS center for prevention of institutionalization of 51 children at risk, Scoreni, Chisinau	February 2001	49,400
START activity center for 15 children with mental disabilities, Budesti, Chisinau	June 2001	43,800
Center Speranta for social training for 30 children at risk, Nisporeni	September 2002	60,100
Center Brandusa for temporary placement of 32 street children and poor families	February 2003	55,900
Total cost for construction/renovation, equipment and training for facilities for 176 children:		267,300 (of which Sida about 70%)

The third SEK 3.0 million allocation is funding training but implementation of the activities has been slower than planned. Funding was based on training of staff for 16 social centers, but slower-than-hoped-for renovation and reconstruction has meant that staff for only the five operational centers has been trained. In addition, a study tour to Sweden for seven people (SIF and

government staff) and a similar visit to Lithuania (to visit a similar project) for 16 people – mainly staff working at the local projects, have been carried out.

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#### Three Sida Supported SIF Projects

The social care center for children at risk called “Home for Everybody” in Ungheni is a telling example of how the quality of life for vulnerable children can be significantly increased with fairly modest funding. Here 48 children, including 7 with physical disabilities, 10 with mental disabilities, 7 orphans and 24 from disadvantaged families, spend the day in bright and cheerful surroundings in recently renovated and equipped surrounding, supported by a staff of 12 providing both training and affection. Activities include various types of therapy (occupational, speech, etc), psychological and pedagogical assistance, parent counseling and family support/training. Two meals per day are served and assistance with personal hygiene provided.

Renovation, US\$ 35 thousand, and equipment/training, US\$23 thousand, costs have been covered by the Sida contributions to the SIF, and the municipality currently covers the running costs for the center, about US\$8 thousand per year. Training activities have included seminars for parents, a number of community representatives and the center’s staff. Each child benefits from the center’s services for up to six months can be extended in particular cases, while the length for disabled children depend on the need for and availability of further assistance.



*Picture: Children at the Sida supported and renovated "Home for Everybody" in Ungheni; the center's director, far right, and the Ungheni Mayor, far back. It is a moving experience for anyone familiar with the harsh conditions most of these children live under to see the center's children dance and play together, with young girls about to enter their teens practicing their latest dance steps with younger, sometimes disabled, playmates.*

The centers "Somato" and "Way Home" in Balti are two cases where training activities funded by the Sida contributions to the SIF are complemented by renovation funding by other donors within the SIF framework. "Somato" has been operating since 2000 and offers day care and temporary placement for mentally disabled people between 14 and 30 years. It currently serves 82 beneficiaries in old and run-down premises. Implementation of a comprehensive renovation, equipment and training program costing US\$80 thousand is underway with the move planned for April 2003. "Way Home" is a new center where US\$75 thousand will provide care and reintegration training for 50 children aged between 7 and 18 in need of temporary placement, i.e. orphans, abandoned children and those without parental care. The premises comprise five family type units, i.e. each with its own kitchen and daily routines simulating family life. The opening is scheduled for July 1 2003.



*Picture: Staff from the Social Investment Fund, front middle, the two directors for the “Somato” and “Way Home” centers, front left and right, and staff working at the centers. The young lady second left in the back row is a US Peace corps volunteer working in the “Somato” center.*

3.37 Direct funding of SIF activities is an appealing form of assistance for Sida support. The Swedish share of funding in the selected micro-projects is 70-80 percent with the balance coming from the local community and other donors. During the first phase of Sida support, total average cost per student for upgrading the 11 schools was about SEK 900 of which Sida provided about SEK720. The corresponding figures for the SEK 6.0 million second phase, when smaller and more capital-intensive social care centers were renovated, the per-child renovation cost is SEK 16,500 of which Sida provides about SEK 13,300. These simple calculations indicate a very efficient use of funds and a nice way for Sida to leverage funding from other sources.

3.38 The firm and transparent management of SIF is a main contributor to its success. Selection criteria are consistently applied – preventing funds to be diverted to “pet-projects” or influenced by other vested interests. The open procurement for reconstruction activities favors small local entrepreneurs and keeps costs down. The fund enjoys a good reputation and is seen by many as a functioning enclave in a difficult environment: “If you see a renovated school anywhere in Moldova, there is a 99 percent chance that it was done by SIF”, said one person interviewed. Beneficiaries generally are very appreciative of SIF, although issues include inflexibility and changing of previously made decisions. This is mainly a function of the complications of having several donors, sticking to the WB implementation and procurement guidelines, and of being a high profile operation with government and others taking an interest in the operations.

Social Protection Policy for Children

3.39 In 2002, SEK 2.2 million was allocated to UNICEF, Moldova to support the development of a child and family protection system, focusing on the most vulnerable children (disabled, orphans). This formed part of UNICEF’s comprehensive program also including an early childhood development program (ages 0-7) and a young people program, (AIDS, schools) aimed at providing a comprehensive support system around children and teenagers. Sida funding has been used for consultancy services and mainly to assess many of the current practices (i.e. of the commissions placing children today) as input to the strategy.

3.40 A strategy document has been drafted and is expected to receive Government approval in the next few months. Strategy components include a regulatory framework, outline of base services to be provided



and financial resource requirements. The family is seen as the first-best environment for vulnerable children and institutionalization as last resort. A plan of action to implement the strategy will follow. Results include contributing to a better strategy document and to the participatory process that went into developing it. A new law on Children in Difficulty is being prepared.

#### *Care for the Elderly and Disabled*

3.41 Following the earlier mentioned 1997 preparatory social sector study, Sida in 1999 allocated SEK 4.0 million to introduce new concepts in the social work for the elderly and disabled in Chisinau. A SEK 2.2 million in 2000 provided funding for further training in Chisinau and expanded project activities to the Edinats and Ungeni regions, and also included the development of a training module. A third allocation of SEK 6.6 million 2002 was approved to further train home-helpers in Chisinau and other officials, introduce new methods of work in Edinets and Ungeni, finalize the preparation of the 5-7 module training materials initiated earlier, train about 30 trainer-of-trainers. As mentioned above, SEK 576 thousand was approved in 2002 to form a Social Support Committee of seven high-ranking officials to help with project implementation and dissemination of results.

3.42 During the first phase, three four-week courses were held in Sweden for about 50 participants and followed by on-the-job training locally in the various districts in Chisinau, and a team-based method of working was adopted. During the second phase training took place in Moldova and the number of training activities grew, meaning that the approach was broader but less intensive than during the first phase. Again the new approach of working in teams was adopted. It is estimated that about 80 persons have benefited directly from intensive training, and another 900 have been exposed to the methods advocated in the projects through side activities.

3.43 In Ungeni, one NGO for disabled established and formation of one for elderly is under way. They are both to serve as information centers with lectures and provision of information etc. Some results are also reported from the more active regions that received training (but were not among the selected pilot regions). In Tighina Judet, for example, a decision has been taken to set up a center for elderly where they can stay closer to their relatives as an alternative to institutionalized care.

3.44 Moldova's detailed legislation about who is entitled to care and benefits at times conflict with the project approach, i.e. to make needs assessments and then work in teams to best meet the needs. Training materials to further the dissemination of approaches adopted have been developed but not yet printed.

#### *TBC-HIV/Aids and Drug Prevention*

##### *TBC and HIV/AIDS Prevention Project*

3.45 In November 2001 Sida allocated SEK 5.3 million as cofinancing to the World Bank supported Health Investment Fund project (HIF). The contribution (US\$500 thousand equivalent) complemented other donor contributions, i.e. the Dutch Government US\$ 10 million, World Bank US\$ 5 million and USAID US\$ 2 million. The table below summarizes the use of the funds to date – a total of US\$151 thousand has been used to procure microscopy equipment and supplies for TB labs across the country, and for office equipment related to the project's monitoring system. The equipment has been procured but not yet delivered. The remaining funds are to be used before September 2003, the current closing date of the grant.

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<b>A: Completed</b>	151,000
(i) Microscopy equipment and other supplies for TBC labs	129,000
(ii) Office equipment (photo copier, computers, etc) in support of monitoring system	22,000
<b>B: Ongoing</b>	236,000
(i) Equipment for STI labs	25,000
(ii) Radiology Supplies	20,000
(iii) PCR equipment and supplies	121,000
(iv) Harm reduction sub project (with Soros Foundation)	70,000
<b>C: Planned</b>	113,000
(i) Vehicle for supervision activities	8,000
(ii) Training for NGOs	5,000
(iii) Evaluation and update of curricular and other documents	50,000
(iv) TB specialist consultancy to support the quality control system	50,000
<b>Total</b>	500,000

### *Drug Prevention Project*

3.46 Sida in late 2002 allocated SEK 100 thousand to a Swedish NGO (Riksförbundet för ett narkotikafritt Samhälle) to establish contacts with Moldavian NGOs to create awareness of the increasing problems of narcotics use. Work has started to select appropriate counterparts and schedule the future activities.

### *Cooperation with Universities and Civil Society*

3.47 The Swedish Institute (SI) in 1998 received SEK 6.1 million for a scholarship program and cooperation with universities in Moldova and Georgia. The objective was to make it possible for students/researchers from Moldova and Georgia to participate in Swedish research/training and promote cooperation between universities. The same year, a smaller amount (SEK 770 thousand) was allocated to SI for three cultural activities.

3.48 The university/scholarship program had three main components:

- (i) Individual scholarships for Moldavian/Georgian students. 47 scholarships were approved (covering travel and some subsistence costs) of which 22 from Moldova. Popular fields of study included social sciences, medicine and science. SI confirms that the results of the program were very good. Priority was given to students who already had some connection to studies in Sweden, and the time spent in Sweden often formed part of their study programs at home – often providing training that would not have been available at home.
- (ii) Short term scholarships for Swedes and seminar visits to Moldova/Georgia: 10 short-term scholarships, of which 4 for Moldova, were approved in connection with thesis work related to the country. About 20 Swedish representatives from various universities and agencies concerned with higher education participated in a visit to the Moldova State University in 2000. About 30 Moldavian counterparts participated, and the program included information exchange and presentation of various projects and exchange and scholarship programs.
- (iii) University cooperation. Mainly as a result of the seminar visits, a total of 14 cooperation projects between Swedish and Moldavian/Georgian universities were initiated. One example of such cooperation is in the area of sociology between Linköping University and the Moldova State University. Following common participation in conferences two Moldavian students were accepted in to the Masters program in Linköping, while Swedish students did comparative

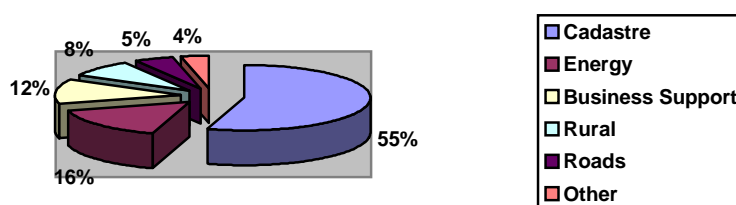
research between the two countries. The two universities developed a common course in social work.

3.49 The three cultural activities included a workshop on the situation of youth in Moldova with 20 participants, environmental seminars with 60 participants and Swedish participation at a Children's Book fair, all in Moldova.

### 3.3. Private Sector (including infrastructure and agriculture)

3.50 Sida funding for activities supporting private sector development, including infrastructure and agriculture, is the largest component of the assistance program corresponding to 35 percent of total. It includes the First Cadastre Project as the largest recipient of Sida funding with SEK 34.1 million, four large projects having received between SEK 11 and 3 million each (the Energy Heating project, the Business Support Project, the Rural Advisory and Banking, and the Road Maintenance project), and two activities having received about SEK 1 million each (the Rural Energy Efficiency project and the Green Teachers Network project).

Fig: Funding for private sector development across main project activities



#### First Cadastre Project

3.51 The overall project: The First Cadastre Project (FCP) started in the mid 1990's. A government agency was created and charged with the formidable task to develop and put in place a unified registration system for urban and rural properties and land. The overall objective was to promote private ownership rights and provide correct information to the various actors on the emerging real estate and land markets. To date, an estimated US\$24 million has been spent on this task with funds mainly coming from the World Bank (about US\$10 million of a US\$17 million loan spent), Government, Switzerland, Sweden and Japan (between US\$ 1.0 and 3.5 million each) and from smaller contributions from the EU, USA, France and Norway.

3.52 Results for the overall FCP has been mixed. On the positive side, the implementing agency (the State Agency for Land Relations and Cadastre of the Republic of Moldova – SALRC) has developed into a competent and well-staffed and equipped agency, institutionally and technically capable to build and maintain the required unified registration system. The necessary legal framework to support the registration system is generally in place, although modifications and further developments are needed. For



example recent additions to the Civil Code has broadened the definition of real estate to include publicly owned infrastructure investments, and supplementary legal and regulatory modifications are needed. New technology for cadastral surveys, GPS and digital mapping is in place enabling the unification of various previously fragmented data. Ownership security and confidence in the real estate market has increased, links to the credit market are being established and the registration system is EU compatible.

3.53 The main issue relates to resistance in some municipalities to go ahead with the registration of urban properties. Overall, the number has exceeded targets as an impressive 3.5 million properties have been registered to date, but this large number is mainly due to successful work in dividing up the former state farms and putting the rural land into private hands. Registration of urban properties has been problematic and moved slower than expected and this has contributed to a recent decision to delay the final date for registration of all properties and the introduction of a real estate tax until 2010 (compared to the original target of 2004). The resistance among the urban dwellers to have properties registered and ultimately assessed and taxed reflects mainly political resistance clearly outside the project's control, but limits the use of the technical systems developed under the project. Similarly, local authorities find it politically difficult to use the SALRC assessed values for real estate for tax purposes, and often use other (normative) assessments to reduce the tax burden for the property owners.

3.54 The Swedish contribution: To date, about SEK 18 million of the total Sida allocation since start of SEK 34.1 million has been spent – i.e. about 10 percent of total project expenditures to date. The Swedish funding has been used, and is the only foreign for, consultancies and other technical assistance – other donors finance equipment and works. Support started with a SEK 1.6 million allocation in 1997 to develop cadastral surveys and a global positioning system (GPS), and financed Swedish experts, a study tour and seminars.

3.55 A second approval of SEK 14 million significantly broadened the Swedish contribution to the project and financed 312 man weeks of technical assistance to complement a World Bank/IDA credit (that became effective in March 1999) and provided on-the-job training of local experts in the areas of project implementation, accounting, procurement, information technology, digital mapping, development of supporting legislation, land registration, real estate assessment and training. In addition, a study tour for seven decision makers (SEK 230 thousand) to see the Swedish cadastre system was approved in 1998, and another SEK 1.2 million for project coordination and development of an accounting system in 1999.

3.56 A third funding allocation of SEK 16.2 million was approved in 2001 with three components: (i) to help establish a fiscal cadastre system as part of the introduction of a real estate taxation system, (ii) further training for the various players in the actors in the land market, and (iii) the development of a long term strategy for the national agency implementing the project) and business plan for its regional territorial cadastre offices.

3.57 The Swedish contribution has actively contributed to establishing a strong implementing agency and thereby supported the work towards the overall goal to establish the unified registration system. The results from the Swedish funding to date can be divided into three parts:

- (i) General technical assistance for SALRC and project implementation: Consultancy services provided in the various areas listed above have no doubt significantly helped the SALRC to implement a better project and reach many of the established performance indicators (properties registered, real estate transactions carried out, legal acts in place, etc). Assistance to develop and put in place a future strategy and work plan for the agency and its regional offices has also been valuable.

(ii) New technology (cadastre surveying, geodetic networks, GPS measurements) introduced with Swedish technical assistance is being used to produce digital cadastre plans, design real estate registration programs and creating various databases with graphical and/or text information. Currently, work is going on to connect the geodetic networks to a new coordinate system, and technology for transferring data from digital maps into integrated databases is being put in place.

(iii) Legal framework and legal cadastre: Swedish assistance helped draft documentation to develop and put in place a supporting legal framework for the registration system. This included, inter alia, laws for a real estate evaluation system including taxation aspects (a pilot project is being implemented with the Ministry of Finance in three areas). A methodology to assess agricultural land has been developed. In developing the fiscal cadastre, a system for collecting data to appraise different kinds of real estate in rural communities has been developed, and a pilot project is under way testing this in three communities.

3.58 Within SALRC and the sector, the results of the Swedish support are impressive and the role as the sole foreign provider of consultancies and other TA very relevant and important. Concerns about the broader usefulness of the support provided focus on the relevance and usefulness of the technical systems put in place given the political realities they are to operate within. Will the systems provide data that is actually used, will a “real” land and real estate market form, and will the information collected be useful in shaping the future tax system? Another issue is that future discussions on fee setting and pricing of information focus on the financial needs of the implementing agency (and the need to repay the World Bank loan). Here, the debate should also consider the need to provide real estate data as a public service to ensure transparency and predictability. Tax assessment and real property tax information is often available on the web, even for individual properties, in market-oriented countries.

## Energy II Project

3.59 Sida in 2000 allocated SEK 3.0 million (an additional SEK 226 thousand in 2001) for the development of a strategy for heating urban areas in Moldova. Upon completion of the study, SEK 1.4 million was approved in 2001 and another SEK 6.4 million in 2002 to support the implementation of investments to heat public buildings in Ungeni.

3.60 To date there have been three broad results:

First, the study developing a strategy for heating in six towns was prepared by FVB, Swedpower, and presented in final draft form by the end of 2000. The main conclusion was that district heating is feasible in Chisinau while semi-centralized boilers should be used elsewhere. The study was perceived as a very professional document and was highly appreciated by the professionals and sector specialists involved in Moldova’s energy sector. At the policy and decision making level, however, some of the recommendations were disputed. The recommendations to close one of the heating plants in Chisinau and to move towards full cost recovery were rejected mainly on the grounds that further studies were needed. Nevertheless, the document has become a valuable reference document, its main thrust is generally agreed on and many of its ideas are being discussed and reviewed as the sector contemplates future reforms. The study was, however, never officially adopted but remains in final draft form.

Second, in 2001 Sida funding paid for the feasibility study (FVB and Hifab) and preparation of tender documents for the putting in place of four heating stations in Ungeni, primarily designed to heat three kindergartens and one Medical College – all in line with the main conclusion in the earlier study that semi-centralized boilers connecting to the central heating system in individual buildings is preferable. An advance under the still-to-be approved World Bank supported Energy Efficiency II project funded the investment. This sub-project is working properly, and Ungeni municipality has also connected apartment buildings to the stations, using the excess capacity – an addition agreed to but not funded by World Bank because of policy issues residential sector related to energy recovery. Three kindergartens now receiving heating provide care for 880 children, and the Medical College has students. An estimated 1000 apartments in residential housing also heating.



Picture: Heating equipment in Ungeni, with assistance from Sweden and others

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Third, Sida supports the project implementation group for the future World Bank project that have prepared the bidding documents for the first tranche of the project (\$1.2 million) and the documents have been approved by the Bank. This covers 19 objects in four towns. Work has started on the bidding documents for the second tranche (about \$2 million) for investments in yet another eight towns. The signing of the credit agreement for the World Bank loan is being held up awaiting the settlement of a sector-wide dispute where Government is challenging the validity of the previous privatization of selected power distribution networks to Spanish Union Fenosa. The credit supports both the electricity component and a heating component while Sida's support is limited to the heating component. The delayed World Bank credit illustrates the risks for Sida when teaming up with larger donors. However, the overall financing package for the sector is made more attractive thanks to the Sida contribution. It is hoped that Sida's grant funds will influence Government to address the issues holding up the World Bank credit.

### Business Support Project

3.61 In 2000, Sida allocated SEK 2.9 million for a small and medium enterprise business development project. The lead Swedish partner was SwedFarm, while the Competitiveness and Productivity Center (CPC) – an agency housed in the Ministry of Industry providing training and consultancy services to private sector small and medium enterprises and receiving support from several other donors – was selected from the Moldavian side. The stated project objectives were to put in place a training program for business/management consultants, establish a core group of trainers, train business managers and expose some Moldavian business managers to business practices in a market economy environment. A second SEK 4.4 million was approved in 2002 to further develop CPC's capacity to provide training and consultants' services, train trainers and managers and share insights into the Swedish business climate and promote contacts.



"We were particularly impressed by how the Swedish local public administration and the research institutions at the universities work with the business community, and how this creates an overall pro-business atmosphere" says Valeriu Moscalu, General Manager for Alfa Industrial



Park in Chisinau, one of the managers who participated in the study tour to Sweden, and one of CPC's clients. Alfa housed over 600 businesses during the Soviet period, but nearly all went bankrupt during the first difficult transition years. After restructuring Alfa now houses 140 new businesses providing some 2,800 jobs.

One of Alfa's success stories is Alfaplast – a manufacturing plant producing plastic containers for food storage and other purposes. "We benefit from the co-location with many other businesses and from the services the industrial park offers. Our business has expanded and we now compete successfully against mainly foreign competitors, thus helping Moldova to replace imports with locally produced goods." Says Leonid Andrievski, Manager of Alfaplast.

3.62 Upon completion of the first phase in mid 2002, about 20 (mainly young and academically trained) CPC trainers had been trained to deliver goal-oriented, value-based and learner centered courses, how to develop and present course plans and how to implement them. An additional 40 trainers from regional institutions had been trained in modern teaching technologies. 23 courses and 16 case studies had been developed (exceeding the original target of 16 courses), and about half of the trainers had delivered most of the courses to 205 entrepreneurs, managers and students in Moldova. Some 20 modern business administration and economics textbooks and other literature had been bought and handed over to CPC. 11 participants benefited from a study tour to Sweden, especially from seeing the cooperation models used by local authorities, universities and the business community. Cooperation was carried out with Swedish institutions on training programs for and the establishment of a Moldova Consultant College and a MBA program. Expected results for the second phase are somewhat more ambitious and detailed, but largely similar to those of the first phase.

3.63 The main qualitative result was a shift from the earlier use of ready-made academia type courses to a modern approach with training based on participants' own experiences, and where plenary sessions and short lectures are followed by participatory group sessions and individual feed-back discussions. The initial reluctance to this shift was over time replaced with increasing enthusiasm and enhanced awareness and knowledge about the learning process.

<b>Business Support Project: Participation in key project activities</b>	
Activity	Participants
Start-up activities and first visit, Sep-Nov, 00	CPC managers and presumptive trainers
Seminars March and June 2001	20-25 CPC trainers/consultants
Swedish study tour	6 CPC trainers/consultants, 5 managers
Seminars Nov 2001	15 CPC trainers/consultants
Evaluation workshop, April 2001	8 CPC trainers/consultants
Seminars April 2002	20 CPC trainers/consultants, also pedagogic training in Russian and Romanian
Visit April 2002, wrap-up, future plans	CPC managers

#### Rural Investment and Services Project

3.64 Following the recommendations of a SEK 260 thousand feasibility study, Sida in late 2002 approved SEK 5.0 million to form part of the funding package for a larger two phased (2002-2005 and 2005-2007) and three pronged (extension services, SME development and rural finance) US\$44 million Rural Support Services Program. The first phase US\$25 million is mainly supported by the World Bank (US\$10.5 million) DFID (US\$2 million for the SME component) with the remainder from Government and others. The Sida funding is intended for technical assistance for training of trainers for agricultural marketing and for rural finance, and for the grant component of a matching grant system.

3.65 Project implementation has just started. Nevertheless, under the TA component Swedish partner Scanagri has appointed staff and selected people to be trained. Discussions are still under way about the legal arrangements for the cofinancing of the matching grants – Sida funds would provide a 25 percent grant added to loans borrowed by qualifying individuals and groups. Lending has started as regular WB funds provide bridging finance until the Sida funds become available. Lending currently amounts to about US\$ 1 million.

#### Road Maintenance

3.66 Sida in 2001 approved SEK 3.2 million to improve the road network in Moldova by developing contractual models for maintenance work. SweRoad is the Swedish partner. Results to date include training of some 25 people at the Road Administration in how to manage road maintenance through contracting. Principles for a model to be used has been developed as well, but further discussions and consensus building is needed before a model to be tested are designed. At the political level, there is hesitation to introduce the contract arrangements, at least partly due to a general suspicion about replacing traditional budget allocation measures and state orders with the envisaged contractual arrangements. The new system would demand up-front payments related to actual maintenance performed by the respective companies. The public companies now doing the maintenance work are very enthusiastic about the new system, as they would prefer being paid in relation to actual work performed rather than through today's budget procedures. However, some of that enthusiasm may drop if the regular budget allocations cease, and if a competitive selection of maintenance companies actually is instituted.

3.67 Overall, it would seem that the support for the concepts in the project is hesitant, and that more local debate and discussions are needed before a real model can be tested, as envisaged, in one region with a select few companies. Again, this project offers yet another example of good results within the immediate project-environment, but where reaching the ultimate project objectives is frustrated by broader political and economical concerns.

#### Rural Energy Efficiency project and the Green Teachers Network project

3.68 Rural Energy Efficiency project. Sida in late 2000 allocated SEK million for technical assistance measures to enhance energy efficiency in communities and especially public buildings. Swedish Ångpanneföreningen teamed up with the Moldavian Social Investment link the assistance to possible future investments by the fund. Workshops held for about 40 participants, some documentation (handbooks, maintenance guidelines) were prepared and distributed, and a study tour Sweden for some 18 participants visiting public buildings was carried is a good example of a limited, focused and realistic intervention with and sustainable results.



1.1 rural Fund to were to out. This good

*Picture: This hands-on manual on how to improve heating efficiency in rural schools was prepared based on Swedish experience and widely distributed*

3.69 Green Teachers Network project. 2002 approved SEK 1.1 million to enable NGO Keep Sweden Tidy to work with the Moldavian NGA Gutta Club to promote of environmental issues – especially the capital - through training of teachers and the setting up of a “Green Teachers



Sida in Swedish awareness outside in ecology Network”.

By April 2003 a total of 200 participants in eight seminars across the country had discussed and generally endorsed the project concept. One (of three) seminar for 25 trainer of trainers, selected from the 200 participants, had also been held. Future plans include holding the two remaining trainer of trainers seminars, two additional “network consolidation” seminars, and to launch the network by late 2003.

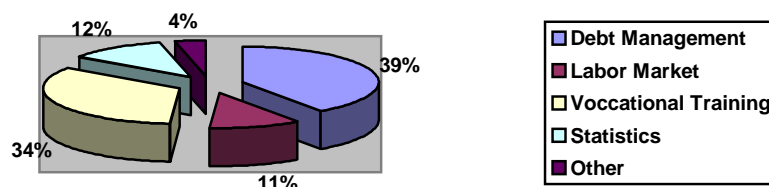
*Picture: Natalia Cravciuc, President of Gutta Club is actively involved in the development of the Green teachers Network. Information about Gutta Club is available at [www.iatp.md/gutta](http://www.iatp.md/gutta)*

3.70 The early promising results achieved by the enthusiastic Gutta staff and their Swedish counterparts are particularly encouraging as activities include participants from Transnistria – the de-facto independent part of Moldova that is very difficult to reach through conventional development assistance projects. The NGO level contacts established could serve as a model for activities in other fields where Transnistria’s participation would be desirable.

### 3.4. Economic Reform and Debt Relief

3.71 Swedish support to Moldova’s overall economic reform program and management of the public debt amounts to SEK 30 million and comprises four major parts; (i) SEK 12.2 million for debt management, (ii) SEK 13.4 for two projects related to the labor market and vocational training, (iii) SEK 3.5 million for the development of reliable national statistics, and (iv) three studies/seminars on macroeconomics/economic reforms. In addition, a smaller amount (SEK 360 thousand) was recently allocated for addressing issues related to the many illegal migrants using Moldova as transit country for entering the EU.

*Fig: Funding for economic reforms across major project activities*



#### Public Debt Management

3.72 Management of the public debt, and particularly its foreign part, is a key issue for Moldova as a significant share of the state budget - 35 percent in 2003 – is used for debt service payments, the levels of foreign financing and domestic savings are low, and because of the weak export markets and continued dependency on imported energy resources. An initial allocation of SEK 1.7 million was approved in 1999, after a related UNDP funded project had been completed, with the objective to strengthen the ability in the Central Bank and Ministry of Finance to handle the national debt and borrowing. The selected consultant worked with the Moldavian authorities one week per month. A further SEK 1.0 million in 2000 that also covered the costs for two conferences extended this arrangement. A third SEK 1.3 million was approved in late 2000 to finance continued institution strengthening, the establishment of a debt management department, and advise in the restructuring of Euro Bond debt and an envisaged multilateral debt restructuring under the auspices of the Paris club. In 2002 a further SEK 3.3 million funded services from a law company and other travel and consultancies. A further phase, SEK 4.8 million, was approved in late 2002 to fund the legal work needed to conclude the Euro Bond restructuring, advisory services from



Joseph Stieglitz's IPD, and consultancy services to continue work on the management of the remaining bilateral and multi lateral debt.

3.73 It is difficult to assess the impact of the Swedish advisory services (and impossible to guess what Moldova's debt situation would have been like without the assistance provided). However, it is clear that the support has been and remains very appreciated by the local agencies involved in debt management. During the first phase, the project contributed to reducing Moldova's foreign debt by about 10 percent. During the second phase, the Swedish funded consultant participated in the successful re-negotiation of German bilateral loans and Russia's Gazprom, and a debt strategy was adopted, although the debt service levels remained at a non-sustainable level. Government relations with IMF deteriorated immediately after the 2001 elections, and the Swedish assistance provided much needed advice to the new Government on the realities of international financial organizations. The third phase was dominated by the negotiations with the main party holding the vast majority of a 1997 Euro Bond issue, and the main result was that the bond issue was restructured. Following an initial six-month extension, final agreement was reached in August 2002, on terms judged favorable when compared to similar restructuring for other countries.

3.74 Since August 2002, work has focused on plotting out a course of actions that would enable Moldova to reach a multilateral restructuring of its public foreign debt under the Paris club. Advice is also provided relating to the relations with the major international financial organizations. Here the key issue is that following large lending during the 1990's many of these agencies are now net-recipients as the debt service payments mount.

3.75 The assistance provided has been valuable both to "introduce" Moldova and the staff in the Ministry of Finance to the rules, practices and institutions related to debt management, and also to build up the technical know-how in the recently established debt management unit. Demands for future assistance is likely to become increasingly technical in nature and more advanced as the competence levels locally increase.

#### Labor Market Project

3.76 Labor Market: In December 2000, SEK 3.2 million was allocated to a project aimed at improving the functioning of the Moldavian labor market. The objectives included transforming two county public unemployment offices into model labor offices using up to date and efficient practices in employment services, and to support the putting in place of modern legislation for the labor market. The decision followed two years of preparations, and included two Swedish partners, i.e. the Swedish Labor Market Board (AMS) at central level, working mainly with the legislation issues towards the Ministry of Labor and Social Protection, and AMS' regional office in Strängnäs working against the two regional public employment offices in Balti and Kahul.

*Picture: Ms. Ludmila Diminet, Director of the Cahul Public Labor Office, in front of information materials in the hallway of the office*



3.77 Following an initial visit in Moldova in 2001 five seminars were held in Moldova focusing on labor market policies, governance, delegation, follow-up and procurement. Approximately 50 participants from all over the country participated. A study tour of two weeks for 20 people to Sweden took place visiting employers, labor offices, unions, etc. There were several short-term consultancy missions to Moldova. Equipment (computers, printers, scanners, furniture) was provided to the two offices. The number of employees in the two offices was 25 each and they work in towns with about 150 thousand residents each.

3.78 Results to date include new work methods in the two offices; first, a much more proactive approach is used towards the local employers where the labor office officers now visit and develop personal contacts with “their” companies to increase the number of jobs that can be offered to the job seekers. Each office carries out about 500 more visits per year than previously, and has managed to offer between 1000-2000 more jobs. Second, to some extent the practice of developing individual action plans for job seekers have started with participants amounting to several hundred, although this is somewhat more difficult to do because of staff constraints. About half of those participating have obtained jobs or are receiving training. The two offices have better office technology because of the project, and advice was provided during the preparation of a new law on labor force issues that was passed on March 13 2003.

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Mr. Ilie Chitac is the manager for the Public labor office in Balti and four branch offices in the region where 18 officers (helped by another 12 staff at regional level) service a population of about 500 thousand. Following a project sponsored study visit to Sweden in September 2001 his offices adopted a proactive program to visit employers to jointly identify vacancies. The region has about 6000 employers including 400 big and fairly stagnant ones, and 2500 small and medium sized enterprises and 3000 individual enterprises that are expanding.

Compared to an annual average of about 160 visits per year before the project, staff carried out 154 visits between October and December in 2001, 773 visits in 2002, and 151 during the first quarter of 2003. The number of vacancies identified increased from 2230 in 2000 to 3548 in 2001 and to 8083 in 2002. An estimated 54% of the identified vacancies were filled – exceeding the goal of filling half of the vacancies. The main reason for not filling the remaining slot was lack of appropriate skills among those seeking employment. Employers typically seek staff with computer and basic financial/bookkeeping skills.

The Public Labor Office has also started to develop individual action plans for some of the employment seekers, although the scope of this is constrained by the small staff numbers. The number of people seeking assistance increased from 6000 in 2000 to 8300 in 2002, of which about half are at the main municipal office with three officers. The individual plans have to date been done only at the municipal office and started on July 1 2002. Plans were developed for 142 people 92 received unemployment benefits and 49 were long-term unemployed. By March 2003 48 had found jobs (of which 36 previously received financial assistance and 12 were long term unemployed) and 38 are in training, implying that 86 of the 142 are unemployed. The long-term goal is to have development plans for those receiving benefits or long term unemployed. A total of 16 computers were received of which half are in the municipal office rest in the branch offices.



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Picture: Mr. Ilie Chitac, Director for the Public Labor Office in Balti, in front of the office.

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### Vocational Training

3.79 In 1998, SEK 1.8 million was allocated for Swedish partner Lernia to develop a module based training program for carpenters in a vocational training school in Chaunasi. This was followed by a second SEK 3.5 million allocation in 2000 to expand the method to five schools and pilot areas as agreed with the Department of Vocational Education and Training in the Ministry of Education. Modules and training plans were developed for agriculture, agricultural processing, welding, restaurants and catering, and accounting. The third, and ongoing, SEK 5.0 million phase started in mid 2002 and will run until mid 2004, and support the training using the modules developed in five selected schools.

3.80 Results to date include a “bank” of training modules in Balti. About 300 unemployed had or were undergoing the training in the five supported schools when this report was prepared, and it was estimated that up to 1,000 people would have completed a training module by end 2003. Anecdotal evidence suggested that the majority of those that had completed the module-based training had managed to get a



job afterwards. Other expected results planned under the current phase include the preparation of a handbook and a video, preparation of training materials on starting your own business.

3.81 The project and the training modules are really driven individual school directors who “market” the training both via labor offices and sometimes through advertising. Vocational schools in Moldova used to be part of the military-industrial complex during the Soviet era, and still struggle to become the “regular” education sector. Activities are less firmly at the Ministry level, even though ministry staff agrees that based training by multi-functional schools is desirable.

3.82 An interesting example of a multi functional school is VET school in Chisinau where some 12 groups of about 25 unemployed adult students have received the module based in areas of cooking, catering, waitressing and bartending. training takes place mainly in the afternoons when the regular students – about 720 studying financed by the regular state and another 250 pay their way – have gone home.



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*Picture: Training in progress at the VET School in Chisinau*

3.83 There is little doubt that the project activities are relevant, and there is keen support in the participating schools. Issues include, first, to what extent the number of trainees can be scaled up without major cost increases making use of the preparatory work already done, and second, the sustainability of the training and prepared modules – what mechanisms will be used in the local school systems to ensure that the activities continue after the Swedish funding runs out?

#### Statistics

3.84 Following an exploratory SEK 0.6 million phase in 1996, activities started in earnest in 2001. Allocations amounting to SEK 2.9 million were channeled to the Swedish Statistics Office for cooperation with the Moldavian Department of Statistics to improve the process of producing reliable statistical data. Work has focused on the development of three new kinds of statistics, i.e. not previously produced:

(i) Transport statistics – here, a survey instrument for a pilot project has been designed and a sample selected. The survey is planned for the summer of 2003

(ii) Regional GDP statistics – production is in place and statistics for 2000 are completed, examined, approved and distributed. Year 2001 statistics are being prepared with the aim of having them completed in mid 2003.

(iii) Whole sale statistics – following a recent study tour to Sweden a registry of the relevant enterprises is being developed. A survey of all enterprises is scheduled to start in early 2004.

3.85 In addition, some advanced training in statistical methods has been provided for the Department’s staff, Sida funding paid for 80% of the printing of the 2000 Statistical Yearbook (the first time a new format was used), and some equipment has been provided.

3.86 Now under new management, the Department of Statistics receives support from large WB and Tacis multi-component programs, from DFID in the field of social statistics, and from Sida. Its capacity to

produce and provide timely and relevant statistics has certainly increased, as evidenced by the annual publication of a useful and attractive yearbook – this year complemented by a CD disk with available data in pdf format.

#### Studies/seminars

3.87 Sida has supported three studies/activities focusing on macroeconomic issues:

- (i) In 1996, SEK 126 thousand was allocated for a macroeconomic study. This provided valuable background information at a phase when Sida's involvement in Moldova was taking shape.
- (ii) In 2002, SEK 475 thousand was spent on a Country Dialogue initiative. This included a seven-day visit to Moldova by Nobel Prize Winner Joseph Stiglitz and his team from the Initiative for Policy Dialogue (IPD) at Columbia University. The visit included several meetings with government officials, politicians, civil society, the business community and the donor community. IPD staff also gave lectures to journalists on economics and debt management.
- (iii) Also in 2002, SEK 140 thousand was spent on a "Support to the Economic Reforms" study. This study examines the possibilities and desirability of allocating Swedish bilateral balance-of-payments support in response to Moldova's recent initiatives to strengthen and speed up the overall reform efforts.

## 4. Lessons Learned

4.1 The portfolio of Sida supported activities is rather widely spread across many sectors following a period of rapid growth after activities started in 1996-7. Initially many ideas were tried out and "seed-money" allocated. Typically, the average project has successfully established an "enclave" of successful results in a difficult larger sector or macro setting, with the major issue being only limited progress in ensuring post-funding sustainability and replication of project practices elsewhere. Against this background, factors to keep in mind during the future management of the portfolio include:

- (i) Be selective - do not hesitate to "prune" the portfolio and focus the scarce Sida means on fewer and larger areas. Favor projects where the sustainability and replicability of project practices to other parts of the country/economy are likely. Make sure there is central government support and reach firm agreements on whatever counterpart contributions are needed.
- (ii) Consider including funding for dissemination of project results and practices as a means to improve impact and sustainability. Several projects have produced qualitatively impressive and very relevant results that would be of great importance for many others and/or the country as a whole. Two examples that come to mind are (i) the governance findings from the Court of Accounts thematic evaluations pinpointing shortcomings in public procurement and the handling of the country's VAT regime and the use of extra-budgetary funds in the public sector; and (ii) the use of intensive therapy shortly after birth in cases where the child suffers from certain kinds of disabilities to eliminate the need for more intensive care later in life

4.2 Most project descriptions/justifications do not consider the pressing country-specific fact that living standards have dropped significantly and poverty wide spread, and instead describe a project as it would be applied to any country. Moldova has incomes equal to about a third of what they were 10-15 years ago, and this has had profound impact on all sectors of the economy. As a minimum, projects to be considered should explicitly state how their objectives are related to the poverty situation, income

disparities, the scarce amounts of publicly available funding, and discuss how the lower living standards have affected the respective sector.

4.3 Many of the initial activities stated broad and general project objectives. This was at least partly due to unfamiliarity with a “new” country, but should no longer be tolerated. Project proposals should include concrete, monitorable and limited objectives, and also explicitly state what is expected of the Moldavian counterpart. To facilitate evaluation and appropriate feedback, monitorable indicators could be a prerequisite for approving the funding, and final reports should include a section on the indicators when extensions are requested. The rather limited “Counterparts” section in the decision memos could be replaced with a broader “Implementation arrangements” section outlining who is responsible for what. Today, this section often only lists the participating agencies.

4.4 Several Swedish partners interviewed said they at times felt as if they were operating in isolation and would benefit from intermittent opportunities to discuss with other agencies working in Moldova. One idea may be to promote a “country team” concept comprising the Swedish partners in Sweden and the Moldavian ones in Moldova. Partners could be invited to participate in at least one annual gathering where all project partners meet.

4.5 Cofinancing with others has its risks and rewards. On the reward side, Sida can leverage its limited funds to help support bigger and more ambitious programs for reforms at national or sector level. Risks include (i) the Sida funded activities are held up or the activities they were designed to support are delayed, and (ii) that Sida funding ends up as a small and flexible resource to funds implementing agency’s pet components or parts that nobody else wants to pick up. A reasonable conclusion would be to continue the cofinancing activities because it is cost efficient and because of the often large potential benefits. Care should be taken in each case, however, to make sure that the Swedish funding really contributes to a larger program and not merely to a marginal component. When working with larger donors, try to the extent possible to pick relatively separate components that can proceed and produce benefits independently of the activities financed by the others.

*Picture: An earlier draft report was discussed stakeholders’ meeting at office in Chisenau May addition to improving quality of the report, the was useful for many of participants as they unaware of the broad strong support provided the Sida funded in Moldova.*



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## Annex 1: Terms of Reference

### Moldova – Country Assistance Program Evaluation Lead expert Terms of Reference

#### *Background and Purpose*

Sweden started its cooperation with Moldova in 1996 by providing support to an adviser to the Government within the framework of a UNDP-led democracy project. Since 1998, when a specific sub-item for Europe was introduced under development cooperation funds for poor countries in the region, support has expanded. Together with the USA, the Netherlands and Germany, Sweden is one of the largest bilateral donors of assistance. About 40 projects were or had been supported by the end of 2002. In 2002 43 MSEK was spent on technical assistance to Moldova.

In accordance with the decision of the Swedish Government, a country strategy for development cooperation with Moldova 2001-2003 has been established. The country strategy governs the orientation of Swedish development cooperation during this period and focuses on support for socially sustainable economic development. The strategy is based on proposals by Sida, supplemented by considerations from the Ministry of Foreign Affairs, the views of other ministries and authorities involved in development cooperation in Moldova, and Moldavian priorities communicated in the course of continuous cooperation with Swedish partners.

A new strategy is due to be elaborated by the end of 2003. The strategy will be based on a Country Analysis and Result Analysis, the latter of which is an analysis of the Swedish support provided to the country. Sida will contract one international and one local expert for the task of carrying out the Result Analysis.

#### *Scope of Work*

The main task of the assignment is to analyze the projects funded from the start of Swedish-Moldavian cooperation in 1996 until present. More emphasis will be put on larger projects and recent and ongoing projects.

The projects are to be analyzed both in terms of the process of the implementation and in terms of the achieved results.

The **analysis of the implementation** is to provide information on the efficiency and effectiveness of different cooperation and implementation channels including issues such as:

- whether the objectives stated in the project memoranda were realistic and clearly identified;
- if the activity was well prepared and ready for funding support at entry;
- other major factors affecting implementation and outcome;
- performance of the implementing agency, the local counterpart and of Sida during implementation;
- lessons learned, i.e. what worked well and what did not, how could things have been made differently to achieve better results.

The **analysis of the achieved results** is to focus of outcomes rather than outputs including issues such as:

- outputs (the immediate and concrete consequences);
- outcome (the results at the level of beneficiaries);
- impact (consequences of outcomes);
- sustainability;
- to what extent the objectives stated in the project memoranda were achieved;
- the relevance and consistency of the results with the objectives stated in the Country Strategy for Development Cooperation with Moldova, 2001-2003 and with the needs of Moldova;
- value for money, i.e. were the costs reasonable compared to the results;

The projects are to be sorted by the main objective stated in the Country Strategy for Development Cooperation with Moldova, 2001-2003. This will be done by assigning each project (or cluster of projects where appropriate, i.e. when activities were implemented in several phases, etc) to one of the following four main areas:

- democratic governance;
- social sector;
- business sector, infrastructure and agriculture
- economic reforms and debt relief

The consultant will assess the overall relevance of the assistance program. The consultant will familiarize himself with the main social and economic developments in Moldova and with the objectives and guidelines provided for the Swedish assistance program (including the 2001-2003 Country Strategy). He will assess to what extent the program objectives, composition and cooperation forms selected were in harmony with and kept relevant for the developments in Moldova.

#### *Output*

The consultant will prepare a report not exceeding 20 pages excluding the executive summary and annexes, with the following tentative outline.

A. Executive summary, 2 pages

B. General analysis: Structure and size of the assistance during the review period. Distribution across sectors and objectives. Relevance of the program compared to Swedish objectives and Moldavian needs. The capacity of the Moldavian cooperation partners to implement the projects. The efficiency of various implementing channels. Problems occurred, including corruption, and lessons learned. 4 pages.

C. In depth assessment of activities sorted under the 4 main areas, analyzing the issues listed under *analysis of implementation* and *analysis of achieved results* above.

- I democratic governance, 4 pages
- II social sector, 4 pages
- III business sector, infrastructure and agriculture, 3 pages
- IV economic reforms and debt relief, 3 pages

D. Annexes as needed.

#### **Work plan** (for a total of 30 workdays)

The work will be divided into the following five phases:

1: Initial studies of key documents, including Government memoranda on budget approvals for the projects to be assessed, evaluations carried out, the background report elaborated by the Moldavian expert, and other materials as available. The consultant will prepare a list of questions for the preparatory meetings that will be carried out by the Moldavian expert.

2: Visit to Stockholm (not less than 5 workdays) for meetings with implementing agencies and key persons at Sida and Ministry of Foreign Affairs.

3: Visit to Moldova (not less than 15 workdays) for meetings with the local counterparts, assessment of results on-site and meetings with relevant counterparts from Government and other organizations as needed. The project sites and the beneficiaries are to be in focus rather than the Government counterparts. Thus, to a great extent the visit is to be carried out outside Chisinau. The visit will be planned and carried out together with the Moldavian expert.

4: Further studies of collected materials and interviews, preparation of draft report.

5: De-briefing in Chisinau together with Sida and the main Moldavian stakeholders. The de-briefing will be organized together with the Moldavian expert. Preparation of final report.

## Annex 2

**List of People Contacted**

Below is a list of people met and who provided materials or comments for this report.

***Overall Information on Swedish Assistance to Moldova***

Rebecka Kitzing-Ivarsson, Margareta Leijd, Sida Stockholm  
Carl-M Lindström, Nina Orlova, Swedish Embassy/Sida, Chisinau, Veaceslav Scobioala,  
Directorate for Technical Assistance, Ministry of Economy

***Democratic Governance***

Public administration: Mr. Vladimir Cusnir, Head, Directorate for Public Administration, State Chancellery, Mr. Aurel Simboteanu, Vice Rector, Academy of Public Administration, Chisinau, Mr. Vladimir Lisenco, Chief Public Administration Department, Cahul District Council, Pontus Förberg, Jan Carlson, Sipu, Stockholm

Gender Leadership: Ms. Silvia Saca, Project Manager, Ms. Ala Taran, Soroku Gender Center, Bonnie Bernström, Språngbrädan Consulting, Stockholm

HR training for the police; Mr. Stefan Uritu, Chairman, Mr. Petru Stratan, Program Coordinator, Ms. Doina Straisteanu, Program Officer Moldvia-Helsinki Committee, Mr. Adrian Lebedinschi, Superior Penal Investigator, Mr. Anatol Rusica, Service on Foreigners and Migrants, Mr. Mihai Vasiliuan, Penal Investigator

***Social Sectors***

Care for children, elderly and disabled: Mr. Valeriu Mostovoi, Deputy Minister, Minsrty of Labor and Social Protection, Mr. Tudor Radianu, Chief, Social Assistance Department, Ungeni Judets, Mr. Vitalie Vrabie, Mayor, Ungeni, Ms. Giovanna Barberis, Unicef Representative, Bertil Olofsson, Lars Anders Olofsson, Zenit Interenational, Östersund,

Social Investment Fund: Mr. Boris Popadiuc, Director, Mr. Alexandru Ursul, Microproject department Director, Social Investment Fund

Children's institutions: Dr. Iurie Dondiu, Deputy Director, Perinatal Center, Chisinau, Lennart Lundquist, Lunconsult, Stockholm, staff, parents and their children cared for at Municipal Clinical Hospital No 1, Chisinau

TBC/HIV/-Aids: Mr. Volovei, Director, Health Investment Fund

***Private Sector (including infrastructure and agriculture)***

Business support: Mr. Gheorghe Efros, Director, Igor Fetiniuc, Deputy Director, Roman Lazu, Expert, Center for Competitiveness and Productivity, Mr. Valeriu Moscalu, General Manager, Alfa Industrial Park, Mr. Victor Poparcea, Manager Business Incubator, Bizpro, Rolf Karlsson, Lars R. Grönkvist, Swedfarm, Stockholm

Energy Efficiency: Mr. Isaico Valeriu, Heating Component Coordination, Project Implementation Unit, Ministry of Energy, Karlis Caunitis, Fjärrvärmeebyrån, Stockholm

Road Maintenance: Mr. Nicolae Ciobanu, Head, Department for Road Development, Sune Olsson, Sweroad

Rural Investments and Services: Mr. Igor Gorasov, General Director, PIU, Rural Investments and Services Project

Green teachers Network: Ms. Natalia Cravciuc, President, Gutta-Club

### ***Economic Transition and Debt Relief***

First Cadastre Project: Mr. Nicolae Svet, Director General, Mr. Valeriu Ginju, Deputy Manager, National Agency for Geodesy, Cartography and Cadastre Project PIU, Daninge Danielsson, Swedesurvey

Statistics: Mr. Vitalie Valcov, Director General, Oleg Cara, Deputy Director, Kameran Khadur, SCB, Stockholm

Debt Management: Ms. Mariana Durlusteanu, Deputy Minister of Finance, Rutger Palmstierna, Financial Sector Expert, Stockholm

Labor Market: Sergiu Sainciuc, Deputy Minister, Ion Holban, Vice Director, Ministry of Slabor and Social Protection, Mr. Ilie Nicolae, Director, Public Labor Office, Balti, Maud Naess, AMS, Strängnäs

Vocational training. Ms. Lidia Spinei, Head, Department for Vocational Education and Training, Ministry of Education, Ms. Dobinde Viorica, Director, Ms. Oprea Anna, Deputy Director, VET Vocational training School, Chisinau, Bertitl Oskarsson, Lernia, Stockholm

Court of Accounts, Mr. Vasile Pentelei, President, Ms. Tatiana Sipaceova, Project Coordinator, Court of Accounts

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People met during field visit to Causeni/Teghina Judets Administration:

Ms. Oxani Rodica, Head of section on small business development, and promotion of trade and foreign investments, Mr. Burlacu Anatolie, General Director of the Department of Education of Tighina, Ms. Ciobanu Ana, Deputy-Head of the Finance Division, Ms. Lungu Nadejda, Head of Social Assistance Division, Mr. Musteata Valeriu, Secretary of the Judet Council, Mr. Cojocaru Eduard, Main specialist of the Health Department, Mr. Razumas Pavel, Chairman of the "Alter Ego" Center, Mr. Pusca Tudor, Chairman of the Judet Council.

People met during field visit to Cahul Judets Administration:

Mr. Baban Valeriu, Head of the Education Department, Ms. Usatii Aurelia, Specialist at the Education Department, Ms. Diminet Ludmila, Head of Labor Office of Cahul Judet, Mr. Porumbescu Svetlana, Specialist at the Social Assistance Department, Mr. Cocev Oleg, Head of Gender Center in Cahul, specialist of the Social Assistance Department of Cahul Judet, Ms. Mocanu Valentina, Accountant at the mayor's office of Baurci-Moldoveni village, Ms. Papana Elena, Accountant at the mayor's office of Crihana Veche village, Ms. Florea Ecaterina, Tax



collector at the mayor's office of Crihana Veche village, Ms. Gota Aliona, Secretary at the mayor's office of Cucoara village, Ms. Deli Ecaterina, Specialist of the Finance Department of Cahul Judet, Mr. Vatavu Ion, Specialist of the Finance Department of Cahul Judet

*Annex 3***Selected Documents and References**

The main source of information for this report were the many memoranda attached to each of the funding decisions made by Sida, and kindly assembled and copied by Margareta Leijd, Sida. Sida's web-site at [www.sida.se](http://www.sida.se) offers a lot of information to the interested public. Below is a list of some of the other documents and other sources used.

***A: Overall Information on Swedish Bilateral Assistance to Moldova***

Promemoria 2001-06-06, Strategi för samarbetet med Moldavien 2001-2003, Regeringskansliet, Utrikesdepartementet

Samarbetet med Moldavien – en ländanalys, Oktober 2000, Henrik Huitfeldt, Sida

***B: Democratic Governance***

Sipu: Selected project progress reports

(i) Annual Reports 2001 and 2002, Gender, Leadership and Networking, Språngbrädan, (ii) Minutes of the Tripartite Review of the Leadership Program, UNDP, February 2002, (iii) [www.leadership.org.md](http://www.leadership.org.md)

(i) Report on Respect of Human Rights in The Republic of Moldova, January 2001-January 2002, (ii) Progress Report on the implementation of the "Training for Policemen in the Domain of Human Rights Respect" August 2002-February 2003, Moldovan Helsinki Committee for Human Rights

***C: Social Sectors***

Sida: (i) Evaluation 01/15, Follow up of Social Sector Support to Moldova

Zenit: Selected project reports

Social Investment Fund: (i) MSIF Beneficiaries opinion report, 2001, (ii) Specially prepared info sheets on selected micro-projects and financial information, (iii)

IOM: (i) Project Report: Combating Trafficking in Women, (ii) Specially prepared data on trafficking

Unicef: The situation of children and family in the Republic of Moldova, 2000-2001

***D: Private Sector (including infrastructure and agriculture)***

First Cadastre Project: (i) Midterm review, 2001, (ii) Strategy for long term sustainability, 2002, (iii) World Bank Aide Memoire 2002,

SwdPower/FVB: (i) Pilot Projects for Improved Heating of Public and Residential Buildings, (ii) Strategic Heating Options in Moldova, Final Report, 2001.

Swedefarm: Final Report, Institutional Strengthening of CPC, July 2002

SweRoad: Technical Assistance to the Road Sector, Republic of Moldova, Interim Report 1 and 2, 2003

***E: Economic Transition***

County Lbor Board: Working Reports No 2-7, Labor Market Project

Lernia: Project material for Moldovian Vocational Training Project

SPM Consultants: Final progress report on the first stage of the project “Support of the Court of Accounts in Moldova”, 2002

Gutta Club: Special material on implementation of the Green teachers Network

<b>Annex 4 - Moldova: Sida funding allocations, by main topic, activity and year, thousands of SEK</b>									
<i>Topic/ Activity / Decision memo number / Year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002-2/03</i>	<i>Total</i>	
<b>Grand Total</b>	<b>1642</b>	<b>3653</b>	<b>34304</b>	<b>15288</b>	<b>38639</b>	<b>36204</b>	<b>53032</b>	<b>182764</b>	
<b>1. Democratic Governance</b>	<b>1052</b>	<b>1993</b>	<b>4236</b>	<b>2227</b>	<b>10540</b>	<b>6901</b>	<b>5620</b>	<b>32569</b>	
Democracy and Local Governance Project (UNDP)	1000							1000	
Election observers, 269/96, 295/96, 53/98,	52		73					125	
Local government/Public administration, 262/97, 332/97, 263/98, 139/99, 383/99, 118/00, 87/01, 512/02, 114/03		743	2675	893	2760	4901	3960	15932	
Court of Accounts, 50/97, 159/00		1250			2780			4030	
Combating Trafficking of Women, 494/01						2000		2000	
HR training police, 191/02							1660	1660	
Human rights seminar, 92/99				150				150	
“Women can” fair, 140/98			70					70	
Women leadership, 341/98, 468/99, 605/00			1418	1184	5000			7602	
<b>2. Social Service Sector</b>	<b>0</b>	<b>100</b>	<b>14158</b>	<b>9970</b>	<b>11082</b>	<b>5695</b>	<b>16043</b>	<b>57048</b>	
Social sector preparation studies, 238/97, 182/98		100	123					223	
Care for elderly and disabled / Social Support committee, 75/99, 148/00, 192/02, 582/02				3970	2213		6609	12792	
Children and teenagers at risk 562/98, 149/00, 168/02			1660		3040		5970	10670	
Children's institutions, 567/98, 402/00, 665/02			1500		2814		780	5094	
Social Investment Fund World Bank, children, 51/98, 288/99, 551/00			4000	6000	2950			12950	
Prevention of TBC, HIV/Aids, 49/01, 576/01, 561/02						5490	184	5674	
Social protection policy, 259/01, 508/01, 76/02						205	2250	2455	
Social sector seminars, 228/02							150	150	
Drug prevention pilot, 597/00, 646/02					65		100	165	
Swedish Institute: University cooperation and scholarships, 402/98,			6105					6105	
Swedish Institute: Culture Civic society cooperation, 491/98			770					770	

<b>Annex 4 - Moldova: Sida funding allocations, by main topic, activity and year, thousands of SEK</b>									
<i>Topic/ Activity / Decision memo number / Year</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002- 2/03</i>	<i>Total</i>	
<b>3. Private sector/business, infra and agriculture, environment</b>	<b>0</b>	<b>1560</b>	<b>14230</b>	<b>1243</b>	<b>8067</b>	<b>20710</b>	<b>17193</b>	<b>63003</b>	
Road maintenance, 522/01						3155		3155	
Green teachers network, 549/02							1140	1140	
Business support, 254/00, 519/00, 373/00, 531/02					3067		4430	7494	
Rural advisory and banking, 389/02, 811/02							5260	5260	
Energy II Project, 316/00, 88/01, 260/01, 575/01, 366/02					3000	1352	6363	10715	
Rural energy efficiency, social investment fund, 552/00					1100			1100	
Cadastral, 229/97, 387/98, 403/98, 479/99, 147/00, 605/01		1560	14230	1243	900	16203		34136	
<b>4. Economic reform and debt relief</b>	<b>590</b>		<b>1680</b>	<b>1848</b>	<b>8950</b>	<b>2898</b>	<b>14178</b>	<b>30144</b>	
Country Dialogue, 412/02							475	475	
Support to economic reforms, study, 489/02							140	140	
Statistics, 315/96, 63/01, 308/01, 309/01	590					2898		3488	
Migration feasibility, 668/02, 77/03							361	361	
Labor market, 577/00					3200			3200	
Vocational training, 392/98, 320/00, 169/02			1680	126	3500		5000	10180	
Macroeconomic study, 65/99								126	
Debt management 1,2 and 3, 29/99, 260/00, 644/01, plus study on institutional capacity 2002				1722	2250		102	4074	
Eurobond restructuring, 289/02							3300	3300	
Debt negotiations, 576/02							4800	4800	



*Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.*



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