



# Evaluation of the European Union's cooperation with the Republic of Moldova (2014-2020)

Final Report  
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**Evaluation of the European Union's cooperation with Republic of  
Moldova (2014-2020)**

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***The opinions expressed in this document represent the authors' points  
of view which are not necessarily shared by the European Commission  
or by the authorities of the countries involved***

# FINAL EVALUATION REPORT

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## Abbreviations and acronyms

AA	Association Agreement
AAP	Annual Action Programme
ADA	Austrian Development Agency
AIPA	Agency for Intervention and Payments in Agriculture Agenția de Intervenție și Plăți pentru Agricultură
ANSA	National Agency for Food Safety Agenția Națională pentru Siguranța Alimentelor
CBM	Confidence-Building Measures
CEPEJ	Council of Europe European Commission for the Efficiency of Justice
CoE	Council of Europe
CRDIP	The Republican Centre for Development of Vocational Education
CSO	Civil Society Organisation
DCFTA	Deep and Comprehensive Free Trade Area
DEVAM	DEVAM
DG ECFIN	Directorate-General for Economic and Financial Affairs
DG NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEAS	European External Action Service
EEF	Energy Efficiency Fund
EIB	European Investment Bank
ENI	European Neighbourhood Instrument
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
ENPARD	European Neighbourhood Programme for Agriculture and Rural Development
EQ	Evaluation question
ESRA	Economic Stimulation in Rural Areas
ET	Evaluation team
EU	European Union
EUBAM	European Union Border Assistance Mission to Moldova and Ukraine
EUD	European Union Delegation
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit German development agency

GRECO	Group of States against Corruption
HE	Higher education
HLA	High-level adviser
IFIs	International Financial Institutions
IMF	International Monetary Fund
KfW	Kreditanstalt fuer Wiederaufbau – German Development Bank
LAG	Local action group
LEADER	Liaison Entre Actions de Développement de l'Economie Rurale
MARDE	Ministry of Agriculture, Regional Development and Environment
MDGs	Millennium Development Goals
MECR	Ministry of Education, Culture and Research
MoE	Ministry of Environment
MoEI	Ministry of Economy and Infrastructure
NARD	National Agency for Research and Development
NGO	Non-governmental organisation
NIF	Neighbourhood Investment Facility
NIJ	National Institute of Justice
ODIMM	Organisation for Small and Medium Enterprises Sector Development
OECD/DAC	Organisation for Economic Co-operation/Development Assistance Committee
OSCE	Organization for Security and Co-operation in Europe
OSs	Occupational standards
PFM	Public financial management
R&I	Research and innovation
ROM	Results-Oriented Monitoring
SCM	Superior Council of Magistracy
SFM	Soros Foundation, Moldova
SIGMA	Support for Improvement in Governance and Management
SMEs	Small and medium enterprises
SPSP	Sector Policy Support Programme
SSF	Single Support Framework
TA	Technical Assistance
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
VET	Vocational Education and Training
VLAP	Visa Liberalisation Action Plans
WASH	Water and Sanitation Hygiene
WHO	World Health Organization



## Abstract

This evaluation provides an assessment of the European Union's cooperation with the Republic of Moldova (hereinafter referred to as 'Moldova') under their Association Agreement between 2014 and 2020. It covers policy dialogue and all types of financial assistance. It addresses 10 evaluation questions to ensure accountability and inform learning.

The evaluation used secondary documentation, interviews and a survey covering the following areas of cooperation; agriculture and rural development; governance; infrastructure, energy and climate change; education, mobility and people-to-people contacts; business environment; civil society; and the Transnistria region of the Republic of Moldova.<sup>1</sup> The analysis based on the European Union's (EU's) intervention logic confirmed that EU cooperation has contributed to tangible changes in the action of state authorities and civil society partners in the respective sectors. This analysis yielded transversal insights on what worked in this cooperation, why and how cooperation may be further optimised.

The findings confirm the relevance and map the evolution of the EU's overall strategy in Moldova. They demonstrate the positive contribution of the EU to reforms and to important improvements in the lives of Moldovan citizens. The findings also identify factors hampering the impact of this cooperation, and avenues to strengthen the design, implementation and monitoring of support programmes coupled with sustained political dialogue. While the findings and recommendations are directly pertinent for Moldova, they could be of interest to the EU, national authorities and practitioners working in the EU's neighbourhood.

<sup>1</sup> Please note that the EU supports a comprehensive, peaceful settlement based on the sovereignty and territorial integrity of Moldova with a special status for Transnistria.

# Executive summary

## ***Objectives of the evaluation***

This report presents the strategic country-level evaluation of the European Union's (EU's) cooperation with Moldova over the period 2014-2020, including two Single Support Frameworks (2014-2017; 2017-2020). By assessing the performance, coherence and coordination of EU support in Moldova, the evaluation aims to support accountability and learning for future cooperation policy and programming. It covers national-level cooperation and regional cooperation in Moldova, including both policy dialogue and financial assistance. Recommendations are targeted, respectively, to the various sectors of cooperation, and to the overall policy and programming of the EU towards Moldova.

## ***Context and challenges of the evaluation***

The evaluation's findings and recommendations are published in the context of the EU's future programming and policy towards Moldova in the 2021-2027 Multiannual Financial Framework. The evaluation took place with this organisational context in mind, but it was during a troubled period for Moldova and the world. The launch of the exercise took place from February 2020 to August 2021, during the outbreak of the COVID-19 pandemic, which has hit Moldova hard. Our research was affected by the impossibility to conduct in-country work and by the disruptions caused by the pandemic for our interlocutors. Moldova's presidential elections took place during the evaluation and were followed by a protracted period of uncertainty, anticipated parliamentary elections and political volatility. This polarised context had to be considered by the evaluation team in its interaction with a wide range of stakeholders.

## ***Methodology***

Through 10 evaluation questions, the evaluation addressed seven sectors of cooperation (agriculture and rural development; governance; energy, infrastructure and climate change; education; business environment; civil society; and the Transnistria region).<sup>2</sup> It also tackled cross-cutting issues pertaining to all sectors.

The evaluation conducted online semi-structured interviews with 168 interviewees from the very start of the exercise. It conducted an online open survey, which collected 3,689 responses from all regions of Moldova and varied social backgrounds. It examined numerous documents, including a large portfolio of EU programmatic and policy documents, government publications and statistics, intergovernmental organisations' reports and data, civil society publications and media content. It also performed a media analysis on the Transnistria region. The data was analysed first through the evaluation questions and relevant indicators to inform the dedicated annex, then re-examined using contribution analysis from a strategic perspective for the main report.

## ***Key findings clustered by major issues***

Between 2014 and 2020, the EU developed complex programmes for its cooperation with Moldova, worth over EUR 1 billion in planned amounts. This cooperation has been aligned with the country's strategic vision, first, because EU assistance contributes to the formation of national strategic documents, and harmonises the way in which these are developed. Second, policy dialogue backed by financial assistance is informed by the country's priorities as expressed in its development strategies and in political dialogue with the EU. This has been the case, for instance, when it comes to vocational education and training (VET), police reform and water supply. There are gaps in some areas – for instance, the absence of a justice reform strategy since 2016, despite the EU's support and the existence of a draft.

<sup>2</sup> Please note that the EU supports a comprehensive, peaceful settlement based on the sovereignty and territorial integrity of Moldova with a special status for Transnistria

Yet cooperation with the EU has by and large incentivised the development of Moldova's national strategies in line with EU standards and values.

Flowing from this approach, the EU has contributed to a stronger legal framework, mostly compliant with European standards in all sectors. Results range from sanitary and phytosanitary norms, and laws on energy, to the establishment of anti-corruption institutions, and legislation on public finance management (PFM). The EU has helped to define institutional frameworks and division of responsibilities, build capacity in existing institutions, and operationalise new institutions in all sectors, with varying degrees of success.

During the first half of the period 2014-2020, the EU placed relative emphasis on the policy and legal framework. During the second half, the EU increasingly experimented with engaging with a growing variety of Moldovan actors, building on the flexibility and reactivity of reprogramming after a series of scandals and difficulties in 2015 to 2017. To this end, the EU has intensified cooperation with civil servants at technical level, judicial practitioners, local governance actors, local civil society organisations (CSOs) and small business owners. The support provided to CSOs through the Civil Society Facility (CSF), the Support Programme to Police Sector Reform (with the General Police Inspectorate as one of the main stakeholders), the training of judges and prosecutors, the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) and LEADER programmes, or the (regional) blended financial facilities supporting small and medium enterprises (SMEs), are but a few examples of how the EU has supported this drive for change. In this way, EU programmes have accelerated the emergence of agents of change in all sectors. EU support for civil society has kept many CSOs active as providers of policy input, as policy watchdogs, as representatives of vulnerable groups, and as providers of services to communities. This broad-based cooperation was backed by sizeable investments and varied project modalities. With positive precedents and experiences in a range of areas, EU support contributed to improving the services delivered to the citizens and rights holders. For instance, 70 police stations and 250 public schools were refurbished. Trust in the police increased from 25.4% in October 2016 to 41% in October 2020. EU support enabled direct access to improved water and sanitation services provision for about 1.4 million citizens. More than 2.5 million Moldovans benefited from a visa-free regime in the Transnistria region of Moldova.

These interventions took place in a highly polarised society, and a divided political landscape, with strong and diverging opinions regarding Moldova's relations with the EU. Two trends – stronger popular support for EU approximation and conflicting incentives of stakeholders – coexist in a complex and intertwined manner and can be traced in the policy documents, the legal framework (legislative, regulatory) and the institutional set-up (structures, processes).

Through this period, the EU's move towards more people-oriented local support, backed up by innovative efforts in strategic communication, has contributed to the gradual emergence of a clear majority of citizens who trust the EU's intentions and appreciate its support. 66% of respondents to our survey think the EU provides tangible benefits in peoples' lives; 74% trust its good intentions, and 68% trust its capacity to deliver. Currently, there is a growing demand for change in society by champions among political, civil service and civil society actors, along the lines of the model of values and standards offered by the EU. There are aspirations for the public and private spheres to be governed by the rule of law, democratic decision-making and consensus-building at all levels, and for inclusive and sustainable socio-economic development.

At the same time, the EU's day-to-day partners – decision-makers at all levels – are subjected to competing driving forces and incentives which jeopardise their commitment to EU-supported policies and laws, and which endanger the reliability of cooperation.

A system of loyalties driven by collusion of private and political interests strives to subjugate and compromise decision-makers to varying degrees, virtually at all levels and in all sectors, despite the series of EU programmes for preventing and combating corruption, and increasing the performance and accountability of judicial practitioners and civil servants. The EU has reacted strongly to manifestations

of this phenomenon, when backsliding was identified in the rule of law and democracy. Budget support operations were paused in 2015, and resumed in 2016. In 2018, budget support operations were again paused in response to the invalidation of the Chisinau mayoral elections. The impact of the EU's interventions has been curtailed by conflicting incentives; by loopholes in the normative framework (the set of policies, legislation and regulations relevant to a sector) in all sectors; by the slowness of implementation of this normative framework; by resistance to change and mixed loyalties in key institutions (e.g. in the justice system); by paralysing systems of checks and balances (e.g. in the anti-corruption sector); and by the limits to its partners' absorption capacity particularly at the local level (local self-governance units, small entrepreneurs, farmers, potential employers of new graduates of vocational education and training).

The existing programming tools of the EU are based on a logical framework approach, which is not an optimal tool to adequately capture the complex context of Moldova, or to devise the in-depth change-oriented response that many actors call for. Programming documents are difficult to link to one another, and their systems of indicators do not always readily capture change. This is mirrored in the reporting and monitoring exercised by the EU: despite the existence of results-oriented monitoring (ROM), most of the reports remain narrative. They do not consistently identify changes that occur, or how the action has contributed to them. Part of these shortcomings are related to the tools placed at the disposal of the cooperation staff of the EU, and to the workload associated with the varied mix of modalities. The structure of the sectors and results addressed by EU's action-level programming documents is not always consistent, which did not help overcome programming and monitoring changes. Various Moldovan officials also voiced the perception that, despite reporting and dialogue, the complex financial processes of the EU remained difficult to follow and connect to result areas.

### ***Conclusions and lessons learned***

The EU's cooperation with Moldova has demonstrated resilience to major shocks both internal, from political instability and corruption scandals within Moldova, and external, from the economic crisis and the COVID-19 pandemic. This was largely thanks to the mix of modalities. The EU has gradually adapted these modalities to the context, through its multi-year programming cycles. It has also redirected some support to the local level, directly targeting Moldovan citizens. This adjustment has greatly benefited from a rare example of multi-donor joint programming exercise. The EU managed to boost the perception of its activities with proactive communication. It has successfully used conditionalities to demonstrate its commitment to the values embodied in the Association Agreement (AA) with Moldova, and to encourage reforms.

The EU's cooperation with Moldova interacts with stakeholders who are caught in a subtle balance between opposing political and private forces and interests. By training and promoting the agents of change in all sectors, by changing the incentive structures through both political dialogue and financial assistance, by exposing backsliding on commitments, by successfully advocating to harmonise the normative and institutional framework to European standards, and sometimes by providing direct services and support to Moldovan citizens, the EU de facto affects this balance.

The EU's intervention is therefore by and large positive, coherent and relevant. It has shown demonstrable results. For instance, thanks to improved competitiveness of agricultural products, standards harmonisation, investment and trade facilitation, the EU is Moldova's largest trading partner and biggest investor in the country. In 2020, the EU accounted for approximately 67% of total exports and 53% of total trade. EU-supported SMEs generated additional income of EUR 345 million, created 21,926 new jobs, and increased exports by 3%. The Transnistria region records social rapprochement through social enterprises and small enterprises, backed with infrastructure such as bridge rehabilitation enabling 60,000 people to safely move across the river.

Yet, cooperation between the EU and Moldova has not been able to overcome the considerable challenges it faced: this cooperation has therefore not contributed tangibly to durable, perceptible

changes for citizens in key areas such as anti-corruption, justice, diversification of the rural economy, or employability of vocational and training graduates. When EU assistance directly targeted citizens, impact was evident. But the competing system of loyalties and private interests often held back the services and rights which depend on effective, efficient, accountable and participatory governance.

In addition, the EU's cooperation with Moldova is not always clearly articulated. The EU lacks the analytical and programming tools to fully capture how its own intervention interacts with and influences changes in Moldova. The formal and informal systems of governance which frame the context of the EU interventions are not explicitly addressed and analysed, the chain of expected changes is not elaborated, and there is no clear link between assumptions and expected changes. As a consequence, the pivotal logic of EU support is sometimes difficult for the EU's partners to understand.

Importantly, it is also difficult for the EU to monitor and demonstrate progress towards change, and the way its interventions interact with a complex and challenging environment. EU cooperation with third countries could become more agile and more resilient if it were empowered organisationally to adopt a change-based approach, from analysis to programming and intervention. EU cooperation with Moldova needs to penetrate deeper into the public administration, justice and law enforcement sectors, and invest increasingly in the local and technical levels of society and governance.

### ***Recommendations to the EU***

- 1. Continue to base actions on coherent, coordinated analysis of the implementation context:** Moldova faces multiple problems, especially in the field of justice and governance, that are closely linked with the existence of an informal system of governance. This parallel system creates political, financial, professional and other incentives that contradict or compete with the common objectives of Moldova and the EU, as expressed in the Association Agreement. To overcome this challenge, programming must be underpinned by strong awareness of the actors, their incentives, and the impact that the ongoing international assistance has on these actors' incentives. Joint analysis and programming with the EU Member States, and Moldova's other international cooperation partners has been good practice and should continue as it has in 2020. It is also in line with the Team Europe approach of the EU and its Member States. An open and frank exchange of opinions concerning the implementation context must become an integral element of the policy dialogue with the Government of Moldova (hereinafter 'the government'). This should continue to be backed up with strict, and consistently applied, conditionalities.
- 2. Root the programming in the country-specific theory of change, first at country level, then at action level: this requires a shift in programming at DG NEAR level (not only for cooperation with Moldova):** This approach explicitly links the programming actions with the results of the implementation context analysis, through coherent, paced steps of change, spelling out the intermediate results to be achieved and linking them explicitly to the overall projected impact of the EU support to Moldova. Theories of change must clearly link internal and external assumptions to each level of change. Action-specific theories of change should clearly relate to the country-level theory of change. This approach would also contribute to harmonising and rationalising the structure of the European Commission (EC) implementing decisions, by delineating consistent thematic intervention areas, and clarifying the levels of changes.
- 3. In future programmes on governance, take (and encourage the government to take) a change management approach:** Highly complementary with the theory of change approach, based on the implementation context analysis, change management focuses on actors, their interests, and on the gradual transformation of their incentive structure to diminish the impact of informal governance while augmenting their absorption capacity. Through the change management prism, the governance institutions are seen dynamically, through the interplay of actors in business processes, rather than mainly through the prism of the regulatory framework, or institutional structures. Such an approach would also help overcome the difficulties in horizontal cooperation among and within institutions, and to work on the creation of horizontal collaboration platforms between various institutions (both within



and outside the government: for example, civil society, think tanks) towards the common objectives in the field of governance.

4. **Reach out to under-supported institutions and processes in the field of justice and governance, and support institutional stability:** If and when implementing recommendation 3, the European Union should place emphasis on comprehensive, in-depth assistance to law-making processes (including legislative impact assessments) and more support for the defence pillar of the justice sector and to the national human rights institutions would allow the EC support to impact hitherto less covered areas of the governance sector. This would increase the opportunities for identifying the agents of change, and, possibly, for encouraging change in the areas that have experienced backlogs. Institutional stability in areas such as anti-corruption should be supported, creating incentives for the professionals to act predictably within their defined areas of competence.
5. **Launch active policy dialogue with the government on decentralisation and offer long-term support to subsequent efforts depending on the outcomes of this dialogue, should there be political ownership:** Decentralisation of governance is a proven way of bringing the locus of public administration closer to the level of citizens and may also help to short-circuit some of the persistent parallel loyalties which compete with good governance. The government would benefit from the wealth of experience in the EU Member States in this area. Once the policy is adopted, and perhaps even at the pilot stage, specific areas of EC programming should be rethought with decentralisation in mind, especially in terms of support to civil society (in areas of oversight, direct support to citizens, in policy-making at the local level, etc.), as well as to business associations, vocational education and training (VET).
6. **In agriculture, support the adaptation of national policy so that it addresses the needs of rural communities more comprehensively, having in mind the impact of climate change:** National policy and EC support to competitiveness of the agricultural sector should continue, but be extended beyond aid to export generation, to include supporting the livelihoods of agricultural workers in the short to medium term (e.g. through diversification of cultures, alternative rural revenue sources and boosting of food security), diversify income sources in rural areas, and also to take into consideration the potential impacts of climate change.
7. **Take a more holistic approach in supporting private sector development by linking up ongoing support to innovation, 'greening' and circular economy:** This should be done by encouraging more comprehensive policy that will bring together scattered efforts in agriculture, encourage women entrepreneurs, cross-river business exchanges and partnerships efforts and to ensure that VET responds better to the market needs. The EU should continue to offer support in the form of credit lines and business support services to innovative enterprises, while encouraging the return of qualified Moldovans.
8. **Support efforts in the education sector that make the already created VET institutions better linked to market demand, and that build the capacity of the Moldovan higher education institutions to integrate closer into EU education and research programmes, such as Erasmus+ and Horizon Europe:** In order to further advance education reforms, professional and higher education institutions should become more deeply embedded in the labour market. VET programmes, after considerable progress, should be geared towards market demand, while stagnation in numbers of Moldovan participants in education projects must be overcome through improved coordination between the national institutions, capacity-building for managers and incentives for participants.
9. **Encourage the government to take a 'nexus approach' to water and sanitation, energy, food security, environment, and climate, stressing the inter-relations between various sectors and supporting initiatives which take this integrated approach.** Assistance should move away from stop-gap, emergency interventions in this area and towards a more coherent policy and, therefore, a more strategic, coherent approach. Collaboration with national authorities and champions of change is crucial in developing the relevant policies and translating them into programmes with a high degree of national ownership.

10. **Continue grants funding the confidence-building measures (CBM) programme, keeping a cross-sectoral approach including education, agriculture, water and sanitation sectors, accenting the role of private enterprises and civil society:** The CBM programme has proven very productive in promoting cross-river cooperation and dialogue, but the achievements remain fragile, and are further imperilled by the ongoing pandemic and resulting economic downturn. At this stage, it is advisable to implement the new cycle of CBM programmes, while seeking possibilities of linking them more closely with the political dialogue on conflict settlement.

# 1. Introduction

## 1.1 Objectives of the evaluation

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The objectives of the evaluation are threefold:

1. Assess the performance (relevance, efficiency, effectiveness, coherence, impact, sustainability and EU value added) of EU support (policy dialogue and financial assistance).
2. Assess the coherence, complementarity and coordination of EU interventions financed from the European Neighbourhood and Partnership Instrument/European Neighbourhood Policy (ENPI/ ENP) with other actions financed from other EU instruments, actions carried out by Member States, regional and international donors (state and/or international organisations).
3. Provide recommendations for future programming and policy purposes, in the next multiannual financial framework and in the context of the Commission proposal for the Neighbourhood, Development and International Cooperation Instrument.

The evaluation focuses on the 2014-2017 and the 2017-2020 Single Support Frameworks (SSFs) under the Association Agreement between the EU and the Republic of Moldova (hereafter referred to as 'Moldova').

The evaluation has a range of users with various needs and interests. The evaluation team has carefully considered each of these; for example, the European Commission (DG NEAR, European External Action Service (EEAS); various line Directorates-General (DGs), the EU Delegation (EUD) in Moldova); the Government of the Republic of Moldova (hereinafter the government); the Parliament of the Government of Moldova; civil society organisations (CSOs) and economic actors including small and medium enterprises (SMEs), media and the general public in Moldova.

## 1.2 Scope of the evaluation

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**The geographical scope** of the evaluation covers spending and non-spending activities carried out by the EU within the territory of Moldova including the Transnistria region, in line with Art 462(2) of the Association Agreement. Activities stemming from regional, cross-border and multi-country programmes are also evaluated, from the point of view of their mutual coherence with bilateral cooperation. This evaluation will not assess their respective efficiency, effectiveness, impact or sustainability as a whole, but will be limited to their interaction with the bilateral cooperation with Moldova.

**The temporal scope** covers all EU cooperation with Moldova 2014-2020 (including any project, programme or contract starting in 2020) in all sectors. It is too soon to assess impact and sustainability for projects, programmes and contracts not yet completed, or completed less than one year before the launch of this evaluation.

**The programmatic scope** includes all cooperation activities, both spending and non-spending, pertaining to the 2014-2017 and 2017-2020 Single Support Frameworks, including bilateral country cooperation, regional and cross-border cooperation and thematic programmes. The evaluation also includes all programmes implemented in the framework of the country's annual action programmes, as well as regional and multi-country action programmes funded under the ENPI falling within the intervention logic of EU–Moldova cooperation.

Regional cooperation includes Eastern Partnership (EaP) programmes supporting various sectors in the intervention logic, such as SMEs, energy, transport, environment, access to finance and rule of law. The Deep and Comprehensive Free Trade Area (DCFTA) facility under the EU4business programme is



considered from the angles of relevance, efficiency and effectiveness, as well as impact on the businesses concerned. Other relevant regional cooperation programmes include cross-border cooperation programmes such as the Black Sea Synergy initiative, the Romania–Ukraine–Moldova ENPI Land-Border Programme, the Joint Operational Program Romania–Republic of Moldova 2014-2020, and the Danube Transnational Programme, in as much as they contribute to the objectives and priorities defined under EU–Moldova agreements. Also, the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) is considered.

The evaluation also assesses cooperation through the European Instrument for Democracy and Human Rights, Instrument Contributing to Stability and Peace, CSOs and local authorities, human development, and migration and asylum.

**The thematic scope** includes the main cooperation areas/sectors of the EU and Moldova, as outlined in the evaluation questions.

### 1.3 Transversal questions

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1. **EQ1.** To what extent was the EU's cooperation with Moldova **relevant** to national/local needs and coherent with EU long-term policy objectives including in particular the Association Agreement? **Focus areas: coherence and relevance**, at EU strategic level (EU objectives), at national policy level (national strategies and policy alignment), and at broader contextual level (with needs and expectations identified in Moldova, in particular through monitoring and communication with Moldovan citizens. This includes especially the needs related to gender equality and the empowerment of women, and the needs of vulnerable/underserved groups).
2. **EQ2.** To what extent was EU–Moldova bilateral cooperation **coherent with and complementary** to regional and cross-border programmes and other EU instruments, as well as with interventions of EU Member States and other donors, including in particular international financial institutions? **Focus areas: internal coherence and efficiency of the various types of cooperation** (bilateral, regional, cross-border) and synergies with other cooperation actors in Moldova.
3. **EQ3.** To what extent have the **various aid modalities and financial instruments** and their combinations been, and are at present **appropriate** in view of achieving the objectives of EU cooperation with Moldova? **Focus areas: Coherence and efficiency of the various cooperation instruments and modalities.**

### 1.4 Sectoral questions

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1. **EQ4.** To what extent has the EU support to Moldova contributed to achieving an increase in the competitiveness of the **agri-food sector** and the diversification of economic activity in rural areas, in line with strategic objectives? **Focus areas: agriculture and rural development.**
2. **EQ5.** To what extent has the EU support to Moldova contributed to strengthening the **democratic institutions and good governance, including the rule of law**? **Focus areas: public administration reform** (including decentralisation, civil service reform, public financial management and fight against corruption), **rule of law** (including internal affairs and the judiciary, as well as human rights and fundamental freedoms).
3. **EQ6.** To what extent has the EU support to Moldova contributed to **better connectivity, increased energy security, energy efficiency, the protection of environment and combatting climate change**? **Focus area: energy efficiency, transport, environment, and climate.**
4. **EQ7.** To what extent has the EU support to Moldova contributed to **increased mobility and people-to-people contacts among targeted groups**? **Focus area: education, training and youth, VLAP.**<sup>3</sup>

<sup>3</sup> VLAP = Visa Liberalisation Action Plans.

5. **EQ8.** To what extent has EU support to Moldova has contributed to improved **business environment**? **Focus areas: improved business environment and investment climate.**
6. **EQ9.** To what extent has the EU support to Moldova contributed to achieving tangible progress towards a viable solution to the **Transnistria conflict**?
7. **EQ10.** To what extent has the EU support to Moldova contributed to a **strengthened role of independent civil society** actively participating in decision and policy-making, monitoring and oversight in Moldova, in its priority area and the implementation processes of the EU–Moldova Association Agreement?

## 2. Key methodological elements

### 2.1 Overall methodological approach

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This evaluation was purposive and participative to ensure learning and to inform decision-making. The methodology drew from the analysis of the evaluation users and stakeholders, by building on **several participation and consultation mechanisms**. It aims for **methodological reliability** of its results by ensuring that findings on each evaluation question is supported by triangulated data. This called for a robust data collection strategy that was sufficiently comprehensive and varied enough, while remaining feasible and focused.

The evaluation collected both primary and secondary data sources and as far as **possible, it relied on primary data which already existed**. Practically, this approach materialised through the utilisation of **sampling**: through selecting sample interventions, to generate primary data where necessary. For the entire evaluation portfolio, the evaluation relied on existing data – with the notable exceptions of a small range of general interviews, and a public survey.

The set of data collection tools included:

1. Document review of existing documents on the sampled interventions and existing documents on the general portfolio.
2. 134 semi-structured interviews (reaching 168 interviewees) with a wide range of complementary informants.
3. A **public opinion survey on the impact of EU–Moldova cooperation**. This survey was created by the evaluation team (ET) in SurveyMonkey™, administered online in Romanian and Russian languages, open and anonymous. The evaluation resulted in a very strong response with 3,689 people completing the survey.
4. A media analysis covering the Transnistria region.
5. One online focus group with a contribution agreement partner.<sup>4</sup>

#### 2.1.1 Sampling approach

The evaluation sampled a set of interventions (each intervention including a core programme and a set of complementary programmes) amounting to 54 contracts, which are both important and representative of the portfolio. The sampled interventions total **EUR 429,337,967**. Out of this planned amount, by October 2020 EUR 193,630,553 had been spent (noting that several sampled programmes are still in

<sup>4</sup> Further focus groups were also envisaged by the inception report, in the hypothesis of a field mission before the end of year. This option was no longer feasible in view of the restrictions and risks linked with the COVID pandemic. Based on experience, online sector-specific focus groups with stakeholders tend to yield poorer data than individual interviews, because online discussion does not lend itself to brainstorming dynamics. Therefore, the ET increased online interviews instead.

progress). **The sample of interventions form the keystone of this evaluation by providing stories of changes which confirm or disprove the realisation of the intervention logic.**

The **sampling criteria** designed in consultation with the EUD during the inception phase, are included in Annex 5.

**Volume of funding:** this criterion pointed to a few key interventions, which must be included in the sample (e.g. in the agriculture and rural development sector, ENPARD has to be covered because the volume of funding exceeds that of most programmes in the portfolio). For instance, the projects included in the most expensive top 10% will be included in the sample. The sampling criteria ensured both feasibility and representativeness of the sampled interventions, the ET sampled 54 interventions<sup>5</sup> (including budget support programmes, blending operations, technical assistance (TA) projects, Twinning projects, grants to CSOs, and contribution agreements with international organisations). To meet the requirements to learn from the most recent interventions (as being most representative of their current approach) and because of availability of resource persons and documents, the sample over-represents recent and ongoing projects. The advice and support of the EUD, and the opinions of key stakeholders among beneficiary institutions and organisations pointed the team towards the most important interventions.

### 2.1.2 Type of informants reached through interviews and survey

Please refer to Annex 3 for a summary of the type and demographics informants reached through interview (168 interviewees) and to Annex volume 2 for a summary of the informants reached by survey (3,689 respondents).

### 2.1.3 Data collection and analysis and the impact of the COVID-19 crisis

The cornerstone of this evaluation is the intervention logic of the EU in its cooperation with Moldova through the strategic planning and the implementation of two consecutive SSFs. During the inception phase, the ET reconstructed this intervention logic in cooperation with the EUD and DG NEAR.

The strategic evaluation meant that the sector analysis (EQs 4 to 10) provided both an assessment of the changes that occurred in the respective sectors as intended by the intervention logic and an assessment of the contribution the EU made to these changes. Within this contribution analysis, the ET analysed the assumptions made by the EU's intervention logic in Moldova. This factor analysis informed the answer to the transversal evaluation questions (EQs 1 to 3), and therefore yielded strategic lessons learned on the political dialogue, strategic planning, programming and implementation modalities.

The evaluation matrix, presented during the inception phase, mirrors this approach. The judgment criteria under each evaluation question enabled an analysis of the EU's contribution to outcome-level changes envisaged by the intervention logic (contribution analysis), inroads into their long-term impact, and the understanding of why and how this contribution was made possible (factor analysis). As a result of the data collection and review, the judgment criteria under each evaluation question were maintained. The indicators were designed to serve the analysis of each individual judgment criterion, while considering the feasibility of data collection.

<sup>5</sup> Please refer to Annex 5 for details of the selected interventions.

## 2.1.4 Challenges and limitations

Table 1: Challenges encountered, and remedial action taken

Challenges which were not fully remedied	Remedial action taken
It was very arduous to list all interventions covered by the evaluation Past programmes were difficult to document due to high staff turnover	The ET relied on the EUD to provide documentation. The ET did not receive all final reports of sampled or other important interventions because they were not issued yet or because they were not available. Most interviewees had little awareness of programmes closed before 2019.
The data shared by the EUD and the Geographic Desk regarding paid amounts was not comprehensive, especially for regional and cross-border cooperation programmes. The Ministry of Finance flagged the same challenge	Where it is ascertained that committed amounts were not fully spent, as is the case in budget support, this aspect has been reviewed and analysed. However, for the sake of comparability, the data used for the review of portfolio and intervention logic is based on planned amounts of EC contributions.
Due to COVID-19 crisis the ET was unable to travel to Chisinau during the evaluation, to meet with key counterparts and conduct face-to-face interviews	This shortcoming was partly compensated by online interviews.

As a result of these challenges, the evaluation process was longer than expected. To retain a high level of reliability, the ET refrained from reporting what could not be fully demonstrated.

For a thorough portfolio overview and intervention logic, please refer to Annex 6 of the report.

## 3. Main findings

### 3.1 Transversal evaluation questions

#### 3.1.1 EQ1: Relevance and coherence

*To what extent was the EU's cooperation with Moldova relevant to national/local needs and coherent with EU long-term policy objectives including in particular the Association Agreement?*

**Finding 1.1: The strategic levels (outcome, impact and purpose) of the EU's intervention logic in Moldova have remained constant. They were consistent with and relevant to the EU's policy and strategic objectives and the general strategy of the government**

Cooperation between the EU and Moldova is fully in line with the EU's Eastern Partnership (EaP), and with the government's overall strategy. The Association Agreement (AA), as the key strategic document channelling this cooperation, was requested by the government, and its overall vision is in line with the 'Moldova 2020' National Development Strategy and with its successor, the draft Moldova 2030 Development Strategy.<sup>6</sup> This demonstrates cross-fertilisation between the strategic vision of the country, and that of EU–Moldova cooperation.

The purpose of EU cooperation with Moldova can be summarised as follows: Moldova becomes a stable democracy based on common values and having close economic, trade, human and political links with the EU. This is in line with the EaP, which aims to deepen and strengthen relations between the EU, its

<sup>6</sup> According to the mid-term evaluation report of National Development Strategy Moldova 2020, the Moldova 2020 strategy did not fully address all of the country's international commitments, including commitments stemming from the AA. The government launched the preparation of the National Development Strategy Moldova 2030 in order to bridge this gap. <https://www.md.undp.org/content/moldova/en/home/library/sdg/raport-de-evaluare-intermediar-a-strategiei-naionale-de-dezvolta.html> and <https://mei.gov.md/en/content/national-development-strategy-moldova-2030>

Member States and its six eastern neighbours, through stronger economy, stronger governance, stronger connectivity and stronger society. The impact level of this cooperation, defined in the Association Agreement and the Association Agenda, and reiterated in both successive Single Support Frameworks examined, is also fully relevant to the key components of the 20 Deliverables<sup>7</sup> (stronger economy, governance, connectivity and society) as it intends to support strong and functioning democratic institutions, rule of law and respect for fundamental right and freedoms, a dynamic, cohesive and sustainable economic and social development, a developed economy and increased market opportunities, and improved peace and security.

The content of the SSFs defines the key outcomes of this cooperation; it is, in turn, fully aligned with the 20 Deliverables for 2020, with the priority areas of the Association Agreement, and with the various targets of the EU–Moldova Association Agenda. EU financial cooperation with Moldova (above EUR 1 billion planned between 2014 and 2020, including national, cross-border and regional) is suitable to increase economic, infrastructural, legal, political and societal connections with the EU countries, diversifying the mutual dependencies which Moldova inherited from the Soviet period with Ukraine and the Russian Federation, and expanding its connections to EU Member States. There are small fluctuations from one SSF to the next, for instance in the education sector: the EU–Moldova Association Agreement contains provisions on all levels of education, with a special focus on higher education, but SSF 2014-2017 did not include education as a priority area, whereas the SSF 2017-2020 tackled VET. But when considering the actual implementation of both SSFs, and their overlap on the ground (because some actions foreseen under a previous SSF may end after the opening of the new SSF), the EU has constantly supported all sectors and sub-sectors targeted in the Association Agenda, and 19 out of the 20 deliverables.<sup>8</sup>

Likewise, the key areas defined by the 20 Deliverables and mirrored in the Association Agenda and the SSFs, are relevant to the Moldova 2020 National Development Strategy (applicable to the period covered by the evaluation): this strategy's 'vision of cohesive long-term sustainable economic development'<sup>9</sup> through coordinated and monitored improvements in the fields of education, finance, business, energy, pension system, justice, is aligned with the key areas of the 20 Deliverables. These priority areas are all supported through both SSFs (with the exception of the pension system, though the latter should indirectly benefit from improved public finance management).

**Finding 1.2: The programming levels (interventions and outputs) of the EU's intervention logic in Moldova have evolved thematically in line with the EU's and the government's strategic objectives and with lessons learned**

As presented in the introduction, the lower levels of the EU's intervention logic in Moldova have evolved from the first to the second SSF during the period covered by the evaluation. While the strategic objectives did not change, the outcomes' framework has become more complex to include a broader range of thematic areas. A review of the annual action programmes and their corresponding implementation decisions shows that at the heart of this evolution was an effort to support the governance sector more strongly, as a condition for improved policy-making and implementation of reforms in all areas, and as a stimulus for bringing the results of cooperation closer to the Moldovan citizens, by effecting tangible positive changes in their daily lives.

This led to renewed diversification of the thematic areas supported by the EU: from public administration, agriculture and rural development, police reform, and border management during the first period, the EU's annual action programmes moved on to cover institutional development and good governance; rule of law and security; connectivity; energy efficiency; environment and climate change; mobility and people-

<sup>7</sup> <https://www.consilium.europa.eu/en/policies/eastern-partnership/20-deliverables-for-2020/>.

<sup>8</sup> The exception being 'Establish an Eastern Partnership European school', which is not applicable to country-level cooperation, but was established regionally.

<sup>9</sup> Government of Moldova, Moldova 2020 National Development Strategy: seven solutions for economic growth and poverty reduction.



to-people contacts; visa liberalisation; education, training and research; economic development and market opportunities; sustainable and inclusive economic growth.<sup>10</sup>

In view of the delays and drawbacks in reforms, and the analysis of the trends in corruption, which came to be increasingly seen as a major impediment to advancing reforms, this diversification was particularly relevant and coherent.<sup>11</sup> It shows the EU's ability to react to monitoring and learning in its programming, while staying on target. These diversified programmatic areas and interventions, while evolving, remained fully in line with the Association Agenda and with Moldova's 2020 National Development Strategy. There was no contradiction between the thematic interventions and their targets on the one hand, and the common shared strategic objectives of the EU and the government on the other. The ET has not observed lack of focus or dispersion related to this diversification, because blending and macro-financial assistance resources, complementing reduced budget support and project modalities, came to ensure that the planned budgets remained commensurate to the broad array of activities addressed.

**Finding 1.3: The target groups of the EU's intervention logic have evolved, in line with lessons learned and priority areas, albeit slowly**

The thematic evolution of the EU's programming in Moldova reflects the lessons learned after the bank fraud scandal, concerning the need to have stricter control over the funds, their destination and their immediate results in people's lives, while maintaining a strong level of cooperation at policy level with the government.<sup>12</sup> While the strategic objectives remained constant, the target groups have evolved, and this process has led to the diversification of programmatic interventions.

From 2017 onwards, more interventions target the local level (local authorities and SMEs with agricultural and rural development support; local communities with transport, infrastructure, energy and environment projects); CSOs including at the grassroot level (Civil Society Facility); and the general public including youth (VET support, strategic communication project). In addition, the EU has involved civil society participation in all sectors, by supporting CSOs' contribution to policy-making, monitoring of reform implementation, and direct implementation by CSOs.

These interventions not only channelled funds and activities through the government, but aimed to improve in a direct way the quality of life of Moldovans through better access to water and energy (produced from biomass), better roads, easier access to subsidies for the rural sector, credit facilities for investments of Moldovans returning to their home country, etc.

In parallel, since 2017, the EU has invested increased efforts into good governance and anti-corruption, but more through projects and less through contributions to the national budget. The EU demonstrated strict application of conditionalities with the decision to not disburse any of the maximum value of EUR 28,200,000 available for the third and fourth instalments of the 'Support for Justice Sector Reforms' budget support programme and to decommit any remaining funds from the budget support components of the 2017 Decision 023-420.<sup>13</sup> because conditionalities for disbursement of tranches were not achieved.

Yet in 2016, the EU agreed to provide up to EUR 100 million in macro-financial assistance to Moldova, in the context of a severe economic and financial crisis affecting the country (triggered, among other things, by the bank fraud, but also due to a regional and global economic downturn).<sup>14</sup>

The implementation dates of these adequately programmed and targeted interventions reveal a time lapse between the monitoring and learning cycle (embodied by budget support disbursement reports,

<sup>10</sup> There already were visa liberalisation, vocational education and training, and DCFTA-related budget support programmes in 2012/13.

<sup>11</sup> European Court of Auditors, 'Special Report: EU assistance for strengthening the public administration in Moldova', 2016.

<sup>12</sup> Review of External Aid Management Reports.

<sup>13</sup> EEAS Press Release 'Moldova: EU cuts budget support programme for justice reforms, 11/10/2017'.

<sup>14</sup> Decision (EU) 2017/1565 of the European Parliament and of the Council of 13 September 2017 on providing macro-financial assistance to the Republic of Moldova.

external aid management reports and press releases) and the implementation cycle (embodied by the contractual dates, which reflects the practical implementation of decisions inspired by learning). This long cycle is structurally embedded into the EU's programming (compared to bilateral donors for instance), and is not specific to Moldova – it responds to an approach which values continuity and the time required for appropriate balance, clearance and scrutiny within and among EU institutions. However, this approach is not well understood by the interviewees, which shows that it may not always be clearly articulated. Stakeholders at all levels often regretted that the EU's learnings do not swiftly transfer into action on the ground, revealing their perception of slowness and heaviness. On the other hand, this structure of programming is consistent with the EU's approach to offer continuity in its support, rather than erratic adjustments. After the identification of serious concerns regarding the progress of reforms and the fulfilment of conditions<sup>15</sup> in 2015-2017, and the temporal interruption of budget support which had already taken place in 2015, there was a deeper adjustment to programming in 2017. With the new SSF, the actual implementation of many of these adjusted actions was still ongoing at the time of writing this report, and the impact of the diversification and retargeting of EU's support in Moldova was only becoming tangible for the citizens by the end of 2020. The EU reprogramming in 2020 to support Moldova with immediate COVID response was appreciated as a quick and flexible response to a crisis but is not covered by this evaluation.

**Finding 1.4: The EU's communication strategy in Moldova has contributed to stronger alignment between the aspirations of the citizens and the EU's evolving intervention logic**

During the evaluation period, the EU invested more and more efforts into its communication with the citizens of Moldova. It increasingly targeted the geographic areas that are less informed about the EU (rural areas, regions other than the centre and Chisinau). The strategic vision of communication increasingly accompanied the targets of EU support, especially since 2017. Already in 2016, Moldovans felt most informed among citizens of the EaP countries (according to the 2016 Eastern Neighbours Survey, 83% Moldovans knew about the EU's financial support). This evaluation's survey results on the EU's support confirm that respondents feel well informed about the support (63 on a scale of 100). The ongoing innovative Strategic Communication and Media programme, based on its project documents and interviews, shows a transition from one-way to two-way communication, with growing use of the social media, online dialogue platforms, and physical local-level dialogue locations.

There is mutual benefit between the EU's communication efforts and its programming. The areas of the cooperation between the EU and Moldova and their evolution address fundamental concerns and aspirations of the Moldovan citizens. The Moldovan political landscape is considered polarised on the country's relationships with the EU and the Russian Federation respectively,<sup>16</sup> and divided between supporters and opponents of an oligarchic system.<sup>17</sup> Divided opinion within the Moldovan society mirror this state of affairs.<sup>18</sup> Nevertheless, the EU Neighbours East surveys show a gradual increase of citizens' support to cooperation with the EU: according to the 2020 survey, about 66% of Moldovan citizens think the EU provides tangible benefits in people's lives. The survey organised for this evaluation shows that almost 53% of respondents consider that the EU has changed some or a lot of important things in their own life. On average, our respondents credit the EU with 74% of trust on its good intentions for Moldova, and 68% of trust on its capacity to deliver on its objectives.<sup>19</sup> Therefore, the majority of Moldovan citizens clearly favours cooperation with the EU, and this support keeps increasing.

<sup>15</sup> EEAS Press Release: 'EU Budget Support for the Republic of Moldova –pending the fulfilment of several conditions', 08/07/2015, and European Court of Auditors Special Report: EU assistance for strengthening the public administration in Moldova, 2016.

<sup>16</sup> <https://freedomhouse.org/country/moldova/nations-transit/2020>.

<sup>17</sup> Cotidianul, Maia Sandu, la Bruxelles: Vrem ca în Republica Moldova să nu mai existe 'putere oligarhică' [Maia Sandu, in Brussels: We want no 'oligarchic power' in the Republic of Moldova], 24 July 2019, cited in <https://freedomhouse.org/country/moldova/nations-transit/2020>.

<sup>18</sup> <https://www.worldbank.org/en/country/moldova/overview>.

<sup>19</sup> Landell Mills targeted Evaluation Survey 2021, Questions 29 to 33.

The priorities of the SSF and the programmatic areas addressed in annual action programmes broadly correspond with some of the citizens' key concerns. Over the period, Moldova's public opinion barometer showed that people's opinion on the 'three most important problems to be solved' revolve around their living standards, economic development, the fight against corruption, and public law and order, followed at some distance by issues related to peaceful and understanding relations between people, and an independent justice system.<sup>20</sup> These concerns correspond broadly to the key intended impacts of the EU's intervention logic in Moldova, and to the main programmatic areas. This, suggests the existence of a two-way linkage between the EU strategic planning and societal perceptions in Moldova, which is backed by the EU's increasing communication and outreach efforts throughout the period, culminating with a comprehensive programme on strategic communication and media.

The strategic objectives, thematic areas and target groups of EU–Moldova cooperation also broadly correspond to the aspirations of CSOs. During interviews, a broad range of CSOs, which had received targeted support or acted as implementing partners, as well as representatives of Moldova's international partners (such as international organisations) confirmed that the strategic objectives and key reform areas addressed by EU–Moldova cooperation do correspond to the needs in the country, and that they play an essential role in keeping reforms and wider regional integration of Moldova on track. They also appreciated the increased support given to the local levels and to citizens and civil society directly (targeting), as a necessary balance and complement to cooperation with and through public authorities.

**Finding 1.5: Some areas which are close to the daily lives of Moldovan citizens offer further potential for outreach by the EU in cooperation with the government**

While the thematic areas addressed by the EU correspond to the citizens' concerns, they may not use all the levers available to the EU to impact the daily lives of citizens. Some under-invested thematic areas offer great potential for impact in line with the strategic objectives of the Association Agreement, the Association Agenda and the 20 Deliverables.

The mainstreaming of gender equality and empowerment of women, human rights and 'leaving no one behind' approaches have gradually improved in EU interventions during the evaluated period, particularly in some fields of governance (e.g. police reform, human rights, communication) and agriculture, but much remains to be done in other thematic areas. The joint exercise 'Programming in the Republic of Moldova until 2020', issued in September 2016 by the EU, its Member States and like-minded donors such as Switzerland, contained a baseline study on gender equality, which did a lot to identify root causes and phenomena at play in this field, and informed programming after 2016. These aspects are mentioned in infrastructural, biomass and energy projects, as well as in anti-corruption; however, the related projects rarely foresee results or indicators on human rights and gender. Women and the most vulnerable (such as the elderly, the poorest, national minorities, persons with disabilities) are not always targeted explicitly, although transformative results in infrastructural, biomass, energy, and as well as in anti-corruption projects would be particularly relevant for them.

Institutional set-up and development at national level has shown contrasting results.<sup>21</sup> Much of central government set-up is now stabilised – though not always as effective as expected – and with a normative framework which is still going through clarification and modifications. Some of the EU's institutional support for governments and provincial regions may now be directed more to local government, according to senior interviewees. Civil society actors, and experts, in interviews pointed to decentralisation and local governance as an underused opportunity for programmatic impact. Despite political disagreements, which have so far stalled decentralisation reform, the EU has made some inroads into local public finance management, which could be capitalised upon. Moldovan citizens already see positive changes in terms

<sup>20</sup> <http://bop.ipp.md/en>.

<sup>21</sup> Also see findings under EQ 5.



of service delivery at the local level (village or municipality), according to our survey (55% of respondents think these services have improved since 2014). In 2020, the EU Parliament

*[Urged] to start a more comprehensive decentralisation reform as soon as possible, including the reform of the Republic of Moldova's administrative-territorial system, regional development and administrative decentralisation, with the possibility to generate local taxes; in this respect, underlines the need for more in-depth and broader cooperation between local authorities, for a reduced number of local administrations and additional measures to ensure their greater independence and decrease their operating costs; calls on the Moldovan authorities to uphold the principles of local democracy and local autonomy in accordance with the European Charter of local self-government by providing proper competencies and sufficient funding for the local governments and by assuring their effectiveness.<sup>22</sup>*

Many interlocutors find that EU–Moldova cooperation is much needed to support such efforts, with immediately tangible changes to the citizens' life.

EU projects have increasingly aimed to support the media to produce quality, independent journalism. Experts in this sphere, as well as civil society representatives and most interviewees working on anti-corruption, considered that the first results are promising and warrant more grassroots investment. According to them, local and national media are necessary platforms in leveraging more demand from citizens for local and national governance structures and public provision that are better, more efficient, and especially having integrity. The EU has extensively worked to curb corruption and conflict of interest on the prosecution side, and on prevention within the concerned institutions, but it could do more regarding societal attitudes to these problems. In the same vein, interviewees at the local level and from the civil society pointed to the potential of supporting culture and youth civic activism, including at the local level, as a means to elicit renewed participation and oversight of communities in local public affairs.

Several experts, public officials and civil society representatives also pointed to the healthcare sector.<sup>23</sup> The COVID crisis has revealed the needs of the public health system of Moldova, and the demands of the citizens for an improved healthcare service have become clearer.<sup>24</sup> The emergency COVID relief package programmed by the EU in 2019, and other health-focused projects could serve as positive precedents for future actions on health. These experiences could give the EU an opportunity to provide support to broader policy reforms, complementary to World Health Organization (WHO) specialised programmes.

**Finding 1.6: The government's national strategies are generally aligned with the Association Agreement, and in turn the intervention strategy of the EU supports them – but the ownership of national strategies is very uneven, highlighting the need to maintain even stronger incentives and conditionalities**

The national strategies in the sectors supported by the EU are closely in line with the Association Agreement and the Association Agenda. EU programming has designed interventions that directly target the implementation of these strategies. This is an important assumption of the EU's intervention logic, at outcome level, which is fully realised. Where the preparation of national strategies is concomitant with the EU programming cycles, the two processes reinforce each other and make the resulting documents quite similar. Furthermore, the priorities of national strategies and associated measures mirror, and are mirrored by, the objectives of EU actions. This is particularly the case for budget support<sup>25</sup> which is coherent with the logic of this financing instrument, although other instruments also follow this path. For

<sup>22</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2020-0279\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2020-0279_EN.html)

<sup>23</sup> <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/moldova/>  
[https://www.thelancet.com/journals/lanres/article/PIIS2213-2600\(19\)30446-1/fulltext](https://www.thelancet.com/journals/lanres/article/PIIS2213-2600(19)30446-1/fulltext)

<sup>24</sup> <http://bop.ipp.md/en> In the second omnibus poll of 2021, 70% Moldovans declared themselves somewhat or very dissatisfied with medical services.

<sup>25</sup> All EU interventions financed under budget support are fully aligned with the national strategies of the government.

instance, the Police Development Strategy 2016-2020 and the Police Budget Support are closely aligned; the Sector Policy Support Programme (SPSP) programme design is in line with the VET Strategy; the ENPARD programme and the national strategic framework on agriculture and local development pursue similar objectives through comparable means. Policy support programmes, especially the HLAs' mission, but also other technical assistance projects, have been particularly instrumental in building cohesion between the national strategies and the EU programming. The government's decision (GD No. 377/2018) to place the national coordination of external assistance within the Ministry of Finance further contributes to cohesion, and to the coordination of EU-supported national policies, which are linked to the budgeting process.<sup>26</sup>

However, the national strategies are political documents and thus reflect a compromise reached with (and within) the cabinet that negotiated and approved the interventions. Since Moldova has been particularly politically unstable in recent years, while the political forces have been highly polarised and the political process highly adversarial, the successive parliamentary majorities and governments do not necessarily subscribe under the commitments embodied by national strategies adopted by their predecessors. Yet, the strategies remain legally in force and often outlive several cabinets. Or at times there are gaps in the strategic framework: for instance, Moldova has not had an overall strategy on the justice sector since 2018.

This point was raised by many of the interviewees, including civil servants, elected officials, experts and civil society representatives. Beyond the concept of budget support (which the frequently changing counterparts understood to varying degrees) national policies were not always implemented with the expected rigour, which in turn undermined the ability of EU–Moldova cooperation to bring the changes that were agreed upon.<sup>27</sup> This, in turn, affected the predictability of disbursement of tranches. An accumulation of such slipping in commitment to strategies, accompanied by the accumulation of difficulties in the EU programmatic cycle manifested itself most dramatically with the decision not to disburse budget support in the justice sector in 2017 (due to the non-fulfilment of the set targets/conditionalities) and the invalidation of Chisinau mayoral elections in 2020.<sup>28</sup>

In this context, several interviewees pointed out that the national strategic documents did not have the same meaning or weight, depending on who held the governing majority at the given moment. Therefore, the mere existence of the AA-compliant strategies cannot serve as an accurate measure of the commitment of decision-makers to the results agreed with the EU. Existence of strong political will and relative political stability are the key assumptions in the EU's intervention logic at impact level, and these assumptions frequently could not be validated in the implementation period. Formal commitments through strategic documents are important, but they are not informative of shared values and common interests aligned with the Association Agreement.

While the EU has managed to strongly incentivise policy-level commitments, in particular, through budget support and, more recently, through macro-economic assistance, it is still struggling to incentivise adherence to values and common interests. The retargeting of support towards the local government and directly to the citizens may shift EU–Moldova cooperation's incentive structure by creating positive experience of change in people's daily lives. In contrast with and complementary to support centred on legislative, normative and institutional set-up and development, this approach (piloted in some

Until 2018 the coordination of foreign aid was within the State Chancellery.

<sup>27</sup> 2018 Statement by the HR/VP Mogherini and Commissioner Hahn on the invalidation of the mayoral elections in Chisinau; P8\_TA-PROV(2018)0458 Implementation of the EU-Moldova Association Agreement European Parliament resolution of 14 November 2018 on the implementation of the EU Association Agreement with Moldova (2017/2281(INI)) and European Parliament resolution of 20 October 2020 on the implementation of the EU Association Agreement with the Republic of Moldova (2019/2201(INI)); Association Implementation Report on Moldova 2018; EU Council Decision of 26 February 2018 <http://www.consilium.europa.eu/media/31758/final-statement-st14821en17.pdf>.

<sup>28</sup> EEAS Press Release 'Moldova: EU cuts budget support programme for justice reforms, 11/10/2017'. In May 2017, an opposition candidate won Chisinau mayoral elections, after an electoral process which was not disputed by candidates and which was recognised as satisfactorily free, fair and transparent by international observers. However, in June a Chisinau court ruled the election invalid on grounds related to social media campaigning and 'get out the vote' calls – a decision upheld subsequently by the Appeal and Supreme Courts, and confirmed by the Central Electoral Commission.

municipalities such as Cahul and Ungheni, and which could be deepened and reproduced in other locations) is likely to foster stronger demands in the citizenry – and the electorate – for better service delivery, principled governance and virtuous public spending. However, this is a long-term endeavour, because the impact of these programmes takes time to materialise, and public opinion adjusts slowly, and often not in a linear fashion. Meanwhile, the impact-level assumptions of the EU’s intervention logic need to be tackled through creating an efficient chain of transmission between political decision-makers and the citizens, composed of mid-level civil servants, civil society and the private sector.

The above-mentioned actors are targeted by numerous EU projects, particularly by the second SSF during the evaluation period. However, evaluations and results-oriented monitoring (ROM) reports reveal the difficulty in boosting their influence as change agents, particularly as regards the private sector and mid-level civil servants (especially at the local level). These target groups benefit from training (civil servants in particular), loans (private sector) and grants (civil society). However, the degree of penetration of EU support remains insufficient to strongly incentivise civil servants, and civil servants are not sufficiently involved in monitoring and evaluating progress;<sup>29</sup> micro-economic support such as loans to SMEs and farmers are long to materialise in macro-economic terms (employment, structure of production). Civil society support is probably more immediately effective in playing the role of transmission chain between the policy level and the citizens: CSOs actively monitor the implementation of national strategies and the Association Agreement. Efforts have so far been insufficient to strongly and sustainably engage the two other target groups, and to offer these three target groups more venues for interaction.

**Finding 1.7: Programming processes and procedures are based on a log frame approach, which is not dynamic enough to capture expected changes, and curtails the potential in programming, monitoring and learning**

All the projects examined in this evaluation have an explicit intervention logic. However, they are only based on a log frame approach, which does not enable the staff and stakeholders involved in programming to unpack how, through which chain of causes and consequences (chain of change), and why (internal and external assumptions) the projects are expected to elicit results. Likewise, the Single Support Frameworks, the annual action programmes, and the action documents outline priority areas and a broad results framework, but they do not explain how these results relate to impact. It is particularly indicative that in many cases items naturally belonging to different levels of results (outputs, outcomes, impacts) are mentioned at the same level of the above-mentioned documents.

Programming templates and procedures solely foresee log frame-based intervention logic. As a consequence, the programming documents miss out on the advantages that a theory of change approach would offer, and the intervention logic as well as action documents suffer from several shortfalls:

- The intended changes are not always clearly defined nor linked together from one result level to the next (it is unclear what output leads to what outcome, and to what impact) – even though there is an improvement in this sense in the second SSF periods;
- The assumptions formulated in the strategic and programming documents are not linked to their corresponding result level (assumptions are only expressed generally);
- Indicators are not always clearly defined, because they do not relate to a specific result within the intervention logic.

These weaknesses in the intervention logic create confusion between the objectives of cooperation (the ‘what’ and ‘what for’ questions, answered by the Association Agreement, the Association Agenda and the SSFs), and the programmatic approach to achieving these objectives (the ‘how’ and ‘why’ questions, which form the basis of the theory of change, and are answered by annual action programmes, action documents, and, at the input level, the contracts themselves).

<sup>29</sup> For instance, several interviewees in line Ministries and the Ministry of Finance deplored that they could not see evaluation reports.

What is more, implementing decisions, action documents and project documents (contracts) do not categorise and group expected results in a standardised manner: while some action documents group interventions according to target groups and cooperation approaches,<sup>30</sup> others group them according to thematic areas.<sup>31</sup> The initiatives dedicated to each particular sector are not always presented in clear 'packages' – which is not doing justice to the complementarity of the tools that are mobilised.

During implementation, these shortfalls make the intervention logic and the architecture of EU programmes difficult to comprehend by beneficiaries. As the intended changes are not clearly presented as a logical chain, and associated to both internal and external assumptions, it is difficult to unpack the link between activities/inputs and impacts. This also complicates the monitoring of the progress of the intervention. Many project reports (intermediate, annual, final) still focus too much on activity, somewhat on output, and not enough on change at intermediate level: they need to better characterise the traction achieved between activities and outputs on the one hand, and impact on the other. In the absence of a fully-fledged theory of change in programmatic documents, these intermediary steps towards the achievement of impact are difficult to grasp, and therefore difficult to demonstrate, whereas demonstrating progress (or lack of) at intermediary level is key to motivating and incentivising change among pivotal target groups (the 'transmission chain' mentioned above).

Several documents are designed to focus on the intermediary level between outputs and impacts. The annual Association Implementation Reports are useful because they combine a review of the environment in which the interventions took place, and a review of key changes in the respective sectors. But similarly to project reporting and other reporting framework, they do not link these changes to the EU's interventions because they are not required to do so. The ROM system partly bridges this gap, but it remains project oriented. The consolidated analysis of ROM results constitutes a good practice, but it covers very different countries.<sup>32</sup> External aid management reports and budget support disbursement reports also contribute to bridging this gap, but they are not public, and therefore cannot incentivise the Moldovan counterparts. Public statements also paint their part of the picture, but they are by nature ad hoc and occasional.

Shortcomings therefore persist in:

- The monitoring of projects and contracts;
- The monitoring of the national environment (political, economic, financial, social environment and regular stakeholder analysis);
- Learning products (e.g. evaluations, consolidated analysis of ROM results);
- Programming and strategic planning.

This margin of progression constitutes an opportunity, since the capacities to perform these functions already exist. Interviews demonstrate that the capacity and quality of EU's context analysis – both formally and informally – is very high in Moldova. Officials do closely monitor the desired changes and events that demonstrate backslide in the implementation of national strategies and commitments towards the EU. This contextual awareness can be integrated better and more consistently in the programme cycle.

<sup>30</sup> For example, ANNEX2of the Commission Implementing Decision on the Annual Action Programme 2016 in favour of the Republic of Moldova Action: Document for Technical Cooperation Facility 2016.

<sup>31</sup> For example, ANNEX 1 of the Commission Implementing Decision on the Annual Action Programme 2015 in favour of the Republic of Moldova: Action Document for Support to Public Administration Reform (PAR).

<sup>32</sup> 2019-2020 Annual Report related to Results Reporting (Component 3).

### 3.1.2 EQ 2: Coherence and complementary to regional and cross-border programmes and other interventions

*To what extent was EU–Moldova bilateral cooperation coherent with and complementary to regional and cross-border programmes and other EU instruments, as well as with interventions of EU Member States and other donors, including in particular international financial institutions (IFIs)?*

**Finding 2.1: Regional/cross-border interventions are complementary with bilateral (Moldova-specific) ones, both in terms of the thematic areas covered and in terms of modalities. No overlaps or contradictions were identified, despite some shortcomings in terms of coordination**

The regional/cross-border interventions of the EU which include Moldova are complementary with the bilateral ones (interventions at country level, not to be confused with cross-border programmes involving Moldova and a neighbouring country). One should distinguish three types of programmes in this area:

- Regional programmes functioning as regional platforms (e.g. Danube region, Black Sea Basin programmes);
- Cross-border and regional programmes involving several countries but functioning mostly as suites of bilateral programmes with some regional activities (e.g. Partnership for Good Governance with the Council of Europe);
- Cross-border/regional programmes involving chiefly Moldova and one neighbouring country (e.g. communication infrastructure with Romania, EUBAM).

By and large, the thematic focus of regional programmes functioning as regional platforms is mostly on environment, biomass, energy, culture, business support, agriculture, good governance and civil society. They do not overlap with the topics covered through bilateral programming, or the Moldova-specific components of regional/cross-border programmes in the second category above. Regional programmes use a variety of modalities, in particular blending, other loans, grants, and large strategic contribution agreements with other international/regional organisations. They do not overlap with the budget support and project mechanisms used in bilateral assistance. The ET therefore did not identify any duplication or redundancy between regional/cross-border programmes and bilateral ones.

The level of visibility of regional and cross-border programmes varies greatly. The ‘facilities’ and blending operations that have a sizeable component in Moldova, especially if these reach out directly to citizens (e.g. blending operations in support of SMEs, EaP, Civil Society Facility), enjoy plenty of visibility. Unsurprisingly, programmes having a small component in Moldova, and/or which are more technical (e.g. environment conservation projects in the Black Sea Basin) are less visible, according to online research and interviewees from the civil society and media.

The level of coordination between bilateral and regional/cross-border programmes varies considerably. Overall, regional/cross-border programmes functioning as a suite of country-specific components, and which have a regular presence and strong visibility in Moldova, are well coordinated with bilateral programmes. For example, the EUBAM programmes were well coordinated with police reform support programmes and the VLAP support, according to interviewees and programme reports. Likewise, the Partnership for Good Governance was well coordinated with other, bilateral programmes conducted by the EU with the Council of Europe (for instance, the project on controlling corruption through law enforcement and prevention). However, coordination was less convincing for those regional and cross-border programmes which are piloted from a distant location, and which do not have visible, regular activities in Chisinau. For instance, the EUD and Ministry of Finance reportedly did not have all the relevant documentation on the cross-border cooperation, Danube Region, Black Sea Basin, or People’s Skills programmes and were not fully aware of their activities.



**Finding 2.2: Joint programming with EU Member States, international financial institutions and other organisations constitutes a good practice leading to strong synergies**

EU bilateral cooperation (at country level) is well coordinated, coherent and complementary with strategies and programmes of the EU Member States and to a certain extent with international and regional organisations. In this respect, the EU cooperation with Moldova is in line with the Paris Declaration.<sup>33</sup> For instance, the EU is implementing many of the interventions under delegation agreements through the Member States' development organisations, international/regional organisations, and development banks. This cross-fertilises EU support with specific experiences of partner institutions, allows for joining efforts and, at times, financial means. Blended projects are of high quality, due to strict processes applied by IFIs. However, complex procedures of IFIs (and approvals required from the EU) make the implementation of investment projects a challenge.

This good cooperation relies on collaborative work conducted by the EU, its Member States and other donors such as Switzerland, and IFIs,<sup>34</sup> which led to a joint analysis and programming document in 2016.<sup>35</sup> A similar initiative was implemented in 2020 and built on the Team Europe approach. Thanks to this good practice, the EU and like-minded donors, reacting to the difficult diplomatic, political and economic situation facing Moldova, came to a common diagnosis of challenges in Moldova and their root causes. They agreed on key common messages, a synergy of strategic objectives, and a distribution of labour in some fields (e.g. fight against domestic violence and violence against women, support in the fields of education and justice). What is more, the EU and Member States included it in their joint programming tracking platform,<sup>36</sup> which is useful for monitoring purposes (although not usually referred to in EU publications). The 2018 joint programming document – albeit of excellent quality – has now aged and would benefit from an update based on renewed joint analysis. In any case, some important development partners and donors who were not included in this exercise (such as Norway, the Council of Europe, the Organization for Security and Co-operation in Europe (OSCE), United Nations agencies) could bring valuable contributions thanks to the experience and knowledge accumulated through programme implementation during the evaluation period (including programmes financed by the EU, when it comes to the UN and the Council of Europe).

The ET, based on documentation and interviews with key development partners (in particular, international financial institutions) found no obvious or serious duplication or redundancy between the EU's support and the interventions of other donors.

The approaches of the EU and other donors are sometimes different but remain compatible. This is particularly visible in the areas of agriculture, infrastructure, transport and energy. For instance, the support provided by development banks (KfW, EIB and EBRD) has a different logic from the EU's: their approach corresponds to loan applications originally presented by the government, whereas EU's Neighbourhood Investment Facility (NIF) support corresponds to additional funds provided (on demand of the development bank) to the overall financing package.

In VET, since 2014 when budget support was provided, the EU became the leading donor and other donors, as well as country development partners, aligned their programmes accordingly, to ensure complementarity and avoid overlapping.

Furthermore, interviews and programme document reviews still revealed a few minor examples of incoherence. For instance, some recommendations issued by the EU and IFIs were not fully aligned. Different rules regarding project management or the confidentiality of documents emerged between the

<sup>33</sup> The Paris Declaration (2005) is a practical, action-oriented roadmap to improve the quality of aid and its impact on development based on the principles of ownership, alignment, harmonisation, results, and mutual accountability. <https://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

<sup>34</sup> Briefing Book from Development Partners of Moldova, January 2015.

<sup>35</sup> Programming in the Republic of Moldova until 2020, September 2016.

<sup>36</sup> <https://europa.eu/capacity4dev/joint-programming-tracker/moldova>

EU and other regional or international organisations. These are lessons learned which should enable the EU and its partners to anticipate such incompatibilities and resolve them early on when co-funding or implementing programmes.

**Finding 2.3: There is clear evidence that blending operations – both at the national and regional levels – created an important leverage effect with international development banks (and in a specific case also with the French development agency, AFD)**

The cooperation with development banks in blending operations permitted the EU to participate in investments which involve considerably higher amounts than available for development cooperation. In doing so, the EU and development banks reinforced each other's leverage. Furthermore, it brought added value by reducing the overall financial costs for the government, and by providing financing for complementary services such as technical assistance, road security, etc. Risk management was also optimised, thanks to the expertise of development banks in this area, complemented by the knowledge and risk monitoring performed by the EU. The support to the sizeable regional financial instruments (financed with development banks) permitted to impulse economic development of Moldova. All national interventions financed under NIF are complementary to loans asked for by the government to development banks, and as such, they correspond fully to the needs expressed by the government.

EU support provided additional funding for activities which would have otherwise not been financed by development banks (i.e. additional technical assistance); furthermore, EU support allowed for a reduction in the average cost of financing, making the investment more attractive for government.

Regional blending operations had a high leverage effect as well and permitted improved access to loans, guarantees and technical assistance for SMEs in the EaP countries. Interviews suggest that Moldova participated in the different programmes, but less than in other countries of the region; this was mainly related to the challenges of the banking sector.

EU cooperation is quite visible in the websites, social media publications and traditional media, thanks inter alia to visibility activities embedded in the EU's actions and the activities of the EUD.

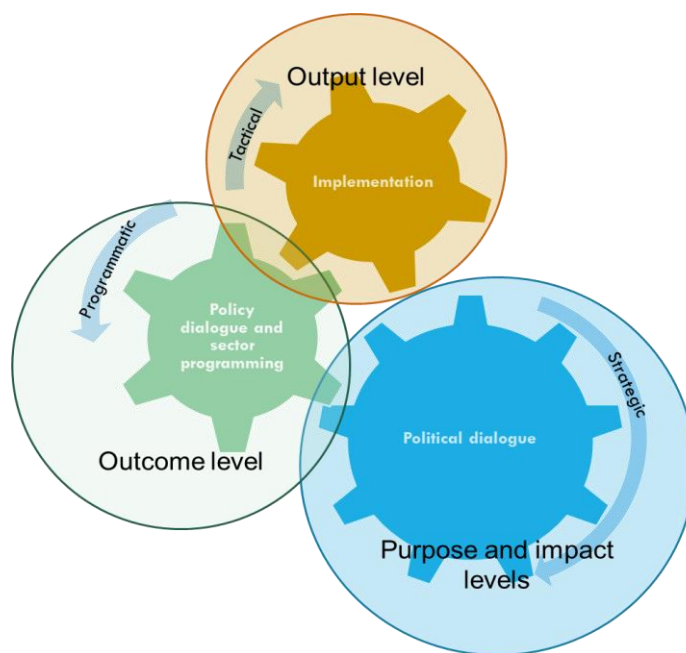
**Finding 2.4: Synergies between political dialogue at strategic level, and programme implementation at output level, have enabled EU–Moldova cooperation to overcome some serious drawbacks**

The EU's cooperation with Moldova rests on:

- Political dialogue based on the Association Agreement and Association Agenda (strategic: purpose and impact levels);
- Policy dialogue and programming (programmatic: outcome level);
- Programme implementation (tactical/practical: output level).

Political dialogue (complemented at parliamentary level by the EU–Moldova Association Parliamentary Committee) takes many different forms, from formal to less formal, with regular meetings of the Association Council, as well as individual meetings and visits complement each other. The EU Council conclusions on relations with Moldova complement the outcomes of the Association Council and the monitoring conducted internally to the EU. The Association Council constitutes an important venue to formalise the views of the EU on its cooperation with Moldova. The press releases and official statements of the High Representative, the Commissioner and the Head of Delegation are other channels to convey messages to the country’s political leadership, which the civil society and citizens witness. These various forms of communication complement one another and may become a single message in difficult times, when direct dialogue and diplomacy are challenged.

Figure 1: Mutual reinforcement between political dialogue, policy dialogue and implementation



Political dialogue is further reinforced by the EU Parliament’s role of oversight and strategic reflection. For instance, the review of the Association Council meetings in the past 5 years and the Association Implementation Reports on Moldova reveals recurrent concerns.<sup>37</sup> In response to these issues the European Parliament came up with a firm position in its most recent implementation report on Moldova, which most significantly related to decisions for future macro-financial assistance disbursement, the payment of all budget support programmes, and the reallocation of funds in support of civil society and independent media, as well as the private sector and local authorities.

In parallel, the technical level of EU–Moldova cooperation, with the implementation of actions, offers a multitude of platforms which feed the political relationship, and vice-versa. At times, public authorities oversee such platforms: for instance, Ministry of Education, Culture and Research (MECR) oversaw donors’ cooperation and coordination in the education sector through the National Coordination Council. There is also extensive bilateral policy dialogue and coordination in this sector. Other times, the civil society builds on the momentum created by cooperation to animate technical dialogue platforms – this is the case for instance, in the area of violence against women and domestic violence.

Even in times of crisis, for example concerning budget support cuts, or after the invalidation of the Chisinau mayoral elections, these avenues have remained open. Conversely, when some cooperation programmes such as budget support were put on pause, political dialogue continued. For instance, interruption of disbursements and the reduction of instalments related to no achievement of indicators has created some challenges for Ministry of Finance; however, the policy dialogue has not been affected. It demonstrated that the EU was a reliable partner for Moldova but also showed that the EU is serious about applying conditionalities.

<sup>37</sup> These include, in particular, the reform of the judiciary and anti-corruption institutions, media ownership, the political deadlocks and the electoral system, the investigation of the banking frauds, the settlement of the Transnistria conflict, and most recently – the local elections for the Mayor of Chisinau.



Interviews with stakeholders suggest that without permanent EU policy dialogue several improvements would not have been implemented. Interviewees concur that programme implementation and political dialogue complement each in favourable times, and they compensate for each other during critical moments.

**Finding 2.5: The contribution of policy dialogue and joint monitoring to the outcome level of the EU's intervention logic has been uneven, due to delays and interferences**

Another important part of this tryptic is the policy dialogue, which takes place at sector level, leading directly to programming. Through the Association Committee (including its trade configuration) and its six thematic sub-committees, complemented by the human rights dialogue and the civil society platform, the Domestic Advisory Group monitoring trade sustainable development chapter of the DCFTA, the EU, the government and key civil society stakeholders discuss policy visions in the respective sectors. The outcomes of this dialogue feeds into EU's programming, following the programming cycle of the SSFs and the annual action programmes.

According to interviews with Moldovan officials, some EU representatives and civil society representatives perceived that the sub-committees are key instruments to ensure relevant programming and a synergy between the EU's and the government's efforts. However, the same interviewees concede that dialogue at this level is not always reliable and agile enough to influence mutual policy and programming. Adjustments are particularly challenging to make between the partners during times of political instability, as discussed above in EQ 1. The intrusion of political considerations into the policy dialogue may stall the process, or the adoption of strategic documents may be deferred due to political complications. This is notably the case with the new justice strategy, which was drafted with support of the EU and its partners. According to interviews and online research, the original policy process was insufficiently inclusive and was expanded to include wider consultations with civil society, on advice of the EU and its implementing partners and partner international organisations. Following this improved process, the document was finalised, but its adoption has been delayed.

During these challenging moments, when the new policy is lacking, the continuity is ensured through ongoing implementation of programmes. Several interviewees pointed out that the HLAs mission was particularly useful for supplementing policy dialogue.

The research has shown that implementing programmes with international partners that share EU values helps advance common goals, by leveraging standing and reputation of other international organisations and IFIs to influence national-level policy-making.

**Finding 2.6: The EU has developed good synergies with the civil society towards better national policy-making**

Moldova has an active and diversified civil society. Many CSOs are active at policy level. Online research shows a wide variety of policy analysis, advocacy and monitoring products. These are often closely aligned in terms of vision and values with the standards promoted by the EU through its policy dialogue and its programmes.

Moldovan CSOs involved in these activities have been allies of the EU in the policy dialogue. There is some evidence that policy dialogue has been permanent, involving not only the various levels of government and the donor community, but also other actors including civil society. However, the role of civil society in national policy-making has not been systematically institutionalised by the government in all sectors. The relationship between the civil society actors and the government often fluctuates with political changes. This is particularly true as there is a 'revolving door' between CSOs and the government – many former political figures or high-level civil servants hail from CSOs and return to their organisations after their stint in the government. Some government figures who leave the office also create CSOs.

In this context, the EU often acts as the go-between for ensuring more systematic inclusion of civil society in the national policy dialogue, and sometimes encourages policy consultation among civil society representatives. This effort culminates with the civil society platform, which brings together civil society representatives from the EU and from Moldova – but not the government partners. The EU has supported the policy efforts of Moldovan CSOs, and increasingly so during the evaluation period. The EaP Civil Society Facility is an example, but virtually all bilateral sector interventions have a civil society component, often focused on policy advocacy and monitoring. The Budget Support Programme to Police Reform is a case in point: as part of this package, two complementary grant projects with CSOs (Soros Foundation and PromoLex) focus on policy and monitoring. Other examples abound in most fields, from human rights to local development.<sup>38</sup>

This role of the EU, which facilitates the active participation of the civil society in the national policy debate and contributes to the institutional and financial sustainability of otherwise unsustainable policy-oriented CSOs, places great responsibility on the EU for choosing the civil society partners it supports. Competitive granting schemes, while open and transparent, do not always suffice to ensure diversity: interviewees report that it has been challenging for Moldovan CSOs, particularly the local ones, to compete with large international CSOs represented in Moldova in Calls for proposals under different instruments.

### 3.1.3 EQ 3: Aid modalities and financial instruments

*To what extent have the various aid modalities and financial instruments and their combinations been, and are at present, appropriate in view of achieving the objectives of EU cooperation with Moldova?*

**Finding 3.1: The EU has coherently and aptly matched its mix of support modalities with the desired outcomes, the thematic areas and the target groups of its support**

The aid modalities and financial instruments and their combination proved to be suitable for promoting the achievements of the objectives of EU cooperation with Moldova, even in a prevalently unstable and polarised political context.

Faced with these challenges, the EU has used varied and complementary support modalities: budget support, blending operations, macro-financial assistance, as well as project modalities including technical assistance, Twinning, grants to CSOs, contribution agreements with international/regional organisations. The respective proportions of these modalities evolved first with the interruption of budget support for a short time, and then with the adjustment of the EU's intervention logic, from one SSF to the other.

Budget support programmes still accounted for a significant amount of the EU assistance before payments were suspended in 2015 (in response to the theft of EUR 1 billion from the banking sector and risks to macro-economic stability of the country). With the second SSF, the retargeting of a large part of EU support towards the local level and the citizens led directly to increased recourse to blending and project modalities, because these were most adequate in these thematic areas, and for the target groups concerned.

This approach was coherent with increased efforts on energy and environment, biomass and support to SMEs. In parallel, support to the governance sector carried on mostly through technical assistance, contribution agreements and to a lesser extent, Twinning, as a key means of support: project-based approaches have revealed great potential to accompany normative and institutional changes.<sup>39</sup> Within the technical assistance modality, since 2016, the EU Delegation has deployed a team of up to 25 EU high-level advisers from EU Member States that provide advice to the Moldovan key sectors: Customs, public finance management, financial governance, banking, anti-corruption, anti-money laundering, internal affairs, police, justice reform, general prosecutor, public administration reform, education, employment, trade, energy, food safety, rural development and agriculture, regional development,

<sup>38</sup> Annex 2, Judgment criterion 10.2.

<sup>39</sup> Annex 2, indicators 5.1.1, 5.2.4.

transport, environment, communication, Transnistrian settlement process, security sector reform and Parliament. As a complement to these instruments, the EU tied strong conditionalities to macro-financial assistance and to the budget support programmes.<sup>40</sup>

Recourse to CSO grants for policy advocacy and monitoring came as the logical final touch to this architecture of support modalities (e.g. police support, human rights, public financial management (PFM), local development): CSOs insist on their role in maintaining a good match between the successive governments' priorities and behaviour, and these strategic documents. To this end, CSOs and several public officials alike insist on a strict and constant application of EU conditionalities, regardless of the political parties forming the successive governments.

A good example of well-balanced modalities is the support to public finance sector. This draws on the SIGMA baseline assessment<sup>41</sup> a technical assistance contract, small interventions under project approach complemented budget support with strengthened civil society's capacity to monitor the public budget. Further examples of efficient modality mixes include police reform support, VET support and local development.

This mix of modalities removed some of the government's leverage on the utilisation of funds, as compared to the period before 2016 and 2017 (new SSF). It is coherent with the lessons learned from 2015-2016: the mix of aid modalities and types of financial support limited the risks, by diversifying these risks and increasing mitigation opportunities. It also matches the thematic areas, and with the targeted groups. Backed up by clear and strictly applied conditionalities, the mix of modalities is fit for purpose: supporting the strategic objectives of the Association Agreement, with the Association Agenda and the Twenty Deliverables for 2020 – provided some key external assumptions of the intervention logic were met, which was often not the case, but remains outside of the EU's control.

One downside of such a complex approach is that it makes EU support difficult to understand for the general public, and even at times for the direct beneficiaries.<sup>42</sup> Meanwhile, the EU's change management efforts with the target groups constituting a 'transmission chain' between the country's leadership and its population (CSOs, mid-level civil servants, private sector) has only just started to pick up. Besides, communication efforts are not backed up by any clear theory of change. In this context, the EU's balanced use of its varied support modalities is not well understood by change agents at the middle level.<sup>43</sup>

In addition, the large number of projects with many different partners (mixed with other modalities) creates an enormous workload on the EU Delegation in Moldova, which has been difficult to manage. The challenge encountered in gathering reports and financial data is also a testimony to the constraints placed on the EUD staff. Some interviewees expressed regret that multiple projects were not easy to understand for Moldovan partners. In particular, the Ministry of Finance said that financial reporting was not as clear and transparent as it could have been, particularly relating to the reallocation of budget support tranches that were not disbursed.<sup>44</sup>

**Finding 3.2: Co-financing of programmes and projects with international development banks or EU Member States with funds under the NIF programme had an important leverage; however, their implementation was somewhat challenging**

<sup>40</sup> EEAS Press Release 'Republic of Moldova: EU supports job creation and better public administration, 21/12/2017'. Budget Support Programme Documents and Tranche Disbursement Reports.

<sup>41</sup> In 2015, SIGMA (Support for Improvement in Governance and Management), a joint initiative of the OECD and the European Union, conducted baseline measurement reviews against the Principles of Public Administration in the Enlargement countries, and in 2016 in Moldova, resulting in eight detailed country reports. <http://www.sigmaxweb.org/byexpertise/strategicframeworkofpublicadministrationreform/public-governance-baseline-measurement-reports.htm>.

<sup>42</sup> Interviews with CSOs, civil servants, experts.

<sup>43</sup> Interviews with practitioners within the executive, the judiciary, independent public institutions, civil society actors.

<sup>44</sup> The provisions of the Financing Agreement stipulate what happens with funds in the event of no disbursement.

During the reference period national blending operations with an EU contribution of about EUR 36 million have been approved; furthermore, Moldova benefited from regional blending operations (in the financial sector) of about EUR 206 million. Blending operations are a suitable modality for the EU to engage in the big infrastructure projects in the transport and energy sectors and to deploy financial instruments facilitating the implementation of DCFTA and promoting the development of SMEs (regional projects). This would not have been possible with grants alone: the investments in infrastructure and financial instruments were very capital intensive and its financing would be largely out of reach of development support funded by EU cooperation grants.

National blending operations had a major leverage effect (1:3 up to 1:19.7). NIF funds permitted a reduction of overall credit costs of investments. By mixing NIF grant funds with loan funds provided by development banks, average financing costs of the overall financing package decreased. This constitutes valuable support to Moldova and facilitated the approval of the respective investment projects by Parliament. Part of the EU funds were used for financing the accompanying technical assistance, which facilitated the implementation of investment projects. This is important as international development banks in most cases cannot provide the necessary accompanying technical assistance with grant funds. On the other hand, the government is reluctant to use loan funds to finance technical assistance.

However, delays in implementation were frequent and mainly related to complex design and procurement procedures (including no-objection processes to tender documents), weaknesses of national counterparts, complex tender processes, poor response to tenders by national and international companies, and difficulties in implementation of contracts. A specific difficulty is related to the social and environmental standards applied by international banks which impose complex processes in the case of land acquisition. Other difficulties are related to the lack of available qualified manpower in Moldova as there was/is a large-scale worker emigration to Russia and EU Member States.<sup>45</sup>

**Finding 3.3: The mix of modalities directly addresses some lower and mid-level assumptions of the intervention logic, but there is room for improvement in analysing and addressing higher-level assumptions**

The complementarity between project approaches (Twinning, technical assistance, contribution agreements, grants) conditional financial support (budget support, macro-financial assistance), blended operations and a frank policy dialogue backed by strong communication, is coherent and risk-efficient, but may not always overcome difficulties posed by unfulfilled key assumptions. The intervention logic relies on several assumptions at output and outcome levels, which are directly tackled by the mix of modalities described above.<sup>46</sup>

- **Government/civil society dialogue exists:** CSO grants towards civil society focused on policy advocacy and monitoring directly work on this assumption, which has been mostly fulfilled thanks to this work.
- **Change champions:** Project-based modalities often work on this assumption, and some change champions emerge (for instance among CSO experts, progressive judges, local government leaders or small entrepreneurs). Yet, there is room for strengthening this aspect and giving these change champions more incentives and security.<sup>47</sup>
- **Political dialogue and joint programming are aligned:** A lot of effort has been invested into this aspect including through the adjustment of the mix of modalities, although the policy and programming level has suffered from political instability.<sup>48</sup>

<sup>45</sup> For details concerning the reasons for delays and or loss of NIF funds (due to the no compliance with the EU N+3 rule) please see annex 2, indicator 3.2.1.

<sup>46</sup> Inception report, validated by Inter-service group.

<sup>47</sup> Annex 2, JCs 5.1, 5.2, 5.3.

<sup>48</sup> Evaluation Question 2.

- **EU–Moldova cooperation is understood and appreciated by citizens:** Growing project-based communication efforts, have directly worked on this assumption with some success.<sup>49</sup>

Other key assumptions have remained mostly unfulfilled, either because they were outside of the EU's control entirely, or because all the EU's efforts did not suffice to successfully address them:

- The intervention logic relied on political will, guaranteed by relative internal political stability. This has not continuously materialised throughout the period 2014-2020.
- The intervention logic assumed a certain level of global and regional economic, security and sanitary stability. This assumption is outside of the EU's control, and has been severely shaken during the evaluation period – a time that witnessed a conflict between Ukraine and the Russian Federation, which affected regional stability (2014 onwards); a global recession (2016); and a global pandemic, which in turn devastated global economy (2019 onwards).
- The intervention logic, while acknowledging and tackling the existence of political interference, collusion and corruption, assumed that the effects of its anti-corruption programmes would contribute to eventual reduction of these phenomena. However, corruption and political interference at all levels (including the local) remain widespread despite all the EU's and other donors' efforts.<sup>50</sup> CSOs and citizens' capacity to reduce the space for corrupt practices remains limited.
- The intervention logic assumed that sufficient resources are allocated by Moldova to its reform process. Budget support was meant to incentivise this process. However, the actual funding of resources by the state budget was uneven among the sectors concerned, as observed by disbursement reports. The government pointed that absorption of financial resources is not optimal, despite efforts to increase the absorption levels.

Stronger analysis of these assumptions, and deeper ties between conditionality-based support modalities and these assumptions could enable the EU to make the most of its robust modality mix – while acknowledging, in the programming, that some of these assumptions remain outside of the EU's reach.

## 3.2 Sector-specific evaluation findings

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### 3.2.1 EQ4: Agri-food and rural development

*To what extent has the EU support to Moldova contributed to achieving an increase in the competitiveness of the agri-food sector and the diversification of economic activity in rural areas, in line with strategic objectives?*

#### Overview of EQ4

EU support to Moldova was primarily aimed to increase the ability of Moldova to benefit from the Association Agreement provisions related to free trade, improve the business environment and enhance competitiveness of the agri-food sector. Production and exports of agri-food products grew significantly over the past 10 years. With the DCFTA and EU support to the sector through interventions such as ENPARD's development of rural areas in Moldovan fruit gardens, among others, Moldovan producers have gradually been better able to meet EU standards and overcome any non-tariff barriers to trade. EU's assistance in support to farming, rural development and food processing chains came to increase the ability of the Moldovan farmers and agri-business companies to avail themselves of the opportunities created by the Association Agreement including its provision regarding free trade. This was done mostly through blending and grants projects, complemented with capacity building and the deployment of institutional support to the sector, including at local level. In complement, the EU's intervention of technical

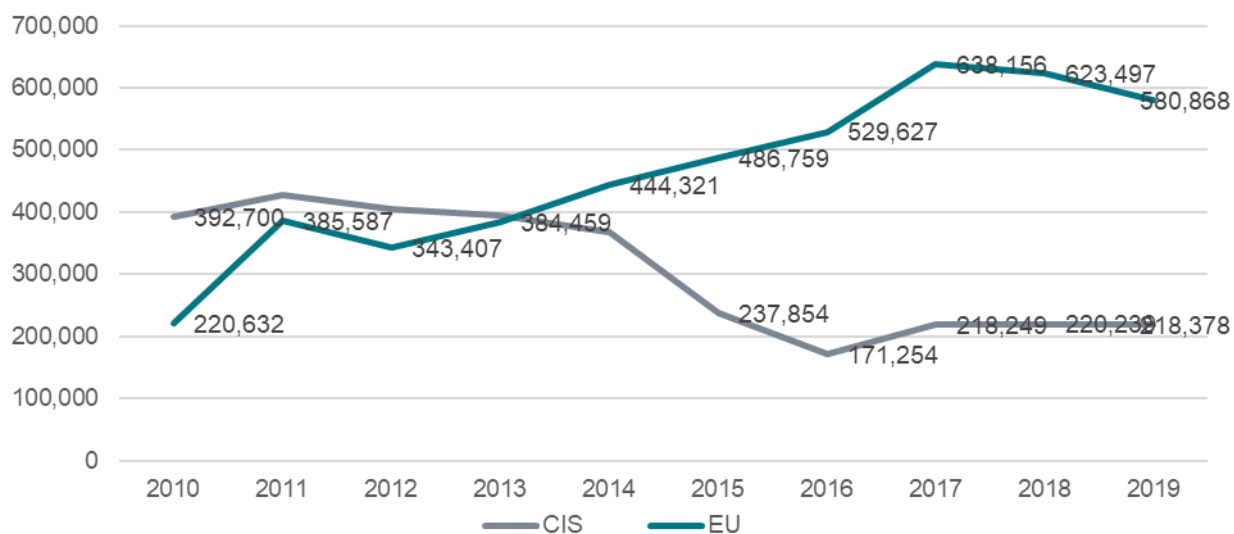
<sup>49</sup> Annex 2, Indicator 1.3.4

<sup>50</sup> Annex 2, Indicator 5.2.1.



assistance and Twinning supported the approximation of Moldova’s legislative, regulatory and institutional framework to match EU standards in the agri-food sector.

Figure 2: Export of agricultural products (USD)



Source: Moldova National Bureau of Statistics

The main agricultural exports still primarily involve low added-value products such as cereals and seeds and low-priced unprocessed materials. The size of the processing sector (excluding wine) in exports remains relatively small. The competitiveness of product groups that were previously already competitive such as cereals, oils, seeds, fruits and vegetables and honey further improved. On the other hand, exports of animal products decreased, which mainly reflects the lack of skills and experience of exporting to the demanding EU market and the inability of Moldovan producers of these products to meet the requirements for exporting to the EU.

An important issue in terms of competitiveness has been the slow development of productivity, which has hampered growth in the agricultural sector. Next to limited access to land, low productivity and competitiveness levels are compounded by limited access to other inputs such as water/irrigation, finance, technical inputs, support services and quality workforce. The dualistic nature of the agricultural sector is also reflected in the competitiveness of enterprises as the most competitive producers, those that are able to export directly, are often large agricultural firms. Although with EU support significant progress has been achieved regarding trade liberalisation and regulatory approximation in areas such as sanitary and phytosanitary matters and reduction of technical barriers to trade, nevertheless the necessary institutional framework for complete implementation and oversight of these new provisions is still weak.

**Finding 4.1: Trade competitiveness of the agri-food sector increased, although diversification was limited**

The main agricultural exports still primarily comprise low added-value products such as cereals and seeds and low-priced unprocessed material. The size of the processing sector (excluding wine) in exports is relatively small and so export diversification into higher added-value products was relatively small. The competitiveness of product groups that previously were often already competitive (such as cereals, oils seeds, fruits and vegetables) improved further, which also resulted in significantly increased exports of these products to the EU market.<sup>51</sup> However, exports of animal products (meat, fish, hides) and sugar

<sup>51</sup> As measured with the revealed comparative advantage values, see Annex 2 JC 4.1 for more elaboration.

reduced, which mainly reflect the lack of skills and experience of exporting to the very demanding EU market and inability of Moldovan producers to meet the requirements for exporting to the EU.

An important issue in terms of competitiveness has been the slow development of productivity. Low productivity has hampered growth in the agricultural sector particularly, as Moldova has been unable to maintain steady productivity growth. Next to limited access to land, low productivity and competitiveness levels are compounded by limited access to other inputs such as water/irrigation, finance, technical inputs, support services and quality workforce. Poor access to irrigation due to deterioration of state-run irrigation systems over the last decades has become a serious impediment in the process of transition to higher-value agriculture and consequently higher returns. Difficulties with irrigation tend to cause crop yields to drop much below their potential.

The most competitive producers (those who are able to export directly to the EU) are often large agricultural enterprises that are fully integrated – from producing to storing and packaging – with technical and managerial capacity. Although technologies for high-class production are available and in use by some of the most advanced producers, small-scale farmers, for the most part, have not adopted them. Moldovan SMEs in general find it difficult to engage in exports and access the EU market.<sup>52</sup>

The EU supported trade liberalisation and regulatory approximation to the EU acquis. Moldova made significant progress regarding adoption and implementation of EU acquis in several areas, such as sanitary and phytosanitary matters and technical barriers to trade. Despite some EU support, the necessary institutional framework for complete implementation and oversight of these new provisions is still weak.<sup>53</sup> As a result, agri-food producers continue to face challenges in meeting EU market demands, and the agri-food sector as a whole is facing problems with creating market institutions; establishing marketing and distribution channels; meeting EU quality, veterinary and phytosanitary standards; and building the administrative capacity to support these processes.

#### **Finding 4.2: EU support contributed to improved conditions for production, processing, and marketing through development of infrastructure and agricultural service delivery**

During the evaluation period agricultural production experienced considerable growth (almost 27%), reaching about EUR 1.6 billion in 2019. As made evident by the evaluation's survey results, also the quality of food products improved: most respondents trust Moldovan production more than before. Nevertheless, although agricultural output generally grew, the average annual growth has been varied among individual sub-sectors and across production years. With a general growth of 42%, crop/plant production fuelled the growth in output, followed by agricultural services which grew by 37% during the evaluated period. Sunflower seed production doubled, production of seed fruits and grapes tripled, and the production of nuts during the same period grew by eleven times. Nevertheless, the contribution of animal husbandry to the economy declined during the previous decade as production fell.

The large fluctuations with regard to production output between various years were mainly due to the sector's high vulnerability to weather conditions. Initial data of 2020 suggest a fall of 27% in agricultural production compared to 2019. The volatility is generally increasing based on the weather-dependence of agricultural products and poor irrigation. The largest decline was in crop production which fell by 36%. In this regard, the Association Agreement envisaged increased cooperation towards improving water quality and agricultural irrigation. Accordingly, the water resource management environment benefited greatly from EU support. Further to development of the legislative framework, EU investments were also directed towards construction of public water supply and sanitation infrastructure in rural areas. Nevertheless, irrigation has not really been at the focus of EU support. Along with improvements in the availability of

<sup>52</sup> EU4Business Secretariat, 2018. Investing in SMEs in the Eastern Partnership Country Report 2018: [https://www.euneighbours.eu/sites/default/files/publications/2018-07/annual\\_report\\_2018.pdf](https://www.euneighbours.eu/sites/default/files/publications/2018-07/annual_report_2018.pdf)

<sup>53</sup> Commission Staff Working Document, Individual reports and info sheets on implementation of EU Free Trade Agreements Accompanying the document. Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Implementation of EU Trade Agreements 1 January 2019 – 31 December 2019. SWD/2020/263 final, and interviews EU stakeholders, local business development associations.

irrigation, it would be necessary to improve the managerial capacity and ability of farmers to produce profitably given the cost of water and irrigation management.

During the evaluation period both large and small agri-food producers managed to increase production volumes. Yet larger enterprises (with more than 10 ha) managed to increase their production proportionately far more than smaller producers. This again is related to productivity issues such as high land fragmentation and limited access to other inputs such as water/irrigation, finance, technical inputs, support services and quality workforce. These factors harm the ability of firms to adjust to weather and market shocks. Also, traditional cultivation methods used by smaller producers, with low levels of mechanisation and low productivity remain hampering factors for development of both local and international value chains. Infrastructural issues also include the road infrastructure. Although the road infrastructure has generally improved in recent years the quality of roads in Moldova is still poor.

With support from the EU including in particular technical assistance and credit facilities, entrepreneurship in the agri-food sector increased during the evaluation period. In the 2015-2019 period, the number of enterprises, along with their profitability, in the agri-food sector grew significantly. The largest increase in terms of the number of enterprises in the agriculture and manufacturing sectors occurred in the Autonomous Territorial Unit of Gagauzia where the numbers increased by 91% and 16% respectively. The Autonomous Territorial Unit of Gagauzia was followed by the Centre and North regions.

EU support to the agri-food sector (particularly the horticulture sector) has been significant and contributed to the expansion of the sector and increased resilience of producers. As a result of direct EU co-financing, under the Moldova Fruit Garden project, 614.29 ha of nut trees, 714.66 ha of orchards, 56 ha of berry plantations, 112.74 ha of vineyards and 45 ha of vegetables were established. This has been despite the slow start of the project primarily due to external factors such as political instability in the country.

Through agricultural subsidies (ENPARD), EU support has also helped the government to increase public funding directed to the agricultural sector in support of production, processing and marketing. The agricultural subsidies represent about 50% of total public support for agriculture and the subsidy fund increased by more than 50% since 2010. With support from ENPARD, 4,444 farmers/agri-food enterprises received subsidies for investments in processing and marketing of agricultural products, environmental actions, improvement of (post-harvest) infrastructure and holdings.

The EU has been providing substantial support to reform the agricultural vocational education through programmes such as ENPARD and DEVRAM (Development of Rural Areas in the Republic of Moldova), which among others set out to revise occupational and qualification standards, curricula, build the capacities of vocational education and training (VET) institutions and connecting the agri-VET education to the business community. These initiatives helped increase the quality of education and training courses, enhance the image of VET, and better prepare students for the labour market and private sector demands. The EU support targeted existent gaps and contributed to improved education, research and extension services in the agri-food sector, including facilitating information systems. Also, support was provided for improving educational, research and expansion services in the agricultural and agri-food sectors. Within this framework, new agricultural entrepreneurial curricula for the agricultural post-secondary colleges subordinated to the Ministry of Agriculture, Regional Development and Environment (MARDE) were developed and approved. ENPARD supported the design of the curriculum for the 'Fundamentals of Entrepreneurship' course for agricultural colleges. Currently the European Investment Bank is financing government investments into Moldova's horticulture training institutions via the Fruit Garden of Moldova project, which enables further modernisation of education in the horticultural sector. Also, in an attempt to improve access to knowledge and technical capacity, the government with EU support enhanced the provision of services through the rural extension services network.

Although EU support through initiatives such as the Fruit Garden of Moldova project contributes to lending in the country, Moldovan firms deal with significantly high costs and limited access to external funds.



Banks are the main providers of external finance to SMEs, accounting for more than 90% of the total supply of credit, with alternative sources of SME financing remaining limited. Domestic credit to the private sector in Moldova stood at only 23.5% of gross domestic product (GDP) in 2018, the second lowest value in the Eastern Partnership region; this is substantially lower than the EU average of 140%. Relevant to the agricultural sector is that banks typically do not accept land and plantations as collateral, and they perceive high risks when lending to the sector. Furthermore, the financial management competences of smallholders and family farms are very limited which also negatively influences their ability to access financing. As a result, SMEs have considerably less access to finance when compared to large enterprises.

#### **Finding 4.3: Development of new activities in rural areas has been limited**

The structure of agricultural production in Moldova changed during the evaluation period, which indicates a tendency towards increased share of intensive crops such as grapes, fruits, vegetables, tobacco, etc. and a decrease in the share of products that require less capital such as wheat, corn, sunflowers, etc.

Certain non-agricultural sectors have developed in rural areas; however, this has not been significant and the role of the agricultural sector as an employer has become even more prominent. During the evaluation period, there was a national (and regional) growth in the gross value of the motor vehicle trade – the largest economic sector in Moldova – along with construction. The contribution of manufacturing (including food processing) and agriculture on the other hand reduced slightly at the national level. The importance of the agricultural sector slightly reduced for the Northern and Central regions, while the sector became a stronger contributor to the economy of the South and the Autonomous Territorial Unit of Gagauzia.

The share of the employed population in non-agricultural activities reduced from 70% in 2014 to 64% in 2018. At the same time, agricultural enterprises grew significantly in rural areas; this sector has remained the most active in terms of entrepreneurship and employment. The increased importance of the agricultural sector in terms of employment occurred despite the slight reduction of agriculture's contribution to the GDP, which points towards the low productivity levels in the sector and growing subsistence farming. The value added per worker in the agricultural sector is one of the lowest when comparing to peer countries and worsened during the evaluation period.<sup>54</sup>

The EU has been supporting diversification of economic activity in rural areas through various measures. Among others the policy framework for rural infrastructure has been improved through the introduction of new subsidy measures. Also, the number and volume of locally driven rural development interventions increased significantly through initiatives such as the LEADER approach.<sup>55</sup> Nevertheless, the budget of these initiatives has been too small to fuel economically significant change.<sup>56</sup>

The LEADER approach has advanced and is gradually moving towards institutionalisation. Yet many challenges remain. There is still a lack of clarity with regard to state funding of the local action groups (LAGs) and the transfer of the LEADER system to local funding is a work in progress, while project development and approval processes need to be further optimised.

Taking the above-mentioned into account, the promotion of complementary engines of rural growth is limited, but of paramount importance. The focus on addressing barriers to productivity such as gaps with regard to irrigation infrastructure and access to finance has been limited. Addressing this may require further cooperation with IFIs to create additional financial leverage to address these gaps. Moreover,

<sup>54</sup> Data from the World Development Indicators database, RM National Bureau of Statistics.

<sup>55</sup> The main concept behind the LEADER approach is that, given the diversity of European rural areas, development strategies are more effective and efficient if decided and implemented at local level by local actors, accompanied by clear and transparent procedures, the support of the relevant public administrations and the necessary technical assistance for the transfer of good practice. <https://enrd.ec.europa.eu/sites/default/files/2B953E0A-9045-2198-8B09-ED2F3D2CCED3.pdf>

<sup>56</sup> Interview's stakeholders in the field including local authorities and implementing partners and LAGs.

agriculture will continue to play a central role in rural development, but there is a need to enhance focus on the whole range of rural income-generating activities.

### 3.2.2 EQ5: Democratic institutions and rule of law

*To what extent has EU support for Moldova contributed to strengthening the democratic institutions and good governance, including the rule of law?*

#### Overview of EQ5

EU support has been decisive in creating several necessary conditions for reforms:

- An improved legislative, regulatory and institutional framework;
- A more structured and harmonised framework for policy-making;
- An improved capacity and technical infrastructure in key institutions;
- The emergence of change agents in key institutions.

Successes are particularly visible in the following areas:

- Improved border management leading to the introduction of a visa-free regime in 2014, benefiting over 2.5 million citizens according to the EU,<sup>57</sup> which is close to the total population of Moldova (2.7 million including the Transnistria region);<sup>58</sup>
- Improved border management;<sup>59</sup>
- Rationalised and improved training of magistrates with the National Institute of Justice;
- Increased efficiency in the justice sector: Council of Europe European Commission for the Efficiency of Justice (CEPEJ) indicators are improving and most of them range around the European mean or average (depending on cases);<sup>60</sup>
- Increased capacity of and trust in the police service;
- Progress in key EU-supported human rights areas, primarily anti-discrimination, equality, fight against torture and fight against ill-treatment.<sup>61</sup>

However, these conditions have proven insufficient to create sustainable and broad changes from the perspective of the rights holders (impact on the citizens) or from the perspective of the duty bearers' performance (prevalent governance practices), despite extensive assistance and these issues being consistently raised in the various fora of EU–Moldova political dialogue. The rule-of-law-based governance supported by the EU competes (often unsuccessfully) with a deeply entrenched informal, parallel governance system of corruption, personal and political loyalties and privileges.<sup>62</sup> Public confidence in the ability to build and sustain the formal normative governance remains low.<sup>63</sup> The EU intervention logic (particularly under the first SSF considered) overlooked some of its own key assumptions which urgently needed to be tackled: the intervention logic assumed that the EU programmes would contribute to an eventual and progressive diminution of political interference, to the

<sup>57</sup> European Union, Facts and Figures about EU-Moldova relations [https://ec.europa.eu/neighbourhood-enlargement/system/files/2021-03/eap\\_factsheet\\_moldova.pdf](https://ec.europa.eu/neighbourhood-enlargement/system/files/2021-03/eap_factsheet_moldova.pdf)

<sup>58</sup> <http://statistica.gov.md/newsview.php?l=ro&id=6416&idc=168>

<sup>59</sup> Annex 2, JC 5.1, Indicators 5.1.7, 7.4.2.

<sup>60</sup> <https://www.coe.int/en/web/cepej>

<sup>61</sup> Annex 2, JC 5.4, Indicators 5.4.2, 5.4.3.

<sup>62</sup> For general discussion about the mechanisms of informal governance as they relate to governance context, please refer to overview by the Basel Institute of Governance (<https://baselgovernance.org/public-governance/research-projects/informal-governance>). Specific guidance on integrating informal governance into politico-economic analysis is provided in multiple methodological materials, for example: 'Political Economy Analysis – Guidance for legal technical assistance,' Lisa Denney and Pilar Domingo, ROLE UK, (available online at: <http://www.roleuk.org.uk/sites/default/files/files/PEA%20-%20Guidance%20for%20legal%20technical%20assistance.pdf>).

<sup>63</sup> Annex 2, Judgment criterion 5.1, especially indicator 5.1.4. Also see <http://bop.ipp.md/en>

strengthening of functionally independent public bodies, and to receding collusion of political and business interests over time. In the governance area, EU-supported initiatives have not very successfully competed with the existing informal system, competing with the legal order. This is in part due to the shortfalls of the EUs' results chain and monitoring framework, the time needed to adapt the EU's intervention logic (new approaches, their translation into programming, and the implementation of the corresponding programmes), and limited analysis of its own assumptions and of the structure of incentives and power. These shortfalls have curtailed the EU's ability to effectively support the predictability of the legal order and of its consistent application – and in turn, the EU has not always been able to provide sufficient incentives to transformative change beyond technical, legal and institutional adaptations to match the EU treaty-base.

#### **Finding 5.1: The EU supported Moldova successfully in improving public finance management**

The EU supported the implementation of the PFM reforms in Moldova, which aimed at enhancing transparency of and accountability in Moldovan public finances. Improvements in public finance policy were expected to contribute to the maintenance of fiscal sustainability and the promotion of economic policies, a necessary condition in support of Moldova's efficient growth and development in the medium and longer term. The EU–Moldova ENP Action Plan defines the strategic objectives of political, economic and institutional reforms. Sound management and control of public finances, as well as improved PFM and transparency, are key political dialogue and reform areas of the ENP Action Plan.

Although the political context in Moldova was complex PFM has improved during the reference period and EU support contributed to this achievement. A key programme was the sector reform contract 'Support to Public Finance Policy Reforms in Moldova'. The programme assisted the government (notably the Ministry of Finance), Parliament (notably the Committee for Economy, Budget and Finance) and the Supreme Audit Institution (Court of Accounts) of Moldova in the process of enhancing good governance, effective fiscal policy, transparent and accountable public finance policy and strengthened PFM systems. The programme was composed of a technical assistance to the Ministry of Finance, Court of Accounts and Parliament – a grant project on oversight of public procurement and a technical assistance to the Court of Accounts. The budget support programme was implemented immediately after the large-scale banking fraud equivalent to 13% of GDP, which was brought to light in 2015. There were different suspensions and delays in disbursements of tranches<sup>64</sup> but, nevertheless, the programme showed to be successful. Coordination with the other two main providers of external budgetary resources, International Monetary Fund (IMF) and World Bank, as well as the EU macro-financial assistance programme enabled an increase in the impact of the policy dialogue on those issues.

EU support contributed to satisfactory implementation of the national PFM Reform Strategy 2013-2020. The Ministry of Finance made substantial progress in improving medium and annual budgeting, macro-economic forecasting, enhancing debt management, initiated the introduction of new public sector accounting standards aligned to international standards as well as increasing budget transparency. In 2016 the Ministry of Finance launched the citizens budget, and in 2017 Moldova enrolled for the first time in the international Open Budget Index survey. Those achievements were made thanks to a good definition of the specific indicators under the budget support programme together with a strong commitment of the Ministry of Finance to the agreed reforms: 96.9% rate of implementation of the specific conditions under the responsibility of the Ministry of Finance was achieved.

Technical assistance provided to the Ministry of Finance helped adapt procedures to international standards. EU support assisted the beneficiaries in the process of enhancing good governance, effective

<sup>64</sup> After the disbursement of the first fixed tranche late 2014, the EU suspended further payments in 2015 under the condition of a conclusion of an IMF programme. The latter was aimed at maintaining macroeconomic stability and stabilising banking sector. Following the agreement on the IMF programme late 2016 the EU disbursed the 1st variable tranche in December 2016. After the payment of the 2nd variable tranche in December 2017, the disbursements were suspended again on the back of a deterioration of the democratic standards and rule of law as well as a suspension of the IMF programme in 2018. The last variable tranche was released in 2019 following the appointment of Mr Sandu's government.

fiscal policy, transparent and accountable public finance policy and strengthened PFM systems. Public internal control and internal audit practices were further enhanced with the support of the EU Twinning project which ended in September 2019. Technical assistance supported audit capacities as well and enhancing the internal organisation of the Court of Accounts in application of 2018 Law on the Court of Accounts. In collaboration with SIGMA, an agreement was reached to carry out in 2020 a first ever peer review of the court with the aim to prepare a new multiannual institutional Strategic Development Plan post 2020.

Following continued policy dialogue since 2015 and the leverage of the EU macro-financial assistance programme, a dedicated structure was created within the Parliament for overseeing public finances through the review of the Court of Account's reports. However, the implementation of the specific conditions under the responsibility of the Parliament of the Support to Public Finance Policies Reform Contract was not satisfactory with a 16% execution rate. The main reasons were a lack of commitment of the Chairman of the Parliamentary Commission on Economy, Budget and Finance but also a sub-optimal formulation of the indicators. EU did not provide direct support to local governments in; however, the EU also supports regional development councils (made up of local authorities, businesses and civil society), which oversee public procurements, and thus decentralises the power of the Ministry of Agriculture, Regional Development and Environment.

**Finding 5.2: Sector reform programmes (budget support programmes) have a strong potential to incentivise changes in the governance sector although this potential is not always realised**

Budget support operations programmed to support the governance and VET sector were coherent with the intervention logic of the sector, and complementary with other support programmes.

- The 'Support to police reform in the Republic of Moldova' programme was unanimously considered by interviewees and reports as a necessary condition which made the ongoing reforms in the sector possible.
- Likewise, the 'Support to the implementation of the vocational education training strategy' programme was instrumental in putting the reform high on the successive governments' agendas and accelerating the implementation of policy changes on vocational education training (VET).
- The 'Support to public finance policy reforms' programme was implemented successfully despite some delays in disbursement of tranches. Interviewees and disbursement reports showed that this programme constituted a decisive incentive for the reform of public finances.

However, several budget support programmes faced major delays and/or suffered from interruption of disbursement and/or reduction of tranches disbursed. An example is the justice sector, where some of the most important targets (reform strategy, constitutional amendments, increase of public trust in the judiciary, judicial independence) were not met or not met in time.<sup>65</sup> No achievement of triggers led to the decision of 'zero disbursement' of the third and fourth tranche instalments in 2017. As a result, a sizeable share of funds has not been disbursed, and another share of the funds was disbursed with delays.<sup>66</sup>

Reasons for delays and interruption of disbursements of budget support operations were related to the non-fulfilment of the general and specific conditions for disbursement of tranches. No disbursements under budget support operations took place in 2015 due to a significant deterioration of the macro-economic and governance situation. In the short term, the government could not negotiate a new agreement with the IMF, which was put by the European Commission as a precondition for resuming budget support operations (a new agreement was only achieved towards the end of 2017). Furthermore, during 2017, there was close coordination with DG ECFIN to ensure that the main policy goals, aimed by

<sup>65</sup> At the time of drafting this report draft constitutional amendment and a draft strategy were prepared, but their adoption has been pending.

<sup>66</sup> see Annex 2 indicator 3.3.1

the EU assistance, were reflected in the conditionalities for a new EU macro-financial assistance programme for the Republic of Moldova that was designed and agreed upon. The Joint Statement by the European Parliament, the Council and the Commission regarding the planned macro-financial assistance also emphasised conditionalities related to effective democratic mechanisms, including a multi-party parliamentary system and the rule of law and guarantees for human rights.

Further to the problematic political context, the evaluators reported a weak understanding of the budget support instrument by some Moldovan partners (particularly line ministries) as observed during the first half of their evaluation (with the older budget support interventions). However, a progressively and better understanding of budget support interventions was achieved during the second half of the evaluation. The police reform budget support is a good example of that: after a period of adjustment, the stakeholders understood that the budget support programme was not meant to directly finance the investments necessary for the implementation of the reform, but rather act as an incentive to reward these investments once completed, which in turn sped up human, financial and technical efforts towards the variable tranche targets.

Interviews with stakeholders confirm that, although budget support programmes faced challenges, the associated conditionalities and the policy dialogue platforms created have enhanced the policy dialogue with EU. The EU clearly demonstrated that disbursement of funds is related to progress in democracy, transparency in the management of public finances, and other related conditions.

**Finding 5.3: EU support has contributed to the normative framework creating the basic conditions for an independent, effective, efficient and accountable governance sector**

The external evaluations and ROM reports, interviews and project reports converge in an understanding that the expert and technical assistance from the EU, the fundamental normative framework (legislative, regulatory and institutional) played a decisive role pushing for the key changes that were adopted during the evaluated period. In particular, the technical expertise of EU-supported projects, as well as the policy dialogue and advocacy created conditions that no other actor appeared capable of, ahead of the adoption of key laws or legislative amendments, and of key by-laws in the areas of justice reform (in particular judicial governance bodies), police (in particular human resource management in line with the budget support indicators), visa liberalisation and border management liberalisation (all normative changes required by the Visa Liberalisation Action Plan), anti-corruption (in particular the legal and regulatory framework of anti-corruption agencies), public finance management (in particular public procurement, oversight/control) and media governance (especially audio-visual media).

Since the April 2014 lift of visa obligations for Moldovan citizens to travel in the Schengen zone (on the condition of possessing a biometric passport) and the introduction of biometric passports, more than 2.5 million Moldovan citizens have travelled visa-free to the Schengen area.

In the justice sector, human rights, police reform, border management reform, anti-corruption and public administration – most of the laws and regulations which have been adopted during the evaluated period – have benefited from one or several of the following types of support from EU projects, identified through the sampled interventions:

- High-level advocacy conducted with the line ministries, Parliament, and the general public (e.g. through the media) in the frames of the political and policy dialogue. In support of the government to implement its reform agenda, the EU HLAs' mission, although a part of technical assistance efforts, indirectly contributes to the policy dialogue. It aims to strengthen policy-making at sector level and therefore directly enhances the preparedness of the government representatives to engage in the policy dialogue with EU officials;
- Joint preparation of draft legislation/by-laws by Moldovan civil servants, and experts funded by the EU (including technical assistance and Twinning key experts, high-level advisers, experts mobilised from



among the civil society thanks to EU grants, experts from international organisations working on EU-funded projects);<sup>67</sup>

- Commentaries of draft legislation/by-laws by EU-funded experts;
- Conditionalities (in particular budget support fixed and variable tranche criteria, but also cases in which the adoption of a law is presented as a precondition for the launch or continuation of another type of project).

Most of these normative acts focus on the institutional set-up of the governance sector, the procedures applicable to the relevant institutions, and the definition of key concepts and issues enabling these institutions to perform their missions. The Law on the Prosecution Office (before the 2019 amendments), the Law on prevention and combatting money laundering and terrorism financing, the Audio-visual Media Service Code, the Customs Code or the Career Guide to the Police, are a few examples.

However, EU support and advocacy has not succeeded in convincing the stakeholders, particularly in Parliament, to bring the normative framework fully in line with all European standards, especially for independence and transparency of the judiciary and its internal governance. During the evaluated period, there have been repeated instances when the Parliament amended draft legislation to the detriment of progress towards European standards.<sup>68</sup> Such instances have regularly been the subject of discussion in relevant sub-committees and/or raised at political level in exchanges with Moldovan stakeholders. Overall, most interviewees were ambiguous about the normative framework under which they operate. They agree that the Moldovan normative framework is generally satisfactory and that the most important problems lay with implementation – but they also almost systematically said that seemingly small details in this normative framework create loopholes that enable reticent actors to circumvent it or use it to the detriment of the rule of law and good governance.<sup>69</sup>

Analysing the reporting and stakeholder opinions on the sampled interventions, and cross-referencing it with expert and civil society publications, the ET found that the normative framework supported by the EU generally creates the conditions necessary for rule of law and good governance. With a few exceptions it enables stakeholders to discharge their functions in accordance with European standards. In this sense, the EU–Moldova cooperation contributed to creating enabling conditions.

However, in Moldova, the underlying competition between the formal, normative governance system and informal governance with high prevalence of corruption, compounded by the polarisation of the political spectrum, means that seemingly minor legal provisions are systematically exploited to the detriment of the rule of law and good governance. As a result, two key assumptions of the EU's intervention logic that are particularly crucial for good governance and the rule of law (absence of political interference into functionally independent public bodies, absence of collusion of political and business interests) have not been realised, which in turn undermines the effectiveness and impact of the intervention in the governance field. That situation is particularly concerning in the justice sector. The appointment of judges is an illustrative example. A 5-year 'probation' period before life tenure does not contravene international law; some even consider it a healthy part of the justice system to 'get rid of the rotten apples', as one interviewee put it. But it can also be used by a compromised system to put pressure on the agents of positive change, undermine the functional independence of judges, and instrumentalise the judicial system: as the Venice Commission, the Council of Europe (CoE) Committee of Ministers and the

<sup>67</sup> There are currently nine High level advisers in the sectors of anti-money laundering, anti-corruption, confidence building measures, customs and tax policy, education and research, energy, financial services, justice and prosecution, local public administration reform.

<sup>68</sup> Annex 2, Judgment criterion 5.1, especially indicator 5.5.1. See also Evaluation of ENPI/2012/023-420; Venice Commission Opinion of 2020 on the Draft Law on amending and supplementing the constitution with respect to the superior council of magistracy; Venice Commission Opinion of 2019 on the Draft Law on the reform of the Supreme Court of Justice and the Prosecutor's Office; Venice Commission recommendations on Moldova 2014.

<sup>69</sup> Annex 2, Judgment criterion 5.1.



Consultative Council of European Judges (CCEJ) pointed, 'probationary periods for judges in office are problematic from the point of view of independence'.<sup>70</sup>

**Finding 5.4: Cooperation with the EU, including policy dialogue, policy support and conditionalities, have contributed to the emergence of a policy-making framework, but without sustainable capacities and political will to elaborate and implement them. Policy documents are no guarantee of reforms**

During the reference period, the EU has supported the whole chain of public administration reform:

- Some (modest) support to election monitoring addressed the issue of the legitimacy of the political personnel, which is at the root of commitment to reforms but is intensively covered by other donors;
- Policy formulation and planning has been in the limelight, with the HLAs' mission and several projects focusing on capacity building for policy-making, reform planning and coordination;
- One project – Twinning – worked on the role of Parliament in mirroring the policy visions in new or amended legislation, and on parliamentary oversight of the executive;
- By implementing a Sector Reform Programme for the public finance management;
- Civil service reform was supported mostly through human resource-centred interventions working on capacity, motivation, and performance management.

These priorities correspond to the classical components of public administration reforms in transition countries, along the lines promoted for instance by SIGMA (EU/OECD). But their relative importance in the EU support to Moldova reveal the premium placed on policy-making and efficiency issues, in a context where efficiency gains appear paramount for a public service plagued by high emigration, further compounded by the high turnover at senior level, mirroring political instability, and by low budgetary capacity. The 'moratorium' on new hires in the public service (which followed a budgetary crisis that materialised because of the bank fraud, among other things), while rendering efficiency gains all the more necessary, also created additional constraints on the public administration.

With the two SSFs under consideration, particularly during the 2017-2020 SSF, the EU has invested in supporting Moldova's policy-making, policy coordination and policy steering (monitoring and oversight of implementation) capacities, because earlier evaluations and experience had concluded that this aspect created both a gap and an obstacle to the implementation of reforms.

Several sectoral interventions have had a policy-making or policy coordination component: for instance, the police support intervention, or the justice support intervention. In addition, the EU has dedicated specialised projects to horizontal policy-making capacities throughout the government. In 2014, the EU launched a capacity-building component on the management of EU institution building programme. The most recent example is the technical assistance on 'Support to policy dialogue, coordination and the implementation of the Association Agreement' signed in 2020. But the flagship project of this effort has been the HLAs' mission. According to all interviewees, the HLAs are highly effective in terms of support for policy formulation at the highest level (Minister/Deputy Minister) and have greatly facilitated the horizontal coordination of policies. Their presence in the key ministries and agencies has created some connections between senior managers, but also between complementary EU-supported projects which were otherwise evolving in silos. The justice and anti-corruption sectors are good examples of the HLAs' role. Police reform offers a semi-experimental example: while there was an HLA both in the Ministry of Interior and with the General Police Inspectorate, the achievement of targets was smoother, and the

<sup>70</sup> European Commission for Democracy through Law (Venice Commission), Council of Europe, Opinion No. 983 / 2020: Republic of Moldova, Joint opinion of the Venice Commission and the Directorate general of human rights and rule of law of the Council of Europe on the draft law on amending and supplementing the constitution with respect to the superior council of magistracy.

Recommendation CM/Rec(2010)12 of the Council of Europe Committee of Ministers to Member States on judges: independence, efficiency and responsibilities.

Opinion No. 1 (2001) of the Consultative Council of European Judges (CCJE) on Standards Concerning the Independence of the Judiciary and the Irremovability of Judges, para. 48.

consultation and steering of policy between the ministry and the inspectorate took place in an appeased manner, without the police fearing for its independence. Most interviews and project documents suggest certain backsliding since the closure of the HLA position in the Inspectorate coincided with the change of government: the HLA mission became estranged from the technical level of the police service, and interaction between the ministry and the Inspectorate reportedly became less fluid.

The support of HLAs and policy-oriented projects have also contributed to the emergence of a more harmonious framework for key policy documents. The structure of the documents is more constant, and their comparability across sectors has improved. Yet, most interlocutors and reports point to issues regarding the content of the policies at strategic level: with a high turnover of senior staff in most ministries and agencies,<sup>71</sup> the capacity that was built in terms of strategic planning is not always retained. The frequent change of political leadership, and the still blurry frontier between political appointees and civil servants also mean that the actual strategic objectives of a given ministry or agency may abruptly change, regardless of the official validity of a strategic document. These phenomena render some key objectives or measures foreseen by adopted policies moot.

**Finding 5.5: EU support has been instrumental in developing the necessary capacities and infrastructure in the governance sector, which in turn has improved the effectiveness and efficiency of some public services thanks to a pool of committed change agents**

The cooperation with the EU has enabled several key institutions, which constitute cornerstones of the rule of law and governance sector, to invest in their human resources, technical infrastructure and – to a lesser extent – internal working processes. For instance, in the justice system, EU projects supported some key capacity development: (a) training judicial professionals mostly through (or in partnership with) the National Judicial Institute, which created a pool of change agents (although their appointments and career paths, still constrained by the Superior Council of Magistracy, restricts their ability to contribute to change); and (b) digitalisation of key work processes such as the random distribution of cases and digitalisation of the case file management, increased the transparency and equity of case distribution, and the efficiency of judicial proceedings.

In the police service, the border police reform proved to be a ‘pilot project’ for the cooperation in overall reform of the law enforcement system – perhaps as an unexpected side impact of the visa liberalisation process. There was a strong commitment to certain core reforms, which is reflected in the strategy, then budget support was decisive for the complete rehaul of premises and vehicle equipment, and the initial police training is a key result of the Twinning with the Joint Law Enforcement Training Centre.

Throughout public administration, EU support facilitated a lot of training, and the deployment of a new performance management framework and associated working processes. The EU supported the civil service reform by pushing results-based management, organised around the performance scheme of the government. The results of this reform are visible through national monitoring of the sector strategies, as well as the annual plans of diverse institutions. However, some reports and interviews point to the difficulty in linking institutional and individual performance management – in other words, the place of civil service reform in the overall public administration reform needs to be solidified.

The key result of this effort is the emergence of a pool of change agents within most relevant public institutions, often at technical and mid-management levels (which was one of the key assumptions of the intervention logic). For instance, the Ministry of Justice and the judiciary can rely on a small body of committed civil servants, judges and prosecutors who identify with the reform objectives and have all benefited from EU-supported training, advice and exposure. To complement this, important training courses in the media sphere have contributed to the emergence and better recognition of investigative

<sup>71</sup> Annex 2, Indicators 5.1.8, 5.3.5, 7.1.1. Repeated concurrent interviews with Moldova civil servants, CSOs and EU support implementing partners.

journalism: there is now a small production of quality investigative articles that have the potential to back up the efforts of these change agents.

However, as they are placed under political pressure and at times disappointed with the delays incurred by the reforms, the resilience of the change agents within these cohorts diminishes and, according to interviewees in the justice sector, the human rights sector and public administration in general, their ranks are likely to thin out as years pass. Several respondents also pointed out that the turnover is very high throughout the public service, in all branches, both due to the interpenetration of the political appointments and the civil service, and to the incentive of higher salaries in the private sector.

There are examples where a pool of ready, willing and able professionals, combined with the evolution of the normative framework has positively impacted the effectiveness and efficiency of a few key services to the population. The management of border crossing points, the presence and work of the patrol police (although the reorganisation of the patrol police is still pending), the clearance rate and disposal time of cases before the courts, the identification and response to discrimination and ill-treatment cases by the Equality Council and the People's Advocate Office, are a few examples. Local-level services have also improved following the rationalisation of some public administration processes and financial flows between the central and local levels: 55% of our survey respondents think so (13% think they worsened, 26% that they stayed the same). Even in Parliament, where EU cooperation has faced dire political challenges and resistance to change, the Twinning reports demonstrate that the parliamentary administration staff is now better equipped to provide higher quality support to the Members of Parliament.

However, there are some significant gaps in the provision of effective, efficient, equitable services, among other reasons because capacity remains low in some key components of public services. The police reform is a good case study. While it has delivered its first results in terms of bringing the service closer to the citizens, and in terms of creating a better understanding of community policing, it is too early to speak of community policing being performed. This is because the staff who did not go through reformed initial training still lack some essential skills, because their supervisors at local level are often unfamiliar with and resistant to the concept, and because delegation of authority has not yet accompanied the decentralisation of the police service. Although the relevant conditions for disbursement were met, it will be crucial to build on this foundation following the end of the programme.

Importantly, the police reform as supported by the EU has not yet tackled analytical capacities, an essential component of modern policing. There is some country-level risk analysis performed at the General Police Inspectorate, but bottom-up data collection and analysis regarding threats and security problems has not been introduced. It has not been a priority of the EU's or any other donor's cooperation with the law enforcement sector, according to interviewees and to EU programmatic documents (budget support and complementary assistance). As a result, strategic planning, resource planning and management within the police station are insufficiently informed.

Another example is media support. According to all interviewees in this sector, while capacity has increased and financial support from the EU and other donors has helped media outlets until now,<sup>72</sup> the EU and other donors' support have not been able to propose structural solutions to unsustainable self-financing of media in Moldova, where the advertisement market and readership are too small to sustain a varied landscape of independent outlets. The Moldovan media market remains dominated by programmes produced abroad. The national or local media purchase the airing rights, translate the programmes to air them or air them in a foreign language. The audio-visual code, imposing a quota of Moldovan-produced programmes to national outlets, has helped a lot, but it does not concern regional and local outlets, which have a wide audience, particularly among the Russian-speaking population. The media's potential to fulfil a strong role for the accountability of the state therefore exists, but is not yet decisive.

<sup>72</sup> USAID. USAID: <https://www.usaid.gov/moldova/governing-justly-and-democratically>

In the justice sector, capacity gains have improved the efficiency of the justice,<sup>73</sup> but effectiveness remains very worrying,<sup>74</sup> with interviewees unanimously concerned over the poor quality of legal reasoning in judicial decisions and judgments. A review of the Moldovan cases before the European Court of Human Rights<sup>75</sup> shows that the quality of judgment is more often challenged (and ruled against) in Moldova, than in other countries of the region where procedural issues are more often challenged and ruled against.

Finally, a dire lack of horizontal cooperation (silo approach) and persistence of pyramidal decision-making structures impair the efficiency, effectiveness and the sense of responsibility in Moldovan institutions, according to interviewed civil servants and implementing partners. This situation is characteristic of several transitional countries, but it is particularly acute in the governance sector of Moldova.<sup>76</sup> EU-supported projects, which have had limited penetration into the workflows and internal processes of supported institutions, did not sustainably address these shortfalls, because they did not prioritise them nor did they sufficiently analyse these processes with change management in mind. Horizontal cooperation among ministries and institutions is not sufficient, especially where HLAs are not present. The EU-supported dialogue platforms partly bridge this gap, but they remain donor driven. They are reportedly dealing mostly with exchange of information, consultation, and at times coordination, but seldom with genuine cooperation (joint decision-making and implementation). Overall, there is a lack of domestically led, genuine debate leading to joint decision-making based on compromise.<sup>77</sup> While this is beyond the EU's control, it is not sufficiently taken into account or addressed in EU programming: according to several interviewees, the HLA mission does not cover all relevant ministries and institutions and have not succeeded yet to elicit ownership of horizontal cooperation within the executive.

The lack of horizontal cooperation is mirrored at the local level: for instance, interviewees and reports point to the severe difficulties to facilitate cooperation among municipalities or localities.

**Finding 5.6: Despite the combined efforts of the EU and key change agents, the existing power and incentive structures make the rule of law sector vulnerable to corruption, which continues to impair its independence, effectiveness and accountability**

With the EU's support, Moldova has set up a complex governance architecture designed to contribute to the rule of law by protecting the constitutional, legal and democratic order against corruption. In the general public service (from public administration to justice and policy), there are now anti-corruption regulations and efforts within to gradually uproot corruption from their midst. But these 'generalist' institutions, especially the justice system and the police, are not used as the guarantors, actors or leaders of the overall anti-corruption system.

Unlike other countries, and because of persisting concerns over the independence, impartiality and integrity of the existing rule of law actors (particularly the magistrates), Moldova – supported by the EU – has created a firewall between anti-corruption institutions and the rest of the rule of law system (in particular the police and the justice). This architecture is made up of a set of independent specialised institutions (even the specialised anti-corruption prosecution, within the General Prosecutor's Office, enjoys vast functional independence), which are tasked to prevent, investigate and prosecute corruption

<sup>73</sup> Annex 2, Judgment criterion 5.1, especially Indicator 5.1.2. Also see [https://public.tableau.com/profile/cepej#!/vizhome/CEPEJ-Countryprofilev1\\_0EN/CountryProfileA4part1](https://public.tableau.com/profile/cepej#!/vizhome/CEPEJ-Countryprofilev1_0EN/CountryProfileA4part1) and CEPEJ Moldova Country profile and European judicial systems Efficiency and quality of justice CEPEJ STUDIES No. 23 Edition 2016 (2014 data); European judicial systems CEPEJ Evaluation Report 2020 Evaluation cycle (2018 data); Project reports (349066 ATECO, PGG CEPEJ).

<sup>74</sup> Evaluation reports (PGG CEPEJ, Four Justice support technical assistance projects).

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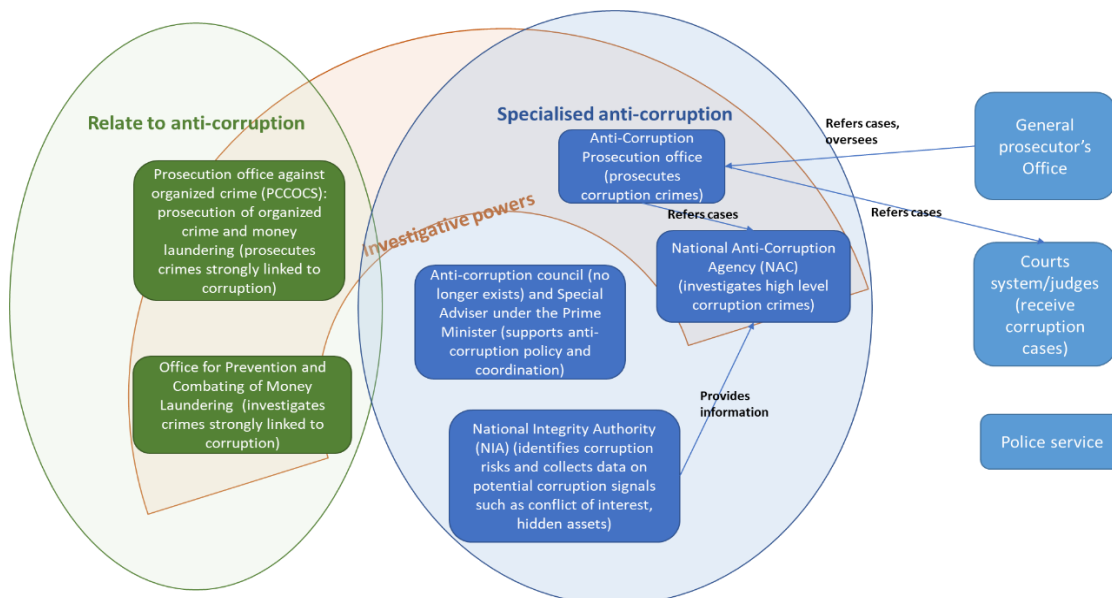
<https://hudoc.echr.coe.int/eng#%7B%22fulltext%22:%5B%22Moldova%22%2C%22documentcollectionid%22:%5B%22GRANDCHAMBER%22%2C%22CHAMBER%22%22%2C%22typedescription%22:%5B%2212%22%22%7D> Also confirmed by interviews.

<sup>76</sup> Annex 2, Judgment criteria 5.1, 5.2. and 5.3. Analysis of the Moldovan Government Action Plan for 2020-2023 (platform of CSOs) [https://eap-csf.eu/wp-content/uploads/Analysis-GAP\\_2020.pdf](https://eap-csf.eu/wp-content/uploads/Analysis-GAP_2020.pdf), and GRECO (Group of States against Corruption) Reports on Moldova (all), and International Commission of Jurists, 2019, 'Only an empty shell – the undelivered promise of an independent judiciary in Moldova', and CEPS, 2019: Integrity on Trial: Judicial reform in Georgia, Ukraine and Moldova (Steven Blockmans, Nadejda Hriptievshi, Viacheslav Panasiuk and Ekaterine Zguladze).

<sup>77</sup> Annex 2, indicators 1.1.2, 1.1.3, 5.3.6, 7.1.1 and Judgment criterion 3.3 in its entirety.

in all branches of the three constitutional powers (the executive including all civil service, the legislative and the judicial) and in the society in general. The cooperation with the EU with its intermediate results described above (normative framework, capacity, pool of change agents) has been instrumental for the establishment of these institutions. The budget support conditionalities, along the objectives of the Association Agreement, have created a game-changing incentive to set up anti-corruption bodies.

Figure 3: Anti-corruption bodies supported by the EU in Moldova



These institutions form a complex system of mutual checks and balances: many of their members come from the institutions where they are supposed to fight corruption (such as the justice system), but because corruption and personal or political affiliation are so widespread throughout these state institutions, the degree of trust in their ability to curb corruption has been limited.<sup>78</sup> Besides, their independence and specialisation could have resulted in a lack of accountability, which would have been unacceptable in a democracy. Multiplying specialised anti-corruption bodies has been a way to overcome this dilemma: specialised anti-corruption bodies have complementary mandates, but they are also expected to hold one another accountable. The criminal investigation against the former head of the Anti-corruption Prosecution Office in 2019 to early 2020<sup>79</sup> is an illustration of this assumption put into action. But most interviewees considered it unsustainable for a country the size of Moldova to maintain so many specialised anti-corruption bodies. However, most advise against a new overhaul of the anti-corruption architecture, suggesting instead to allow the core of motivated and trained civil servants to properly 'inhabit' their role and unroll functional processes.

The analysis of indicators, document review and most interviews related to anti-corruption also indicates that the complementarity between the anti-corruption bodies is marred by several factors:

- Uneven level of development of the various bodies;
- Lack of clarity and absence of consensus as to the delineation of their respective mandates;
- Personal and institutional rivalries;
- Lack of initiative in cooperation and coordination (a protective 'silo approach').

The 'generalist' rule of law system (the system of courts, the General Prosecutor's Office, the police service) is not integrated in this architecture, and interviews show that its stakeholders feel at best estranged, at worst disavowed and threatened by this separate architecture. This does not create an incentive to play an active role in anti-corruption: the interviewed judges, prosecutors and the police feel

<sup>78</sup> Evaluation Survey, questions 20, 23, 26, 27. Annex 2, indicators 5.2.2. and 5.2.3. See also <https://ipp.md/old/lib.php?l=en&idc=156>

<sup>79</sup> <https://www.coe.int/en/web/corruption/anti-corruption-digest/republic-of-moldova> GRECO monitoring.



that the investigation and prosecution of corruption at large is not part of their mandate. As a result, petty corruption – ‘everyday corruption’ which citizens perceive most directly, and which ought to be handled by the general police and justice system – either falls through the cracks of the ‘generalist’ justice system or jams the capacities of the specialised agencies with mundane cases.

Meanwhile, all interviews, publications and EU documentation, including public statements and EU Parliament resolutions, acknowledge that a parallel system of personal and political loyalties prospers in Moldova, particularly within the justice sector.<sup>80</sup> What many interviewees refer to as ‘the system’ still successfully competes with the legal order of functionally independent magistrates. For instance, mid-level managers in the judiciary (in particular court presidents) still effectively control the distribution of cases.<sup>81</sup> The independence of judges is marred by this system, and the problem is compounded by the 5-year probation period of judges being used as a threat. The prosecution service is still heavily hierarchical and the functional independence of prosecutors, while guaranteed in law, is severely curtailed by a pyramidal structure with strong traditions.<sup>82</sup> Interviews and document review point to the existence of a sizeable and active minority of change agents within the justice system, including among judges and (to a lesser extent perhaps) prosecutors, who struggle to protect their functional independence. Means of pressure include, for instance, the distribution of technical and human resources (from assistant judges and assistant prosecutors to computer and heating) or repeated requests to share case files.

Accountability mechanisms, introduced in the normative framework with the advice and advocacy delivered during EU-financed programmes, are very detailed, both in the legislation and in the regulations, and the support of EU projects as well as by initiatives of other international partners have clearly contributed to this outcome. However, these mechanisms are reportedly used by corrupt individuals, not to combat corruption, but as a tool to keep compromised judicial actors in line within the informal system of personal loyalties and dependencies. For instance, the long-lasting debate about a general vetting of all sitting judges (but not prosecutors), while presented in the Moldova Government Action Plan 2020-2023 as a way to tackle corruption at its roots, acts as a threat to the judges who do not comply with the illicit system of loyalties. The accountability of the judiciary therefore exists, but it is double-edged; it is unclear whether judicial professionals are accountable before the law or before an informal loyalty system. There are several accounts of performance appraisal, and distribution of cases being used as means of pressure and subjugation of magistrates, because the EU-financed IT platform for digitalised random distribution of cases is circumvented by, for instance, manually putting magistrates on leave. According to several interviewees, the most morally principled judges and prosecutors act at the same time as victims and competitors of this informal system. The EU interventions have therefore contributed to key normative provisions and technical instruments meant to increase accountability within the justice system, but these provisions and instruments have not sufficed to secure effective accountability.

In the judiciary, and according to some interviewees in various public sectors, this ‘system’ constitutes a successful competitor to the legal order, because it is at least as predictable – if not more. While resisting pressure of ‘the system’ is sure to result in informal but tangible repercussions, yielding to it is unlikely to result in disciplinary or judicial sanctions. And once a public servant is compromised, even in petty corruption, their vulnerability to the system is multiplied by existing accountability mechanisms, which can be selectively weaponised by the corrupt functionaries to exert pressure on dissenters. Thus, the benefits of integrity are distant, whereas protection through personal loyalties is immediate. In this sense, the EU’s intervention logic which puts the fight against impunity on top of its priorities, is fully relevant, and needs

<sup>80</sup> Examples of statements include: 2018 Statement by the HR/VP Mogherini and Commissioner Hahn on the invalidation of the mayoral elections in Chisinau; P8\_TA-PROV(2018)0458 Implementation of the EU-Moldova Association Agreement European Parliament resolution of 14 November 2018 on the implementation of the EU Association Agreement with Moldova (2017/2281(INI)) and European Parliament resolution of 20 October 2020 on the implementation of the EU Association Agreement with the Republic of Moldova (2019/2201(INI)); EEAS 2017 Press Release: Moldova: EU cuts budget support programme for justice reforms.

<sup>81</sup> Annex 2, Indicator 5.1.1; Repeated concurrent interviews with judicial officials, CSOs, Moldovan civil servants and EU support implementing partners.

<sup>82</sup> Annex 2, Indicator 5.1.1. Repeated concurrent interviews with judicial officials, CSOs, Moldovan civil servants and EU support implementing partners.



to apply both to high-profile and smaller cases – but achieving impact is a long-term enterprise, while rewarding personal loyalties and chastising independence takes place routinely.

Intensifying the support to civil servants in anti-corruption agencies, boosting cooperation among these agencies, and nurturing a body of change agents throughout the rule of law system are human resource-intensive tasks and will not yield immediate or spectacular results – but they remain the only way to better compete with the existing ‘system’.

Interviewees’ opinions, cross-referenced with the analysis of project reports in sampled interventions, have shown that EU implementing partners have sometimes lacked a comprehensive aptitude for continuously assessing the implementation context. They have not always adequately analysed the links of corruption, loyalties and actors who are compromised, which they are competing with. Implementing partners’ reports, budget support monitoring and EC reports do not clearly bring together context analysis and impact-level monitoring of their interventions. During our evaluation, the ET has repeatedly heard or read EU project experts blame the ‘heritage of the Soviet system’ for the mentioned shortfall. But this shorthand has outlived its validity, since the phenomenon of informal governance has been developing for almost 30 years since the dissolution of the USSR. Meanwhile, all interviewees agree that EU-supported projects require more detailed and in-depth analysis to design and implement intervention techniques that can effectively tackle this nexus and offer convincing incentives that create alternatives to informal governance for the Moldovan stakeholders. This analysis will also be essential for designing results and monitoring framework that can capture changes (rather than efforts towards change) in a more realistic fashion.

**Finding 5.7: With the impetus of EU support and key change agents, some necessary conditions for an independent, accountable, efficient and effective judicial system are met, but changes at impact level remain insufficient**

Overall, the necessary conditions for the independence and accountability of the judiciary have progressed, including at legislative and regulatory level, but they have not all been met.<sup>83</sup> The EU-supported efforts to bring the normative framework and the of the judicial officials in line with international and European standards have suffered from delays in the adoption of legislation, loopholes in the new legislative framework, and the intrusion of political and private interests in the decision-making processes.<sup>84</sup> Likewise, all efforts to penetrate the judicial system with advice, coaching and monitoring have had limited effects in terms of the independent and accountable performance of the justice system. Trial monitoring has encountered obstruction, which is symptomatic of an organisational culture that resists change. Training schemes have been successfully deployed, but the change created within the judicial structure mostly concerns the junior judges and prosecutors who went through reformed initial training.

The efforts aimed at increasing the effectiveness and efficiency of the judiciary have been more convincing: CEPEJ efficiency indicators are encouraging.<sup>85</sup> This is extremely important, because an efficient judiciary (which processes cases on time, with the available resources) is the condition for an effective judiciary (which renders decisions that uphold the legal order for the citizenry). The digitalisation of several processes (in particular the random distribution of cases, the recording of judicial acts, the judicial statistics, and the performance appraisal of magistrates) has been successful. All interviewees particularly praise the system of random distribution of cases to the judges, although they consider that it needs to be finetuned to better take into account the level of complexity and difficulty of the cases. This should enable fairer distribution of the workload and remove a tool of pressure from the hierarchy to the individual judges. Most interviewees further explain that the system can be circumvented; for instance, by manipulating the status of judges in the IT system (as absent or present, for instance) at the time of distribution of batches of cases.

However, the quality of judgments (which is another key condition for a judiciary that uphold the legal order) is reportedly uneven at best, among others because of capacity issues.<sup>86</sup> Although the reform of judicial training through the National Institute of Justice is a success story in terms of training a capable workforce of judicial practitioners in such a difficult context, it will take many more years until the generational renewal of the judicial personnel creates a critical mass of newly trained professionals, especially as the governing bodies of the judiciary do not use this trained workforce.<sup>87</sup> Furthermore, the relationship between the Institute and, respectively, the Superior Council of Magistracy and the Superior Council of Prosecutors, remains distant. Meanwhile, the junior magistrates are at risk of being absorbed by a system of personal loyalties and compromised actors, which diminishes their functional independence, and their margin to use the competences and skills acquired. Finally, the efficiency of and

<sup>83</sup> Annex 2, Judgment criterion 5.1, in particular Indicator 5.1.1.

<sup>84</sup> Analysis of the Moldovan Government Action Plan for 2020-2023 (platform of CSOs) [https://eap-csf.eu/wp-content/uploads/Analysis-GAP\\_2020.pdf](https://eap-csf.eu/wp-content/uploads/Analysis-GAP_2020.pdf).

GRECO Reports on Moldova (all). International Commission of Jurists, 2019, 'Only an empty shell – the undelivered promise of an independent judiciary in Moldova'.

CEPS, 2019: Integrity on Trial: Judicial reform in Georgia, Ukraine and Moldova (Steven Blockmans, Nadejda Hriptievski, Viacheslav Panasiuk and Ekaterine Zguladze) [https://www.europarl.europa.eu/doceo/document/TA-8-2018-0303\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-8-2018-0303_EN.html).

Venice Commission Opinion of 2020 on the Draft Law on amending and supplementing the constitution with respect to the superior council of magistracy. Venice Commission Opinion of 2019 on the Draft Law on the reform of the Supreme Court of Justice and the Prosecutor's Office. Venice Commission recommendations on Moldova 2014.

<sup>85</sup> Annex 2, indicator 5.2.2, confirmed by project documents and evaluations: CoE Partnership for Good Governance, Increased efficiency, accountability and transparency of Court (technical Assistance), Evaluation of Four Technical Assistance Projects (Participation).

<sup>86</sup> Interviews with 28 persons including Moldovan officials, CSOs, EU officials, others. Public Opinion Barometer, evaluation survey data questions 18 to 20.

<sup>87</sup> Annex 2, Indicator 5.1.3, Council of Europe Directorate for Human Rights and Rule of Law, April 2020, Comments on the new draft strategy for ensuring the independence and integrity of the justice sector for 2020-2023 in the Republic of Moldova.

access to the judicial system are still slowed down by the unfinished reform of the judicial map and the incoherence between the map of courts and the map of prosecution's offices. Therefore, it can be considered that the Moldovan judiciary, although much more efficient than before the evaluation period, remains insufficiently effective and, more concerningly, there is no guarantee that its effectiveness will improve in the future.

**Finding 5.8: The police reform supported by the EU has led to increased functional independence, accountability and effectiveness of law enforcement agencies, particularly thanks to budget support and long-term border assistance, though the point of no return in these reforms is not yet reached**

All documentation points to vigorous efforts to increase the independence of the police services in the border police and the General Police Inspectorate. In the text and intertext of the reports and interviews, though, there is a constant tension between a strong will to reform and align with European standards (particularly within the General Police Inspectorate, thanks, among others, to incentives provided in the context of the Sector Reform Programme), to budget support incentives), and the reluctance of the ministry to strictly delineate its policy-making role and refrain completely from interference with the functional aspects of the reform (despite the EU's advocacy). This limitation is compounded by the still unfinished functional independence of individual officers. On that count, despite efforts towards community policing, the Moldovan law enforcement sector is still very far from individual functional independence, because the prerequisites are not met (in particular analytical capacities from the bottom up) and because there is limited support for the concept of delegation, especially in police stations.<sup>88</sup>

Public trust in the police has increased, with fluctuations, but this upwards trend is not yet solidly established.<sup>89</sup> Internal and external accountability mechanisms, including civil society oversight, ethical safeguards and deontology training, became stronger during the period, particularly with the support of EU programmes complemented by other donor initiatives. Yet, internal investigations and disciplinary procedures remain scarce.<sup>90</sup> The Moldovan law enforcement can therefore be considered partly accountable, though showing considerable progress. The efficiency and effectiveness of the Moldovan law enforcement has strongly improved during the evaluation period, particularly in the branches that have received most EU support: the Border Police with EUBAMs,<sup>91</sup> and the general police reform, which has benefited from steady material investments and the redistribution of its human and material assets towards the patrol police, closer to citizens.<sup>92</sup>

**Finding 5.9: Governance interventions did not have sufficiently developed monitoring and evaluation frameworks, leading to incomplete data and feedback, in turn disincentivising intermediate-level change**

The available project reports from the EU suffer both from insufficient focus on tracking the results and from insufficient depth in describing specific outputs, which makes it difficult to grasp the potential impact of the activities that were implemented. This is particularly the case in the justice sector, but it can be said of most governance-related projects. Reviewed reports are mostly activity-based, and in some cases, even this reporting lacks focus on assessing the extent of its impact. For example, when the anti-corruption training of the prosecutors is mentioned, it is not immediately clear what proportion of the prosecutors have passed the training. Virtually no interim report and very few final reports assess changes in the sense of gauging the level of realisation of an intervention logic.

<sup>88</sup> Interviews with 15 persons including Moldovan officials and implementing partners, EU officials, CSOs, others. Project documentation, budget support disbursement reports.

<sup>89</sup> Annex 2, Indicator 5.1.5.

Public opinion barometer.

<sup>90</sup> Police General Inspectorate statistics.

<sup>91</sup> VLAP, EUBAM reports throughout the period.

<sup>92</sup> Budget disbursement tranches, 15 interviews (ibid.)

The justice sector is an illustrative case for this systemic shortfall in monitoring and analysis. The EU justice support framework was built around the national strategic document (in this case the judicial sector reform strategy) which it supports. While the strategy – according to multiple reports and evaluations – broadly conforms with the EU strategic objectives and recommendations in the area of justice reform, it was a general document, setting out expected outcomes of the reforms. The action plans that operationalise the strategy were, however, activity-based. This resulted in the ‘missing middle problem’ – the overall objectives are there, the activities are there, but explicit formulation of the causal path leading from activities to the achievement of objectives is lacking.

The EU project documents (action documents and descriptions of actions/terms of reference) seem to have mirrored this deficiency of the strategic framework in their indicators (or the absence thereof), assuming the commitment to the government without critically analysing the assumptions. Indicators often look at output or impact level, but they remain weak at results level, which further incentivises activity reporting instead of result reporting. Intervention logic statements are often sketchy, and neither project descriptions nor action documents describe real theories of change, which would force the EU and its project partners (beneficiary institutions/organisations or implementing partners) to explicitly define and recognise the expected changes, and to formulate realistic internal and external assumptions that underline their suggested intervention. ROM reports partly bridge this gap, but they cannot replace the project partners’ ownership of a genuine result framework. Interviewees and project documentation alike often focus on ‘what has been done’ (activities, outputs, deliverables, and to a certain extent processes) and at times explore impact-level changes in the governance environment, but they can hardly articulate how the first contributed to the other because their programmatic and monitoring structure has difficulties in grasping intermediate results.

This situation is likely to cause, at best, a lack of understanding of the genuine results and lessons of governance interventions; and, at worst, a lack of incentives for change at result level.

**Finding 5.10: The strategic approach prioritising the normative and institutional framework over in-depth change management used until recently was ill-equipped to tackle the key unfulfilled assumptions of the EU’s intervention logic in the governance sector: it has started to evolve but the results of this evolution are still hard to detect**

The lack of a meaningful results framework in the governance sector also led project designers to formulate indicators or deliverables that are too focused on the legal and regulatory framework, especially under the first SSF, because this type of change is easy to document and measure. In the governance sector, despite an improvement over the last few years under review, many project activities and project result indicators focus primarily on amending or creating new legislative or regulatory framework.

Many of these efforts invested in the normative framework concern the creation or modification of the institutional set-up in the governance sector: laws and regulations adopted or amended during the evaluated period, especially during its first half, often establish one or several institutions, restructure them, define or amend their mandates and procedures.<sup>93</sup>

While legislative changes are a fundamental condition for reforms, and activities related to these are often successful, these changes do not measure success from the point of view of the rights holders (impact on the citizens) or from the perspective of the duty bearers’ performance (prevalent governance practices) despite extensive assistance and these issues being consistently raised in the various fora of EU–Moldova political dialogue. They can create a false impression of legal certainty, while the daily reality of the institutions is often very different. This is all the more problematic in Moldova, where the legal profession is still rooted in the formally restrictive/repressive understanding of normative framework (whatever is not explicitly permitted, is forbidden), rather than a permissive one (whatever is not forbidden, is allowed). This latter approach in public administration is related to the ‘margin of appreciation’: the

<sup>93</sup> Annex 2, Indicators 5.1.1, 5.2.4, 5.3.3.

latitude allowed to the administrative bodies/civil servants to interpret the legislation in the interest and to the benefit of the rights holders (administrative discretion). The majority of our interviewees, regardless of their function, equate the concept of 'reform' with that of 'legislative changes', because they rarely perceive their ability to interpret the existing legal framework more to the benefit of the citizens/rights holders, based either purely on administrative discretion or through adoption of the regulatory or interpretative guidelines to that effect.

Not only is the concept of margin of appreciation of the law/administrative discretion exercised, be it by civil servants in general or the judiciary in particular, relatively recent, it is also at odds with both the mentioned legal tradition and the strength of hierarchical relations in the civil service. When we ask informants about the reform of the civil service, the judiciary or the police, they almost exclusively respond that the reform took place when an important piece of legislation was adopted or amended. Even when prompted, very few respond by commenting on progressive changes that occurred as a result of this legislative change, or without it, over a longer period of time.

Interviews with implementing partners and the review of project reports have further shown that, just like national strategies, the sequencing of EU support tends to address the normative framework first (policies, legislation, regulations) and internal change management second. This is for a number of reasons: either the action is planned like this or it is implemented like this; or because it is easier to do and measure, or it is believed to be a 'natural' sequence.

But experience dictates that such sequencing sometimes results in fairly good laws that are not being implemented – either because there is no wish to do so, or because there is no capacity, or both. This is witnessed in the justice system, in the fight against corruption, in prevention of discrimination, or in gender-based and domestic violence. For instance, Moldova has one of the most progressive legislations on domestic violence in wider Europe, yet an OSCE survey shows that the prevalence of domestic violence remains very high, including compared to other countries of the region, which cannot just be explained by the fact of better measurement.<sup>94</sup>

The discrepancy between the normative framework and the experience of rights holders and duty bearers erodes confidence in the very concept of the rule of law, as well as to the capacity of the EU to deliver tangible change to citizens. This seems to be the case in Moldova when it comes to fight against corruption. Moldova has never been better equipped institutionally and legally to combat corruption, yet the majority of our survey respondents believe that corruption has increased,<sup>95</sup> especially the high-level corruption, and the Transparency International's Corruption Perceptions Index does show convincing progress.<sup>96</sup> Likewise, the CEPEJ indicators on the efficiency of justice are mostly above or around the European average, yet the public's confidence in the justice is extremely low, and hardly reacts to the reforms: the public is not convinced that things are on the right track.

There is also a concern among interviewees (Moldovan officials, CSO representatives and implementers of EU support) that some important components of the rule of law and governance architecture are underserved because they are more difficult to regulate than others. In the justice for instance, while the prosecution, the judges and the courts have received a lot of attention both from the successive governments and from the EU throughout the evaluated period, support to the defence pillar (attorneys, legal aid) and to other legal services (notaries for instance) has lagged behind – perhaps because these professions are even more difficult to reform through normative acts and institutional set-ups.

Many stakeholders also expressed concern that the normative and institutional framework had changed too frequently during the evaluated period as a result of multiple factors including EU and other donors' support, which creates a lack of continuity in some key institutions. Adjustments and fine-tuning of the

<sup>94</sup> [https://www.osce.org/files/f/documents/2/1/424979\\_0.pdf](https://www.osce.org/files/f/documents/2/1/424979_0.pdf)

<sup>95</sup> Evaluation survey, Questions 26, 27.

<sup>96</sup> Note that the Transparency International Index is composite. The evaluation addressed solely one aspect of perception of corruption as covered by Transparency International Index – hence the difference between these two indicators.



legal, regulatory and institutional frameworks surrounding institutions linked to the rule of law and governance have proven indispensable for several reasons:

- The imperfection of the initial laws, regulations and institutional set-up, due to political compromises or the intrusion of political and private interests in the law-making process;
- The necessity to adapt to a changing social and political environment;
- The evolution of European standards on some key rule of law and governance issues (such as human rights standards, standards on participatory democracy, etc.)

The justice system is a good example of the dilemmas created by the conflict between the need to adjust the normative framework, and the legal stability necessary for change agents to meaningfully embrace the reforms. Many feel an urgency to adjust an improved, but imperfect legal framework which is often the result of a political compromise, but the civil servants and magistrates require stability of the legal framework to implement the reform in their daily work and decision-making, and to win the adhesion of the public to these reforms.

There are also more trivial and even personal reasons for repeated changes to the normative framework, particularly in a relatively small country where the community of law-makers and policy-makers is a narrow circle of individuals. Some interviewees point out that ministers and their cabinets use international support, including the EU's, to change laws and regulations more frequently than necessary, as they are motivated by a wish to leave that legislative legacy behind.

While it is hard to imagine reforms (and their accompanying normative framework) without regular adjustments ('meta-reforms', or reform of the reforms) in a transitional country, these adjustments should be, to the extent possible, marginal. There is a fine line between necessary corrections and a destabilising lack of continuity. Finding this balance in the Moldovan governance and rule of law sectors is all the more important as it is an essential condition for much-needed deep change management within the relevant institutions and serves to encourage civil servants to exert their margin of appreciation and administrative discretion in service of the constitutional order, of the rights of the citizens, and of the strategic objectives of their institutions. Several EU-supported projects (e.g. in anti-corruption bodies, in the law enforcement sector, or in human rights institutions) have supported restructurings and changes in the distribution of responsibilities. This is a necessary path to adjusting the institutional framework and increasing the efficiency of public institutions. But when these are too frequent, civil servants' motivation and initiative suffer.<sup>97</sup>

Several approaches could help, and in some cases already have helped, limit the recourse to normative changes while boosting the progress of reforms, or to compensate for the instability stemming from regular changes of the normative framework.

Deep change management before, during and after any normative change is considered indispensable by almost all interviewees and several evaluation reports, and our ET concurs with that. This supposes in-depth analysis of the power and incentive structures, detailed stakeholder analysis (in particular within the target institutions) and the deployment of more human resource-intensive monitoring, advice and coaching intervention techniques. The HLA mission is a good model, which can be widely expanded at the technical level in key targeted institutions. Among our interviewees, several agents of change insist on the need to deploy EU-funded experts within the ranks of the justice, law enforcement and anti-corruption bodies, thus replicating the HLA model at a more technical level.

Another avenue is to move from supporting Moldova's line ministries with legislative drafting towards more comprehensive assistance to law-making process, which would improve the system of horizontal consultation and coordination between the ministries while developing legislative proposals but would also engage Parliament's administration and improve the quality of parliamentary reviews. This may be

<sup>97</sup> Annex 2, Indicators 5.1.1, 5.1.2, 5.3.3. Repeated concurrent interviews with Moldovan civil servants and EU implementing partners.



particularly challenging, as witnessed by the aborted activities of the Twinning project with Parliament – but several actors view such support as indispensable. Project reports and ROMs, confirmed by interviews, show that many projects have provided line ministries and agencies with assistance in drafting laws. Yet, several interviewees consider this as only the first step, pleading for a more systemic support.

Finally, all interviewees insist on the absolute necessity to accompany all governance-related initiatives, including budget support and other projects, with intensive internal and external communication, to better identify and rally the agents of change. Improved communication may improve the leverage on decision-makers and interested parties by combining the EU conditionalities, with better articulated public pressure – from citizens, media and civil society. Communication measures could include internal communication strategies in the targeted institutions, active media campaigns, outreach to the education sector (in particular higher education), and continued support to civil society consultation and oversight for accountability of the governance sector, based on the model of the complementary support to the police budget support programme.

Over the past 3 years, the EU has increasingly used these three approaches in various projects (such as the project on ‘Controlling corruption through law enforcement and prevention’; the CEPEJ/PGG and ATRECO<sup>98</sup> projects to some extent; Parliament Twinning, and some attempts in the project on support to efficient prevention and fight against corruption in justice sector; the Strategic Communication project), but not systematically or uniformly in all fields of governance. The COVID crisis has also considerably reduced the ability of this new generation of projects to reach deep into the targeted institutions; remote change management is simply not comparable to in-person cooperation.

<sup>98</sup> Increased efficiency, accountability and transparency of Courts - Project

### 3.2.3 EQ6: Connectivity, energy and environment

*To what extent has the EU support to Moldova contributed to better connectivity (in energy and transport), increased energy security, energy efficiency, the protection of environment and combatting climate change?*

#### Overview of EQ 6

The EU has contributed to better connectivity in the energy and transport sectors, increased energy security and efficiency and has improved the protection of environment and climate change. This has been achieved through different instruments of regional and bilateral cooperation, including cooperation with international financing institutions.

Important infrastructures in the transport sector (road and train transport) and the energy sector were co-financed through blended operations. Examples in the transport sector are the Moldova Road Rehabilitation project Phases III and IV; and the Moldovan Railways Fleet Renewal programme. Examples in the energy sector are the Ungheni–Chisinau gas pipeline and the construction of the electricity interconnection between Moldova and Romania European Neighbourhood Instrument (ENI). Examples of big infrastructures in the energy sector are the following blending operations: Ungheni–Chisinau gas pipeline; and construction of the electricity interconnection between Moldova and Romania ENI.

There is no information available demonstrating that the infrastructure projects are achieving an adequate return on investment and/or sufficient income streams to continue operation and adequate maintenance. However, the aspects related to sustainability and maintenance of big infrastructures are normally evaluated by the lead financing institution. Several of the infrastructure projects are still ongoing or have started operation only recently.

In the case of infrastructures for the water sector the situation (reported also by ROM reports) shows that tariffs applied are most often too low for assuring an adequate operation and maintenance of infrastructure. Another difficulty is related to the fact that according to Moldovan regulation, municipalities cannot directly finance any costs of a financially autonomous service utility.

The EU is also supporting the efforts of Moldova to diversify energy resources, to increase energy efficiency and to promote renewable energies. EU support and achievements were significant especially related to energy efficiency and transformation of biomass and waste to energy and several projects are still ongoing. The Moldova Energy and Biomass Project aimed to contribute to a more secure and sustainable energy production in Moldova through targeted support to renewable energy in the form of biomass from agricultural waste. This United Nations Development Programme (UNDP) project was very successful but not limited to energy efficiency; it also strengthened local economy, developed the agribusiness sector and supported the modernisation of public buildings (e.g. 250 Moldovan schools), creating additional income opportunities for the rural economy and SMEs. Other important interventions are the Programme Construction of Water Supply and Sanitation Infrastructure, and Energy Efficiency in Public Buildings (implemented by German Development Cooperation, GIZ); Eastern Europe Energy Efficiency and Environment Partnership (E5P) (Chisinau Energy Efficiency Project; Chisinau Solid Waste Project; Balti District Heating Project; Balti Trolley Bus project).

In 2019 the Energy Efficiency Agency was reorganised by merging with the Energy Efficiency Fund (EEF). The mission of the reorganised agency was to implement the state policy in the energy efficiency field and to finance/implement energy efficiency and renewable energy projects. During 2014-2019 the EEF financed the implementation of around 270 projects having a total value of approximately EUR 32 million, with a grant component of up to EUR 24 million. The Fund's resources were allocated through the state budget, from the financial resources of the EU (under the direct budget support program) designated for investment activities of the EEF.

Important support was also provided to the water and waste-water sectors. Examples are EU4Moldova: Clean Water for Cahul, Chisinau Water Development Programme, Moldova Utilities Development Programme, North Moldova Water, Construction of Water Supply and Sanitation infrastructure, as well as Energy Efficiency in Public Buildings, and the Rehabilitation of the Water Supply System in the Municipality of Nisporeni. EU assistance provided direct access to improved water and sanitation services to about 1,400,000 beneficiaries including the support provided through Neighbourhood Investment Facility (NIF) co-financed interventions. EU co-financed interventions are not only tackling access to water and sanitation, but also the improvement of quality of services

**Finding 6.1: EU support is contributing significantly to reduce energy dependency of Moldova and to increase energy security**

Moldova's energy self-sufficiency is among the lowest in the world. Around 20% of its energy demand is covered by domestic production, consisting almost fully of solid biomass. Moldova lacks energy resources – it is almost wholly dependent on fossil fuel and electricity imports, and only 20% of its energy demand was met by domestic sources in 2018. Natural gas, which serves most of its energy needs, was entirely imported from Russia via Ukraine up to the end of 2014.

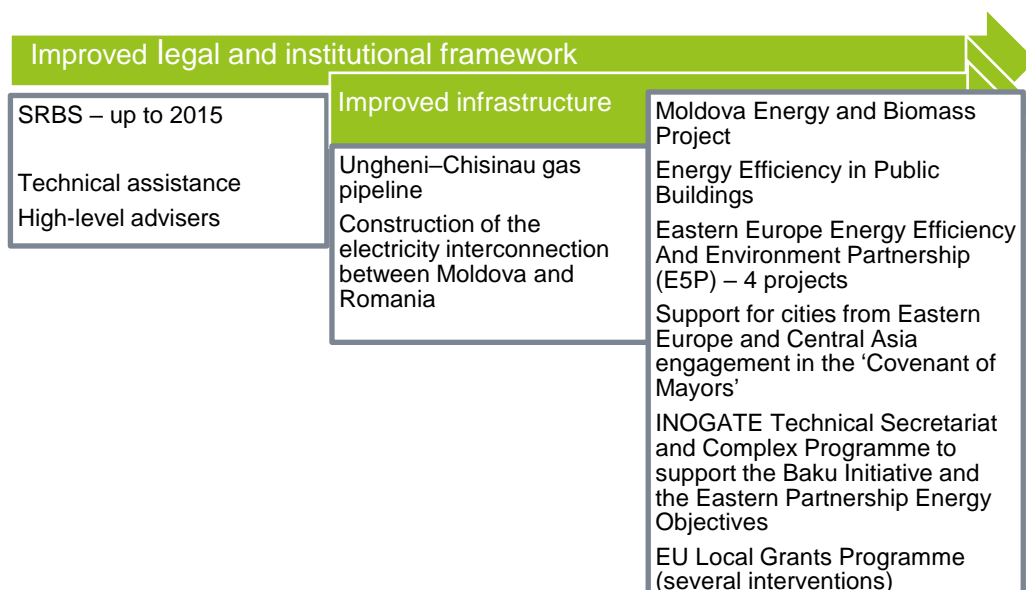
Important investments projects in the energy sector were supported through NIF blending operations. These projects correspond to national priorities; in fact, the government has contracted the respective loans with EBRD and EIB. Implementation of projects is still ongoing; thus the final results have not yet been achieved. Big infrastructure investments in the energy sector will contribute to make Moldova less dependent on energy provision from Russia and Ukraine.

The construction of the electricity interconnection between Moldova and Romania ENI (energy provider) is done in the context of the regional energy cooperation with Caspian and Black Sea countries and the EU. The regional energy cooperation follows the framework of the Baku Initiative, which aims to facilitate the progressive integration of the region's energy markets into the EU market, as well as the transportation of substantial quantities of Caspian oil and gas towards Europe.

The Ungheni–Chisinau gas pipeline project follows the principles of Directive 2004/67/EC and Regulation (EU) No 994 concerning measures to safeguard security of gas supply, the provisions of which will be implemented by the country in the context of its adhesion to the energy community. The project will enable Moldova to improve integration capacity of its gas network with Romanian and European gas networks. The pipeline is expected to supply almost all the gas Moldova consumes, excluding the Transnistria region. This can be considered as a success and will connect Moldova more to the EU.<sup>99</sup> The Ungheni–Chisinau gas pipeline is financed with EUR 8,638,524,484: Cohesion Fund EUR 6,534,996,977; and Regional Development Fund (ERDF): EUR 2,103,527,507.

<sup>99</sup> Thanks to the Ungheni–Chisinau gas pipeline project the Republic of Moldova has changed its position in the negotiations with Gazprom on a new gas supply contract. The 120-kilometer pipeline will allow Moldova, which is almost 90% dependent on energy imports, to connect to the EU's gas transportation systems, gain energy independence, ensure the security of gas supplies, increase competition on wholesale markets, and create preconditions for lowering gas tariffs for end users.

Figure 4: EU support in the energy sector



**Finding 6.2: EU support is contributing significantly to better connectivity in the transport sector**

Related to the transport sector, the DCFTA sets out the EU’s detailed rules and regulations for most modes of transport (road, rail, inland waterways, sea and intermodal). Reforms along these lines are progressing (see Table 2 below).

The EBRD, EIB and European Commission (NIF funds) are funding major investments in transport infrastructures. These projects correspond to national priorities; in fact, the government has contracted the respective loans with EBRD and EIB. Implementation of projects is still ongoing or have just been completed.

Table 2: EU contribution to the transport sector

CRIS-No	Title	Starting	Implementing partner	EU contribution (€)	Comments
355431	Moldova Roads Rehabilitation IV	2014	EBRD	1,541,650.50	Supervision
353807	Moldova Roads Rehabilitation IV	2014	EBRD	13,758,349.50	Infrastructure
353812	Moldovan Railways Restructuring Project	2014	EBRD	5,200,000.00	Mainly acquisition of locomotives
353786	Chisinau Water Development Programme	2015	EBRD	13,785,000.00	Infrastructure
366717	Moldova North Water Project	2015	EBRD	1,720,400.00	Cancelled

Figure 5 shows EU support during the period 2014-2020 to the transport sector.

Figure 5: EU support in the transport sector

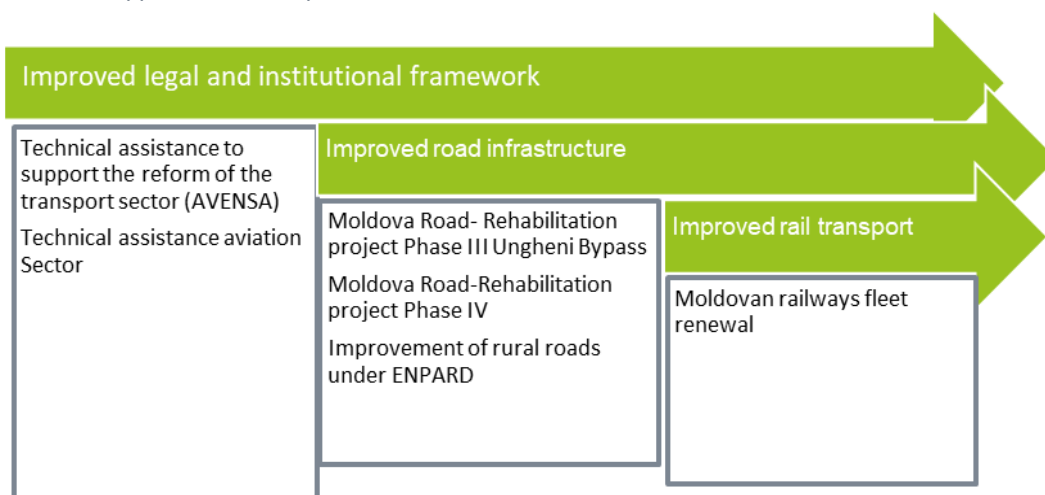


Figure 5 demonstrates that the EU holistically covered all aspects of the sector. The design of the road/rail projects took into consideration the low development of the transportation infrastructures of the Republic of Moldova (road and rail, the low-capacity building of the related institutions).

However, in several cases, blending operations were affected by delays in the projects' implementation. The complex procedures applied by EBRD delayed procurement processes; furthermore, there were challenges with the capacity and reliability of some contractors. Thus, a consistent part of NIF funding for road sector was lost due to late implementation of the road projects. Tangible progress is evident (even though with delays both on the road and rail sector). Railway operators are benefiting from the NIF Instrument for freight locomotive acquisition and Ungheni bypass has been completed.

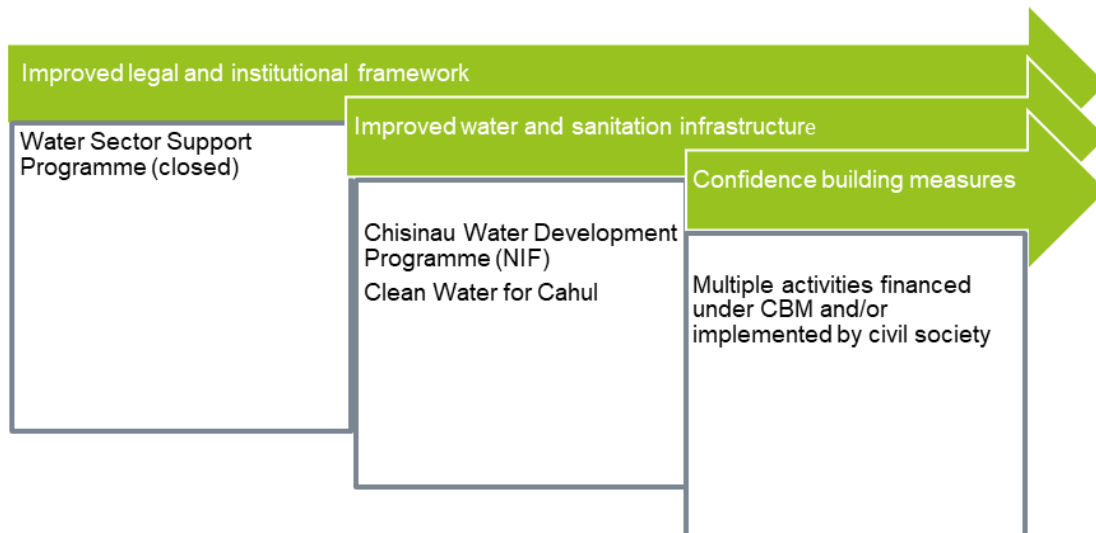
### Finding 6.3: EU support to the water and waste-water sectors has increased users' access to water and sanitation

Of Moldova's 3.56 million inhabitants, 55% live in rural villages and 45% in urban areas. Surface water is used for water provision in 70% of urban areas. Continuous degradation of drinking water quality is due to increased livestock raising in households, agricultural and municipal waste storage and landfills, and infiltration of polluted waters. Municipal utilities are in charge of water provision. Currently, 52 municipally owned operators provide water and sanitation services to 43% of the population mainly located in urban areas. 57% of the population are finding their own water source, 43% get water from 52 municipal companies. The water sector in Moldova is operating with an outdated infrastructure. Equipment is in poor condition and has limited capacity. Municipal companies suffer from old infrastructures, old debts still dating from the Soviet period, low income and thus almost no funds for undertaking investments. Waste collection and treatment is limited.

In Moldova, access to safe water and sanitation services for all is weak.<sup>100</sup> The bottleneck is the poor water governance which is rooted in weak sector institutions with insufficient capacities. There is a wide range of entities with water sector steering functions that have overlapping tasks and responsibilities. Lack of consensus over competences at the political level leads to unclear regulation and divided authorities over budgets and decision-making. The EU has been supporting the water and sanitation sector since 2009 (Water and Sanitation Sector Support – WASH). During the reference period for the evaluation several important project and programmes were implemented – most of them with direct involvement of the local governments.

<sup>100</sup> National Bureau of Statistics, [www.statistica.md](http://www.statistica.md)

Figure 6: EU support in the WASH sector



It is difficult to estimate the exact number of people targeted by interventions in the water and sanitation sector since 2014, as the Water and Sanitation Budget Support programme (financed in 2009 but still ongoing in 2014) and smaller interventions financed under the Call for proposals also have to be considered (and are difficult to retrieve). The EU assistance provides direct access to improved water and sanitation services to a significant number of beneficiaries, which by project team estimates may be around 1.4 million, including the support provided through NIF co-financed interventions. The effective number of beneficiaries will be even higher if we consider all beneficiaries of the water sector support programme. EU co-financed interventions are not only tackling access to water and sanitation, but also the improvement of quality of services.

**Finding 6.4: EU support plays an important role in the introduction of the concept of energy efficiency, including at local level**

EU bilateral programmes (i.e. biomass programme) and regional projects demonstrated to Moldovan institutions and population the possibility to (a) use biomass for energy production; (b) how to reduce by appropriate technologies energy consumption; and (c) the relation between water and energy. EU interventions demonstrated that biomass and solid waste are sources for the creation of energy and at the same time can permit the establishment of micro-enterprises (dedicated to the transformation of biomass and solid waste) and thus create job opportunities. In the survey undertaken in the context of this evaluation about 55% of interviewees confirmed that the local-level service provision has improved since 2014. Related to the quality of tap water, 60% of interviewees indicated that it remained the same and 16.8% indicated that the service had improved. For waste disposal at their place, almost 50% of interviewees indicated that the situation remained the same, almost 32% indicated that it improved and 16% indicated that the situation worsened.

- The Moldova biomass project financed by EU and implemented by UNDP contributed to a more secure and sustainable energy production in Moldova through targeted support to renewable energy in the form of biomass from agricultural waste. The project was very successful as it also strengthened the local economy, developed the agrobusiness sector and supported the modernisation of public building (e.g. 250 Moldovan schools), creating an opportunity for additional income to the rural economy and SMEs.
- Construction of water supply and sanitation infrastructure, as well as energy efficiency in public buildings: the project is financed by EU and (just started) being implemented by GIZ. The Moldovan citizens will benefit from improved public services of water supply and sanitation and energy efficiency in public buildings. As such, the project will construct and put into service 10 water supply and sanitation systems, as well as implement eight energy efficiency projects in schools throughout the country.



- the Local Grants programme financed as a complementary action aims to increase sustainability of the infrastructure as well as awareness raising on importance of infrastructure and services oversight and cost-recovering tariff setting.
- Eastern Europe Energy Efficiency and Environment Partnership (E5P): Moldova has benefited from several projects financed under E5P: Chisinau Energy Efficiency project; Chisinau Solid Waste; Balti District Heating; Balti Trolley Bus. All but the Balti District Heating project have started implementation.

EU4Environment has developed the platform that provides SMEs in Moldova with clear information on how they can improve their resource efficiency and environmental performance, increasing their competitiveness by reducing their costs.

#### **Finding 6.5: EU support promotes and implements the concept of a green economy**

EU has significantly contributed to promote the concept of a green economy. The green growth concept is a model of social and economic development for economic growth, improved human well-being and social equity. Its goal is to achieve a low-carbon, resource-efficient and socially inclusive economy, significantly reducing environmental risks and the impact on human health. The EU is supporting the Programme EaP Green at regional level (EU funding with support of OECD and UN organisations). In June 2020, the Organisation for Small and Medium Enterprises Sector Development (ODIMM) with participation of EU4Environment implementing partners organised a kick-off conference on the National Greening Programme for SMEs. By the promotion of eco-labelling in the framework of EU4Environment programme Moldova will align to the EU requirements and procedures in the domain. EU4Environment has also developed the platform that provides SMEs in Moldova with clear information on how they can improve their resource efficiency and environmental performance, increasing their competitiveness by reducing their costs.

The high-level national round table 'Green Economy – Made in Moldova' took place on 29 January 2021. The event gathered representatives from governmental agencies (MEI, MARDE, ODIMM), EC (DG NEAR, DG Env), EUD, EU4Environment implementing partners, National Anti-Corruption Centres and beneficiaries, international organisations, embassies, businesses and enterprises/private sector, academic sector, environmental non-governmental organisations (NGOs) and experts, and mass media from Moldova and EaP countries. The meeting objectives were to (a) promote the green economy approach at the highest political level in Moldova and EaP countries, in all social development sectors of the country, attracting the private sector, development partners, NGOs, media and the general public; (b) to promote objectives and priorities of European Green Deal in Moldova across the EaP region, including exchange of experiences between EaP countries on this issue; (c) present the contribution of the EU4Environment programme to the implementation of green economy principles in the EaP region; and (d) increase awareness of stakeholders from businesses, governmental agencies and the general public on the application and benefits of the green economy principles for sustainable economic development.

The Greening Programme of Small and Medium Enterprises (by Government Decision 592/2019 from 27.11.2019) will be implemented by ODIMM to promote, support and develop the entrepreneurial capacities of SMEs, in order to adopt production processes and services providing the greening practices. The programme provides an integrated approach to supporting SMEs introduce green economy principles (water efficiency, waste recycling, energy efficiency, management system).

It is impossible to identify the percentage of funds spent by the EU for green economy or the number of projects financed as in almost all sectors 'green economy' is considered as transversal. Projects and programmes using a 'green economy approach' include: Moldova energy and biomass project and several energy efficiency projects supporting water supply and sanitations services; Modernisation project of the street lighting in Ocnitza and Cantemir 'Green Light Moldova!' (This project was implemented under the EU-funded programme 'Covenant of Mayors – Demonstration Projects' and received the EU Sustainable Energy Award in the Eastern Partnership.)

**Finding 6.6: Alongside other international actors, the EU has contributed to the approximation of the EU environmental and energy legislation – most notably on water, waste, environment impact assessments and climate change**

The EU is providing important and continuous support to Moldova to promote the approximation of the EU environmental and energy legislation to ensure energy security and diversify supply sources, including through renewable energy. The EU has supported climate change-related actions in the transport sector as well as, among others, by improving public transport in the big cities, restructuring and modernising the Moldovan rail sector, and rehabilitating country roads.

The legal provisions of the Association Agreement and the DCFTA in the energy sector consist largely of commitments made in the context of the accession of Moldova to the energy community. Thus, after the adoption of the law on energy (as well as the previous laws on natural gas and electricity) Moldova officially transposed Energy Package III at the level of primary legislation. At the same time, efforts have been made to adjust the legal norms on renewable energy, as well as energy efficiency – both elements of Energy Package III.

On climate change, Moldova's international commitments under the Paris Agreement have shaped the country's legal and strategic framework in this field. The Low Emissions Development strategy until 2030 and the 2015-2020 Climate Change Adaptation strategy are being implemented. A regulation on measuring, reporting and verifying greenhouse gas emissions was developed in compliance with the respective United Nations Framework Convention on Climate Change and EU provisions, and awaits governmental approval. The EU has also financed the 'Implementation of the Shared Environmental Information System Principles and Practices in the EaP Countries (ENI SEIS II East)'

However, this normative framework is not backed up by sufficient institutional capacity. Despite the AA provisions aimed at strengthening the institutional framework, the Ministry of Environment still lacks adequate capacity to implement AA provisions, and therefore ensure proper environmental protection and fight climate change. The following information was collected from interviews:

- Environmental institutional reforms were not planned strategically, and in some cases weakened the Ministry of Environment, instead of strengthening it. In Moldova, the Ministry of Environment is part of the Ministry of Agriculture; as a result, there exists a conflict of interests between the agricultural industry – which is often a strong polluter – and environmental protection.
- EU is providing vital support which helps national institutions to prepare draft laws and regulations; however, their approval by Parliament is most often delayed.
- Although legislation exists, environmental compliance and enforcement institutions remain inadequate. Environmental institutions' limited capacity results in weak integration of environmental policy and poor implementation of laws, even if adopted in line with European and international standards.
- Two governmental decisions were adopted in June 2018, one on the establishment of the Environment Agency and one on the creation of the Environmental Protection Inspectorate.

**Finding 6.7: Some sustainability challenges continue to exist due to insufficient financial and human resources**

EU programmes place great importance on sustainability in their design. Nevertheless, there are some sustainability problems at all levels which are regularly discussed in policy dialogues.

- The recruitment and lack of retention of staff in the road and rail sector (as well as in almost all public sector institutions) is an issue that may affect sustainability. Many positions are vacant, and some experienced staff are not familiar with modern systems and working methodologies (having been

trained in the Soviet system). Furthermore, in certain interviews it was mentioned that there is a resistance to change among some employees. The reduced number of staff as well as the relatively high turnover reflects inadequate employment conditions. Although public employees' salaries have been significantly increased as a result of the Public Administration Reform, they are still much lower than in the private sector and cannot be compared to salaries in EU countries. Thus, recruitment of new and qualified employees is, in some cases, difficult. Many young and qualified citizens have opted to emigrate from Moldova to EU countries and are not available for the national labour market. This is also exacerbated by the fact that a high percentage of Moldovans have dual nationality (Moldova and Romania) and can therefore work without any difficulties in EU countries.

- Local governments are generally in charge of services related to water and waste-water administration. EU has recently implemented/is implementing projects that are working with local governments. However, the volume of transfers of funds from central level to local governments are low and the possibility of creating their own income is limited. Tariffs for energy and water are not completely free and are in many cases not covering the operational and replacement costs of infrastructures (i.e. water).

### 3.2.4 EQ7: Mobility and people-to-people contacts

*To what extent has the EU support to Moldova contributed to increased mobility and people-to-people contacts among targeted groups?*

#### **Overview of EQ7**

Since 2014 the EU has significantly contributed to increased mobility and people-to-people contacts among teachers, students, researchers and volunteers. While the EU programmes generated almost 9,000 international credit mobilities and non-formal mobilities, the major contribution goes beyond this number. The vocational education and training (VET) sector has been reformed, the new life breathed into the R&I sector, and higher education (HE) has stepped up a new level, where universities are boosting internal, regional and international cooperation. Despite major achievements, the government's fragile financial and human capacity, along with enduring political instability held back reforms during 2014-2020 and may also jeopardise further efforts.

**Finding 7.1: Most fundamental VET sector elements were built and strengthened, yet after 8 years of reform implementation, VET governance is unsteady and a coherent medium-term and long-term vision is missing**

About a decade ago, VET sector governance was not up to par and VET institutions were not fit to deliver high-quality training. Obsolete infrastructure and equipment coupled with insufficient funding and a shortage of teachers were the defining conditions for most if not all VET institutions. The curricula were inconsistent with the qualifications demanded by the labour market and teaching techniques were often unsuitable. Hence, VET was not attractive to potential students and many VET graduates remained either unemployed or were choosing different professional paths, often abroad. In 2011 the number of VET unemployed considerably exceeded that of VET graduates.<sup>101</sup> On top of that, while 12% of the population were unemployed VET graduates, the private sector was constantly lacking the necessary skilled workforce.

Against this background, the government prioritised VET for EU budget support. The national VET Strategy 2013-2020, along with a detailed action plan developed in anticipation of EU budget support, addressed the VET systemic frailty comprehensively. Subsequently, in 2014 the Financial Agreement on SPSP, 'Support to the implementation of the VET reform in Moldova', worth EUR 25 million (AAP2013) was signed. It was preceded by an allocation of EUR 5 million to cover the technical assistance needs (AAP2012). The SPSP's overall objective, specific objectives and expected results were fully in line with

<sup>101</sup> National Bureau of Statistics, [www.statistica.md](http://www.statistica.md).

the VET Strategy. A SPSP Policy Matrix operationalised selected VET strategies – about 40% of activities were implemented with EU support. Synergies between VET SPSP and the VET Strategy increased the likelihood of systemic transformation. Moreover, EU support was demand driven and there was a momentum for change.

After a 2-year gap in EU assistance to VET, in March 2019 an EU Twinning project for enhancing the quality and effectiveness of the VET system (worth EUR 1.3 million) kicked off. The project aimed to support the government in finalising the implementation of the VET Strategy, building the capacity of governing institutions/bodies and teachers and to boost collaboration with the private sector. The implementation of project activities, slightly affected by the COVID-19 pandemic, is now under way and will end in 2021.

The VET Strategy came to an end in 2020. Several SPSP targets derived from it were stretched out as far as 2020. Hence, the evaluation took stock of the events that occurred beyond termination of budget support, assessing the sustainability of the intervention in general and the extent to which the SPSP overall and specific objectives were met in particular. To this end, indicators included in the evaluation matrix are consistent with medium and long-term commitments undertaken by the government under the SPSP (see Annex 2 for more details).

EU budget support for VET ended in 2017, halfway through the time frame of the VET Strategy. Various assessments (particularly the mid-term and final reports prepared by the technical assistance project implementing partner, the two SPSP reviews) have largely agreed that VET budget support built a foundation for a modern and effective VET system. The Ministry of Education, Culture and Research (MECR) supported by the EU technical assistance project and other donors (e.g. Liechtenstein Development Service (LED), GIZ and the Austrian Development Agency (ADA) have been implementing VET reforms since 2014. Particularly commendable were achievements related to the restructuring of VET institutions, the establishment of a National Agency for Quality Assurance in Education and Research, the gradual introduction of the new financing formula and VET schools' self-management, and shifting to a new curricula development approach, based on qualification and occupational standards. Dual education, started by the European Training Foundation in 2014 and turned over to GIZ a few years ago, is believed to be one of greatest wins of VET reform – 100 companies have contractual arrangements with VET institutions, engaging 9.8% of VET students.<sup>102</sup>

Every fundamental VET managing body was established since the start of the VET reform supported by the EU budget support. The MECR is accountable for VET policy-making, monitoring and evaluation, as well as implementation. The VET Department is the key unit in the MECR, which coordinates these activities, supported in its efforts by the National Qualifications Framework Department and Lifelong Learning Department. The VET Republican Centre (CRDIP) was further created to back MECR in the implementation of VET policy. A VET Coordination Council, comprising representatives of the key line ministries, the Employment Agency, the VET institutions and labour market representatives was established with a view to enhancing social partnership. Later, sectoral committees were created to also build bridges between VET institutions, the government and economic agents. The National Agency for Quality Assurance in Education and Research was set up to take care of VET quality assurance, being in charge of VET programmes and institutions' accreditation.

Nonetheless, only 60% (EUR 15.1 million) of VET budget support was disbursed. Frequent changes of ministers (four ministers during budget support implementation), insufficient MECR staff (four people in the VET Department) and turnover of team leaders in the technical assistance project (four during project implementation) hindered delivery on VET reform in general and led to delays in implementing certain activities (e.g. creation of sectoral committees, strengthening capacities of CRDIP and refurbishment of

<sup>102</sup> Data from the Ministry of Education, Culture and Research.

Centres of Excellence etc.) Moreover, budget support was new for MECR; management was learning during implementation, and absorption capacity was low.

After termination of the TA project (2017), the MECR found itself in a challenging position, whereby it had to deliver on reform, despite limited human capacity, high turnover in the MECR management (seven ministers during 2014-2020), scarce financial resources and enduring political crisis. The CRDIP had been understaffed ever since its creation and, despite many improvement attempts, it is practically unfunctional. Thus, it could not support the MECR with reform implementation. Likewise, the VET Coordination Council proved to be weak and ceased activity in 2016.

Furthermore, the VET restructuring plan was only partially implemented – VET schools' network, comprising 106 institutions was subjected to a thorough mapping and reorganisation in 2015, and was downsized to 91 institutions. However, there are still schools, for example with only 25 and 40 enrolled students, of which only 8 and 21 respectively graduate.<sup>103</sup> Schools with 50–80 students, of which only half graduate, are not an exception either. As regards the Centres of Excellence, while a lot of material and intellectual resources were injected in these by the EU and other donors and country development partners, most have yet to fulfil their ascribed functions regarding the supported VET institutions, especially in providing continuous specialised training. The concentration of Centres of Excellence in Chisinau (10 out of 13) and lack of these in the South of Moldova, adds inequity to the VET system.

In short, the objective to increase the quality of the teaching staff, including upgrading the initial and continuous professional development of teaching staff for the VET, and improving the motivation, so that, by 2020, the entire teaching staff is trained according to the National Qualifications Framework, has only been partially fulfilled. About 70% of teachers were trained to develop and deliver competence-based curricula (MECR estimation).

Therefore, after 8 years of VET reform implementation, VET governance is clearly unsteady and VET reform is not stable. To date, there is no strategy and policy underpinning the next VET reform phase, the Education 2030 strategy has not yet been finalised and the 2030 Moldova National Development Strategy has not been adopted by Parliament.

However, it is important to stress that the VET reform started in 2013 and it would be imprudent to expect positive effects in less than a decade – change in education takes much longer. The VET sector in general and the VET institutions in particular have been in a constant transformation. For instance, two major pieces of VET reform have been implemented after VET budget support ended (prerequisites were developed by the EU-funded technical assistance project) – self-management (2017)<sup>104</sup> and introduction of funding per student (2019).<sup>105</sup> These reforms changed entirely the way VET institutions get their finances. Altogether, they put pressure on VET institutions to have a firm grip on the wheel, chasing up students (against the backdrop of decline in enrolment), and at the same time, carrying on with income-generating activities, provided they serve training purposes. Amid these adjustments, VET schools were hit by the COVID-19 pandemic in 2020. Despite these problems, over a half of surveyed students (53.2%) think that the education process has improved since admission, 20.3% consider it has remained the same and only 8.6% believe it has worsened.<sup>106</sup>

**Finding 7.2: VET positive reputation is gradually building up, but it continues to be the second-best choice for students and is barely matching labour market demand**

The Budget Support Financing Agreement set several impact targets for 2020, based on which the attractiveness of the VET would be assessed. As such, according to the Agreement the number of VET

<sup>103</sup> Data from the survey of 37 VET schools (41% of entire school network) across all regions of Moldova carried out in March 2021.

<sup>104</sup> According to the Code of Education, art. 145.5, VET institutions are on economic and financial self-management and can have income generating activities.

<sup>105</sup> Government Decision No. 1077/2016 on approving the Regulation on per-student financing of VET institutions.

<sup>106</sup> Data from the students' survey across 15 VET institutions (536 respondents from the graduation year) carried out in March 2021.



students had to increase by 10% from 2013 until 2020. This target could not be met, partly because there was a demographic decline in the population. Against the backdrop of population decline (by 8%) and associated decrease in youth aged 15–29 (by 27%) the number of VET students shrank from 47,300,000 in 2014/2015 to 43,600,000 in 2019/2020.<sup>107</sup> The number of VET students enrolled during the pandemic year 2020/2021 has increased to 44,900,000 (2.9% increase as compared to the previous school year). Unlike overall enrolment in VET, enrolment in dual education has been on an upward trend for a few years; it has also increased by 13% during the pandemic. At the same time, the number of teachers is small – 3,473 a drop of 17% since 2014.

In addition, competition for pursuing studies in VET is not particularly high – only 5 out of 37 sampled schools have barely two students competing for one place. On average, competition is very low – over 90% of applying students are accepted. Particularly worrying is the average admission grade (6.13 out of 10). On the other hand, if students do not drop education (one in five does) they increase learning outcomes to an average grade of 7.73 at graduation. Nevertheless, drawing from the students' survey, low competition, along with the proximity of the school and dormitory conditions, are the three least important reasons why students choose a particular VET institution. At the same time, the top three reasons for choosing to study in a particular VET institution are forward looking: students pick a particular school because they want to learn a profession, or obtain a diploma and necessary qualifications for their future job. Despite these initial considerations, some students do not complete their studies. The average dropout rate in the sampled VET institutions is 19.6%, with some schools losing over a half their students throughout school year. There are various reasons for school dropout – emigration, dissatisfaction with their choice of study, quality of education or living conditions in dormitories, and various personal matters.

Higher education (HE) remains the number one preference among students. Moreover, the number of HE graduates was greater than that demanded by the labour market and, therefore, some were unemployed. However, one important phenomenon perpetuated – a part of excess HE graduates took less qualified jobs from VET graduates, pushing the latter away from the labour market, even though jobs with less advanced training and qualifications are more in demand (only 15% jobs demand higher education).<sup>108</sup>

As such, the employment rate for VET graduates decreased as compared to 2014 and is below 50%.<sup>109</sup> We have corroborated the official statistics with data from our 37 surveyed schools, which shows that on average 55% of graduates gained employment. VET graduates represent a third of the inactive population, which is a concern. Also, over 40% of people from the group 'Not in employment, education or training' are aged 15–29 with secondary vocational studies and 33.4% with post-secondary vocational studies.<sup>110</sup> At the same time, almost one third of surveyed students claimed they expect to find a job in the learned profession after graduation, another third will continue studies, yet 9.5% plan to emigrate.

If we look at the most in-demand professions in the labour market and top professions provided by VET institutions,<sup>111</sup> consistency is not evident. It is difficult to conclude that VET matches labour market demand. Despite efforts to enhance social dialogue between VET schools, the government and the private sector, through sectoral committees and some sporadic achievements in that respect, there is a lot of room for improvement. By March 2021 only 55 occupational standards (OSs) were developed and approved<sup>112</sup> (seven OSs were developed by the EU-funded project on increasing competitiveness of the

<sup>107</sup> Data from National Bureau of Statistics, [www.statistica.md](http://www.statistica.md).

<sup>108</sup> National Employment Agency, 2019 Report, [https://www.anofm.md/view\\_document?nid=19387](https://www.anofm.md/view_document?nid=19387).

<sup>109</sup> According to the NBS data the employment rate of secondary specialised graduates dropped to 49.2% and that of secondary vocational education graduates to 47.5%.

<sup>110</sup> National Bureau of Statistics, [www.statistica.md](http://www.statistica.md).

<sup>111</sup> Data from the survey of 2949 employers from various fields carried out during 18 November – 24 December 2020 by ANOFM and distribution of places by professions and specialities by MECC, 2020-2021 school year. <https://mecc.gov.md/ro/content/admiterea-1>.

<sup>112</sup> Moldovan Standardisation Institute, <https://ism.gov.md/ro/content/standarde-ocupa%C8%9Bionale>.



agri-food sector)<sup>113</sup> and more are needed. Most sectoral committees (six in total were set up since 2018) are neither proactive, nor easy to mobilise. Constituent economic agents are often not acknowledging the usefulness of developing OSs as part of sectoral committees and if they do, resources to cover these extra activities are often lacking. The Ministry of Health, Labour and Social Protection budgets earmarked for OSs' development are very scarce and donors (EU, Liechtenstein Development Service, United States Agency for International Development) have only provided financial support for a limited number of OSs.

A more common procedure is for the sectoral committees to develop occupational profiles, with a more general content than that of the OSs, based on which qualification standards and curricula are developed. However, qualification standards and curricula are often not backed even by occupational profiles. On top of that, to date only around 40% of VET curricula were adjusted to the National Qualifications Framework.

Although some of the 2020 targets foreseen in the VET Strategy were not achieved, the VET sector has made a huge leap thanks in part to EU budget support, and it did so from the onset of budget support. It thus gained a better reputation – several VET institutions became reform champions. This was largely the effect of the EU support, but also of complementing assistance from other donors and country development partners that have considerably invested in both VET infrastructure (particularly the Liechtenstein Development Service and the Austrian Development Agency) and built capacity of schools' managers and didactical staff. However, the attractiveness of VET professions has not increased in the same period, specifically because of low remuneration. While the average salary has doubled since 2014, remuneration for most VET professions in Moldova remains unattractive.<sup>114</sup>

Even though about 40% of the measures envisaged by the VET Strategy were implemented with the EU budget support, most activities of the VET Strategy focused on the supply side (education), with less consideration to the demand side (labour market). As a result, there was limited impact upon the attractiveness of VET sector as a whole (number of students and teachers in constant decline, dropout rates high), employment levels of VET graduates (at the same level as in 2014) or a better match with the labour market demand. Unfortunately, VET has continued to be of marginal importance until now in terms of government finance and staffing, with no clear-cut medium and long-term vision and strategy. The EU has started to address this deeply rooted issue via its budget support programme and policy dialogues.

**Finding 7.3: Erasmus+ and Horizon 2020 programmes have increased mobility and people-to-people contacts, strengthened individual and institutional capacity and boosted reforms in HE and R&I, which are yet to be completed**

During 2014-2020 Moldova participated in EU programmes – notably Erasmus+ and Horizon 2020 – supporting higher education and research and innovation (R&I). Participation of Moldova in these programmes has increased mobility and people-to-people contacts but, more importantly, they boosted institutional and systemic changes (see Annex 2 for more details).

While there were 3,624 Erasmus+ academic mobilities during 2014-2020, the programme scope was much broader and went beyond individual learning opportunities.<sup>115</sup> It also addressed institutional and systemic issues in higher education. As such, during the last 7 years there were 21 capacity-building projects in HE involving Moldova, of which seven were coordinated by Moldova aimed at promoting

<sup>113</sup> Increasing the competitiveness of the agri-food sector through integration to domestic and global value chain, 2017-2021, implemented by ADA, Donau Soja and Pro-Didactica, Contract number: 389857.

<sup>114</sup> The gross average salary in the economy was 4,089 lei in 2014 and increased to 8,860 lei (EUR 417) in the fourth quarter of 2020. The gross average salaries in agriculture, forestry, fishing (5,553 lei), transport (6,982 lei), processing industry (7,647 lei) and construction (8,271 lei) are the lowest. On the other end, the highest average gross salaries are paid in ICT (20,311 lei) and financial activities and insurance (16,006 lei). Source: National Bureau of Statistics.

<sup>115</sup> Data provided by the National Erasmus+ Office. It is important to note that reliable data real time data for 2014-2020 were not available at the moment of data collection, despite introduction in 2018 of the Mobility Tool+ system. It applies to both international credit mobilities and non-formal mobilities.

reforms in the HE system. Universities' staff have become more skilled in preparing applications, building partnerships, managing projects, and their foreign language ability has improved. At the institutional level, HE capacity-building projects boosted a multi-level cooperation between local and international universities, never experienced before, and which increased institutional capacity. At the HE system level there were also gains, specifically through structural capacity building for HE projects. Erasmus+ led to modernisation of HE in line with the Bologna Process, internationalisation of Moldovan universities, including integration in the European Higher Education Area and European Research Area. The World Bank project (USD 39.4 million International Development Association credit) launched in 2020 aims at further improving the quality, relevance and efficiency of Moldovan HE, complementing EU systemic interventions in HE quality, financing and management.<sup>116</sup>

The success rate in Erasmus+ international credit mobilities has gradually increased – from 44.9% in 2015 to 93.7% in 2020.<sup>117</sup> At the same time, the success rate in HE capacity-building projects and Jean Monnet projects<sup>118</sup> was unsteady and was generally quite low; the highest was in 2020 – 12.5% for HE capacity-building projects and 30.8% for Jean Monnet projects. One should bear in mind that the success rate also depends on the overall quality of applications by Moldovan organisations.

According to interviewed universities' representatives apart from benefits of Erasmus+, there are a number of concerns raised by universities' management, which belong to unfulfilled contextual assumptions of the programme, and curtail the impact of Erasmus+ for the students. For instance, HE needs further reforms – universities' autonomy is not full, programmes' accreditation by the National Agency for Quality Assurance and Research is 'catastrophic' and does not cover all programmes.<sup>119</sup> They switch to research programmes, under Horizon 2020, Black Sea Strategic Research, border cooperation joint programmes, etc. The fact that academic staff 'transits' from education to research is not necessarily a negative trend. With recent decentralisation of research and its dislocation from the Moldova Academy of Science to universities it is finally in the right place, and increasing numbers of academic staff turn to research and look for ways to combine research activities with programmes, curricula and methodologies' development.

The success rate of Moldovan participation in the Horizon 2020 programme is 14.5%.<sup>120</sup> Moldova is the second among EaP countries (after Ukraine) in relation to both the number of grants signed and the funding received. However, in terms of innovations, which is the backbone of the Horizon 2020 successor (Horizon Europe), Moldova is clearly underperforming, with the Global Innovation Index of Moldova being on a downward slope since 2014.<sup>121</sup>

Similar to the Erasmus+ case, Horizon 2020 had a cascading effect on Moldova, leading to a number of structural changes. This programme has created more cooperation and learning exchange opportunities for scientists and researchers and led to a series of important legal and institutional changes in R&I. In 2016 a peer review of the R&I system was prepared by a panel of international experts, based on which Moldova adopted amendments to the 2004 Code on Science and Innovation and carried out associated reforms, particularly streamlining financing and eliminating conflict of interest within the Academy of Science. In 2018 the National Agency for Research and Development (NARD) resulted from the merger of three Academy of Science executive bodies. Besides being the agency responsible for implementing

<sup>116</sup> The World Bank <https://www.worldbank.org/en/news/loans-credits/2020/03/05/moldova-higher-education-project>.

<sup>117</sup> National Erasmus+ Office, <http://www.erasmusplus.md/erasmus-higher-education-moldova-2020>.

<sup>118</sup> The Jean Monnet actions offer opportunities in the field of higher education and in other fields of education and training. The Jean Monnet actions contribute to spread knowledge about the European Union integration matters.

<sup>119</sup> The gross daily rates are the following: manager – EUR 47, professor/researcher – EUR 33, technical staff – EUR 20, administrative assistant – EUR 17. Ukrainian counterparts' rates are much higher. It is believed that rates are originating from Tempus programme, yet a lot has changed since 2014, but the rates stayed the same. In Ukraine the economic situation worsened and Moldovan average salary has increased ever since.

<sup>120</sup> EC online dashboard, <https://webgate.ec.europa.eu/dashboard/sense/app/a976d168-2023-41d8-acec>

<sup>121</sup> <https://knoema.com/atlas/Republic-of-Moldova/topics/World-Rankings/World-Rankings/Global-innovation-index>

R&I policy, NARD implements Horizon 2020, which is considered the largest and most important programme supporting science in Moldova.

Despite institutional adjustments, the interagency coordination of the Horizon 2020 programme was problematic. The MECR oversees policy drafting, while NARD deals with implementation.<sup>122</sup> In practical terms these boundaries are quite blurred. The main bottleneck, though, lies with information flow across Moldovan institutions, which ultimately impacts on Moldovan participants in Horizon 2020. As such, the special status of the associated country was not entirely valued by Moldovan institutions. The system has not joined up and this remains a systemic challenge in Moldova.

Moldovan performance in non-formal education projects was fair to middling (almost 2500 mobilities since 2014).<sup>123</sup> While it is believed these numbers are an underestimation of reality (some Moldovan young people participate in these programmes with Romanian or Ukrainian citizenship), interest in non-formal education has gradually faded away.<sup>124</sup> After visa liberalisation in 2014, Moldovan young people would make their own way to the EU countries without any programme support. Also, the lack of follow-up activities under Erasmus+ Youth demotivated young people to participate (in the previous Youth in Action Programme, there was a budget for follow-up activities). The number of organisations accredited to work with volunteers in Moldova has increased. There were only three organisations involved in 2017 and six in 2018/2019; and the budget to support volunteering activities doubled.

### 3.2.5 EQ8: Business environment

#### Overview of EQ 8

*EU financial support has contributed significantly to making the Moldova enterprises more competitive (especially in view of the opportunities presented under DCFTA). EU support focused on improvement of the business environment by increasing competitiveness, promoting the fight against corruption and more transparent procurement systems.*

**EU cooperation supported all DCFTA chapters related to business environment, including the agricultural and rural sector.** EU provided specific support to the National Agency for Food Safety (ANSA), the Agency for Intervention and Payments in Agriculture (Agenția de Intervenție și Plăți pentru Agricultură – AIPA); National Standardisation Institute of Moldova and the National Bureau of Statistics. Thanks to the support provided, draft laws and regulations were elaborated. For instance, Parliament adopted numerous legislative acts in line with the country's commitments enshrined in the AA, namely related to public administration, public financial management and justice system, quality infrastructure and consumer protection reforms. Transposition of standards has proceeded well, for example Moldova has managed to make significant progress in implementing EU regulations on sanitary and phytosanitary standards. Between 2014 and 2019, the National Standardisation Institute of Moldova managed to adopt over 5,000 European and international standards in the food sector (over 2,000 of which are European standards). Moldova is also gradually withdrawing from the Soviet norms, which still apply in some sectors. About 700 of these are still in force, but almost 350 were cancelled between 2014 and 2016. Simultaneously the 'e-ANSA' system was implemented to ensure an efficient and secure exchange of data between authorities in electronic format. One of the key achievements of this strategy is the set-up of a 'one-stop shop' for the export and import of agricultural products.

At the same time, EU support facilitated through multiple regional and national programmes the access of Moldovan enterprises, including SMEs and women-owned enterprises to credit, guarantees and in

<sup>122</sup> We have several unsuccessful attempts to discuss with R&I Department from MECR since September 2020.

<sup>123</sup> According to DG EAC data 5,011 young people took part in EU funded non-formal education projects (except EU4Youth participants) since 2014. Based on SALTO-YOUTH network data (website: <https://www.salto-youth.net/>), there were 4,479 learners (of which 2,726 were Moldovan) under Erasmus+ Youth and European Solidarity Corps 2,491 Moldovans participated in youth exchanges during 2014-2019. Due to the COVID pandemic, there were only about 35 young participants in 2020, of which up to five were from the left bank.

<sup>124</sup> Based on stakeholder interviews.

many cases additional technical assistance and coaching of the specific enterprises. Yet, overall scores of Moldova on 'easy to do business' did not improve.

EU was offering specific support to the creation and strengthening of enterprises in rural and/or less favourite regions of the country, promoting the LEADER approach and/or working with local governments. A specific 'gender approach' promoting women-owned SMEs was applied and the concept of a 'green economy' was promoted.

However, not all (rural) enterprises will benefit from DCFTA in the same way. Most of the enterprises in Moldova are small or micro-enterprises. In fact, more than 93% of farms in Moldova have less than 10 ha and produce for family consumption and local markets. Thus, the structure of the agricultural enterprises suggests that many farmers will continue to produce for local and non-EU markets and agriculture will remain the main source of income for less prosperous households and persons whose transition to diversified entrepreneurship is unsuccessful.

**Finding 8.1: EU support contributed to improved business environment, strengthening of key national institutions and facilitated Moldova's compliance with commitments under DCFTA**

Moldova has made progress in the requirements for setting up businesses, according to the 2017 annual study on 'The cost of doing business in Moldova', conducted by the World Bank Group. According to the data, in 2017 Moldova occupied the 44th position out of 190 countries across a range of business indicators, the same position as in 2016, but with an increase in its overall score. However, the rank of Moldova deteriorated again to 48 in 2019 from 47 in 2018.

Progress in the implementation of the DCFTA and the improvement of competitiveness is linked to quality infrastructure, market surveillance, development and diversification of the internal and external markets, improved competitiveness of SMEs, access to finance.

EU support to improved business environment and promotion of the private sector addressed the existing challenges from different angles: institutional strengthening (MARDE, ANSA, AIPA, statistics) to comply better with functions and provide better services. The six Twinnings are the instrument of choice in this aspect of the intervention with support to revision and adaptation of the legal and regulatory context, and laws and regulations harmonised with EU acquis.

During the reference period 2014-2020 the EU contributed through several projects and programmes to improved business environment.

Smaller projects financed under the call for modernisation of rural areas promoted the creation of employment opportunities, especially for women, through investment and non-financial support for rural SMEs. Furthermore, under the development of rural areas intervention (and a delegation agreement with the Austrian Development Agency) EU support contributed to improve business environment by strengthening key national institutions and contributed to the adaptation of Moldova standards and procedures to EU standards. EU financial support contributed principally to:

- Adoption of EU acquis in Moldova national legislation: support for alignment of Moldova's quality infrastructure legislative and normative frameworks to EU requirements including revision of already adopted acquis to new acquis, if necessary, and support in the transposition process of still-to-be-adopted EU acquis into Moldovan national legislation;
- Facilitation of access to finance and business services: capitalising (blending) of credit lines to stimulate competitiveness of producers and potential exporters in rural areas; (ODIMM and several subsidised credit lines and guarantees provided through the Moldovan banking sector);
- Creation of a network of business incubators;
- Provision of tailor-made specific support to enterprises under different national and regional programmes;

- Strengthening of Moldovan institutions (budget support PFM reform; advisory support to the Moldovan testing laboratories and Ministry of Economy and Infrastructure (MoEI) during their annual PFM procurement of minimum necessary equipment based on detailed needs analyses; support to the MoEI during the implementation of its action plan for Private Sector Service Certification and Conformity Assessment; support to the National Moldovan Metrological Institute in obtaining and maintaining European Association of National Metrology (EURAMET); support to the Institute for Standardisation of Moldova; support to the National Bureau of Statistics);
- EU support in strengthening AIPA and making subsidies with advance payments to rural population available. The advance payment and the improvement of procedures was reported as a major factor for improving the situation of small rural enterprises (farmers) in Moldova.

In the survey undertaken in the context of this evaluation, 41.1% of people interviewed indicated that their own situation has improved, but almost 53% indicated that the economic situation of the country has worsened. Asked about their confidence in the future economic development of the country (where 0 = no confident; 100 = absolutely confident) interviewees had an average score of 46. Thus, there is no clear evidence yet that the overall situation of the population has improved.

### **Finding 8.2: EU contributed significantly to the availability of credit guarantees and technical assistance/support services to SMEs**

At the beginning of the reference period, access to finance was difficult in Moldova, and especially for small and medium entrepreneurs. The situation became even worse after the bank scandal impacted the business environment in 2014. The signature of the DCFTA offered new opportunities for Moldovan enterprises. However, the infrastructure and equipment of most of the Moldovan enterprises was poor and significant investments were needed especially if enterprises planned to sell their products in the EU market and/or adapt to energy saving production models. Survey and interviews with development partners showed that the access to credit and business services provided by EU-financed projects and programmes during the period 2014-2020 has been important: 33.5% of respondents to our survey indicated that they had access to financing from EU funds.

EU financial cooperation facilitated the access to credit for Moldavian enterprises and especially small and medium-sized enterprises.

In 2014-2017, SME value added increased by 51.1%, while SME employment stagnated.

### **Finding 8.3: EU support provided to strengthening the justice sector, procurement reform and fight against corruption has not yet had a significant impact on corruption or increased significantly challenges related to procurement**

According to data of the National Bureau of Statistics of Moldova there are 33,718 enterprises in the country, out of which 27,950 are micro-enterprises (92.9%). There are only 924 medium-sized enterprises and 164 big enterprises.

To improve the business environment, it is necessary to tackle unfair business practices and increase transparency and to ensure effective and practical implementation of the adopted legislation, particularly in areas that are exposed to high-level corruption, such as competition and public procurement.

EU provided support to the PFM reform and upheld the government to fight corruption and to implement a procurement reform, which was intended to secure a more favourable and safer environment for businesses. However, results related to fight against corruption remained limited. According to Trading Economy (<https://tradingeconomics.com/moldova/corruption-index>) the Corruption Index in Moldova averaged 29.95 points from 1999 until 2020, reaching an all-time high of 36 points in 2012 and a record low of 21 points in 2002. Corruption Index in Moldova increased to 34 points in 2020 from 32 points in



2019. This is in line with the results of the survey undertaken in the context of the evaluation; in fact, almost 74% of interviewees indicate that corruption has increased during the reference period.

Although related to public procurement, the situation remains complex. The area of public procurement in Moldova is facing challenges of underdeveloped local market, low competition and a low degree of transparency. Accession to Agreement on government procurement of the World Trade Organization in 2016 improved the national state's legislation on public procurement, but institutional framework at the Ministry of Finance and Public Procurement Agency remains unreformed and weak. One of the biggest problems of the system is poor financial planning and controlling. In addition, any monitoring of public procurement procedures by Public Procurement Agency covers very few cases per year and is largely ineffective. This undermines the procurement process, results in poor performance of the public procurement system and no accountability in how the public money is spent.<sup>125</sup> These issues are regularly raised by the EU in policy dialogues.

#### **Finding 8.4: EU made significant efforts and was successful in creating social enterprises**

There are numerous 'social enterprises' which have been promoted by EU support. However, 'social enterprises' are a concept that is not consistently used. Social entrepreneurship is in an early stage of development in Moldova, although over the last few years several initiatives were launched to develop social enterprises, including with the EU's support. In 2020, the European Union, through grants to NGOs with a total of EUR 5 million, contributed to establishing 515 social enterprises in the country. The initiative EU4Youth – Unlocking the potential of young social entrepreneurs in Moldova and Ukraine – is being implemented.

Social entrepreneurship comes to fill the gap between profit and non-profit. However, for social businesses to develop in a favourable and attractive environment, it requires an enabling legal framework as well as active involvement of each member of society. With the support of EU4Youth in February 2021 over 100 social entrepreneurs, national authorities and experts in the field of social entrepreneurship participated in one of the largest events of the year – the National Conference on the legislation of Social Entrepreneurship in the Republic of Moldova.

Up to now, social entrepreneurship in Moldova is seen as an entrepreneurial activity whose main purpose is to solve social problems in the interests of the community. The basic law governing entrepreneurship activity, including social entrepreneurship, is the Law of the Republic of Moldova on Entrepreneurship and Enterprises. According to this, 'entrepreneurial activity' represents the activity of production manufacturing, execution of works and provision of services, carried out by citizens and their associations independently, on their own initiative, on their behalf, at their own risk and under their patrimonial responsibility to ensure a permanent source of income. Based on this law, the social entrepreneurship can be conducted by social enterprises and social insertion enterprises, focusing on improving living conditions and providing opportunities for people in disadvantaged categories of the population by strengthening economic and social cohesion, including at the level of local communities, by employment, by developing social services in the community's interest, by enhancing social inclusion.

With EU support to civil society the 15 social enterprises already established, are functioning all around the country, including the Transnistria region. This has been done through sub-grants to local CSOs and a series of training programmes, designed to build capacities of CSOs in social entrepreneurship. These enterprises cover different economic sectors like agriculture (honey production, agricultural services), eco business (production of bark and wood concrete), services (catering, cleaning, hair dressing), manufacturing (production of nails), healthcare (manual therapy, etc.) But particular attention in the process has been given to CSOs working with disadvantaged and vulnerable groups (people with autism, vulnerable children and youth, hospice clients or people in home care, etc.) The feedback received is that

<sup>125</sup> EBRD <https://www.ebrd.com/work-with-us/projects/tcpsd/9268.html>



the business ideas have turned out to be viable and generate revenues, which are also supporting the not-for-profit activities.

**Finding 8.5: Local action groups (LAGs) created under the LEADER Initiative play an important role for local and economic development in rural areas**

The EU has made a big contribution to make the LEADER approach known and accepted in Moldova<sup>126</sup>

The LEADER initiatives in Moldova began in 2016 under the EU-funded ‘Support to Agriculture and Rural Development Programme’ and EU support continued until 2020. Moldova currently has 32 LAG initiatives. A LAG is a non-profit group, made up of representatives of the local community (such as trade unions, business associations, and municipalities of the territory managed by the LAG), that manages LEADER projects in European rural areas. These involve over 3,000 people from local communities and have implemented more than 600 development projects (many of them micro-enterprises) to the benefit of over 600,000 inhabitants in rural areas. A recent study<sup>127</sup> showed that 32 LAGs provided (or lent) funds to 160 microprojects in 2018, to 200 microprojects in 2019 and 350 microprojects in 2020. The study shows that a major part of funds is used for micro-business, contributing thus to income and employment generation at local level in Moldova.

The LAGs are represented and supported by the Moldovan LEADER Network. In April 2019, the LEADER network acceded to the European LEADER Association for Rural Development. As the programme appears to be highly successful, the Ministry of Agriculture, Regional Development and Environment has the intention to implement the LEADER Programme, which will offer the possibility to finance LAGs from public sources.

**Finding 8.6: EU financial assistance is supporting almost all sectors covered by DCFTA in Moldova by a mix of instrument facilitating thus the compliance of Moldova with commitments made under DCFTA and good progress is made**

Almost all projects and programmes implemented since 2014 are supporting directly or indirectly DCFTA implementation. As such we will only mention the most relevant projects and facilities.

- The ‘Support to Quality Infrastructure Framework within the DCFTA context’ is a technical assistance project aiming to support Moldova in the strengthening of the country’s quality infrastructure framework within a DCFTA context. The project contributed to the following achievements: The legal and normative Moldovan quality infrastructure and market surveillance frameworks are closely aligned with EU requirements as per the relevant the government action plans; overall competitiveness of Moldovan businesses within a DCFTA context in the fields of quality, production, export promotion and marketing and management are improved; improved awareness, communication and visibility actions in the field of quality infrastructure, market surveillance and internal and external market conditions and opportunities.
- The DCFTA Facility is a blended programme which helps local entrepreneurs to take full advantage of the opportunities offered by the Deep and Comprehensive Free Trade Area (DCFTA) between Moldova and the EU. The DCFTA will accelerate growth, help Moldova’s economy to modernise further and become more competitive. To reduce additional costs related to the reforms in the short

<sup>126</sup> The LEADER methodology was developed with the support of the European Commission’s technical assistance. LEADER developed seven principles of local development. These are: (i) Area-based: taking place in a small, homogeneous socially cohesive territory; (ii) Bottom-up: local actors design the strategy and choose the actions; (iii) Public-private partnership: LAGs are balanced groups involving public and private-sector actors, which can mobilise all available skills and resources; (iv) Innovation: giving LAGs the flexibility to introduce new ideas and methods; (v) Integration: between economic, social, cultural and environmental actions, as distinct from a sectoral approach; Networking: allowing learning among people, organisations and institutions at local, regional, national and European levels; (vi) Cooperation: among LEADER groups, for instance to share experiences, allow complementarity or to achieve critical mass.

<sup>127</sup> [https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study\\_LEADER-approach\\_Report-EN.pdf](https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study_LEADER-approach_Report-EN.pdf)

and medium term, funds have been committed to Moldova under DCFTA Facility. Put in place jointly **with EBRD, EIB and KfW**, it consists of a set of programmes designed to increase SMEs' competitiveness, ease their access to finance, help them to seize new trade opportunities and comply with new food safety, technical and quality standards, as well as with environmental protection measures implied by the DCFTA implementation. Not only does this boost access to EU markets but also increases consumer safety in Moldova. SMEs benefit through different instruments of support, such as risk sharing mechanisms, local currency hedging, investment incentives (e.g. grants provided to SMEs investing in the EU standards compliant machinery or production processes) and overall technical assistance (e.g. support to assessment of the compliance with the EU standards). **EBRD Credit Line project has supported SMEs in Moldova by investing EUR 10.3 million in 70 projects.**

- The Economic Stimulation in Rural Areas – Sector Budget Support Programme (ESRA-SBSP) contributed to: ‘Capitalising credit lines to stimulate competitiveness of producers and potential exporters in rural areas’; ‘Provide financing for the purchase of equipment by SMEs’; creation of a ‘Create a network of business incubators’; strengthening of regional development agencies; and capitalisation of the AIPA grant system to pilot ‘ENPARD’-like interventions. Most of the inputs and outputs from ESRA-SBSP were delivered not by the beneficiary, but either by EU-funded technical assistance or de facto budgetary transfers into AIPA, PARE 1+1, the Loan Guarantee Scheme, the NPEEY and the Business Incubator Network.
- The support to the development of **business incubators and the network (RIAM)** seven yielded positive results. There are 10 incubators established with EU support, which comprise 197 resident businesses, against a target of 170. It is reported that 800 jobs have been created. However, the number of incubated companies is small, the total jobs created is modest when compared to labour market activity rates, and the companies are better described as micro rather than small.
- The **Business Academy for Women** achieved all that it had promised in the grant application: 10 sub-grants were disbursed to 10 companies, although the recipient companies were very small.
- The **360 companies (SMEs) which used the Guarantee Fund**, would have not otherwise obtained the loans from the respective bank. An additional outcome has been that ODIMM has been able to develop credibility with nine Moldovan banks, and should in future be able to capitalise on the low level of defaults.

Table 3: Overview of DCFTA in Moldova and EU programmes supporting the different chapters related to business environment

Chapter	Achievements/progress	EU financial support
4. Market access, goods	Increase of exports to EU emerge, now reaching 66% of total	Several programmes: – ESRA – ENPARD
6. Customs services	Significant progress, but still inefficiencies and perception of corruption	– Support to the modernisation of Customs service of Moldova in line with AA requirements (Twinning) – High-level adviser – EU border assistance mission
7. Technical standards (TBT)	Adoption of EU standards progressing, some institutions are still weak	– EU4Business-EBRD credit line – EU support for the National Institute for Standardisation of the Republic of Moldova to comply with CEN and CENELEC full membership criteria (Twinning) – Support to quality infrastructure framework within the DCFTA context
8. Food safety (SPS)	Adoption of EU SPS proceeds, but with delays, poor facilities and corruption	– Support to ANSA (Twinning) – Support to quality infrastructure framework within the DCFTA context

Chapter	Achievements/progress	EU financial support
10. Public procurement	Approximation well advanced, some implementation problems remain	<ul style="list-style-type: none"> <li>– TA support (e-procurement)</li> <li>– technical assistance (PFM SRC)</li> </ul>
11. Intellectual property rights	Legal regime fairly advanced, enforcement issues remain	<ul style="list-style-type: none"> <li>– Support to enforcement of intellectual property rights</li> </ul>
12. Competition policy	Institutional capabilities of the Competition Council need strengthening	<ul style="list-style-type: none"> <li>– Support to the Competition Council – ENPI/2015/367-197</li> <li>– Adjustment of Moldova’s Competition Law to European Union Competition Law</li> </ul>
13. Statistics	Implementation according to European standards has accelerated	<ul style="list-style-type: none"> <li>– EU provides direct support (TA project and provision of equipment)</li> </ul>
14. Macroeconomics	Recovery of macro growth underway; macro- aid conditions not met	<ul style="list-style-type: none"> <li>– PFM SRC</li> <li>– Technical assistance</li> </ul>
15. Financial services	2014 bank fraud still not resolved; governance reforms proceed slowly	<ul style="list-style-type: none"> <li>– Twinning project with Central Bank</li> </ul>
16. Transport	Fast growing sector for air and road; extensive approximation	<ul style="list-style-type: none"> <li>– TA undertake studies for</li> <li>– Several blending operations</li> </ul>
17. Energy	Approximation advances; de-monopolisation of gas and electricity difficulties	<ul style="list-style-type: none"> <li>– TA studies, HLA</li> <li>– Blending operations</li> <li>– Projects on energy efficiency</li> </ul>
18. Environment	Approximation advances; implementation still weak	<ul style="list-style-type: none"> <li>– Cross-cutting under energy, water, agriculture</li> </ul>
19. Digital	ICT usage advances rapidly; approximation advances	<ul style="list-style-type: none"> <li>– ICT Cahul EU4Digital</li> <li>–</li> </ul>
20. Consumer protection	Approximation advances, institutional capacities to be enhanced	<ul style="list-style-type: none"> <li>– Support to ANSA (Twinning)</li> <li>– Twinning support until 2012</li> <li>– Support to quality infrastructure framework within the DCFTA context</li> </ul>
22. Agriculture	Agri-food exports to EU grow; big challenge to enhance productivity	<ul style="list-style-type: none"> <li>– Several interventions under budget support and project approach,</li> </ul>
23. Employment/ social	Approximation advanced; liberalisation of labour code suspended	<ul style="list-style-type: none"> <li>– Several interventions</li> </ul>

### Finding 8.7: EU financial support contributed to the improvement of the policy, legal and institutional framework

There is evidence that EU support – including support provided under service contracts and Twinning – has contributed to an improvement of the policy, legal and institutional framework. Transposition of standards has proceeded well, with some 27,000<sup>128</sup> European standards now adopted, a compliance rate of approximately 91.7%; laboratories have been equipped; institutional competencies have been refined, institutions have been reorganised and substantial institution building and human resource capacity development has taken place.

<sup>128</sup> <https://www.moldpres.md/en/news/2021/06/27/21004559>

The achievements are related to the DCFTA Sector Reform Contract and substantial parallel support provided through the High-Level Policy Advice Mission, technical assistance, supply and Twinning contracts and many of specific conditions in the Policy Specific Contract 2018/401-914/2 (SIEA 2018). The DCFTA SRC helped to start the process of implementation of the DCFTA.

However, the achievements are affected by several key issues:

- There is evidence on the adoption by Parliament of numerous legislative acts in line with the country's commitments enshrined in the AA, namely related to public administration, public financial management and justice system reforms; however, for a full implementation of these acts adopting secondary legislation is necessary. Interviewees report that the application and enforcement of the revised legal documents has been limited to date.
- The harmonised legislation is deemed to apply only to export/import markets. Ensuring that these quality and safety standards are reflected in the domestic market has yet to be realised. This is particularly true with respect to food safety.

### 3.2.6 EQ9: The Transnistria<sup>129</sup> conflict

*To what extent has the EU support to Moldova contributed to achieving tangible progress towards a viable solution to the Transnistria conflict?*

#### **Overview of EQ9**

A prerequisite for the political settlement of the of the Transnistria conflict is the confidence-building measure (CBM) as an instrument to increase the trust between the residents on the two banks of the river and overcome existing prejudice. The political settlement of the conflict has not been a subject of this evaluation, and the focus was specifically on the CBM approach. The EU launched the 'Support for confidence-building measures (CBM)' programme in 2009 and since then it has been the biggest donor. In the period under review the overall committed budget for the Transnistria region under CBM-IV (2015-2018) was EUR 23 million and another EUR 10.6 million were allocated for CBM-V (2019-2022). Following a step-by-step approach and building on the lessons learned from the previous CBM programme, this approach has been gradually building sound and open working relationships, based on trust, with both sides independently of the political discussion.

The CBM programme integrates fully with conflict sensitivity issues: it is driven by the principle of '**mirroring**', that is, working similarly on both banks of the river Nistru, and by the principle of **consensus** between actors of both banks for a technical and apolitical work.

The ET found that the CBM approach did result in increased interaction and positive precedents of joint activities between many different actors from both banks of the river, which helps defuse potential tensions, thus contributing to a local context that is coherent with political settlement efforts.

The evaluation found that CBM have been successfully implemented in Moldova in the period under review and that tangible social and economic rapprochement is already seen. Social rapprochement has been promoted through grants and sub-grants for community development, CSO strengthening, addressing the needs of vulnerable and disadvantaged groups, but also through infrastructure projects with the involvement of the local structures, which ensures their sustainability. Economic rapprochement is progressing through the capacity building of key economic actors, enterprise development, associations and business platforms development, and new jobs and livelihood opportunities are created as a result of this. EU support to the pre-selected sectors of migration, health and socio-medical care is reducing the existing disparities between the two banks, and the efforts for preservation of the common cultural and historical heritage have proven to be a strong factor for overcoming distrust and also for

<sup>129</sup> Note: The EU does not recognise Transnistrian de facto structures.

promoting the EU visibility in in the Transnistria region. EU support enabled the introduction of unprecedented migration profile and mapping of the persons arriving from the Transnistria region or living abroad. Next to this, some cooperation has started in the media sector, and media on both banks are gradually beginning to co-produce locally attractive, qualitative and professional content.

**Finding 9.1: The social rapprochement of the two banks of the Nistru river has been promoted with the help of EU interventions and this has improved the standards of living of the targeted communities, vulnerable groups and the population at large**

Community development, improved health, social service delivery and social protection systems, including for vulnerable groups and people with disabilities have been among the key areas in various Calls for proposals (CBM, EIDHR, CSO&LA) in the period under review. Many of the grants awarded under these Calls, and specifically those under the CBM Call in 2015, made a significant contribution in these areas within the objectives of their projects. The assistance provided under the CBM Call for proposals was particularly well channelled to the Transnistria region (in addition to the Autonomous Territorial Unit of Gagauzia). These grants<sup>130</sup> highlighted the EU's priority to encourage the development of sustainable partnerships and capacity of civil society of both banks of the river through the establishment of cross-river platforms for cooperation at community level.

Tangible impacts were produced through the grants awarded to CSOs, especially regarding vulnerable and disadvantaged groups. This has been the case, for example, with a CSO grant which worked to develop the social protection system for people with disabilities in five districts on both banks of the Nistru river through the establishment of five mobile teams and a day centre. These strengthened the capacity of local public administrations in case management and quality monitoring and offered mini-grants for local CSOs and journalists to promote social inclusion and non-discrimination of people living with disabilities. The same project provided support for initiatives and participation in community life, and also triggered legislative changes. Other grants from the same Call worked to raise trust between teachers on both banks of the river, build regional capacities for continuous development of teachers' skills, facilitated the social and vocational integration of disadvantaged youth, or created partnerships for community development.

Another grant focused on joint initiatives of CSOs from banks for socio-vocational integration of disadvantaged youth, providing a set of comprehensive assistance services: social, psychological, legal, vocational. At the same time, the project activities strengthened the relations between youth from the right and left banks and also worked towards the creation of a regulatory framework for these types of services. Young people have been the beneficiaries of yet another project that aimed to raise the mutual trust between teachers. The project helped strengthen the capacities for continuous development of teachers' skills and introduce proactive methods of human rights education. It also worked for institutionalisation of the consultation mechanisms between CSOs and education institutions and contributed to establishing partnerships and cooperation between education institutions, teachers and CSOs from both banks of the river Nistru.

An outreaching sub-granting scheme supported joint initiatives of CSOs from the two banks aimed at building confidence through educational activities. These encompassed a wide range of priorities such as internet technologies; modern proactive teaching methods of human rights education; improving the legal knowledge of teachers and starting a legal clinic; intercultural education; creation of two clubs for young civic journalists; training in new methods of teaching international law and standards for human rights protection; studying and promotion of social rights, methodological analysis of curricula and work programmes on legal subjects to determine the scope of legal and theoretical materials on social human rights.



Other projects from the same Call also contributed to building bridges between civil society and communities from both banks and helped establish partnerships for sustainable development and promotion of human rights.

Parallel to this, a much larger-scale effort was the two EU confidence-building projects, with UNDP as an implementing organisation. In the framework of the first project, for example, there was special emphasis on solving emerging social problems as providing healthcare services in underfinanced sectors or areas with limited access, and piloting concepts of inclusive and non-formal education especially in the left bank schools. Small grant projects were also implemented to support collaboration between renovated social institutions from both banks, etc. This trend was continued in the framework of the second CBM project through support to community development.

The initiative for social infrastructure projects development has proven to be very successful and impactful. Over 30 such projects were implemented, including renovation of schools, community centres, social protection facilities, healthcare institutions, sports centres, road infrastructure, sewerage network, a fire station, tourism information centres – with hundreds of thousands of people benefiting. This has substantially improved the infrastructure and standards of living in the communities, and they received great coverage and visibility. The Rezina–Ribnitsa bridge infrastructure project, for example, is now allowing around 60,000 people from the region to travel safely between both banks of the river, even at night. A waste management project in Speia–Telita villages is introducing modern waste collection methods and ensuring a greener environment for some 7,000 villagers, and there are many more such examples. Projects from the CBM Call for proposals have also disbursed sub-grants for community development, with tangible social impact.

The analysis of media coverage done by the project has shown that these projects were much appreciated and well covered by the media in the Transnistria region. The sub-granted projects under the Civil Society Facility (CSF) and the Citizen Empowerment Project reconfirm the value of investing in infrastructure development and giving ownership to the communities and local actors who have initiated and implemented them.

**Finding 9.2: EU support to Moldova has intensified the cross-river contacts, partnerships and cooperation of the main economic actors, thus contributing to the economic rapprochement of the two banks**

EU-supported projects implemented in the framework of confidence-building measures transformed cross-river economic cooperation through building the capacity SMEs, chambers of commerce and business associations. It also supported joint activities in development of business and community infrastructure and by facilitating access to DCFTA. These efforts have created unprecedented opportunities for positive interaction between the two banks.

Business-to-business interaction built local capacities, facilitated cooperation between business associations, and supported the networking of businesses. Under CBM, tailored support has been rendered to companies from both banks of the river, and they were exposed to best practices, while at the same time getting involved in joint activities. They also had the opportunity to expose their products at local and international fairs. Good synergy is seen also with the sub-grants distributed under the respective component of the CSF (implemented by East Europe Foundation), which enhanced these initiatives through the creation of business hubs, including in the Transnistria region.

Four cross-river business platforms are currently offering business services and representing over 300 members. They create jobs and promote livelihood opportunities. The beekeepers platform, for example, has successfully launched a mobile bee breeding centre and, at the time of the evaluation, had already gathered over 100 service requests from both banks. The lavender oil platform published a guide on the cultivation of aromatic plants. The fruit growers platform provides specialised training on fruit cultivation. The Chamber of Commerce and Trade from Chisinau and Tiraspol helps the registration of companies



on the European Enterprise Network Platform and facilitates cooperation offers. More equal access is being ensured to the opportunities provided by the Association Agreement and its DCFTA.

Improving opportunities for youth entrepreneurship and employment has been a particular focus of activities; 31 new youth enterprises were created in the framework of the CBM project as too was 'Increased Opportunities and Better Living Conditions across the Nistru river', within the Grants for Youth Programme (16 from the Transnistria region). This has been reinforced by the CSF, with the creation of 10 regional youth entrepreneurship support funds, one of which is in the Transnistria region, in the territories out of control of the constitutional authorities. Young entrepreneurs can now bid for funds in an open competition and use them as a springboard to develop their business ideas.

Special mention should be made of the thematic platforms created under CBM-IV in the areas of education, sport, health, culture and ecology, which provide representation, advocacy and networking support to stakeholders across the river; and they are a springboard for deepening the cooperation further. The ideas they put on their agendas are driven from the membership and reflecting pressing needs:

- In healthcare: reproductive health, medical education, family medicine;
- In the environment: climate change, sustainable and ecological agriculture, alternative energy sources, better resource management of the Nistru river basin, agricultural innovations;
- In education: inclusive education, formal and private education and career guidance for young people;
- In social protection: inclusion into community and mainstream social services of the persons with disabilities and vulnerable children.

These are all channels for reconciliation that can be further explored and deepened. During the COVID-19 crisis the health platform has been particularly effective in conducting procurement and distribution of masks, sanitation materials and equipment to medical institutions on both banks, while the education platform rendered support to the then-new mode of online education.

**Finding 9.3: EU support to Moldova in the sectors of migration, health and socio-medical care is reducing the gaps and bringing about alignment of the migration and public health systems**

### *Migration*

The project, implemented in the framework of CBM-IV 'Supporting the implementation of the migration and development component of the EU–Moldova Mobility Partnership and harnessing its benefits for the residents of the Transnistria region of Moldova' was a very novel and relevant initiative. This is especially so bearing in mind that no mapping had ever been conducted of the residents of the Transnistria region living abroad. The project has been effective in providing capacity building for the de facto structures from the Transnistria region on how to manage migration, which has strengthened cooperation between academia and migration data practitioners from both banks of the Nistru river. The mapping had an impact on strengthening the human, institutional and legislative capacities for the successful implementation of legal commitments such as the re-admission agreement and visa facilitation agreement, thus leading to enhanced border management and reduction of irregular migration. An intangible impact, as suggested from the field interviews, has been the change of attitude and the building of confidence through work with the so-called militia structures in the Transnistria region, academia, practitioners, NGOs, and vulnerable groups (victims of labour migration, victims of domestic violence, etc.)

### *Health*

Two large-scale actions in the sector of healthcare and socio-medical services, supported by the EU, have addressed the disparities existing between the two banks. Particular focus will be on reducing the gaps on the left bank, where the health system is largely unreformed, with lesser access to modern models and methods. Significant impacts have been achieved by a project for technical assistance and

capacity-building activities in the health sector, with WHO as an implementing partner. The project mapped the health systems structures and functions, reviewed the possibilities of health systems financing and workforce planning and deployed a large-scale training and capacity-building programme that was unprecedented until then.

It strengthened the health policy analysis and action planning capacities of the health structures and improved the public health services and actions on non-communicable diseases. The project also had an impact on improving the capacity of health professionals. Cross-cutting capacity-building activities, involving more than 550 health professionals were carried out for health managers and public health specialists in topics such as public health and emergency management, international health regulations, use of guidelines in primary healthcare, human resource management and planning, 'best buys' on non-communicable diseases and awareness.

Some reforms were initiated in Chisinau – review of hospital structures, hospital financing, reform of public health services – but the frequent changes resulting from national and local elections and the subsequent staff rotation have obstructed their continuation. The project's impact was enhanced by innovation. Some of the training was done for the first time, like those on life-threatening conditions and the training for emergency workers.

The campaigns implemented under this project are also up to date, particularly those on prevention and immunisation. Thus, the project brought about alignment of the public health systems in policy analysis, action planning and capacity building of public health authorities. The interviewed beneficiaries of the project underlined how important the capacity-building activities have been and that they also helped better management of the COVID-19 pandemic. Quite in line with this, for protecting the needs of most vulnerable long-term care patients, who turned out to be strongly affected by the COVID-19 pandemic, the next CBM project for healthcare modernisation has proactively switched to the area of socio-medical care improvement.

### ***Socio-medical care***

Another project aimed at providing general support to the left bank health system alignment, with focus on primary healthcare is the current CBM-V project: 'Improvement of medico-social care for people with long-term care needs on both sides of the Nistru river' (implemented by GIZ and the Czech Development Agency) under CBM-V. It is aimed at ensuring the cohesion of two public sectors involved in the process – the healthcare sector and the social protection sector. Although it is under the title of Health Sector Modernisation in the respective action document, it is not purely health related. The focus is more on long-term care, thus departing from the genuine health sector, with an accent on service provision. One of the expected specific outputs relates to opening a pilot day care centre for patients from both sides of the Nistru river. It aims to introduce new models and practices, while addressing the challenges of anchoring the new services to the 'regulatory framework' in the Transnistria region setting relevant processes in terms of medical/social minimum standards and setting rules for the activity. Special attention has to be dedicated to potential challenges like anchoring the definition of social services to the 'regulatory framework', from the Transnistria region the relevant processes (e.g. the development of medical/social minimal standards), as well as the setting the rules for licensing and medical accreditation for services of this kind. It may turn out to be difficult to align the social 'regulatory framework' from the Transnistria region to EU standards in home care, and this would perhaps be the biggest problem. However, there are already some good examples of previous similar EU grant projects that can be used to this end.

**Finding 9.4: The efforts for protection and preservation of the common cultural heritage have been enhanced with EU support and increased EU visibility in the Transnistria region**

A rather successful Twinning project to promote the cultural heritage in Moldova has been greatly esteemed by counterparts from both banks and laid the groundwork for improving the legislation for

protection and sound management of Moldova's cultural heritage. The project helped increase the administrative and management capacity of the Ministry of Education, Culture and Research and its subordinated agencies, cultural offices and other relevant stakeholders. It developed and implemented training related to the protection and restoration of cultural heritage at secondary vocational education and at higher education levels; and contributed to digitisation and conservation of cultural heritage by Moldova's heritage protection institutions. Further on, these activities were reinforced in the framework of CBM-IV and CBM-V, and there are currently two conservation projects in the confidence-building framework – Bender Fortress and Chisinau Circus, where technical expertise and technical design services are provided. Apart from this, grants have been disbursed for small-scale cultural heritage projects in conservation/rehabilitation on each bank of the Nistru river. The creation of an EU fund for conservation/restoration of cultural heritage sites is planned and the modality of the Fund is developed with the support of international experts, assessments and consultations with experts from both banks. This reaffirms the importance of culture as a strong vector for cooperation.

**Finding 9.5: Media on both banks are beginning to co-produce locally attractive, qualitative and professional content**

Highlighted in CBM-V, this has been a very challenging goal, in terms of supporting mass media, also in territories out of the constitutional authorities' control (in a very different political environment). The assumption has been that media need to be closer to the daily reality of the people to be a vector of trust, confidence and a more democratic society. This component was supposed to be apolitical and focus on achieving a common understanding between both banks of the Nistru river, through funding in the form of small grants for the production by local actors of audio-visual material (mainly for TV but also other audio-visual support: web, social media, radio, cinema/movies, etc.) The original idea in CBM-V has been for funding to be made available in the form of small grants for the production by local actors of audio-visual materials. This is already happening. At the time of the evaluation, over 20 initiatives of media institutions and production houses on the right and left banks of the Nistru river resulted in co-production and distribution of audio-visual products. Thematically these included: documentary films, reality shows, artefacts reviews, youth initiatives documentaries, success stories of women from both sides, and also fairy-tales with trust-building context, etc.

Parallel to this, the findings of the Media research, conducted by the evaluation, has shown that about 150 events, campaigns, tours and other activities for the press were carried out during that period. The press and CSOs on the left bank of the Nistru river have covered EU programme activities in the region in approximately 500 news articles, features and other media coverage. All the news and features that were monitored have a non-conflicting, generally positive context, which is in line with the CBM's goal of increasing trust between the residents of both sides. The majority of them deal with projects in the field of business development and improving community infrastructure. The media from the left bank of the Nistru river, especially state-owned media, almost exclusively covered local activities; compared to the media on the right bank of the river, which has covered all the projects and actions of the programme. There was an observed difference in the way state media from the Transnistria region, on one hand, and the private and CSOs media, on the other, are covering events within the CBM programme. It has been noted that the role of the EU in financing projects carried out in the regions was often not mentioned.

### 3.2.7 EQ10: Civil society

*To what extent has the EU support to Moldova contributed to a strengthened role of independent civil society actively participating in decision and policy-making, monitoring and oversight in Moldova, in its priority area and the implementation processes of the EU–Moldova Association Agreement?*

#### **Overview of EQ10**

The EU has significantly strengthened its engagement with CSOs in Moldova since 2014, in line with the core policy documents of the EU and Moldova in this area, and the two Country Roadmaps for

Engagement with Civil Society, developed in a wide consultation process. The priorities defined in the roadmaps have been followed through in the period under review resulting in significantly increased funding for civil society. The strategic shift happened in 2016 with the launching of the CSF. While prior to this, EU support was focused mostly on projects implemented by big organisations in the capital city, the CSF changed this approach. It has been a novel effort, compared to previous interventions, with clear strategic focuses and countrywide coverage. The CSF has made it possible to reach a vast number of CSOs throughout the whole country, the Autonomous Territorial Unit of Gagauzia and the Transnistria region included, and also increased the visibility of the EU assistance. The value of this new approach was confirmed by all the numerous interviews with civil society actors who have underlined that this should not be changed.

The most tangible impact of civil society interventions in the period under review has been in the area of social service delivery, where CSOs participated in decision and policy-making and contributed to the development of innovative social services. Entrepreneurship has been boosted and social enterprise development, as a comparatively new area, was promoted with EU help. Streamlined support to the horizontal monitoring of the implementation Association Agreement was limited but monitoring still happened in some sectors. At the same time, the EU's role in promoting CSO legal enabling environment has been less notable.

**Finding 10.1: CSOs received EU support in strengthening their governance structures and financial management mechanisms, but streamlined capacity strengthening efforts in policy monitoring and monitoring of the implementation of the Association Agreement were limited. Despite this, monitoring did happen**

A precondition for effective CSO involvement in decision and policy-making, monitoring and oversight is the development of their capacity and skills in these areas. While there were no specific actions towards this prior to 2016, the CSF launched in 2016, and particularly the Technical Assistance to Support CSO Development in the Republic of Moldova project had the mandate (in accordance with the two roadmaps for civil society development) to enhance the knowledge and skills of CSOs, strengthen their governance structures, financial management systems and sustainability, promote the coordination, networking and consortium building capacities among CSOs, while at the same time provide support to three grantees (Soros Foundation Moldova (SFM), East Europe Foundation, Konrad Adenauer Stiftung (KAS) and their sub-grantees). Capacity strengthening was provided, and with project support the grantees undertook reforms in their financial and human resource management, updated their salary grids according to the legislation for non-commercial organisations and, to some extent, spread the practices among their members. Tailored training was also provided for policy-making with feedback indicating that it was valuable and useful. Thematically this included child's rights and child protection, referral mechanisms and case management, accreditation for social services, accounting and taxation of revenue in non-profit organisations engaged in entrepreneurial activity, etc. While these training sessions have strengthened the CSOs' capacity in policy dialogue and policy-making, it only happened at the end of this long-term technical assistance project, which did not fulfil its mission in full. Some originally planned core activities, such as a capacity-building programme on policy dialogue for CSOs and (another key area) policy monitoring – strongly highlighted in the roadmap (2018-2020) – remained marginal in terms of capacity strengthening efforts.<sup>131</sup>

In the period under review, civil society did not receive much targeted support on the monitoring of the AA. Although the above technical assistance project envisaged such support, the assistance was interpreted and translated in practice as just logistical (development of the Strategic Plans (2018-2020) of the two platforms, support to workshops in the key thematic areas of the AA). A mid-term evaluation report of the CSF has concluded the same, which has been confirmed by the current evaluation that:

<sup>131</sup> Mid-term evaluation report.

*TA activities regarding support to the AA platforms have been focusing on the organisation of meetings with government and on the provision of event-based or opportunity-based support, without having a clear support or engagement strategy and without an analysis of emerging needs for engagement of the civil society.*

Nevertheless, CSOs have mobilised themselves for horizontal and vertical monitoring of the implementation of the AA. The most comprehensive effort relates to the AA shadow reports (under the leadership of IPRE<sup>132</sup> and the expert group), supported by other EU donors. Already six such reports have been published since 2014, analysing the key areas, which have a spill-over effect, under the five titles of the Agreement: (a) political dialogue and reforms; (b) justice, freedom and security; (c) economic and other sector cooperation; (d) trade and trade-related matters (DCFTA); and (e) financial assistance, anti-fraud and control provisions. Based on the findings, the reports propose a set of recommendations of updated priorities for the next period, including in the context of the negotiation of the future post-2020 EU–Moldova Association Agenda. The reports are publicly available and provide food for thought to both the government and the EU.

There have been similar efforts on a thematic level, also with EU support. Most far reaching has been the monitoring of the justice sector reform. Also, the European Business Association project partner to EEF, has been closely monitoring different problems faced by the private sector and has issued over 30 position papers and advisory notes. In the framework of the project ‘Better social services through a sustainable partnership between the civil society and the government’, for example, capacity strengthening was provided on participatory monitoring and evaluation of social services for CSOs, social accountability, mechanisms for social accountability, etc. There are other good examples in the period under review for such practices, where other grantees and projects financed under Calls for proposals included components on monitoring or implementation of sector reforms by CSOs.

One project which started in March 2017 needs special mention: ‘Facilitating active engagement of the civil society actors in the agro-rural policy dialogue’. This project was implemented under a Call for proposals for strengthening the role of civil society in monitoring budget support operations. It was based on a partnership of three local partners, namely ‘AGROinform’ (at present FARM), ‘The Republican Association of Agricultural Producers’, the ‘National Farmers Federation from Moldova’; and two external partners from Latvia and Romania. The purpose of the project has been to enhance the role of civil society in the process of developing, implementing and monitoring agro-rural development policies, with the specific objectives to build the capacity of farmers’ organisations and their rural constituents in monitoring and evaluation agro-rural policies, in particular budgetary policies and improving the dialogue between central and local public actors, farmers’ organisations, women’s organisations, and CSOs through the establishment of agro-rural policy dialogue platforms.

By the end of the project more than 40 CSOs had received capacity-building activities, 10 regional platforms were established, and a National Rural Development Network was started. Some 30 local community groups were functioning, and several position papers were elaborated with more than 35 policy recommendations. The project sent a strong message that agro-rural policy dialogue is an important tool for solving economic, social, environmental and other rural problems, and it not only involves representatives of the central and local public actors but also entrepreneurs and farmers from rural areas, who are directly involved in day-to-day farming activities. The project worked in synergy with another EU-funded project, ‘Technical assistance for the implementation of the Sector Reform Contract: European Neighbourhood Programme to Agriculture and Rural Development (ENPARD)’.

Budget process and budgetary transparency is another area of current activities. A capacity-building programme aimed at strengthening the role of the CSOs is under way in the framework of the ‘Transparent public authorities for active and informed citizens’ project (2020-2021). This project is increasing the capacity of CSOs to monitor budgetary transparency and implicitly promotes of the

<sup>132</sup> IPRE, Institute for European Policies and Reforms.



accountability of the local public authorities. While it is too early to draw findings on its impact and sustainability, the project is clearly relevant.

Accompanying sector-specific projects with civil society monitoring components seems to be both a relevant and effective approach to foster a policy dialogue. This was observed in the fields of police reform budget support where civil society monitoring grants directly led to policy research and publications, regularly discussed with the ministry and Police General Inspectorate. Similar successes are observed even in the absence of budget support in that EU support boosted the partnership between CSOs and the Equality Council, leading to important progress in national policy and legislation on gender equality and LGBT rights.

Regular review of project documents also confirm that EU support now increasingly targets the emergence of local champions of change among civil society actors in the regions.<sup>133</sup> Several CSOs, however, deplored that EU grants (despite efforts to reach out to local CSOs outside of the capital city) were still often channelled through projects which do not secure long-term institutional capacity of the civil society, and at times through the national offices of large international CSOs rather than national organisations. Core and longer-term support are necessary, if local CSOs are to consolidate their position as a key actor of the EU's strategy.

A relevant step to enhance these efforts is the new TA project 'Support for structured policy dialogue, coordination of the implementation of the Association Agreement and enhancement of the legal approximation process', launched in 2020, which has as one of its purposes to enhance the structured policy dialogue with civil society and support the communication and awareness raising on Association Agreement issues.

**Finding 10.2: The role of civil society in good governance, social and economic development has been strongly promoted with EU help and viable partnerships between civil society and different levels of government are now in place throughout the whole country**

The CSF triggered extensive sub-granting schemes in several thematic areas, which have promoted good governance, social service delivery and business development and helped create partnerships on different levels of government.

In the area of **good governance**, EU support is channelled through two big projects. (1) The 'Grassroots civil society development facility in the Republic of Moldova' project, implemented by Konrad Adenauer Stiftung under the CSF is contributing to the development of civic engagement and of grassroots civil society to become actively involved in policy and decision-making, which in turn promotes and monitors the transparency and accountability of public institutions. (2) The 'Citizens' Empowerment' project, implemented by GIZ has a very similar aim – to empower citizens through constructive participation of CSOs in local, regional and national decision-making processes in development and implementation of local public services for sustainability and awareness of their impact on climate change. For CSOs this is not the usual type of project, as the focus is on infrastructure and involvement of the citizens (through CSOs). In these terms the project is very novel.

At the time of the evaluation both projects were still under way with three separate grants responding to the Roadmap for Civil Society, having a very similar implementation modality, where big, medium and small grants are extended to local CSOs. The idea is quite rational, with the expectation that the big grants will strengthen existing civil society partnerships in good governance with an enhanced grassroots CSOs involvement, and this will have an impact on the cooperation with public authorities and other socio-economic actors. For the smaller grants, the accent is on policy decision-making and monitoring, so that grassroots CSOs are capacitated to hold national and local public authorities transparent and accountable to ensure good governance. Some innovative granted projects include promoting digitalisation in the interaction between citizens and authorities through innovative tools that stimulate

<sup>133</sup> <https://freedomhouse.org/country/moldova/nations-transit/2020>



civic participation, re-engineering the social assistance system, promoting civic and political activism among students, citizen education through non-formal education, partnerships to improve the social services system, increasing transparency through local media, etc. Good governance is also promoted through the media. One large-scale grant awarded to a media organisation, with subsequent sub-granting programme, promotes the principles of good governance among the citizens through video materials explaining the building blocks of good governance, monitoring decision-making transparency and public procurement procedures, and organising along these lines' public debates, and spreading motivational message on good governance. An innovative initiative of the above project is also the 'Green line' space for reporting violations.

In the area of **economic and social development**, the CSF grant 'Local civil society contributes to economic and social development in Moldova' is making a key contribution to the creation of partnerships in economic development, social enterprise development and new economic opportunities, through its components related to development of business hubs; social enterprises; and youth entrepreneurship funds. The project has already created six business hubs throughout the country, the Autonomous Territorial Unit of Gagauzia and the Transnistria region included, and there are good linkages with CBM. Sub-grants were awarded to 10 regional youth-led entrepreneurship funds (one in the Transnistria region) which supported more than 60 young people's ideas, selected in an open competition.

Innovative and effective efforts are the small grants for civic initiatives. The recipient grassroots CSOs are very sensitive, fragile and can even disappear in a month. However, they know the local situation very well and are able to make a contribution within their area of expertise. They are thus involved in local communities' development and citizen mobilisation to resolve community problems – improved waste collection, roof repair and reconstruction of various public buildings, construction of sport ground, etc., and have civic ownership of their achievements. They can attract small funds and mobilise people locally, which this is their strength, but they need more help.

**Finding 10.3: The EU has made a strong contribution to the development of social services and through support to civil society – also to social enterprise development**

Even before the launch of CSF, which put a special focus on social service delivery, there were several projects with tangible impact on the development and delivery of social services (under Calls for proposals), which set a model of partnership between civil society and public authorities in Moldova. One of these projects worked in six residential institutions. It built partnerships with the central and local public authorities, developed legal framework and procedures for Hotline service for persons with disabilities as compliant mechanism for human rights violation, piloted this innovative social service and ensured its financial sustainability with public budget. Many advocacies were carried out to advance the deinstitutionalisation process and, as a result, the government approved a national programme on deinstitutionalisation of persons with intellectual and psychosocial disabilities. Another project worked to develop the social protection system for people with disabilities in five districts on both banks of the Nistru river. It strengthened the capacity of the local public actors in management and quality monitoring and offered mini-grants to promote social inclusion and non-discrimination of people living with disabilities, provided support through mobile teams and set up a day care centre. Legislative changes were also triggered. The positive practices from the right bank of the Nistru River were scaled up on the left bank.

With the launching of the CSF and the grant to SFM 'Better social services through sustainable partnership between civil society and government', work was further deepened towards the empowerment of CSOs in promoting and implementing innovative solutions for advancing social inclusion of persons with disabilities and vulnerable children in partnership with local public actors. At the time of the evaluation the project had awarded 33 grant contracts to CSOs for the development of innovative and sustainable social services, jointly with the public actors. The services targeted persons with disabilities and vulnerable children. By the end of 2020, the project had developed over 40 social services in partnership with the public actors or public institutions – supported living service, community home services, community-based services for children in risk situation, etc. all around the country. The CSOs

with EU help ensured access to community-level social services for 2,000 children in risk situations and persons with disabilities. The project also helped the deinstitutionalisation of 60 persons with intellectual and psychosocial disabilities.

With EU help, regulations and quality standards for social services were developed, and policies and procedures on child protection, prevention of violence and abuse were improved in a participatory way with service providers and grantee CSOs. Key support was rendered to four organisations which intend to become social service provider to get accreditation and access the financial resources from state budget. All four grantees are in the process of self-assessment of their organisation to prepare for accreditation and social contracting.

The EU role in social enterprise development, though support to civil society is highlighted in Finding 8.4.

**Finding 10.4: During the period under review civil society has been actively engaged in working on a new law on non-commercial organisations in an effort to improve legal enabling environment**

During the period under review civil society has been actively engaged in working on a new legislation for its enabling environment. The process of drafting the new law started in March 2016, with the creation of a working group with representatives of the public authorities and civil society. The adoption of a new civil society law has been a provision of the National Action Plan on the implementation of the Association Agreement and the law was one of the packages of laws sought by the EU in respect of the Association Agreement and a precondition for the release of financial aid to Moldova.

On 27 July 2020, the new Law on Non-commercial Organisations was published in the Official Gazette of Moldova. It was adopted by Parliament with the support of 95 out of 101 deputies, after heated debates. The adoption of this Law is a step forward to ensuring an enabling legal environment for civil society in Moldova and sustainable development of the non-profit sector. The improvement of CSO's legal environment has been a condition for macro-financial assistance, and as such progress in this area was keenly monitored by the EU. It is expected that the Law will reduce bureaucracy and establish guarantees for registration, simplified internal organisation of non-commercial organisations, principles of fair play in accessing public funds and state support, and will limit the possibility of unjustified interventions in civil society activities from the state. Future support from the EU can be channelled towards the practical implementation of the Law and monitoring of its implementation, especially now in the COVID-19 crisis, where the government may also face financial challenges to support CSO.

## 4. Conclusions

### 4.1 Targeting, coherence and relevance

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The EU cooperation in Moldova has been fully aligned with national strategies, to the extent that the objectives outlined in the EU Association Agreement (AA) continue to represent the national priorities and are treated as the foundation of the EU engagement. When targeting support, EU interventions relied on the Association Agenda, which, in turn, has also cross-fertilised with Moldova 2020 National Development Strategy, while both relate closely with Eastern Partnership (EaP) 20 Deliverables for 2020 framework. The research found no contradictions between thematic interventions and the strategic shared Moldova–EU objectives, which retained their coherence.

With strategic alignment ensured, the intervention logic has shown its capacity to evolve, in consultation with EU Member States, based on the shared assessment of problematic areas and needs. The fallout from the bank fraud scandal triggered readjustment. The second Single Support Framework (SSF) has shown more attention to the governance sector, while diversifying the thematic areas of intervention, with particular attention dedicated to corruption. The overall relevance of interventions was ensured by the

EU's ability to adapt to challenges, by targeting new beneficiary groups. The EU chose these groups based on their potential to harness support and convert it into impact. A higher degree of engagement at local level, with rural communities and civil society groups, has been achieved without compromising the robust policy-level cooperation with the government.

The EU backed up this approach with innovative communication strategies towards the government and – importantly – the citizenry, whose degree of awareness about the EU interventions, and support towards them, has been consistently high and growing. The evaluation has revealed the evidence of this communication being integrated into programming and strategy; that is, used for organisational learning and participatory planning. This constitutes replicable good practice. Immediate measures were taken within existing projects following the bank fraud. But more profound recalibration of programming, responding to a series of backslides including the bank fraud, but also the invalidation of Chisinau mayoral elections, delays with justice reforms, or the fiscal reform package, then followed the regular programming cycle of the EU in line with procedures. This led to a time-lag between the acknowledgement of pre-existing challenges and backslides (2015 in the example of the bank fraud, followed by others in the subsequent years), retargeting of programming documents (new SSF in 2017), and finally the actual implementation (still ongoing) of the adjusted intervention logic, which considerably limited its effects. Meanwhile, the issues which the second SSF was supposed to address (particularly in terms of corruption and collusion of interests) have crystallised and are increasingly challenging to address. The COVID response reprogramming in 2020 was a good counter-example of an exceptionally quick reaction.

Within these adjusted targets, there were underused opportunities to address topics that were relevant to the EU/Moldova objectives. Mainstreaming of gender equality, empowerment of women, human rights issues have been addressed in some thematic areas, but may be extended to others. Stronger accent on decentralisation and local governance may help capitalise on impacts already achieved through previous interventions in targeted fields – like in service provision. Offering more vigorous support to the investigative and independent media becomes crucial in a highly polarised political environment, where corruption is one of the underlying concerns.

The evaluation revealed that contextual analysis and learning can be integrated more proactively into the planning process. While the strategic level adjustments were made as a reaction to the bank fraud scandal, there is still the perception among counterparts that the EU could have been more proactive about it. This observation rests on two further premises:

- One is internal to the programming: the log frame approach used across DG NEAR makes it difficult to discern logical intended connections between the programmes, the intended results and the overall impact through series of intermediary changes. This shortfall affects the clarity of programming documents and makes it more complicated to monitor progress towards the set strategic objectives. Adoption of a theory of change approach could help the programmatic staff in the EUD and DG NEAR to overcome these shortcomings.
- Another is external and pertains to the context of implementation. While the national policy documents are generally aligned with the Association Agenda, the degree of national ownership has varied significantly, due to political instability, polarisation and contrary interests. Relevant EU interventions require more consistent channelling of the EU's political analysis, which must feed programming more quickly and more substantially. Again, adoption of a theory of change approach could assist in making these adjustments, facilitating programmatic adaptation to real-world political shifts.

## 4.2 Synergies and partnerships

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Overall, the EU's bilateral cooperation with Moldova has been complemented by EU regional programming. It has operated based on wide-ranging partnerships with international development partners, as well as civil society organisations (CSOs). These important complementarities have helped Moldova advance towards its shared objectives with the EU. They also helped the EU to mitigate the

risks of flagging commitment of national stakeholders at the sectoral reforms, whenever political upheavals intervened in the implementation process.

The regional and cross-border programmes offered outstanding examples, where multiplier effects were pronounced – such as in blending projects in support of SMEs – and enjoyed significant visibility. Well-coordinated cross-border and regional activities proved impactful at country level when there was a significant operational presence in both (or several) locations but were less effective when remotely managed.

Cooperation with Member States, other donors and IFIs offers the good practice of joint situational analysis and planning, which produced a shared programming document in 2018, very much in line with the second SSF. This experience of close cooperation has meant that there were few overlaps and duplication. Conversely, different but complementary approaches with some partners – for example with development banks – helped provide the national stakeholders with more comprehensive and flexible instruments than would have been possible otherwise. The regional blending operations, provided improved access to loans, guarantees and technical assistance both to the government and to SMEs.

The impact of operationalised synergies and partnerships has been evidenced in articulation of the political (impact), policy (outcome) and programmatic (output) dimensions of support. For example, when the platforms of political collaboration were temporarily disrupted due to political upheavals, ongoing policy dialogue (e.g. with high-level advisers) and programmatic rollover allowed the EU to be kept informed and engaged. Partnerships with other international development partners and CSOs also served as mitigating measures for bridging occasional problems. These approaches helped lessen party and personal interferences within sectoral policies, although they could not prevent the lack of continuity or the delays in policy implementation, especially in the justice sector.

And finally, EU platforms and financial instruments have allowed EU–Moldova cooperation to shape a comprehensive network of policy dialogue and collaboration with the Moldovan CSOs that have been increasingly active and impactful in affecting policy. This contribution is, however, fragile. On the one hand, the core funding of CSOs is not sufficiently stable to allow for generating consistent expertise. This is especially true since the national CSOs often compete with international CSOs, including for the EU financial support. On the other hand, the ‘revolving door’ between the government and CSOs – while helping create a reservoir of policy expertise outside the sitting cabinet – means that the partisan and political considerations seep into civil society and require additional situational awareness from the EU.

### **4.3 Efficiency, programming and management**

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The research found that the complementarity between project approaches provided under various implementation modalities, conditional financial support (budget support, blending, macro-financial assistance), blending operations and a frank policy dialogue backed by strong communication was efficient, coherent and minimised risks, but it could not always overcome the difficulties posed by unfulfilled key assumptions. External shocks – conflict in Ukraine, global economic crisis, COVID-19 pandemic, over which neither the EU nor Moldovan authorities have control – certainly contributed, and will continue to do so, causing inefficiencies and delays in implementation. More systemic and detailed work on assessing the risks, planning for contingencies and institutional resilience are required to address such risks.

However, the most direct effect on the programming was made by persisting corruption and weak governance, with the bank fraud scandal being just one, albeit its most significant, manifestation. The management and programming response to this crisis was commendable, with the EU managing to adjust from the budget support-led intervention to a programmatic mix which short-circuited some of the most challenging parts of the governance structure to deliver assistance more directly to the Moldovan citizens. Engagement in blending projects with IFIs also helped expand the EU footprint to significant investments,

allowing Moldova to benefit from a variety and volume of financial instruments that would not have otherwise been accessible. Also, transfer to a more project-based architecture posed an additional burden on the local management at the EU Delegation in Moldova, which should be met with appropriate acknowledgement and backstopping.

In conclusion, the overall efficiency of operation is high. The EU and Moldova may benefit further from building on the existing solid groundwork by, on the one hand, improving the programmatic process through participatory and comprehensive assessment of assumptions at all levels; and on the other, by consciously and deliberately upgrading the role of the mid-level 'transmission chain' actors – CSOs, mid-level civil servants, private sectors – from being the mere beneficiaries in particular sectors of assistance, to becoming the partners and agents of change working in mutual collaboration, for achieving the intermediate outcomes of the EU–Moldova cooperation.

## 4.4 Agriculture and rural development

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EU support to Moldova contributed to achieving an increase in the competitiveness of the agri-food sector. Nevertheless diversification of economic activity in rural areas was limited. Production and exports of agri-food products grow significantly and there was a reduction of non-tariff barriers for Moldova's exports to the EU.

The free trade provisions of the AA and EU support to the sector were complementary, helped Moldovan producers to gradually improve their ability to meet EU standards and overcome non-tariff barriers to trade. The support to the horticulture sector contributed to expansion of the sector and increased resilience of producers. The successful use of blending in this regard to create notable leverage of funds and achieve tangible results in the horticulture sector may be considered for replication.

Yet, the main agricultural exports still primarily involve low added-value products such as cereals and seeds and low-priced unprocessed material and the size of the processing sector (excluding wine) in exports is relatively small. The competitiveness of product groups that previously were often already competitive such as cereals oils seeds, fruits and vegetables and honey improved further. Conversely, exports of animal products reduced, which mainly reflects the lack of skills and experience of exporting to the very demanding EU market and inability of Moldovan producers of these products to meet the requirements for exporting to the EU.

An important issue in terms of competitiveness has been the slow development of productivity which has hampered growth, particularly in the agricultural sector. Next to limited access to land, low productivity and competitiveness levels are also fuelled by limited access to other inputs such as water/irrigation, finance, technical inputs, support services and quality workforce. The dualistic nature of the agricultural sector is also reflected in competitiveness of enterprises as the most competitive producers – those that are able to export directly – are often large agricultural enterprises.

EU support helped Moldova to achieve significant progress trade liberalisation and regulatory approximation to the EU acquis. However, the necessary institutional framework for complete implementation and oversight of these new provisions is lacking and agri-food producers still face many challenges to meet the demands of the EU market.

The EU has been supporting diversification of economic activity in rural areas through various measures. Although non-agricultural sectors have developed in rural areas, nevertheless this was not significant and the role of agriculture as an employer has become even more crucial. At the same time that the share of agricultural enterprises increased significantly in rural areas, the sector has remained the most active in terms of entrepreneurship. The low added-value along with increased employment in the sector point towards the increasing importance of subsistence farming, and further highlights the relevance of the EU's complementary efforts towards diversification of activities and need for support to small farmers to



increase their productivity. But the impact of this two-prong approach requires time, especially in an economically constrained environment.

## 4.5 Democracy and the rule of law

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EU support to democratic governance and the rule of law has been multi-faceted and continuous, covering all major national stakeholders with a variety of programmatic support instruments, including budget support, Twinning, technical assistance, deployment of high-level advisers. The evaluation demonstrated that the attention towards the sector of democratic governance and the rule of law has grown over time, both as a result of the general evolution of the EU-wide priorities, and in response to specific shortfalls encountered in Moldova.

The application of conditionality criteria for budget support and macro-financial assistance has been instrumental in keeping the channels of dialogue with the top-level decision-makers open, which has been backed up by the sound integration of civil society actors in the monitoring of the budget support schemes. Importantly, the dialogue has continued despite the temporal suspension of the budgetary assistance due to non-compliance of the conditionality criteria. Interviews with national stakeholders show that many of them consider the application of conditionalities with sector and DG ECFIN's macro-financial assistance as a good instrument to promote the implementation of sector policies.

These successes largely became possible because of the strong and clear normative backbone of European standards, which Moldova aspires to strategically, as manifested by the Association Agreement. These very aspirations also create a societal expectation for reforms compliant with EU normative framework, thus creating electoral pressure required for marshalling these reforms through administrative and legislative bodies. At times, although not always, there is an internal mobilisation for reforms in some institutions, which is supported by the pool of agents of change – civil servants that share the European aspirations, have integrity, and are sufficiently trained and capable to initiate or undertake the relevant reforms.

Yet, the objective indices of progress as well as subjective perception of citizens – which are borne out by the numerous interviews conducted in framework of this evaluation – corroborate the fact that Moldova's progress in the area of democratic governance and the rule of law has been uneven and slow. These iterative periods of slow progress and substantial setbacks are underpinned by political polarisation and instability that saps public confidence in reforms. Furthermore, it risks curtailing the impact of the agents of change – because they become apathetic, leave the civil service (or the country), or because they give in to informal governance structures.

The existence of the informal governance systems that often runs counter to the interests of EU-backed reforms in governance sector, specifically in the judiciary, has been amply evidenced through interviews, third-party reports and data. This report concludes that the informal structures of governance are based on power relationships and create a set of incentives (and disincentives) on political decision-makers as well as on civil servants. These incentives (material gain/loss, career possibilities, political advancement) are often more immediate than the purported effects of the EU-backed reforms (improvement of the overall system of governance, higher predictability, improved access to EU markets, inter alia).

The evaluation found that while this challenge is recognised by various EU institutions, the effect of informal governance is insufficiently addressed at the programmatic level. This creates the risk of decoupling activity level efforts from overall progress in terms of results and impact. EU support has played a positive role in bringing the normative framework (policies, legislation and regulations) in line with European standards. However, it has put too much emphasis on this framework, and not enough on the quality of practices that underpin it, especially during the first SSF. This has carried the risk of reproducing the restrictive approach to the law, which is already prevalent in Moldova – for example by measuring normative changes without in-depth monitoring of the change in practices of the public



servants (through trial monitoring, in-depth study and observation of the practices of the rank-and-file police or court registry officers for instance); or by placing legal amendments chronologically before creating the capacity for in-depth change management.

The evaluation identifies several elements which may contribute – on a programmatic level – to this difficulty in identifying the reasons why the positive interventions on activity level do not translate into improved results:

- Theories of change or intervention logics for the programmes, where they exist, are not articulated with sufficient clarity. The results/impact are formulated according to the log frame approach: they are conceptually weakly linked with their assumptions (especially internal ones) and with planned activities.
- The projects/programmes often place their indicators at activity level. This means that a lot of data is produced at this level, but it is difficult to interpret this data against results (e.g. Does the increased amount and quality of training contribute to qualitatively improved services over time?) remains insufficient for evaluation and planning purpose.
- Normative change (adaptation of the legal and regulatory framework) is prioritised over change management: the extent of the EU normative and regulatory framework presents an important challenge of transposition, even in AA/DCFTA (non-accession) context. Thus, the bulk of expert and technical support seems to be directed towards legislative approximation – which leads to creation of the operational mimicry on part of the beneficiary government/institutions: they too, equate legislative change with ‘reform’. Yet, the interviewees attest to the fact that normative change is futile, unless it is accompanied by the capacity to effect meaningful change.
- Normative transformation is often supported (high-level advisers (HLAs), technical assistance, Twinning) at the level of drafting in line ministries. HLAs try to engage other line ministries/agencies in horizontal coordination, but it rarely involves support towards the entirety of the law-making, particularly within the legislative branch – that is, the public and parliamentary process in which the political differences are addressed and reconciled before the draft is voted on.

The fundamental threats to the EU effort to advance the reforms in the democracy and the rule of law sectors are presented by the aforementioned adverse incentive structure created by the persistent, competing system of informal governance. This incentive system is at the centre of resistance to change in various institutions, and on the part of some decision-makers, and it cannot be overcome only by capacity-building efforts. Ending the impunity for corruption and economic crime, and creating structures that incentivise support to real reforms may go some way towards addressing the problem.

Nonetheless, there is still more potential to convert the successful interventions into evident results, by improving the quality of implementation context analysis. This analysis must in turn inform the programmatic theory(ies) of change, become an integral part of the programme monitoring process and effectively contribute to the evaluation cycle. The body of the agents of change also creates opportunities for engendering process-oriented changes that go beyond the normative approximation. This includes the meaningful professionalisation of civil service, clear delineation of the political and civil service professions, improved application of administrative discretion and margin of appreciation in administrative decision-making and in justice sector (all in line with OECD/SIGMA standards) as well as improvement of the law-making and policy-making processes.

## **4.6 Energy infrastructure, environment and climate change**

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The energy-transport-environment and climate change sector are closely linked (nexus) – that means decisions or policies affecting one of the sectors are influencing the others. Thus, investments in the water or transport sector can reduce energy consumption and or increase energy efficiency, also affecting

climate change and environment. Utilisation of biomass or waste for renewable energy production has direct effects on environment.

EU support in the energy sector aims to promote the efforts of Moldova to reduce dependency on external energy resources (over 75% of the energy used in the national economy is imported), increase energy security and to increase the use of renewable energy and energy efficiency.

EU co-financed the construction of new electricity and natural gas interconnections with the European continental network (Construction of the electricity interconnection between Moldova and Romania ENI, Ungheni–Chisinau gas pipeline). This will reduce the dependency of energy supply from Russia and Ukraine and thus increase energy security. As a second pillar, the diversification of energy resources was supported by different regional and national projects (i.e. Biomass project). Actually about 20% of Moldova's energy demand is covered by domestic production, consisting almost fully of solid biomass. The EU-financed biomass project contributed to this achievement.

EU projects related to energy efficiency are still under implementation. The EU-funded project, Support to the Modernisation of the Energy Sector in the Republic of Moldova, is helping the country reform its energy sector. The project has also led efforts to improve the deployment of energy efficiency across the country. At a national level, assistance has been provided to the government to implement an energy efficiency programme in centrally owned buildings, to develop the first energy efficiency obligations scheme and to help the government in strengthening a revamped energy efficiency agency. At a local level, support is under way to assess city energy use in a number of municipalities.

Several projects were financed under E5P (a EUR 242 million multi-donor fund initiated during the Swedish Presidency of the European Union in 2009). E5P encourages municipal investments in energy efficiency and environmental projects in the Eastern Partnership region. Five projects were financed in Moldova. The projects aimed refurbishment and energy efficient improvements of public buildings. Implementation of high-quality, energy efficiency technologies in buildings is expected to have a strong demonstration effect. Energy savings in the range of 40–50% are expected.

At the same time Moldova is making progress in developing competitive markets to transpose the community acquis in the field of energy in line with the Energy Community Treaty and the AA. EU is supporting this process with the help of a high-level adviser. Results related to reduction of dependency on external energy resources are still incipient, but the share of renewable energy produced in overall energy consumption is increasing.

EU support contributed significantly to improved water and sanitation facilities in Moldova. The EU financed several key projects in the water and sanitation sector using different instruments and implementation modalities, namely: Clean Water for Cahul; Chisinau Water Development Programme (NIF); Construction of Water Supply and Sanitation infrastructure; as well as energy efficiency in public buildings. No final results are available yet for these projects. EU assistance provides direct access to improved water and sanitation services to about 1,300,000 beneficiaries including the support provided through NIF co-financed interventions. EU co-financed interventions are not only tackling access to water and sanitation, but also the improvement of quality of services.

EU support to the transport sector is composed of (a) technical assistance and capacity building to support the reform of the transport sector in line with the transport chapter of the EU-MD Association Agreement, to support legal approximation and policy development for fulfilment of the undertaken commitments; and (b) infrastructure projects (important road and rail projects) co-financed by EU with NIF funds. The projects will facilitate the transport within Moldova and connect the country better to the EU Member States. They are enabling efficiency gains, shorter delivery times, and competitive prices which, compared with road transport, will increase the range and volume of imported goods.

The EU has supported environmental sustainability and climate change resilience through a series of programmes, especially at regional level. The green growth concept has been promoted in Moldova as

a model of social and economic development for economic growth, improved human well-being and social equity. Its goal is to achieve a low-carbon, resource-efficient and socially inclusive economy, significantly reducing environmental risks and the impact on human health.

## 4.7 SMEs and business environment

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Moldova's economy has expanded by an average of 4.6% annually in the past 20 years, driven by consumption and fuelled by remittances. The latter account for 10% of GDP. Small and medium enterprises (SMEs), which represent approx. 99% of total number of enterprises in Moldova, account for less than 30% of the country's GDP. The relative weight of SMEs in turnover and employment has actually decreased. Some 98% of enterprises are micro-enterprises with fewer than 10 workers. Moldova's large-scale emigration has led to a sharp decline in population and increased the share of elderly people. This puts pressure on the available labour force and the country's long-term competitiveness.

Nevertheless, Moldova has made considerable progress in developing a comprehensive institutional framework for the SME sector. The AA including Deep and Comprehensive Free Trade Area (DCFTA) was signed in June 2014. For Moldova it represents an ambitious roadmap for policy reform, including in the area of SME development.

Following the signing of the AA, the EU became the main trading partner for Moldovan food producers, absorbing almost 70% of the country's food exports. However, small producers often struggle to access the EU market due to limited competitiveness, concerns about food safety standards, limited managerial skills and lack of export support programmes offered by the government. Moreover, Moldova's food retail sector has experienced significant investment in the last decade and the rise of supermarkets has disrupted the sector, causing the decline of traditional wholesale and retail systems. The supply-side implications of these changes are apparent: smaller and less capitalised producers unable to meet the requirements of large supermarkets are losing domestic markets in which they previously held strong positions<sup>134</sup>

EU has supported the business sector (including rural enterprises) with several interventions since the reference period of this evaluation. However, the business environment in Moldova has not improved significantly during this time. The poor quality and instability of governance affects the business environment. In fact, after initial improvements in the scores given by World Bank on business environment the situation has deteriorated again. A closer integration with Europe has influenced policy reform agendas, EU support has promoted the implementation of such reforms and the adaptation of systems and procedures to EU *acquis*, but reforms that are good on paper face implementation challenges. Many draft laws and regulations have been elaborated but are either not yet approved by Parliament or face difficulties in implementation (also due to limitations in human resources). The improvement of business environment is a process which cannot easily which will need a more continuous support.

EU support contributed to increase SME readiness to implement the food safety standards aligned with the AA with the EU; to provide access to loans and to guarantees for enabling enterprises to make the necessary investments; and to provide business support services to enterprises for facilitating their access to foreign markets. However, possible outcomes are not yet visible in the EU–Moldova trade balance. The EU's imports from Moldova slightly decreased by 2.7% in 2018/2019, from EUR 1.83 billion to EUR 1.78 billion in 2019 and EUR 1.6 billion in 2020. The number of companies involved in trade with the EU has continued to increase, with approximately 1,837 Moldovan companies exporting to the EU in 2019 up from 1,734 firms engaged in exporting to the EU in 2018.<sup>132</sup> The key limiting factor for increased

<sup>134</sup> [https://ec.europa.eu/neighbourhood-enlargement/news\\_corner/news/eu-publishes-eu4business-report-sme-support-eastern-partnership\\_en](https://ec.europa.eu/neighbourhood-enlargement/news_corner/news/eu-publishes-eu4business-report-sme-support-eastern-partnership_en)

exports of Moldovan companies seems to be related to the structure of the sector with about 97% of enterprises being micro and SMEs.

The EU provided significant support to the Moldovan private sector by facilitating access to finance and guarantees. About 1,800 SMEs received financial support in the form of loans through national partner financial institutions, several business incubators were promoted, and a significant number of SMEs received support business development services. Under the Support to Quality Infrastructure Framework within the DCFTA project, important support services were provided, with about 45 companies participating in tailor-made coaching. The promotion and implementation of the LEADER approach permitted the provision of micro-credits to micro-enterprises through local action groups (LAGs). A recent study showed that 32 LAGs provided (or lent) funds to 160 microprojects in 2018, to 200 microprojects in 2019 and 350 microprojects in 2020.<sup>135</sup> The study shows that a major part of funds is used for micro-business, contributing thus to local income and employment generation in Moldova.

The EU supported the green economy in Moldova. The green growth concept has been promoted in Moldova as a model of social and economic development for economic growth, improved human well-being and social equity. Its goal is to achieve a low-carbon, resource-efficient and socially inclusive economy, significantly reducing environmental risks and the impact on human health. EU is supporting the Programme EaP Green at regional level (The 'Greening Economies in the Eastern Neighbourhood' (EaP GREEN) programme is being implemented by OECD in cooperation with UNECE, UNEP, and United Nations Industrial Development Organization (UNIDO) to assist the European Union's EaP countries in their transition to green economies. The programme is financed by the European Commission, the four implementing organisations and other donors). Although COVID-19 emergency affected the programme, implementation has progressed, especially on awareness raising, training/capacity building, National Greening Programme for SMEs.<sup>136,137</sup>

The concept of 'social enterprises' has been promoted with EU support. Social entrepreneurship is in an early stage of development in Moldova, although over the last few years, several initiatives were launched to develop social enterprises, including with the EU's support. In 2020, the European Union established 13 social enterprises in Moldova through grants to NGOs with a total of EUR 5 million. Actually, the initiative EU4Youth – Unlocking the potential of young social entrepreneurs in Moldova and Ukraine – is under implementation. Social enterprises are essential for the creation of working opportunities and provision of social services.

In summary EU support to the business sector is important and has contributed to reforms in line with the AA commitments. At the same time, it has facilitated the access to loans, guarantees and business support services to Moldovan enterprises, thus helping them to adapt to EU standards and regulations and increasing their possibilities to export their products to EU countries and/or insert themselves better in the national market. However, the structure of the enterprises considerably limits their development, especially those concerning rural enterprises; even if an overall improvement of business environment has not yet been achieved, future contribution is plausible.

## 4.8 Education people-to-people contacts and mobility

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Since 2014 the EU has significantly contributed to increased mobility and people-to-people contacts among teachers, students, researchers and volunteers. While the EU programmes generated almost 9,000 international credit mobilities and non-formal mobilities, the major contribution goes beyond this number. The VET sector has been reformed throughout, new life has been breathed into the R&I sector

<sup>135</sup> [https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study\\_LEADER-approach\\_Report-EN.pdf](https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study_LEADER-approach_Report-EN.pdf) page 13. [https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study\\_LEADER-approach\\_Report-EN.pdf](https://eap-csf.eu/wp-content/uploads/Moldova-Case-Study_LEADER-approach_Report-EN.pdf) page 13.

<sup>136</sup> <https://www.eu4environment.org/app/uploads/2021/05/Moldova-country-profile-2020-21-second-edition.pdf>

<sup>137</sup> <https://www.eu4environment.org/app/uploads/2021/05/Moldova-country-profile-2020-21-second-edition.pdf>

and higher education stepped up to a new level, where universities were boosting internal, regional and international cooperation. Despite important achievements, the government's fragile financial and human capacity, along with the enduring political instability held back reforms during 2014-2020 and may also put further efforts at jeopardy.

Notable achievements in VET reform were mostly owing to combined efforts of donors (particularly of GIZ, Liechtenstein Development Service, Austrian Development Agency, and the Swiss Agency for Development and Cooperation–SDC) and the EU and their complementarity. However, other donors' support was reasonably modest and hesitation to provide more for the VET sector was directly linked with EU presence in the sector since 2014 and with MECR intentions (unmaterialised) to further downsize the network of VET institutions.

Despite efforts, most 2020 VET targets as described in the budget support intervention logic (aligned with the VET Strategy) were not achieved. While the VET sector has made a huge jump from the onset of budget support and gained more prestige (several VET institutions became indeed reform champions), there was limited impact upon the attractiveness of the VET sector as a whole (number of students and teachers in constant decline, dropout rates high), on employment levels of VET graduates (at the same level as in 2014) or a better match with the labour market demand. The attractiveness of VET professions has not increased, specifically because of low remuneration in Moldova.

Participation of Moldova in Erasmus+ and Horizon 2020 programmes has increased mobility and people-to-people contacts. During 2015-2020 there were 3,624 academic mobilities under Erasmus+ programme and 5,000 young participants under Erasmus+ Youth and European Solidarity Corps in non-formal education projects. With Horizon 2020 programme, 82 Moldova organisations received grants to implement R&I projects. But more importantly, Moldova's participation in these programmes boosted institutional and systemic changes. Due to remuneration incommensurate with the level of effort in Erasmus+ capacity-building projects, didactical staff switched to research projects, including those provided under Horizon 2020. Moldova stands much better regionally in the Horizon 2020 programme; however, coordination among government institutions was problematic constraining full use of the special status of the associated country.

## 4.9 The Transnistria region

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The efforts to arrive at a settlement of the Transnistria conflict have different dimensions – political settlement, within the '5+2 format', technical working groups and confidence-building measures. This evaluation has focused only on the interventions aimed at building direct exchanges, and conversely increasing the confidence between people across the two banks of the Nistru river, through joint initiatives involving different actors. In the period under review this has been done primarily through the projects implemented under CBM-IV and CBM-V, but also with Calls for proposals under different instruments.

EU support to Moldova within the CBM framework, in the period under review (2014-2020), has further enhanced the cooperation on both sides of the river in many different sectors. Under CBM-IV migration and healthcare have been a priority. The migration project, implemented with EU support was quite novel and yielded appreciated outputs. More importantly – the project strengthened the cooperation between academia and migration data practitioners through joint capacity development, thus leading to more open and trustful relations. Similarly, in the area of healthcare a long-term project brought about reintegration of the public health systems from both banks in areas such as policy analysis, action planning, capacity building of the public health institutions/actors, and again built a higher level of trust and closer communications between the medical professionals. Another project currently being implemented in the area of medico-social care, continues these processes. With the CBM Call for proposals various other channels of communication were started, mostly in the area of social protection and community development.



This is happening in other sectors as well. Tangible economic and social rapprochement is under way. There is now increased cross-river cooperation of various business actors. Existing business associations were strengthened, their cooperation increased, and cross-river business platforms are supported by the EU through grant allocation for joint projects. Next to all other impacts this is also leading to social rapprochement, improved employment opportunities and livelihoods across the Nistru river, better infrastructure and improvement of the standards of living on community level through community infrastructure development projects. The latter also increase the visibility of the EU and promote the EU values.

Culture is a new sector, particularly protection and preservation of the common cultural heritage. Even before CBM-V, a Twinning project worked to improve the legislation for protection and sound management of Moldova's many heritage assets; helped increase the administrative and management capacity of the Ministry of Education, Culture and Research and its subordinated agencies, cultural offices and other relevant stakeholders; developed and implemented training programmes related to the protection and restoration of cultural heritage at secondary vocational education and at higher education levels; and supported Moldovan heritage protection institutions on digitisation of cultural heritage and sustainable management. Next to the two flagship projects – Bender Fortress and the Circus – other smaller cultural sites (from both banks) have been selected based on grants competition, and this will be followed by signing of memoranda of understanding, design of conservation works, coordination and actual conservation in 2021. Another activity with expected potential tangible impact for both banks relates to the creation of 'EU Fund for conservation-restoration of cultural heritage'. Progress so far includes the development of the modality of the Fund, with the support of international expertise, assessments and consultations with experts from both banks. The sustainability of these efforts is more than evident – with conservation and restoration work of different historical and cultural sites already completed or ongoing. Parallel to this, steps are also being made to bring the media sector actors from both banks together and foster the production of joint media products. Grants are being distributed towards this end.

All interventions under CBM in the period under review (including also the CBM Call for project proposals) have thus effectively contributed to reducing the social and economic disparities between the two banks and led to better social protection and enhanced business development. The improvement of the community infrastructure, the modernisation of the health sector and the combined efforts to protect and preserve the common cultural heritage have further paved the way for future joint initiatives, easing political tension and promoting trust to a higher level.

## 4.10 Civil society

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The EU has significantly strengthened its engagement with CSOs in Moldova since 2016, in line with the core policy documents of the EU and Moldova, including 'The roots of Democracy and Sustainable Development: Europe's engagement with civil society in external relations', and the two Country Roadmaps for Engagement with Civil Society, developed in a wide consultation process. Civil society is now stronger, more sustainable, rooted in the communities, with greater engagement and influence on policy-making and policy monitoring, and holding government accountable.

This is largely due to the fact that the EU Delegation to the Republic of Moldova has been managing large financial support to third-party schemes under the Civil Society Facility (CSF), with one technical assistance project and three grants with sub-granting schemes. This has been a novel effort, comparing to previous interventions, with clear strategic focuses and countrywide coverage. It made it possible to reach a vast number of CSOs throughout the whole country, the Autonomous Territorial Unit of Gagauzia and the Transnistria region included.

The implementation modality of big grants with sub-granting schemes has been relevant, effective and impactful. The approach of having a key CSO partner in each region proved to be efficient, as the partners

were well-recognised CSOs with a good history of working with the EU, the regional and local authorities, knowing the civil society landscape well in the respective region and able to mobilise and support the local CSOs. This modality made it possible to reach out to CSOs in the whole country.

In the period under review civil society, with EU support, played a strong role in promoting good governance, most prominently in social and economic development.

The most tangible impact of civil society interventions in the period under review has been in the area of social service delivery. This encompassed various levels, from tailored service provision to specific vulnerable groups, to triggering systemic changes on local and national level, including the development of innovative social services and inputs to the national legal and policy framework. Critical mass is now in existence and further EU support can be very instrumental.

Civil society in Moldova in the period under review played a role in entrepreneurship development. Under the CSF, entrepreneurship has been boosted through the creation of business hubs, run by CSOs, but the innovative focus has been on youth entrepreneurship development. There are already 10 regional youth-led entrepreneurship funds, which support ideas of young people.

Social enterprise development was promoted with EU support. The social enterprise culture is still new in Moldova and finds itself at an early stage of development. The CSF in the period under review has supported this process. Fifteen social enterprises were established, and the visibility of the social economy actors is increasing. Next to this, social entrepreneurship can provide CSOs with an alternative to donor funding. Various CSOs and think tanks, as well as two EU-supported civil society platforms, monitored the implementation of the AA in their thematic areas of expertise. The most recent projects such Support for Structured Policy Dialogue, Coordination of the Implementation of the Association Agreement, and Enhancement of the Legal Approximation Process aim to increase the inclusiveness of these efforts, and increase AA promotion by the civil society. This is a coherent enhancement of the EU's prior interventions. For the CSO legal environment, the recent adoption of the Law on Non-commercial Organisations has created new monitoring and support needs.

## 5. Recommendations

### 5.1 Transversal: Relevance and coherence of interventions, efficiency, complementarity, communication, coordination, synergies

No	Text of recommendation	Responsible entity/ies
1	Reiterate the joint analysis and programming exercises, including distribution of focus areas, with EU Member States, like-minded donors and other donor/partner agencies (UN organisations, IFIs, Council of Europe (CoE), OSCE); ensure that EC support remains clearly identifiable and that the EU visibility remains high.	EUD supported by DG NEAR (Geo desk, COTEs and all relevant entities)
2	Update country programming processes and support/train the staff to prepare full-fledged, country-specific theory of change with corresponding monitoring and evaluation framework, and theories of change for all actions clearly tied to the country-level approach. EC implementing decisions and action documents should reflect the architecture of intended changes.	DG NEAR HQ, supported by EUD
3	All programmes/projects should be backed up by a realistic stakeholder analysis (formal and informal, at high and mid-level), including the assessment of their relation to both the legal order, and the informal system of personal, financial, and political interests and loyalties. This analysis should inform an assessment of the degree of realisation of assumptions for the theory of change of the programmes/projects.	EUD, NEAR HQ
4	Continue limited budget support in sectors where strong national policies and a real political will for their implementation exists, while involving the Ministry of Finance and line ministries in the selection of indicators and definition of targets.	EUD, NEAR HQ
5	Start policy dialogue with the government on a possible programme on decentralisation reform should there be political ownership. The programme should work as a strong incentive, and aim for efficient, accountable, equitable and inclusive local finance management.	EUD, NEAR HQ
6	In complement to decentralisation, intensify efforts to support local civil society and youth civic activism as well as quality and independent media (particularly investigative journalism) at national and regional/local level.	EUD, NEAR HQ
7	Maintain strict conditionalities, and apply them consistently and strongly, throughout the upcoming SSF, regardless of political majority changes.	DG NEAR

### 5.2 Sector: Agriculture, local development

No	Text of recommendation	Responsible entity/ies
1	Focus support to agriculture on the offer of finance, technical support services, quality workforce development and improved irrigation. Support to enlargement of farms and reduction of fragmentation will remain critical for the improved productivity and competitiveness in the agricultural sector.	EU in general in cooperation with the government
2	In parallel, increase support to alternative rural income-generating activities.	EU in general in cooperation with the government and donor community
3	Encourage and support the inclusive national policy process that would increase the capacity and viability of the agricultural sector to boost food security and production for local markets.	EUD, NEAR HQ
4	Support the adaptation of the national policy to ensure resilience of the agricultural sector to climate change. Consider supporting specific initiatives stemming from such policy.	EUD, NEAR HQ

### 5.3 Sector: Governance (justice, police, human rights, PFM, anti-corruption)

No	Text of recommendation	Responsible entity/ies
1	Explicitly analyse the informal system of governance in the judicial and public administration system (particularly human resource management), in the law-making processes, and in public finance management and public procurement.	EUD, NEAR HQ
2	In future programmes on governance, take (and support the government to take) the change management approach with identified agents of change, targeting the incentives created by the informal system of governance.	EUD, NEAR HQ supported by PAR COTE, RoL COTE
3	Support an improved, more structured law-making process and build law-making capacities in line with the Constitution, including line ministries and involving Parliament administration, through the Ministry of Justice, the Ministry of Finance, and the Constitutional Court, taking into account demands on the part of the Moldovan authorities. Focus on legislative impact assessment as a channel for higher quality law-making.	EUD, NEAR HQ, supported by PAR COTE
4	In the justice sector, prioritise National Institute of Justice (NIJ) graduates in all training, coaching and other support.	EUD, NEAR HQ, in cooperation with NIJ, Ministry of Justice, SCM, SCP
5	In the entire governance sector, systematically foresee a horizontal co-working platform for each sub-sector, engaging several institutions, and within these institutions engaging several key administrative units.	EUD, NEAR HQ, in cooperation with beneficiary institutions
6	Encourage through political dialogue, and systematically support through programmes and conditionalities, the investigation, prosecution and trial of petty corruption cases by 'generalist' institutions (as opposed to specialised anti-corruption bodies), in order to allow specialised anti-corruption bodies to focus on high-level corruption.	EUD, NEAR HQ, in cooperation with beneficiary institutions
7	Do not advocate for any major changes to the institutional structure of anti-corruption bodies and judicial bodies, while supporting the fine-tuning of the legal and regulatory framework.	EUD, NEAR HQ
8	Provide programme support to the defence pillar of the justice sector (attorneys, free legal aid) without delay.	EUD, NEAR HQ, in partnership with Bar Association, Ministry of Justice
9	Consider further institutional human rights support, including NHRIs/other specialised human rights bodies.	EUD, NEAR HQ

### 5.4 Sector: Education, people-to-people contacts, mobility

No	Text of recommendation	Responsible entity/ies
1	Provide support to the Ministry of Education, Culture and Research (MECR) in re-assessing the VET sector, with a view of deepening and finalising the VET governance reform and in reorganising the school network. Assist the Ministry in building capacity for better aligning the VET with market needs and for more effective donor coordination, through a partnership with Moldovan business associations.	EUD, European Training Foundation
2	Continue supporting higher education in Moldova and boosting international credit mobilities through the National Erasmus+ Office. This should be ideally accompanied by the increase financial incentives of Moldovan universities to expand their participation in the Erasmus+ projects.	EACEA, National Erasmus + Office
3	Improve coordination between Moldovan state institutions overseeing Horizon Europe programme, to better understand the full spectrum of opportunities and valorise experts' potential, especially regarding innovations.	EUD, NARD, MECR
4	Enhance the use of the 'leave no one behind' approach to offering solutions for development of most marginalised ethnic minorities and vulnerable groups.	EUD, NEAR HQ

## 5.5 Sector: Business environment, trade

No	Text of recommendation	Responsible entity/ies
1	Provide continued support to the private sector, paying specific attention to promotion of innovative enterprises, and enterprises created by qualified returners to Moldova.	EUD, NEAR HQ
2	Revise the concept of the EU support to the private sector towards more holistic approach, promoting at the same time the development of green and circular economy.	EUD, NEAR HQ

## 5.6 Sector: Infrastructure (water and sanitation), energy, environment, climate change

No	Text of recommendation	Responsible entity/ies
1	Consider water and sanitation, energy, food security, environment and climate change under a 'nexus approach', considering (and discussing in policy dialogue) the inter-relations between the different sectors.	EUD, NEAR HQ
2	Creation of a financing facility and complementary technical support for investment in water and sanitation and energy efficient buildings at local level (done by local governments). Technical assistance for critical infrastructure should be provided to local governments during.	EUD, NEAR HQ
3	Provide support to the implementation of the environmental and climate change policies of the government.	EUD, NEAR HQ

## 5.7 Sector: Confidence-building, the Transnistria region

No	Text of recommendation	Responsible entity/ies
1	<b>Announce a new Call for CBM Projects</b> with a view of ensuring the sustainability of achievements with an aim to the reintegration. This Call shall draw on the lessons learned to:	EC, EUD in cooperation with Government and partners
1.aa	Preserve the <b>modality of sector-specific sub-granting schemes</b> .	EC, EUD
1.bb	Expose the actors on the left bank to the opportunities provided by the <b>DCFTA</b> , in closer synergy with the other EU projects in this area.	EC, EUD in coordination with Other donors working in the business sector
1.cc	<b>Deepen social rapprochement</b> .	EC, EUD, in coordination with UNDP, local governments on both banks
1.dd	<b>Prioritise culture</b> , and particularly the protection and preservation of the common cultural heritage.	EC, EUD, in coordination with UNDP, local governments on both banks
2.	Use the five <b>cross-river sectoral platforms</b> now in existence (Education, Culture, Sports, Health and Environment) a springboard for deepening the cooperation in the different sectors.	EC, EUD, in coordination with UNDP, local governments on both banks
3.	The achievements to date, and the current actions have to be better <b>linked with the political process</b> as they can help the political reintegration.	EC, EUD, in coordination with UNDP, OSCE, Gov.



## 5.8 Sector: Civil society

No	Text of recommendation	Responsible entity/ies
1	The role of civil society in <b>good governance, social and economic development</b> has to be further promoted, building on the achievements, already accomplished by the three CSF grantees and the current momentum.	EC, EUD, (potentially SFM, EEF, Konrad Adenauer Stiftung)
2	<b>Community-based social services should remain a special priority</b> , considering the results achieved to date. A more holistic approach and feasibility analysis of social service development in the regions should be done and measures mapped to compensate the <b>identified needs</b> .	EC, EUD, in coordination with central government in Chisinau, de facto authorities in Tiraspol, local governments
3	Further support is needed by the EU for <b>enterprise development</b> , including also support to youth organisations in this endeavour, through Calls for proposals under the umbrella of Support to civil society.	EC, EUD, in coordination with central government in Chisinau, de facto authorities in Tiraspol, local governments
4	Support the practical implementation of the law on non-commercial organisation and monitoring of its implementation, and the monitoring of the AA by CSOs, especially now in the COVID-19 crisis, where the government may also face financial challenges to support CSO.	EC, EUD, in coordination with the government, donors, civil society at large
5	Horizontal issues like <b>capacity strengthening, human rights, gender</b> have to be mainstreamed in all grants and sub-grants for civil society actors.	EUD in cooperation with government, civil society, donor community





# Evaluation of the European Union's cooperation with the Republic of Moldova (2014-2020)

Annex to the final report

Volume 1

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*Evaluation carried out on behalf of the European Commission*

Consortium composed of



The evaluation was led by Landell Mills

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**Evaluation of the European Union's cooperation with Republic of  
Moldova (2014-2020)**

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***The opinions expressed in this document represent the authors' points  
of view which are not necessarily shared by the European Commission  
or by the authorities of the countries involved.***

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# 1. Annex 1: Evaluation Matrix

Evaluation Objectives	Evaluation Criteria	Evaluation questions and judgement criteria	Indicators	Data sources	Data collection mechanisms
2, 3	Relevance, coherence, efficiency	EQ1. To what extent was the EU's cooperation with Moldova relevant to national/local needs and coherent with EU long-term policy objectives?			
2, 3		JC. 1.1: The overall objectives and result areas of the EU financial assistance are aligned with EU policy and strategic objectives	<p>1.1.1 Alignment of intervention logic to evolution of broader ENP objectives and EU-Moldova Association Agreement</p> <p>1.1.2. Complementarity between programming, implementation and policy dialogue</p> <p>1.1.3. Mainstreaming of gender and human rights through analysis and programming is explicit in sampled interventions.</p>	<p>Strategic documents</p> <p>EAMRs</p> <p>Project/programme documentation</p> <p>Opinion of policy dialogue's and programmes' stakeholders</p>	<p>Document review</p> <p>Interviews with EUD management, programme managers, GoM officials, implementing partners, partner CSOs and IOs.</p>
2, 3		JC. 1.2: The overall objectives and result areas of the EU are supportive of national strategies of the Government of Moldova	<p>1.2.1 extent to which there is coherence between EU strategy and programming, and nationally identified priorities and plans</p> <p>1.2.2 extent to which EU strategy and programming incorporate analysis of capacity, needs, and constraints,) and take account of lessons learned from previous periods.</p> <p>1.2.3. extent to which programming takes into account human rights obligations and recommendations applicable to Moldova.</p>	<p>Strategic documents</p> <p>EAMRs and other regular internal reports</p> <p>Project/programme documentation</p> <p>Opinion of policy dialogue's and programmes' stakeholders</p> <p>UPR</p>	<p>Document review</p> <p>Interviews with EUD management, programme managers, GoM officials, implementing partners, partner CSOs and IOs.</p>
2, 3	JC. 1.3: The citizens of Moldova have opportunities to channel their needs, opinions and feedback into the programming of EU-Moldova cooperation	<p>1.3.1 EUD reporting explicitly monitored the national context, identified challenges and proposed remedial measures</p> <p>1.3.2 Financial allocations and their modifications responded to monitoring results</p>	<p>Strategic documents</p> <p>EAMRs and other regular internal reports</p> <p>Project/programme documentation</p>	<p>Document review</p> <p>Interviews with EUD management, programme managers, GoM officials,</p>	

			<p>1.3.3. Extent to which varied civil society actors and citizens were informed and consulted on the objective, planning, programming and reallocations</p> <p>1.3.4. Public opinion on EU-Moldova cooperation improves</p> <p>1.3.5. Extent to which visibility guidelines were respected in sampled interventions</p>	Opinion of policy dialogue's and programmes' stakeholders	<p>implementing partners, partner CSOs and IOs.</p> <p>Proceeds of Strategic Communication Programme</p> <p>Survey</p>
2, 3	Efficiency, coherence, Coordination & complementarity, EU added value	EQ2. To what extent was EU-Moldova bilateral co-operation coherent with and complementary to interventions of EU Member States and other donors, including in particular International Financial Institutions?			
2, 3		JC.2.1: EU-Moldova cooperation is coordinated, coherent and complementary with strategies and programmes of the EU Member States, international/regional organisations and of the European Financial Institutions.	<p>2.1.1 Occurrences of EU programmes sharing analysis through dedicated mechanisms</p> <p>2.1.2 Occurrences of EU programmes dividing work with other donors through dedicated mechanisms</p>	EU/EUMSs/other donors briefing papers and Joint Analysis	Document review
2, 3		JC.2.2: Political dialogue and cost components of EU-Moldova cooperation are consistent and mutually reinforcing	<p>2.2.1 Correlation between objectives of regional/cross border programmes, and bilateral programmes</p> <p>2.2.2. Absence of duplication between regional/cross border programmes, and bilateral programmes</p> <p>2.2.3 Extent to which EU reduction/withdrawal from BS affected political dialogue with GoM</p>	<p>Strategic documents</p> <p>EAMRs and other regular internal reports</p> <p>Project/programme documentation</p> <p>Opinion of policy dialogue's and programmes' stakeholders</p>	<p>Document review</p> <p>Interviews with EUD management, programme managers, GoM officials, implementing partners, partner CSOs and IOs.</p>
2, 3		JC.2.3: Blending generated financial leverage with EUMM and other donors and increased visibility of EU cooperation	<p>2.3.1 Blending operations (for Moldova) in line with Single Support Frameworks</p> <p>2.3.2 Financial leverage generated (%).</p> <p>2.3.3. Common purpose and absence of contradiction between blending operations financed</p>	<p>Contribution agreements</p> <p>SS Frameworks</p> <p>Application reports/implementation reports</p>	<p>Document review</p> <p>Interviews with stakeholders (IFI,</p>

			<p>at regional level (including Moldova) and other (EU and other) bilateral interventions and instruments for Moldova.</p> <p>2.3.4 Extent to which EU visibility guidelines have been applied.</p>	<p>EU funds disbursed/overall funds disbursed by IFI</p> <p>Contribution Agreements for regional blending operations</p> <p>SS Frameworks</p> <p>Revision of documents prepared by IFIs</p>	<p>beneficiaries at different levels)</p>
2, 3	Efficiency	EQ3. To what extent have the various aid modalities and financial instruments, and their combinations, been appropriate in view of achieving the objectives of EU cooperation with Moldova?			
2, 3		JC.3.1: The mix of aid modalities was coherent, fit for purpose, and limited the risks	<p>3.1.1 The assembling of various modalities (grants, contribution agreements, technical assistance, twinning, blending, budget support) formed coherent clusters for sampled interventions</p> <p>3.1.2 Explicit match between aid modalities and risk analysis</p> <p>3.1.3 Logical links between programming and implementation, including appropriate sequencing of support in sampled interventions</p> <p>3.1.4. Timeliness of implementation of sampled interventions</p>	<p>Opinions of stakeholders</p> <p>Programmes' documents (e.g. DoA, progress and final reports)</p> <p>Evaluation and review reports</p> <p>ROMs</p>	<p>Interviews with EUD, Ministry officials, experts from civil society and other international stakeholders, NEAR and other DGs in Brussels</p> <p>Document review</p>
2, 3		JC.3.2. The implementation of projects through contribution agreements under the blending modality permitted a timely and adequately monitored implementation of the intervention.	<p>3.2.1. % of funds under blending operations implemented as foreseen</p> <p>3.2.2 number of blending operations which were implemented according to the original timeframe</p> <p>3.2.3. volume of funds lost to difficulties in compliance with EU regulations (N+3)</p>	<p>Progress reports of IFIs</p> <p>EU documents (CRIS)</p>	<p>Document review</p> <p>Interviews with stakeholders (IFI, beneficiaries at different levels)</p>

2, 3		J.C. 3.4. Budget support contributed to defining and achieving common objectives of the EU and the Republic of Moldova	3.4.1. Planned disbursement of funds compared to actual disbursement of funds 3.4.2. Explicit correlation between disbursement and conditionality 3.4.3. Correlation between evolution of BS spending and intensification of policy dialogue	Disbursement notes, minutes of meetings Opinion of stakeholders Minutes of Meetings on policy dialogue	Document review Interviews with NEAR, thematic DGs, EUD and GoM officials
1, 3	Effectiveness, impact, sustainability	EQ4. To what extent has the EU support to Moldova contributed to achieving an increase in the competitiveness of the agri-food sector and the diversification of economic activity in rural areas, in line with strategic objectives?			
1, 3		JC.4.1: Allocation of means	4.1.1 Development/ improvement of the policy, legal and institutional framework for an effective development of Moldova's agriculture and rural areas 4.1.2 Improved infrastructure in sampled rural areas	Opinions of programme stakeholders National Statistics MAFI, MoE and MoRDC annual reports Official Journal and Government Decisions EU reports, Ad hoc reports from independent verification bodies	Document review Interviews with stakeholders Statistical series collection from National Bureau of Statistics
1, 3		JC.4.2: Organisational capacities	4.2.1. Improved service delivery in the agricultural and rural sector including improved education, research and extension services in the agri-food sector in the sampled regions	Opinions of programme stakeholders EU reports	Document review Interviews with stakeholders

1, 3		JC.4.3: Delivery	<p>4.3.1 New non-agricultural activities have developed in rural areas</p> <p>4.3.2 Competitiveness of new agri-food businesses</p>	<p>Opinions of programme stakeholders</p> <p>Programme reports</p> <p>National Statistics Office</p> <p>Household Budget Survey</p> <p>Annual Reports from responsible ministries</p> <p>Verification bodies</p> <p>Reports from financial institutions WB, EBRD, EIB and MCA</p> <p>Trade, competitiveness of the agri-food sector (agri-food and feed chains products) increased</p> <p>IOM reports</p> <p>The Global Competitiveness Index (by World Economic Forum)</p>	<p>Document review</p> <p>Interviews with stakeholders</p> <p>Statistical series collection from National Bureau of Statistics and Ministry of Agriculture</p>
1, 3	Effectiveness, impact, sustainability	EQ5. To what extent has the EU support to Moldova contributed to strengthening the democratic institutions and good governance, including the rule of law?	<p>JC 5.1 Allocation of means</p> <p>5.1.1. Corruption prevention regulations adopted in line with European standards in sampled public administrations at national and local level</p> <p>5.1.2. Procurement rules, procedures, and practice in line with European standards</p> <p>5.1.3. Supported self-governance bodies of the justice system are independent and responsible to regulate their professions</p>	<p>Legislation</p> <p>Regulations (MoJ, High judicial bodies)</p> <p>Reports of judicial bodies</p> <p>International reports (GRECO)</p>	<p>Document review</p>



		<p>5.1.4. Quality of national threat analysis and strategic plan (Mol)</p> <p>5.1.5. CSOs develop clear strategies on torture prevention and remedies</p>	<p>National reports (Parliament, CSOs, NHRIs, specialised anti-corruption bodies)</p> <p>Mol strategic documents</p>	
1, 3	JC 5.2 Organisational capacity	<p>5.2.1. MTFP elaborated and used at central and decentralized levels</p> <p>5.2.2. Hiring/appointment, promotion and firing procedures in public administration are transparent, merit-based, and clearly delineated from political personnel</p> <p>5.2.3 Percentage of judges, prosecutors and attorneys trained with EU support in supervisory/representative positions</p> <p>5.2.4. Percentage of criminal investigations leading to prosecution</p> <p>5.2.5. Number of investigations on torture and ill-treatment</p>	<p>Statistics of independent judicial bodies</p> <p>Opinion of stakeholders</p> <p>Public opinion, disaggregated for civil servants</p>	<p>Document review</p> <p>Interviews with MoJ, high judicial/prosecutorial bodies, Bar Association, judges, prosecutors, attorneys in sampled districts</p> <p>Survey</p>

1, 3		JC 5.3 Delivery	<p>5.3.1. Level of detail of sampled budgets and their reporting</p> <p>5.3.2. Investigations, indictments and convictions by specialised corruptions bodies, Corruption index</p> <p>5.3.3. Trends in CEPEJ indicators (2014 – 2018)</p> <p>5.3.4 Public trust in the police</p> <p>5.3.5. Number of torture and ill-treatment cases reported decreases</p>	<p>Budget of sampled line ministries and districts</p> <p>TI data</p> <p>Special Prosecutor's Office data and reports</p> <p>International reports (GRECO, UNODC)</p> <p>International reports (e.g. Venice Commission, CEPEJ, UPR, international CSOs, IMF, CPT, GREVIO, Venice Commission, CoE Human Rights Commissioner...)</p> <p>National reports (NHRIs, Parliament, CSOs National reports (Parliament, CSOs, NHRIs, specialised anti-corruption bodies)</p> <p>Public opinion</p> <p>MoI and MoJ statistics</p> <p>Opinion of expert stakeholders</p>	<p>Document review</p> <p>Interviews with anti-corruption bodies, MoJ, Mol, anti-corruption magistrates and law enforcement officers</p> <p>Survey</p>
1, 3	Effectiveness, impact, sustainability	EQ6. To what extent has the EU support to Moldova contributed to better connectivity, increased energy security, energy efficiency, the protection of environment and combatting climate change?			
1, 3		JC 6.1. Allocation of means	6.1.1. EU support as % of overall infrastructure/environment/energy investment (trend 2014-2020)	<p>Official Gazette</p> <p>National statistics</p> <p>EU and other donors studies</p>	Documentation review

			6.1.2. Investments have been channelled into infrastructure, energy, and environment 6.1.3. Legislative amendments voted	Logistics Performance Index trend 2014-2020 National statistics State budget	
		JC 6.2. Organisational capacity	6.2.1. Sample infrastructure projects achieve return on investment and/or have sufficient income streams to continue operation and adequate maintenance 6.2.2. The administrative capacity to implement environment and climate change chapters of the AA is enhanced.	ROM and evaluation reports Stakeholders' corroborating opinion	Documentation review Semi-structured interviews with stakeholders and other donors
		JC 6.3 Delivery	6.3.1. Percentage of the population with access to energy services in sampled districts 6.3.2. Tested examples of improved sanitation facility 2014-2020 in sampled districts 6.3.3. Proportion of population using an improved drinking water source in sampled districts 6.3.4. Percentage of the population with access to improved and connected roads in sampled districts	Projects & ROM reports Data on similar infrastructure projects not financed by the EU Stakeholders' corroborating opinion	Documentation review Semi-structured interviews with stakeholders and other donors
1, 3	Effectiveness, impact, sustainability	EQ7. To what extent has the EU support to Moldova contributed to increased mobility and people-to people contacts among targeted groups?			
1, 3		JC 7.1. Allocation of means	7.1.2. Number of VET institutions restructured/merged 7.1.3. Number of Sectoral Committees established and functional	VET Strategy 2013-2020 VET Action Plan 2013-2020 BS, TA Financing Agreements TA Policy Matrix	Document review Semi-structured interviews with MoECR and donors Public survey

			7.1.1. Proportion of planned VET leading bodies established and functional	VET Strategy Reports GoP Reports Mid-term and Final Evaluation Reports TA project outputs Opinions of MoECR, donors	Case studies
1, 3		JC 7.2 Organisational capacity	7.2.1. Change in VET institutions revenues after introduction of economic and financial self-management  7.2.2. Ratio of VET teachers trained to develop and deliver competence-based curricula vs nb of VET students  7.2.3. Number of occupational standards developed by the Sectoral Committees, disaggregated by type  7.2.4. % of VET curricula adjusted and accredited to the National Qualifications Framework  7.2.5. % of curricula using educational software and/or dedicated to IT courses	MoECR data  VET Strategy Reports  Mid-term and Final Evaluation Reports  Opinions of MoECR, MoLHSP, MoARDE, Sectoral Committees  NBS data  NEA data	Document review  Semi-structured interviews with MoECR, MoF, CRDIP, ANACEC, CoE
1, 3		JC 7.3 Delivery	7.3.1. Attractiveness of VET has increased for students and for the market Dropout rate in sampled VET institutions  7.3.2. Competition for admission (top 5 demanded VET specialities versus top 5 demanded labour market professions)	Opinions of MoECR, MoF, CRDIP, ANACEC, Centre of Excellence  VET Restructuring Plan 2015-2020  VET Strategy Reports	Document review  Semi-structured interviews with MoECR, MoLHSP, MoARDE, Sectoral Committees  Survey

			7.3.3. Number of VET graduates employed 7.3.4. Perceived access to social and geographic mobility among VET, higher education and research users 7.3.5. Estimated number of persons who accessed mobility initiatives	ROM, Mid-term and Final Evaluation Reports Labour Market Observatory studies National survey results Graduates' traceability system		
1, 3	Effectiveness, impact, sustainability	EQ8. To what extent the EU support to Moldova has contributed to improved business environment?				
		JC 8.1. Allocation of means	8.1.1. Number of SMEs benefiting from EU supporting projects 8.1.2 Rate of use by SMEs of finance and business service in sampled areas (in particular in Cahul) 8.1.3 Improved business legislation adopted	Official gazette SMEs representatives Projects, ROM and evaluation reports Business associations Chambers of commerce	Documentation review Semi-structured interviews in sampled SMEs	
		JC 8.2. Operational capacity	8.3.1. Number of persons working in and around Innovation and Technology Centre in Cahul 8.1.3 Number of Business associations & incubators	MD & EU officials' opinion Projects, ROM and evaluation, reports	Documentation review Semi-structured interviews with stakeholders	
		JC.8.3. Delivery	8.3.1. No of social and IT enterprises created with support to IT center 8.3.2. Access to finance and to business services for SMEs in Cahul district	Programme reports Opinion of IT Centre users	Document review Direct observation	
1, 3		EQ9. To what extent has the EU support to Moldova contributed to achieving tangible progress towards a viable solution to the Transnistria conflict?				

1, 3	Effectiveness, impact, sustainability	JC 9.1. The economic and social rapprochement of the two banks of the Nistru river has been enhanced	9.1.1 Number of cross-river exchanges and partnerships between businesses and business associations  9.1.2. Number of SMEs involved in joint activities  9.1.3. Number of social infrastructure projects implemented in the security zone	Reports and opinions of: Business associations, Bureau for reintegration, Chambers of commerce, regional/local authorities, International, national and local NGOs acting in the security zone, SMEs, Communities and community-based organizations in the security zone, MHLSP, UNDP	Semi-structured interviews with key stakeholders and beneficiaries  Review of business records  Statistics specialists on both banks  Population survey
1, 3		JC 9.2. The sectoral Rapprochement of the two banks of the Nistru river has been enhanced	9.2.1 Quality and responsiveness of healthcare plans across on both sides of the Nistru river  9.2.2. Degree of alignment of services and actions on NCD with international standards  9.2.3. Patients' access to long term care	Government of Moldova, Bureau of Reintegration, De-facto authorities from the Transnistrian region  MLHSP, IOM, GIZ, WHO, MoECR  Opinion of social care services, health services, cultural heritage management and experts, media experts, CSO representatives	Official records of MHLSP  Semi-structured interviews  Survey
1, 3	Effectiveness, impact, sustainability	EQ10 To what extent has the EU support to Moldova contributed to a strengthened role of the Civil Society in policy making, monitoring and oversight in Moldova, in its priority areas?			
1, 3		JC 10.1. EU support to Moldova has made a contribution to CSO capacity strengthening, networking, monitoring and advocacy for the Association agreement.	10.1.1. Level of harmonisation of governance structure, financial management, and monitoring mechanisms of sampled CSOs  10.1.2. Number of CSO networks and cooperation platforms, contributing to the implementation of the Association Agreement	TA project to support CSO development  Beneficiaries and stakeholders of the TA project  AA Civil society platforms	Semi-structured interviews  Documentary evidence on capacity building activities



					Manuals and guidelines created
1, 3		JC 10.2. EU support to Moldova has helped empower the citizens through constructive participation of CSOs in local, regional and national decision-making processes.	<p>10.2.1 Increasing number and content of citizen input in CSOs' contributions to local planning (e.g. public infrastructure) and in oversight activities (e.g. of procurement, management and maintenance processes of public infrastructure) in sampled districts</p> <p>10.2.2. Percentage of respondents aware of local investments and local development initiatives in sampled districts</p>	<p>Sample of proceeds of CSO written contributions</p> <p>Survey responses</p> <p>Local authorities</p> <p>Local Media outlets</p>	<p>Document collection with sample of CSOs</p> <p>Population survey</p> <p>Media publications</p>
1, 3		JC 10.3. Viable partnerships between civil society, the government and socio-economic actors are created with impact on economic and social development	<p>10.3.1. Number of innovative social services developed jointly by CSOs and public administration in sampled districts</p> <p>10.3.2. Level of financial support to social services from public budgets in sampled districts</p> <p>10.3.3. Number of local partnerships targeting socially excluded categories in sampled districts</p> <p>10.3.4. Number of SMEs supported by Regional Business Hubs in sampled districts</p> <p>10.3.5. Number of civic initiatives targeting community development in sampled districts</p>	<p>Feedback from CSOs, local authorities and economic actors in sampled municipalities</p> <p>CSO networks and cooperation platforms like Expert Grup, APE, ADEPT, Pro-Europa</p> <p>Social and economic actors</p> <p>Project implementers - Soros Foundation, East Europe Foundation, KAS and project partners</p>	Semi-structured interviews in sampled municipalities

## Annex 2: Judgement criteria and Indicators

# Evaluation question 1: JCs and indicators

**EQ1. To what extent was the EU's cooperation with Moldova relevant to national/local needs and coherent with EU long-term policy objectives including in particular the Association Agreement?**

This EQ covers relevance, coherence and efficiency.

JC. 1.1: The overall objectives and result areas of the EU financial assistance are aligned with EU policy and strategic objectives

JC. 1.2: The overall objectives and result areas of the EU are supportive of national strategies of the Government of Moldova

JC. 1.3: The needs and opinions of the citizens of Moldova, and their evolution, are channelled into the programming of EU-Moldova cooperation

## **JC 1.1 The overall objectives and result areas of the EU financial assistance are aligned with EU policy and strategic objectives**

The stabilisation of neighbouring countries and growth of their resilience to internal and external shocks are the EU's main political priorities outlined in the European Neighbourhood Policy (ENP) review of November 2015 and in the EU Global Strategy of June 2016. Supporting Moldova's political, social and economic development, expanding its opportunities for political association and economic integration with the EU contribute to these objectives.

In December 2016, the government of Moldova approved a national plan on the implementation of the AA/DCFTA 2017-2019. The priorities and indicative allocations for financial assistance to be included in the Single Support Framework are connected to the priority actions set out by the revised 2017-2019 EU-Moldova Association Agenda and the Eastern Partnership priorities reflected in the "20 Deliverables for 2020" endorsed at the Eastern Partnership Summit in Brussels in November 2017. The Association Agreement sets out a reform agenda aiming at Moldova's political association and economic integration with the EU.

The EU financial assistance is well aligned with EU policy and with the commitments signed by Moldova. It supports the implementation of the EU-Moldova Association Agenda, aiming to bring visible results to Moldovan citizens. The overall objectives and result areas of the EU financial assistance are fully aligned – at the levels of sectors and sub-sectors - with the targets mentioned in the EU-Moldova Association Agenda.

EU financial cooperation with Moldova (national and regional NIF) is suitable for building ties with the EU countries, and thus diversifying away from the dependence on Russia and Ukraine infrastructure and markets.

**Indicator 1.1.1 Alignment of intervention logic to evolution of broader ENP objectives and EU-Moldova Association Agreement**

Strength of evidence: very strong

**Main sources of information:**

Document review	Interviews	Survey
<p>Evaluation of Framework Programme in support of EU-Republic of Moldova agreements</p> <p>Joint Communication to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions. Review of the European Neighbourhood Policy, Brussels, 18.11.2015</p> <p>Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)</p> <p>Shared Vision, Common Action: A Stronger Europe a Global Strategy for the European Union's Foreign and Security Policy, European Commission, 2016.</p> <p>Council Conclusions on the Global Strategy of the European Union's Foreign and Security Policy (doc. 13202/16 of 17 October 2016): Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL providing macro-financial assistance to the Republic of Moldova. COM/2017/014 final - 2017/07</p> <p>Joint Report to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions. Report on the Implementation of the European Neighbourhood Policy Review. Brussels 2017</p> <p>Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020)</p> <p>Joint Communication to The European Parliament, The European Council, The Council, The European Economic and Social Committee and The Committee of The Regions Eastern Partnership policy beyond 2020 Reinforcing Resilience - an Eastern Partnership that delivers for all. Brussels, 18.3.2020</p> <p>Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part</p> <p>EC Implementing Decisions</p> <p>Action Documents</p>	All interviews	N/A

AAPs

SSFs

EAMRs

National Strategies in force between 2014 and 2020 in all sectors

During the implementation of SSF 2014-2017, EU targeted priorities in the field of Public Administration Reform, Agriculture and Rural Development, Police and Border Police, leveraging resources in implementation of the Association Agenda. In supporting Moldova's approximation with the EU, as part of the Annual Action Plan (AAP) 2014, budget support operations were launched for Public Financial Management, supporting national macro-economic stability, as well as in support of the DCFTA rollout. A support action for Agriculture and Rural Development was developed and ratified in Q1 2015, complementing the roll out of the DCFTA and leveraging technical assistance to the Food Safety Agency. Furthermore, several ongoing BS interventions were topped up and extended (for example, in water and energy sector) and several twinning operations were launched.

EU assistance to Moldova supports the 20 Deliverables for 2020 agreed at the 2017 Eastern Partnership Summit in Brussels and is linked to the country's reform commitments under the Association Agreement. It aims at improving the quality of life of ordinary Moldovans in a tangible and visible manner, strengthening the rule of law, as well as improving the business climate, with a view to reaping the benefits from the DCFTA (Deep and comprehensive free trade area), and supporting greater connectivity between Moldova and the EU in the areas of energy and transport.

### **Governance**

The EU cooperation was fully aligned with the priorities of EU policies and strategies and especially the commitments of the Association Agreement. 2014 was marked by two milestones on Moldova's road of moving closer to the European Union with visa liberalisation and the signature of the Association Agreement leveraged with the adoption of a Deep and Comprehensive Free Trade Agreement (DCFTA).

The national strategies in all field of governance supported by the EU were closely aligned with the Association Agenda, and in turn, the EU programming mirrored these strategies. This is particularly visible in the fields of police and justice reform, as well as public administration reform. In the latter case, the national strategy was itself based on the SIGMA (OECD/EU) baseline assessment. These examples show a cycle of mutually reinforcing EU-backed needs identification, national policy and strategy planning, and EU programming, all in line with the Association Agreement and the Association Agenda. Several programmes in support of policy making, including the EU High Level Advisors' Mission, have reinforced this pattern.

### **Energy**

Moldova is one of the poorest countries in Europe and depends heavily on imported energy, especially natural gas from Russia. The cost of this import is imposing a severe burden on the economy and the accumulated debt to Gazprom and Moldovagaz is a serious liability to the energy sector, creating uncertainty and deterring inward investment. The EU supported the sector from 2011 onward through a SBS programme. By 2016 Moldova produced only 20% of its electricity needs and depended on imports from Ukraine and Transnistria for the rest. The electricity grid operated synchronously with the Ukrainian electricity system, although the government of Moldova aimed to establish interconnection with Romania, which belongs to the ENTSO-E network in Continental Europe. EU supported this effort

with a NIF operation co-financed by EBRD (CRIS C- 400311 Moldova-Romania Interconnection Phase I (2018)), with the works scheduled to be completed by 2024.

Moldova Energy and Biomass Project (Implemented by UNDP) aims to contribute to a more secure and sustainable energy production in Moldova through targeted support to renewable energy in form of biomass from agricultural waste.

### **Transport**

EU provided technical assistance “Support to reform of the Transport Sector of the Republic of Moldova” by the consortium led by AVENSA Consulting. The overall objective of the project was to contribute to the reform of the transport sector in line with the transport chapter of the Association Agreement, by providing technical assistance and capacity building to support legal approximation and policy development for fulfilment of the undertaken commitments.

Namely, in Waterborne sector: to prepare legal and operational framework for implementation of EU legal acts related to Flag State and Port State Control; to provide support to the Naval Agency of Moldova and general advice on implementation of remaining EU acts from AA. In Railway sector: to prepare legal and operational framework for implementation of the requirements of the AA and creation of State institutions required by the EU regulations. In Road Transport and Civil Aviation sectors: to provide assistance in implementation of certain EU regulations and directives which are not yet harmonized.

Furthermore, the EU support helped Moldova prepare the relevant legal and operational framework regarding the Accident Investigation Body (one single institution for civil aviation, railways and waterborne transport) as required by the EU legislative acts.

There are several operations co-financed by EU under the Neighbourhood Investment Facility which promote the transport sector. They all serve the overall objective of linking the Moldova more to the EU region.

### **Water and Sanitation**

EU is supporting the water and sanitation sector in Moldova since 2008 through the budget support programme. All interventions in the water sector are aligned with the broader ENP objectives, with national policies – notably the Strategy on Water Supply and Sanitation for 2014-2018, and the EU support provided as part of the EU Water Initiative Plus.

Clean Water for Cahul: The actions is fully correlated to policy reforms in the sector, including support for the development and introduction of a sustainable and a cost-recovery tariff for the service provision, and will be used as engines of change to promote the implementation of the relevant sectoral reforms included in the Association Agreement. Following up on this project, EU made contributions to several projects in the water sector co-financed under the NIF, such as, for example “Chisinau Water Development Programme”.

### **Agriculture and rural development**

The intervention logic of Agriculture and Rural Development sector was aligned to the evolution of broader ENP objectives and the AA. Resilience and transition to democracy and a social market economy are EU's main political priorities outlined in the European Neighbourhood Policy (ENP). The review of the ENP in 2015, set out a new framework for building more effective partnerships between the EU and its neighbours, and highlighted supporting stabilisation as a top priority. Support offered to Moldova's economic development through its economic integration with the EU contributes to these aims. With regard to Agriculture and Rural Development (ARD) the AA highlights the need for key reforms in: developing and implementing the policy, legal and institutional framework in the area of agriculture and rural development; training central and local administrations on rural development policies; improving the competitiveness of agricultural production and the diversification of economic activities in rural areas; strengthening the capacity of the Moldovan paying agency to ensure transparency, efficiency and predictability of disbursed state aid; and improving the sustainable use of



land and water resources in the agri-food sector. The AA states that Moldova shall carry out approximation of its legislation to the EU acts and internal instruments.

The National Action Plans for the implementation of the AA envisaged cooperation of the EU with Moldova to promote agricultural and rural development, through the progressive convergence of policies and legislation. This was incorporated in the logic of EU Moldova cooperation and reinforced national strategies and programmes in the sector. Analysis of EU programming documents show that agriculture and rural development support was considered a long-term impact to be achieved by the cooperation and special emphasis was put on harmonisation of policies legislation.

### **Education**

VET has been one of the key EU priorities in field of education since AAP 2012. As a result, the first and only BS for supporting VET reform was provided in 2014. In the same year, the EU-Moldova AA was signed, containing provisions on cooperation and transparency at all levels of education, yet with a special focus on higher education (Chapter 23, article 122). The SSF 2014-2017 interventions addressed a very limited number of sectors (PAR, agriculture and rural development, police reform and border management), stepping aside from education sector at all (Erasmus+ programme was part of external action under EU internal programme). In 2017 VET BS, of which only 60% was disbursed, was over and so was the supporting TA project. At the same time, the SSF 2017-2020 brought VET up to date, particularly aiming to enhance the functioning of the labour market by ensuring synergy between the needs of the labour market and the skills and qualifications offered by the education, vocational education, and training systems (Sector 3.4, specific objective 2). While education in general and VET in particular regained ground with the latest SSF, it only materialised in 2019 when a VET twinning project kicked off.

<b>Indicator 1.1.2 Complementarity between programming, implementation and policy dialogue</b>		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Strategic documents EAMRs Project/programme documentation Civil society Roadmaps, web sites and documents of CSF and EAP CSF National Platform CCBM-VCBM Council Conclusions on the Global Strategy of the European Union's Foreign and Security Policy (doc. 13202/16 of 17 October 2016): Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL providing macro-financial assistance to the Republic of Moldova. COM/2017/014 final - 2017/07 Joint Report to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions.	CSF TA project and CSF grantees and sub-grantees, WHO-Moldova and WHO beneficiaries, IOM Moldova, GIZ, SFM, EED, KAS,  Interviews with public officials in Moldova  Interviews with EU officials	

<p>Report on the Implementation of the European Neighbourhood Policy Review. Brussels 2017</p> <p>Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020)</p> <p>Joint Communication to The European Parliament, The European Council, The Council, The European Economic and Social Committee and The Committee of The Regions Eastern Partnership policy beyond 2020 Reinforcing Resilience - an Eastern Partnership that delivers for all. Brussels, 18.3.2020</p> <p>Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part Action Documents</p> <p>Association Implementation Reports (annual)</p> <p>Programme documents</p> <p>Steering committees' notes (when available)</p> <p>Budget support disbursement reports</p>	<p>Interviews with civil society representatives</p>	
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## **Governance**

EU cooperation with Moldova was strongly aligned with its national strategic documents in fields of justice sector reform, anti-corruption and civil society development. The programmatic interventions were more than in line with national strategies, in fact, the development of strategies in the area and their implementation were strongly linked to the EU conditionalities (especially budget support) and at times substantively dependent on the provision of the expert and material support by the various instruments of the EU (such as, for example, in developing anti-corruption normative and institutional framework). As such, policy dialogue in the area of governance was permanent, at the level of political leadership, with decision-makers in civil service, with mid-level officials, but also with CSOs and media. Despite this high-level engagement and continuous policy dialogue, the governance sector has experienced serious lapses – in particular in justice sector (e.g., Council of Magistrates) and in anti-corruption field (bank fraud scandal). These lapses have been both caused by power-struggles between the partisan leadership, but also involving more the shadow actors of business and political life, and have contributed to further repeated political crises, at times making a policy hostage to political polarization (e.g., cabinet crisis related to the appointment of the Prosecutor General). In these complex circumstances, the documentation and stakeholders suggest, that the EU was at the same time able to retain close communication with GoM on issues of disagreement, uphold the conditionality (halting BS programs), and address the existing shortfalls in areas where effective cooperation with government was in mutual tactical interest (e.g., border management) or through close collaboration with civil society (e.g., through engaging CSOs in monitoring public procurement). Overall, therefore, the EU has demonstrated its creativity and agility in achieving mutually re-enforcing relationships between programming, implementation, and policy dialogue as a response to, in particular, the bank fraud crisis. The interlocutors and the study of documents suggests, however, that these complementarities can be used by the EU more proactively, through improved reporting on the implementation context and more promptly, by integrating the programming closer with strategic discussion on impact of its interventions.

## **Civil society**

**CSF:** The programming of the CSF envisaged two specific objectives: (1) to develop CSO's internal capacity, and (2) to build partnerships between the government, CSOs and other economic actors in policy dialogue in the field of good governance, social and economic development and social protection. On the level of implementation this was translated into one TA project, aimed at supporting CSO development, and 3 granted projects (SFM, EED, KAS) in the areas pointed out above. The TA project, awarded to KMOP was well tuned to address these specific objectives. During the implementation of the TA project, however, changes were made in its objectives, approved by two interim reports, which affected its performance. The need highlighted in the CSF Action document that "*Civil society organizations' technical and financial capacities and expertise need to be reinforced, especially in terms of enhancing the role of the civil society in monitoring policy reforms*" was not accentuated in terms of outreach and capacity building. Most of the efforts were put on grant management and monitoring of sub-granted projects. Capacity building in policy making and policy monitoring were not strategically addressed, and this approach was altered only after a mid-term evaluation. On the other hand, as regards the expected result of building partnerships through civil society contribution to reforms in the social service system, social and economic development, the CSF has performed remarkably well through the three grants to SFM, EED and KAS. The advancement towards the expected result on programming level of achieving innovations in the field of social service delivery, while creating synergies with local government needs to be especially underlined.

Civil society has been engaged in policy dialogue also through two platforms. The *EU-Republic of Moldova Civil Society Platform (CSP)* and the *National Platform of the Eastern Partnership Civil Society Forum (EaP CSF Platform)*. The CSP was established in 2016 and complements the political bodies existing within the framework of the EU-Moldova Association Agreement. It allows CSOs to monitor the implementation process and prepare recommendations to the relevant authorities both in Moldova and the EU. The platform conducts regular monitoring and reports to the AA Council. The last meeting of the Platform took place in February 2020 in Chisinau. The *National Platform of the Eastern Partnership Civil Society Forum (EaP CSF Platform)* in Moldova is a key stakeholder in the policy dialogue.

## **CBM**

Good coherence between programming, implementation and policy dialogue was observed:

- In CBM-IV component I: Sectoral confidence building measures and infrastructure projects (UNDP), and Component II and IV: Support to civil society, and support to ATU Gagauzia (through CfP), as well as component V: Transposition of sectoral programs to Transnistria (WHO and IOM) programming and implementation were in accord. In the case of component III: Support to technical dialogue and working groups: in 2017, € 4 million were de-committed following the expiring of the contracting deadline. No agreement was reached with the authority (the Bureau for Reintegration - BRI) to contract a TA support and it was not considered as a priority for the next CBM. In terms of policy dialogue both the WHO and IOM implemented projects made a tangible contribution in their respective areas.
- In CBM-V, most components were implemented by UNDP, except for health sector modernization. While the UNDP project has scored remarkable achievements in all its areas, the GIZ implemented project could be faced with challenges stemming from the need to align the socio-medical care system in Transnistria with that of Moldova. There is, however, a good example already with a Day-care center for children with disabilities in Transnistria where such challenges were overcome in collaboration with the municipality.

Both CBM-IV and CBM-V have a good synergy with CSF and Twinning.

**General:** A good example of launching a new programme and implementing it in practice has been the Citizen Empowerment project, developed by EUD. The project is innovative (with civil society involved in infrastructure projects), based on good knowledge of the local needs and expected to have a good impact. This points to the importance of aligning with the role of Brussels and that of the EUDs.

## **Agriculture and rural development**

There was extensive cooperation and policy dialogue between the EU and the Government of Moldova in the area of agricultural and rural development through the Ministries of Agriculture and Economy and

other relevant bodies such as the Joint Partnership Council, which fed into policy- and decision-taking at the level of the Inter-Ministerial Committee for Strategic Planning.

The complementarity between programming, implementation and policy is exemplified by the dialogue between the EU and the GoM in approving the rural development strategy, updating regional development, as well as agriculture and rural development strategies. Through this process a clearer territorial vision was articulated, and which included elements of upgrading on-going policy as well as institutional development. Programming complemented the achieved progress on policy level by offering support through interventions such as ENPARD Budget support. Furthermore, in 2017 a mid-term evaluation of the National Agriculture and Rural Development Strategy 2014-2020 was conducted, which - with an extensive support from the EU - led to a revision of strategy and action plan for 2018-2020. The mid-term evaluation of NARDS and the consequent revision of the strategy along its Action Plan contributed to a more balanced programme, placing a particular emphasis on improving living conditions in the rural areas.

### **Public Finance Policy Reforms**

The programme, Sector Reform Contract (SRC) “Support to Public Finance Policy Reforms in Moldova (PFPR)” aims to support the efforts of the Government of the Republic of Moldova to progress in some of the crucial areas foreseen by the Association Agreement, which are linked with the improvement of public governance, economic recovery, and growth. The reforms envisaged under this programme aimed at enhancing transparency of and accountability in Moldovan public finances. At the same time, improvements in public finance policy were expected to contribute to the maintenance of fiscal sustainability and the promotion of economic policies, a necessary condition in support of Moldova’s efficient growth and development in the medium and longer term.

Further to the budget support, as complementary measures, technical assistance has been provided and two calls for proposals have been launched for (1) “Strengthening role of civil society in economic governance and public finance management” and (2) Procurement “Technical assistance to Improve Public Finance Policy and Public Financial Management of Moldova”.

Even though there were some delays in distribution of budget support tranches during the implementation period, they nonetheless were a source of for permanent policy dialogue between the Government of Moldova and EUD. The presence of the technical assistance team and – later on - the EU High level Technical Advisors contributed to permanent dialogue as well.

### **Education**

Good complementarity between programming, implementation and policy dialogue was recorded in in VET support. BS for supporting VET reform was provided when the Government prioritised VET among other sectors. SPSP implementation was monitored, and two reviews of instalments were conducted, informing further decisions on disbursement and other interventions supporting VET reform. MECR oversaw donors’ cooperation and coordination through the National Coordination Council. At the same time, policy dialogue and coordination on a bilateral level was quite extensive.

### **Water Sector**

EU support to the water and sanitation sector is complementary to policy dialogue. National Policy Dialogues (NPDs) have started in 2006 and are supported by the EU, EU Member States and Switzerland. NPDs are implemented with the support of OECD and UNECE, as implementing partners of the EUWI. Support has been provided for the approximation of EU water legislation according to the EU-Moldova Association Agreement, signed in 2014. In 2020 the following results were reported: The new water law was discussed in the context of NPD. NPD-related Government Order was adopted on wastewater discharges from municipal sources. National targets under the Protocol on Water and Health

were adopted. A National Financing Strategy for urban and rural Water Supply and Sanitation (WSS) was developed.

### **Energy Sector**

Sector Policy Support Program (PSPS) “Energy Sector Reform Assistance” has been provided from 2011 until 2014 and aimed to support the Government of the Republic of Moldova in implementing energy sector reforms with particular emphasis on security of supply, energy efficiency and renewable energy. After the completion of the BS and during the reference period for this evaluation the EU supported Moldova’s efforts in a variety of ways. The EU-funded project, “Support to the Modernisation of the Energy Sector in the Republic of Moldova” (2017-2020) gives policy advice is given to the Energy Department across a range of big energy issues. Analytical support is also being provided to develop a long-term scenario-driven Energy System optimisation model to assist the authorities in assessing different national energy futures as well as to support the coming National Energy Climate Plan. Other activities included the establishment of the Renewables Single Buyer (the Central Electricity Supplier) and advice on the Electricity Distribution Pricing methodology.

The project has also led efforts to improve the deployment of Energy Efficiency across the country. At a national level, assistance has been provided to Government to implement an energy efficiency programme in state-owned buildings, to develop the first energy efficiency obligations scheme and to help the government in strengthening a revamped energy efficiency agency.

At a local level, support is underway to assess city energy use in a number of municipalities (comprising over 100,000 citizens) that will facilitate future energy efficiency investments as well as provide capacity building-seminars across the country to facilitate the development of local energy efficiency plans.

As a result, in 2020 Moldova will have a comprehensive energy policy in place, while international commitments with the Energy Community Treaty and Association Agreement with the EU will be fulfilled. In addition, the energy planning capacities of Moldova are expected to be fully functional.

Policy dialogue is assured by the high-level advisor on energy (ALEXANDRU SANDULESCU) as part of the EU High Level Advisor Mission.

### **1.1.3 Mainstreaming of gender and human rights through analysis and programming is explicit in sampled interventions.**

Strength of evidence based: Strong

#### **Main source of information:**

Document review	Interviews	Survey
Strategic documents EAMRs CSF documentation, SFM documentation, reports and sites of CSO networks, publications European Union - Moldova Association Agreement Association Implementation Reports (annual)	EUD SFM, Alliance of People with Disabilities, Alliance of Active NGOs in Child and Family Social Protection,	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova,



Single Support Framework for EU support to the Republic of Moldova (2014-2017) - (2017-2020)	sub-granted projects,	including media the on left bank of the Nistru river covers the EU
EU Annual Report on Human Rights and Democracy in the World - Update Republic of Moldova	Trinity NGO in Transnistria,	support, projects and programmes
Universal Periodic Review	Head of the Council for Technical and Humanitarian Assistance in Transnistria	
Status of ratification of UN and CoE human rights treaties (ohchr.org; coe.int)		
Project/programme documentation including:		
Budget Support to Police Reform		
PGG/CoE	Interviews with public officials in Moldova	
Civil society grants (“Let us all say no to torture”, complementary support grant to police reform budget support, etc)	Interviews with EU officials	
Justice Reform Strategy 2011-2016, 2019-2022, and 2021-2024 (draft)	Interviews with civil society representatives	
People’s Advocate Office Special Report on the situation of persons apprehended and held in police custody, 2019		
Study on equality perceptions and attitudes in the Republic of Moldova, Equality Council of Moldova, 2015.		
Equality Council of Moldova General Reports 2015, 2016, 2018, 2019, 2020 (2017 not available. Reports cover the previous year)		
Action Document for the “ENPARD Moldova – Support to Agriculture and Rural Development”		
ENPARD, 2019. Final Report Technical Assistance for the Implementation of Sector Reform		
Action Document for the Development of Rural Areas in the Republic of Moldova		
ECtHR case law (HUDOC)		
Recommendations by UN and CoE monitoring bodies (CPT, CAT, CEDAW, Human Rights Commissioner...)		

## **Governance**

All indicators, as well as the body of EU project documentation, show that the promotion of human rights has resulted in increased awareness, recognition and understanding of the importance of respect, protection, and fulfilment of human rights. Gross and prima facie human rights violations have become more and more rare during the evaluation period, testifying to an increased respect for and protection of human rights. Particularly strong effort has been put on prevention of torture in preliminary detention (through third-party monitoring by CSOs, assistance to public defender, training of the police, support to the justice system). Despite the evidence of substantive amelioration since 2015 (e.g., CPT did not receive complaints about ill-treatment in custody in 2020), including through EU assistance offered to the



police through budget support, some problems with ill-treatment remain in the places of deprivation of liberty, especially when it comes to foreigners, and when it is taking place in psychiatric wards.

EU has supported anti-discrimination activities (including the prevention and addressing gender discrimination), including several projects implemented with and through CSOs. The Equality Council – a consultative body involving both the officials and CSOs - has been also backed up by several EU projects, and provides a platform for dialogue, as well as substantive study and analysis of the discrimination trends and suggesting policy solutions. In the reporting period, the Equality Council became the reference in the field, as witness by interviews.

CSOs (particularly those involved in human rights monitoring and advocacy supported by the EU) and specialised bodies (chiefly the PAO and the Equality Council) have considerably increased their capacity, the quality and frequency of their reporting. Human rights focused CSOs also enjoy increased influence in a more inclusive policy dialogue with the EU.

Key problems remain when it comes to access to rights, especially by vulnerable groups and in certain areas, also considering the lack of effective control of the Moldovan authorities in Transnistria. The COVID-19 crisis has particularly accentuated the shortfalls related to access to economic and social rights, especially in healthcare.

Through its budget support framework, the EU has worked to create incentives and provide advice to expanding the share and role of women in the police. A special coordination group was created, which developed a 2017 Action plan to this end, covering the period 2018-2020. This plan foresees adjustment of the institutional structure and human resources practices through gender lens. Importantly, these were developed in cooperation with the Association of Women in Police. Nonetheless, there is only a mild trend of growing engagement of women in the police, according to the PromoLex report on the matter. Further to the police reform, specific legislative, regulatory, and training measures were supported by the EU through various instruments, to help Moldova combat gender-related offences (including trafficking).

In justice system, use of the gender lens is not adequately documented. The Justice Sector Development Strategy documents covering periods 2011-2016, and 2019-2022 do not explicitly refer to gender. It is also not evident from program documents whether EU assistance included explicit references to furthering gender-specific objectives. At the same time, the EU is supporting Gender Analysis for the project "Strengthening the capacities of the justice sector actors to deliver justice in line with European standards, in particular to fight discrimination", which is implemented by the Council of Europe.

### **Civil society**

EARM 2014 Regarding the promotion of democracy and human rights, projects in the field of anti-corruption, minority rights and vulnerable population were launched (EIDHR, CSF call) and increased advocacy and dialogue with civil society organisations (CSO) was fostered through participation in senior-level events, including participation in dialogue with the Prime Minister and Political Parties.

**CSF:** The human rights of vulnerable groups and particularly persons with disabilities have been particularly addressed in the CSF, in the framework of the SFM grant "*Better Social services through a Sustainable Partnership between the Civil Society and the Government*", by targeting CSOs active in the social sector and two national networks – The Alliance of People with Disabilities (30 member CSOs) and the Alliance of Active NGOs in the Field of Child and Family Social Protection (close to 90 members). The grant has allowed for the development of innovative and sustainable social services jointly with the public administrations at the local level, with Transnistria and Gagauzia included. With a sub-grant of EUR 38 000 from CSF, a Day Care centre for children with disabilities and their parents has been established in Ribnitsa (Transnistria) by Trinita NGO - the first and only such centre in Transnistria, with cost-sharing on the part of the municipality.

**CBM:** CBM CfP (2015) has supported HR through grants implemented in the period under review: social services for persons with disabilities, socio-vocational integration of disadvantaged youth, cross-river partnerships for sustainable development and human rights, etc. Under CBM-V an effort is now under (GIZ) way to establish of a Centre for Long-term care for elderly people in Transnistria.

**EIDHR and CSO&LA:** NGO projects targeting people with mental disabilities have been supported by EIDHR and CSO&LA CfP and they promoted their rights.

### **Agriculture and rural development**

Human rights and a gender equality perspective have been identified in the context and problem analysis during programme design and addressed by the key interventions in the sector. In the agricultural sector gender was addressed by means of mainstreaming in planning and programming.

EU support was in line with ongoing reforms in terms of gender equality. The GoM is implementing the National Strategy on Gender Equality 2016-2020 is crosscutting with rural development, especially in the implementation of the article 14 of the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) on the rights of rural women.

The largest interventions implemented in the sector such as the European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) Moldova and the Development of Rural Areas in (DEV RAM) Moldova promoted gender equality and women's empowerment. Relevant ENPARD interventions in support of implementing the NARDS included encouraging rural women entrepreneurs and women organizations acting in agriculture, to take a more active role in the agri-rural policy dialogue. This was important to promote gender equality and women's empowerment which is also very much reflected in women's significant leadership role with regard to the Local Action Groups.

Access to finance is an important issue in the agriculture sector, particularly for smallholders. Moldova's agri-food sector suffers from low investment. Recognising this, the EU set out to support Moldovan companies including women entrepreneurs to gain access to finance through loans and investment grants for women-led businesses. In this regard the support of the EU to the MADRE and AIPA contributed to making rural development actions more inclusive through the new Start-up Measure (women and Youth in Agriculture) under the advance payment scheme. DEV RAM also set out to stimulate private investment, improve the economy and create employment opportunities for both men and women. The latter also contributes to the EU Gender Action Plan by promoting women enterprise ownership and/or management in the rural areas of Moldova.

### **Infrastructure**

Human rights and a gender equality perspective have been identified in the context and problem analysis during programme design and addressed by the key interventions in the water sector. Transport and energy interventions can be considered as "gender neutral".

EU Delegation and EUMS prepared a gender analysis on Moldova which provides guidance on the EU GAP II's targeted areas of intervention that should be implemented. These areas are also in line with the objectives of the Government Gender Equality Strategy 2017-2021. These objectives have been mainstreamed into the current programming EU assistance and are reflected in both the new SSF 2017-2020 and the Joint Response document. Specific projects are ongoing aim at combatting discrimination and gender stereotypes and supporting economic empowerment of women. In 2019 UN Women started a project focused on Gender equality, mainstreaming and combating violence against women with EU support (EU contribution at EUR 5 million, supplemented by 250,000 EUR from UN Women).

### **Education**

Gender equality was at the heart of the EU's Eastern Partnership's initiatives. While Erasmus+ exchange opportunities are provided to men and women without discrimination, the EU4Youth programme has set a 75% target to support young women, with particular focus on vulnerable and disadvantaged

communities. VET interventions did not have a particular focus on gender-related matters, but at the same time, advocated non-discriminatory and equal access to education. No reference to human rights obligations.

**PFM**

No evidence on gender or pro-poor budgeting could be traced. No reference to human rights obligations.

**Infrastructure**

No gender lens has been applied to the programs Moldovan Railways Restructuring Project, and Moldova road rehabilitation project Phase IV (Bahmut Bypass), due to their inherent character. Gender aspects were taken into account in Clean Water for Cahul and also applied in small infrastructure grants given for small infrastructure projects to civil society (CBM).

JC 1.2 The overall objectives and result areas of the EU are supportive of national strategies of the Government of Moldova

EU cooperation with Moldova is relevant to national and local needs, increases the visibility of EU and demonstrates EU as a reliable development partner, with assistance provided in line with its values and other conditionalities. The EU cooperation with Moldova is relevant to national and local needs – especially what concerns an improved access to justice, reduction of corruption and improvement of service delivery to the population. All EU interventions financed under budget support were aligned with the national strategies of the Government of Moldova. However, frequent political changes and alterations in cabinets meant that the strategies negotiated and approved by one composition of the cabinet had to be implemented by other(s), which meant that while the general direction of reforms was, as a rule, respected, the implementation of the specific strategies and agreed-upon steps sometimes lagged. Protracted reforms in justice sector serve as a prime example of this issue. This affected predictability of disbursement of BS tranches.

EU support is fully aligned with the priority sectors and sector strategies of the GoM: Government Programme 2016-2018”, and the National Development Strategy (“Moldova 2020”). The latter document targets seven priorities: Roads, Finance, Business, Energy, Pension Reform, Justice and Education.

EU support is tackling all GoM priorities either under the SSF 2017-2020 or through NIF contributions. All national interventions financed under NIF are complementary to loans requested by the Government of Moldova from the development banks, and as such they correspond to the needs expressed by the Government.

GoM Priority	EU Sector	NIF support
Roads		yes
Finance		yes
Business	Sector 1: Economic development and market opportunities	
Energy	Connectivity, energy efficiency, environment and climate change	Yes

Pension Reform		
Justice	Sector 2: Strengthening institutions and good govern	
Education	Sector 4: Mobility and people-to-people contacts	

**Indicator 1.2.1 extent to which there is coherence between EU strategy and programming, and nationally identified priorities and plans**

Strength of evidence: Very Strong

**Main sources of information:**

Document review	Interviews	Survey
National development Strategy of Moldova	Interviews with public officials in Moldova	
Sector National Strategies in all sectors	Interviews with EU officials	
Strategies for Civil Society Development 2015-2017 and 2018-2020, CSF documents	Interviews with civil society representatives	
Single Support Framework for EU support to the Republic of Moldova (2014-2017) - (2017-2020)		
Association Implementation Reports (annual)		
Action Documents, contract, latest/final report (as available) for sampled interventions		
Joint Communication to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions. Review of the European Neighbourhood Policy, Brussels, 18.11.2015		
Programming of the European Neighbourhood Instrument (ENI) -		

2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)

Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020)

Police Reform Strategy

Justice Reform Strategy (three iterations)

Joint Communication to The European Parliament, The European Council, The Council, The European Economic and Social Committee and The Committee of

Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part Action Documents

## **Governance**

Approximation in fields of governance, rule of law and human rights represents one of the crucial, core elements of the EU-Moldova Association Agreement, which creates positive obligations on part of the GoM. As a result, all key the strategic policy documents – Justice Reform Strategy, Police Reform Strategy, anti-Discrimination strategy – as well as legislative drafts and amendments aimed at transposition of *acquis* in this area are directly referencing the relevant EU frameworks and objectives. Moreover, most of the reforms in field of governance and the rule of law were substantively supported by the EU budget support and the full panoply of available instruments, both to assist the government and to ensure the participation of civil society. Nonetheless, the research showed that while at the strategic level the alignment was full, and the nationally identified priorities and plans often tracked these strategic objectives, in practice of implementation the GoM has, at times, deviated from the spirit of the common undertakings with the EU, especially when it comes to the reform of the justice sector and its self-regulating bodies. Overall, however the coherence of the EU and national objectives was retained in this field, and the effected adaptations were mostly tactical: modification of the beneficiaries, (re)prioritization of the actions, imposing of conditionality provisions, etc.

## **Civil Society**

The National Development Strategy (NDS) Moldova 2020 represents the overall strategic development vision for the Republic of Moldova and covers the period from 2012 to 2020. The main national policy documents of Moldova, guiding the approach to civil society development, have been the Strategies/Road Maps for civil society development and their implementation plans. There are two Roadmaps covering the period under review. In 2014 the EU Delegation to the Republic of Moldova together with EU Member States elaborated a Roadmap for Engagement with Civil Society (2014-2017), guiding EU engagement with local civil society, based on intensive consultations with civil society organisations and emphasizing

the need to develop the capacities of civil society in becoming a stronger counterpart for the government, monitoring of the implementation of Moldova-EU Agreements and supporting local, smaller NGOs.

The 2018-2020 Road Map was also developed in a participatory manner, through a number of consultations with three working groups of CSOs, MPs and government officials. The Strategy and its Action Plan include concrete deadlines for the implementation of specific measures that strengthen Moldovan civil society further, along with responsible implementing actors and planned sources of funding. The Strategy is in line with EU strategy and programming, and nationally identified priorities and plans and reflected in EU programming for civil society in Moldova.

### **Agriculture and rural development**

EU sectoral strategy and programming in the agricultural sector were coherent and built on the implementation of national priorities identified in the relevant national strategies and their corresponding action plans. The national priorities as established in relevant strategic documents were reflected in design and implementation phases of programming interventions.

The AA highlights the need for key priority reforms for: developing and implementing sectorial policy, legal and institutional framework; training central and local administrations on rural development policies; improving the competitiveness of agricultural production and the diversification of economic activities in rural areas; strengthening the capacity of the national agencies to ensure transparency, efficiency and predictability of disbursed state aid; and improving the sustainable use of land and water resources in the agri-food sector. It is key that reform of agriculture and rural development develop Moldova's capacities to benefit from the preferential trade regime within the DCFTA.

In line with the AA, The Government's strategic vision has been to modernize agriculture to improve competitiveness and better integrate producers into markets. This has been particularly the case considering aspiration to increase agricultural exports to the EU under the AA and the DCFTA. The GoM identified agriculture as one of the main drivers of growth in its 2020 National Development Strategy (NDS) also referred to as "Moldova 2020". In the field of agriculture and rural development, the priorities of the NDS encompass 3 aspects, namely: a) increasing competitiveness, b) ensuring sustainable management of natural resources in agriculture and improvement of living standards in rural areas.

The sectoral document that ensures the implementation of the NDS is the National Agriculture and Rural Development Strategy 2014- 2020 (NARDS) which was adopted by the GoM in 2014. With the NARDS the GoM emphasized the importance of the agri-food sector and rural development as a prerequisite for the long-term development of the country. The vision of the NARDS is "a competitive, restructured, and modernized agri-food business sector. Improved living and working conditions in rural areas. Agri-food activities existing in harmony with the natural environment maintaining the biodiversity, cultural and traditional values for future generations."

The priorities for EU financial support to Moldova are reflected in the multiannual programming documents, the Single Support Framework for EU support to Moldova (SSF) 2014-2017 and 2017-2020. Agriculture and rural development, together with budget support for public financial administration reform and police reform were the key policy areas of the SSF action plan covering 2014-2017. Yet, in the SSF 2017-2020, agriculture and rural development were not specifically identified as a key priority sector.

The EU supports policy formation and implementation in the agricultural and rural development sector. With extensive support from the EU, various sectoral planning documents and legal acts were developed and or modified. In 2017 a mid-term evaluation of NARDS was conducted, which led to a revised NARDS and action plan for the remaining period 2018-2020. The NARDS was updated with particular emphasis on strengthening General Objective 3: Improving living conditions in the rural areas. The mid-term evaluation of NARDS and the consequent revision of the strategy along its Action Plan contributed to a more balanced programme among its three priorities. Among others also amendments to legal acts such as the Law on the principles of subsidising agricultural producers were adopted in 2018 to reflect the



policy update in line with the review of the NARDS. These provided for the introduction of rural development support measures to improve living conditions and the sustainable use of natural resources.

## **Energy**

Moldova has been a member of the Energy Community since 2010 and signed an Association Agreement with the European Union on 27 June 2014. It therefore had until December 2017 to make its legislation conform to the EU *acquis*, which is the core EU energy legislation related to electricity, oil, gas, the environment, competition, renewables, efficiency and statistics.

In February 2013, Moldova introduced its updated National Energy Strategy (NES) 2030, setting energy sector objectives for 2020 with an outlook to 2030. The updated NES targets are closely aligned with Energy Community Treaty requirements, even exceeding them in some cases: for instance, the Treaty's binding target for renewables in total final consumption (TFC) is 17%, whereas the NES sets a 20% goal.

The main NES targets for 2020 are: 20% renewable energy sources in TFC; 10% biofuels in transport; 10% renewables in electricity generation; 10% energy intensity reduction; 25% reduction in greenhouse gas (GHG) emissions from the 1990 level; 20% reduction in energy consumption in buildings from the 2009 level 10% rehabilitation of public building stock and 8.2% improvement in energy efficiency. Complementing the NES are the National Energy Efficiency Action Plans (NEEAPs) 2013-15, 2016-18, 2019-21 and the National Renewable Energy Action Plan (NREAP) 2013-20. The NEEAPs and the NREAP were designed consistent with Moldova's commitments under the Energy Community Treaty.

EU Support in the energy sector is fully in line with national strategies: the support provided under (CRIS C- 400311 Moldova-Romania Interconnection Phase I (2018) is diversifying Moldova's energy inflows away from Russia and Ukraine.

The EU 4 Energy Programme 'Covenant of Mayors – Demonstration Projects' (CoM-DeP) with EUR 14.2 million was developed by the European Commission to respond to the challenges facing small (with population up to 200 thousand residents) towns which are the signatories of the All-European initiative 'The Covenant of Mayors' in the Eastern Partnership countries in the context of absence or undue level of their own technical and financial capacity to implement Sustainable Energy Action Plans (SEAPs). The program aims to adequately support the implementation of the action plans submitted by the selected towns by the professional Support Team. Within a two-stage competition the European Commission selected 19 projects out of **which three were from Moldova**. The objective is to reduce the green-house gas by at least 30% by 2030. It helps municipalities to prepare and implement Sustainable Energy and Climate Action Plans, reducing dependency on fossil fuels, improving the security of energy supply, and allowing them to contribute more actively to climate change mitigation.

## **Education and R&I**

Education and R&I interventions were fully in line with Moldovan strategic framework. VET was a priority in the National Development Strategy "Moldova 2020", and was built into the Education Strategy 2014-2020, becoming central through a distinct VET Strategy 2013-2020. Strengthening higher education and enhancing R&I were among priorities of the Education Strategy, therefore Erasmus+ and Horizon 2020 programmes, as well as VET were aligned to the overarching sector strategies.

**Indicator 1.2.2 extent to which EU strategy and programming incorporate analysis of capacity, needs, and constraints, and take account of lessons learned from previous periods.**

Strength of evidence based: Medium

Main source of information:		
Document review	Interviews	Survey
<p>Single Support Framework for EU support to the Republic of Moldova (2014-2017) - (2017-2020)</p> <p>Action Documents, contract, latest/final report (as available) for sampled interventions</p> <p>Joint Communication to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions. Review of the European Neighbourhood Policy, Brussels, 18.11.2015</p> <p>Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)</p> <p>Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020)</p> <p>EU-Moldova Association Agreement</p> <p>Association Implementation Reports</p> <p>European Union Joint Analysis of Programming in the Republic of Moldova until 2020</p>	<p>Interviews with public officials in Moldova</p> <p>Interviews with EU officials</p> <p>Interviews with civil society representatives</p>	

## **Governance**

EU Strategy 2017-2020 considers the results of a joint analysis of with national stakeholders, EU member states, other development partners and civil society. Programming and selection of focal sectors is the result of joint programming with EU Member States and other development partners. Risk analysis is undertaken by the EUD reportedly on an annual basis, but the evaluators were not given access to these internal documents.

All Action Documents prepared for interventions under the SSF 2014-2017 and SSF 2017-2020 include a chapter analysing the public policies of the respective sector as well as an analysis of the stakeholders and the problems to be addressed. Chapter 3 of the Action Document is analysing the lessons learnt.

The evaluation found that the joint strategy development with the stakeholders was undoubtedly a good example for adjusting policy against the background of the bank fraud scandal. This process led to joint assessment of the implementation context and created a blueprint for common approach. It was not, however, designed for adjusting the programmatic interventions – and this process was, logically, undertaken within the individual organizations, and the linkage with the joint assessments made during the strategic planning process is often implicit, rather than explicit, without clearly delineated adaptations to the theory of change. The SSF 2017-2020 clearly contains the expression of the lessons discussed during the joint planning process, especially in field of governance, where serious adaptations were made, especially when it comes to reducing the BS programs and re-targeting assistance. At the same time, the adaptation of the programmatic documents, and especially the practical adaptation of implementation modalities took place with significant delays, related to protracted programming cycles.

The assessment of capacities of the national partner institutions was done consistently by the program teams also taking into account third-party assessments (e.g., CSO reports) that were supported through EUD funding. In most of the cases, internal assessments relate more to their human resources, technical, expertise and other practical capacities, with lesser accent on their ability to implement the required change, from the point of view of managerial processes, integrity, and the degree of real influence on policy within the cabinet.

### **Agriculture and rural development**

EU strategy and programming were based on stakeholder analysis which often also involved stakeholder engagement through consultations with relevant key bodies in the agricultural sector. The SSF 2017-2020 specifically recognised Government's capacity needs and envisaged complementary support for capacity development and institution building. This involved capacity for coordination of policy and legislative development and implementation and well as external assistance, insurance of coherence between the budgetary processes and policy agenda, and to monitoring of the implementation of the AA/DCFTA and envisaged Complementary support for capacity development and institution building.

The programmatic interventions also drew on the needs assessment by local stakeholders, together with priorities identified in national strategies approved by the GoM such as the NARDS. Respondents to the interviews specified that institution building interventions, where very relevant to priorities and capacity gaps of key stakeholders including the Ministry of Agriculture and The Agriculture and Intervention Payments Agency (AIPA) and the National Food Safety Agency (ANSA).

Moreover, strategy and programming considered lessons learned from previous periods, which were reflected in multiannual programming documents, the Single Support Framework for EU support to Moldova (SSF) 2014-2017 and 2017-2020. Specific lessons learned in this regard included the importance of mainstreaming cross-cutting issues, notably civil society, gender, environment, and confidence building measures which as have been identified in the context and problem analysis and addressed by programmatic interventions that followed. Another lesson learned was the need to programme assistance within the framework of a clear sector strategy which was very much a key focus point of ENPARD. Learning was also based on reviews of on-going and former programmes funded by the EU and other donors which for example also were reflected in the design of ENPARD and DEVRAM.

All project identification fiches include a section on lessons learned and an assessment of capacities of the sectors. Tailor-made technical assistance - either in form of service contracts or twinning projects is provided.

Difficulties encountered by the older budget support interventions (and mentioned in the Court of Auditors report) have been taken into count while formulating more recent BS interventions, which heralded a major shift in the areas of assistance. There were several training sessions related to budget support offered by the EUD. The technical assistance provided complementary to the Public Finance Sector budget support, offered support (on demand) to the sectors which were still benefitting from BS interventions, while enhancing the dialogue.

## **Water and Transport**

For the water and transport sector the EU was already very active before the SSF 2014-17, (Sector Policy Support Programme in the water sector ENPI AAP 2009) thus the weaknesses of the different sectors and capacity needs were well known according to interviews, even though this is not apparent from project documentation. Furthermore, while preparing the EAMR the EUD also reports on the lessons learnt.

## **Civil Society**

The EU strategy and programming with respect to civil society have taken into consideration the constraints voiced by civil society during the process of the joint development of the EU-Civil society Roadmaps. The first generation of the EU Country Roadmap for Engagement with Civil Society in Moldova covered the period 2014-2017. The updated second-generation Roadmap, covering the period 2018-2020, is aligned to EU support to the implementation of the Civil Society Facility as part of the Single Support Framework (2017-2020), and the European Joint Development Cooperation Strategy (Joint Programming Document), covering the period 2018-2020. It has been based on a comprehensive, coherent and shared analysis of the EU and Member States of the civil society landscape, its enabling environment and the challenges and opportunities faced by civil society organizations. The document also identified common EU priorities and concrete steps for engaging with and supporting CSOs in the Republic of Moldova. It has been underlined that for Moldova, a proactive involvement of civil society in policymaking, reform, governance and service delivery is critical for achieving the development objectives, including the implementation of the Association Agenda (AA) and Deep and Comprehensive Free Trade Area (DCFTA). For this to be effective, the roadmap strategized inclusive participation of a wide range of actors including local CSOs, business associations, trade unions and chambers of commerce, and other socio-economic stakeholders that will facilitate the implementation of the national reform agenda. The Civil Society Facility (CSF) with its TA project and the three large grants with sub-granting schemes have responded to the identified challenges and met the pre-defined objectives.

## **Confidence-building measures**

EU strategy and programming with respect to CBM-IV and CBM-V (the object of the current evaluation), have built on the previous CBM cycles and lessons learned, as well as on the joint programming document. CBM-V has also been advised by the Mid-term evaluation and final reports under CBM-IV, as well as the lessons learned, drawing upon the experience of the previous CBM packages and their impact assessment. Some of the explicit recommendations related to avoidance of top-down approach, continued inclusion of the banks in design and implementation, prioritisation to the demand-driven interventions, while ensuring that the needs are practical. Additional recommendations related to the need for more effective coordination with major stakeholders and ensuring engagement of CSOs. The evaluation has found that these lessons have been translated into practice.

**Indicator 1.2.3. Extent to which programming takes into account human rights obligations and recommendations applicable to Moldova.**

Strength of evidence based: Strong

### **Main source of information:**

Document review

Interviews

Survey

Single Support Framework for EU support to the Republic of Moldova (2014-2017) - (2017-2020)

Project/programme documentation

Action Document for the “ENPARD Moldova – Support to Agriculture and Rural Development”

ENPARD, 2019. Final Report Technical Assistance for the Implementation of Sector Reform

Action Document for the Development of Rural Areas in the Republic of Moldova

Joint Communication to The European Parliament, The Council, The European Economic and Social Committee and The Committee of The Regions. Review of the European Neighbourhood Policy, Brussels, 18.11.2015

Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)

Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020)

EU-Moldova Association Agreement

Association Implementation Reports (annual)

European Union Joint Analysis Programming in the Republic of Moldova until 2020 (2015)

EU Annual Report on Human Rights and Democracy in the World

People’s Advocate Office Annual reports 2014-2019 (2015 and 2020 unavailable)

Interviews with public officials in Moldova

Interviews with EU officials

Interviews with civil society representatives

People's Advocate Office/National Preventive Mechanism reports 2012, 2017, 2018

CPT reports on periodic visits to Moldova: 2016 (2015 periodic visit), 2020 (2020 periodic visit)

Universal Periodic Review

ECtHR case law (HUDOC)

Recommendations by UN and CoE monitoring bodies (CPT, CEDAW, Human Rights Commissioner...)

Action Documents, contract, latest/final report (as available) for sampled interventions

## **Governance**

Respect towards the human rights obligations of Moldova forms an integral part of the AA as well as the national strategies in field of governance, providing a fundamental basis for rooting the EU programming into the context of respect to human rights obligations. Human rights and democracy are being discussed in the framework of the main meetings related to the implementation of the Association Agreement, such as the Association Committee and the Subcommittee on Justice, Freedom and Security. Specifically human rights concerns are addressed in a structured manner by the EU-Moldova Human Rights Dialogue. In terms of public messaging, the HR/VP's spokesperson has issued various statements that pertain to the human rights related concerns, including wider issues related to the electoral process. The Head of EU Delegation reiterated those messages in his public appearances in media.

In several areas, such as the police reform (through BS) development of the judiciary, the human rights concerns were explicitly mainstreamed in programmatic documents. For example, the Standard Operating Procedures for the police service, and the Guidebook on Human Rights-based Policing, were issued by the Soros Foundation under the EU-funded grant.

Particular and specific emphasis on human rights was reflected in the EU support to the fight against torture and ill-treatment in places of deprivation of liberty, which was chiefly accomplished through CSO grants, in cooperation with the national human rights institutions. A complementary support CSO grant under the police budget support programme was dedicated to "external monitoring, contribution and oversight to implementation of programme-related reforms and activities, with special focus on respect for human rights", which includes issues of ill-treatment in police custody. Within the justice sector reform initiatives, the EU funded a technical assistance project on "Support to the enforcement, probation and rehabilitation systems", which includes a component on adherence to human rights (including the prevention of torture and ill-treatment).

The National Preventive Mechanism of Moldova was established in 2016 after protracted debates on its format. The Ombudsman+ format was retained, in the form of the Council for Prevention of Torture, based on a cooperation between the PAO as the National Human Rights Institution, and several specialized CSOs. The NPM has since then gradually gained capacity, but still struggles to operate harmoniously, due to different levels of capacity between

## **Infrastructure/Water**



The current level of financing of tariffs for the water supply and sanitation sector from key sources (user charges, international loans and grants and government budgetary support to the sector) is not sufficient for maintaining assets at their current low operational levels, nor for providing adequate levels of service. The GoM and local operators are aware of this challenge to achieve sustainability; however, higher water and waste-water tariffs are not affordable for a major share of the population. The “Water for Cahul” project aims to provide a pro-poor criterion, to avoid tariff hike for the poorest. However, there is no evidence that in selection and design of other projects a specific pro-poor or pro-minority approach is used.

### **Agriculture and rural development**

EU Strategy and programming in the agriculture and rural development sector was in line with the human rights obligations and recommendations applicable to Moldova and took into account the five working principles of the Rights-Based Approach. Programmatic interventions increasingly more explicit reference to the working principles of the rights-based approach in program documentation.

ENPARD among others set out to enhance participation of civilians including women and youth in participating in regional/rural policy dialogue and the role of civil society (including farmer and rural community organisations) and local authorities associations’ role in local development initiatives monitoring, implementation. This approach also implied participation of the variety of public and non-public organisations and associations at national, regional and local level in a structured dialogue and fostering linkages and enhance discussion on policy issues between the Ministries and the stakeholders that have a stake in rural development through platforms such as the “National Rural Network”.

In terms of equal access SSF, in particular Objective Six (‘To promote inclusive growth and social cohesion through stimulation of job creation in less favoured areas, in particular rural areas promoted equal possibilities for development in rural areas which was also financially supported through the Focal Regions Programme. Moreover, stimulating and facilitating development of initiatives based on the LEADER principle and local strategies that were based on the generic needs of the rural community contributed to increased involvement and participation of rural population in development processes.

Programmatic interventions also took into account the results of Human Rights Watch reports which among others pointed towards corruption as a major drawback in guaranteeing protection of human rights. In this regard, transparency and accountability are key principles of a human rights-based approach to development that are also integral to successful anti-corruption strategies. Under ENPARD the new subsidy system under the advance payment scheme was introduced for increasing the transparency of the system. The programme also involved regular monitoring of budget support eligibility criteria of macro-economic and public finance management developments, budget transparency, as well as progress in implementation of the public policy. The Focal Regions programme also aims to strengthen the capacities of citizens to identify, report, and mitigate corrupt practices within Local Public Authorities and agencies responsible for the delivery of public services and the rollout of preventive anti-corruption measures as prescribed in the local anti-corruption strategies.

Human rights are taken into consideration in civil society programming, and specifically in the CSF grant on better social services implemented by SFM and its sub-granting scheme, where sub-grants have been awarded to most vulnerable groups in protection of their human rights to equal access to services. This is also seen with the CBM-V programme and the UNDP managed sub-grants, but also with the long-term project awarded to GIZ aiming at improving socio-medical care for people with long term care needs on both side of the Nistru river.

JC 1.3: The needs and opinions of the citizens of Moldova, and their evolution, are channelled into the programming of EU-Moldova cooperation

EU increased the focus on the needs of the citizens – especially during the programming period 2017-2020. Strong involvement of civil society was looked for in all sectors, especially in terms of monitoring of progress in implementation of policies; several interventions were designed in a way which assured that civil society can present their own projects (calls for proposals, ODIMM).

Many of the interventions improve in a direct way the quality of life of Moldovans by offering better access to water and energy (biomass), better roads, easier access to subsidies for the rural sector, credit facilities for investments of Moldovans returning back to their home country, etc. The interventions that have shifted the focus to the local level, civil society/small business initiatives, are designed to reach and engage citizens more directly, while continuing to provide the government with necessary assistance for structural reforms. Use of Barometers of Public Opinion has been verified in the agriculture sector to monitor the perceptions of service delivery and identify needs.

**Indicator 1.3.1 EUD reporting explicitly monitored the national socio-economic context, identified challenges and proposed remedial measures**

Strength of evidence based: Medium

**Main source of information:**

Document review	Interviews	Survey
EAMRs EU-Moldova Association Agreement Association Implementation Reports (annual) EC Implementing decisions Action Documents, contract, latest/final report (as available) for sampled interventions Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017) Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020) EU Annual Report on Human Rights and Democracy in the World European Union Joint Analysis Programming in the Republic of Moldova until 2020 Freedom House reports	Interviews with public officials in Moldova  Interviews with EU officials  Interviews with civil society representatives	

EU is reporting annually in the EARM on the national socio-economic context, challenges and EUD response. The Association Implementation Report is also published annually, providing the assessment of progress. The EU Annual Report on Human Rights and Democracy in the World also provides a regular update in the relevant areas. Furthermore, EUD is undertaking an annual risk assessment which covers possible risks and identifies remedies and proposes how EUD should tackle these risks. The risk assessment was not shared with the evaluators, which limits the ability of the evaluators to assess the

extent to which the monitoring results was integrated into programming/implementation. However, it is obvious, that most of the context analysis exercises are annual, while the program planning cycle is spanning three years, which limits its ability to adapt to the transformation in context. The Joint Analysis (2015) document stands out as a best practice, both in its consultative format and in its integration of the context analysis into programming implications at the highest level, however this process did not foresee a similarly structured, regular re-assessment of the context analysis, or the feedback loop from the implementation of the programs it has influenced, therefore the relevance of its conclusions five years down the road remains unaddressed.

### **Agriculture and rural development**

Programming documents and progress reporting reflect the results of consistent monitoring of the socio-economic context in Moldova with regard to the agriculture and rural development and present the respective response of the EU. This included the developments in the sector in terms of sector performance such as production and trade patterns, challenges and risks faced in the sector, etc. The monitoring and programming implications included consultation with the Government, Civil Society Organisations, multilateral and bilateral donors, International Financial Institutions, and International Organisations. It also included use of use of national-level barometers and polls such as the Barometer of Public Opinion, which reflects upon the perceptions of rural population with matters such as public service delivery, access to jobs, living standards, wages and pensions, fighting corruption, industry and agricultural development. This contributed towards increased EU support to rural development interventions. The mid-term evaluation of the NARDs for example resulted in inclusion of rural development measures in the revised NARDS and helped address the pervious situation in which the measures were aimed only at developing the agricultural sector and did not take into consideration the objectives of rural development.

In Moldova EU has promoted a proactive involvement of civil society in policymaking, reform, governance and service delivery is critical for achieving the development objectives, including the implementation of the Association Agenda (AA) and Deep and Comprehensive Free Trade Area (DCFTA). Thus, EUD has promoted participation of a wide range of actors including local CSOs, business associations, trade unions and chambers of commerce, and possibly other socio-economic stakeholders in the monitoring of the national reform agenda. Civil society is participating in policy dialogue at different levels, including during the joint assessment and programming of development partners assistance.

<b>1.3.2 Financial allocations and their modifications responded to monitoring results</b>		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
EAMRs Association Implementation Reports (annual) EC Implementing decisions Action Documents, contract, latest/final report (as available) for sampled interventions Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)	Interviews with public officials in Moldova  Interviews with EU officials  Interviews with civil society representatives	

Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020).  
Annual Action Programmes  
Evaluation portfolio overview

The review of allocations under the Annual Action Programmes shows a clear evolution of the thematic priorities and their financial allocations, which reflect the outcomes of monitoring, as witnessed in the EAMRs and annual Association Implementation Reports.

Special measures + AAPs	Topics	SM (million)	AAP (million)	Total (AAP +SM)
<b>2014</b>	<b>Total</b>	<b>30</b>	<b>101</b>	<b>131</b>
	Support to the implementation of DCFTA process in Moldova	30		
	Support to Public Finance Policy Reforms in Moldova (PFPR)		37	
	ENPARD Moldova – Support to Agriculture and Rural Development		64	
<b>2015</b>	<b>Total</b>	<b>0</b>	<b>90</b>	<b>90</b>
	Support to Public Administration Reform (PAR)		20	
	Support to Police Reform		57	
	Civil Society Facility (Moldova)		8	
	Technical Cooperation Facility		5	
<b>2016</b>	<b>Total</b>	<b>0</b>	<b>89</b>	<b>89</b>
	Development of Rural Areas in the Republic of Moldova		60	
	Technical Cooperation Facility 2016		29	
<b>2017</b>	<b>Total</b>	<b>0</b>	<b>10</b>	<b>10</b>
	Citizens' Empowerment in the Republic of Moldova		5	
	Strategic communication and media support		5	
<b>2018</b>	<b>Total</b>		<b>50,75</b>	<b>50,75</b>
	Inclusive economic empowerment of focal regions of the Republic of Moldova		23	

	EU Support to Confidence Building (CBM) Measures V (2019-2022)		10,5	
	Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova		8	
	Support for the Implementation of the EU-Moldova Association Agreement		9,25	
<b>2019</b>	<b>Total</b>		<b>18</b>	<b>18</b>
	Annex 1: EU4Moldova – Start-up City Cahul		7	
	Annex 2: EU4Moldova – Clean water for Cahul		14	
<b>2020</b>	<b>Total</b>		<b>40</b>	<b>40</b>
	Annex I: “EU4Moldova: Local Communities”		16	
	Annex II: “EU4Moldova: Facility to support the health response to the COVID-crisis and Association Agreement related Reforms”		9	
	Action Document for COVID-19 Resilience Contract for the Republic of Moldova		15	
<b>Total 2014-2020</b>				<b>428,75</b>

This evolution, from one SSF to the next, also reflects in the types of interventions which are planned:

Figure 1: Planned amounts 2014-2017

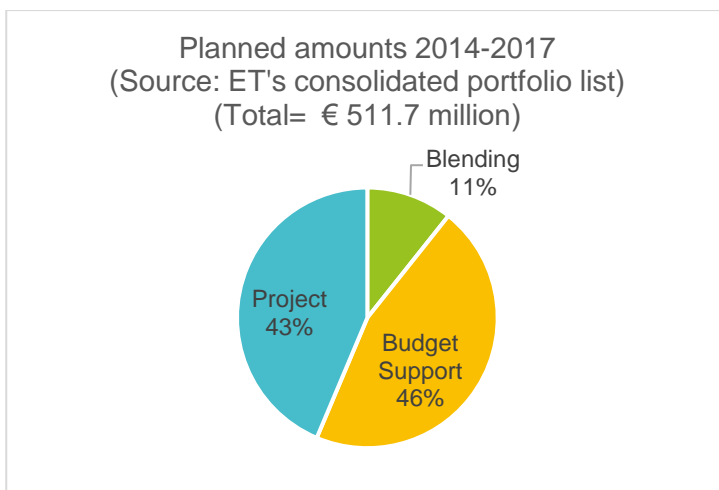
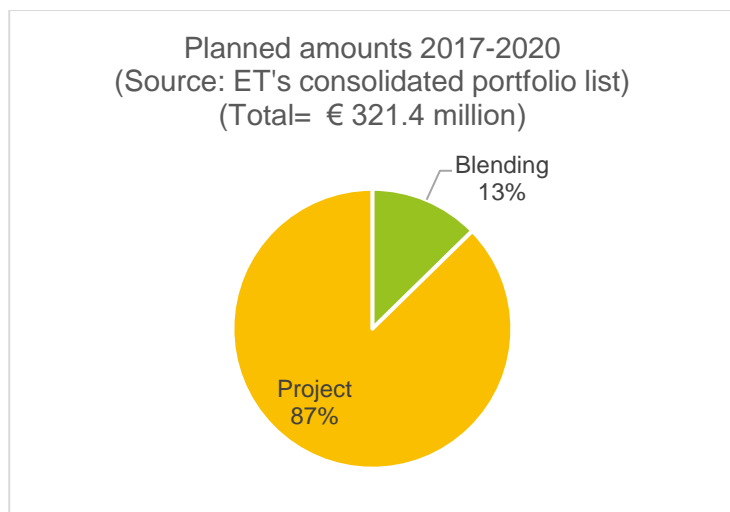


Figure 2: Planned amounts 2017-2020



### **Agriculture and rural development**

In terms of responses to monitoring results in the agriculture and rural development sector, the monitoring of the socio economic context by the EU among others resulted in reduction of the support to be provided through the Annual Action Programme 2017 and withdraw of the action "Strengthening the growth potential of the Republic of Moldova through a more transparent, efficient, competitive and resilient economic environment" which was aimed to support to the implementation of the AA and respective amending of the Commission Implementing Decision C(2017)7533 of 8.11.2017.

On the programme level, results of monitoring efforts also formed the bases for changes in terms of financial allocations to interventions. This for example involved the cancelation of financial contribution through ENPARD to development of a Management Information System for donor coordination due to difficulties in setting the system up and lack of government commitment in that regard.

### **BS interventions**

EU monitored systematically the progress made in PFM and in the sectors in which sector budget support interventions were under implementation. The assessments of the progress achieved in respective sectors was reflected in the tranche assessments and related disbursement of tranches. Failure to achieve the agreed results was automatically triggering the freeze on disbursement of funds.

#### **1.3.3. Extent to which varied civil society actors and citizens were informed and consulted on the objective, planning, programming and reallocations**

Strength of evidence based: Strong

#### **Main source of information:**

Document review	Interviews	Survey
Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)	Interviews with public officials in Moldova	
Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020).	Interviews with EU officials Interviews with civil society representatives	



Soros, PromoLex public reports on Police Monitoring. <http://www.soros.md/en/publications>  
<https://promolex.md/category/publicatii/?lang=en>  
Civil Society Roadmap of EUD Moldova  
EAMRs  
Association Implementation Reports (annual)  
EC Implementing decisions  
Action Documents, contract, latest/final report (as available) for sampled interventions

Civil society actors have been consulted through the two Roadmaps for EU-Civil society Engagement, and through the EU policy dialogue structures. The EU-Moldova Civil Society Platform (CSP), established in 2016, complements the political bodies existing within the framework of the EU-Moldova Association Agreement.

CSP is one of the bodies set up within the framework of the Association Agreement that enables civil society organizations from both sides to monitor the implementation process and prepare their recommendations to the relevant authorities on the two sides, as well as endorse declarations outlining progress made and addressing issues of concern. CSP had six meetings till now. It is consulted on issues related to the implementation of the AA and each of its meetings is followed by a Joint Declaration reflecting the position of civil society on all aspects of the AA. The sixth meeting of the CSP was held on 13 February 2020 in Chisinau. It discussed the state of play regarding the implementation of the Association Agreement and called for resolute implementation of the reform agenda, particularly in the area of fight against high level corruption, proper implementation of the public administration reform, development of the infrastructure for transportation and communication between the EU and the Republic of Moldova, etc., while welcoming the EC decision to adjust the financial assistance to the Republic of Moldova, recognizing the results achieved in terms of bilateral trade, and the impact of the visa free travel regime. The CSP tackles also the social and labour aspects of the AA, public procurement and environmental governance issues.

To some extent, through the EaP Civil Society Forum, the National EaP CS Forum Platform of Moldova is also consulted on the EU priorities in the Eastern Neighbourhood and the EU priorities in Moldova, through its participation in the 5 working groups of the Platform: WG1: Democracy, Good Governance, Human Rights and Stability; WG2 – Economic Integration and Convergence with EU Policies; WG3: Environment, Climate Change and Energy Security; WG4: Contacts between People; WG5: Social and Labour Policies and Social Dialogue.

The AA encourages exchange of information and experience between national, regional and local authorities, socio-economic actors and civil society. EU programming in the ARD sector set out to be inclusive and create opportunities for meaningful participation of relevant stakeholders (including local authorities, civil society organizations, community groups) at all stages of the cooperation. Moreover, EU support recognized and stressed that policy and legislative development needs be evidence-based, costed and subject to appropriate internal and external stakeholder consultations at the right time of the legislative and policy-making process. This included meaningful consultation at the intervention level during design and planning stages, actions that include activities aimed at capacity building and mentoring programmes to strengthen the capacities of civil society organisations, including women's organisations, grassroots organisations and social entrepreneurs: for improved engagement in local planning, and community-led development and for monitoring of decision-taking processes. This contributed to increased participation of the civil society in policy formation and implementation processes that the EU contributed to such as the review of the NARDS.

With technical assistance provided in the framework of ENPARD, which delivered capacity building and institutional strengthening, working groups were set up to develop sectoral policies and national networks were established to facilitate this process further. Policy formation processes are now as a result more inclusive and more broadly based on effective consultation procedures. Working with MARDE the National Rural Network of Moldova was established as a structure facilitating the participation of the stakeholders/civil society with a stake in rural development to work together and express their views on important issues for the future of rural areas. The NRN was established as an institutional structure that provides a policy dialogue platform for ensuring a good level of communication between the competent public authorities and the stakeholders representing the variety of rural society at national, regional and local level including civil organizations involved in agriculture and rural development field. With support from the EU the National LEADER Network was established which is the association that aims to promote the LEADER approach in the Republic of Moldova, representing and supporting the interests of the Local Action Groups (LAG).

Nevertheless, the challenging political situation in Moldova and the misrepresentation of the resolutions of the European Parliament to suspend the macro-financial assistance and the budgetary assistance raised concerns among both nongovernmental organizations, independent national observers and the EU on familiarity of the Moldovan public in the regions with actual the situation of the country's development including the essence of the reforms supported by the EU in Moldova, the benefits of the Association Agreement, and the importance of Moldova fulfilling its commitments made at the European level for the country's sustainable development. The EU therefore implemented an information campaign in Moldovan regions aimed to inform civil society and rural population on the essence and level of implementation of the reforms supported by the EU, the real fulfilment of the conditionalities for providing macro-financial assistance and other forms of financial support.

The EU together with the Member States and Switzerland adopted the European Joint Development Cooperation Strategy (Joint Programming Document), covering the period 2018-2020. Civil Society is a cross-cutting priority of the Joint Document, with the objective to strengthen civil society's capacity to play an effective role in policy dialogue, implementation and monitoring at national and local levels, and to contribute to private sector development, sustainable economic growth and social innovation. All Budget support operations of previous assistance included a part of monitoring by CSOs for implementation of reforms. The Annual Action Programme 2017 includes support to CSOs to monitor local infrastructure projects and to enhance citizens' engagement in decision-making processes. The Annual Action Programme 2018 foresees engagement of CSOs in anti-corruption efforts, economic governance and public budgets transparency, regional development in two pilot micro-regions, gender equality and combatting violence against women and children, as well as for confidence building aspects.

<b>Indicator 1.3.4. Public opinion and visibility of EU-Moldova cooperation improves</b>		
Strength of evidence based: Very strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
SSFs EC Implementing decisions Action Documents, contract, latest/final report (as available) for sampled interventions Newsletters of the Delegation of the European Union to the Republic of Moldova	Review of all interviews with Moldovan citizens from CSOs, media, Government through the lens of their level of knowledge/perception of EU support in their respective sector(s). - Interviews with public officials in Moldova - Interviews with EU officials	Landell Mills targeted Evaluation Survey 2021, Questions 29 to 33 and disaggregation as per Questions 1 to 6. EU Neighbours East Public Annual Perception Survey reports 2016, 2017, 2018, 2019, 2020

Overall, the attitudes towards EU-Moldova cooperation are positive. This is particularly encouraging as most survey respondents find themselves fairly well informed about EU-Moldova cooperation (with an average rating at 63% level of information). At the same time, not all interviewees proved aware of the portfolio of projects going on in their sector. In some sectors, such as justice and anti-corruption, many interviewees had a very sketchy overview of the EU's cooperation in their area of work. This indicates that, while the communication efforts of the EU since 2017 bear fruit on the public's general awareness, more targeted communication towards specialized and expert audiences remains insufficient.

The overwhelming majority of our interviewees in the respective sectors have a good level of trust and satisfaction towards their country's cooperation with Moldova, and more specifically this cooperation in their sector. With rare exceptions, most of them trust that the EU is genuinely trying to support positive changes in the country and in their sector, and they feel the effects of this support. This general perception is shared by the citizens of Moldova: almost 53% respondents consider that the EU has changed a lot of important things in their lives (almost 27%) or some important things (almost 26%). Some 31 % think it has changed a few little things, and only 9,5% nothing at all. This is coherent with the EU Neighbours East surveys, according to which about 66% think the EU provides tangible benefits in peoples' lives (but not specifically in their own life). The perception of the EU's support is not significantly affected depending on the sex of respondents, or on their dwelling (rural/urban).

The early polling figures worryingly showed that the EU got associated with the 2015 bank fraud corruption scandal in the minds of Moldovans. In 2016 and 2017, the absence of corruption was the positive value least associated to the EU (61% Moldovans in 2016, and only 40% in 2017 thought the EU was very strongly or strongly representing this value). This was even more concerning as the absence of corruption was one of the most important values rated by the respondents. Following the launch of the 2017-2021 SSF, which rerouted a lot of EU support towards citizens, civil society and the local levels, and perhaps in connection with new communication avenues of the EU, the trend was inverted: from 52% positive perception in 2016 and as low as 43% in 2017, it started to grow steadily in 2018, to reach 61% in 2020.

Trust figures show similar trends, though the 2017 dip is more perceptible, and the new SSF was followed by a quick raise and plateau: trust towards the EU decreased down to 54% in 2017, and then plateaued from 2018 to 2020 around 64% (+/- 1%, which is likely within the statistical margin of error).

The online survey conducted for this evaluation, while asking different questions and having a different sample, confirm some trends identified in the EU Neighbours East public opinion survey. The evaluation focused on trust towards the EU and decomposed into "ends" and "means" of the EU, and the respondents' trust towards them. In average, respondents credit the EU with 74% of trust on its good intentions for Moldova, and 68% of trust on its capacity to deliver on its objectives. The most educated (advanced university degrees) are generally the most sceptical about the EU's ability to change things: they are less likely to consider its cooperation with Moldova decisive, or to consider it has changed things in their own life – although they are more likely than others to have accessed EU support personally or studied/trained in the EU. The "trust plateau" identified in the EU Neighbours East surveys could be attributed to this: trust towards the EU's intentions has clearly progressed more than Moldovans' beliefs on its ability to deliver on its promises.

The level of trust in the various branches of the State (in 2020, Parliament: 18% trust, Government: 25% trust) and in the political class (parties: 14% trust in 2020), and the belief in the effectiveness of EU's assistance (down to 37% respondents thought it effective or very effective in 2017, followed by a steady raise up to 58% in 2020, with lowest credit to effectiveness in the areas of corruption, law enforcement,

justice, economic development and democracy) suggest an explanation of this perceived gap between “ends” and “means”, which several interviewees also evoke: the dominant opinion is that the EU is animated by good intentions, it is doing broadly what it should do, it could work somewhat better to drive more change (in terms of timeliness and reactivity), or prioritize differently (for instance it should work more on anti-corruption, health care, education and economic development according to the EU Neighbours East surveys and to several interviewees) – but the main limitation to the EU as a trusted driver of change is the way this assistance is received in the country, chiefly by the services of the State. To summarize the statements of several Moldovan interviewees, which corroborate the survey results, the EU is not perfect, it should continue to improve its support to Moldova, but no matter how hard the EU tries, there needs to be a will and a readiness for change for this cooperation to truly change anything – and these are not present in all sectors.

Yet, interviewees and respondents are very attached to the continuation of EU support, because their find it extremely important for their country’s future. Most interviewees’ key message was that without the EU’s support, the situation in their respective sector would be much worse, and they pleaded for “not being left down”. On a scale of 1 to 4, respondents rate the EU’s importance at 3,5%. 77% consider it “decisive” for the future of Moldova. The younger the respondents, the more important they rate EU cooperation, and this is true for all age groups. Other factors do not have significant influence on the results, except that Gagauzia and Transnistria residents are less likely than others to consider the EU as important or decisive, or to consider that EU cooperation has changed something important in their lives. This could point to a gap in targeting of EU assistance and/or communication, or to language/choice of media outlets creating barriers to access to EU communication.

The response of public opinion towards the EU and EU-Moldova cooperation is also characterized by an important inertia: between a marking event, or a strong public communication stance, and major evolution of the public opinion trends, as much as two years can elapse. This difficulty is compounded by the long programming cycles of the EU: there is also an important inertia in the reaction of the EU’s cooperation and especially funding to important events. Boosting communication, as has been the case during the second SSF of the period, is therefore essential but not sufficient: the EU can only communicate on what it is actually doing, and no amount of communication will compensate for tardy reaction.

Since 2014, the EU has deployed six visibility projects amounting to a total of approximately three million Euros, and one media support and communication project amounting to close to five million Euros. After modest funding afforded to communication in 2014 (only one service contract of less than 300 000 Euros), the EU’s investment in this area soared during the second SSF of the evaluation period.

**Indicator 1.3.5. Percentage of programmes and contracts highlighting gender-based problem analysis and foreseeing gender transformative results**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
EC Implementing decisions Action Documents, contract, latest/final report (as available) for sampled interventions CEDAW reports Moldova	- Interviews with public officials in Moldova - Interviews with EU officials - Interviews with civil society representatives	

Gender is mainstreamed through all Annual Action Programmes. **Focal Regions approach** for two municipalities with the branding **EU4Cahul and EU4 Ungheni**: Under this umbrella, the majority of assistance from the Annual Action programmes 2018 and 2019 started implementing inclusive socio-economic development, supporting gender mainstreaming in local policies and the fight against gender-

based violence, and improving living conditions of the population households in the region of Cahul through a broader access to quality water supply and to sanitation and therefore the minimisation of health risks. However, the projects in this area are not underpinned by fully elaborated gender analysis.

According to the EAMR 2018, the **Gender Analysis on Moldova prepared by the EU Delegation and EUMS** provides guidance on the EU GAP II's targeted areas of intervention that should be implemented. This analysis is coherent with the CEDAW Concluding Observations issued in 2020. In addition, these areas are also in line with the objectives of the Government Gender Equality Strategy 2017-2021 in order to support the efforts made by the Government. These objectives have been mainstreamed into the current programming EU assistance and are reflected in both the new SSF and Joint Response document. Specific projects ongoing aim at combatting discrimination and gender stereotypes and supporting economic empowerment of women.

It was not possible to calculate a percentage of programmes and contracts from the entire evaluation portfolio, as the evaluation team did not receive descriptions of actions for all programmes. In the sampled interventions, about half of the programmes foresee explicitly gender transformative results. These are usually the programmes which are based on a gender analysis.

At the same time, gender issues have been considered in the allocation of resources through all the shortlisted interventions in the agriculture and rural development sector. In the agriculture and rural development sector, all the supported interventions included gender-based problem analysis in varying levels of detail and gender analysis informed the interventions. The shortlisted interventions foresaw gender transformative results which address non-discrimination and gender-related discrepancies and aimed to contribute to improve the socio-economic conditions and resilience of women as socially disadvantaged society groups in target areas/communities (considering a gender perspective). This involved addressing gender gaps such as inequalities in income, participation, and employment.

In the governance and rule of law sector, the integration of a gender lens in programming varies a lot depending on the thematic areas. In the justice sector, gender analysis is limited to issues related to domestic violence. In the anti-corruption field, gender is hardly looked at as a relevant issue. There is no analysis of what corruption specifically means for women and girls, for instance. On the other hand, a gender lens was used in analysing the needs for police reform support budget support programmes and complementary support. This analysis proved to be inclusive, it was based on **consultation of women's organisations**. Programmes in the field of human rights almost always integrate a gender lens.

Indicator 1.3.6. Number and size of projects specifically targeting gender transformative results (trend)		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
EC Implementing decisions Action Documents, contract, latest/final report (as available) for sampled interventions	<ul style="list-style-type: none"> <li>- Interviews with public officials in Moldova</li> <li>- Interviews with EU officials</li> <li>- Interviews with civil society representatives</li> </ul>	

The programmes that do foresee gender transformative results tend to become more numerous as time passes, particularly from 2018 (corresponding to the preparation of a gender analysis). Overall, programmes with large budgets are less likely to include gender transformative results (notable exceptions being the SME support programme and police budget support programme). Programmes with a smaller budget are more likely to integrate a gender lens to their results framework.



In the governance area, the gender-based results framework are very uneven. In the justice and anti-corruption areas, there are almost no gender-specific indicators or expected results. In police support, the budget support programme foresees specific indicators and targets dedicated to gender balance. In the area of human rights, some programmes have a specific gender equality results framework (e.g., support to the National Equality Council, or programmes on torture and ill treatment prevention, including in psychiatric institutions).

All of the shortlisted projects in the agricultural and rural development sector, including the three largest (groups) of bilateral interventions namely ENPARD, DEVRAM and Focal Regions interventions which accounted for more than 87 percent of the total funding directed towards this sector by the EU targeted gender transformative results.

In the area of governance, specific examples **include the ongoing EU support to police sector reform** which saw Moldova's Policewomen's Association established and further supported. The same programme sets targets for increased numbers of female officers at all ranks.

In the area of support to the private sector and business environment, there are several examples of gender transformative results. A good example is in the area of **DCFTA implementation and support to the private sector, where a specific grant scheme is aimed at supporting women in business.**

## Evaluation question 2: JCs and indicators

**EQ2. To what extent was EU-Moldova bilateral co-operation coherent with and complementary to regional and cross border programmes and other EU instruments, as well as with interventions of EU Member States and other donors, including in particular International Financial Institutions?**

This EQ covers Efficiency, coherence, Coordination & complementarity, EU added value

JC.2.1: EU-Moldova cooperation is coordinated, coherent and complementary with strategies and programmes of the EU Member States, international/regional organisations, EU macro-economic assistance and of the European Financial Institutions.

JC 2.2: Political dialogue and cost components of EU-Moldova cooperation are consistent and mutually reinforcing.

JC.2.3: Blending generated financial leverage with EUMM and other donors and increased visibility of EU cooperation

JC 2.1: EU-Moldova cooperation is coordinated, coherent and complementary with strategies and programmes of the EU Member States, international/regional organisations, EU macro-economic assistance and of the European Financial Institutions.

Thanks to a joint analysis and programming exercise bringing together the EU, EUMSs, international financial institutions and key other countries (such as Switzerland), EU cooperation is coherent and complementary with strategies and programmes of the EU Member States and to a certain extent also with international and regional organizations. Support provided by development banks (KfW, EIB and EBRD) have a somewhat different logic, as they correspond originally to loan applications presented by the Government of Moldova and EU NIF support corresponds to additional funds provided (on demand of the development bank) to the overall financing package. However, there is a strong alignment between the strategic objectives of the EU and of international financial institutions, which materializes in the blending operations. While programming seems to work very well, coordination and approaches are not completely harmonized during the programme/project implementation periods.



**Indicator 2.1.1. Internal coherence among EU bilateral and regional interventions with the support provided under the EU Macro Financial Assistance Programme**

Strength of evidence: Medium

**Main sources of information:**

Document review	Interviews	Survey
<p>SSFs, AAPs/EC Implementing Decisions</p> <p>Memorandum of Understanding EU- Moldova, signed 7/2020</p> <p>Macro-Financial Assistance (MFA) programme 2017-2020</p> <p>2020 REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the implementation of macro-financial assistance to third countries in 2019</p> <p>2017. DECISION (EU) 2017/1565 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 September 2017 on providing macro-financial assistance to the Republic of Moldova</p> <p>2020. Macro-financial assistance to the Republic of Moldova of up to EUR 100 million MEMORANDUM OF UNDERSTANDING between The European Union as Lender and Republic of Moldova as Borrower</p> <p>2020. DECISION (EU) 2020/701 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 May 2020 on providing macro-financial assistance to enlargement and neighbourhood partners in the context of the COVID-19 pandemic</p> <p>2017 COMMISSION STAFF WORKING DOCUMENT Ex-ante evaluation statement Accompanying the document Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL providing macro-financial assistance to the Republic of Moldova.</p> <p>2020. COMMISSION STAFF WORKING DOCUMENT Background Analysis per beneficiary country Accompanying the document REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT</p>	<p>Interviews with public officials in Moldova</p> <p>Interviews with EU officials</p> <p>Interviews with civil society representatives</p>	

AND THE COUNCIL on the implementation of macro-financial assistance to third countries in 2019

Ex-ante evaluation statement accompanying the Commission proposal (January 2017)

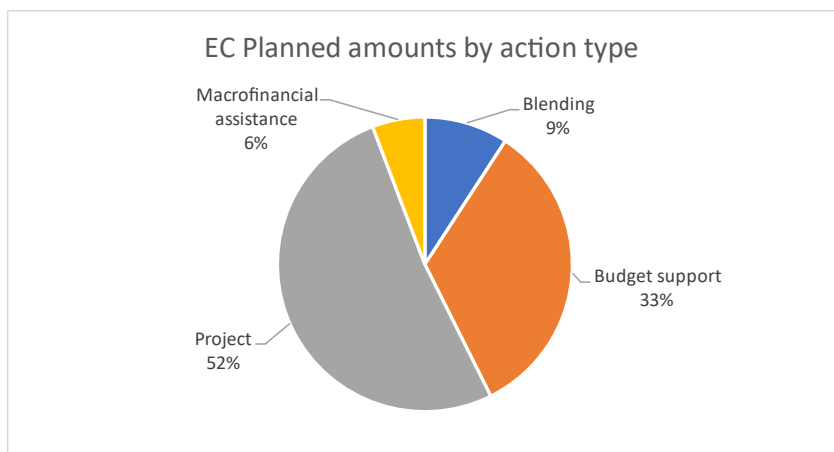
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Review of portfolio overview

Moldova benefits from bilateral, regional and thematic instruments, all of which are programmed to allow maximum complementarity, synergy and impact. This is achieved by programming EU assistance along the policy priorities of the 20 Deliverables for 2020 and by quality assurance between HQ and the Delegation in the design phase and implementation of projects. Regional programmes include environment, climate, border management, cross border cooperation, justice, trade and SME development.

Action type:	EC Planned amounts	
Blending	€	95.505.400
Budget support	€	347.611.561
Project	€	536.440.470
Macrofinancial assistance	€	60.000.000
<b>Grand Total</b>	<b>€</b>	<b>1.039.557.431</b>

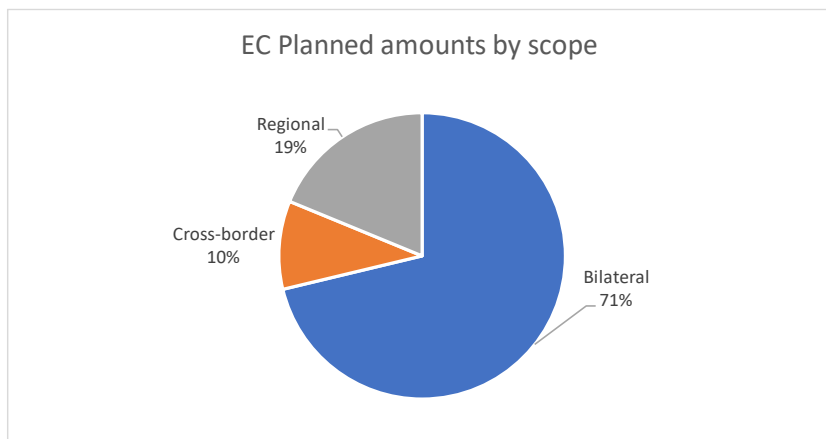
Figure 3: EC planned amounts by action type



The majority of EU support to Moldova is bilateral. Regional and cross-border support represent, together, 29% of this support, particularly targeting the areas of agriculture, rural development, energy and biomass (plus some regional blending in the field of SME support).

<b>Bilateral including macro-financial assistance:</b>	
Geographic scope (all actions):	Planned amounts
Bilateral	€ 740.661.955
Cross-border	€ 103.621.572
Regional	€ 195.273.904
<b>Grand Total</b>	<b>€ 1.039.557.431</b>

Figure 4: EC planned amounts by scope



### **Macro-Financial Assistance**

Following a request by the Republic of Moldova, the European Commission adopted on 13 January 2017 a proposal for a Macro-Financial Assistance (MFA) programme of up to EUR 100 million, out of which up to EUR 40 million would be provided in grants and up to EUR 60 million in medium-term loans at favourable financing conditions. All disbursements under the programme were tied to the political pre-conditions for MFA **regarding the respect of democratic mechanisms, the rule of law and human rights, as well as to Moldova's track record under the IMF programme and the fulfilment of the specific policy conditions laid down in the Memorandum of Understanding.** On 24 November 2017, the Commission, on behalf of the EU, and the Moldovan authorities signed the Memorandum of Understanding, which includes measures in areas such as **public governance, financial sector governance, energy sector reforms and tackling corruption.** The first instalment of EUR 30 million was released in October 2019. The second instalment of EUR 30 million was released in July 2020. **The third and final instalment of the programme was cancelled,** as the availability period of the programme ended in July 2020.

The Macro-Financial Assistance related to the COVID emergency is linked to the same preconditions. As such there is internal coherence as same criteria are applied for Macro-Financial Assistance as for BS interventions (general conditions). Funds can be used for the same sectors as highlighted in the SSF2019-2020.

### **Agriculture and rural development**

The EU MFA is complementary to the EU bilateral support to the Agricultural and Rural development Sector. The MFA follows the fulfilment of the Moldova's policy commitments agreed with the EU, as laid down in the Memorandum of Understanding which included important measures in the fields of financial sector governance, public sector governance, the fight against corruption and money laundering, energy, and business climate and the implementation of the Deep and Comprehensive Free Trade Area (DCFTA). The latter two areas are important for agricultural development in the country. As agriculture is to be most influenced sector by the DCFTA.

As a part of the overall EU package of assistance, the MFA is expected to contribute to support the EU's objectives of economic stability and economic development in Moldova. By supporting the authorities' efforts to establish a stable macroeconomic framework and improve economic governance, the proposed assistance would help improve the effectiveness of other EU financial assistance to the country, including budgetary support operations.

The EU's MFA is also expected to complement the standard EU aid packages mobilised under the ENI. By supporting the adoption, by the Moldovan authorities, of an appropriate framework for macroeconomic policy and structural reforms, the EU's MFA would enhance the added value and effectiveness of the EU's involvement through other financial instruments.

### **Energy and Water Sectors**

EU support to the Energy and water sectors was designed to be coherent with regional programmes (EU4 Energy, EU4 Business, EU4 Environment).

<b>Indicator 2.1.2. Occurrences of EU programmes sharing analysis through dedicated mechanisms</b>		
Strength of evidence basis: Medium		
<b>Main source of information:</b>		
Document review	Interviews	Survey
European Joint Development Cooperation Strategy (Joint Programming Document) For the Republic of Moldova	Interviews with public officials in Moldova	
BRIEFING BOOK From Development Partners of Moldova, 2015	Interviews with EU officials	
International Bank for Reconstruction and Development International Development Association International Finance Corporation Multilateral Investment Guarantee Agency Country Partnership Framework for The Republic of Moldova for The Period FY18-21 June 29, 2017	Interviews with civil society representatives	
Action Documents, contract, latest/final report (as available) for sampled interventions		

Overall, Sub-Committees and Steering Committees of large programmes (such as facilities and budget support programmes) are preferred avenue for sharing analysis on the context and implementation of EU programmes. The occurrences analysed in the Education and Agricultural sectors provide examples of such horizontal cross-fertilization:

### **Agriculture and rural development**

The EU cooperated with Moldova's key development partners to analyse and identify a response to the needs in various sectors including Agriculture and Rural Development. During 2015 the "Briefing Book Group" of eight development partners consisted of EUD in Moldova, the United Nations, the World Bank, the USAID, the German Agency for International Cooperation, the Austrian Development Agency, the

Swiss Agency for Development and Cooperation in partnership with the diplomatic missions of the United States, Sweden, Switzerland, Germany and Austria) carried out a joint analysis of key Issues and Challenges in various sectors including Agriculture and Rural Development and presented common positions on reform priorities and provided a platform for dialogue with the government.

## **Education**

The Sub-Committee on science and technologies, informational society, policies in audio-visual, education, training and youth, culture, sport and physical training (cluster 4) has wide membership. It comprises representatives of the Ministry of Education, Culture and Research, the Ministry of Foreign Affairs and European Integration, the Ministry of Economy and Infrastructure, the Academy of Science, the National Agency for Research and Development, the Audio-Visual Council and the EUD.

The Sub-Committee has gathered five times since 2015. Despite COVID-19 pandemic, the last Sub-Committee meeting took place in July 2020 and was largely productive. The purpose of the meeting, facilitated by the European External Action Service, as well as of previous meetings, was to give an account to the European Commission on the progress in implementing the AA. Participants took stock of recent achievements, addressed challenges and discussed ways for better using opportunities provided by the EU programmes, particularly Erasmus +, Horizon 2020, eTwinning, Creative Europe etc. As such, these sectoral meetings with high level officers and specialised experts were useful for exchanging views and boosting further actions.

The European Training Foundation (ETF) ETF supports the European Commission and the EU's External Action Service by providing inputs to the relevant bilateral sub-committees, follow up of the Mobility Partnership and contributing to the annual country reporting on education and training and employment developments. The ETF also supports the Government through providing high quality analytical inputs and facilitates sectoral dialogue on how to use Torino process recommendations in the context of the overall reform of skills development.

Where these platforms are less dynamic, if they are disrupted by a difficult political context or by challenges in implementation, as was the case in the **justice sector** for instance (witnessed by the interruption of budget support to this sector), they are less effective in permitting cross-fertilization of the analysis performed by EU programmes. For instance, the evaluation team observed that overlapping programmes on anti-corruption in the justice sector (e.g., ongoing technical assistance, which followed the CLEP project completed in May 2020 with some time overlap) did not perform briefings or use each other's reporting products.

<b>Indicator 2.1.3 Occurrences of EU programmes dividing work with other donors through dedicated mechanisms</b>			
Strength of evidence based: Strong			
<b>Main source of information:</b>			
Document review	Interviews	Survey	
European Joint Development Cooperation Strategy (Joint Programming Document) For the Republic of Moldova	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives		
BRIEFING BOOK From Development Partners of Moldova, 2015	Interviews with other donors and partners		
International Bank for Reconstruction and Development			

International Development Association International Finance Corporation Multilateral Investment Guarantee Agency Country Partnership Framework for The Republic of Moldova for The Period FY18-21 June 29, 2017

Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017)

Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 - Single Support Framework for EU support to Moldova (2017-2020).

### **Joint programming**

On 28 February 2018, the EU Delegation to the Republic of Moldova and the EU Member States, together with the Swiss Cooperation Office, presented the European Joint Development Cooperation Strategy 2017-2020 (Joint Programming Document) to the Moldovan government. The Joint Strategy reflects the revised European Neighbourhood Policy (ENP), the Association Agenda 2017-2019 and Eastern Partnership Priorities. It builds on the Joint Analysis that was presented to the Government of Moldova in October 2016. It is structured in line with the European Union Single Support Framework 2017-2020 and is aligned with Moldova's National Development Strategy ("Moldova 2020"). The Joint Strategy is structured around four broad areas of intervention encompassing the common strategic objectives of the EU, EU Member States and Switzerland and is aligned with the EU-Moldova Single Support Framework 2017-2020:

- Economic development and market opportunities including sustainable and inclusive economic growth, social protection and health
- Strengthening institutions and good governance including the Rule of Law and Security
- Connectivity, energy efficiency, environment and climate change
- Mobility and people-to-people contacts including support to the Visa Liberalisation benchmarks and to education, training and research.

Three cross-cutting priorities are also included: civil society, gender equality and strategic communication. The choice of priority sectors in the SSF 2017-2020 was guided by the Joint programming process through the Joint Analysis that was presented to the Government in October 2016 – and programmes, in turn, reflected this joint analysis. The indicative budget allocations reflect the focus on delivering tangible and visible results for citizens, although the actual spending followed only years after the Joint Analysis was conducted.

Although not being directly part of the joint analysis and joint strategy, EU ensured permanent coordination with the Council of Europe, UN institutions, the World Bank, European Bank for Reconstruction and Development, USAID and other partners.

The development banks are implementing interventions co-financed with NIF, so the EU cooperation is with them demand-driven – the banks receive a request for credit from the Government of Moldova and apply to the EU for complementary NIF funding, which forms part of the overall financing package.



### **Division of labour at programme level:**

The research of the program documentation and interviews has shown evidence that EU programmes are dividing work with the EU Member States, through contribution and/or delegation agreements with other international partners, such as the relevant UN agencies, Council of Europe, OSCE, national agencies such as GIZ and ADA. The EY also co-finances projects and financing instruments with European Development Banks (KfW, EBRD, EIB).

Some of the identified examples include:

- NIF (national and regional projects) co-financed with EBRD, EIB and KfW.
- Clean Water Cahul – delegation agreement with KfW.
- Anticorruption – delegation agreement with GIZ.
- CBM – contribution agreement with UNDP.
- Start Up City Cahul – implemented with SIDA.
- Water Cantemir – delegation agreement with ADA.
- Development of Rural Areas - delegation agreement with ADA.
- Support for agriculture and rural development in ATU Gagauzia and Taraclia district (SARD)-delegation agreement with UNDP.
- Coordination/collaboration with IMF related to BS.
- Multiple twinning interventions implemented with institutions from EU Member States.

The agriculture and rural development sector provide a good case study. Within the general community of development partners there was a division of labour in terms of donor coordination based on comparative advantage. The WB for example has been the principal voice on energy and governance issues and, together with the EU Delegation, the EU Commission and EU member states, ensured consistency of development partners' views on budget support.

In terms programmatic support to the agriculture and rural development sector there are a large number of donors, both multilateral and bi-lateral, assisting Moldova in the field of agriculture and rural development. There were signs of division of labour based on the discussions with some of the stakeholders working in the sector who perceived that could have been the underlying factor for EU not focusing support on irrigation projects as other donors already focused on that particular area. According to IATI data the largest donor in the sector has been the Millennium Challenge Account which aimed to improve agricultural productivity and expand access to markets and services through critical investments in irrigation and road infrastructure.

In terms division of labour within the European community, based on the results of the joint analysis, the European Joint Development Cooperation Strategy for Moldova made a clear division of labour. In accordance with the strategy the agriculture and rural development sector was one of the main areas of intervention for Austria, Czech Republic, Latvia, Lithuania, Poland, Romania and the EU. This was generally also reflected in terms of contribution to the sector on a programmatic level. The DEVRAM project for example involved co-financed in joint co-financing by the ADA for an amount of EUR 800,000 and the Polish support was very visible for continued application of the LEADER method.

### **Education**

In VET, since 2014 when BS was provided, the EU became the leading donor and other donors, and country development partners aligned their programmes accordingly, to ensure complementarity and avoid overlapping. BS termination in 2017 and a two-year break from supporting VET, followed by a switch to twinning project, influenced other donors' decisions on how to further assist the Government. Among other things, a tendency of other donors, particularly LED and ADA, to withdraw investments in infrastructure and focus on continuous training, occupational standards and qualifications was observed. While the EU was the guiding spirit and coordination among donors was carried though, some overlaps came about (in case of the EU twining programme and LED).

JC 2.2: Political dialogue and cost components of EU-Moldova cooperation are consistent and mutually reinforcing

Policy dialogue takes place through structured meetings under the Association Agreement, through formal Steering Committees, including for budget support programmes and jointly with EUMS and other development partners on issues of particular importance or political sensitivity which are essential in terms of supporting EU policy objectives. Budget support programmes and related withholding of tranches were used as an instrument for stimulating policy dialogue on issues as transparency, anti-corruption, and good governance. A close policy dialogue was held with the Ministry of Finance, the National Bank of Moldova, the Supreme Audit Institution, and the Budgetary Committee of the Parliament in view of increasing the transparency in Public Financial Management.

There is substantive evidence that policy dialogue was/is permanent involving not only the Government of Moldova but also other actors including civil society.

Although the interruption of BS disbursements and the reduction of instalment related to the failure to achieve indicators has created some challenges for Ministry of Finance and sectors, policy dialogue has not been significantly affected.

**Indicator 2.2.1 Correlation between objectives of regional/cross border programmes, and bilateral programmes**

Strength of evidence based: strong

**Main source of information:**

Document review	Interviews	Survey
Programming of the European Neighbourhood Instrument (ENI) - 2014-2020 Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2014-2017)	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives	
Programming of the European Neighbourhood Instrument (ENI) - 2014-2020 Strategic Priorities 2014-2020 and Multi-annual Indicative Programme 2014-2017		
European Neighbourhood-wide measures		
Neighbourhood Investment Facility Operational Annual Report 2014, 2015		
Association Implementation Reports 2017, 2018, 2019		
Action Documents, contract, latest/final report (as available) for sampled interventions		

Overall, the review of documentation for all sampled interventions revealed that, where a sector is served by both bilateral and regional/cross border programmes, the objectives of this programmes are compatible and mutually reinforcing.

For instance, in the rule of law/people-to-people contact sectors, there was perfect adequation between the support to the VLAP on the one hand (bilateral) and the EUBAM and other cross-border projects on border management on the other end. The objectives of all related projects were aligned on the Association Agenda and on the VLAP, and therefore perfectly correlated.

Another case study is found in the agriculture and rural development. One of the three strategic objectives of the European Neighbourhood Instrument is to contribute to economic integration and sector cooperation. In the NIF Strategic Orientation 2014-2020, 'Promoting smart, sustainable and inclusive growth' is one of three strategic objectives and direct reference is made to DCFTAs and to SME development and financing.

The regional approach of the EU set out to consider national specificities to ensure that regional policy and programmes are in coherence with other EU policies and programs. Two ENI CBC programmes have been identified in the financing period that involved Moldova and were of relevant to agriculture and rural development. These involved the:

- Romania-Ukraine-Republic of Moldova 2007-2013 Joint Operational Programme (RO-UA-MD JOP), and the following Romania – Republic of Moldova 2014-2020.
- The Black Sea Joint Operational Programme
- the Interreg Danube Transnational Programme.

Through the RO-UA-MD JOP, the people in border areas were encouraged to further develop the border economy, confront environmental challenges and enhance their preparedness for emergency situations. The programme also promoted greater interaction between people and communities living in the border areas. This JOP had three main priorities, namely:

- Priority 1: Towards a more competitive border economy.
- Priority 2: Environmental Challenges and Emergency Preparedness.
- Priority 3: People to People Co-operation.

The strong focus of the RO-UA-MD programme on improving the competitiveness and economic performance of the border area through the diversification and modernization of the border economy created a great correlation between objectives of regional/cross border programmes, and bilateral programmes. The priorities of the Romania – Republic of Moldova 2014-2020 JOP did not explicitly target competitiveness, nevertheless, the programme was relevant to and correlated with the objectives of bilateral programmes. This was the case with the Interreg Danube Transnational Programme which finances projects for the development and practical implementation of policy frameworks, tools and services and concrete small-scale pilot investments. Strong complementarities with the broader EU Strategy for the Danube Region (EUSDR) are sought. The Priority of Area 8 of the Danube Region Strategy also aims to support the competitiveness of enterprises in the Danube Region. An Action is an important issue requiring intervention by the countries and stakeholders involved to meet the objective of the Priority Area.

#### **Indicator 2.2.2. Absence of duplication between regional/cross border programmes, and bilateral programmes**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
Association Implementation Reports 2017, 2018, 2019		
Action Documents, contract, latest/final report (as available) for sampled interventions		
Ex-post Evaluation of 2007-2013 ENPI CBC Programmes Final Report Volume I: Main Report January 2018		

There was no evidence of duplication between regional/cross border programmes and bilateral programmes in any of the sectors reviewed. There was on the other hand evidence of complementarity between regional/cross border programmes, and bilateral programmes. This for example involved cross border projects aimed to boost the interaction between farmers and ecological agriculture service providers to promote organic agriculture when development of organic agriculture was also supported through bilateral technical and financial assistance. Likewise, VLAP support and EUBAM/other cross-border projects on border management had a clear division of labour in terms of national policy and capacity support versus field support on the site of border crossings.

Almost all CBS programmes were committed to ensure complementarity and synergies during design and implementation and to avoid duplication and double funding. Consequently, programme documents contained a section on coherence with other programmes and existing strategies, which provide the backdrop for the implementation of CBC activities. Applicants were asked to demonstrate the complementarity of their project with other EU and national initiatives. According to the Ex-post Evaluation of the ENPI CBC Programmes, there were increasingly more mechanisms to facilitate synergies with other programmes. Coordination and synergies also took place given the overlap of programme management structures and/or people involved in them. This for example involved the Interreg programmes, which often involved JMC members from ENPI CBC programmes.

### Indicator 2.2.3 Extent to which EU reduction/withdrawal from BS affected political dialogue with GoM

Strength of evidence based: medium

#### Main source of information:

Document review	Interviews	Survey
EAMR 2014-2020	EUD stakeholders GoM stakeholder	
Association Implementation Reports 2017, 2018, 2019		
Action Documents, contract, latest/final report (as available) for sampled interventions		

The research found no substantive evidence that EU reduction/withdrawal from BS affected significantly political dialogue with GoM. Rather, it is the unstable political situation which affected the implementation

of budget support programmes – but dialogue remained active, albeit more challenging. Although no new Budget support operations were concluded in Moldova since 2015 and budget support programmes were gradually phasing out since, this situation was used as a basis for policy dialogue and as a leverage to promote and obtain the implementation of agreed reforms in key areas such as trade, visa-liberalisation, rural development, to support macro-economic stability and the related IMF programme and to improve the economic governance (stronger and more transparent budgeting process, stronger budget oversight by the Court of Auditors and the Parliament). Strong application of conditionalities permitted the EU to underline with GoM that EU financial support is clearly linked with progress made on the rule of law, human rights, and democratic principles.

Interruption and withholding of disbursement of budget support was a factor pushing for an increased coordination and policy dialogue with IMF and EU Member States.

Stakeholders from Government of Moldova indicated that policy dialogue was ongoing but noted that the non-disbursement or reduction of instalments of budget support funds has created difficulties for the Ministry of Finance and tackled sectors, as planned working programmes had to be revised and additional financing had to be found for complying with already committed expenditures. Stakeholders at operational level report not always being clearly informed on the reasons for no disbursement or reduction of instalments. A specific difficulty for stakeholders at sector level was related to withholding of tranche disbursements due to non-compliance with the general conditions of BS i.e., with factors outside the control of the sector.

### JC 2.3: Blending generated financial leverage with EUMM and other donors and increased visibility of EU cooperation

There is clear evidence that blending operations – both at the national and regional level- created an important leverage with international development banks (and in a specific case also with AFD). EU support provided additional funding for activities which would have been difficult to be financed by development banks (i.e., additional technical assistance); furthermore, EU support permitted to reduce the average cost of financing, making thus the investment more attractive for Moldovan Government. EU cooperation is quite visible in the websites, social media, EUD participated in visibility activities.

At national Moldova level blended operations focus on large-scale infrastructure projects, the most prominent being the electricity interconnector with Romania and thus the European Electricity Market. Other projects support the transport sector, mostly key roads, locomotives, railway restructuring, or transport systems and environmental projects such as the Chisinau Water Treatment Plant. At regional level NIF funds are blending financial instruments. Access to finance is provided through the DCFTA facility and provided through five local banks. Up to 2019 more than 300 SMEs have benefited from a DCFTA targeted access to finance support in Moldova, and more than 17 660 SMEs have benefited from EU support for access to finance in Moldova under EU4Business (SME Finance Facility, DCFTA Facility, EFSE, GGF). Access to finance is often provided together with business management/planning support as Moldova is not a traditional country for private/SME lending and the facility increased coverage after the first success stories were actively communicated. Access to finance by the EU is regarded as a trustworthy system that SMEs prefer over purely local financing alternatives.

The SSF 2014-2017 identified three priority sectors of intervention to be financed through the national envelope: Public administration reform, Agriculture and Rural development; Police reform and border management. As such national Moldova Blending operations during the reference period 2014-2017 were not in line with national SSF but complementary to the 3 priorities of the SSFs; however, they were fully in line with the Strategic Orientations for Neighbourhood Investment Facility and with the National Strategy Moldova 2000. They concentrated on the transport and water sectors.

Projects with a NIF Component implemented at national level (in Moldova) correspond to the National Strategy Moldova 2000 priority” Public investment in the national and local road infrastructure to reduce transportation costs and increase the speed of access”. Energy projects correspond to “Reducing energy consumption by increasing energy efficiency and using renewable energy sources.

Related to NIF operations at regional level: since 2010 EU is supporting SMEs in the region by providing additional support with NIF funds to the financial instruments put in place. As such all Regional Blending operations are in line with the priority of the SSF (1) “Reducing financing costs by increasing competition in the financial sector and developing risk management tools; (2) Establishing better and more sustainable energy and transport interconnections (between the EU and neighbouring countries and between the neighbouring countries themselves), improving energy efficiency and demand management, promoting the use of renewable energy sources, strengthening energy security through diversification of energy supplies and energy market integration.

The project “Moldova-Romania Interconnection Phase I” is fully in line with the priority 3 of the SSF 2017-2020 and with the priority 5 of the Strategy “Moldova 2000”.

There is although a full alignment with Strategic Orientations for Neighbourhood Investment Facility (especially with Strategic objective 1 “Establishing better and more sustainable energy and transport interconnections (between the EU and neighbouring countries and between the neighbouring countries themselves), improving energy efficiency and demand management, promoting the use of renewable energy sources, strengthening energy security through diversification of energy supplies and energy market integration, and supporting investments related to the implementation of EU agreements, including DCFTAs, as set out notably in the ENP Association Agendas / Action Plans and in the follow-up to Taskforce meetings.”

National Blending operations had an important leverage effect (1:3 up to 1:19,7). NIF funds permitted to reduce overall costs of investments - and facilitated such approval of projects by Parliament. Financing of technical assistance permitted to accompany financing of investments – especially in a volume which normally cannot be financed by international development banks as an accompanying measure (grant). This is important as beneficiary countries are most often reluctant to take grants for paying international technical assistance. NIF funds at regional created as well important leverage effects, i.e., in 2016, 12 NIF projects from the Regional ENI programme with a budget of EUR 120 M were supporting blending of more than EUR 600 M in donor contributions and loans.

All blending operations which financed infrastructure projects faced some challenges during implementation and needed extension in time or faced an increase in costs. This seems justified as the implementation of infrastructure projects is not easy in the Moldovan context: design of infrastructure, elaboration, and approval of terms of reference, international tenders and undertaking works in a political challenging climate made it difficult to stick to the original chronogram. A further difficulty faced by several of the work contracts was the lack of qualified workers in Moldova as many have emigrated to Russia and EU countries. However, the EU faced difficulties to respond with the available instruments to these challenges, in fact some funds were lost as contracts could not be signed in time (N+3).

Visibility of EU in the context of blending operations is acceptable. Interviews with EBRD project officers and EU project officers confirmed that for national blending projects the EU Delegation is invited for meetings. EUD is participating in regular meetings with implementing partners and assures presence during important events. The website EU4Moldova gives a lot of visibility and information on EU financed blended projects and programmes.

### **Indicator 2.3.1 Blending operations (for Moldova) in line with Single Support Frameworks**

Strength of evidence based: strong



Main source of information:		
Document review	Interviews	Survey
Revision of all contribution agreements covering NIF funds. Single Support Frameworks 2014-2017 and 2017-2020.	EBRD staff Interviews EUD staff interviews	
Revision of documentation available on the EBRD website (huddle)		

**SSF 2014-2017:** The SSF 2014-2017 identifies three priority sectors of intervention to be financed through the national envelope have been defined: Public administration reform, Agriculture and Rural development; Police reform and border management. These sectors of intervention reflect implementation priorities stemming from the Association Agreement (including DCFTA), the Visa Liberalisation Action Plan and the Visa Facilitation and Readmission Agreements, the relevant Sector Strategies and bilateral sectoral agreements, and the Government's programme "European Integration: Freedom, Democracy, Welfare 2011-2014" and the National Development Strategy ("Moldova 2020").

The National Development Strategy ("Moldova 2020") identifies seven priorities which are:

- Aligning the education system to labour market needs in order to enhance labour productivity and increase employment in the economy.
- Public investment in the national and local road infrastructure in order to reduce transportation costs and increase the speed of access.
- Reducing financing costs by increasing competition in the financial sector and developing risk management tools.
- Improving business climate by streamlining the regulatory framework and applying information technologies in public services for businesses and citizens.
- Reducing energy consumption by increasing energy efficiency and using renewable energy sources.
- Financial sustainability of the pension system in order to ensure an appropriate rate of wage replacement.
- Increasing the quality and efficiency of justice and fighting corruption in order to ensure equity for all citizens.

The projects co-financed under NIF 2014-2017 are aligned with the priorities mentioned in the National Development Strategy, but not directly with the priorities of the SSF 2014-2017:

### **National Projects**

CRIS-No	Title	Starting	Implementing Partner	EU Contribution	Comments	Moldova 2000 Priority	SSF 2014-2017
355431	Moldova Roads Rehabilitation IV	2014	EBRD	1.541.650,5	Supervision	2	
353807	Moldova Roads Rehabilitation IV	2014	EBRD	13.758.349,5	Infrastructure	2	

353812	Moldovan Railways Restructuring Project	2014	EBRD	5.200.000,00 €	Mainly acquisition of locomotives	2	
353786	Chisinau Water Development Programme	2015	EBRD	13.785.000,00 €	Infrastructure		
366717	Moldova North Water Project	2015	EBRD	1.720.400,00 €	cancelled		

Further to the projects mentioned before the following NIF interventions financed before NIP 2014-2017 were still under implementation during the reference period.

**Table Regional projects financed before SSF 2014-2017 but under implementation during the reference period**

CRI S-No	Title	Starting	Implementing Partner	EU Contribution	End	Comments	Moldovan partner IFI
255-366	EIB-04 SME Finance Facility - EIB window	22/12/2010	EIB	5.100.000	31/12/2020	Response to the effect of the 2008 financial crisis on SMEs in EaP. EU/NIF grant provides interest subsidy, loss coverage and Technical Assistance and TA	Procredit
255-386	SME Finance Facility Phase I - EBRD/KfW	22/12/2010	EBRD, KfW	10.200.000	22/12/2019		BT Leasing

**SSF 2017-2020:** In the SSF 2017-2020 four priority sectors of intervention to be financed through the national envelope have been defined:

- Sector 1: Economic development and market opportunities, including sustainable and inclusive economic growth.
- Sector 2: Strengthening institutions and good governance.
- Sector 3: Connectivity, energy efficiency, environment, and climate change
- Sector 4: Mobility and people-to-people contacts

**Projects with a NIF Component financed at national level SSF 2017-2020**

CRIS-No	Title	Starting	Implementing Partner	EU Contribution	Comments	Moldova 2000 Priority	SSF 2017-2020 Priority sector
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40031 1	Moldova-Romania Interconnection Phase I	2018	EBRD	40.750.000		5	3
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### **Regional Projects**

Regional projects financed during this period are mainly promoting the economic development of small and medium producers of the agricultural and agri-food sector. They are in line with SSF sector 1.

CRIS-No	Title	Starting	Implementing Partner	EU Contribution	End	Comments	Moldovan partner IFI
376-993	DCFTA Initiative East (EIB) Guarantees Window	19/12/2016	EIB via EIF	50.000.000	31/12/2021	Support to the DCFTA implementation in GE, MD and UA by providing targeted financial and technical support to SMEs with a focus on the agri-food sector.	Procredit Moldova
376-993	DCFTA Initiative East (EIB) Risk Capital Window - Technical Assistance for Microfinance Institutions	19/12/2016	EIB	2.800.000	31/12/2021	Support to the DCFTA implementation in GE, MD and UA by providing targeted financial and technical support to SMEs with a focus on the agri-food sector.	
376-993	DCFTA Initiative East (EIB) Technical Assistance Window	19/12/2016	EIB	7.800.000	31/12/2021	Support to the DCFTA implementation in GE, MD and UA by providing targeted financial and technical support to SMEs with a focus on the agri-food sector.	

phase 1: 373-0812 phase 2: 389-994	DCFTA Facility EBRD DCFTA programme phase 1 and phase 2 INCENTIVES FOR SMEs - DCFTA & Currency hedging UA		EBRD	48.000.000		Eu has blended the EBRD DCFTA loans to SMEs with an incentive grant of 10-15% under specific verification of the sub-loan implementation.	Mobiasbanca, Procredit
phase 1: 373-0812 phase 2: 389-994	DCFTA Facility EBRD TECHNICAL ASSISTANCE		EBRD	9.000.000		TA to support the lending operations,	
phase 1: 373-0812 phase 2: 389-994	DCFTA Facility EBRD DCFTA programme phase 1 and phase 2 TRADE FINANCE PROGRAMME		EBRD	800.000		EBRD offered technical assistance to the DCFTA PFI-s and SMEs order to enhance trade transactions between the DCFTA countries and EU.	
228-707; 398-298	EFSE (Neighbourhood Window of the European Fund for Southeast Europe) ;)	17/12/2009	KfW	55.100.000	31/12/2021	Subscription and management on behalf of EC to EFSE for lending to financial institutions in the EaP.	BT Leasing
334-927; 404478; 8; 401728	GGF - Extension to NIF East Region; GGF Extension to Neighbourhood East II;	334-927 20/12/2013 404478 and 401728:1 9/12/2018	KfW	24.670.000	334-927 31/12/2019 404478 and 401728:18/ 12/2040	Subscriptions in the Green for Growth fund, specialized in support to advance energy efficiency in EaP region though investing in local lending institutions.	BT Leasing MD

360-798	SBS in EaP phase II	24/12/2015	EBRD	8.000.000	22/12/2019	EU has funded advisory support services to SMEs in the EaP region to enhance the disbursement of the EBRD loans to SMEs.
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With all blended interventions financed under the SSF 2017-2020 there is a full alignment with **Strategic Orientations for Neighbourhood Investment Facility**.

**Strategic objective 1:** Establishing better and more sustainable energy and transport interconnections (between the EU and neighbouring countries and between the neighbouring countries themselves), improving energy efficiency and demand management, promoting the use of renewable energy sources, strengthening energy security through diversification of energy supplies and energy market integration, and supporting investments related to the implementation of EU agreements, including DCFTAs, as set out notably in the ENP Association Agendas / Action Plans and in the follow-up to Taskforce meetings.

They are aligned with SSF 2017-2020 priorities 1 and/or 3.

Indicator 2.3.2 Financial leverage generated (%)		
Strength of evidence based: strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Own calculations made on the basis of the contribution agreements	EUD staff EBRD staff	

Blended operations at national level had an important leverage effect. (1:3 up to 1:19,7). NIF funds permitted to reduce overall credit costs of investments; by mixing NIF grant funds with loan funds provided by development banks average financing costs of the overall financing package decreased; this corresponded to an important support to Moldova and facilitated the approval of the respective investment projects by Parliament. Part of the EU funds were used for financing the accompanying technical assistance. The financing of TA facilitated the implementation of investment projects; this is important as international development banks in most cases cannot provide the necessary accompanying technical assistance with grant funds. On the other hand, the Government is reluctant to use loan funds for financing technical assistance.

### **National Projects**

CRIS-No	Title	Starting	Cofinanciers	Total Cost	EU Contribution	EBRD (M€)	EIB (M€)	Leverage
355431	Moldova Roads Rehabilitation IV	2014	EBRD	M€245	€ 16,200,000	115	115	1: 15,1
353807	Moldova Roads Rehabilitation IV	2014	EBRD	M€315,5	€15,000,000	150	150	1:21
353812	Moldovan Railways Restructuring Project	2014	EBRD	M€107,7	€5.200.000,00	52,5	50	1: 19,7

353786	Chisinau Water Development Programme	2015	EBRD	M€59	€13.785.000 (M€11 NIF grant + AT)	24	24	1: 4,4
366717	Moldova North Water Project	2015	EBRD	M€ 30	€ 10.000.000	10	10	1: 3
	<b>Cancelled:</b>				<b>1.720.400,00 €</b>			

NIF funds at regional created important leverage effects, i.e., in 2016, 12 NIF projects from the Regional ENI programme with a budget of EUR 120 M were supporting blending of more than EUR 600 M in donor contributions and loans. Financial instruments financed under DCFTA have been important for Moldova, however, consumption of funds was reported as lower than in other countries of the region due to the weakness of the banking sector.

### Indicator 2.3.3 Extent to which EU visibility guidelines have been applied in blending operations

Strength of evidence based: medium

#### Main source of information:

Document review	Interviews	Survey
Progress reports of IFIs, several reports in the Moldovan newspapers where EU is mentioned, website EU4Moldova Action Documents, contract, latest/final report (as available) for sampled interventions. Websites of sampled interventions (where applicable)	Interviews with EUD staff Interviews with EBRD, CoE Interviews with implementing partners of sampled interventions Interviews with Moldovan Officials (beneficiary institutions of sampled interventions)	

### Agriculture and rural development

The EU has increasingly implemented holistic rural development interventions which involved large social infrastructure such as wastewater systems. This has also been the result of adopting lessons learned from previous multi-annual planning efforts. These efforts have contributed towards increased visibility of EU Moldova cooperation and improved public recognition of EUs support to the country's development. This has been generally the case but was particularly noticed in discussions with stakeholders in the focal regions where the EU is active.

Introduction and expanding implementation of the Leadership approach has also been beneficial in terms of visibility and positive opinion of rural population the support of EU in the country. Through the Local Action Groups rural population has benefited from the financial support of the European Union in a very tangible and demand driven manner.

In addition, the EU has also been more active about promotion of visibility in the regions of Moldova through various information campaigns targeting the rural population such as the EU for Rural Moldova which is designed to reflect on the support and consequent changed achieved in rural areas.



## **Governance:**

Review of the available publications and websites from projects in the field of governance show good adherence to the visibility guidelines of the EU. The EU is usually clearly depicted as the donor. Pictures from events, corroborated by interviews, show that visibility guidelines are followed. Moldovan officials show a fair level of awareness of the EU's contribution, when it comes to projects they have participated in for instance, they clearly associate their trainings to EU funding, even when these trainings are organised by another international organisation. The evaluation team found no indication that beneficiaries confused EU projects with other initiatives.

## **Infrastructure**

Interviews with EBRD project officers and EU project officers confirmed that EU visibility guidelines have been applied by implementing partners. EU Delegation is invited for meetings. EUD is participating in regular meetings with implementing partners and assures presence during important events.

EU NIF contribution is mentioned in most of the documents which can be found online. For example, for the Moldovan Railways Restructuring Project: a visibility plan is annexed to the report of EBRD (2019) and includes 9 visibility activities.

## **Education**

One of the most successful communication activities implemented in 2019 was the Special Lesson about Education Opportunities funded by the EU in the Republic of Moldova, which has been conducted in more than 1200 schools from the country during the youth and education campaign, targeting 330,000 pupils. Some of the schools organized open activities that were intensively disseminated to the public by local media for greater awareness.

The National Communication Campaign "Stronger Together: Creating Opportunities for Youth!" was a pilot initiative to organise a communication campaign of this scale, together with the regional campaign on the same topic implemented by the EU Neighbours East project.

Erasmus + programme (and previous similar programmes, such as Tempus, for instance) are well known and have a long history of setting out visibility throughout. The Horizon 2020 programme is gaining more and more acclaim, including through visibility measures. Based on the 2020 Annual Survey Report, the infrastructure development projects are the most well-known EU-financed programmes in the country (58% of Moldovans aware of EU-funded programmes), followed by 'educational programmes' (43%, up 6%), which may be an attestation of the continued participation in Horizon 2020, Erasmus+ and Mobility Partnership Programme.

## **Business environment**

All EU supported infrastructure projects (blended with NIF funds) are presented in the EU4Moldova website; same all interventions related to DCFTA (regional projects blended with NIF funds) can be found there. Furthermore, EU financed a specific action for increasing visibility for actions related to AA/DCFTA implementation in the framework of EU-funded assistance programmes.

There were positive communication opportunities in 2019 underlining how EU assistance is supporting Moldova's citizens and the political commitments such as the 5th Anniversary of the AA and DCFTA for which a large exhibition was organised by the EU Delegation with a nation-wide communication campaign 'Created in Moldova – appreciated in the World' and several other communication tools under the EU4Business branding were developed.

## Evaluation question 3: JCs and indicators

**EQ3. To what extent have the various aid modalities and financial instruments and their combinations been, and are at present appropriate in view of achieving the objectives of EU cooperation with Moldova?**

This EQ covers Efficiency and Relevance

JC .3.1: The mix of aid modalities and financial instruments was coherent, fit for purpose, and limited the risks.

JC.3.2. The implementation of projects through contribution agreements under the blending modality permitted a timely and adequately monitored implementation of the intervention.

J.C. 3.3. Budget support contributed to defining and achieving common objectives of the EU and the Republic of Moldova

JC 3.1: The mix of aid modalities and financial instruments was coherent, fit for purpose, and limited the risks.

The EU has mixed project approaches (twinning, technical assistance, contribution agreements, grants) with conditional financial support (budget support, blending, macro-financial assistance) coherently with its subject areas, and with its risk analysis. However, it may not always overcome difficulties and challenges, which sometimes may have contributed to occasional delays, or to cancellations of programmes, activities and payments.

This mix of modalities and the types of programmes which were cancelled or interrupted (budget support in particular) removed some of the Government's leverage on the utilization of funds, as compared to the period before 2016 (budget support cuts) and 2017 (new SSF). It is coherent with the lessons learned from the risks which realized, as witnessed by exposure of the bank fraud scandal, in 2015-2016: the mix of aid modalities and types of financial support limited the re-materialisation of such risks, by diversifying these risks and increasing mitigation opportunities. It is also matching the thematic areas, and with the targeted groups. Assorted with strong conditionalities, it is fit for purpose: supporting the strategic objectives of the Association Agreement, with the Association Agenda, and the Twenty Deliverables for 2020 – provided some key external assumptions of the intervention logic were met, which was often not the case, which remains outside of the EU's control.

Budget support programmes still accounted for a significant amount of the EU assistance before payments were suspended in 2015 due to the theft of EUR1billion from the banking sector and risks to macroeconomic stability of the country. With the second SSF, the re-targeting of a large part of EU support towards the local level and the citizens, directly led to increased recourse to blending and project modalities, because these were most adequate in these thematic areas, and for the concerned target groups.

This approach was coherent with increased efforts on energy and environment, biomass, support to SMEs. In parallel, support to the governance sector carried on mostly through technical assistance, contribution agreements and to a lesser extent twinning as a key means of support: project-based approaches have revealed great potential to accompany normative and institutional changes.

**Indicator 3.1.1 Proportion of various modalities (grants, contribution agreements, technical assistance, twinning, blending, budget support) in the clusters identified for sampled interventions**

Strength of evidence based: ARD-strong

**Main source of information:**

Document review	Interviews	Survey
EC Implementing Decisions and their annexes Action Documents, contract, latest/final report (as available) for sampled interventions Portfolio review (database)	- Interviews with public officials in Moldova - Interviews with EU officials - Interviews with civil society representatives	

The proportion of various modalities varies a lot from sector to sector. More resource-intensive sectors, such as agriculture and rural development, infrastructure, energy and biomass, as well as private sector support, more frequently resort to blending. Other sectors are more widely project-based, and, to a lesser extent, based on budget support.

The governance sector chiefly features a mix of technical assistance, financing agreements (with EU member States cooperation agencies or with other international organisations) and, on the decreasing trend, budget support, complemented by civil society grants.

In the agriculture and rural development sector financed bilaterally, the main modality involved contribution agreements which account for 55 percent of the total financing dedicated to the sector followed by budget support which equalled to 35 percent, twinning 4 percent, action grants 4 percent, technical assistance and other services which equalled to about 2.5 percent. Blending projects were primarily targeting private sector development in exception to the “Fruit Garden of Moldova” project which specifically targeted the horticultural sector. The total planned budget of the Fruit Garden of Moldova project alone (€120 million) exceeded the bilateral financing significantly.

There was a varied mix of implementation modalities in the case of civil society and confidence building: TA projects, grants, winning, indirect management with international organisations (UNDP, WHO, IOM) indirect management with member state organisation (GIZ).

Overview of key interventions includes:

Year	Contract title	Type	Planned amount	Paid
2017	Civil society advocacy for inclusive and fair elections in the Republic of Moldova, compliant with EU and OSCE/ODIHR recommendations and human rights commitments – CSO grant	Grant	€ 400.000	€ 360.000
2018	Strengthening of the policy development process in the context of the implementation of the Association Agreement - TA	TA	€ 1.825.000	€ 884.591
2015	Assistance to the implementation of the European Union High Level Advisors' mission to the Republic of Moldova 2016-2018 - TA	TA	€ 11.212.959	€ 11.212.959

2018	AGREED - Activating Governance Reform for Enhancing Development - Grant	Grant	€ 359.279	€ 95.625
2014	Support to Public Finance Policy Reforms in Moldova (PFPR) – BS and complementary support	BS	€ 26.700.000	€ 26.700.000
2015	Technical Assistance to Improve Public Finance Policy and Public Financial Management of Moldova - TA	TA	€ 3.304.838	€ 3.304.838
2014	Consolidation and Strengthening the External Public Audit in the Republic of Moldova - Grant	Grant	€ 1.438.262	€ 1.438.262
2017	Support to development of an effective internal control and audit environment in the public sector in Moldova - Grant	Grant	€ 1.200.000	€ 1.000.172
2019	Technical assistance on developing e-procurement system in the Republic of Moldova - TA	TA	€ 1.178.920	€ 235.784
2017	TWINNING - Capacity building of the National Centre for Personal Data Protection of the Republic of Moldova - Twinning	TW	€ 999.911	€ 872.614
2018	Support to public administration reform processes - TA	TA	€ 2.794.400	€ 1.140.534
2018	Support to the professional capacity development and motivation of the Public Administration employees in the Republic of Moldova - TA	TA	€ 1.994.200	€ 1.067.260
2015	Twinning Support to the Civil Service Modernization in the Republic of Moldova in line with EU best practices - Twinning	TW	€ 1.097.028	€ 1.097.028
2014	Improvement of Regional Statistics in the Republic of Moldova - TA	TA	€ 1.945.050	€ 1.945.050
2017	Support to local public authorities in ATU Gagauzia - TA	TA	€ 3.000.000	€ 2.970.000
2017	Cutting edge improvements in the public procurement system in Moldova through inclusiveness, creativity and law-abiding practices - Grant	Grant	€ 232.105	€ 208.895
	<b>Total for Good governance and public administration</b>		<b>€ 89.681.952</b>	<b>€ 54.533.611</b>
2014	Scale-up of Budget Support SPSP Energy - BS	BS	€ 1.000.000	€ 1.000.000
2014	Chisinau Water Development Programme - Blending	BL	€ 13.785.000	€ 9.230.426
2014	Moldova Roads Rehabilitation IV	BL	€ 13.758.350	€ 5.625.090
2014	Moldovan Railways Restructuring Project	BL	€ 5.200.000	€ 2.200.000

2014	Renewables and Energy Efficiency for Public Buildings (REEPB)	Grant	€ 859.693	€ 430.004
2014	Comprehensive demonstrational project for sustainable energy development in the town of Orhei.	Grant	€ 767.699	€ 632.810
2014	Green Light Moldova - Modernisation and Saving Energy at Street Lighting.	Grant	€ 400.000	€ 392.274
2014	Moldova Energy and Biomass Project (Phase II)	Financing agreement (not BL)	€ 9.410.704	€ 9.244.294
2014	Moldova Roads Rehabilitation IV	BL	€ 1.541.651	€ -
2017	Support to modernisation of the Energy Sector in the Republic of Moldova	TA	€ 1.374.800	€ 1.098.840
2017	Construction of Water Supply and Sanitation infrastructure as well as Energy Efficiency in Public buildings	BL	€ 39.800.000	€ 11.916.000
2017	Creation of excellence center through piloting demonstrative new energy efficiency technologies and renewable energy sources in Festelita community	Grant	€ 500.000	€ 441.152
2017	Cantermir Thermal Rehabilitation of Educational Buildings CanTREB	Grant	€ 674.240	€ 510.043
2017	Efficient public lighting in Calarasi city - Firefly in the heart of forests	Grant	€ 544.600	€ 407.433
	EU4ENV EU4WI+EU4ENERGY	Grant		
2018	Moldova-Romania Interconnection Phase I	BL	€ 40.750.000	€ 810.000
2018	Support to the reform of the Transport Sector in the Republic of Moldova	TA	€ 901.510	€ 707.910
2019	EU4MOLDOVA: Clean Water for Cahul	Financing agreement (not BL)	€ 10.900.000	€ 734.400
	<b>Total for Energy, infrastructure, environment and biomass</b>		<b>€ 142.210.485</b>	<b>€ 45.422.916</b>
XXXX	EIB-004 SME Finance Facility-EIB window	BL		
XXXX	SME Finance Facility Phase I -EBRD/KfW	BL		
XXXX	DCFTA Initiative East (EIB) Guarantees Window	BL		
XXXX	DCFTA Facility EBRD DCFTA INCENTIVES FOR SMEs	BL		
XXXX	EFSE	BL		

2017	SUPPORT TO THE QUALITY INFRASTRUCTURE FRAMEWORK WITHIN A DCFTA CONTEXT IN THE REPUBLIC OF MOLDOVA	TA	€ 3.683.800	€ 2.810.052
XXXX	EU4MOLDOVA: Start-up City Cahul; some interventions under CBM;	BL		
2018	Direct grant to ODIMM "Support to SMEs in rural areas"	Grant	€ 4.000.000	€ 2.589.069
XXXX	EU4Youth - Unlocking the potential of young social entrepreneurs in Moldova and Ukraine	BL		
2016	Business Academy for Women (BAW)	Grant	€ 223.938	€ 200.734
XXXX	ODIMM support, the Moldovan Business Incubators Network (RIAM)	BL		
	<b>Total for Business environment and SMEs</b>		<b>€ 7.907.738</b>	<b>€ 5.599.855</b>
2014	Support to the implementation of the VET reform in Moldova	BS	€ 15.100.000	€ 15.100.000
XXXX	Support to the VET sector (TA, ~EUR 3.5 mil. 2014-2017)	TA	€ 3.500.000	
2019	Twinning Enhancing the quality and effectiveness of the Vocational Education and Training (VET) system	TW	€ 1.300.000	€ 635.023
	Financial support to the participation of the Republic of Moldova in the EU programme Horizon 2020 for the year 2014 (grant, ~EUR 7.1 mil. 2014, 2016, 2017)	Grant	€ 6.114.807	
2017	Financial support to the participation of the Republic of Moldova in the EU programme Horizon 2020 for the years 2016-2017	Grant	€ 985.193	€ 880.023
XXXX	Erasmus + (structural, capacity building projects, ICM ~EUR 30 mil. 2014-2020)	Grant		
	<b>Total for Education and VET</b>		<b>€ 11.900.000</b>	<b>€ 1.515.046</b>
2017	Better Social services through a sustainable partnership between the civil society and the government	Grant	€ 1.989.888	€ 1.634.111
2016	Joint Initiatives of Civil Society Organizations from both Nistru riverbanks for Socio Vocational Integration of Disadvantaged Youth from Republic of Moldova (SVIS Moldova)	Grant	€ 590.990	€ 555.909
2017	Technical assistance to support CSO development in the Republic of Moldova	TA	€ 860.500	€ 688.400
XXXX	Respective components of the three grants under CSF (EEF, SFM, KASS)	Grant		



2017	Local civil society contributes to economic and social development in Moldova	Grant	€ 2.000.000	€ 1.800.000
2018	Citizens' Empowerment in the Republic of Moldova	Financing agreement (not BL)	€ 4.900.000	€ 1.070.385
	<b>Total for Civil Society</b>		<b>€ 10.341.378</b>	<b>€ 5.748.805</b>
2019	CBM V	Financing Agreement (not BL)	€ 10.600.000	
2015	CBM IV	Financing Agreement (not BL)	€ 23.000.000	
XXXX	Twinning project culture	TW		
	<b>Total for Transnistria</b>		<b>€ 33.600.000</b>	<b>€ -</b>
2015	"ENPARD Moldova – Support to Agriculture and Rural Development" SRC	BS	€ 64.000.000	€ 48.946.000
2017	Increasing the competitiveness of the agri-food sector through integration to domestic and global value chains and strengthening the water supply and sanitation infrastructure in rural areas focusing on safe wastewater disposal in Cantemir	Financing agreement (not BL)	€ 8.200.000	€ 5.400.000
2019	EU4Moldova: focal regions	Financing agreement (not BL)	€ 22.800.000	€ 5.377.884
XXXX	Moldova Fruit Garden Project		€ 8.600.000	
2020	LEADER approach for rural prosperity in Moldova	Grant	€ 1.000.000	€ 655.073
	<b>Total for Agriculture and Local Development</b>		<b>€ 104.600.000</b>	<b>€ 60.378.957</b>
2014	Increased Efficiency, Accountability and Transparency of Courts in Moldova	TA	€ 2.078.700	€ 2.078.700
2014	Support to the Pre-Trial Investigation, Prosecution and the Defence Set-Up in Moldova	TA	€ 1.853.585	€ 1.853.585
2014	Consolidate capacity of the national anti-discrimination system in the Republic of Moldova through inclusive society participation	Grant	€ 185.723	€ 185.723
2016	Support to the Constitutional Court of Moldova	TA	€ 1.317.146	€ 1.317.146
XXXX	CoE PGG I and II (hate crime, CLEP, economic crime etc)	Financing agreement (not BL)		

2016	Increasing the respect for women's rights in Moldova through combating gender-based violence	Grant	€ 350.000	€ 332.756
2017	Twinning: Support to the strengthening of the operational capacities of the Law Enforcement Agencies of the Republic of Moldova in the field of prevention and investigation of criminal acts of corruption.	TW	€ 1.000.000	€ 987.743
2014	Palanca Jointly Operated Border Crossing Point	Financing agreement (Not BL)	€ 4.500.000	€ 4.430.675
2017	Sustainable community partnerships to support the rights of persons belonging to minorities in Moldova	Grant	€ 380.000	€ 378.098
2018	Support to efficient prevention and fight against corruption in the justice sector	TA	€ 2.000.000	€ 1.273.872
2018	Reform of the initial and continuous training of the police system in the Republic of Moldova	TW	€ 2.000.000	€ 1.800.000
2018	Support to the police reform in the Republic of Moldova	BS	€ 2.699.400	€ 1.350.185
2018	Civic monitoring of the Police Reform in Moldova	Grant	€ 384.000	€ 260.243
2017	Let All of Us Say NO to Torture in Moldova: Civil Society against Torture	Grant	€ 697.243	€ 627.519
2014	Support to the enforcement, probation and rehabilitation systems in Moldova	TA	€ 1.790.700	€ 1.790.700
2019	Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova	Financing agreement (not BL)	€ 7.800.000	€ 1.717.584
2019	Support to the development and implementation of justice policies in the Republic of Moldova	Grant	€ 59.917	€ 46.834
	<b>Total for Rule of Law</b>		<b>€ 29.096.414</b>	<b>€ 20.431.364</b>

Indicator 3.1.2 Explicit match between aid modalities and risk analysis		
Strength of evidence based: Medium		
Main source of information:		
Document review	Interviews	Survey
European Court of Auditors Publications Special Report 25/2019:	Interviews with public officials in Moldova	
	Interviews with EU officials	

Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches Action Documents, contract, latest/final report (as available) for sampled interventions SSFs	Interviews with civil society representatives	
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Risk analysis is reportedly systematically done by the EUD (but could be shared with consultants). SSFs and project documents systematically include a list of risks weighing against successful implementation. Aid modalities matched the risk analysis as presented in the multiannual support frameworks. In particular, based on risk analysis, according to interviewees, the overall volume of budget support was drastically reduced from 2015 onward, to be replaced by project modalities, while regional blending increased.

The risks most frequently anticipated by the SSFs, and the project documents enter three main categories:

- Risk regarding political environment and governance such as Political instability and uncertainty disagreements between the line ministries as to policies.
- Risk regarding cooperation and coordination: Including conceptual disagreements between the Government and the donors/IFIs regarding the priorities, objectives and approach to be pursued in order to stimulate rural development; Lack of agreement with regard to the prioritization.
- Risk Regarding Lack of Resources: Lack of financial resources including budgetary resources necessary to co-finance investment projects and human resource capacities to drive sector policies; Lack of interest amongst local entrepreneurs and foreign investors.

However, the evaluation team could not find, in any of the reviewed document, a full-fledged risk analysis quantifying:

- The likelihood of the risks,
- The level of impact in case risks realised,
- The preventive measures to be taken against realisation of the respective risks,
- The mitigating measures to be taken in case of realisation of the respective risks.

A good practice of most explicit risk management can be found in the agricultural sector. Following an assessment of ARD in Eastern Partnership countries during 2012, various gaps and priorities were identified, including a general lack of rural development policy and supporting measures. The chosen modality of budget support reacted to these risks. Budget support as a modality is often effective to incentivise changes in the policy context. The EU monitored the progress in this regard to make sure that for example the Government of Moldova approved a rural development strategy, which is consistent with the agriculture and rural development priorities for the sector reform. In this context, the Government approved the 2014-2020 National Agricultural and Rural Development Strategy (NARDS) in March 2014, which addressed some of the gaps identified earlier and contributed to changes within associated legislation and budget allocations. Release of first Fixed Tranche of the budget support component among others was depended on the progress regarding the implementation of public policy as laid out in the NARDS. Such as condition was viewed as a precondition for receipt of EU budget support.

Moreover, the modalities were complementary as the technical assistance interventions were highly effective in terms of helping the government to achieve target budget support indicators. The purpose of the technical assistance in the framework of ENPARD was to assist the MARDE and its subordinated agencies and the NFSA in the accomplishment of ENPARD BSPs overall objectives.

Improved capacities and platforms for donor and wider sectoral coordination has been one of the main aims of EU financed Technical Assistance support. The technical assistance interventions allowed capacity building and institutional strengthening of government institutions including MARDE. As conformed by stakeholder interviews the latter has made substantial improvements in how it communicates and interacts with the relevant interest groups who represent the agricultural and rural development sectors. Working groups that were set up to develop sectoral policies are now more inclusive and more broadly based and the consultation procedures on policy initiatives are much more genuine and do not at all resemble the previous system whereby consultations with the relevant interest was a mere formality. Although the need remains to improve aid coordination further.

To address financial risks, next to the other modalities that address risks regarding lack of resources, EU support through blending aimed to leverage financial means to address risks regarding lack of financial resources. The Fruit Garden of Moldova project provides new opportunities for financing for the horticultural sector businesses through the access to the resources of the European Investment Bank provided through the financing contract signed between the Republic of Moldova and the EIB.

**Indicator 3.1.3 Logical links between programming and implementation, including appropriate sequencing of support in sampled interventions**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
Action Documents, contract, latest/final report (as available) for sampled interventions Review of portfolio (database) Programming of the European Neighbourhood Instrument (ENI) - 2014-2020. Single Support Framework for EU support to the Republic of Moldova (2014-2017) Programming of the European Neighbourhood Instrument (ENI) – 2017-2020 Single Support Framework for EU support to Moldova (2017-2020).	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives	

There were logical links between the EU support envisaged and the interventions financed. EU support supported the targeted sectors by mixing several forms of cooperation: for example, in the case of the support to public finance sector, a budget support operation was accompanied by a technical assistance contract and projects identified based on call for proposals and aiming to strengthen civil society’s capacity to monitor the public budget.

Appropriate sequencing of support in sampled interventions and the evolution of programming was reflected in implementation. The first multiannual programming document SSF 2014-2017 had a predominant focus on agriculture development through development of the policy, legal and institutional framework in the agriculture and rural development sector and contributing to the competitiveness of the agri-food industry. This was logical, considering the identified deficiencies in that regard and the need for a sound policy environment as a bases for provision of further support. The focus on the agricultural

sector included development of the policy, legal and institutional framework and capacity development of sectoral policy for Moldova’s agriculture and rural areas. The strong link between programming and implementation in this regard was among others created through the largest bilaterally financed intervention in the sector namely ENPARD. Significant progress has been made regarding creation of the policy environment in the sector including development and modification of national planning documents such as the NARDS and improving local capacities. Funding through the Fruit Garden of Moldova programme followed the same logic and aimed to revitalising the horticulture sector in Moldova.

The second multiannual programming document SSF 2017-2020 was more directed towards rural development and general improvement of the business environment, private sector development and trade facilitation. The focus on agricultural development was therefore less explicit. In terms of programme implementation during 2017-2020 through interventions such as DEVRAM and EU: Focal Regions although support to the development of the policy environment and boost competitiveness of the agri-food sector continued, nevertheless increasingly more focus was laid on general rural development through support to business development and general social infrastructure.

Overall, in sectors where the risk was assessed as more acceptable, the mix of modalities was more diverse. For instance, support to Public Finance Management and police support, included budget support, technical assistance (including high level advisors and classical technical assistance), twinning, civil society grant and CSO strengthening. EU support (technical assistance) to the transport sector, followed a budget support programme financed in 2011 but still under implementation.

Sectors where higher risk was identified were supported mostly through project modalities (justice support) but with a variety of project types (contribution agreements with international organisations, technical assistance, CSO grants). Another approach to limit the risks, in the private and infrastructure sectors for instance, was the use of blending operations in partnership with international financial institutions.

<b>Indicator 3.1.4. Timeliness of implementation of sampled interventions</b>		
Strength of evidence based: Medium		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Action Documents, contract, latest/final report (as available) for sampled interventions	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives	
Review of portfolio (database)		
Programming of the European Neighbourhood Instrument (ENI) - 2014-2020.		
Single Support Framework for EU support to the Republic of Moldova (2014-2017)		
Programming of the European Neighbourhood Instrument (ENI) – 2017-2020		

Single Support Framework for EU support to Moldova (2017-2020).		
Technical Assistance for the Implementation of Sector Reform Contract: "European Neighbourhood Programme to Agriculture and Rural Development"		
Reference no. EuropeAid/137050/DH/SER/MD Final Report July 2019 Pilot ROM Blending EIB DCFTA INITIATIVE EAST - PHASE 1		

The sampled interventions using a project approach were generally implemented in a timely manner although some of the interventions are still in progress and no progress reports and final evaluations of the larger interventions were available to the evaluation team. Nevertheless, there were signs of that some of the components in certain interventions had to be cancelled and or modified as they were not timely.

A few budget operations were delayed, or, in the case of the justice sector, interrupted due to non-achievement of progress towards targets on time. An example in this regard was development of the Proposal for organisational structure of MARDE in the framework of ENPAR TA. This output was planned when the reorganisation of MARDE was on the agenda in 2016 /2017. Yet the reorganisation was completed before this output was produced and so it no longer was appropriate.

Careful review of the programme documents revealed that, more than the timeliness of interventions, comparison between planned and paid amounts was indicative of whether implementation was on track. Based on our portfolio as communicated by the EUD, about a half of the planned amounts were effectively disbursed by October 2020. This difference relates to the cancellation of some projects/programmes or activities, or to delays.

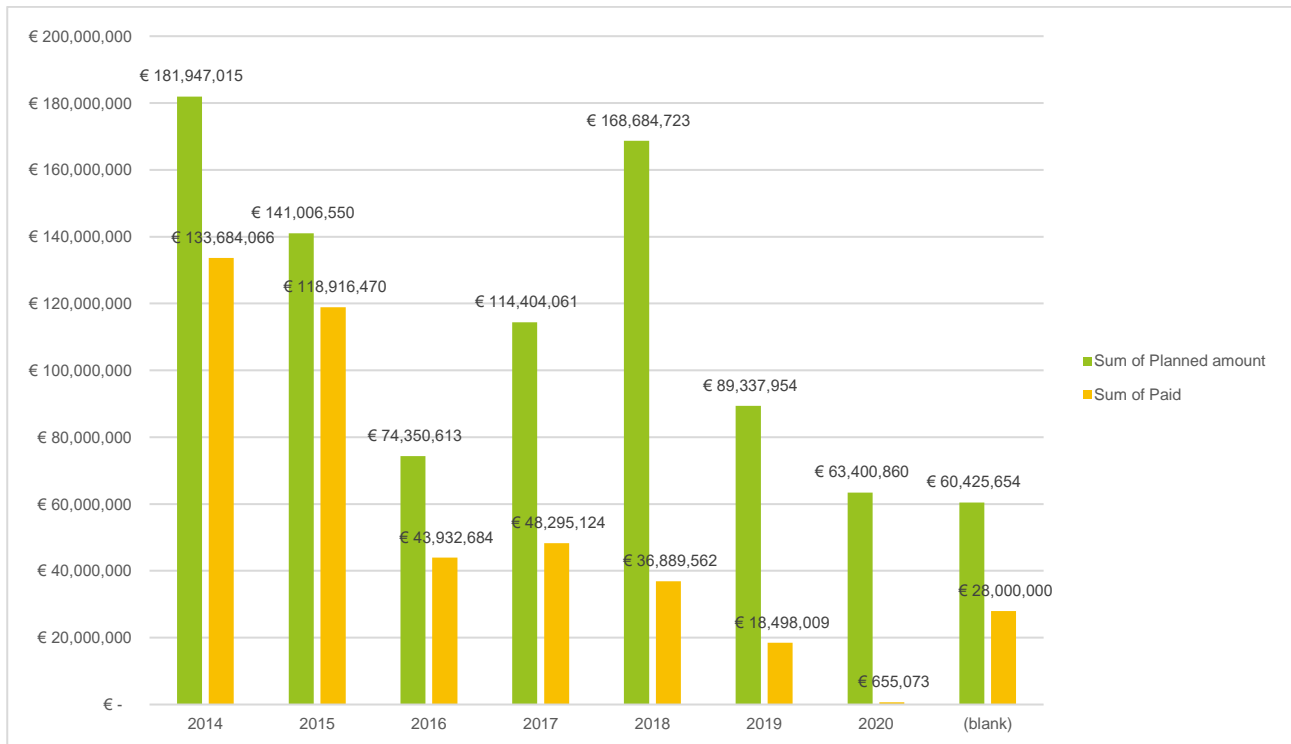
Year	Sum of Planned amount	Sum of Paid
2014	€ 181,947,015	€ 133,684,066
2015	€ 141,006,550	€ 118,916,470
2016	€ 74,350,613	€ 43,932,684
2017	€ 114,404,061	€ 48,295,124
2018	€ 168,684,723	€ 36,889,562
2019	€ 89,337,954	€ 18,498,009
2020	€ 63,400,860	€ 655,073
(Other – see below)	€ 60,425,654	€ 28,000,000
<b>Grand Total</b>	<b>€ 893,557,431</b>	<b>€ 428,870,987</b>

Under 'other' in the table above, planned and paid amounts include:



- Total indicative amounts of EC contribution to the entire regional project of Partnership for Good Governance with the Council of Europe I (PGG I) (2015-2018) (€ 30,400,000) and Partnership for Good Governance with the Council of Europe II (PGG II) (2019-2021) (€ 2,025,654). Paid amounts were not available to the ET for this project.
- The action 'Sector budget support to the Justice Sector Reforms' which did not have an assigned contract year in the data used. The amount of € 28,000,000 was indicated for both planned and paid amounts. However, it is the ET's understanding that this was blocked in 2017.

Figure 5: sum of planned and paid amounts



As reported by IFIs, several blending operations also suffered from delays in the attainment of targets towards the disbursement of tranches. This was the case, for instance, of blending operations in the area of transport, or SME support, due to difficulties in the procurement process, linked to low capacity of potential applicants within Moldova.

Based on limited sources available regarding the key interventions, the evaluation team found several examples of projects which were not fully on target.

Intervention components selected (final sample)	Planned duration	Planned start date/ contract signed	on schedule	extended	reported deliverables completed on time	reported deliverables delayed.
Core programme: Budget support ENPARD including complementary measures (AT + CBM);	60 months		No (latest report)			
2018 ENI 400.308 Support to police reform TA	38 months	Sep/18	85% activities addressed but not finished			
Core programmes: ENPI 2014 349.066 "ATRECO" GIZ Courts; PGG 2349 CEPEJ.	30 months	29/09/2014	No (latest report)	Yes, extended to 42 months		
Core programme: NEAR TS 2017 388.469 Grant Institute for Dem (Let us all say no to torture).	36 months	01/12/2017	ROM report in 2019 highlights delays			
Construction of water supply and sanitation infrastructure as well as energy efficiency in public buildings	39 months	12/12/2017	14 projects ongoing	4 projects temporarily suspended		
EU Moldova Biomass Project	35 months	22/12/2014		Extended from 35 to 47 months		
Complementary programme - Twinning project "Support to promote the cultural heritage in Moldova"	24 months from arrival of RTA	07/09/2017		Extended- was 26 months	15	14

JC 3.2. The implementation of projects through contribution agreements under the blending modality permitted a timely and adequately monitored implementation of the intervention.

All operations co-financed under the blending modality at national level faced some challenges during implementation and needed extensions in time or faced an increase in costs. Reasons for need of extension were most often related to the complexity of design of works, cumbersome procedures of elaboration and tendering (according to implementing partners rules), limited acceptable technical and financial offers of tenderers, lack of qualified workers available in the Moldovan market, need for revision of design and/or cost increases.

EU financial regulations (n+3) seem difficult to adapt in this context and made Moldova lose important volume of grant funds.

#### Indicator 3.2.1. % Of funds under blending operations implemented as foreseen

Strength of evidence based: Strong

##### Main source of information:

Document review	Interviews	Survey
Progress reports provided by implementing partners	EU officials EBRD officials	

It is impossible to establish exactly the progress in implementation of the blending operations as all actions are composed of multiple activities, some of these activities have been implemented on time, others suffering important delays. However, it seems evident that none of the blended programmes implemented in Moldova has been implemented as foreseen. The following table gives an overview of the situation of national investment projects blended with NIF funds.

Delays are more frequently related to difficulties with procurement; that means long time needed to prepare tender documents acceptable for all involved parties, complex tender procedures (with no-objections from different stakeholders involved), poor response to tenders by national and international companies. A specific difficulty is related to the social and environmental standards applied by international banks which imply complex processes in the case of land acquisition. Other difficulties are related to the lack of available qualified manpower in Moldova as there was/is a big worker emigration to Russia and EU Member States.

In some cases, there were difficulties for implementing partners to prepare the preconditions for disbursement of funds from development banks.

In general, the period of 3 years foreseen for NIF funds to be contracted (N+3) appears too short in the challenging context of co-financing an investment project with different international development banks.

#### National Projects

CRIS- No	Title	Startin g	Impleme nting Partner	Comments
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355431	Moldova Roads Rehabilitation IV	2014	EBRD	Due to delays, the implementation period was extended for 24 months up to 30. November 2022. (Addendum 1). The contribution of EU funding was engaged in the phase 2 of the Action. As a result of the delays in procurement of Vulcanesti bypass works (due to implementation capacity bottlenecks at SRA and slow preparatory process, including land acquisition and design) the 3-year contracted deadline based on EU NIF financing conditions <b>has expired on 21 December 2017 and the grant was no longer be available to fund the works and supervision. The amount of EUR 9.7 million of grant has been therefore lost by the Government.</b>
353807	Moldova Roads Rehabilitation IV	2014	EBRD	For the same reasons as procurement of works the supervision tenders have been delayed as well and for Bahmut bypass the supervision contract has been signed only in April 2018. <b>As the contracting deadline on EU NIF has funds expired it is now funded from EIB loan.</b>
353812	Moldovan Railways Restructuring Project	2014	EBRD	With the EU NIF funds mainly part of the acquisition of 12 locomotives is financed. The handover of the locomotives was in 2020. There seem to be less delays related to the EU co-financed action then with the overall project. However, in December 2018 EU granted an "Extension of the Last Availability Date of Grant Financing" by 18 months to 14 March 2021. The difficulties encountered with the project relate mostly to the following: (i) weak implementation capacity on the client's side (both CFM and the related government entities) and poor support from the procurement consultant in early stages (was replaced). (ii) delays with obtaining relevant approvals and comments, including in relation to Project-related TC assignments. (iii) payment delays of an auditor's invoices by the authorities, hence, delay in providing IFRS audit reports; and (iv) delays in providing progress reports due to poor support of the relevant consultant.
353786	Chisinau Water Development Programme	2015	EBRD	This is a EUR 59 million Priority Investment Programme to modernise the City's water supply, sewage collection system and treatment in order to improve living conditions, reduce health risks for the City's population and prevent excessive exploitation of natural resources and environmental pollution. The EBRD is providing a EUR 24 million loan to ACC to implement the Project with co-financing from the EIB in the form of a EUR 24 million loan and from the EU NIF in the form of a EUR 11 million capital expenditure grant. There are important delays in execution of works and an addendum for extension

				the implementation period will be necessary. Main problems are related to design issues which led to cost increase and delays.
366717	Moldova North Water Project	2015	EBRD	<b>The project has been cancelled</b> as the Government of Moldova could not comply with the preconditions and sign the loan agreement in time. The project was cancelled in March 2018.
308751	Moldelectrica Power Transmission Project	2012	EBRD	The project entered into force the 10.4. 2013; due to delays the overall implementation period was extended to 90 months, that means up 9. october 2021.
400311	Moldova-Romania Interconnection Phase I	2018	EBRD	Contribution Agreement signed in December 2018 only. In a recent presentation a delay of 7 months due to COVID-19 is indicated as highly possible.

The regional programmes seem to have faced less problems concerning the implementation period. However, there is some evidence that the absorption of funds in Moldova of regional blended programmes was less, due to the weakness and reluctance to give loans of the banking sector (after the bank fraud in 2015).

### Indicator 3.2.2 number of blending operations which were implemented according to the original timeframe

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Survey
Contribution Agreements and Addenda EBRD “cloud” Huddle	EUD staff EBRD staff	

All blending operations faced some challenges and needed extension in time or faced an increase in costs. It is impossible to establish exactly the progress in implementation of the blending operations as all actions are composed of multiple activities, some of them being implemented in time, others suffering important delays.

#### National Projects

CRIS-No	Title	Starting	Implementing Partner	Comments
265-548	Moldova Road Rehabilitation Project III	2012	EBRD	Due to delays, the implementation period was extended for 24 Extension of the Last Availability Date of Grant Financing by 18 months to 14.3.2021

353807	Moldova Road Rehabilitation Project IV	2014	EBRD	Extension requests to 30.11.2022
353812	Moldovan Railways Restructuring Project	2014	EBRD	Delivery of locomotives in December 2020.
353786	Chisinau Water Development Programme	2015	EBRD	There are important delays in execution of works and an addendum for extension the implementation period will be necessary. Main problems are related to design issues which led to cost increase and delays.
366717	Moldova North Water Project	2015	EBRD	<b>The project has been cancelled</b> as the Government of Moldova could not comply with the preconditions and sign the loan agreement in time. The project was cancelled in March 2018.
308751	Moldelectrica Power Transmission Project	2012	EBRD	The project entered into force the 10.4. 2013; due to delays the overall implementation period was extended to 90 months, that means up 9. october 2021.
400311	Moldova-Romania Interconnection Phase I	2018	EBRD	Contribution Agreement signed in December 2018 only. In a recent presentation a delay of 7 months due to COVID-19 is indicated as highly possible.

The regional programmes seem to have faced less problems during the implementation period. This seems normal as regional programmes concentrated in blending financing instruments.

### Indicator 3.2.3. volume of funds lost to difficulties in compliance with EU regulations (N+3)

Strength of evidence based: strong

#### Main source of information:

Document review	Interviews	Survey
Progress reports of blended investment projects.	Interviews with EUD staff Interviews with EBRD staff	

As a result of the delays in procurement of Vulcanesti bypass works (due to implementation capacity bottlenecks at SRA and slow preparatory process, including land acquisition and design) the 3-year contracted deadline based on EU NIF financing conditions **has expired on 21 December 2017 and the grant was no longer be available to fund the works and supervision. The amount of EUR 9.7 million**



**of grant has been therefore lost by the Government.** For the same reasons as procurement of works the supervision tenders have been delayed as well and for Bahmut bypass the supervision contract has been signed only in April 2018. As the contracting deadline on EU NIF has funds expired it is now funded from EIB loan. Reasons for delays are mainly: difficulties with procurement (not enough qualified offers); difficulties in finding qualified manpower.

### JC 3.3. Budget support contributed to defining and achieving common objectives of the EU and the Republic of Moldova

- All budget support interventions were tackling priority sectors for the development of Moldova. BS was the preferred instrument for implementation of EU cooperation with Moldova. Almost all-important sectors received budget support (Transport, Water, Health, Police, Justice, PFM, Public Sector, VET, etc). Budget support permitted the EU to promote the development of Moldova by strengthening national policies. However, although EU supported national policies, their implementation did not always as quick as foreseen. Frequent changes of the political context affected the appropriation of policies. The signature of the EU–Moldova DCFTA started a new process in EU and Republic of Moldova relations.
- After 2015 no new budget support programmes were approved by EU for Moldova; existing budget support programmes were either put on hold or suffered from delays in disbursement of tranches because the general conditions of budget support contracts were not considered as complied with. Nevertheless, budget support programmes – even put on hold- permitted EU to concentrate on policy dialogue and to make GoM understand that EU financial support is conditioned by progress in reform of the justice sector, fight of corruption and progress in implementation of DFCA.
- NIF contributions to investment projects implemented in Moldova strengthened the physical integration of Moldova with the European Union by supporting transport and energy sector. NIF contributions to the regional financial instruments for the private sector including SME supported the DFCA.

Budget Support programmes accounted for a significant amount of the EU assistance (more than 30% of the overall financing volume) before payments were suspended in 2015 due to the theft of EUR1billion from the banking sector and risks to macroeconomic stability of the country. During this period, the EUD had used policy dialogue and technical assistance to promote the implementation of agreed reforms.

EU used budget support as an instrument for pushing for reforms and for undertaking a policy dialogue with the Government of Moldova, IMF and EU Member States. Application of strict conditionalities for financial assistance underlined the willingness of EU to link support with progress made on the rule of law, human rights and democratic principles.

In November 2016, Moldova formalised a USD179 M programme with the IMF, following steps taken to address financial sector governance issues. On this basis that general conditions were met, payments of EUR45.2 M under EU BS were made in December 2016. At the same time, in close cooperation, our partners, the World Bank and Romania also resumed payments in complementary programmes. This milestone also provided the basis for the signature of a new Police Budget Support programme with an overall budget of EUR 57 M, a key sector identified under the SSF. In designing this programme, the recommendations of the September 2016 report of the European Court of Auditors were duly considered.

From 2017 onward no new budget support operations were concluded in Moldova. Most budget support programmes are gradually phasing out and were used as a basis for policy dialogue and as a leverage to promote and obtain the implementation of agreed reforms in key areas such as trade, visa-liberalisation, rural development, to support macro-economic stability and to improve the economic

governance (stronger and more transparent budgeting process, stronger budget oversight by the Court of Auditors and the Parliament).

Specific attention was given to strengthening the public administration in Moldova and to the assessment of both general and specific conditions agreed with the Moldovan authorities. This has been continued over the full implementation period in line with the Council Conclusions of February 2018 on the Republic of Moldova and the EP resolution of November 2018 on the implementation of the EU association agreement with Moldova, in 2018, the Commission has continued to apply strict conditionality in its financial assistance. The EU Delegation played a key role in implementing this policy and due to, with the following two achievements: In light of the deterioration of the rule of law and democratic principles in Moldova in 2018 (i.e. most emblematic element is the non-transparent invalidation of the mayoral elections in the capital city of Chisinau), the Commission has re-calibrated and reduced the EU assistance to Moldova (to about € 50 M for year 2017 and 2018 down from €80 M when reforms were ongoing) and redirect support to projects that impact directly citizens.

For the same reason, Macro financial assistance (€ 100 M) and Budget Support payments (worth € 44 M) have been put on hold pending tangible progress are made on the rule of law, human rights and democratic principles.

However, due to the political instability in Moldova and slow progress in reforms the predictability of funds is rather limited. In fact, in many cases the achievement of indicators remained outside the control of the sectors. The timing of budget support disbursements has been significantly delayed, adding to its unpredictability as a source of resources. Budget planning and resource allocation decision-making were adversely affected by uncertainty over budget support disbursements.

### Indicator 3.3.1. Planned disbursement of funds compared to actual disbursement of funds

Strength of evidence based: strong

#### Main source of information:

Document review	Interviews	Survey
Disbursement decisions of BS interventions EAMR 2014-2019,	Interviews with stakeholders in the Ministry of Finance EU and Technical Assistance	

Budget Support programmes were a highly appreciated instrument and accounted for more than 30% of the overall financing volume of EU national cooperation with Moldova. However, in 2015 budget support operations were suspended after the major fraud in the banking sector, which affected the stability of the country as well. From this time onward no new BS interventions were financed with exception of new Police Budget Support programme (financed in 2016). Precondition for the signature of the Police Budget Support was the formalization of a Macroeconomic Programme with the IMF.

Close co-ordination of EU with the IMF programme was ensured and disbursements of budget support for 2017 only took place in December 2017 following the positive conclusions of the second IMF review. As a result of this careful assessment of performance against agreed targets, a total of €36.3 million out of maximum €75.5 million was disbursed. There were no disbursements under the Justice budget support programme (out of a possible maximum of €28.2 million) due to insufficient progress in implementing the National Justice reform strategy.

This overall context made that predictability of disbursement of funds is rather limited. The timing of budget support disbursements has been significantly delayed. Due to strict application of the conditionality criteria in most cases only part of the maximum tranche could be disbursed, according to interviews with Ministry of Finance budget planning and resource allocation decision-making were adversely affected by uncertainty over budget support disbursements.

Situation of budget support programmes 2014-2020

CRIS number and Title of the Programme	EU financing	Implementation period	Disbursed	Comments
ENPI 2010/ 258-486) Sector Policy Support Programme on Economic Stimulation in Rural Areas	€42.000.000			Final Evaluation available considering the 3 different programmes
EaPIC 2012 - top-up of the SPSP Economic Stimulation in Rural Area	€14,000,000 €12,000,000	2010-2012	M€13,16 paid in 2014	
ENPI/2010/258-486 EaPIC Top-up 1 of ESRA EaPIC Top-up 2 of ESRA Sector Policy Support Programme: ESRA Finance Agreement	€42,000,000 +€30,000,000 (including toping ups)	11/2010-11/2014	almost all spent	
ENI/2014/034-132 Support to Implementation of the DCFTA process Finance Agreement (SCR)	€25.000.000 + €5.000.000 (CM)	11/14-8/19	M€ 16,04	Final Evaluation available
ENPI/2013/024-405 SRC "SUPPORT THE IMPLEMENTATION OF THE VISA LIBERALISATION ACTION PLAN"	€20,000,000	2014-2018	Disbursed M€ 15,9	Final Evaluation available
ENI/2014/034-128 ENPARD Moldova – Support to Agriculture and Rural Development	€ 53,000,000 BS € 11,000,000 (CM)		Closed -paid M€ 48,946	Final Evaluation started
ENI/2014/033-684 Support to Public Finance Policy Reforms in Moldova (PFPR)	€ 33,000,000 BS M€ 4,000,000 (CM)	17.10. 2014- 2020 + closure period		A final evaluation report is available (12/2018)
Support to the implementation of the VET reform in Moldova	M€15,1	2014-2017		Evaluation is ongoing
ENI/2012/023-420 Sector budget support to the Justice Sector Reforms	M€ 58	2013-2017		M€ 28 were blocked in 2017

ENPI/2015/038144 Police Reform						
Foreseen Payments	2017 Q2	2018 Q2	2019	2020	2021	Total
Fixed component	7,000,000					7
Variable component		10,000,000	12,000,000	10,000,000	12,000,000	44,000,000
<b>Total</b>	<b>7,000,000</b>	<b>10,000,000</b>	<b>12,000,000</b>	<b>10,000,000</b>	<b>12,000,000</b>	<b>51,000,000</b>

paid	7,000,000	6,850,000	7,750,000			
Date of payment	??	10/2019	10/2019			

ENPI/ 2011/280724 SPSP "Support to Reform of the Energy Sector"								
	12/2011	10/2013	9/2014	7/2015	12/2016	6/2018	9/2019?	Total
Fixed component	13,000,000							13,000,000
Variable component		12,415,000	14,585,000					37,000,000
Total	13,000,000	12,415,000	14,585,000	postponed	postponed	postponed	10,000,000	50,000,000
paid	13,000,000	11,618,750	11,627,500					37.246,250
comments	<ol style="list-style-type: none"> <li>1. M€ 40 signed 6/12/2011</li> <li>2. Top up in 2013 with an additional variable tranche of M€ 10 <ol style="list-style-type: none"> <li>i. The top-up tranche was postponed twice: from July 2015 to Dec.2015; From Dec2015 to Dec.2016</li> </ol> </li> <li>3. Then interruption EU budget support disbursements until mid-2019 due to deterioration of the rule and law and democracy</li> </ol>							

ENI/2014/034-132Support to Implementation of the DCFTA process Finance Agreement (SCR)								
	2014	2016	2017					
Fixed component	8,000,000							8,000,000
Variable component		8,000,000	9,000,000					17,000,000
Total	8,000,000	8,000,000	9,000,000					25,000,000
paid	8,000,000	3,000,000	5,040,000					16,040,000
		Suspended Paid in 2017	Paid in first semester 2018					

ENPARD Moldova – Support to Agriculture and Rural Development € 53 million for budget support € 11 million for complementary support								
	2015	2016	2017	2018	2019			paid
Fixed component		17,000,000 (2Q)						

<b>Variable component</b>			17,000,000 (2Q)	19,000,000 (2Q)				53,000,000
<b>Total</b>		17,000,000	17,000,000	19,000,000				
<b>paid</b>		17,000,000	14,856,111	17,100,000 paid towards end of 2019				48,956,111

**ENI/2014/033-684 Support to Public Finance Policy Reforms in Moldova (PFPR) € 33 million for budget support, EUR 4 million for complementary support**

	2014	2015	2016	2017	2018	2019		Total
<b>Fixed component</b>	8,000,000 (4Q)							8,000,000
<b>Variable component</b>			8,000,000 (2Q)	8,000,000 (2Q)	9,000,000 (Q2)			25,000,000
<b>Total</b>			8,000,000	8,000,000	9,000,000			33,000,000
<b>paid</b>	8,000,000 (4Q)		5,800,000 (4Q)	6,400,000 (4Q)	6,500,000 Paid 2019			26,700,000

**ENPI/2012/023420 Support to the Justice Sector Reform M€ 60 (M€ 52 ENPI, M€ 8 EaPIC) M€ 58,2 + 1,8 complementary supports**

	2013	2014	2015	2016	2017	2018	2019	Total	
<b>Fixed component</b>	15,000,000							15,000,000	
<b>Variable component</b>		15,000,000	14,570,000	13,630,000				43,200,000	
<b>Total</b>	15,000,000	15,000,000	14,570,000	13,630,000				58,200,000	
<b>paid</b>	15,000,000	13,200,000						28,200,000	
	27-11-2013	8/2014	No disbursement recommended.						
			18-7-2017						

ENPI/2013/024-404 "Support to the implementation of the Vocational Education and Training (VET) Strategy"

Addendum No. 1: extension of the target date for the achievement of the third variable tranche performance criteria; extension of the operational implementation period and of the period of execution of the Financing Agreement; update and non-substantial modification of the Financing Decision C (2013)5199

	2015	2016	2017	2018	2019	Total
<b>Fixed component</b>	<b>No fix component</b>					
<b>Variable component</b>	3,500,000 (2Q 2014)	10,000,000 (2Q 2015)	11,500,000			25,000,000
<b>Total</b>						
<b>paid</b>	3,500,000 (12/2016)	7,000,000 (12/2016)			4,600,000	15,100,000
	The first payment was suspended for political reason as of 14/07/2015				The third payment was suspended for political reasons and was released following political change in the country in June 2019	
	The second payment was suspended for political reason					

ENPI/2013/024-405 SRC "SUPPORT THE IMPLEMENTATION OF THE VISA LIBERALISATION ACTION PLAN"

€ 20.0000.000

	2014	2016	2017		Total
<b>Variable tranche planned</b>	6,000,000 (end of 2014)	7,000,000 (2Q - (30.6. – postponed to 30.6.2017))	7,000,000 (2Q - postponed to 2/2017)		20,000,000
<b>Total</b>	6,000,000				
<b>paid</b>	5,811,000 (20 November 2014)	5,089,000 (paid 2019?)	4,900,000 (paid 2020?)		



### Indicator 3.3.2. Explicit correlation between disbursement and conditionality

Strength of evidence based: strong

#### Main source of information:

Document review	Interviews	Survey
Court of Auditors Special Report EU assistance for strengthening the public administration in Moldova, 2016	EU officials GoM officials TA	
Court of Auditors Special Report		
Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches, 2019		

The performance monitoring system and disbursement criteria are the key points of budget support and provide a framework for conditionality. Variable tranches are linked to progress against specific conditions: they create incentives for improved performance because partial performance is matched with partial payment. Thus, it should be analysed whether the conditions for tranche disbursement provided meaningful incentives for reform and whether disbursements were consistently based on the fulfilment of these conditions. The Court of Auditors Report of 2016 and 2019 still highlighted some weaknesses in the older programmes implemented between 2007 and 2014, especially concerns the quality of indicators, the big number of indicators used and unspecific targets. However, there is substantive evidence that EU applied the principle of strict conditionality in the reference period and especially from 2015 onward.

Due to strict application of the conditionality criteria in most cases only part of the maximum tranche could be disbursed. EU support to the Republic of Moldova and its citizens is conditioned by the macroeconomic stability, strengthening of the rule of law and democracy, and fight against corruption.

A clear indicator is that after interruption of payments under budget support, resumption of disbursements came in 2019 after a nearly two-year period during only. Payments had been put on hold because of a deterioration of the rule of law situation in the country. As in 2019 the new government has taken important decisions, the EU was able to assess that the conditions have been met to resume its budget support to the Republic of Moldova in particular, the new Government had expressed its commitment to implement the reform agenda as enshrined in the EU-Moldova Association Agreement, it has given the fight against corruption a high priority of its programme. Some steps have been made towards investing on the bank fraud, local elections have been undertaken and GoM reached an Agreement with IMF.

### Indicator 3.3.3. Correlation between evolution of BS spending and intensification of policy dialogue

Strength of evidence based:

#### Main source of information:

Document review	Interviews	Survey
EAMR 2014-2017		

There is some evidence that policy dialogue was intensified during periods where budget support programmes were put on hold and disbursement of tranches was delayed. By referring to the general conditions of the budget support programmes, disbursements were put on hold and/or delayed and have been used as a mean of demonstrating disagreement with undemocratic decisions of the Government of Moldova contradictory to agreements signed between the EU and the Republic of Moldova. As such EU suspended all budget support disbursements in 2015 after major fraud was discovered in the banking system. Disbursements were resumed at the end of 2016 following the agreement on a programme between Moldova and the IMF. However, budget support allocations were suspended again in 2018, following the cancellation of the results of the Chisinau Mayor election

No disbursements under budget support operations took place in 2015 due to a significant deterioration of the macroeconomic situation after banking fraud<sup>[1]</sup>. Furthermore, the overall political decision and the difficulty to form a stable coalition government remained a major risk, which hampered the development of stability-oriented macroeconomic policies. As such the European Commission indicated the signature of an agreement with IMF as a pre-condition for resuming budget support operations.

The Delegation conditioned its budget support operations to Moldova adopting an IMF programme and strongly lobbied with the State Chancellery to have the Ministry of Finance closely associated in the development coordination meetings, coordination of EU assistance and development of the annual action plans. EU lobbied for the direct involvement of the Ministry of Finance in budget support programmes within a sound budgetary planning framework. EU indicated clearly that medium term budgetary plans and progress against Association Agreement criteria should be considered in the overall budgetary planning process; furthermore, the need for appropriate allocation of financial and human resources to ensure timely implementation of EU support has been proposed

Dates	Key issues related to budget support disbursements
2015	All budget support disbursements in 2015 after major fraud <sup>1</sup> was discovered in the banking system.
End of 2016	Disbursements were resumed at the end of 2016 following the agreement on a programme between Moldova and the IMF
2017 and 2018	The European Commission was cutting its financial assistance to Moldova by 20 million euros (\$22.7 million) per year for both 2017 and 2018 amid concerns about the rule of law and the democratic backsliding of the country. The financial assistance earmarked by the European Union for the two years amounted initially to a total of 140 million euros (\$158 million). Furthermore, the 100-million-euro macro financial assistance (MFA) program for the country had now been suspended until further notice after being initially frozen temporarily in July.
July 2019	In July 2019 the Delegation announced the resumption of disbursements after a nearly two-year period during which such payments had been put on hold because of a deterioration of the rule of law situation in the country. An amount of M€14,54 was disbursed corresponding to 3 different BS programmes: SRC

<sup>1</sup> Following the banking crisis in 2015 the head of the European Union delegation to Moldova, announced on Tuesday (7 July) that the EU would freeze financial aid until the country forms a new government The following day, the EU delegation to Moldova issued a press release, which states that “budget support payments are subjected to the fulfilment of all conditions laid down in the agreements signed with the Republic of Moldova”.

## Evaluation question 4: JCs and indicators

**EQ4. To what extent has the EU support to Moldova contributed to achieving an increase in the competitiveness of the agri-food sector and the diversification of economic activity in rural areas, in line with strategic objectives?**

This EQ covers Effectiveness, impact and sustainability

JC. 4.1: Trade, competitiveness of the agri-food sector (agri-food and feed chains products) diversified and increased

JC.4.2: EU support contributed to improved conditions for production, processing, and marketing (infrastructure and agricultural service delivery) in sampled rural areas (targeted by EU support)

JC.4.3 New activities have developed in rural areas

**JC 4.1: Trade, competitiveness of the agri-food sector (agri-food and feed chains products) diversified and increased**

Exports of agri-food products grow significantly over the past 10 years. In terms of trade competitiveness, there has been a reduction of non-tariff barriers to trade for Moldova's exports to the EU, or in other words, Moldovan producers have gradually been better able to meet EU standards and overcome any non-tariff barriers.

Yet the main agricultural exports still primarily involve low added value products such as cereals and seeds and unprocessed material at low prices and the size of the processing sector (excluding wine) in exports is relatively small. The competitiveness of product groups that often previously were already competitive such as cereals oils seeds, fruits and vegetables and honey improved further which also resulted in significantly increased exports of these products. On the other hand, exports of animal products (meat, fish, hides) and sugar reduced which mainly reflect the lack of skills and experience of exporting to the very demanding EU market and inability of Moldovan producers to meet the for exporting to the EU.

An important issue in terms of competitiveness has been the slow development of productivity. Low productivity has hampered growth in the agricultural sector particularly as Moldova has been unable to maintain steady productivity growth. Next to limited access to land, low productivity and competitiveness levels is also fuelled by limited access to other inputs such as water/irrigation, finance, technical inputs, support services and quality workforce.

The most competitive producers, those that are able to export directly, are often large agricultural enterprises that are fully integrated – from producing to storing and packaging – with technical and

managerial capacity. Although technologies for high-class production are available and in use by some of the most advanced producers, small-scale farmers, for the most part, have not adopted them. Moldovan SMEs find it very difficult to engage in exports and access to the EU market.

The EU supported trade liberalisation and regulatory approximation to the EU acquis. Moldova made significant progress regarding adoption and implementation of EU acquis in several areas, such as sanitary and phytosanitary matters and technical barriers to trade. However, the agri-food producers still face may challenge with meeting the demands of the EU market. The necessary institutional framework for complete implementation and oversight of these new provisions is however still weak.

Indicator 4.1.1: Revealed Competitive Advantage of Agricultural products improved during the evaluation period.		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
Emerson et al. (2018) Deepening EU-Ukrainian Relations: What, why and how? 2nd Edition. CEPS <a href="https://www.ceps.eu/wp-content/uploads/2018/09/RLI_Moldova2_Master.pdf">https://www.ceps.eu/wp-content/uploads/2018/09/RLI_Moldova2_Master.pdf</a>	Interviews with public officials in Moldova Interviews with EU officials	
EU4Business Secretariat, 2018. Investing in SMEs in the Eastern Partnership Country Report 2018.	Interviews with civil society representatives	

The EU has grown into Moldova's largest trade partner. Compared to 2010, exports to EU member states had more than doubled by 2019. The main agricultural exports of Moldova to the EU and the product groups that experienced the largest export growth involve Vegetables and fruit, Oilseeds (especially sunflower seeds) and Cereals. During the same period, exports of agricultural products from Moldova to Commonwealth of Independent States (CIS) countries fell by more than 45 percent.

Yet, despite the DCFTA, since 2014 the number of agri-food product groups (HS 4-digit product level) that enjoyed a Revealed Comparative Advantage (RCA) in the EU market decreased. In 2014, 69 agri-food product groups had a comparative advantage, while this number reduced to 59 product groups in 2019. The products with the highest RCA ratings in 2019 among others involved sunflower seed, seed oils, nuts, grain sorghum, maize and honey. In terms of climbers the highest improvements among products with an RCA in 2019 involved, fruits, tea, honey, and fruits and vegetables. In 2019 there were no animal products that had a comparative advantage on the EU market.

Moldova has consequently improved the competitiveness of a number of conventional exports to the EU market yet at the same time it has been unable to fully utilize the potential of the DCFTA to diversify its exports significantly towards other (higher added value) products on the EU market. Animal products produced in Moldova generally failed to gain a comparative advantage on the EU market although during recent years there has been progress in terms of creating the necessary regulatory environment and quality infrastructure for exports of products with animal origin to the EU market.

In terms of accessing local and international markets, the agri-food sector as a whole is among others facing problems with creating market institutions; establishing marketing and distribution channels;

meeting EU quality, veterinary and phytosanitary standards; and building the administrative capacity to support these processes.

Indicator 4.1.2 Productivity in the agricultural sector increased since 2014		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
<p>Daradur M., et.al., 2019. National Drought Plan of the Republic of Moldova. United Nations Convention to Combat Desertification, MARDE, State Hydrometeorological Service, Research and Project Centre, Eco Logistica.</p> <p>FAO. 2020. Smallholders and family farms in the Republic of Moldova. Country study report 2019. Budapest. <a href="https://doi.org/10.4060/ca9836en">https://doi.org/10.4060/ca9836en</a></p> <p>European Environment Agency, 2020. Water resources, surface water quality and water consumption in the Eastern Partnership countries: An indicator-based assessment.</p> <p>World Bank Group. 2016. Structural Transformation of Small Farms in Moldova: Implications for Poverty Reduction and Shared Prosperity. World Bank, Washington, DC. © World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/24779">https://openknowledge.worldbank.org/handle/10986/24779</a></p> <p>World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum. World Bank, Washington, DC. World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License: CC BY 3.0 IGO”</p> <p>World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum. World Bank, Washington, DC. World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License: CC BY 3.0 IGO”</p> <p><a href="http://www.eu4moldova.md">www.eu4moldova.md</a></p> <p>OECD. 2019. Enterprise Survey Moldova.</p> <p>Kupets, O., V. Levin and Yulia Smolyar. “Supply of skills in Moldova: Findings from the Moldova Skills Measurement Survey (MSMS).” (2019).</p> <p>World Bank 2017, Missing skills: results of the skills module of the Moldovan Labour Market Forecast Survey, Stratan et.al. 2018. Development of extension services – a challenge for the RDI flow in the agriculture of the Republic of Moldova. The National Institute for Economic Research, Moldova. Link</p>	<p>Interviews with public officials in Moldova</p> <p>Interviews with EU officials</p> <p>Interviews with civil society representatives</p>	

OECD. 2020. Promoting Exports and Supply-Chain Linkages in the Food Industry in the Republic of Moldova, OECD Publishing, Paris, link.

ETF (2018), Republic of Moldova, Country Strategy Paper 2017-2020 (2018 updates),

[https://mecc.gov.md/sites/default/files/trp\\_2016-17\\_moldova\\_en.pdf](https://mecc.gov.md/sites/default/files/trp_2016-17_moldova_en.pdf)

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<http://documents.worldbank.org/curated/en/600341468274229437/Moldova-Rural-Investment-and-Services-Project>

Chistruga, Marcel.2019. Subsidies to Agriculture in Moldova (English). Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/249821560405508355/Subsidies-to-Agriculture-in-Moldova>

An important factor regarding competitiveness has been the slow development of productivity. Low productivity has generally hampered growth in the agricultural sector particularly as Moldova has been unable to maintain a steady productivity growth. Even though public resources devoted to the agri-food sector with the support from the EU have increased, yet the yields are generally quite low, and the sector wide productivity is evolving slowly. In some areas the productivity of the agricultural sector is one of the lowest when comparing to peer countries and progress has been slow, while there has been a clear improving trend among peer countries such as Ukraine. The latter initially scored lower than Moldova in terms of value added per worker in Agriculture and yet improved on this indicator by 2019 and surpassed the productivity levels of Moldova by far.

The dualistic nature of agriculture – comprising a modern competitive sector that is thriving and a stagnant subsistence sector that is becoming increasingly marginalized – is also very much reflected in productivity of agricultural producers. In terms of agricultural production in fields dominated by large private enterprises such as cereals, the productivity has increased by more than 26 percent. Yet again also in these areas, despite the high level of natural soil fertility and favourable climate for the main crops, productivity of remains low. Compared to EU member states total cereals yield in Moldova is approximately 2 times lower of the average EU and 3 or even more times lower that of the Netherlands.

Productivity in specific areas did improve as for example the average yields per hectare for fruit production more than doubled during the previous decade. Productivity of grape production also increased by about 57 percent since 2010. Here again however the increase of productivity was more visible at larger producers. One of the major underlying factors for this is the limited access of small farms - which form the over majority of agricultural farms - to agricultural land and extreme fragmentation of land ownership. High land fragmentation is a key factor with regard to low productivity and competitiveness of small farms. Enlargement of farms and reduction of fragmentation at the same time, remains therefore critical for the improved productivity and competitiveness in the entire country. Yet land market is gradually developing as few farms give-up their land and so farms are more likely to shrink than to grow.

Next to limited access to land, low productivity and competitiveness levels is also fuelled by limited access to other inputs such as water/irrigation, finance, technical inputs, support services and quality workforce. This harms the ability of firms to adjust to weather and market shocks and places them at a disadvantage compared to peers in the EU that have access to more advanced inputs and technologies. Among others traditional cultivation methods used by smaller producers, with low levels of mechanization and low productivity remain hampering factors for development of both local and international value chains.



Poor access to irrigation due to deterioration of state-run irrigation systems over the last decades has become a serious impediment in the process of transition to higher value agriculture and consequently higher returns. Difficulties with irrigation tend to cause crop yields to drop much below their potential.

In this regard, the AA envisaged increased cooperation towards improving water quality and agricultural irrigation. Accordingly, the water resource management environment benefited greatly from EU support. The Action Plan for the harmonization of the legislation with the EU triggered a substantial reform of the entire environmental legal framework. Further to development of the legislative framework EU investments were also directed towards construction of public water supply and sanitation infrastructure in rural areas. As a result, approximately 15,700 people gained access to sufficient and safe drinking water. Nevertheless, irrigation has not really been at the focus of EU support. Along with improvements in the availability of irrigation, it would be necessary to improve the managerial capacity and ability of farmers to produce profitably given the cost of water and irrigation management.

Lack of adequate quality workforce or inadequate workforce skills are also significant obstacles to productivity. Almost two-thirds of respondent firms participating in the OECD Enterprise Survey indicated that an inadequately educated workforce is the single most pressing barrier to growth. In this regard, agricultural workers have one of the worst composition of skills as workers lack both occupation-specific and socio-behavioural skills. In particular, the skills of young workers are of more concern to employers than those of older workers indicating general apprehensions about the ability of the current education system of Moldova to properly equip students with the skills needed to satisfy the job market. Such issues contribute to the reduced capacity of farmers to ensure high yields. In terms of smallholders most small firms and family farms lack the necessary skills, knowledge and knowhow needed to practice farming in a more efficient, competitive and profitable way which is needed to ensure a gradual transition from a subsistence agriculture to one with commercial elements and towards a fully commercial and sustainable farming. The lack of access to skilled labour force is further worsened by unfavourable demographic tendencies such as ageing, depopulation and mass migration.

The EU has been providing substantial support to reform the agricultural vocational education through programmes such as ENPARD and DEVRAM which among others set out to revise occupational and qualification standards, curricula, build the capacities of Vocational Education and Training (VET) institutions and connecting the Agri-VET education to the business community. These initiatives helped increase the quality of education and training courses, enhance the image of VET, and better prepare students for the labour market and private sector demands. The EU support targeted existent gaps and contributed to improved education, research and extension services in the agri-food sector, including facilitating information systems. Also, support was provided for improving educational, research and expansion services in the agricultural and agri-food sectors. In this framework new agricultural entrepreneurial curricula for the agricultural Post-Secondary Colleges subordinated to MARDE were developed and approved. With support from the ENPARD also the curriculum of the 'Fundamentals of Entrepreneurship' course was designed for agricultural colleges. Currently also the European Investment Bank is financing government investments into Moldova's horticulture training institutions via the Fruit Garden of Moldova. This allows to further modernise education in the horticultural sector.

To improve access to knowledge and technical capacity, the Government of Moldova (GoM) with support of the EU enhanced services provision through the Rural Extension Services Network. As a result, rural extension services are provided annually to about 340 thousand agricultural producers, which cultivate about 670 thousand ha of agricultural land. Also, in the framework of ENPARD farmers were trained by service providers. Assessment of the extension services show that these services deliver solid returns on investment and boost agricultural productivity and competitiveness and satisfaction with the services is rather high, nevertheless challenges exist with regard to sustainability as initially, the extension service providers were set up and supported by international donors. Moreover, currently research and education spending are dominated by the wage bill with little left for activities that could boost productivity in the sector. With a large network of educational institutions, education programmes still often remain outdated, and the equipment and buildings depleted, while the results of agricultural research are scarce and do

not meet the expectations of the private farm sector. Research and the curricula at agricultural colleges do not respond to farmer's needs.

**Indicator 4.1.3 Improved Underperforming Index score of Moldovan agri-food products since 2014| 4.1.4 Increased diversification of the agri-food production basket**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
UN COMTRADE International Trade Statistics Database comtrade.un.org World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum: World Bank, Washington, DC. © World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives	

With the improved market access under the DCFTA, it would be expected, ceteris paribus, that the market share of Moldovan exports in the EU would be higher than its global market share. If the market share is less in the EU, this would indicate other barriers non-tariff barriers to trade exist (such as technical regulations, standards) in addition to tariffs. Therefore, it would be expected that over time, the number of underperforming products would reduce.

Since introduction of the DCFTA in 2014, the number of underperforming products (that is where Moldova's market share in EU is less than Moldova's global market share) reduced. By 2019, the aggregate number of underperforming Moldovan exports reached 164 products (groups). This points towards a reduction of non-tariff barriers to trade for Moldova's exports to the EU, or in other words, Moldovan producers have gradually been better able to meet EU standards and overcome any non-tariff barriers.

Although it's important to note reduction of the number of underperforming products can also have been affected by other factors besides the EU Moldova trade regime. This may include the trade restrictions with the Russian Federation which served as a traditional market for Moldova's exports. The Russian-imposed import restrictions on Moldovan goods, exports fuelled a shift away from markets in the Commonwealth of Independent States (CIS) in favour of European markets.

**Indicator 4.1.4 Increased diversification of the agri-food production basket**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum; World Bank, Washington, DC. © World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License."	Interviews with Public officials in Moldova Interviews with EU officials	

FAO. 2020. Smallholders and family farms in the Republic of Moldova. Country study report 2019. Budapest. <a href="https://doi.org/10.4060/ca9836en">https://doi.org/10.4060/ca9836en</a> RM National Bureau of Statistics data bank.	Interviews with Civil society representatives active in the sector	
2011 General Agricultural Census. National Bureau of Statistics of the Republic of Moldova		

The structure of agricultural production in Moldova changed during the evaluation period. The share of fruits nuts, berries and grapes in the structure of agricultural production significantly increased. Similar to agricultural production, compared to 2010 the highest growth rates in the processing sector was also that of fruits and vegetables which grow by more than 300 percent. Yet the share of dairy products reduced from 9.8 percent in 2014 to 5.6 percent of the total production. This was also the case with production of livestock and poultry which also reduced during the evaluation period.

The changes in the structure of agricultural production indicate a tendency towards increased share of intensive crops such as grapes, fruits, vegetables, tobacco etc. and a decrease in the share of products that require less capital such as wheat, corn, sunflower, etc.

Small farms engage in more diverse production activities, yet only a small share of their products go to markets. Smallholders usually practice a crop mix of crops (vegetables, berries, herbs, vines, and others) and grains (usually maize and wheat), which they use to feed animals and poultry. Smallholders rely on direct relations with the buyers because their agricultural and processed products usually do not meet international standards on food quality. However, there are single cases where small dairy producers do veterinary and sanitary controls, showing that there is a chance of improving quality and earning a decent profit, even with a small investment.

Large-scale agricultural companies on the other hand specialize in the production of commodities specifically low-value crops such as cereals, oilseeds and sugar beets and are mostly export-oriented. These enterprises employ a relatively little labour force due to the high mechanization level of their farm operations. Such a specialization has been determined by factors, such as relatively low production costs for these crops, the availability of agricultural machinery enabling the cultivation of large areas, relatively simple and low-cost post-harvest handling requirements, and ensured markets for these commodities.

#### Indicator 4.1.5 Production of new agricultural products successfully promoted by EU interventions in Moldova

Strength of evidence based: Strong

##### Main source of information:

Document review	Interviews	Survey
Commission Staff Working Document.  Individual reports and info sheets on implementation of EU Free Trade Agreements Accompanying the document Report from the Commission to the European Parliament,  The Council, The European Economic and Social Committee and The Committee of The Regions on Implementation of Eu Trade Agreements 1 January 2019 - 31 December 2019. Brussels 2020	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector	Results for questions Q11 and Q12

FAO. 2020. Smallholders and family farms in the Republic of Moldova. Country study report 2019. Budapest. <https://doi.org/10.4060/ca9836en>

Donau Soja Annual Report 2019

Annual Progress Report 2020 Moldova Fruit Garden project

RM National Bureau of Statistics data bank.

SME Policy Index: Eastern Partner Countries 2020: Assessing the Implementation of the Small

Business Act for Europe. OECD

Emerson et al. (2018) Deepening EU-Ukrainian Relations: What, why and how? 2nd Edition. CEPS [https://www.ceps.eu/wp-content/uploads/2018/09/RLI\\_Moldova2\\_Master.pdf](https://www.ceps.eu/wp-content/uploads/2018/09/RLI_Moldova2_Master.pdf)

In the framework of the DCFTA, the EU supported trade liberalisation and regulatory approximation to the EU acquis. Reforms of as a result of the approximation process contributed to adoption and implementation of EU acquis in several areas, such as sanitary and phytosanitary matters and technical barriers to trade. Although there have been delays caused by issues such as the complexity of the legislation, lack of capacity and financial resources; nevertheless, Moldova made significant progress.

EU supported development of the institutional capacities of key government bodies. Moldova's legislative and institutional framework is operational. Over 25,000 European standards were adopted and 7,000 conflicting standards from the GOST system were withdrawn. However, the sector still faces challenges with meeting the demands of the EU market. Low quality and heterogeneity of agricultural products are often the cause of the limited marketing opportunities currently available to Moldovan producers. The tariff-free quotas agreed in the DCFTA regarding many product lines are not being exhausted and the major barrier in this context are problems with the compliance with EU Sanitary and Phytosanitary Standards (SPS). Meeting these standards are critical for ensuring increased access to the EU market for Moldovan products, particularly for products of animal origin such as meat, eggs and dairy. A key requirement here regard relates to traceability and safety of any raw material used.

The national laboratory infrastructure is still underdeveloped and the progress in terms of enhancing this infrastructure is slow and fragmentary. Capacitation of laboratories in many sectors is problematic, the reference laboratories are in some cases not identified and their role is not clearly defined. The National Reference Laboratory for Veterinary and Food Safety and the Republican Veterinary Diagnostic Centre are not fully equipped with the most advanced equipment for testing parameters in the field of food safety. Also, the National Centre for Verification and Certification of Plant and Soil Production is not fully capable of testing all food safety parameters, such as pesticide residues, heavy metals, Genetically Modified Organisms (GMOs), DNA sequencing. Consequently, testing of some products destined for export to the EU for certain indicators is still carried out outside of Moldova. These issues are particularly challenging taking into account the limited quality infrastructure and implementation capacity in rural areas.

In terms of direct support to production, the EU supported implementation of various interventions that contributed to a more conducive environment for growth of production and exports. This included both financial and technical assistance to Moldovan producers towards improved production capacity, improving their ability to reduction meet developing market demands. In this framework, since 2016 within the Fruit Garden of Moldova project 45,9 million euros were dedicated to loans that were disbursed

for developing and restructuring of the entire value chain of the horticultural sector. These EIB loans are to be co-financed by project beneficiaries at a minimum of 50% and so the total amount of investments in development of the Moldovan horticulture value chain in the framework exceeded 95,3 million Euros. These investments mainly contributed to upgrading the equipment and facilities of the horticultural enterprises, restructuring and revitalizing the orchards and table grape vineyards, as well as by mechanization of the agricultural processes. Also, through the DEVRAM, the EU granted about Euro 3 million to increasing the competitiveness of the agri-food sector through integration to domestic and global value chains, in particular in the soybeans sector.

**JC.4.2: EU support contributed to improved conditions for production, processing, and marketing (infrastructure and agricultural service delivery) in sampled rural areas (targeted by EU support)**

During the evaluation period agricultural production experienced considerable growth (almost 27 percent, reaching about 34.6 billion Lei in 2019). Crop/plant production fuelled the growth in the sector where sunflower seed production doubled and production of seed fruits, nuts and grapes during the same period multiplied 3, 11 and 2.6 times respectively.

Although agricultural output generally grew during the previous decade, the average annual growth has been rather varied among individual sub sectors and years. The fluctuation in the production were mainly due to the sector’s high vulnerability to weather conditions. The volatility mainly grows based on the weather-dependence of agricultural products.

The support of EU to the horticulture sector has been significant and contributed to expansion of the sector and increased resilience of producers. The support of the EU has also helped the government to increase public funding directed to the agricultural sector in support of production, processing, and marketing. The agricultural subsidies represent about 50 percent of total public support for agriculture and subsidy fund increased by more than 50 percent, reaching 900 million Lei from 400 million in 2010.

During the evaluation period, both large and small agri-food producers managed to increase production volumes. Yet larger enterprises (with more than 10 ha) managed to increase their production far more than smaller producers.

**Indicator 4.2.1. Increased agri-food production in Moldova and EU target areas.**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
RM National Bureau of Statistics data bank.	Interviews with public officials in Moldova I interviews with EU officials Interviews with civil society representatives active in the sector	Results for questions Q11 and Q12
World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum; World Bank, Washington, DC. © World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License.”		
Annual Progress Report 2020 Moldova Fruit Garden project		
World Bank Group. 2016. Structural Transformation of Small Farms in Moldova: Implications for Poverty Reduction and Shared Prosperity. World Bank, Washington, DC. © World Bank.		



During the evaluation period overall, agricultural production grows by almost 27 percent, reaching about 34.6 billion Lei in 2019. Crop/plant production makes for the largest activity in the sector, including cereals (24.3 percent), fruits nuts and berries (13.4 percent), and potatoes (12.1 percent). Crop production also experienced the largest growth during the evaluation period followed by agricultural services, reaching 42 and 37 percent respectively in 2019. Nevertheless, the growth of crop/plant production was primarily fuelled by production of sunflower seeds which compared to 2010 had doubled in quantities in 2019 and horticulture including Seed fruits nuts and grapes which during the same period multiplied 3, 11 and 2.6 times respectively. Animal husbandry is good for 25.1 percent of the agricultural output. This includes livestock and poultry (16.6 percent), milk (5.6 percent) and eggs production (2.9 percent). The contribution of animal husbandry to the economy nevertheless declined during the previous decade as production fell.

According to the most recent General Agricultural Census carried out in 2011, there are around 900,000 farms working on 2,243,540 hectares of land in Moldova. Smallholder farms (defined as farms of less than three hectares) make up 95 percent of all farms and account for 52 percent of total agricultural output yet most of the available farmland (63 percent) is cultivated by a few large farms. The agricultural sector in Moldova, therefore, has a strong dualistic structure. During the evaluation period, both large and small agri-food producers managed to increase production volumes. Yet larger enterprises (with more than 10 ha) managed to increase their production far more than smaller producers.

This was also reflected in the shrinking share of small producers in the total agricultural production. During the 2010 – 2019 period the production of agricultural products by small producers fell from 63 to 52 percent of the total agricultural production. Larger producers consequently were more successful in terms of increasing their production capacity. Small farm activities are as a result declining, while subsistence farming is becoming more important.

Although agricultural output generally grew, the average annual growth has been rather varied among individual sub sectors. Agricultural turnover slowed after 2016, while other sectors of the economy grow harder. The fluctuation in the production were mainly due to the sector's high vulnerability to weather conditions. Although final statistics on agricultural production in 2020 were not officially publicised yet, nevertheless initial data suggest a fall of 27 in agricultural production in 2020 compared to 2019. The largest decline involved crop production which fell by 36 percent. The volatility mainly emanates from reliance on weather-dependent agricultural products such as sunflower seeds, wheat, grapes, and fruits – but also from external and internal shocks such as the dispute with Russia that led to a ban on Moldova's agri-food exports. Such a volatility has been one of the underlying factors in the record disbursements amounting 17.1 million euro, done in the framework of the Fruit Garden of Moldova project in 2020 as producers understood the need for drip irrigation in their orchards to maintain an economically sound yield level.

The support of EU to the horticulture sector has been significant and contributed to expansion of the sector and increased resilience of producers. The EU worked together with international financing institutions and development partners such as EIB, EBRD, KfW, the International Trade Centre, OECD, the World Bank, and national entities such as the Organisation for Small and Medium Size Enterprises Sector Development (ODIMM), and Project Group International. EU contribution of 47 million euros in this framework reportedly triggered about 194 million worth of loans to companies. One of the technical staff working the Fruit Garden of Moldova' project that works with businesses on the ground in the country said:

*“Basically, we're putting the people together, because before it was a problem for Moldovan farmers to access finance. So, we help both farmers and banks to work together and improve access to finance for Moldovan SMEs.”*

As a result of direct EU co-financing, in the framework of the Fruit Garden of Moldova project 614,29 ha of Nuts plantations, 714,66 ha of orchards 56 ha of Berries plantations, 112,74 ha of vineyards, and 45 ha of vegetable plantations were established.



Indicator 4.2.2. Improvement of road infrastructure/feeder roads in rural areas		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
RM National Bureau of Statistics data bank.  Library Catalog. Zotero. <b>Citation.</b> Schwab, K. (2019). <b>The Global Competitiveness Report 2019</b> (p. 666). World Economic Forum.	<ul style="list-style-type: none"> <li>• Interviews with public officials in Moldova</li> <li>• Interviews with EU officials</li> <li>• Interviews with civil society representatives active in the sector</li> </ul>	Results for question Q17

Road infrastructure in Moldova generally and rural areas improved in recent years. As of 2019 Moldova had a road network that equalled about 9,431.5 km, of which 5,842.0 km were classified as National Roads and the remaining 3,589.5 km as Local Roads. The length of roads increased slightly (0.8 percent during the evaluation period in all of the regions of the country except for T.A.U Gagauzia where the length of the roads decreased by 3.6 percent.

In terms of payment on the national level majority of the roads or 97 percent have a hard surface. The share of the roads with a hard surface increased by about 2.3 percent during the evaluation period. The share of the roads with a hard surface is the highest in the North and Center Regions where about 98 percent of the roads have a hard surface. The South and T.A.U Gagauzia have the lowest percentage of hard surface roads which account for 94 and 90 percent of the road infrastructure respectively.

The World Economic Forum Global Competitiveness Report (2020) ranked the quality of overall infrastructure of Moldova 86th out of 141 countries. Among the categories analysed by this study Moldova ranked 70th on road connectivity. Yet, in terms of the quality of roads Moldova scored particularly low and was ranked 129th, although this was a significant improvement compared to 2014 where Moldova ranked 140th out of 144 countries.

About 50 percent of the survey respondents from rural areas indicated that in their perspective the road network in Moldova has improved since 2014, while 28 percent indicated that the road network stayed the same and 22 percent indicated that in their opinion the road network worsened

Indicator 4.2.3. The score of Moldova on the Logistics Performance Index improved.		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
World Bank and Turku School of Economics, Logistic Performance Index Surveys. Data are available online at: <a href="http://worldbank.org/lpi">worldbank.org/lpi</a> .	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector	

According to the World Bank Logistics Performance Index (LPI) \which measures countries' trade logistics efficiency, Moldova, was ranked 116th out of 160 countries. Compared to 2010 Moldova's ranking worsened as the country was ranked 104 in 2010. The country's performance is below the worlds and regional average (Europe and Central Asia) meaning that Moldova has a less conducive climate for trade. Its strongest logistics indicator is timeliness, while its lagging ones are tracking and tracing quality of infrastructure for logistics, and efficiency and effectiveness of customs which adversely affect both trade costs and reliability of cross-border movement of goods.

#### Indicator 4.2.4. Public funding towards the agricultural sector increased

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Survey
<p>RM National Bureau of Statistics data bank.</p> <p>IMF, International Financial Statistics and data files, and WB and OECD GDP estimates. <a href="http://data.worldbank.org">data.worldbank.org</a></p> <p>AXA. 2020. Republic of Moldova: Baseline study report of EUnlocking project. <a href="#">Link</a> Ministry of Agriculture, Regional Development and Environment, <a href="https://madr.gov.md/">https://madr.gov.md/</a></p> <p>Technical Assistance for the Implementation of Sector Reform Contract: “European Neighbourhood Programme to Agriculture and Rural Development” Final Report, July 2019</p> <p>World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum; World Bank, Washington, DC. © World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License.”</p>	<p>Interviews with public officials in Moldova</p> <p>Interviews with EU officials</p> <p>Interviews with civil society representatives active in the sector,</p>	

To enhance access to finance, with support from the EU, the GoM provides investment subsidies to farmers for production and post-production needs, and secured lines of credit. Subsidies provided through the Agency of Intervention and Payments for Agriculture (AIPA) are the most important public mechanism for supporting agricultural production. The main objectives of the subsidies are to encourage creation of businesses, to improve their economic performance, create new jobs and increase investments in innovative technologies. Agricultural subsidies represent about 50 percent of total public support for agriculture. The subsidy fund increased by more than 50 percent, reaching 900 million Lei from 400 million in 2010.

The ENPARD budget support contributed to the implementation of the national subsidy schemes. In the framework of ENPARD 4,444 farmers/agri-food enterprises received subsidies for investments in processing and marketing of agricultural products, environmental actions, improvement of (post-harvest) infrastructure and holdings. The EU also supported the Capacity building of the AIPA for the application of EU norms and standards for the administration of agricultural and rural development support schemes. This included development of information systems and improving amalgamation of different databases for AIPA in order to increase the efficiency of the financial management of subsidy payments which contributes to the efficiency of the system.

Although there has been limited evaluation of the impact of these subsidies along with the evaluation of the general implementation and achievements of the NARDS, qualitative evidence show that the subsidies are more difficult to access by SMEs and mainly reach large enterprises that may find alternative ways to finance their recurrent spending. Also, subsidies for capital-related expenditures

appear to not be sufficiently oriented towards innovative technologies and the insurance subsidy program has not stimulated a faster adoption of agricultural risk insurance. Investments in agriculture machinery and equipment mainly relate to the acquisition of tractors or other conventional machinery. Moreover, subsidies for conventional machinery, particularly when devoted to larger farmers, are likely to distort input choices as they influence opportunity-costs of the inputs including replacing workers with machineries or diverting investments from new technologies.

**Indicator 4.2.5. Access to credit in the agricultural sector increased generally and financed under EU financed national projects**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
<p>RM National Bureau of Statistics data bank.</p> <p>IMF, International Financial Statistics and data files, and WB and OECD GDP estimates. <a href="http://data.worldbank.org">data.worldbank.org</a></p> <p>AXA. 2020. Republic of Moldova: Baseline study report of EUnlocking project. <a href="#">Link</a></p> <p>Ministry of Agriculture, Regional Development and Environment, <a href="https://madr.gov.md/">https://madr.gov.md/</a></p> <p>Technical Assistance for the Implementation of Sector Reform Contract: “European Neighbourhood Programme to Agriculture and Rural Development” Final Report, July 2019</p> <p>World Bank Group. 2019. Moldova: Rekindling Economic Dynamism. Country Economic Memorandum; World Bank, Washington, DC. © World Bank. <a href="https://openknowledge.worldbank.org/handle/10986/32035">https://openknowledge.worldbank.org/handle/10986/32035</a> License.”</p>	<p>Interviews with public officials in Moldova</p> <p>Interviews with EU officials</p> <p>Interviews with civil society representatives active in the sector,</p>	

Although EU support through initiatives such as the Fruit Garden of Moldova project contributes to lending in the country, nevertheless, Moldovan firms deal with significantly high costs and limited access to external funds. Lending to the agricultural sector declined during the previous years and the contribution of capital to growth has generally been relatively small. Limited access to finance scored as the fourth biggest obstacle to growth in the OECD Enterprise Survey of Moldova in 2019. Accessing external financing proves to be difficult as almost 70 percent of all investments in fixed assets are financed with internal funds.

Banks are the main providers of external finance to SMEs, accounting for more than 90% of the total supply of credit, with alternative sources of SME financing remaining limited. Domestic credit to the private sector in Moldova stood at only 23.5% of GDP in 2018, the second lowest value in the Eastern Partner region; this is substantially lower than the EU average of 140%. Relevant to the agricultural sector is that banks typically do not accept land and plantations as collateral, and they perceive high risks when lending to the sector. Furthermore, the financial management competences of smallholders and family farms are very limited which also negatively influences their ability to access financing. As results SMEs particularly have considerably lower access to financing sources when compared to large enterprises.

#### Indicator 4.2.6. Entrepreneurship in the agri-food sector increased.

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Survey
RM National Bureau of Statistics data bank. OECD(2020), Promoting Exports and Supply-Chain Linkages in the Food Industry in the Republic of Moldova, OECD Publishing, Paris, <a href="http://www.oecd.org/eurasia/competitiveness-programme/easternpartners/Promoting-Exports-and-Supply-Chain-Linkages-in-the-Food-Industry-in-the-Republic-ofMoldova-ENG.pdf">www.oecd.org/eurasia/competitiveness-programme/easternpartners/Promoting-Exports-and-Supply-Chain-Linkages-in-the-Food-Industry-in-the-Republic-ofMoldova-ENG.pdf</a>	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector,	

Entrepreneurship in the agri-food sector increased during the evaluation period. In the 2015- 2019 period, the number of enterprises in the agriculture and manufacturing (food processing, accounts for 37% of total manufacturing output and 26% of employment in the manufacturing sector) in Moldova increased by 40 and 9 % respectively. The largest increase in terms of the number of enterprises in the agriculture and manufacturing sectors occurred in T.A.U. Gagauzia where the enterprises increased by 91 and 16 % respectively. Gagauzia was followed by the Centre and North regions. The number of enterprises in various regions is presented in the following table.

Figure 6: Number of enterprises in the agriculture and manufacturing sectors

Region	Sector	2015	2016	2017	2018	2019
Whole country	Agriculture, forestry and fishing	3168	3439	3847	4210	4428
	Manufacturing	4482	4535	4686	4860	4906
Chisinau	Agriculture, forestry and fishing	510	531	561	627	619
	Manufacturing	2491	2514	2597	2705	2717
North	Agriculture, forestry and fishing	967	1026	1167	1239	1341
	Manufacturing	615	611	633	643	655
Centre	Agriculture, forestry and fishing	1012	1129	1260	1380	1481
	Manufacturing	908	946	979	1025	1031
South	Agriculture, forestry and fishing	498	536	584	634	642
	Manufacturing	304	301	301	305	312
T.A.U. Gagauzia	Agriculture, forestry and fishing	181	217	275	330	345
	Manufacturing	164	163	176	182	191

During the same period also the profitability of enterprises in both sectors grew. This involved both an increase in the generated turnover and the percentage of enterprises that generated a profit. On the

national level the turnover of agriculture and manufacturing enterprises increased by a considerable 48 and 32 percent. The growth of turnover in agriculture was the largest in T.A.U. Gagauzia where the total turnover of agricultural enterprises increased by more than 73 percent. Gagauzia was followed by the north which generates the largest agricultural turnover which increased by 54 percent reaching 6,970 million Lei. On a national level in 2019 compared to 2015 the number of enterprises that generated a profit in the agricultural sector grew by 68 percent and by 23 percent in manufacturing.

#### JC. 4.3 New activities have developed in rural areas

Certain non-agricultural sectors developed in rural areas however this has been not significant and the agricultures role as an employer has become even more important.

During the evaluation period the gross value added of trade of motor vehicles - the largest economic sector in Moldova – along with construction grow nationally. Similarly, contribution of trade and repair of motor vehicles and construction grow in all of the regions of the country. The contribution of manufacturing (including food processing) and agriculture on the other hand slightly shrank. The importance of the agricultural sector slightly reduced for the northern and central areas while the sector become a stronger contributor to the economy of the south and Gagauzia.

At the same time agricultural enterprises increased significantly in rural areas, as the sector has remained the most active sector in terms of entrepreneurship and employment. Employed population in non-agricultural activities reduced and the role of agriculture in terms of employment grew. The reduction of the added value of the sector along with the increased employment in the sector point towards low added value jobs as the value added per worker in the agricultural sector is one of the lowest compared to peer countries and even worsened during the evaluation period.

The EU has been supporting diversification of economic activity in rural areas though various measures. Among others the policy framework for Rural Infrastructure has been improved through the introduction of new subsidy measures. Also, the number and volume of locally driven rural development interventions increased significantly through initiatives such as the LEADER approach.

#### Indicator 4.3.1. % Of persons employed in non-agricultural activities (increase since 2014)

Strength of evidence based: Strong

##### Main source of information:

Document review	Interviews	Survey
FAO. 2020. Smallholders and family farms in the Republic of Moldova. Country study report 2019. Budapest. <a href="https://doi.org/10.4060/ca9836en">https://doi.org/10.4060/ca9836en</a> RM National Bureau of Statistics data bank.	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector	

Employed population in non-agricultural activities reduced from 70 percent in 2014 to 64 percent in 2018 throughout Moldova. The role of agriculture is therefore growing in terms of employment. Based on the Labour Force Survey data in 2018, agriculture accounted for about 36 percent of total employment in 2018 which is a considerable increase (44 percent) compared to 2010.

It is worth noting that the increased importance of the agricultural sector in terms of employment occurred despite the slight reduction of agriculture’s contribution to the GDP as a sector. The value added per worker in the agricultural sector is one of the lowest when comparing to peer countries and worsened during the evaluation period.

### Indicator 4.3.2. Share of non-agriculture and agri-food sector in GDP (trend since 2014)

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Survey
RM National Bureau of Statistics data bank.	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector	

Trade of motor vehicles - the largest economic sector - grow during the same period, while the contribution of manufacturing slightly shrank. The relative contribution of the agricultural sector to Moldova's economy fell during the evaluation period, reaching 11.7 percent.

In terms of regional importance, agriculture plays the greatest role in the economic structure of the South region (36.2 percent). The South is followed by the Gagauzia (30.8 percent) the Center (25.0 percent) and the North (23.2 Percent). The importance of the Agri-food sector for the economy of the northern and central and southern areas slightly reduced during the evaluation period while the sector become a stronger contributor to the economy of Gagauzia.

### Indicator 4.3.3 Number of non-agricultural enterprises and jobs created in sampled rural areas (sampled districts) since 2014

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Survey
RM National Bureau of Statistics data bank.	Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector	

The number of enterprises in Moldova generally increased yet the agricultural sector experienced a much faster growth rate in this regard compared to non-agricultural sectors. In the period of 2015-2019 the total number of enterprises in general increased by 11 percent. The highest percentual growth occurred in educational sector where the number of educational entities increased from 407 entities in 2015 to 576 in 2019. The education sector was followed by the agricultural sector where the number of enterprises increased by 1260 or 40 percent.

Non-agricultural enterprises on average increased by 9 percent. On the national level, the number of non-agricultural enterprises grew in all sectors of the economy in exception to the mining sector.



As a result, the share of agricultural enterprises as part of the total number of enterprises increased. Enterprises offering services grew by 30%, Water supply; sewerage, waste management (26%), Information and communication 24% and other services (19%). In the regions outside of Chisinau (North, Centre, South and T.A.U. Gagauzia) entrepreneurial activity was the highest in the Agricultural sector followed by services.

**Indicator 4.3.4 Number and volume of locally driven rural development interventions increased (since 2014)**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
<p>RM National Bureau of Statistics data bank. Action Document for the “ENPARD Moldova – Support to Agriculture and Rural Development”</p> <p>Case study on the implementation of the LEADER approach in the Republic of Moldova, EaP, CSF 2020.</p> <p>ENPARD, 2019. Final Report Technical Assistance for the Implementation of Sector Reform</p> <p>Evaluation of the “Support to Agriculture and Rural Development” SARD Programme in ATU Gagauzia and Taraclia district and neighbouring communities, Mehlmauer-Larcher and Cojocau. 2018</p> <p>Report on the assessment of potential legal solution for the registration and operation of LEADER Local Action Groups (LAGs) in Moldova EU financed SARD Programme implemented by UNDP. 2017</p> <p>Turek Rahoveanu, Adrian (2012): Leader approach: An opportunity for rural development, In: Agrarian Economy and Rural Development - Realities and Perspectives for Romania. 3rd Edition of the International Symposium, October 2012, Bucharest, The Research Institute for Agricultural Economy and Rural Development (ICEADR), Bucharest, pp. 355-362</p>	<p>Interviews with public officials in Moldova Interviews with EU officials Interviews with civil society representatives active in the sector</p>	

The LEADER approach for the development of rural areas has been an important contributor to locally driven rural development interventions. Implementation of the LEADER approach in the Moldova has been carried out since 2016 with the support of the EU, the Republic of Poland and other partners such as the USAID and the UK Embassy. Introduction of the LEADER approach was carried out through the Support for Agriculture and Rural Development (SARD) initiative.

There are currently 32 Local Action Groups (LAGs) operating in the country, covering about 35% of the country’s rural areas. The LEADER initiative among others provides (potential) entrepreneurs with the opportunity to access grants provided by the LAGs for business ideas related to (i) strengthening and diversifying the rural economy, (ii) improving public services and infrastructure, (iii) protecting and promoting heritage local cultural and natural.

With the introduction of the LEADER in Moldova Local Action Groups and their Association National LEADER Network supported to design local development strategies and to raise their voice to become local partners in implementing projects under the bottom-up approach of the EU LEADER method. In 2018 the LAGs implemented around 160 micro projects with a total co-financing budget of about €7 million MDL. In 2019 the projects implemented by the LAGs accounted reached around 200 micro-projects with a total budget of about 10 million MDL. The number of the implemented projects by the LAGs in 2020 increased further to about 350 projects that together had a budget of 20 million MDL.

According to local representatives, the year of 2020 was a remarkable year, filled with uncertainty. Despite all this, the LAG has managed to strengthen and implemented in 2020, as in 2019, many beneficial projects that will enhance the local economic development, tourism infrastructure, and local public services.

The LEADER approach has consequently been able to contribute to locally driven development. This involves interventions that target present issues in support of local development and motivate and unite rural communities.

The leader approach is gradually moving towards institutionalization. In December 2020, the draft law on LAG was voted by the Government of the Republic of Moldova. The Law provides for the creation of the legal framework on the activity of Local Action Groups as legal entities and will regulate the establishment, activity, reorganisation and liquidation of the LAGs. Yet still many challenges remain to exist. In this regard, many unclarities remain to exist with regard to state funding of the LAGs and the transfer of the LEADER system to local funding is a working process. project development and approval processes need to be further optimized.

#### **Main findings for EQ 4**

- Trade competitiveness of the agri-food sector increased, although diversification was limited.
- EU support contributed to improved conditions for production, processing, and marketing through development of infrastructure and agricultural service delivery.
- Development of new activities in rural areas has been limited.

## Evaluation question 5: JCs and indicators

**EQ5. To what extent has the EU support to Moldova contributed to strengthening the democratic institutions and good governance, including the rule of law?**

This EQ covers Effectiveness, impact and sustainability

JC 5.1 The institutional and/or functional independence, effectiveness and accountability of the rule of law sector (Police and judiciary) have advanced and are recognized.

JC 5.2 Corruption is prevented in public administration, and prosecuted by dedicated bodies

JC 5.3 Public administration and public finance management at national and local level was improved

JC 5.4. Fundamental rights and freedoms (including freedom of the media) are increasingly respected, protected, fulfilled and promoted by duty bearers

JC. 5.1 The institutional and/or functional independence, effectiveness and accountability of the rule of law sector (Police and judiciary) have advanced and are recognised

**Justice:**

In 2011, the parliament of Moldova adopted Moldova's 2011-2015 Strategy (extended since then) for Justice Sector Reform. It has been prolonged several times and is still the reference strategic document for justice reform to date. Other draft strategic documents are not yet adopted. While the existence of a new draft shows a gradual increase in the policy making capacity of the MoJ, its pending adoption also highlights the sensitivity of all reforms touching the justice sector. Finally, there is a general tendency to equate "reform" with "legislative amendments". This approach has two negative outfalls: it leads to the constant redrafting of the legal environment of the judiciary, which decreases the legal certainty of both the judicial personnel and the justiciable; and it derails the reform efforts from deep change management within the justice system and among its actors. Overall, all stakeholders concur to say that the justice system reform is slow, difficult and sensitive, although characterized by "islands of excellence".

Evaluation of ENPI/2012/023-420 "Support to the Justice Sector Reforms" noted that the general condition no 1 ("Satisfactory progress in the implementation of the 2011-2016 Justice Reform Strategy (JSRS) and Action Plan with financing requirements consistent with budgetary allocations" for the disbursement of the 3rd and 4th tranches (2014-2015) was not met, citing delays in adoption of the legislation, personnel rotation at MoJ, unwillingness of the actors subjected to new legislation to implement its provisions, deficiencies in protecting human rights and tackling corruption, as well as the overly ambitious objectives combined with insufficient capacity of the staff to implement them.

Chronologically, before the start of the evaluation period, in 2012-2013, late implementation of the Strategy and Action plan is cited as the main obstacle. The National Council for Law-Enforcement Bodies Reform, charged with implementation of the JSRS met first in Dec 2012 took until April 2013 reconvene. Also, both the financial support and the mechanism for the implementation were put in place by the EU in 2013, which was 2 years after the start of the JSRS. In 2014-15, political instability, lack of budget funding, resistance from key actors to change, and the lack of measurement of the conducted activities were considered by the EU to be the key obstacles.

The situation did not vastly improve in the following year: the Court of Accounts of Moldova in "Performance Audit report of the JSRS for 2011-2016" (this covered activities implemented up to 2016) stated that the performance was poor. Regarding the audit's general objective: "The Republic of Moldova has not attained significant progress in Justice Sector Reform". In its conclusions: "The efforts undertaken by key relevant actors were not conclusive and effective, thus compromising the expected effect of the justice reform." In its 2016 report for Moldova the European Court of Auditors remarks that "international indicators cast doubt on whether there had been progress". The GRECO 2016 report was mostly negative in its assessment on corruption in the justice sector and the independence of the judiciary. It particularly expressed "serious misgivings about the composition and operation of the SCM. The Human Rights Report, the State Department of the USA noted among others, "widespread corruption, especially within the judicial sector". It also notices that "during the year (2016) the government made some progress in investigating corruption cases involving public officials and the judiciary. These actions were mostly perceived as selective justice."

Since 2017, the information available shows that while the Technical Assistance projects have continued to deliver on the activity and output levels, the political and institutional impediments to the justice sector reform gradually accumulated to cause a stalemate. As a result, the objectives for 2016 and 2017 were considered not met. The body of internal as well as external reports and evaluations is unanimous in attesting to the disfunction of what is supposed to be a mutually re-enforcing interaction of various independent bodies governing the justice sector.

After the collapse of the Maia Sandu Government, the new Minister of Justice decided to take over his predecessor's previous commitment and disseminated beginning of January 2020 a new draft document entitled "The Strategy for ensuring the independence and integrity of Justice Sector 2020-2023", accompanied by an Action Plan. These documents were initially prepared by the Ministry of Justice, without sufficient consultation and involvement of stakeholders and international partners. The CoE High Level Delegation on 20 and 21 January 2020 recommended to slow the drafting process down for broad consultation. To date, the draft strategy is ready, and has gathered some contributions from a wider scope of consulted stakeholders, but it has not been adopted.

Indicators depict a judicial system in tension. The EU-supported efforts to bring the legal and regulatory framework in line with international and European standards, and to foster practices that are in line with the ethics of the profession, have created a necessary basis for an independent, accountable, effective and efficient judicial system. Capacity building supported by the EU has fostered lasting changes in the training system for judicial practitioners, performance and career management systems are mostly in place, and the efficiency of courts has increased as a result of the EU's complex intervention. However, these necessary conditions do not yield the desired impacts yet. Budget support disbursement have been interrupted, corruption remains high in the opinion of all actors despite dedicated EU projects, the public's perception is timidly improving, and in-depth change management among practitioners is just beginning – for instance, trial monitoring has encountered obstruction, which is symptomatic of an organisational culture which resists to change.

#### **Police:**

The 2016-2020 police reform strategy pursues objectives which are very much in line with this judgement criterion, and the budget support and complementary assistance have effectively accelerated these dynamics. The implementation of the strategy is mostly on track, according to interviewees and budget support disbursement reports.

However, clear delineation between the political and functional levels remains unfinished. A sound decision to clearly delineate the responsibilities of the police (maintaining and ensuring public order) from Carabinieri (restoring public order) ended in half-measure. The carabinieri remain mostly untouched, despite attempts, clearly due to lack of independence and lack of political will to transform this body into a service-oriented, citizen-focused law enforcement service.

Besides, the independence of the institution vis-à-vis political appointees is only one aspect of independence: next in line is the functional independence of individual officers, who should enjoy a broader margin of appreciation in the exercise of their functions, within the limits of the law and regulations, their job descriptions and ethical guidelines, and within the priorities set forth by the Strategy and their tactical instructions. This fine balance supposes that all law enforcement officers would fully understand and embrace the objectives of their service, and that functional delegation of decision-making would accompany the decentralisation of the police service. That would also suppose sufficient analytical functions and capacities at the local level, so that each officer may take informed decisions in the daily exercise of their duties.

Internal and external accountability mechanisms, including civil society oversight, ethical safeguards and deontology training, became stronger during the period, particularly with the support of EU programmes complemented by other donor initiatives. There is an accent placed on human rights-compliant policing, and budget support clearly helped put the material conditions in line with this requirement. Yet, internal investigations and disciplinary procedures remain scarce compared to the analysis of the perception of the public and the expert community regarding breaches committed by police officers (such as cases of petty corruption as seen by the general public including those who have used police services recently, excessive use of force and possible cases of ill-treatment as pointed by the reports of the People's Advocate's Office). It appears that this aspect of internal accountability has been under-invested by EU support, which could partly explain why it is lagging behind.

The effectiveness of the Moldovan law enforcement (which supposes efficient use of resources, sufficient quality of service, and results in terms of tackling security threats) has strongly improved during the evaluation period. This is particularly the case of the Border Police, which directly flows from the high investment of the EU and of the Moldovan State, through the EUBAMs, for the implementation of the VLAP and, henceforth, of the visa-free regime. This is also the case of the General Police Inspectorate, particularly thanks to the redistribution of its human and material assets towards the patrol police. Progress also took place in the area of criminal investigation, particularly in forensic capacities. The budget support programme, through its incentive structure and the material investments it allowed, played a big role in this progress.

The Moldovan law enforcement is therefore much more effective now than before 2014, and this is recognized by all interlocutors and documentation.

<b>Indicator 5.1.1. Supported self-governance bodies of the justice system are independent, ready, willing and able to regulate their professions</b>		
Strength of evidence based: Very strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
EuropeAid/138640/DH/SER/MD ENPI/2012/023-420 “Support to the Justice Sector Reforms” Moldova 2011-2016 Strategy on Justice Sector Reform Moldova 2019-2022 Draft Justice Sector Development Strategy Moldova 2021-2024 Draft Strategy for ensuring independence and integrity of the justice sector <a href="#">the law no 154 of 05 July 2012 on the selection, performance evaluation and career of Judges (...)</a> <a href="#">Law no 178 of 25 July 2014<sup>2</sup></a> on the disciplinary liability of judges, regulating the procedure of dismissal of judges. Moldovan Government Action Plan for 2020-2023 Analysis of the Moldovan Government Action Plan for 2020-2023 (platform of CSOs) <a href="https://eap-csf.eu/wp-content/uploads/Analysis-GAP_2020.pdf">https://eap-csf.eu/wp-content/uploads/Analysis-GAP_2020.pdf</a> GRECO Reports on Moldova (all) International Commission of Jurists, 2019, “Only an empty shell – the undelivered promise of an independent judiciary in Moldova” CEPS, 2019: Integrity on Trial: Judicial reform in Georgia, Ukraine and Moldova (Steven Blockmans, Nadejda Hriptievschi, Viacheslav Panasiuk and Ekaterine Zguladze) <a href="https://www.europarl.europa.eu/doceo/document/TA-8-2018-0303_EN.html">https://www.europarl.europa.eu/doceo/document/TA-8-2018-0303_EN.html</a> Venice Commission Opinion of 2020 on the Draft Law on amending and supplementing the constitution with respect to the superior council of magistracy	Interviews with 28 persons including Moldovan officials, CSOs, EU officials, others.	Perception of Judges, Prosecutors and Lawyers on justice reform and fight against corruption, Legal Resource Center Moldova 2015 Evaluation survey Public Opinion Barometer

<sup>2</sup> <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=354341>



### **Superior Council of Magistracy:**

The Parliament of the Republic of Moldova adopted the law no 154 of 05 July 2012 on the selection, performance evaluation and career of judges, defining the procedure of selection, continuous training, and promotion of judges. Law number 153 adopted on 05 July 2012 by the Parliament amended the rules for the appointment of judges and clarified the role of the Superior Council of Magistracy (SCM) into this strategic process. During 2014, 269 out of 414 judges have been evaluated by SCM. The timing of the amendments adopted in 2012 were in line with the Judicial Reform Action Plan timeline, but their content was criticized. However, in 2013-2014 no relevant amendments to the Law on SCM took place. In December 2013 (Law no. 326) the legislation introduced a ban for judges on ex parte communication. The rules for selection and promotion of judges have not changed since 2012.

The Superior Council of Magistracy (SCM) approved on 05 March 2013 the Regulation on the criteria for selection, promotion and transfer of judges. The content of the SCM regulation has been constantly criticized by the CSOs as not in line with European best practices and Venice Commission opinions.

The law no 178 of 25 July 2014 on the disciplinary liability of judges, regulating the procedure of dismissal of judges was adopted. However, it disregarded important Venice Commission recommendations (e.g., role of inspector judges, ban on transfer of judges during the period of disciplinary sanctions, grounds for dismissal of judges).

In 2018, the Government prepared a draft law on amending and supplementing the constitution with respect to the superior council of magistracy, which the Venice Commission welcomed but which was never adopted to date.

The General Assembly of Judges on 27 September 2019 ruled to dismiss the elected judges' members of the Superior Council of Magistrates (SCM) alleging the lack of independence vis-à-vis the executive power. Together with the earlier resignation of the President of the SCM in July 2019 this has effectively blocked the ability of the EU to provide support to SCM, since it was not operational.

Throughout 2019 it proved impossible to implement the methodology of the new legislation on Integrity, Disciplinary and Ethics. The creation of the relevant working group was de-prioritized by the MoJ, giving priority to the re-evaluation of Judges within the framework of a vetting process in 2019. Nevertheless, as the foreseen re-evaluation process of judges includes an evaluation of their integrity, the EU project team reported it being of crucial importance to master the Integrity evaluation methodology and was expecting follow up for 2020.

In January 2020, following an urgent request by the Minister of Justice, the Venice Commission issued an urgent Joint Opinion on the draft law on amending the law No. 947/1996 on Superior Council of Magistracy. The Venice Commission welcomed most of the draft provisions but expressed "serious concern about the manner in which four lay members of the SCM have just been elected, which seems to defeat the proclaimed aim of the legislative amendments of December 2019 to restore the public trust in the SCM. These four lay members have been elected in a controversial, non-consensual manner and for a full mandate of four years, which hampers the positive impact which the constitutional amendments ought to have brought. The transitional constitutional provision to the effect that the sitting members of the SCM will terminate their mandate acquires a totally different perspective against this background."



The legislative amendments were adopted by the Parliament and entered into force following their promulgation by the President of the Republic on 31 January 2020.

Overall, the SCM has been equipped, thanks to EU support, with a number of internal processes and tools to fulfil its role. The Board of Ethics in particular, can rely on a compliant new Code of Ethics. Yet, at the date of drafting this report, the SCM is split between diverging interests and its membership is considered illegitimate by many actors: the latest appointment process was marred by insufficient competition and other issues of legitimacy, the CSM has been impaired by its inability (or alleged unwillingness) to meet the required quorum for important decisions, judges consider that they are underrepresented in the CSM. Despite the technical tools placed at its disposal, and the presence of change agents within, as a collegial body the SCM it is neither ready, willing or able to perform its mission of independent, impartial, effective and efficient governance of the body of judges.

### **Prosecution (Superior Council of Magistracy and General Prosecutor's Office):**

In 2019 the Maia Sandu Government amended the Law on Prosecutor's office to establish a new selection process for the appointment of the General Prosecutor. The draft law envisaged an extraordinary Evaluation Committee for the selection of at least two candidates to be submitted to the Superior Council of Prosecutors (SCP), which then would propose to the President of the Republic the chosen candidate after evaluation and interview.

The draft law was adopted by the Parliament on 16 September 2019. In compliance with this law, the MOJ has established the extraordinary Evaluation Committee, which pre-selected four candidates to be submitted to the SCP. However, the Minister of Justice cancelled on 6 November 2019 the contest results for the position of General Prosecutor, stating that the members of the commission received, after announcing the preliminary results of the selection, additional information regarding some candidates that was unknown to them. Consequently, the Prime Minister Maia Sandu assumed responsibility for modifying the Law on the Prosecutor's Office and put forward two candidates for the position of General Prosecutor, according to the procedure foreseen by Article 106.1 of the Constitution. In response, the Socialist Party filed a motion of censure, which was voted by 63 MPs on 12 November 2019 and led to the collapse of the government. However, the new Minister of Justice has considered that the selection procedure of the General Prosecutor was legal and decided to submit the four candidates pre-selected by the extraordinary Evaluation Committee to the SCP, which has approved the candidature of Mr. Alexander Stoianoglo. On 29 November 2019, the President of the Republic signed a decree appointing him to the post of General Prosecutor.

Due to these problems EU support to SCP was impeded, although to a lesser extent than in case of SCM. EU-supported assessments were issued: i) on the law on Prosecution Service including prosecutors' selection, appointment, evaluation, promotion and disciplinary ii) on the criminal procedure code regarding the prosecutor's independence in matters related to prosecutorial decision-making; iii) on the legislative and practical safeguards for prosecutors; and iv) on the amendment of the Code of Prosecutor's Conduct were prepared by EU experts.

EU cooperation also supported the General Prosecutor's Office towards independence, accountability, and transparency. The revision of the Code of Ethics was an important step. Another major output was the assessment of the Prosecution's Inspectorate, a key actor to hold prosecutors accountable. The assessment was rated positively and recommended important changes. Series of trainings took place with prosecutors, particularly on ethics. However, despite these important contributions to the framework on accountability and independence, the documents and interviews do not point to measurable changes from the perspective of the daily performance of prosecutors.

The documentation shows that the SCP is only starting to incorporate the changes promoted by the Strategy and by EU projects. Most interviewees consider both the SCP and the General Prosecutor's Office as hard to reach and consider that the SCP cannot be considered, as of yet, ready, willing and able to strongly contribute to the independence, accountability and efficiency of the judiciary.

## Supreme Court:

The above-mentioned Law on the reform of the supreme court of justice and the prosecutor's office, adopted in 2019, beside provisions on the Prosecutor's Office and Superior Council of Prosecution, envisaged a vetting process for sitting judges and a profound rehaul of the Supreme Court. The draft Law was commented by the Venice Commission who expressed serious concerns at the combination of several targets and purposes within the same law (prosecution, Supreme Court, vetting of judges, changes to the SCM): according to the Venice Commission, "This combination between two different purposes obstructs the justification for subjecting all the sitting Supreme Court judges to extraordinary re-evaluation and for the interference with the principle of being able to remove judges. This justification is even more important as a vetting scheme may create a dangerous precedent and may lead to an expectation that there will be a vetting scheme after each change of government, which would undermine the motivation of the judiciary and reduce its independence." The Law was not adopted, but the process demonstrates the fragility of the architecture of governance of the Moldovan judiciary, regardless of the Government in place. Currently, most interlocutors consider that the quality of the work of the Supreme Court of Justice requires serious improvement.

### Indicator 5.1.2. Trends in CPEJ indicators (2014 – 2018)

Strength of evidence based: Very Strong

#### Main source of information:

Document review	Interviews	Survey
European judicial systems Efficiency and quality of justice CEPEJ STUDIES No. 23 Edition 2016 (2014 data) European judicial systems CEPEJ Evaluation Report 2020 Evaluation cycle (2018 data) Project reports (349066 ATECO, PGG CEPEJ) Evaluation reports (PGG CEPEJ, Four Justice support Technical Assistance projects)	Interviews with 28 persons including Moldovan officials, CSOs, EU officials and implementing partners, others.	N/A

Overall, CEPEJ indicators have improved during the evaluation period, and considering its budgetary challenges, Moldova does not rank badly among the 45 reviewed countries. Progress is most noteworthy in areas which were directly supported by the EU, particularly through technical assistance projects and contribution agreements with the Council of Europe.

1. Budget of the judicial system (including courts, legal aid and prosecution services) per capita (as per latest available population census): In 2014, of the 45 States evaluated by the European Commission for the Efficiency of Justice (CEPEJ), Moldova had the lowest amount of public budget allocated to the judicial system per capita: 8 EUR. Yet, compared to its wealth, Moldova made a relatively high budgetary effort for the judicial system. This effort gradually increased further until 2018 (latest data available in CEPEJ reports), with 13,23 EUR per inhabitant – still far below the European median of 61,3 EUR, but a significant effort compared to the GDP per capita. Within this budget, the highest proportion is dedicated to the functioning of the courts (7.03 EUR per capita, a clear increase from 4,85 EUR in 2014), followed by the prosecution (whose part in the judicial budget more than doubled from 2.05 to 5,74 EUR per capita during the period). Meanwhile, the budget per capita dedicated to legal aid remained almost unchanged, from 0,33 to 0,47 EUR per capita. The budgetary priority put on courts and prosecution services could

contribute to increased efficiency of the judiciary. However, an increased effort on prosecution services, compared to the rights of the defence/victims, especially the most vulnerable who require legal aid, is concerning. It also needs to be considered in the light of the modest efforts of EU-Moldova cooperation on supporting the defence (only one dedicated project during the evaluation period). Overall, the judicial system is mostly financed by the State budget, and only modestly by court taxes.

2. Human resources: The number of judges per 100 000 inhabitants has increased modestly during the period from 10,8 in 2014 to 16,41 in 2018. This is just under the European median of 17, 66. This is only sustainable if the incoming cases are commensurate, which is currently the case, with 2,23 cases per 100 inhabitants at first instance in civil courts, 1,62 in criminal courts and 0.33 in administrative courts – but these numbers increase steadily albeit slowly, and potential shortcomings could be anticipated. The number of prosecutors per 100 000 inhabitants increased significantly from 19,58 in 2014 to 24,16 in 2018, well above the European median of 11,25 (in 2018). Meanwhile, the number of lawyers per 100 000 inhabitants has increased from 47,07 to 78,87, which is modest if one considers the European median at 123. Again, this reflects slight over-investment in prosecution, and under-investment in the defence, mirrored in the number of EU support projects associated to the respective components of the judicial system. In interviews, most interlocutors nuance the assessment of the clearance rate, deploring that judge and (to a lesser extent) prosecutors deal with too many cases at the same time. While praising the success of the IT-based randomisation of case distribution, which tends to harmonize the workload between judges, interviewees also regret that the complexity of cases is not well factorized by the system. This is acknowledged in the relevant project reports, and by technical partners including the CEPEJ, and an update of the system is upcoming to correct possible discrepancies.
3. The clearance rate of cases (number of cases cleared divided by number of cases received in a year) is commensurate, raging around 100% in all jurisdictions and at all levels, which is in line with European medians. Clearance rates at first instance levels in all types of jurisdictions have increased significantly during the period, particularly in criminal courts, which needs to be correlated with the bulk of EU support to the efficiency of courts. In the stages after the first appeals, clearance rates tend to decrease slightly. The disposal time varies much more, depending on the jurisdictions and the level of jurisdictions, from 24 days in the highest instances of administrative courts, to 205 days at first instance in administrative courts – the civil and criminal courts having a disposal time of 142 and 170 days in the first instances of civil and criminal courts respectively. All disposal times in Moldovan courts are under European medians (which is positive), except for first instance criminal courts. The trends of disposal time over the period are similar to those of clearance rate, which shows that the evolutions mirror efficiency gains or losses linked to changes in the tools, processes and capacity of the existing human resources. This also likely reflects the hiring of new, well-trained judges who went through the EU-supported National Judicial Academy. They currently perform mostly at first instance level and their efficiency has likely boosted the corresponding indicators. As these judges reach the higher echelons, and new well-trained judges join the institution, it is possible that their efficiency level is mirrored in higher jurisdictions – provided they retain their aptitudes, know-how and motivation.
4. Salaries (start of career): Judges' and prosecutors' salaries have steadily increased during the period, but so have the national average gross salary. While the prosecutors' salary progression is parallel to that of the national average gross salary, judges' salaries increased much less, to the extent that the national average gross salary caught up with judges' salaries. Most interlocutors during interviews considered that judges were underpaid in Moldova, which creates vulnerabilities to corruption.

**Indicator 5.1.3. Percentage of judges, prosecutors and attorneys trained since 2014 with EU support in supervisory/representative positions**

Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
JSRS of the Republic of Moldova; Review of implementation, Assessment and Recommendations; COE, Directorate General Human Rights and Rule of Law/05.12.2017  Support to efficient prevention and fight against corruption in the justice sector: project documents and reports  Increased efficiency, accountability and transparency of Courts (ATRECO project): project documents and interim report	Interviews with 28 persons including Moldovan officials, CSOs, EU officials and implementing partners, others.	Support to efficient prevention and fight against corruption in the justice sector: Survey report on NIJ initial and continuous training, 2019.

The National Institute of Justice (NIJ), established in 2006 offers initial and continuous training to judges and prosecutors and their assistants, as well as court registry employees, court chancellery employees, prosecutor consultants, probation officers, and attorneys providing free legal aid. Despite repeated requests, it was not possible to obtain the exact proportion training participants who hold supervisory positions, but document analysis and interviews show that the population of NIJ trainees reflects the general population of judicial practitioners, which is extremely positive.

The 18-month Initial Training is a formal requirement and precondition for appointment to the positions of judges or prosecutors: candidates are trained on domestic legislation and legal framework; relevant European and international treaties, court jurisprudence of the domestic courts and of the Constitutional Court; the jurisprudence of the European Court of Human Rights (ECtHR) as well as the European Court of Justice (ECJ). All magistrates that were appointed since 2006 therefore undertook the NIJ's initial training. These are overwhelmingly junior judges and prosecutors born in the 1980's and working in first instance courts. Magistrates working in the Courts of Appeal and in the Supreme Court were overwhelmingly appointed before the creation of the National Institute of Justice and have not undertaken the initial training.

Once appointed, the judicial practitioners listed above are required to 40 hours of training per year. The training offer is structured in modules, several of which were designed through EU-funded projects (such as the Partnership for Good Governance, a joint EU/Council of Europe programme, as well as technical assistance programmes ATRECO and Support to efficient prevention and fight against corruption in the justice sector). According to a survey conducted by the project Support to efficient prevention and fight against corruption in the justice sector in 2019, it seems that the legal requirement is respected for almost all judges and prosecutors, including those in supervisory positions.

Apart from the fact that few went through initial training, the specificity of magistrates in supervisory positions is therefore to be found in the type of continuous training modules they choose to attend, and which do not necessarily include the most needed topics (as assessed by the technical partners) such as management, anti-corruption, ECtHR judgements and human rights. There are also reports of the most senior practitioners signing in to training modules because they are legally obliged but in reality, attend only a small portion of them.

#### Indicator 5.1.4. Evolution of Public trust in the justice system (%)

Strength of evidence based: Very Strong

##### Main source of information:

Document review	Interviews	Survey
Vasile CANTARJI, Social Research and Marketing Center CBS-AXA/Legal Resource Center Moldova, <i>Confidence in the justice system of the republic of Moldova in 2001 – 2018. Trends and determinants.</i>	Interviews with 28 persons including Moldovan officials, CSOs, EU officials and implementing partners, others.	Public Opinion Barometer (collected by Ministry of Justice) Evaluation survey

Throughout the period, public confidence in the justice system has been very low, while fluctuating between 8% (second semester 2016) and 24% (first semester 2017). There is no evidence of any relationship between the reform efforts or policy moves, supported by the EU or not, and the evolution of the public's trust in their justice system. The only possible exception is the suspension of budget support to the judicial sector in 2017 – but that year is also when further revelations came to light on the “Laundromat” case, and attribution is hard to establish. Arguably, both events corroborated each other in the eyes of the public.

These fluctuations mostly mirror those of the trust rates in other public institutions (except the Army) and tend to correspond to the aftermath of the largest corruption scandals. But parallel trends of trust in the justice and other State institutions do not only mean that confidence in the judiciary responds to similar factors as confidence in State institutions overall – they also mean that the two reinforce each other. As the LCRM report says, “if public confidence in all that a state means decreases, confidence in the justice system will inevitably decrease as well.”

Year	2014	2015	2016	2017	2018	2019	2020
Public trust rate in the justice system overall	22.5%	13,5%	9%	19% Dip between 1 <sup>st</sup> and 2d semester	18,5%	21%	20.5%
Public trust rate in the prosecution	No data available	No data available	No data available	23% Plunge between 1 <sup>st</sup> and 2d semester	18,5% Up-down fluctuation	22%	18,5%
Major events		Bank fraud revelation	Major legislative changes on organisation of the justice system	Laundromat revelations Suspension of budget support to justice reform			

The majority of interviewees highlight that low trust of the citizens in the justice system relates to the public's perception that judicial practitioners are corrupt and part of what is referred to as “the system”: a



complex of personal loyalties, advantages and pressures inherited from the immediate post-soviet system, and which has gradually evolved into the capture of the judiciary. Interviewees further consider that the inability of the judicial system to prosecute the two major corruption scandals (the “bank fraud” and the “laundromat” cases) for the past few years creates an impression of incapacity at best, unwillingness and collusion at worst. They also point to the media coverage of high-profile cases, and of the judiciary in general, which they consider to be often suggestive. The protracted debates over the appointments of members of the Superior Council of Magistracy, investigations and dismissals at the highest level of the judiciary further spined this coverage, and arguably public perception.

But our survey mostly suggests that the poor reputation of the justice system also has much to do with its actual performance with the daily delivery of justice. The 1304 respondents who used the services of the justice system rated their experience in average at 1.7 out of a four-star rating. Overall, respondents associate the justice system the most with the words “corrupt” (87%), “politicized” (73%) and unprofessional (43%). Among those who used the services of the justice system during since 2014, the figures are slightly better, showing that some justice users are pleasantly surprised by their experience, but they remain fairly similar: “corrupt”, “politicized” and “unprofessional” remain the most frequently associated words (83%, 66% and 45% respectively). While the efficiency of justice has gradually progressed since 2014, and is close to European medians, challenges obviously remain with the quality of justice, and the experience of the citizens. Among our interviewees who are close to, or part of the judicial system, informed opinions are split between a short majority who believe that most judicial practitioners are subject to “the system” and get along with it due (among other reasons) to lack of professionalism and competence as well as vulnerability to corruption or compromising deals, and a minority who believe that most judicial professionals are devoted, integrous and professional. Yet, all interviewees agree that “something is wrong” with the justice system and, if not the efficiency, surely the quality of judicial decision. The informed opinion of stakeholders involved in justice reform is therefore very similar to that of the vast majority of Moldovan citizens who took our survey. The Legal Reform Center Moldova, quoting among others a World Bank survey from 2017, finds the same patterns: the trend is therefore sustained over the years, regardless of reform efforts. In all groups of respondents, all negative words outnumber by far all positive words. The most likely positive word to be associated with the justice system is “impartial”, but with only 16% of respondents picking it.

It is worth noting that women are significantly less likely than men to have used the services of the justice system (only 457 women out of 1304 self-reported users) – but their judgement on the performance or characters of the judicial system are not significantly different from that of men.

Interestingly for questions about the level of access to the justice system, and how this may influence perception, there was no significant difference between rural and urban respondents regarding their likelihood to have used the services of the justice, nor regarding their satisfaction or opinions of the justice system.

The level of trust towards the EU does not affect this perception significantly: respondents have comparable results regardless of whether they rather trust, or rather distrust the EU’s intentions.

Therefore, Moldovans’ opinions about their justice seem to be both very marked and very consensual among the population: they are not significantly affected by the conditions of the respondents – which is not the case for other series of questions, on the economy or local services for instance. One can only conclude that it will take a lot of time, efforts and results to affect them, and there is no obvious population group that should be prioritized to build better trust between the citizens and their justice system.

In 2016-2017 studies showed that the perception of citizens and actors deteriorated as regards corruption and Human Rights. The Judicial sector is considered one of the main corruption sources and citizens’ opinions for it are unfavourable up to 76%. Opinions as for the MoJ’s activity are also unfavourable (68%). The Judicial Framework and Independence rating declined from 4.75 to 5.00 “due to intimidation of judges who are not in line with the political agenda, lack of reforms to ensure integrity in the appointment of



judges, and the politicized decision of the Constitutional Court that pre-empted a popular mobilization in favour of direct presidential elections”.

### Indicator 5.1.5. Evolution of Public trust in the police (%)

Strength of evidence based: Very Strong

#### Main source of information:

Document review	Interviews	Survey
United Nations Development Programme, Support to Police Reform Project, Final Report February 2020 Inception Report, Support to the Police Reform in the Republic of Moldova ENI/2018/400-308 Civic Monitoring of the Police Reform in Moldova, Report No. 1, 2016-2018. Promo-Lex, funded by the EU.	Interviews with 15 persons including Moldovan officials and implementing partners, EU officials, CSOs, others.	Public Opinion Barometer Evaluation survey

From 2014 to 2018 (public opinion barometer available) the trust rates towards the police fluctuated around 31% (between and 39% and 25%, starting and ending at 31% over the period), right behind the Prime Minister and around the average rating of State services. The fluctuations in this trust rate do not have obvious links to stages of the police reform, or to key events, except an ephemeral soar to 46% during the first semester of 2017, followed by a plunge to 29% in the second semester, which could be attributed to various factors including the effects of the ongoing reform, the deployment of the 2016-2020 police development strategy, the launch of budget support, or various events covered by the media. There seems to be a clear increase in public trust in the police since 2019, but this needs to be confirmed in 2020 and 2021 to make a convincing trend. So far, the first figures for 2021 show a slight decrease at 37,5%, indicating that the improvement may not be so well established.

Year	2014 (Public opinion barometer)	2015 (Public opinion barometer)	2016 (Public opinion barometer)	2017 (Public opinion barometer)	2018 (Public opinion barometer)	2019	2020 (Ministry of internal Affairs)
Public trust rate in the police	35%	30%	25,5%	37,5% (1 <sup>st</sup> semester 46%, second semester 29%)	23,5%	40%	42%

Respondents were more likely to have interacted with the police than with the justice system (close to 900 of our respondents) since 2014, which is unsurprising, especially with the gradual decentralisation of the General Police Inspectorate and a gradual redeployment of police services closer to the grassroots. Those who have rate their satisfaction on this occasion at 2.1 on a four-star scale.

Overall, our survey respondents associate the police with the words “corrupt” (70%), “unprofessional” (51%) and “politicized” (49%). Respondents who have interacted with the police do not have a significantly different opinion from others (68%, 52%, 44% for the same words respectively).

Women are less likely than men to have had contacts with the police. However, they rate their experience with the police almost identically to men, whether or not they have interacted with the police since 2014 – though those who have interacted with the police are less likely to consider the police “politicized”. In all respondent groups, all negative words outweigh by far all positive words. Generally, the older the respondents, the more severe they are towards the police – though this trend is within the margin of error. The best score attained by a positive word is 18% for “friendly”.

Rural respondents were only marginally less likely to have been in contact with the police during the period, which is positive in terms of coverage of the territory and access. The same is true of contacts with the police depending on regions. However, these factors do not significantly affect the satisfaction or perception towards the police, which is fairly stable regardless of location or type of dwelling.

The level of trust towards the EU does not affect this perception significantly: respondents have comparable results regardless of whether they rather trust, or rather distrust the EU’s intentions.

Therefore, just like with the justice system, opinions about the police seem to be both very marked and very consensual among the population: one can only conclude that it will take a lot of time, efforts and results to affect them, and there is no obvious population group that should be prioritized to durably build strong trust between the citizens and their police.

The increase of the public trust in the police was understood as one of the programming priorities for the EU. The budget support instrument “Support to the Police Reform” lists this as its general objective. The reference value of confidence is given as of April 2014 - 31% and the target set for the implementation of the general objective was at least 41% by 2019.

The opinion of stakeholders who are close to police reform differ significantly from survey results. All our interviewees, regardless of their viewpoint, consider that there has been a clear improvement in the performance of the police services towards citizens since 2014. It is possible that the better public trust figures for 2019 encouraged interviewees to see a lasting positive trend in the public’s confidence towards their police service, but the evaluation team considers such conclusions premature: there is clearly a possibility and a door open, but it remains subject to change and cannot be confirmed without continuous improvements.

There were some “soft” anticorruption measures taken to tackle the problem – as well as public perception – in the long run. The anticorruption section was founded in the General Police Inspectorate (GPI) in 2017. Although the section has no investigative powers, it was tasked with assessing and preventing corruption risks in the police. While the concept is sound in principle, the resource allocation did not match the policy intention – the section had only 4 staff compared to a total of 8 600 GPI employees.

Indicator 5.1.6. Number of internal investigations in law enforcement (trend since 2014)		
Strength of evidence based: Very Strong		
Main source of information:		
Document review	Interviews	Survey
Police General Inspectorate statistics and report on disciplinary actions and criminal cases against police officers Strategy of police development for the years 2016-2020 Budget Support tranche disbursement reports 1, 2, 3.	Interviews with 15 persons including Moldovan officials, EU officials, CSOs, others.	Evaluation survey

EC Implementing Decision on the Annual Action Programme 2015 - Action Document for Support to Police Reform

According to the Police General Inspectorate's internal reporting, the statistics of internal disciplinary sanctions and criminal investigations against police officers are as follows for the period:

Figure 7: internal disciplinary sanctions and criminal investigations against police officers

Year	2014	2015	2016	2017	2018	2019	2020
Number of disciplinary sanctions pronounced for police misconduct in relation with citizens (including cases related to ill-treatment)	No data	No data	3	1	0	0	3
Number of disciplinary sanctions pronounced for other acts of misconduct	No data	No data	720	312	197	152	119
Total number of criminal investigations initiated (corruption cases not included)	No data	No data	58	39	35	25	10
Total number of criminal investigations initiated (corruption cases included)	No data	No data	255	149	116	89	57

The breakdown of criminal investigations is as follows:

Year	2014	2015	2016	2017	2018	2019	2020
Serious intentional injury to bodily integrity or health	No data	No data	0	0	0	1	0
Abduction of a person	No data	No data	0	1	0	1	0
Illegal deprivation of liberty	No data	No data	0	1	2	3	1
Torture, inhuman or degrading treatment	No data	No data	58	35	33	20	9
Sexual harassment	No data	No data	0	2	0	0	0

Constraint to make statements	No data	No data	0	0	0	0	0
Corruption	No data	No data	197	110	81	64	47

The number of disciplinary sanctions for police misconduct in relation to citizens is extremely, perhaps abnormally low. This could indicate, either a tendency to refer any suspicious case to the justice system, or to under-report suspicious cases within the Police General Inspectorate, or to under-sanction disciplinary offences. Interviews are inconclusive in this regard, which shows at least that limited attention is devoted to internal police accountability, especially in terms of redress mechanisms.

The current Police Reform Strategy reiterates the principle of adherence to human rights and has specific objectives on this topic under its second General Objective. There is also, since 2017, a Governmental Action Plan on reducing maltreatment, abuse and discrimination against persons in police custody, but there is very little reporting on its implementation. Within the Strategy, the corresponding measures are mostly preventive, which is commendable but not sufficient: these measures are limited to training, adaptation of premises, and a general pledge to uphold human rights in various settings. Active identification of breaches of the legal and regulatory framework by police officers is not a part of the strategy, and redress mechanisms are limited to “the establishment of a complaints system against police personnel on discrimination and ill treatment acts in Police activity”: in practice, it then falls upon the victims of police misconduct to lead the charge against misconduct.

While police support interventions of the EU put the limelight on police accountability, transparency and respect for rights (very present throughout the five objectives of the budget support programme, and specifically targeted by two CSO monitoring grants), the dedicated expected results target mostly:

1. The improvement of premises (especially for police detention).
2. Training, including on respect for human rights.
3. Control and identification of corruption.
4. Development of standard operating procedures.

The programme does not target redress mechanisms for police misconduct in relation with citizens within the police service, especially internal investigations.

Criminal cases against police officers still concern mostly ill treatment, but the number of cases is steadily decreasing, which shows the effects of prevention measures.

Corruption cases concern overwhelmingly passive corruption (44%), followed by abuse of office (17%), influence peddling (17%), excessive use of force (11%), fakes in official documents (7%), and negligence (3%).

Other infringements are, on the other hand, tackled by a high number of disciplinary actions. This makes the steady decrease of such disciplinary actions more indicative: there is clearly a decrease in the number of such disciplinary actions since the start of the budget support programme, which points to a decrease in the number of such infractions.

It should be noted that the legal framework surrounding deontology in the police service remains incomplete, particularly as regards use of force: under [Law No. 218 \(2012\)](#) on the Police Status and Activity, police use of force is to be used “in strict accordance with the law, and if non-violent methods do not ensure the fulfilment of police attributions”, which is vague.

### Indicator 5.1.7. Number of illegal border crossings (trend since 2014)

Strength of evidence based: Very strong

#### Main source of information:

Document review	Interviews	Survey
<p>IPRE Moldova, Five Years of EU-Moldova Visa Free Travel, Policy Paper, October 2019</p> <p>28 April 2014, decision to transfer the Republic of Moldova to the list of third countries whose nationals are exempt from visa requirement</p> <p>Commission staff working document accompanying the document report from the Commission to the European Parliament and the council: Third report under the visa suspension mechanism (2019)</p> <p>Commission reports on implementation of benchmarks for Western Balkans and Eastern Partnership countries, December 2017</p> <p>Statistics provided by the Moldovan General Border Police Inspectorate</p> <p>EUBAM project documents</p> <p>EU4Border Security project documents</p> <p>Palanca Jointly Operated Border Crossing Project documents</p>	<p>Interviews with 5 persons including Moldovan and EU officials and implementing partners, civil society representatives</p>	<p>EU Neighbours East Surveys 2016-2020</p>

The overall EU action in support of border management has aimed to support the Visa Liberalisation Action Plan (VLAP) in preparation of the visa-free regime for Moldovan citizens, and, following the lifting of the visa regime in 2014, to sustain Moldova's capacity to manage its borders safely and efficiently in the context of the visa-free regime with the Schengen Zone.

Throughout the reporting period, the flagship programmes of the EU in support of border management have been the series of EU Border Assistance Missions to Moldova (EUBAM): this series of projects started in 2015. During the reporting period, the EU ran four such projects (EUBAM 9 to 12) targeted a complete reform of border management, particularly of the General Border Police Inspectorate under the Ministry of Interior. The EU complemented the EUBAM projects with the Palanca Jointly Operated Border Crossing Project (2014-2018), implemented by UNDP, and the EU4Border Security Project (multi-country project including Moldova, ongoing), implemented by IOM, both targeting joint border management with Ukraine at important border crossing points between the two countries.

Throughout the evaluation period, the effects of these projects have been reported as a success, and the reform of the General Border Police Inspectorate as a showcase success story.

The statistics of illegal border crossings from Moldova to the Schengen Zone have steadily decreased since 2015 (with an ephemeral and small increase in 2017):

Year	2015	2016	2017	2018	2019
Nb detected illegal border crossings into the Schengen Zone from Moldova	60	25	38	25	17

The statistics of illegal border crossings into Moldova have sharply decreased in the two years following the completion of the VLAP, then fluctuated above their historical low of 2016, but remained around a half of their 2014 levels:

Incident / Period		2014	2015	2016	2017	2018	2019	2020
Violation of the term of stay in the Republic of Moldova		2272	1403	1041	1183	1332	1184	532
Attempted illegal crossing / crossing of BCPs	Clandestine	3	3	2	-	-	5	3
	Use of false documentation	37	76	21	44	85	77	95
	Outside of BCPs	61	39	36	21	31	34	24
TOTAL persons		2373	1521	1101	1248	1448	1300	654

#### Indicator 5.1.8. Level of turnover at senior level in Police General Inspectorate

Strength of evidence based: Very strong

##### Main source of information:

Document review	Interviews	Survey
<a href="https://politia.md/ro/menu/conducerea">https://politia.md/ro/menu/conducerea</a> <a href="https://politia.md/sites/default/files/organigrama_IGP.pdf">https://politia.md/sites/default/files/organigrama_IGP.pdf</a> Organigramme of the Police General Inspectorate FINAL REPORT: United Nations Development Programme Republic of Moldova Support to Police Reform Project February 2020 BS disbursement reports: notes 1, 2, 3 to Director NEAR C on Support to Police Reform ENI/2015/038-144 Twinning: "Support to the strengthening of the operational capacities of the law enforcement agencies of the Republic of Moldova in the field of prevention and investigation of criminal acts of corruption" – twinning fiche, final report	Interviews with 15 persons from Moldovan authorities, CSOs, EU officials and implementing partners.	N/A



Twinning “Reform of the initial and continuous training of the police system in the Republic of Moldova” – twinning fiche and addendums, quarterly reports  
Monitoring publications – SOROS Foundation Moldova and Promo-Lex (funded by EU project)

During the period covered by the evaluation, four different officials headed the Police General Inspectorate (data confirmed by the Police General Inspectorate). These changes coincide with changes in the Government. Documents and interviews suggest that the adequation of views between the Ministry/Minister of Interior and the Chief of Police General Inspectorate remains the norm. Under the Head of Police General Inspectorate, the positions of Deputy Chiefs also rotate considerably. Interviews document analysis show that, despite the adoption of the 2016-2020 Police Development Strategy and corresponding Plan of Action, this turnover at the highest level creates turbulences in the ability of the Police service to maintain optimal momentum in the reform, and in the absorption of the EU’s support – in particular the absorption of the deep changes required by the development strategy and supported by the EU and other partners. The stability of this layer is indeed correctly identified as an assumption by several EU and non-EU projects. All documentation points to the pivotal importance of support to institutional transformation at the top level, and some project reports deplore that turnover of key staff, without significantly impairing the implementation of project activities, slows down the transformative effect of the projects. It should also be noted that the assessment team for budget support also had a high turnover, which could have compounded the effects of turnover at the most senior level in the Police General Inspectorate.

The carrier paths of our interviewees show that heads of Directorates and their cadre experience both lateral and vertical moves, but fortunately at a much lower frequency. Advisory functions remain more stable than others, ensuring continuity in the practitioners’ contributions to decision- and policymaking. This has proven essential in limiting the effects of turnover at the most senior level, because this is the institutional layer at where reliable change agents are needed to carry the intentions of the reforms (as materialized in the Strategy) through changes at the top level. However, this role can only be fulfilled if the expert cadre is empowered through delegation and allowed to show leadership. This factor is difficult to measure without direct field observation, but documents and interviews suggest a very progressive transition in this direction.

While there is sustained renewal of the workforce at the first-line level (in particular patrol police), the most stable layer is therefore the police mid-level management at local level. In terms of change management, this layer is also the most likely to resist the change involved by the Strategy and supported by the EU, because in the short run, the introduction of community policing, deconcentration and delegation mostly affect the leverage of local police station chiefs. It is therefore extremely important to curb the constant turnover at the most senior levels, in order to insufflate stability in the push for reform efforts.

#### JC. 5.2 Corruption is prevented in public administration, and prosecuted by dedicated bodies

During the period covered by this evaluation, Moldova has had two anti-corruption strategies: 2011-2015 and 2017-2020, which mostly materialized in a comprehensive body of legislation and by-laws, chiefly oriented towards the creation and operationalization of specialized anti-corruption bodies and procedures. This EU, EUMSs and other international partners have steadily supported this entire normative framework throughout the evaluation period.

Indicators show small fluctuations in perception of corruption, without any decisive trends, all the while the general level of perception of corruption remains high. The adoption of a body of laws and regulations

was aimed at curbing corruption but was marred by imprecisions and diluted by overlapping mandates; indecisive implementation of the body of anti-corruption normative acts was characterized by the slow prosecution of high-profile cases, limited prosecution of petty corruption, and isolated prevention measures. These indicators depict a constant tension between the efforts to curb corruption by some actors in all constitutional branches of governance, supported by the EU and other international partners and by civil society and media actors on the one hand – and repeated attacks against the rule of law aimed to facilitate corruption and state capture on the other hand. While corruption is being prevented and at times prosecuted through the dedicated institutions, at the same time a system of advantages, compromises, personal and political loyalties (in short - of corruption) constantly competes with the rule of law and penetrates the very legal and institutional order.

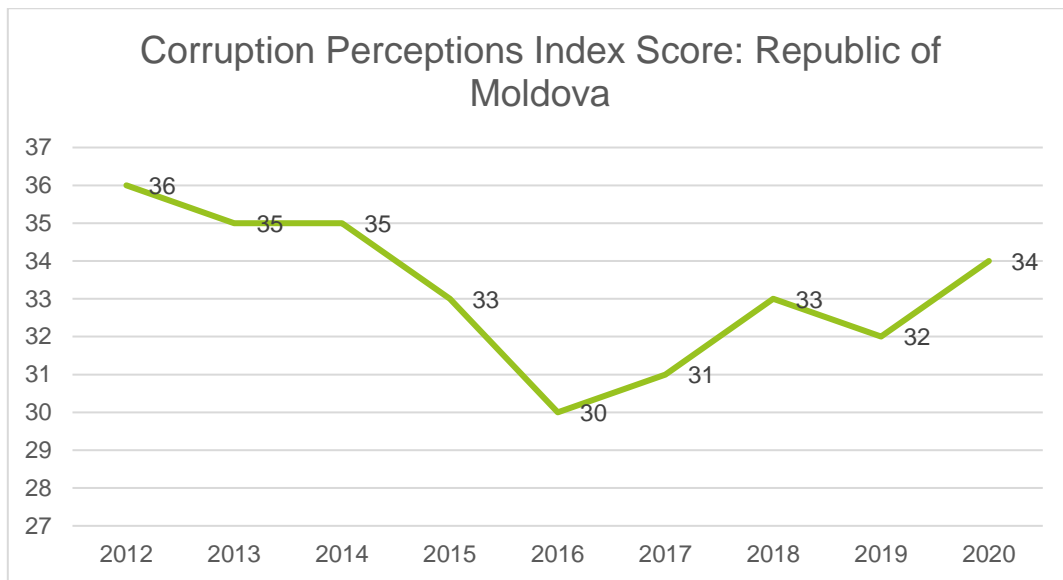
The adoption of a body of laws and regulations was aimed at curbing corruption but was marred by imprecisions and diluted by overlapping mandates; indecisive implementation of the body of anti-corruption normative acts was characterized by the slow prosecution of high-profile cases, limited prosecution of petty corruption, and isolated prevention measures. Interviews, survey data and existing open-source indicators/research show that the joint efforts of Moldovan and EU actors have clearly increased the awareness of corruption and its devastating effects – but the prevention of corruption remains of limited effects and prosecution of corruption is still unconvincing.

Indicator 5.2.1. Corruption perception composite index (trend since 2014)		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Transparency International Report Moldova, 2020 <a href="https://www.transparency.org/en/countries/moldova#">https://www.transparency.org/en/countries/moldova#</a>	EU officials and implementing partners	UNDP 2015 National Anti-Corruption Center Perception Survey Evaluation survey
GRECO page in Moldova <a href="https://www.coe.int/en/web/greco/evaluations/republic-of-moldova">https://www.coe.int/en/web/greco/evaluations/republic-of-moldova</a>		

Although Moldova is taking steps to adopt European and international standards for combating corruption and organised crime, corruption remains a major problem. The wider Moldovan public also has a general perception that corruption is prevalent among high-level officials.

Data (Source *Statistica* and Transparency International) indicate that the corruption perception index score of Moldova from 2012 to 2020 has decreased from 36 in 2012 to 32 by 2019, but then rose to 34 in 2020. The index itself is a composite indicator that includes data on the perception of corruption in areas such as bribery of public officials, kickbacks in public procurement, embezzlement of state funds, and effectiveness of governments' anti-corruption efforts. The highest possible score in perception of corruption is 0, whereas a score of 100 indicates that no corruption is perceived in the respective country. For comparison, the world average in 2019 based on 177 countries is 43 points. Variations during the period 2014-2020 dwindled from 35 to 32 points, but there is no clear trend.

Figure 8: Corruption Perceptions Index Score:



Source: Transparency International, 2020 [www.transparency.org/en/countries/moldova#](http://www.transparency.org/en/countries/moldova#)

The 2017 report "Moldova: Overview of corruption and anti-corruption" published by Transparency International and U4 Anti-corruption Resources Centre (a permanent centre at the Chr. Michelsen Institute) observe, some "evidence suggest that corruption in the country appears to be becoming more engrained in politics and society, affecting the quality of life for ordinary Moldovans. In particular, the consolidation of an oligarchic elite's position at the reins of the state apparatus is seen to have fuelled corruption in politics, business and public administration. An example of the country's problem with grand corruption was provided by the 2014 banking scandal, which led to the imprisonment of the former prime minister and precipitated an economic crisis."

The results of the survey undertaken in the context of the evaluation confirm the a.m. observations: more than 86% of interviewees indicated that they consider the justice system in Moldova as corrupt and more than 72% of interviewees considered it as politicized, more than 70% considered the police as corrupt and almost 49% as politicized. Same, about 45% of interviewees consider that petty corruption has increased and nearly 40% consider that it has remained the same. What concerns high level corruption almost 75% consider that it has increased and almost 20% of interviewees consider that it has remained the same.

Indicator 5.2.2. Number of investigations, indictments and convictions by specialised corruptions bodies (trends since 2014)		
Strength of evidence based: Very strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Statistics of the National Anti-Corruption agency	Interviews with 22 persons including Moldovan officials CSO representatives, EU officials and implementing partners, others	N/A

The National Anti-Corruption Agency has recorded the following cases during the evaluated period:

<b>Criminal cases, with adopted solutions, calendar period</b>		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>total</b>
Criminal cases managed (860 cases remained at 31.12.2013) and retained to be managed during the annual period		<b>1850/990</b>	<b>1025</b>	<b>1298</b>	<b>1149</b>	<b>1097</b>	<b>1156</b>	<b>943</b>	<b>8518</b>
Including	<b>initiated by the criminal investigation body of NAC</b>	<b>617</b>	<b>655</b>	<b>795</b>	<b>722</b>	<b>714</b>	<b>640</b>	<b>644</b>	<b>4787</b>
	received from other criminal investigation bodies	<b>311</b>	<b>330</b>	<b>440</b>	<b>375</b>	<b>280</b>	<b>487</b>	<b>212</b>	<b>2435</b>
	resumed in management from the annulled, suspended criminal cases	<b>62</b>	<b>40</b>	<b>63</b>	<b>52</b>	<b>103</b>	<b>29</b>	<b>87</b>	<b>436</b>
Completed criminal cases (composed of cases sent to court and annulled / terminated)		<b>646</b>	<b>662</b>	<b>612</b>	<b>610</b>	<b>619</b>	<b>596</b>	<b>517</b>	<b>4262</b>
including	<b>sent to court</b>	<b>243</b>	<b>255</b>	<b>259</b>	<b>278</b>	<b>284</b>	<b>267</b>	<b>170</b>	<b>1756</b>
	annulled / terminated	<b>403</b>	<b>407</b>	<b>353</b>	<b>332</b>	<b>335</b>	<b>329</b>	<b>347</b>	<b>2506</b>
Criminal cases in which other solutions have been adopted		<b>402</b>	<b>279</b>	<b>730</b>	<b>492</b>	<b>632</b>	<b>708</b>	<b>618</b>	<b>3861</b>
including	To suspend the criminal case	<b>44</b>	<b>46</b>	<b>39</b>	<b>24</b>	<b>37</b>	<b>50</b>	<b>35</b>	<b>275</b>
	To merge the criminal cases	<b>167</b>	<b>108</b>	<b>253</b>	<b>265</b>	<b>308</b>	<b>343</b>	<b>374</b>	<b>1818</b>
	To send according to the competence	<b>191</b>	<b>125</b>	<b>438</b>	<b>203</b>	<b>287</b>	<b>315</b>	<b>209</b>	<b>1768</b>
<b>conviction sentences</b>		<b>80</b>	<b>131</b>	<b>135</b>	<b>164</b>	<b>124</b>	<b>135</b>	<b>76</b>	<b>845</b>

It should be noted that during the reference period some of the criminal cases that were sent to court by the criminal investigation body of the National Anti-corruption Centre (NAC), could have been merged in court, and NAC does not hold such data. At the time of drafting this report, the specialised anti-corruption prosecution had not shared its data.

The overall number of cases managed by the NAC fluctuates around 1000 per year, and the number of cases initiated around 7000 per year, without clear upwards or downwards trends. The number of completed cases in front of the courts tends to decrease during the period, but this is largely due to the merging of cases, which is a positive trend towards higher efficiency. The number of convictions has increased until 2017, after which it decreased to reach 76 convictions in 2019, which is less than in 2014.

Every year, the NAC receives in average 347 cases from other agencies, and refers in average 252 cases, which means the NAC tends to take over significantly more cases than it refers. This trend could show growing recognition of the NAC by other agencies.

The charges motivating investigations include crimes of corruption, economic crime and money laundering, as well as other criminal offences such as fraud, false documentation and declarations, unlawful administrative or judicial decisions.

Indicator 5.2.3. Perceptions and attitudes towards corruption among civil servants		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
UNDP, 2019, National integrity and anticorruption strategy impact monitoring survey Moldova 2019	Interviews with 22 persons including Moldovan officials CSO representatives, EU officials and implementing partners, others	Survey of 1000 members of the police service (Technical Assistance project) Survey of judges and prosecutors 2015 Evaluation survey

The survey conducted for this evaluation shows that respondents who are employed in the public sector tend to be less pessimistic, or less severe than the general population as regards corruption - although, like the vast majority of respondents, they see corruption as a highly prevalent problem. 43% civil servants who took our survey consider that petty corruption has increased, against 46% in the general population (and a bit more if we subtract civil servants). 71% civil servants consider that high-level corruption has increased, against 74% in the general population. Although civil servants are about as likely as other respondents to have used the services of the police or the justice system, and although they also have mostly negative associations with these sectors, they are significantly less likely to consider them involved in corruption: 58% civil servants consider the police corrupt, against 70% in the general population. 79% consider the justice system corrupt, against 87% of the general population.

Finer analysis of survey results also show that civil servants are less likely than the general population to consider politicized behaviour of a police officer or a judicial professional as corruption: civil servants are significantly more likely to consider these services politicized (52% for the police, against 48% in the general population; 76% for the justice against 73% in the general population), but less likely to consider them corrupt (see above). This shows that a significant fringe of the civil service tolerates political affiliation even in the most sensitive areas of public service.

Interviewees concur with this observation, and even consider the problem more widespread. All interviewees in and around the justice sector considered that at least a significant proportion of judges and prosecutors were corrupt - not necessarily by monetary bribes but rather by undue (if indirect) political and/or personal influence and pressure. The vast majority of them considered this problem not just significant or widespread but conditioning the entire justice sector and affecting most judges and prosecutors. They all considered that there is an organised system of pressure and intentional compromise of magistrates rendering them vulnerable to further political and personal loyalties, which obliterates independence and gravely affects the impartiality, legality and equity of judicial processes and decisions. As regards the police, there is a general consensus to consider that large corruption has been mostly eradicated, but that petty corruption, while diminishing, remains a problem. While all deplore this phenomenon, they tend to consider it difficult to completely prevent as long as salaries are not increased.

All interviewees in the public sector who discussed corruption in a more general sense, considered that the gravest levels of corruption are found in the justice system, the Parliament, and around public procurement and banking. All of them considered corruption one of the most important problems facing Moldova, if not the most important. There is also a recurrent opinion that, while high-level corruption is of the gravest sort and weighs heavily on public finances and the provision of public goods including legal certainty, petty corruption at all levels of the society feeds into the phenomenon. Several interviewees considered that both civil servants and the general public had a certain tolerance and leniency towards petty corruption, which then makes public servants vulnerable to more serious corruption as they advance in their career.

What is particularly concerning is the perception, among almost all public servants interviewed, that the fight against corruption is the business of specialised anti-corruption institutions – not of the police or the justice system. The attitude is that the police and the judiciary (except the anti-corruption specialised prosecution) are only expected to identify corruption within their ranks, but that they should not investigate or prosecute any corruption case beyond that.

EU support has specifically targeted anti-corruption and the vulnerability and perception of public servants towards corruption in several projects, reaching a large number of the most vulnerable public agencies:

<b>Projects specifically supporting anti-corruption action</b>	
1	EU Project “Support to the implementation of the European Union High Level Advisers Mission 2019 – 2021”
2	EU/GIZ “Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova”, 2020 - 2024, budget of EUR 10 600 000
3	UNDP project “Curbing corruption by building sustainable integrity in the Republic of Moldova”, 2019-2021, budget 2,019,516 USD
4	EU Twinning Project “Enhancing the system of prevention and combating money laundering and terrorism financing in the Republic of Moldova”– 36/39 months, budget of EUR 2 000 000
5	US/CoE Action against corruption project (2020) - 18 months and a budget of \$250,000
6	EU Support to the Police Reform project, launched in 2018
<b>Targeted agencies</b>	
1	National Anticorruption Center (NAC)
2	National Integrity Agency (NIA)
3	Anticorruption Prosecutor’s Office (APO)
4	Prosecutor’s Office for Combating Organized Crime and Special Cases (PCCOCS)
5	Office for Prevention and Combating of Money Laundering (Financial Intelligence Unit - FIU)
6	Criminal Assets Recovery Agency - CARA
7	Prime Minister’s Office
8	State Chancellery
9	Ministry of Internal Affairs (SPIA – Internal Protection and Anticorruption Service)
10	Superior Council of Magistracy (SCM)
11	Main State Tax Service (STS)
12	Customs Service (CS)

There is also an anti-corruption component in virtually all justice and police support projects, as well as in most projects working on public administration and civil service reform, which is fully relevant to addressing the perceptions outlined above. However, these projects mostly target the upper levels of the said agencies, and only just started reaching to the grassroot level of service delivery to the citizens recently. This connotes the prioritization of high-level over petty corruption. While it is fully in line with the most widespread perceptions and opinions within and about corruption in the public sector, this approach may fail to address the root causes of corruption, and the dynamics of petty corruption of public employees creating the entire system’s vulnerability to corruption including at the highest levels. Tackling more systematically grassroot petty corruption and working on reducing its social acceptability could be a key to limit the compromise of civil servants, and their future risk levels.



**Indicator 5.2.4. Corruption prevention regulations adopted in line with European standards in sampled public administrations at national and local level**

Strength of evidence based: Very Strong

**Main source of information:**

Document review	Interviews (5)	Survey
<p>Legislation and policy regarding the Moldova Anti-Corruption Institutional Framework, listed under: <a href="https://www.rai-see.org/learning-hub/mapping-anti-corruption-in-see/moldova/legislation-moldova-anti-corruption-institutional-framework/">https://www.rai-see.org/learning-hub/mapping-anti-corruption-in-see/moldova/legislation-moldova-anti-corruption-institutional-framework/</a></p> <p><i>Includes:</i></p> <p>Criminal Code of the Republic of Moldova</p> <p>Criminal Procedure Code of the Republic of Moldova</p> <p>Electoral Code of the Republic of Moldova</p> <p>Law on Political Parties</p> <p>Law on Prevention and Fight against Corruption</p> <p>Law on Prevention and Combating Money Laundering and Terrorism Financing</p> <p>Law on Declaration and Control of the Income and Ownership of the State Dignitaries, Judges, Prosecutors, Public Functionaries and Certain Persons Vested with Managerial Functions</p> <p>Law on Public Procurements</p> <p>Law on the Protection of Witnesses and Other Participants in Criminal Proceedings</p> <p>Law on Access to Information</p> <p>Law on Personal Data Protection</p> <p>Law on National Anti-Corruption Center</p> <p>Law on the Public Prosecutor's Office</p> <p>Law on National Integrity Commission</p> <p>Law on the People's Advocate</p>	<p>EU officials</p> <p>Government Officials</p> <p>Transparency International</p>	

Law on the Court of Accounts

Law on Criminal Investigator Status

Law on Police Activity and the Status of Policeman

Law on the Public Service and Public Servant Status

Code of Conduct for Public Servants

Government Decision on the Establishment of the Internal Protection and Anti-Corruption Service

National Anticorruption Strategy

Decision for the Approval of the 2014-2015 Action Plan on the Implementation of the 2011-2015 National Anticorruption Strategy

<https://www.u4.no/publications/moldova-overview-of-corruption-and-anti-corruption>

<https://www.export.gov/article?id=Moldova-Corruption>

[http://www.md.undp.org/content/moldova/en/home/library/effective\\_governance/studiu-de-evaluare-a-impactului-strategiei-naionale-de-integrita.html](http://www.md.undp.org/content/moldova/en/home/library/effective_governance/studiu-de-evaluare-a-impactului-strategiei-naionale-de-integrita.html)

Transparency International: "Moldova: Overview of corruption and anti-corruption" (2017)

GRECO Compliance report (4<sup>th</sup> evaluation round 10/2020) Second Compliance Report of the Fourth Evaluation Round on the Republic of Moldova

[law on the National Integrity Authority of 17 June 2016](#)

The Republic of Moldova has ratified the United Nations Convention Against Corruption (hereinafter – UNCAC) by virtue of Law No. 158 of 2007, reaffirming thus its adhesion to the international principles, values and rules for preventing and combating corruption, along with its commitment to transpose the universal anti-corruption standards into the national legislation and legal practices. The fulfilment of the commitments taken by UNCAC signatory countries is tracked through a Review Mechanism<sup>1</sup>. The Republic of Moldova underwent the first review cycle which ended in 2016 and whose object was the implementation of Chapters III “Criminalization and Law Enforcement” and IV “International Cooperation” of UNCAC. The international evaluators concluded that the Republic of Moldova had made progress in terms of transposing UNCAC provisions into the national legislation and practices.

The Government of Moldova has undertaken first steps for creating an appropriate framework for fighting corruption, but the enforcement of laws, regulations and appropriations of new systems will need a medium- to long-term engagement from all stakeholders. Multiple new laws and regulations have been approved and are under implementation, as such the existing system seems adequate, but its implementation and enforcement face challenges. In general, the anti-corruption system is too fragmented, with blind spots (some areas nobody by no-one), and others with overlaps. Further to the GoM there are multiple actors aiming to support Moldova to reduce and prevent corruption. However, this will be a medium to long-term exercise which does not only depend on laws, regulations and control, but also on a progressive change in mindset of all stakeholders.

The main institutions active in the area of anti-corruption and anti-money laundering are the National Anti-Corruption Centre (NAC) the National Integrity Authority (NIA), the General Prosecutor's Office (GPO), the Specialised Anti-Corruption Prosecutor's Office (APO), the Specialised Prosecutor's Office on Organised Crime and Special Causes (PCCOCS), The Office for Prevention and Fight against Money Laundering (FIU), the Criminal Asset Recovery Agency (ARO) under the NAC, the Police and the Ministry of Interior, the Tax Authorities, the Court of Accounts, the Customs and the National Bank of Moldova. MoF is entering the anti-corruption scene very aggressively (establishment of new tax investigation service, modelled after Guardia di Finanza, partly on the Russian financial investigation service). In the summer 2020, the new law on sanctions on money laundering was passed. Interviewees acknowledge that the HLA mission and the relevant twinning were instrumental to complete the draft law, which is very innovative. Its implementation will need to be closely monitored.

EU providing a specific support for reducing corruption in public procurement by financing a project with the NGO "Viitorul", which is aiming to improve the transparency and efficiency of public procurement by strengthening capacity and collaboration between key participants of the public procurement process. Key elements of the project are the strengthening the CSOs in the monitoring of public procurements and supporting the establishment and operation of complaint mechanisms.

So far, the government has developed and enacted a series of laws designed to address legislative gaps, including the Law on Preventing and Combating Corruption, the Law on Conflict of Interests, and the Law on the Code of Conduct for Public Servants. During the period covered by the evaluation, Moldova adopted the following key measure for preventing corruption:

- The Code of ethics of prosecutors was elaborated and approved by Superior Council of Prosecutors Decision nr12-173/15 on the approval of the Code of ethics and behaviour of the prosecutor. The Code of Ethics has been approved in 2015.
- The Code of ethics of judges was approved by the General Assembly of Judges on 11 September 2015.
- The Code of ethics of lawyers was approved on 01 July 2016 by the Congress of the Lawyers Union.
- The Code of ethics of bailiffs was approved at the IX<sup>th</sup> Congress of bailiffs on 18 September 2015.
- The law on personal asset and interest statement was approved by the Parliament on 17 June 2016. It foresees the obligation to declare the personal asset and interest by people in positions of public dignity, by staff of the cabinet of people in positions of public dignity, judges, prosecutors, public servants and by other persons performing a public function, the way of declaring and performing the control over the assets of these persons, the way of making the statements and solving conflict of interests, of incompatibilities.
- The new [law on the National Integrity Authority](#) was adopted by the Parliament on 17 June 2016. It reforms this institution, which has the power to control the personal assets and interests, to observe the legal regime of the conflict of interests, incompatibilities and restrictions. The assessment of achievements of the National Anti-Corruption Strategy 2011-2015 concluded that not all performance indicators were achieved. Some of the indicators revealed improvements, while others registered a deteriorating trend, returning to the level of the indicators at the

beginning of the Strategy implementation. As such the Republic of Moldova, has adopted in May 2017 a new sector-wide National Integrity and Anticorruption Strategy (NIAS) and an Action Plan. It involves for the first time all relevant institutions. A step in the implementation of the Strategy was taken with the elaboration of nine sectorial anti-corruption plans. The NIAS has also put in place a 3-tier monitoring mechanism for transparency and accountability. The monitoring mechanism includes 3 separate monitoring groups that are chaired by top level officials.

- In 2016, Moldova started the reform of the prosecution system and created a specialised prosecution agency – The Anticorruption Prosecution Office. The same year, the Moldovan Parliament passed in the first reading the Law on the National Integrity Authority and the Law on Disclosure of Assets and Conflict of Interest by Public Officials. In addition, Parliament passed two new statutes to the Criminal Code criminalising the misuse of international assistance funds, which would help to identify and prosecute any misuse of international donors' assistance by Moldovan public officials in public acquisitions, technical assistance programmes and grants areas.
- The Law on Whistle-Blowers, which establishes a mechanism for reporting integrity incidents, irregularities and abuses, and which provides protection for whistle-blowers, was adopted in July 2018 and entered into force in November 2018.
- The monitoring mechanism under the 2017-2020 National Integrity and Anticorruption Strategy 2017-2020 was made operational through three monitoring groups, consisting of key institutions and CSOs active in the anticorruption sector.
- The draft law on increasing financial penalties in corruption cases has been under discussion in Parliament since June 2016.

The 4<sup>th</sup> evaluation of GRECO (10/2020) noted some progress, with the adoption of the new Law on normative acts, which systemises the law-making process (requiring explanatory notes for draft legislation, regulating public consultations and various types of expertise). The law also provides for the setting-up of a unified e-legislation portal for draft laws, which was expected to be operational in 2019. It was also noted that adequate implementation of the legal framework was still a challenge and that many laws were still adopted in fast-track procedures.

Despite the established anti-corruption framework, the number of cases involving prosecution of corruption did not meet international expectations (given corruption perceptions), and enforcement of existing legislation is widely deemed insufficient. The latest UNDP report assessing Moldova national integrity and anti-corruption strategy was aimed to provide a comprehensive assessment of the effectiveness and impact of the implementation of the National Integrity and Anti-corruption Strategy 2017-2020, based on the impact and progress indicators stipulated in the strategy, as well as to better understand the experience and perception of the public about corruption.

The EU-financed High Level Advisors Programme is providing support to the National Anti-Corruption Process Office, the National Integrity Authority, and the whole PM office. The overall objective is the consolidation of Anti-corruption Strategy and its implementation.

The EU/GIZ corruption prevention project started implementation in 2019 only and implementation is delayed by the COVID crisis. The biggest anti-corruption project in Moldova, with a budget of almost Euro 11 million.

There is evidence of specific anti-corruption bodies being created in particularly sensitive ministries. For example, anticorruption section was founded in the General Police Inspectorate (GPI) in 2017, tasked with risk assessment and prevention, rather than investigation. Its limited capacity but it had only 4 staff compared to a total of 8 600 GPI employees. Although the section has no investigative section, it was tasked with assessing and preventing corruption risks in the police.

## JC. 5.3 Public administration and public finance management at national and local level was improved

Public financial management (PFM) reform continued during the last years and gave good improvements of the medium-term and annual budget planning. Positive progress was observed related to the comprehensiveness of the budgetary documentation, improvements in sectoral consultations of the medium-term budgetary framework, methodology to improve revenue forecasting, revenue performance (both for tax and customs), positive steps in reforming public procurement (mainly on the legal side) and improvements of the quality of monthly and annual reports. The 2019 budget was consistent with the agreed deficit target with the IMF and was adopted and published on time. However, this budget had underestimated the impact of the reform of public sector wages that had been introduced in the last quarter of 2018<sup>3</sup>. An amended budget was therefore prepared and approved by the new authorities following discussions with the IMF. Overall, PFM reforms remain satisfactory. Transparency also increased thanks to the introduction of stricter requirements on accounting, reporting and external audit in large SOEs and joint stock companies.

### Indicator 5.3.1 MTFP elaborated and used at central and decentralized levels

Strength of evidence based: strong

#### Main source of information:

Document review	Interviews (7)	Survey
<p>Final report of the Technical Assistance; Report CG36(2019)15final 4 April 2019 Local and regional democracy in the Republic of Moldova. DOAs and reports of projects: Support to the Public Administration Reform process. Final Evaluation of the Budget Support Programme "Support to Public Finance Reform in Moldova" Project No.2018/399273</p>	<p>EU Officials Ministry of Finance Officials Former TA NSO</p>	

Further to budget support interventions EU supported the Ministry of Finance (Technical Assistance to Improve Public Finance Policy and Public Financial Management in Moldova EuropeAid/136587/DH/SER/MD) with technical assistance in a broader package supporting Public Financial Management Reforms. Additionally, a call for proposals was launched for "Strengthening role of civil society in economic governance and public finance management"

The final report of the technical assistance as well as interviews with national stakeholders and EU officials give evidence that at central level the Ministry of Finance is undertaking mid-term financial planning. The EU consultants revised the existing Midterm Budget Framework, identified weaknesses

<sup>3</sup> On 1 December 2018, the Government of Moldova introduced a new unitary pay system in the public sector. The aim of this reform was to make the public pay system simpler, more transparent, and fairer. The ILO together with German GIZ and the European Union provided technical assistance and played a critical role in facilitating the process leading up to the adoption of the new law. The reform boosted salary increases of lower-paid public sector workers such as employees in the health and education sectors. As a consequence of the public sector pay reform, more than 8,000 people working as in the education sector will benefit from the wage increase of nearly 90%.

and shortcomings in the structure and content and made recommendations. They made recommendations to improve the content of the MTBF document and strengthen the preparation process by proposing upgraded submission templates by sector and introduced MTBF policy hearings. A complete guiding outline for the upgraded MTBF document was prepared that aided the preparation of the MTBF 2018-2020 that was approved by the Government. Stakeholders in interviews confirm that the Ministry of Finance took the process of undertaking mid-term financial planning seriously, there have been important improvements in the last 4 years. The process is ongoing even after the completion of the technical assistance contract. Even after the end of theta they continue to work. Fiscal Affairs also undertook spending reviews.

There is no evidence of MTBF preparation at the local level. In general planning and budgeting capacities are good in major cities but are very limited in rural areas. Since 2015 local governments have full budget autonomy, but the capacity to prepare budget forecasts and manage the budget is very limited. In fact, many of the local governments count with 2-3 staff only.

American USAID is supporting with the Comunitatea Mea program annual budget planning and review process at local level. The programme is working with local public officials to help them prepare the budgets and financial forecasts. This includes opening budget hearings to the public and institutionalizing regular financial reporting. To date, the program has assisted 20 LPAs. Of these, 17 communities have organized public budget hearings and attracted over 500 residents to participate.

Indicator 5.3.2. Increased level of detail in national budget, per objective and per type of expenditure		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
Moldovan national budget (MoF website) National Strategy on Decentralisation. European Self-Governance Charter.	GoM officials Staff Ministry of Finance AT, HLA	

The EU support to the Public Finance Policy Reforms in Moldova" (PFPR) was delivered through a Sector Reform Contract, with a total budget of EUR 37 million. The Programme included a budget support component (EUR 33 million over 3 years) and complementary support in the amount of EUR 4 million including technical assistance (EUR 3,327,500 contracted amount, 3-year duration) and a call for proposals "Strengthening role of civil society in economic governance and public finance management" (EUR 232,105 contracted amount, 30 months duration). The EU support is supporting the PFM Reform Strategy (2013-20) developed by the Ministry of Finance. The budget support (BS) component of PFPR was designed for operational implementation in 2015-2017.

The specific objective of the BS was to assist the Government (notably the Ministry of Finance), Parliament (notably the Committee for Economy, Budget and Finance) and the Supreme Audit Institution (Court of Accounts) of Moldova in the process of enhancing good governance, effective fiscal policy, transparent and accountable public finance policy and strengthened public financial management systems. The TA project started in November 2015 and was completed in November 2018.

- The key contribution of the TA in PFM reforms is presented below by 7 components.
- Improved capacity and regulatory framework at MoF in fiscal governance, macroeconomic forecasting and revenue projection



- New MTBF processes, improved presentation of annual budget annexes, **support in the rationalisation of the budget-programme and economic segments of the budget classification**
- Support in the development and publication of the Citizens' Budget, Moldova's participation in the Open Budget Survey, as well as in improving the parliamentary oversight and external audit
- Support in improving budget execution, including the effectiveness of commitment management and liquidity management, development of National Public Sector Accounting Standards
- Support in improving public debt management, including Government Securities, domestic and external borrowing, on-lending and operational risk management
- Support in improving capital investment, including the regulatory framework to strengthen public investment management, development of the Register of Public Investment Projects database
- Raising awareness on the EU budget support instrument, and link with national medium-term resource allocation process.

There will not be necessarily more details in the National budget of Moldova, as it already has a high level of details; however at least part of the weaknesses in budget classification (budget classification not fully compliant with international standards set out by GFS 2001 (and COFOG)), which may affect rational planning and resource allocation. This weakness has also been mentioned in the PEFA review of 2015. The classification system has been reported as problematic. The problems are identified in the overall logic, the definition of items, and the code structure.

This aspect was not within the direct objectives of the EU support, but partly tackled by the technical assistance provided as complementary support to the PFM Sector Support.

As indicated in the final report of the TA project (end 2018), during the technical assistance contract changes have been agreed to be introduced in the 2019 Budget document. The new format for presenting budget data and information in a user-friendly manner is aimed at improving budget management, and the analysis of basic fiscal and budgetary information. The changes will also align Moldova with good international practice.

In the context of the overall technical assistance to PFM reforms recommendations were made by the TA team (2015-11/2018) for the revision and rationalisation of the budget-programme and economic segments of the budget classification. Although the MoF has not been able to implement changes in the classification system within the lifespan of the EU TA to PFM reforms, the support provided gave guidance on how to rationalise the budget classification system.

Improved public access to budget information through Citizens Budget has been achieved, budget-related material is made available weekly through Parliament's website.

**Indicator 5.3.3 Public employment and Procurement rules, procedures, and practice in line with European standards**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
<a href="https://tender.gov.md/en">https://tender.gov.md/en</a> ; PUBLIC ADMINISTRATION REFORM STRATEGY 2016-2020 Public Administration Reform Strategy; Project reports: Support to Capacity Development and Motivation for Public Administration Employees,	Interviews with stakeholders of GoM and with EU officials	

<https://www.open-contracting.org/2019/12/11/opening-up-moldovas-contracts-progress-and-challenges/>

## **Procurement**

The 2016 Law on Public Procurements aligned Moldovan governmental practices with the EU practices and the WTO Government Procurement Agreement. The elaboration and promotion of the state policy in the field of public procurement being a basic function of the Ministry of Finance.

To carry out the public procurement processes, a set of legislative and normative acts are used; the basic norm is Law no. 131 of July 3, 2015, on public procurement. The law has established new rules on public procurement and detailed the procurement procedures, to transpose EU directives into national law. Most of the law's provisions entered into force as of 30 April 2016. To implement the provisions of the Moldova-EU Association Agreement, as well as measures for the implementation of the Agreement on public procurement of the World Trade Organization, the Ministry of Finance has developed the Strategy for the development of the public procurement system for 2016-2020. The action plan regarding its implementation, was approved by Government Decision no. 1332 of 14 December 2016.

At the level of the Ministry of Finance the "Policy Service for the regulation of public procurement" is the department responsible for the elaboration and promotion of the legislative and normative framework that regulates the field of public procurement. The Public Procurement Agency is a specialized body subordinated to the Ministry of Finance, which ensures the implementation of the state policy in the field of public procurement.

In 2018, there were many changes regarding the public procurement process in Moldova and the role of the Public Procurement Agency was modified. According to the amended Public Procurement Law, the Public Procurement Agency is tasked with monitoring contracts. Monitoring implies the random selection of any public procurement and its monitoring throughout the process.

To tackle corruption and attract more suppliers to the public procurement market, Moldova is piloting a new, radically transparent e-procurement system called MTender with the support of the European Bank of Reconstruction and Development (EBRD). MTender's public platform allows anyone to access timely, user-friendly information on more than 60,000 contracting procedures conducted since 2017. Since October 2018, MTender covers all procurement above both national and European thresholds. MTender is an open-source system and (according to the web) is not always customer friendly. As such in September 2019, the Delegation of the European Union to the Republic of Moldova issued an EUR 1.2 million contract to an eGP company European Dynamics to finish the development of an e-procurement system in Moldova.

The TA project which is complementary support to the PFMR has (between others) the objectives of assisting governmental authorities, procurement regulators and contracting authorities to comply with the principles of good governance benchmarks to improve the public procurement system and therefore the quality of public investments. This aspect was only partly tackled by the TA project, but transparency aspects addressed by grant to civil society organisation. Civil society associations are monitoring the tender processes and making their own analysis. A Government decision of 2019 to take the tender of medicines out from the e-tender process has been heavily criticized, as it affects transparency and may lead to higher costs.

In summary:

- The Moldovan procurement system is quite well aligned with EU standards.

- Public procurement procedures are overseen by the **Public Procurement Agency**. The Agency publishes procurement announcements in an electronic bulletin that can be accessed via an online subscription.
- All Moldovan government agencies can conduct procurements. All-important acquisitions require competitive bidding with strict formal requirements.
- An electronic procurement system has been implemented. The platform was extended to encompass the entire range of procurements organized by public authorities.

Interviews and public reports indicate that public procurement practices are still cumbersome for foreign companies. The time allowed for preparing bids after the announcement of a tender is frequently short and documentation requirements, including translation into Romanian, can be onerous for companies not based in Moldova. This may affect the interest of companies from EU Member States to participate in public tenders in Moldova and as such affect's competition.

Indicator 5.3.4 increased % of budget resources decentralized		
Strength of evidence based: Medium		
Main source of information:		
Document review	Interviews	Survey
Analysis of the Moldovan Government Action Plan for 2020-2023 Study_Administrative-Territorial Reform Scenarios in MoldovaFinal Ve....pdf	EU officials Ministry of Finance officials EU Member States	

It is almost impossible to access data concerning the overall volume of funds decentralized. There is a list of budget transfers to Local Governments foreseen annexed to the national budget, but data are somewhat confusing and do not permit an analysis over time. Local Governments are heavily depending on transfers from national government budget, but further to budget transfers receive (and reimburse loans) and receive additional funds from other sources.

About 67% of the budget of first level local governments and 68% of second level local governments correspond to transfers, the capacity of local governments to create own income is extremely limited.

There is evidence that the National Decentralisation Strategy has not been implemented, or only to a minor extent; that most elements of the roadmap have not been implemented. In 2011 was founded the Parity Commission (CALM) (50% central 50% LGUs representatives) as a consultation mechanism between GoM and municipalities. The decentralization strategy of 2010 has only been partly implemented (by now only intergovernmental and fiscal system chapters are fully implemented – the rest not fully implemented.) This decentralization strategy was started without having made a territorial reform (CALM is opposing the territorial reform, as such it is unclear, how this reform should be implemented, and when this process can start). If the GoM does not take the decision to reduce the number of municipalities, decentralization remains an academic exercise.

There are thirty-five territorial units corresponding to the second level of local government authority: thirty-two districts (rayons), two municipalities (municipii) -Chisinau and Balti, one autonomous territorial unit (UTA Gagauzia), and one un-recognized territorial unit (Transnistria). The thirty-five units are divided into 896 first-level territorial units–towns (orașe) and villages (sate).

Thus, Moldova currently has more than 900 local governments (municipalities), most of them very small. Many of the local governments have only 2-3 people of staff and lack funding and have no implementation capacity. It is risky to give funds to municipalities as they have no or only low operative and administrative capacity.

### Indicator 5.3.5. Frequency of internal controls on budget execution

Strength of evidence based: Medium

#### Main source of information:

Document review	Interviews	Survey
Report on AT (Yiannis Hadziyiannakis); TWINNING PROJECT FICHE  Support to development of an effective internal control and audit environment in the public sector in Moldova	Interviews with EU officials including Technical Assistance  Interviews with MoF officials	

In accordance with the Moldova-EU Association Agreement, the Republic of Moldova is implementing the system of internal public financial control (CFPI) at national level in accordance with internationally recognized methodologies and standards, as well as EU best practices. That means a comprehensive reform in the field of internal control and audit in the public sector is ongoing. The CFPI concept was developed by the European Commission to provide a structured and operational model to assist national authorities in reshaping their internal control environment and to update public sector control systems in line with international standards and best practices of the EU.

According to the Law on public internal financial control No. 229 of 23.09.2010, the responsibility for the design and modelling of the CFPI in the Republic of Moldova rests with the Ministry of Finance, which, through the Central Harmonization Unit, develops, promotes and monitors policies, as well as develops, updates and harmonizes the regulatory framework in the field of CFPI; monitors and evaluates the quality of the internal audit activity, as well as of the financial management and control systems; presents annually to the Government a consolidated report on CFPI for the previous year; conducts training in the field of financial management and control, internal audit, as well as developing certification mechanisms for internal auditors in the public sector.

To monitor CFPI, the CFPI Council is established under the Ministry of Finance, as an advisory body responsible for approving draft normative acts in the field of CFPI, approves the consolidated annual report on CFPI, examines issues related to the operation of CFPI system and submits proposals to remedy them. The Council includes representatives of the Ministry of Finance, of the internal audit units of public entities, teachers with scientific titles and other specialists in the field.

EU supported the process by financing between 2014 and 2016 a twinning project aiming to improve accountability and management of public funds in the Republic of Moldova through enhanced external audit capacity in conformity with recognized international audit standards and in line with European best practice.

The Board of the Court of Auditors (CoA) has taken steps to implement the Strategic Development Plan and to introduce the changes required by the new law of the CoA. The most important steps taken are:

- approval of the Audit Strategy 2019-21, which gives a clear strategic direction to the audits of the CoA and allocates the audit resources accordingly.
- elaboration, approval and first steps in implementation of the audit certification system.

- developments regard to the annual financial audit reports (3 annual budgets + 9 consolidated ministerial reports) – audit opinions moving towards full compliance with the applicable standards, planning and executing of these audits as a package has started.
- decision to move towards using specialised audit management software.

The EU support provided by EU (Support to Public Finance Reform) was not limited to the Ministry of Finance but attempted as well to foster change and reform at the Court of Accounts (Moldova’s Supreme Audit Institution), and with the Parliamentary Committee on Economy, Budget and Finance (PCEBF). Document review and interviews suggest that the results were mixed:

- At the Court of Accounts, EU support has succeeded in encouraging progress towards full compliance with International Standards of Supreme Audit Institutions (ISSAIs) and to promote more attention to the independent evaluations and reporting of the performance and results of public services through performance auditing. However, the quality of the performance audits carried out is not yet standardized and a high turnover of trained performance audit staff risks loss of gained experience.
- The attempts of EU (in the context of Support to Public Finance Reform Programme including complementary actions) to engage the PCEBE in anti-corruption issues in legislative work have failed. The PCEBE has the understanding that corruption issues should be addressed by the Parliament as a whole.

**Indicator 5.3.6. Instances of public consultation and oversight of national, regional and local strategies (in sampled districts)**

Strength of evidence based: Medium

**Main source of information:**

Document review	Interviews	Survey
Roadmaps for engagement with civil society EU-Moldova progress reports CSO shadow reports	Interviews with the EU-Republic of Moldova Civil Society Platform (CSP) and the National Platform of the Eastern Partnership Civil Society Forum (EaP CSF Platform); interviews with civil society associations	

Consultation between the central and local levels have proven challenging throughout the period. The Congress of Local Authorities of Moldova is the main platform for such consultations, but the central Government and the Congress have opposed views on territorial reform, rendering consultations and compromise challenging.

Encouraged by EU support, consultation of civil society for policy making has continued to increase during the evaluated period. The drafting of the justice development strategy is a good example: it first took place with very limited consultation, but then opened up following the pressure of the EU and the CoE. Comprehensive public consultations have been conducted in the process of development of the two Roadmaps for engagement with civil society. The 2014 Roadmap highlighted the need to develop the capacities of civil society in becoming a stronger counterpart for the government, especially in promoting good governance, including oversight and monitoring of the implementation of Moldova-EU Agreements, and also - the need to support local, smaller NGOs and their umbrella organisations. The new Roadmap for Engagement with Civil Society (2018-2020) reflects the joint understanding of the Government and

civil society that proactive involvement of civil society is needed in policymaking, reform, governance and service delivery, as a critical precondition for achieving the development objectives. Building on joint understanding, the roadmap strategized inclusive participation of a wide range of actors (CSOs, business associations, chambers of commerce, and other socio-economic stakeholders) to facilitate the implementation of the national reform agenda.

Horizontal consultations are also conducted in the framework of the two platforms involved in the monitoring of the Association Agreement – the EU-Republic of Moldova Civil Society Platform (CSP) and the National Platform of the Eastern Partnership Civil Society Forum (EaP CSF Platform). On sectoral level most intensive have been the consultations in the area of social services, which have brought about the development of innovative social services meeting the needs of various vulnerable groups.

However, these consultations mostly take place in urban areas, chiefly in Chisinau. In rural areas and more generally at local level, interviews and reports show that the involvement of civil society and citizens at large is extremely challenging, because of strong polarization, lack of interest or ability to conduct negotiations and find compromises both from the part of authorities and on the side of the citizens and CSOs. The evaluation team found a few positive precedents in select localities, which have been supported by the EU or other donors (e.g., in Ungheni, Cahul).

**JC. 5.4. Fundamental rights and freedoms (including freedom of the media) are increasingly respected, protected, fulfilled and promoted by duty bearers**

All indicators, as well as the body of EU project documentation, shows that the promotion of human rights has resulted in increased awareness, recognition and understanding of the importance of respect, protection, and fulfilment of human rights. Gross and prima facie human rights violations have become more and more rare during the evaluation period, which shows increased respect for and protection of human rights. CSOs (particularly those involved in human rights monitoring and advocacy supported by the EU) and specialised bodies (chiefly the PAO and the Equality Council) have considerably increased their capacity, the quality and frequency of their reporting. Human rights focused CSOs also enjoy increased influence in a more inclusive policy dialogue with the EU.

However, many loopholes remain, particularly the fulfilment of economic, social and cultural rights, and the protection and fulfilment of human rights in general for certain vulnerable groups of citizens, and in high-risk places such as places of deprivation of liberty. Most of these potential violations happen by omission, particularly as regards access to certain rights. They mostly relate to the lack of funds, lack of technical knowledge, and resistance to change, rather than to disrespect for human rights. The COVID crisis vividly exposed such violations, as highlighted by the PAO.

**Indicator 5.4.1. Level of transparency and diversity of media ownership and editorial lines (development of Word Press Index since 2014)**

Strength of evidence based: Medium

**Main source of information:**

Document review	Interviews	Survey
World Press Index (Reporters without borders): <a href="https://rsf.org/en/ranking">https://rsf.org/en/ranking</a>	Interviews with 7 persons from the media sphere, including public officials and civil society actors/media actors	N/A

Since 2014, this situation related to freedom of the press in Moldova has improved steadily. Moldova’s world press index has considerably improved:



Year	2014	2015	2016	2017	2018	2019	2020
World press index	56	72	76	80	81	91	91

According to interviewees, this has a lot to do with the improvement of the legislation and regulation of journalism and the media, and better self-regulation in the sector. The Audio-visual Council and the regulatory environment of audio-visual media, in particular, represent a success story which was vastly supported by the European Union since 2016 through a project on Promoting Media Freedom, implemented by the Council of Europe.

Media ownership is easy to track, but it is not diverse. In its 2020 World Press Index report, Reporters Without Borders notes “Moldova’s media are diverse but extremely polarized, like the country itself, which is characterized by chronic political instability and the excessive influence of its oligarchs. The editorial line of the leading media outlets correlates closely with the political and business interests of their owners, a problem that is particularly striking during election campaigns. The media empire built by former billionaire and Democratic Party boss Vladimir Plahotniuc has lost its influence but has been quickly replaced by a media group affiliated to the Democratic Party’s rival, the pro-Russian Party of Socialists. Ownership concentration and the lack of editorial independence and quality journalism are therefore major challenges for Moldova’s media.”

Interviews also show that the problem is exacerbated by the indigency of the more independent media outlets, because the advertisement market and readership/auditory in Moldova are extremely small, which reduces the media outlets’ source of income: media outlets in Moldova are structurally in deficit. Therefore, they depend on sponsoring, which makes them all the more vulnerable to politically affiliated funding.

Indicator 5.4.2. Number of torture and ill-treatment cases reported (trend since 2014)		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
People’s Advocate Office Annual reports 2014-2019 (2015 and 2020 unavailable) People’s Advocate Office/National Preventive Mechanism reports 2012, 2017, 2018 People’s Advocate Office Special Report on the situation of persons apprehended and held in police custody, 2019 CPT reports on periodic visits to Moldova: 2016 (2015 periodic visit), 2020 (2020 periodic visit) Report to the Government of the Republic of Moldova the visit to the Republic of Moldova carried out by the European Committee for the Prevention of Torture and inhuman or Degrading Treatment or punishment (CPT) from 5 to 11 June 2018 US State Department Moldova 2019 human rights report Law on the people’s advocate (ombudsman) no. 52 - 03.04.2014 (as amended, official translation by the Venice Commission) OHCHR, 2016, Universal Periodic Review Moldova	Interviews with 13 persons including Moldovan Officials, EU officials, civil society representatives	N/A

During the reporting period, the EU supported the fight against torture and ill-treatment in places of deprivation of liberty, chiefly through CSO grants. This field of work includes two specialised projects: “Let us all say no to torture”, a CSO grant to the Democratic Institute implemented in cooperation with the People’s Advocate Office (the national human rights institution of Moldova); “Advancing and monitoring the rights of persons with mental disabilities”, a CSO grant to Alliance of Organisations for Persons with Disabilities. In addition, a complementary support CSO grant under the police budget support programme is dedicated to “external monitoring, contribution and oversight to implementation of programme-related reforms and activities, with special focus on respect for human rights”, which includes issues of ill-treatment in police custody (Soros Foundation grant). Finally, within the justice sector reform initiatives, the EU funded a technical assistance project on “Support to the enforcement, probation and rehabilitation systems”, which includes a component on adherence to human rights (including the prevention of torture and ill-treatment).

There are no centralized and aggregated statistics in Moldova on the number of cases of torture and ill-treatment in places of deprivation of liberty (which include prisons, police custody, closed psychiatric and social institutions, places for administrative detention of migrants). The most comprehensive reporting is done by the People’s Advocate Office (PAO) and by the National Preventive Mechanism (which combines the PAO and specialised civil society organisations conducting visits to places of deprivation of liberty).

The National Preventive Mechanism of Moldova was established in 2016 after protracted debates on its format. The Ombudsman+ format was retained, in the form of the Council for Prevention of Torture, based on a cooperation between the PAO as the National Human Rights Institution, and several specialized CSOs. The NPM has since then gradually gained capacity, but still struggles to operate harmoniously, due to different levels of capacity between

The trends reported by the PAO annual reports, and by the NPM reports, show significant improvement overall in the number of cases of torture and ill treatment between 2014 and 2020, although the NPM notes serious problems leading to a worsening of the situation of torture and ill-treatment between 2017 and 2019. This information is precious, as the Committee for Prevention of Torture of the Council of Europe (CPT), who conducted its regular visits in 2015 and 2020 respectively, and therefore did not have an opportunity to point to this fluctuation in 2018. Yet, the CPT published in 2018 a report on its ad-hoc visit to three prisons which in 2015 were criticized for various violations.

All documentary sources and interviews concur to observe that, despite gradual improvements overall, especially in the conduct of the staff of the various places of deprivation of liberty, the efforts to prevent ill treatment, and the gradual reduction of cases of ill treatment (especially intentional), grey areas still exist. The most frequently observed failures concern the state and adequation of the facilities to European standards (ECHR), prison overcrowding, disproportionate use of force or contention (e.g. excessively tight or long handcuffing in police or penitentiaries, recourse to chemical restraint in psychiatric facilities), continued use of “informal prison leaders” in some penitentiary facilities, issues with the record of complaints and of incidents, staff vacancies in all types of institutions, and issues of access to medical attention of persons deprived of liberty. As regards the facilities for persons deprived of liberties, there is a clear trend towards improvement where foreign aid has been deployed – including EU assistance through budget support to the police in particular.

Penitentiary: In 2019, the PAO registered 851 applications from detainees in the penitentiary system on conditions of detention, and 27 complaints for excessive use of force in the penitentiary system – but no allegations of ill treatment. In 2020, the CPT received “a few allegations of recent physical ill treatment” at Chisinau prison used as punishment for earlier incidents. In sectors which receive limited international funding, such as the penitentiary, the renewal of the immovable assets dedicated to deprivation of liberty

is lagging behind: for instance, the CPT noted in 2020 that “the construction of a new remand prison in Chişinău with a capacity of 1,536 places, which was expected to replace Prison No. 13. However, the delegation was informed that the construction works had been postponed yet again and that the opening of the new prison was not envisaged before 2024”. Careful review of all PAO, NPM and CPT reports show a clear correlation between the state of the premises and the likelihood of allegations of ill treatment – not just of detention conditions, but also including physical abuse.

**Police custody:** During its latest visit in 2020, the Committee for Prevention of Torture did not receive any allegation of torture or inhuman or degrading treatment in police custody. The CPT noted a clear improvement of the respect for the detainees’ right to freedom from torture since its previous visit in 2015, when, according to the 2016 CPT report on its 2015 periodic visit to Moldova, the CPT had received several complaints for excessive use of force (but no complaints on ill-treatment). On the other hand, in 2019 (reporting on year 2018), the PAO reports that the General Police Inspectorate did not receive any complaints by detainees in their custody – although the same General Police Inspectorate self-reported 110 incidents related to ill-treatment in police custody, and the penitentiary administration reports over 300 cases of bodily injuries among the persons entering the penitentiary system from police custody. According to the PAO, this mismatch suggests under-reporting of failure to uphold the rights of persons in police custody, which is a reasonable interpretation. The latest CPT report formulated a recommendation on recording and documenting all bodily injuries of all persons which go through police detention facilities. It should also be noted that violations of rights linked to inadequate detention premises has been vastly addressed, particularly thanks to budgetary investments which are directly linked to the implementation of EU budget support. The in-service and continuous training developed with the support of the ongoing twinning programme also entail human rights component. But identification of and sanctions against cases of ill treatment or excessive use of force still require active measures for improvement, especially as the renewal of the police human resources – and therefore exposure to initial training as a defining experience – is a very progressive phenomenon. The new Standard Operating Procedures for the police service, and the Guidebook on Human Rights-based Policing, issued by the Soros Foundation under the EU-funded grant, are a step forward but will now need to be promoted and enforced within the police service.

**Other places of deprivation of liberty:** The same 2019 PAO report further highlights some allegations of ill-treatment of foreigners in administrative detention, and of abuse of patients in psychiatric facilities, without clearly quantifying them. The report also notes that most social care facilities do not have a system to record complaints and cases of ill-treatment or abuse. The 2020 CPT report mentions a few allegations of ill-treatment regarding psychiatric wards other than the one visited. In social care institutions, the CPT heard no credible complaints on ill-treatment and noted an improvement of the general situation since its 2015 visit.

<b>Indicator 5.4.3. Perception of tolerance and discrimination according to expert stakeholders</b>		
Strength of evidence based: Very strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Equality Council of Moldova General Reports 2015, 2016, 2018, 2019, 2020 (2017 not available). Reports cover the previous year Study on equality perceptions and attitudes in the Republic of Moldova, Equality Council of Moldova, 2015. People’s Advocate Office Annual reports 2014-2019 (2015 and 2020 unavailable)	6 interviews with CSOs and specialised bodies	UNDP, 2015, Study on equality perception and attitudes in the Republic of Moldova

OHCHR, 2016, Universal Periodic Review, Moldova

Equal Rights Trust, Promo-Lex, 2016: From Words to Deeds – Addressing Discrimination and Inequality in Moldova

EU CSO Grant project “Consolidate capacity of the national anti-discrimination system in Moldova through inclusive civil society participation”: DoA, contract

EU CSO Grant project “Sustainable community partnerships to support the rights of persons belonging to minorities in Moldova”: DoA, final report

EU CSO Grant project “Moldova against all discrimination”: DoA

EU CSO Grant project: “Advocacy for better protection against discrimination”

UNICEF 2017 Annual Report Moldova (section on equality)

[https://equineteurope.org/author/moldova\\_ec/](https://equineteurope.org/author/moldova_ec/)

Anti-discrimination in Moldova is chiefly led by the Equality Council, an institution that has been significantly supported by the EU through several projects during the evaluation period. The level of satisfaction towards this support is high, and the institutional capacity of the Equality Council has steadily increased, as an immediate result of this cooperation coupled with the effort of a dynamic team within this institution. This is witnessed by the quality, regularity and comparability of publications, and the opinion of all expert stakeholders interviewed on this issue. Therefore, not only is there increased capacity to combat discrimination, but there is also a solid evidence base to assess the impact of these efforts.

According to the Equality Council’s survey on equality perception and attitudes, published in 2015 and which serves as a good baseline, the groups most discriminated against were the poor (32%), the elderly (29%), and persons with mental (26%) and physical (24%) disabilities. Gender-based discrimination was also a serious concern. According to the survey, the highest level of discrimination was in terms of access to healthcare services, followed by the discrimination in employment.

At the start of the evaluation period, the Equality Council would find discrimination on the grounds of disability and of gender in respectively close to 10% and 9% of the complaints where the Council found discrimination. 35.7% of the public authorities, did not include in their internal documents provisions about forbidding discrimination, and 60% of the premises of public administration authorities were not adapted for the needs of the persons with disabilities, although Moldova’s legal framework regarding the accessibility of buildings and constructions was quite comprehensive already. The situation in terms of the accessibility of courthouses was similar - 60% of the court buildings had no access ramps for people with locomotor disabilities.

In terms of perception (which is one of, but not the only root cause of discrimination), according to the Equality Council survey, the groups that the population is most willing to accept are the persons with physical disabilities. The groups toward which the society has an average level of acceptance are people of a different race, the people holding a different citizenship, and the people with mental disabilities. The groups that the population is most reluctant to accept in their families or among their friends are the persons infected with HIV and LGBT persons. These trends, which are self-reported, should be taken carefully: other research shows that stigmatisation of persons belonging to minorities, especially the Roma, are still vastly stigmatized.

This shows that, aside the issue of acceptance, at the start of the evaluation period, discrimination had a lot to do with problems of provision of, and access to services for certain groups. The EU supported anti-discrimination efforts mostly through CSO grants, which targeted perception issues and remedies against acts of discrimination, mostly for persons belonging to minorities or persons with disabilities. Only marginally did it target directly or explicitly target the provision of, and access to services for the groups mostly discriminated against according to the survey, which could point to a mismatch in programming. For instance, there was no large EU programme on healthcare, social care, or access to services for the most vulnerable (e.g., the poor, the elderly, and persons with disability). On a positive note, these CSO grants envisaged cooperation with the Equality Council, an approach which was highly praised by both CSOs and Equality Council, because it strongly contributed to establishing the Equality Council as a strong, widely recognized and respected anti-discrimination actor in Moldova. By the end of the evaluation period, the Equality Council clearly became the reference in this field, and the quality of its outputs has steeply increased. The number of complaints received by the Equality Council had continuously increased (from 151 in 2014 to 256 in 2019), which testifies to its recognition by the public as an effective recourse. This increase is particularly noteworthy as regards discrimination on the grounds of gender, which also shows increased recognition of gender-based discrimination as unacceptable.

By the end of the evaluation period, according to the 2020 report of the Equality Council, the situation with regard to discrimination against the groups identified above was slightly improved in terms of the measures taken. Yet, their actual experience is probably not deeply affected. Discrimination on the grounds of gender represented 25% of the cases where the Council found discrimination, on the ground of ethnicity 23% and on the grounds of disability 14%. 54.5% of the discrimination cases occurred in the area of access to assets and publicly available services, showing that the trends identified five years earlier were slightly, but not fundamentally modified. Overall, the main obstacle to enjoyment of equal rights and freedom from discrimination is not found in the law: the Moldovan legislation is quite comprehensive (though imperfect, witness the large proportion of unfulfilled recommendations of the Council regarding legal or regulatory amendments). It is found in the lack of action, and funding, to guarantee equal access for persons most vulnerable to discrimination. Stigmatisation is still very prevalent against regards persons living with HIV/AIDS.

Indicator 5.4.4. Trends for Moldova in “Freedom House Ranking”		
Strength of evidence based: Very strong		
Main source of information:		
Document review	Interviews	Survey
Freedom House World Reports/Moldova Country Reports 2015-2020 Freedom House Nations in Transit/Moldova Reports 2014-2020	Interviews with 58 persons including Moldovan officials, Civil Society actors, EU officials, others.	Evaluation Survey Moldova Public Opinion Barometer

With 61 out of 100 on Freedom House freedom score in 2021, 100 being the highest score, Moldova is qualified in the Freedom in the World reports as “partly free”. The score is a composite indicator, aggregating sub-ratings including political rights and civil liberties.

With 3,11 out of 7 on Freedom House democracy score in 2020 (7 being the highest score), Moldova is qualified in the Nations in Transit reports as a “transitional or hybrid regime. The score is a composite indicator, aggregating sub-ratings including national democratic governance, electoral processes, civil society, independent media, local governance, judicial framework and independence, and corruption.

In both cases, the rating of each year reflects the evolutions of the previous year. While all Freedom House reports consider Moldova to be generally protective of freedoms of assembly, speech, and religion.



However, despite the efforts of Moldova’s technical and financial partners including the EU, the country’s ratings have failed to take off during the reporting period and have even dwindled at mid-course. The key obstacles to improvements, according to Freedom House reports, mostly concern the rule of law (especially the justice system’s lack of independence and accountability), pervasive corruption, and assaults against the democratic constitutional order motivated by financial and political interests. The results of our survey regarding the perception of corruption, and the words associated to the justice system, as well as the public opinion barometer results on the various aspects of the Freedom House scores, show that this opinion is vastly shared among the population. All our interviewees also concur with the overall assessment reflected in Freedom House’s ratings: at best, the level of freedoms and democracy has been stagnating with small fluctuations. When some domains improve, others worsen, and the most often quoted root causes for this are corruption, lack of functional independence of those supposed to embody the rule of law and attempts to capture the governance structures by political and financial interests.

Year	2015	2016	2017	2018	2019	2020	2021
Freedom House Moldova Freedom Score /100	Not available	Not available	62	61	58	60	61
Freedom House Moldova Democracy Score /7	3.14	3.11	3.07	3.07	3.04	3.11	Not available
Key reason for fluctuation	No notable changes from 2014	Bank fraud scandal, corruption rating dropped	Degradation of justice rating, fallout of the bank fraud	Controversial 2017 electoral law, laundromat, LGBT march stopped	Degradation of justice rating, invalidation of Chisinau mayoral elections	Slight improvement in anti-corruption rating, wiretapping scandal, high-profile cases in court	Anti-corruption measures, V. Plahotniuc charged

### Main findings for EQ 5

- Although the budget support programmes faced some challenges, the support provided by the complementary technical assistance on PFM was useful and contributed to improvement of different sectors of PFM (revenue forecast, budget planning, debt issues,)
- EU support has greatly contributed to the normative framework creating the basic conditions for an independent, effective, efficient and accountable governance sector.
- Cooperation with the EU, including policy dialogue, policy support and conditionalities, have contributed to the emergence of a policy-making framework, but without sustainable capacities and political will to elaborate and implement them, policy documents are no guarantee of reforms.
- EU support has been instrumental in developing the necessary capacities and infrastructure in the governance sector, which in turn has improved the effectiveness and efficiency of some public services thanks to a pool of committed change agents.



- Despite the combined efforts of the EU and key change agents, the existing power and incentive structures make the rule of law sector vulnerable to corruption, which continues to impair the independence, effectiveness and accountability of this sector.
- Governance interventions lack genuine theories of change, and their monitoring and evaluation frameworks remain insufficiently developed, which disincentivises intermediate level change and contribution to it.
- Historically, the strategic approach prioritizing the normative and institutional framework over in-depth change management was ill-equipped to tackle the key unfulfilled assumptions of the EU's intervention logic in the governance sector: it has started to evolve but the results of this evolution are still hard to detect.

## 2. Evaluation question 6: JCs and indicators

**EQ6. To what extent has the EU support to Moldova contributed to better connectivity (in energy & transport), increased energy security, energy efficiency, the protection of environment and combatting climate change?**

This EQ covers Effectiveness, impact and sustainability.

JC 6.1 Investments have been channelled into infrastructure, energy, and environment

JC 6.2 Sample infrastructure projects achieve return on investment and/or have sufficient income streams to continue operation and adequate maintenance.

JC 6.3 The administrative capacity to implement environment and climate change chapters of the AA is enhanced and progress in the approximation of environmental acquis is attested

### **JC. 6.1 Investments have been channelled into infrastructure, energy, and environment.**

Important volume of investments has been channelled into the improvement of infrastructure, energy sector and environment. Investments were financed under different implementation modalities and instruments.

- EU has a long-term compromise with the infrastructure, energy and environment sectors; in fact, after initial budget support interventions other more focused implementation methods were used, this bringing a more direct and tackled benefit to final beneficiaries (the population).
- An important share of interventions in the a.m. sectors are implemented at the level of local governments. It permitted to realize infrastructures at local and to bring direct benefits to the population.
- Whenever possible cooperation with EU Member States, financing institutions and other development partners was looked for, creating thus synergies between interventions.
- EU support provided under NIF permitted EU to participate in the financing of big infrastructure projects, bringing added value by financing technical assistance, feasibility studies, social and environmental assessments or reducing the overall cost of financing for the Government of Moldova.
- EU support through national instruments has been completed by interventions financed under regional envelopes (i.e., EU4Environment, EU4 Energy, Danube Transnational Programme).

Indicator 6.1.1. Dependency on fossil fuel and electricity imports (trend)		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
<a href="https://www.iea.org/reports/moldova-energy-profile">https://www.iea.org/reports/moldova-energy-profile</a> Source: IEA World Energy Balances 2020 <a href="https://www.iea.org/subscribe-to-data-services/world-energy-balances-and-statistics">https://www.iea.org/subscribe-to-data-services/world-energy-balances-and-statistics</a> <a href="https://www.eu4energy.iea.org/countries/Moldova">https://www.eu4energy.iea.org/countries/Moldova</a>	EU Staff, Government of Moldova public servants, TA	

Moldova lacks energy resources, it is almost wholly dependent on fossil fuel and electricity imports, however the trend shows that dependency on fossil fuel and electricity decreased. However, since 2013 a positive trend in slight reduction from dependency on fossil fuel and electricity imports can be observed; at the same time there is an increase in production of renewable energy.

- In 2015 only 13.7% of Moldova’s energy demand was met by domestic sources. Natural gas, which serves most of its energy needs, was entirely imported from Russia via Ukraine up to the end of 2014. In August 2014 the Iasi-Ungheni gas interconnector between Romania and Moldova was commissioned and became operational in 2015. Once at full capacity in 2020, the pipeline is expected to supply almost all the gas Moldova consumes, but not that of the Transnistria region.
- Currently (2020) still 2,200 ktoe – or almost 74% of energy consumption– is imported. However, the structure of energy imports and production has hardly changed in the past eight years, although its own production of biofuels and biogas has grown by more than a third. Over the past eight years, the share of renewable energy in the total energy consumption has increased from 21% to 28%.
- Half of all energy (1,346 ktoe) is consumed by the population. The second half is used by different sectors of the economy, most of all transport. It should be noted that since 2010, energy consumption has increased by almost 15%. The most consumed types of energy are oil, gas and biofuels, at 32%, 28% and 26% respectively.
- Biofuels and coal are most used for heating homes. Gas is used in this case by 55%. Almost 40% of gas consumed is spent on cooking. Interestingly, cooking takes up more than 70% of all consumed petroleum products (liquefied gas, specifically). Electric power is also used for this purpose – about 20% of total consumption.

Indicator 6.1.2 - Number of population targeted by EU financed/co-financed projects in the water and sanitation sectors (since 2014)		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review (DTA and final reports of projects)	Interviews	Survey
<a href="https://unece.org/DAM/env/documents/2014/WAT/11Nov_7_Chisinau/3_Beros_Cosovan_Putnik_A_brief_overview_of_ongoing_water_projects_in_Moldova_co-financed_by_the_EU_EIB_and_EBRD.pdf">https://unece.org/DAM/env/documents/2014/WAT/11Nov_7_Chisinau/3_Beros_Cosovan_Putnik_A_brief_overview_of_ongoing_water_projects_in_Moldova_co-financed_by_the_EU_EIB_and_EBRD.pdf</a>	EU staff, development partners involved in Project implementation, EBRD	Only information related to the approval of service provision

In Moldova, access to safe water and sanitation services for all is weak. Water and sanitation services are the responsibility of local governments. The EU is supporting the water and sanitation sector since 2009 (water and sanitation sector support).

It is difficult to estimate the exact number of populations targeted by interventions in the water and sanitation sector since 2014, as the water and sanitation budget support programme (financed in 2009 but still ongoing in 2014) and smaller interventions financed under call for proposals or regional projects have to be considered as well (and are difficult to retrieve). The EU assistance provides direct access to improved water and sanitation services to about 1.300.000 beneficiaries including the support provided through NIF co-financed interventions. EU co-financed interventions are not only tackling access to water and sanitation, but as well the improvement of quality of services.

Project	Targeted population
EU4MOLDOVA: Clean Water for Cahul (UE pentru Moldova: Apă Curată pentru Cahul) CRIS number: ENI/2019/042-233	14.000 direct beneficiaries (120.000 indirect beneficiaries)
Contract no ENPI/2014/353-786) "Chisinau Water Development Programme	800.000 inhabitants of Chisinau Agglomeration
Moldova Utilities Development Programme	200,000 inhabitants in Soroca, Floresti, Hincesti, Orhei, Leova, Ciadir-Lunga
North Moldova Water	190,000 inhabitants in the districts of Soroca, Floresti, Drochia, Riscani, Singerei, Telenesti and in Balti municipality
Rehabilitation of the water supply system in the Municipality of Nisporeni, Republic of Moldova Project reference C-251612	60.000 persons – 20,000 sanitations

**Indicator 6.1.3 - % of EU financial investment in selected priority projects over the reference period**

Strength of evidence based: Medium

**Main source of information:**

Document review	Interviews	Survey
SSF Project Documents related to bilateral and regional projects	EU staff at EUD level	N/A

Financial investments in the Connectivity, energy efficiency, environment, and climate change sectors have no explicit targets in the SSD 2014-2017. Social and technical infrastructure in rural areas is covered under the agricultural sector. It is difficult to define the exact amounts committed or spent by EU for infrastructure, energy and environment projects during the reference period for this evaluation, as further to national projects there are multiple projects financed under regional initiatives of indirectly as subprojects under other interventions. I.e. projects implemented through non state actors (CBM) are difficult to identify.

Tentatively the amounts are:

- Energy Sector: EUR 119.460.000 (includes NIF and regional funds)
- Transport Sector: EUR 37.100.000 (includes NIF and regional funds)
- Water and Sanitation Sector: EUR 39.200.000 (does not include the investments under CBM in the water and sanitation sector).

SSF 2014-2017	Target in SSF 2014-2017	Financed under SSF-2014-2017
Connectivity, energy efficiency, environment, and climate change	No target quantified	<ul style="list-style-type: none"> <li>- Moldovan Railways Restructuring Project (NIF)</li> <li>- Moldova Energy and Biomass Project (Phase II)</li> <li>- Comprehensive demonstrational project for sustainable energy development in the town of Orhei.</li> <li>- Chisinau Water Development Programme</li> <li>- Green Light Moldova - Modernisation and Saving Energy at Street Lighting.</li> <li>- Renewables and Energy Efficiency for Public Buildings (REEPB)</li> <li>- Support to the Development of an Energy Statistics System in the Republic of Moldova</li> <li>- Moldova North Water Project (NIF)</li> </ul>

SSF 2014-2017	Target in SSF 2017-2020	Financed under SSF-2017-2020
Connectivity, energy efficiency, environment, and climate change	EUR 71 million - EUR 87 million	<ul style="list-style-type: none"> <li>- Clean water Cahul: EUR 14.000.000</li> <li>- Construction of water supply and sanitation infrastructure as well as energy efficiency in public buildings EUR 39,800,000</li> <li>- TA support to the Transport sector</li> <li>- Increasing the competitiveness of the agri-food sector through integration to domestic and global value chains and strengthening the water supply and sanitation infrastructure in rural areas focusing on safe wastewater disposal in Cantemir</li> <li>- Support to modernisation of the Energy Sector in the Republic of Moldova</li> <li>- Support to the reform of the Transport Sector in the Republic of Moldova</li> </ul>

**JC. 6.2 Sample infrastructure projects achieve return on investment and/or have sufficient income streams to continue operation and adequate maintenance.**

Indicator 6.2.1. Evidence of sufficient income streams for assuring sustainability (operation, maintenance and replacement)		
Strength of evidence based: medium		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Monitoring Report (Clean Water Cahul) Road Fund: <a href="https://cis-legislation.com/document.fwx?rgn=3520">https://cis-legislation.com/document.fwx?rgn=3520</a>  Final and progress reports of ongoing interventions	EU staff at EUD level, development partners, technical assistance providers	NA

There is no clear evidence on the availability of sufficient income stream or return on investment. However, in the case of the railway project, EBRD/EIB have undertaken detailed economic analysis, thus once the project is completed the institution should be strengthened and able to sustain operation and maintenance of the system. The situation for the projects in the road sector should be similar (clean water Cahul has just started implementation).

Project	Sustainability
Clean water Cahul	<ul style="list-style-type: none"> <li>▪ The sustainability of the intervention should be promoted by the participation of Moldovan and Romanian, companies in implementation; this should permit their future involvement in the maintenance of the system</li> <li>▪ Another positive aspect promoting sustainability is the strong component on capacity building. The intervention contains a strong content of capacity building. However, a specific attention has to be given to maintain trained staff in the company and in relevant positions. (Due to low salaries, there is a significant turn-over of staff, thus training easily gets lost).</li> <li>▪ For the sustainability of the intervention and of ACC, the adequation of tariffs is a central issue. The current tariff charged to the customers had been approved by Agenția Națională pentru Reglementare în Energetică a Republicii Moldova (ANRE), the Regulator, in May 2017. However, the 2018 adjustment request was rejected. Following a new application in May 2020, the publication of new tariffs is expected early 2021. However, the current tariffs are based on the calculations made during the Feasibility Study. There is no indication available on the affordability for households and non-households, particularly SMEs, as well as on the affordability of the connection rates for the customers.</li> <li>▪ Should the Company's economic model impose higher than the commonly accepted 5 per cent of poor customer's income, and should such increase be accepted by the Regulator, subsidized schemes by the Municipality could be envisaged.</li> </ul>

<p>Moldovan Railways Restructuring Project</p>	<ul style="list-style-type: none"> <li>• The financing partners provide support to institutional reform to improve transparency and accountability, as well as financial sustainability.</li> <li>• applying energy efficient technologies and standards and encouraging lower emission modes to reduce energy consumption should contribute to sustainability</li> <li>• However, according to newspaper, Moldova's state railway company, CFM, has had its accounts blocked after auditors released a highly critical report lambasting years of mismanagement and corruption that have left it unable to pay staff salaries.(feb 2021) <a href="https://balkaninsight.com/2021/02/05/moldova-blocks-indebted-railway-companys-accounts-after-damning-report/">https://balkaninsight.com/2021/02/05/moldova-blocks-indebted-railway-companys-accounts-after-damning-report/</a></li> </ul>
<p>Moldova road rehabilitation project Phase IV (Bahmut Bypass</p>	<ul style="list-style-type: none"> <li>• Rehabilitation of national roads is vital to improve access to EU markets. The poor present condition of road network is seen as acting as a significant deterrent to investment in the country and the development of external trade links to the West and the East. There exists a road fund in Moldova which should permit the maintenance of national highways and roads:</li> <li>• LAW OF THE REPUBLIC OF MOLDOVA of February 2, 1996, No. 720-XIII (as amended on 27-07-2018) created the road fund, which should assure the maintenance of (first level) road infrastructure in Moldova.</li> <li>• Sources of formation of fund are: <ul style="list-style-type: none"> <li>- annual assignments from number of excises on excisable oil products, except for liquefied gas, in the amount of, the established law on the government budget for the corresponding year.</li> <li>- 50 percent of total amount of the usage charge fee highways the cars registered in the Republic of Moldova collected at the national level and other road charges levied according to the tax legislation.</li> <li>- charges for issue of permissions to implementation of the international motor transportation carriages of goods and, occasionally, passengers.</li> <li>- non-compliance with rules of passenger traffic, spoil of highways, road constructions and the equipment, plantings along roads.</li> <li>- collection for realization of natural gas, held for use as fuel for vehicles.</li> </ul> </li> <li>• The Moldova road rehabilitation project Phase IV focus as well on two reform areas: reform of road sector financing and institutional strengthening, particularly to improve the SRA's capacity to manage the road network and execute works in a transparent and efficient manner. The establishment of a reliable and stable financing mechanism for the road sector is a key transition objective of the project.</li> </ul>
<p>Construction of water supply and sanitation infrastructure as well as energy efficiency in public buildings</p>	<p>The project will construct and put into service 10 Water Supply and Sanitation systems, as well as implement 8 Energy Efficiency projects in schools throughout the country. The project is still ongoing. Once the infrastructures are completed it is expected that the investments will generate lower bills and savings that can be used for other services.</p>



**JC. 6.3 The administrative capacity to implement environment and climate change chapters of the AA is enhanced and progress in the approximation of environmental acquis is attested**

<b>Indicator 6.3.1 - Level of appreciation of stakeholders on quality of draft and adopted legislation and regulatory acts (linked to EU support)</b>		
Strength of evidence based: Medium		
<b>Main source of information:</b>		
Document review	Interviews	Survey
<a href="https://www.eu4environment.org/w/here-we-work/republic-of-moldova/">https://www.eu4environment.org/w/here-we-work/republic-of-moldova/</a> European Parliament: European Implementation Assessment (update) JOINT STAFF WORKING DOCUMENT: Association Implementation Report on Moldova, 2019	Interviews with EU officials Interviews with Moldovan officials	NA

The 2020 National Development Strategy and other strategic documents (Environmental Strategy for 2014-23, the National Strategy for Sustainable Development of Agriculture in 2008-15) integrate green economy objectives. In 2015, the National Programme for the Promotion of the Green Economy was launched to guide government efforts to green economic development.

The EU laws on environment included in the AA cover all the areas from the environmental governance, air pollution, water quality and the marine environment to the waste management, natural habitats, industrial pollution, chemical management and the climate change. Despite the AA provisions aimed at the strengthening of the institutional framework, Ministry of Environment still lack adequate capacity to implement AA provisions, and therefore ensure proper environmental protection and fight climate change. The following information were collected from interviews:

Environmental institutional reforms were not planned strategically, and in some cases weakened the Ministries of Environment, instead of strengthening them. In Moldova, the Ministry of Environment is part of the Ministry of Agriculture; as a result, there exists a conflict of interests between the agricultural industry – which is often a strong polluter – and environmental protection.

EU is providing important support which helps national institutions to prepare draft laws and regulations, however, the approval by Parliament is most often delayed.

Although legislation exists, environmental compliance and enforcement institutions remain inadequate. Environmental institutions' limited capacity results in weak integration of environmental policy and poor implementation of laws, even if adopted in line with European and international standards.

Two governmental decisions were adopted in June 2018, one on the establishment of the Environment Agency and one on the creation of the Environmental Protection Inspectorate. Draft chemicals legislation aligning Moldovan legislation with the EU REACH Regulation<sup>32</sup> is under discussion in the Parliament.

<b>Indicator 6.3.2. Rhythm of preparation and adoption of legislative and regulatory acts increases over the period (linked to EU support)</b>		
Strength of evidence base: Medium		
<b>Main source of information:</b>		
Document review	Interviews	Survey

Moldova has adopted a number of laws in line with the Association Agreements – most notably on water, waste, and Environmental Impact Assessment (EIA) and Strategic Impact Assessment (SEA). These laws require a cross-cutting approach in implementation, as they pertain to both environmental sectors – such as nature protection or water, air, waste and chemicals management – and economic sectors – like energy, agriculture, transport, infrastructure and tourism. However, their adoption often remains only nominal, due to EaP countries’ inadequate institutional frameworks and persisting corruption.

On the environment, two regulations, one on the management of waste from electric and electronic equipment and one on the establishment of a waste electronic information system, were adopted by the government in June 2018.

A 2018-2028 national strategy on air quality has also been developed. An overarching reorganisation of the subordinated institutions in the Ministry of Agriculture, Regional Development and the Environment’s portfolio was launched in the second phase of the public administration reform. However, climate change mainstreaming in all areas of policymaking remains a challenge.

On climate change, Moldova’s international commitments under the Paris Agreement have shaped the country’s legal and strategic framework in this field.

- The low emissions development strategy until 2030 and the 2015-2020 climate change adaptation strategy are under implementation.
- a regulation on measuring, reporting and verifying greenhouse gas emissions was developed in compliance with the respective United Nations Framework Convention on Climate Change and EU provisions, and awaits governmental approval.

EU financed the “Implementation of the Shared Environmental Information System principles and practices in the Eastern Partnership countries (ENI SEIS II East)”

As mentioned before, the implementation capacities of national institutions are still weak; staff is rather low paid (even after the recent salary reform); existing challenges cannot simply be resolved by capacity building measures, as staff turn-over is high. Technical assistance for the elaboration of draft laws, regulations and policies can be provided, however the bottlenecks continue at the level of the Parliament (which is not approving laws and regulations) and now of their implementation.

Examples of laws and regulations implemented related to the environment sector:

- Moldova transposed the Directive 2010/30/EC on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products, by adopting the Law 44/2014 referring to labelling for energy-related products. Also, the Government approved energy labelling requirements (GD 1003/2014), which transposed **11 Commission Delegated Regulations on energy labelling requirements**. The Government subsequently approved the eco-design requirements for different defined energy-related products (GD 750/2016), according to which 17 Commission Regulations on eco-design requirements were transposed.
- **The Law on Energy Performance of Buildings** was approved in July 2014, but the law hasn’t fully transposed the Directive 2010/31/EU on the energy performance in buildings. Moldova is working on changing the existing law in accordance with EU directive.

The elaboration of an updated NDC (2021-2030) and the first **National Energy and Climate Plan** (2021-2030) showed Moldova’s commitment to climatical issues. It was initiated, the plan is elaborated with support of the EU technical assistance provided through EU Delegation in Moldova (STARS project).

Indicator 6.3.3. Interviewees judge that administrative capacity is enhanced		
Strength of evidence based: medium		
Main source of information:		
Document review	Interviews	Survey
Environmental Reform and Climate Change Adaptation in the Eastern Partnership Civil Society Analysis and Recommendations	Development partners, TA providers	NA

Interviewees confirmed that there is a certain progress and interest in environment and climate change chapters of the AA, however the capacity to enforce laws and regulations remains limited

Moldova has adopted a number of laws in line with the Association Agreements – most notably on water, waste, and Environmental Impact Assessment (EIA) and Strategic Impact Assessment (SEA). These laws require a cross-cutting approach in implementation, as they pertain to both environmental sectors – such as nature protection or water, air, waste and chemicals management – and economic sectors – like energy, agriculture, transport, infrastructure and tourism. However, their adoption often remains only nominal, due to EaP countries’ inadequate institutional frameworks and persisting corruption.

Indicator 6.3.4. Increase of initiatives or projects related to green economy (% or numbers) thanks to EU support		
Strength of evidence based: medium		
Main source of information:		
Document review	Interviews	Survey
<a href="https://www.greengrowthknowledge.org/country/republic-moldova">https://www.greengrowthknowledge.org/country/republic-moldova</a> EU4 Development: <a href="https://www.eu4environment.org/events/green-economy-made-in-moldova-from-green-economy-to-the-european-green-deal/">https://www.eu4environment.org/events/green-economy-made-in-moldova-from-green-economy-to-the-european-green-deal/</a>	EU staff, Development partners, TA providers	NA

There is an increased attention to the concept of green economy. The green growth concept has been promoted in the Republic of Moldova as a model of social and economic development for economic growth, improved human well-being and social equity. Its goal is to achieve a **low-carbon, resource-efficient and socially inclusive economy, significantly reducing environmental risks and the impact on human health**. EU is supporting the Programme EaP Green at regional level. (EU funding with support of OECD and UN organizations)

Another target of this strategy is to promote the **generation of renewable energy and improvements in energy efficiency**. This can be pursued by diversifying the mix of domestic energy resources, including renewables; modernizing the energy system such that it is able to support non-conventional energy resources; reducing energy intensity in housing, industrial, transport and agricultural sectors; and implementing energy-efficient technologies.

The High-Level National Round Table “GREEN ECONOMY – Made in Moldova” took place on 29 January 2021. The meeting objectives were to:

- promote the Green Economy Concept at the highest political level in Moldova and EaP countries, in all social-development sectors of the country, attracting the private sector, development partners, NGOs, media and the general public.
- promote of European Green Deal objectives and priorities in Moldova and at the EaP regional level, including exchange of experiences between EaP countries on this issue.
- present the contribution of the EU4Environment programme to the implementation of Green Economy principles in the EaP region.
- increase awareness of stakeholders from businesses, governmental agencies and the general public on the application and benefits of the Green Economy principles for sustainable economic development.
- Greening Program of Small and Medium Enterprises (by Government Decision 592/2019 from 27.11.2019) will be implemented by ODIMM with the purpose to promote, support and develop the entrepreneurial capacities of SMEs, in order to adopt in production processes and services providing the greening practices. The Program provides an integrated approach of support for SMEs oriented to introduce green economy principles. (Water Efficiency, Waste Recycling, Energy Efficiency, Management System).

The event gathered representatives from governmental agencies (MEI, MARDE, ODIMM), EC (DG NEAR, DG Env), EUD, EU4Environment IPs, NACs and beneficiaries, international organizations, embassies, businesses and enterprises / private sector, academic sector, environmental NGOs and experts, mass-media from Moldova and EaP countries.

It is impossible to identify the **percentage of funds spent for green economy or the number of projects financed as in almost all sectors “green economy”** can be considered as transversal. Thus, as green economy can be considered.

<p><b>The energy efficiency projects and quality water supply and sanitations services.</b></p>	<ul style="list-style-type: none"> <li>▪ Moldova Energy and Biomass Project:</li> <li>▪ Clean Water Cahul</li> <li>▪ Energy Efficiency Project</li> <li>▪ energy efficiency by thermally rehabilitation of two more educational buildings in the town of Cantemir</li> <li>▪ Modernization project of the street lighting in Ocnîța and Cantemir “Green Light Moldova!”</li> </ul>
<p>EU4Environment</p>	<ul style="list-style-type: none"> <li>▪ EU4Environment has developed the platform that provides small and medium enterprises in the Republic of Moldova with clear information on how they can improve their resource efficiency and environmental performance, increasing their competitiveness by reducing their costs.</li> <li>▪ 3 June 2020, the Organisation for Small and Medium Enterprises Sector Development (ODIMM) with participation of EU4Environment implementing partners organised a kick-off conference on the National Greening Program for Small and Medium Enterprises (SMEs).</li> <li>▪ By the promotion of eco-labelling in the framework of EU4Environment programme the Republic of Moldova will align to the EU requirements and procedures in the domain.</li> </ul>

EU4Climate Moldova Buildings Energy Efficiency	<ul style="list-style-type: none"> <li>The proposed Project (just started) is a blending operation with EBRD/EIB that will finance energy efficiency measures, focusing on improvements to the building envelope, heating systems, ventilation and air-conditioning systems, lightings, and introduction of renewable energy sources.</li> </ul>
Green for Growth Fund (GGF) ENPI/2013/334927	<ul style="list-style-type: none"> <li>The objective of the programme is to enhance energy efficiency and reduce CO2 emissions through support of the renewable energy sector. Moldova benefitted from several small loans.</li> </ul>

Key projects in the energy sector financed/implemented during the period 2014-2020 are:

Title of the Project	Status	Amount Euro		
Support to Reform of the Energy Sector (CRIS/2011/22515)	closed	42.600.000	Government of Moldova	2011 to 2017
Support to the Modernisation of the Energy Sector in the Republic of Moldova	ongoing	1.500.000	Technical Assistance Provider	2017-2020
Ungheni-Chisinau gas pipeline NIF financing in cooperation with EBRD and BEI	closed		EBRD	-2015
Construction of the electricity interconnection between Moldova and Romania ENI 2018/400311	ongoing	40.750.000 Total cost Euro 270.750.000	EBRD	2018 -2025
Moldova Energy and Biomass Project	closed	23 410 000	United Nations Development Programme (UNDP)	2011 to 2017
Construction of Water Supply and Sanitation infrastructure, as well as Energy Efficiency in public buildings		39,800,000	GIZ	2018-2021

Furthermore, Moldova benefited from the Eastern Europe Energy Efficiency and Environment Partnership (E5P) Programme.

The E5P is a €242 million multi-donor fund initiated during the Swedish Presidency of the European Union in 2009 to encourage municipal investments in energy efficiency and environmental projects in the Eastern Partnership region. Initially active in Ukraine, in 2014 the fund formally extended its activities to Armenia, Georgia and Moldova, Belarus joined in 2017, and Azerbaijan in 2019. The E5P merges financial contributions from the European Union and a group of 24 nations, including countries which are benefiting from the fund. The contributions are used as grants to support municipal sector projects. Moldova benefitted from the following projects:

Eastern Europe Energy Efficiency and Environment Partnership (E5P)		
Chişinău energy efficiency project	€5 million grant from the Eastern Europe Energy Efficiency and Environment Partnership (Total cost M€25)	
Chisineau Solid Waste	Environment Partnership (M€ 5) (total cost M€25 - EBRD/EIB loans)	Starting 2021
Balti District Heating	Environment Partnership (M€ 3) (total cost M€10,5 - EBRD loans)	Starting 2015
Balti Trolley Bus	Environment Partnership (M€ 1,2) (total cost M€3,7 - EBRD loans)	Starting 2021

- Creation of excellence center through piloting demonstrative new energy efficiency technologies and renewable energy sources in Festelita community, Stefan-Voda district - Moldova Social Innovations Fund”, NGO, EUR 800.000 Duration: 2018 – 2020 The project will implement the actions set up in Festelita village’s SEAP through innovative technology-transfer and piloting demonstration projects on new technologies utilization of solar and biomass RES.

**Key projects in the transport/connectivity sector financed/implemented during the period 2014-2020 are:**

EU support to the transport sector is composed of technical assistance to support the reform of the transport sector in line with the transport chapter of the EU-MD Association Agreement, by providing technical assistance and capacity building to support legal approximation and policy development for fulfilment of the undertaken commitments. That included:

- In Waterborne sector: to prepare legal and operational framework for implementation of EU legal acts related to Flag State and Port State Control; to provide support to the Naval Agency of RM and general advice on implementation of remaining EU acts from AA; to organize a study tour to an EU member-state maritime administration, aiming for know-how transfer on ship registration and flag and port controls issues.
- In Railway sector: to prepare legal and operational framework for implementation of the requirements of EU-MD AA and creation of State institutions required by EU legislative acts.
- In Road Transport and Civil Aviation sectors: to provide assistance in implementation of certain EU regulations and directives which are not yet harmonized.
- To prepare relevant legal and operational framework regarding the Accident Investigation Body (one single institution for civil aviation, railways and waterborne transport) as required by the EU legislative acts.
- Assistance to the Beneficiary institutions in the harmonisation process with other potential institutions.



In the aviation sector, the EU funded TA has supported the Common aviation agreement and the legislative improvement (new law). Nevertheless, it should be mentioned that the Moldovan maritime fleet and many of the Moldovan air carriers remain blacklisted.

Further support was provided under NIF road projects (Moldova road rehabilitation project Phase III and IV); although EU contribution was limited compared to the overall investment costs, visibility was high.

Furthermore, EU supported road safety and support to the road maintenance fund (in cooperation with USAID and BEI.) Further funding under NIF was provided for the railway sector (locomotives purchase in cooperation with EBRD/BEI).

Additionally, a feasibility study and cost analysis for a project of supply of equipment to the Port Complex of Giurgiulesti was financed by EU.

Title of the Project	Status	Amount Euro		
Reform of Transport Sector CRIS reference: ENI/2018/400-630	closed	901,501	AVENSA Consulting led consortium	2018-2020
Moldovan Railways Fleet Renewal ENPI/2014/ 353-812	EU part completed	EUR 5.000.000 (NIF) total cost: MEUR 116,75 (loans EBRD/EIB)	EBRD	2014-2020
Moldova Road- Rehabilitation project Phase III Ungheni Bypass ENPI/2011/ 265-548	Closed	€16,2M NIF grant €150M loan EBRD&EIB	EBRD	Dec 2011- Nov 2017 Inaugurated 2018
Moldova Road-Rehabilitation project Phase IV ENPI/2014/ 353-807 ENI/2014/355-431	Ongoing	€15M NIF grant €300,5M EBRD&EIB	EBRD	2014-2021 (planned)

### Water and Sanitation

EU financed several important projects in the water and sanitations sector using different instruments and implementation modalities. The EU assistance provides direct access to improved water and sanitation services to about 1.300.000 beneficiaries including the support provided through NIF co-financed interventions. EU co-financed interventions are not only tackling access to water and sanitation, but as well the improvement of quality of services.

Title of the Project	Status	Amount Euro		
ENPI/2014/353-786) "Chisinau Water Development Programme" (NIF)	closed	13.400.000	EBRD	2015-2020 (?)
EU4MOLDOVA: Clean Water for Cahul ENI/2019/042-233	ongoing	MEUR 10 800 000	KfW	

Water Utilities Development Programme in the Republic of Moldova	closed	EUR 10.000.000	EBRD	2010-2015
Rehabilitation of the water supply system in the Rayon Nisporeni: Municipalities of Nisporeni, Varzaresti and Grozesti, Republic of Moldova	closed	MEUR 5.000.000	ADA -Austrian Cooperation	2010-2016

### 3. Evaluation question 7: JCs and indicators

#### EQ7. To what extent has the EU support to Moldova contributed to increased mobility and people-to people contacts among targeted groups?

This EQ covers Effectiveness, impact and sustainability

JC 7.1 VET institutional network strengthened, and curricula modernised

JC 7.2 Attractiveness of VET including Life-Long Learning has increased

JC 7.3. EU support in higher education, research and innovation has increased mobility and people-to-people contacts

JC 7.4. Free visa regime operates effectively, and projects are being implemented under the Mobility Partnership

#### JC 7.1 VET institutional network strengthened, and curricula modernised

With the VET budget support, a foundation of a modern and effective VET system was built. The MECR, supported by the EU TA project and other donors (e.g., LED, GIZ and ADA), put the screws to VET reform implementation and some effects transpired indeed. Particularly commendable were achievements related to restructuring of VET institutions, establishment of ANECEC, gradual introduction of the new financing formula and VET schools' self-management, as well as shifting to a new curricula development approach, based on qualification and occupational standards. Each and every fundamental VET managing body was established since start of VET reform supported by the EU BS. However, some key bodies are virtually non-functional and social dialog through Sectoral Committees and beyond has yet to be enhanced.

#### Indicator 7.1.1. Number of VET managing bodies established and functional, by type

Strength of evidence based: Very Strong

#### Main source of information:

Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy: 1. Annex II Technical and Administrative Provisions - Sector Reform Contract objectives, expected results and activities. 2. Appendix	Head of VET Department, MECR Representatives of the NQF department, MECR Former and present EUD Programme Managers on Education and Research VET TA Project Manager	ETF VET Good Multilevel Governance Assessment Report (2020) partially based on self-assessment survey

1. Performance Indicators used for disbursement VET Policy Matrix (SPSP operationalisation) VET Strategy and Action Plan 2013-2020 MECR Report on implementation of the VET Action Plan 2013-2020, February 2021 VET TA project ToR, Mid Term and Final Reports of the TA project supporting implementation of VET reform (GOPA) 2 Reviews of the VET Sector Policy Support Programme (1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments)	ETF Country Coordinator EU High Level Adviser on Education and Research	
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Each and every fundamental VET managing body was established since start of VET reform implementation supported by the EU BS. The MECR is accountable for VET policy making, monitoring and evaluation, as well as implementation. VET Department is the key unit in the MECR, which coordinates these activities, supported in its efforts by the NFQ Department and LLL Department. The CRDIP was further created to back MECR in implementation of VET policy. A VET Coordination Council, comprising representatives of the key line ministries, the Employment Agency, the VET institutions and the labour market representatives was established with a view to enhancing social partnership. The ANACEC was set up to take care of VET quality assurance, being specifically in charge of VET programmes and institutions' accreditation.

The MECR, supported by the EU TA project and other donors (particularly LED, GIZ and ADA), put the screws to VET reform implementation and some effects transpired indeed. However, after termination of the TA project (2017), halfway to the end of VET strategy, the MECR found itself in a wearisome position, whereby it had to deliver on reform, despite limited human capacity (3-4 people in VET Department), high turnover in the MECR management (7 ministers during 2014-2020), scarce financial resources and enduring political crisis. On top of that, CRDIP has been understaffed ever since its creation and, despite many reanimation attempts, it is virtually unfunctional. Thus, it could not support the MECR with reform implementation. Likewise, the VET Coordination Council proved to be anaemic and ceased activity in 2016. On the other end, ANACEC is performing reasonably well, to the point that it intends to carry out quality assurance of all VET programmes and institutions by the end of 2021. The VET twinning project launched in March 2019 has vastly contributed to strengthening institutional and operational capacities and staff competences of the ANACEC. The Economic Council to the Prime Minister was also getting increasingly involved in supporting VET, especially regarding dual education.

**Indicator 7.1.2. Number of VET institutions created/restructured, in line with mapping recommendations**

Strength of evidence based: Very Strong

**Main source of information:**

Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy VET Strategy and Action Plan 2013-2020	Head of VET Department, MECR Former and present EUD Programme Managers on Education and Research VET TA Project Manager ETF Country Coordinator	Survey of 37 VET institutions across all regions of Moldova

VET network mapping study (2014) and Restructuring Plan (2015-2020) Mid Term and Final Reports of the TA project supporting implementation of VET reform 2 Reviews of the VET Sector Policy Support Programme (1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments)		
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The VET BS programme envisaged a number of activities regarding reorganisation of the schools' network. More specifically, MECR committed to develop and approve a VET Sector Restructuring Plan with a corresponding Procurement Plan and to create and secure funding for 10 CoE.

Consequently, a mapping of VET schools' network was carried out and a restructuring masterplan was approved. Reorganisations commenced in 2015, when the schools' network was as large as 106 institutions, of which 61 were VET secondary institutions (46 professional schools, 15 craft schools) and 45 post-secondary institutions (45 colleges, including 4 private colleges). In 2021, after reorganisation, the number of institutions dropped to 91, of which 42 are professional schools (secondary VET), 36 are colleges, including 6 private colleges (post-secondary VET) and 13 CoE (post-secondary and partially secondary VET).

Thus, during 2013-2020 13 CoE were established, 2 VET institutions were closed, 10 absorbed and 5 reorganised. As such, the VET Restructuring Plan, based on the mapping of VET institutions, was partially implemented. To obtain effectiveness and efficiency gains, further downsizing may be needed, particularly considering negative demographic trends leading to a steady drop in the number of VET students and teachers. Based on the survey of 37 VET institutions we could single out a number of outliers – VET schools with only 25 and 40 enrolled students, of which only 8 and 21 respectively graduate (see Figure 9 below). Schools with 50-80 students, of which only half graduate, are not an exception too. As regards CoE, while a lot of material and intellectual resources were injected in these by the EU and other donors and country development partners, most are yet to fulfil their functions related to supporting ascribed VET institutions, especially in terms of continuous training provision. The concentration of CoE in Chisinau (10 out of 13) and lack of these in the South of Moldova, adds inequity to the VET system.

Figure 9 Data from schools' survey

No. of school	Students that applied	Enrolled students	Average grade (enrolment) – max. 10	Students that dropped out studies	Graduates	Average grade (end of studies) – max. 10	Graduates that continued studies	Employed graduates
1.	550	365	6,91	82	329	7,99	23	158
2.	275	235	6,07	40	244	7,87	9	116
3.	99	99	5,9	34	58	7,43	10	35
4.	211	190	6,29	56	145	7,97	0	91
5.	410	404	6,4	64	307	7,65	34	88
6.	246	236	6,05	46	253	7,3	8	245

7.	308	265	6,09	55	147	7,46	25	39
8.	80	80	6,89	6	71	7,15	0	21
9.	88	50	6,47	1	28	8,78	1	14
10.	141	141	6,58	6	163	7,89	20	121
11.	114	114	6,14	13	101	7,98	18	82
12.	292	263	6,23	45	178	7,53	7	135
13.	279	214	6,3	36	149	7,24	10	84
14.	65	65	6,45	34	46	7,57	6	24
15.	144	125	6,24	15	127	8,2	3	47
16.	115	115	6,27	7	84	7,52	6	40
17.	75	75	5,66	33	25	8	1	12
18.	99	99	6,49	16	88	7,07	10	46
19.	55	40	5,87	21	18	7,52	0	12
20.	105	100	6,38	3	71	7,89	4	53
21.	79	79	6,65	18	12	8,67	0	12
22.	221	201	5,49	50	121	7,6	1	79
23.	139	125	5,89	43	101	8,36	2	74
24.	214	192	6,02	41	179	7,22	6	60
25.	168	155	5,76	20	101	7,65	8	59
26.	75	75	6,21	14	42	6,68	4	19
27.	25	25	5,77	8	21	7,33	3	9
28.	270	159	5,79	18	142	7,49	2	48
29.	107	107	5,87	37	58	7,49	1	38
30.	156	151	5,63	57	85	7,28	1	77
31.	150	143	5,73	20	52	7,99	16	31

32.	276	243	5,76	12	67	7,5	5	28
33.	161	137	5,78	31	64	7,7	3	15
34.	262	250	6,12	10	198	8,19	10	121
35.	475	390	6,96	73	350	8,29	45	140
36.	299	276	5,31	33	186	8,48	29	109
37.	112	112	6,34	7	121	7,9	10	38

### Indicator 7.1.3. Number of Sectoral Committees established

Strength of evidence based: Very Strong

#### Main source of information:

Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy and Action Plan 2013-2020 Mid Term and Final Reports of the TA project supporting implementation of VET reform 2 Reviews of the VET Sector Policy Support Programme (1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments)	Representatives of NQF Department, MECR Head of VET Department MECR Head of Light Industry Sectoral Committee Head of Trade, Hotels and Restaurants Sectoral Committee Representative of OeAD Cooperation Office Representatives of the LED Office Representative of Association Education for Development Representative of Pro-Didactica Educational Centre	ETF VET Good Multilevel Governance Assessment Report (2020) partially based on self-assessment survey

The VET BS Financial Agreement envisaged creation of SCs in 7 specialisation fields. More specifically, EU envisaged support in setting up of four Sector Committees: Agriculture and Food Industry; Transport and Road Infrastructure; Information and Communication Technologies; and Constructions. Additionally, support for the full functioning of three additional Sector Committees: Trade, Food Services and Tourism; Light Industry: Textiles and Confection, Shoes and Leather; Energy was to be provided. These seven SCs were to be helped in drafting proposals for new professions, assessment of existing curricula in line with the labour market needs.

During 2018-2020 six SCs were established in: Constructions; Agriculture and Food Industry; Light Industry; Trade, Hotels and Restaurants; Financial Intermediation and Insurance, Real Estate Transactions; Water distribution, Sanitation, Waste Management, Decontamination activities. A SC in IT is operating, without being formally established though. More about functionality and activity of SCs could be found under I 7.1.5 - Number of occupational standards developed by the Sectoral Committees, disaggregated by type.

### Indicator 7.1.4. % Of VET teachers trained to develop and deliver competence-based curricula



Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy and Action Plan 2013-2020 Mid Term and Final Reports of the TA project supporting implementation of VET reform 2 Reviews of the VET Sector Policy Support Programme (1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments)	Head of VET Department Representatives of the NQF Department, MECR ETF Country Coordinator Representatives of the Continuous Training Centre from the Technical University	ETF VET Good Multilevel Governance Assessment Report (2020) partially based on self-assessment survey

One of the objectives of the BS was to increase the quality of the teaching staff, including by upgrading the initial and continuous professional development of teaching staff for the VET, and improving the motivation, so that, by 2020, the entire teaching staff is trained according to the National Qualifications Framework. The objective was partially achieved – about 70 % of teachers were trained to develop and deliver competence-based curricula (MECR estimation).

Overall, while lifelong learning got more attention during last years, continuous training is yet to be accommodated and delivered within VET institutions. There are a number of training courses designed for teachers provided by universities, particularly by the Moldovan Technical University (psycho-pedagogical training). However, in terms of specialised training, the CoE, despite being supported up until now by the EU twining project and other donors and country development partners, are yet to fulfil this role in a sustainable manner. Accreditation of courses is lengthy and demanding, whereas the financial means to build physical and human capacity for continuous training delivery are lacking (the number of teachers is small – 3473 and dropped by 17% since 2014).

Indicator 7.1.5. Number of occupational standards developed by the Sectoral Committees, disaggregated by type		
Strength of evidence based: Very Strong		
Main source of information:		
Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy and Action Plan 2013-2020 Mid Term and Final Reports of the TA project supporting implementation of VET reform 2 Reviews of the VET Sector Policy Support Programme (1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments)	Representatives of NQF Department, MECR Head of VET Department MECR Head of Light Industry Sectoral Committee Head of Trade, Hotels and Restaurants Sectoral Committee Representative of OeAD Cooperation Office Representatives of the LED Office Representative of Association Education for Development Representative of Pro-Didactica Educational Centre	ETF VET Good Multilevel Governance Assessment Report (2020) partially based on self-assessment survey

Beyond the accomplishment of BS target regarding the number of SCs created, what was even more important was to support SCs in enhancing social dialogue in general and developing OSs in particular. In this respect, there is a lot of room for improvement. By March 2021 only 55 OSs were developed and approved<sup>4</sup> (7 OSs were developed by the EU-funded project on increasing competitiveness of the agri-food sector). The construction sector is the only sector, where trade unions were extremely active and produced SOs for all trades. The SC on trade, hotels and restaurants is probably the most under-represented by private sector.

Most SCs are neither pro-active nor easy to mobilise. Constituent economic agents are often not acknowledging the usefulness of developing OSs as part of SCs and if they actually do, resources to cover these extra activities are often lacking. The MHLSP budgets earmarked for OSs' development are very scarce and donors (EU, LED, USAID) have only provided financial support for a limited number of OSs. A more common procedure is for the SCs to develop occupational profiles, with a more general content than that of the OSs based on which qualification standards and curricula are developed. However, often, qualification standards and curricula are not backed even by occupational profiles.

While functionality of SCs has proved to be unsatisfactory, VET schools are building direct partnerships with businesses and social dialogue is gradually being enhanced, particularly through dual education, which hit off since 2014 with donors' support, particularly that of GIZ. To date, more than a quarter of all VET institutions have already signed partnership agreements with about 100 economic agents.

Indicator 7.1.6. % Of VET curricula adjusted to the National Qualifications Framework and accredited		
Strength of evidence based: Very Strong		
Main source of information:		
Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy Global inventory of regional and national qualifications frameworks, ETF, 2019 MECR administrative data	Representatives of NQF Department, MECR Head of VET Department MECR ETF Country Coordinator	ETF VET Good Multilevel Governance Assessment Report (2020) partially based on self-assessment survey Survey of 536 students (in graduation year)

One of BS Financial Agreement objectives was to synchronise scientific, cultural and methodological provision of the VET, so that 100% of curricula is adjusted to the NQF by 2020. To date only around 40 % of VET curricula was adjusted to the NQF. More specifically since the Government adopted the NFQ based on professional knowledge, skills and competencies the following curricula were accredited:

- 26 curricula were approved in 2017: 16 at Post-Secondary VET and 10 at Secondary VET
- 29 curricula were approved in 2018: 11 at Post-Secondary VET and 18 at Secondary VET
- 35 curricula were approved in 2019: 24 at Post-Secondary VET and 11 at Secondary VET
- 27 curricula were approved in 2020: 17 at Post-Secondary VET and 10 at Secondary VET

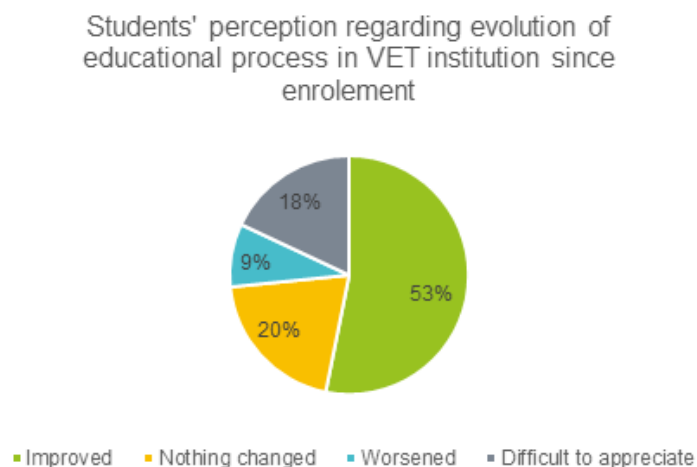
However, as mentioned above, in most cases, the rational steps in developing curricula – occupational standards translated into qualification standards and the latter into curricula - are often not being followed. This reveals once again the disconnect between educational offer and labour market demand.

At the same time, over a half of surveyed students (53,2%) think that education process has improved since admission, 20,3% consider it has remained the same and only 8,6% believe it has worsened (see Figure 10 below)<sup>5</sup>.

<sup>4</sup> <https://ism.gov.md/ro/content/standarde-ocupa%C8%9Bionale>

<sup>5</sup> Data from the students' survey across 15 VET institutions (536 respondents from the graduation year) carried out in March 2021.

Figure 10: Students' perception of evolution of educational process in VET institution (Source: students' survey March 2021)



Indicator 7.1.7. % Of curricula using educational software		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy VET Twinning Project Fiche, Description of Action, Twinning Proposal, Twinning Grant Contract, Rolling Work Plan, Interim Quarterly Report, 2020 Quarterly Report, ROM Review	Head of VET Department, MECR Representatives of the NQF Department, MECR ETF Country Coordinator	Survey on the online education in VET institutions during COVID-19 pandemic

The VET BS promoted, among other things, delivery of IT courses by VET institutions (Result 9). According to MECR, to date, about 22% of VET institutions are delivering IT courses: 4 VET colleges, 3 VET centres of excellence and 17 VET professional schools.

While only about one fifth of VET institutions deliver IT courses, the situation regarding IT culture has markedly improved during COVID-19 pandemic. Donors and country development partners have played a key role in this. For instance, the EU twinning project supported VET institutions in developing online teaching platforms (Google Classroom, Moodle) and digital learning materials (about 70), which have significantly eased transition to remote or hybrid teaching. However, switching to online or blended learning was not easy; most VET institutions and students were caught unprepared and unequipped, let alone that vocational education and training implies practical lessons and activities in workshops, which were largely dropped during pandemic, thus affecting overall learning outcomes. The survey on online VET education carried showed that about 40% of respondents had some difficulties to access online learning<sup>6</sup>. Since the start of distance learning 30% of students could not fulfil practical tasks because they lacked equipment and inputs.

<sup>6</sup> The Survey financed by LED, was carried out through the National Students' Council (NSC) on a sample of 8116 students across all types of VET institutions.

## JC 7.2 Attractiveness of VET including Life-Long Learning has increased

To gauge the attractiveness of VET we delved into students' competition, number of students in VET, dropout rate and employment rate of VET graduates across our 37 sampled schools. On the whole data suggest that VET gained some prestige throughout the years and a number of reform champions surfaced. However, VET remains the second-best choice for students and is a place for second-best students.

### Indicator 7.2.1. Competition for admission (top 5 demanded VET specialities versus top 5 demanded labour market professions)

Strength of evidence based: Very Strong

#### Main source of information:

Document review	Interviews	Survey
Labour Market Study, GIZ, SDC, Moldova, 2020	Head of VET Department, MECR	Survey of 37 VET institutions across all regions of Moldova
Education, Training and Employment Development, ETF, 2019	Former and present EUD Programme Managers on Education and Research	Survey of 536 students (in graduation year)
Skills Mismatch Measurement, ETF, 2019	ETF Country Coordinator	
LMO Research, 2020		
NEA Report, 2019		
Distribution of places by professions and specialities, 2020-2021 school year, MECR		

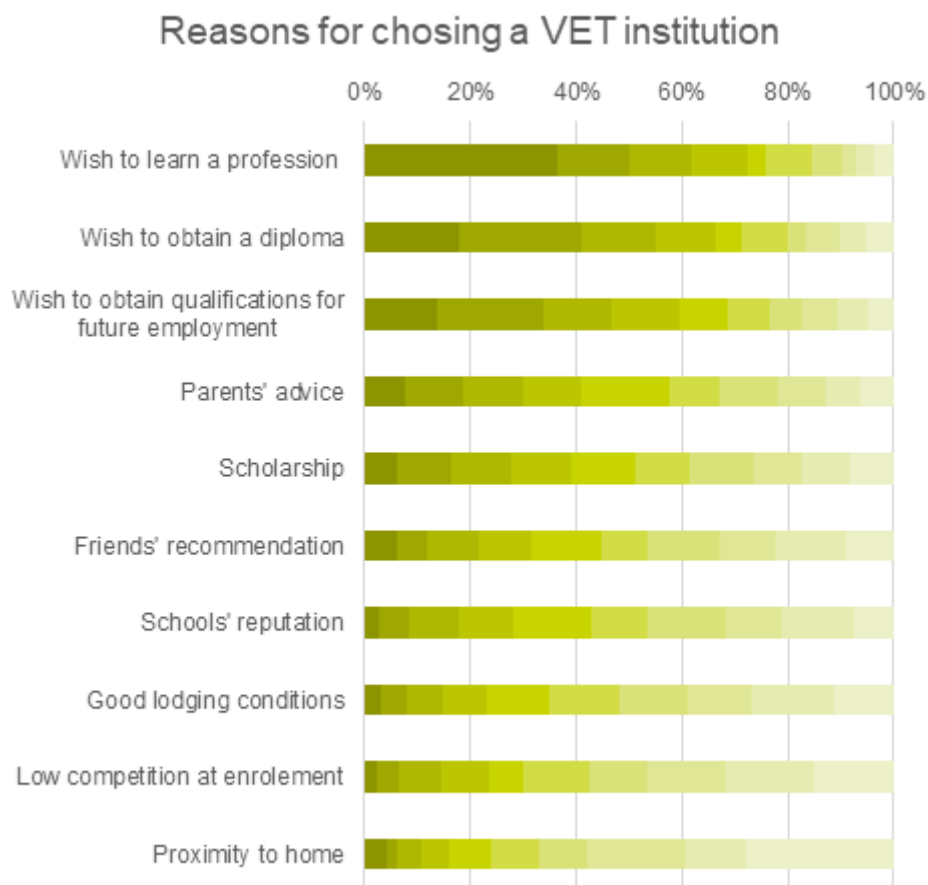
In 2021, according to labour market forecast and professions barometer most demanded professions are tailors, drivers, telecommunication operators, electric gas welders, IT specialists, doctors and medical assistants<sup>7</sup>. Demand for these professions does not come as a surprise amid COVID-19 pandemic. We also looked at the distribution of places in VET institutions by professions and specialities prepared by MECR on a yearly basis. Top five professions/specialities (both with and without tuition fee) for 2020/2021 school year are the following: auto mechanic, cook, accountant, tourism, electro gas welder mechanic<sup>8</sup>. Drawing from this we can hardly conclude that VET offer matches labour market demand, as was expected after seven years of VET reform implementation.

Beyond that we looked at students' competition for admission in 37 surveyed institutions. We found out that competition is not particularly high – there are only five schools where barely two students are competing for one place (as per table above). On average, competition is very low – over 90% of applying students are accepted. Particularly worrying is the average admission grade – 6,13 (out of 10), which indicates that VET accommodates the second–best students. At the same time, throughout studies, students increase learning outcomes to an average of 7,73 at graduation. Nevertheless, drawing from the students' survey, low competition, along with the proximity of the school and dormitories conditions, are the three least important reasons why students choose a particular VET institution (see Figure 11 below). At the same time, the top three reasons for choosing to study in a particular VET institution are forward looking – students pick a particular school because they want to learn a profession, obtain a diploma and necessary qualifications for the future job. Despite these initial considerations, some students do not complete their studies.

<sup>7</sup> Survey of 2949 employers from various fields carried out during 18 November – 24 December 2020.

<sup>8</sup> MECR, distribution of places by professions and specialities, 2020-2021 school year. <https://mecc.gov.md/ro/content/admiterea-1>

Figure 11: Reasons for choosing a VET institution (Source: students' survey, March 2021)



While analysing education-labour match is backbreaking, additional evidence points to other critical issues. As such, during 2014-2020 structural changes in the labour market led to significant adjustments in the overall education demand. However, the latter were unbalanced. The number of populations with higher education was growing and that with primary education or no education was dropping. These changes were not accompanied, unfortunately, by a proportional growth of population with VET<sup>9</sup>. This shows that higher education remains the number one preference among students. The growth in the number of populations with higher education translated into an increase in the number of active populations with this level of education. At the same time, the number of higher education graduates was greater than that demanded on the labour market, and some went inactive. However, one important phenomenon perpetuated - a part of excess higher education graduates took less qualified jobs from VET graduates, pushing the latter away from the labour market, even though jobs with less advanced training and qualifications are more demanded (only 15% jobs demand higher education).<sup>10</sup> More details could be found under I 7.2.4 - Number of VET graduates employed as a share of the total number of VET graduates.

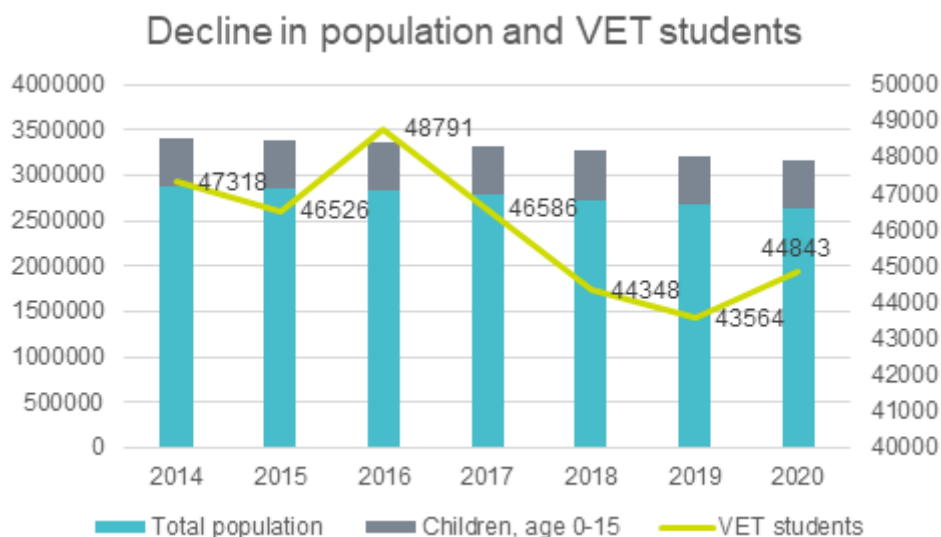
Indicator 7.2.2 Number of students enrolled in VET institutions		
Strength of evidence based: Very Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
National Bureau of Statistics, <a href="http://www.statistica.md">www.statistica.md</a>	Head of VET Department VET	Survey of 37 VET institutions across all regions of Moldova

<sup>9</sup> Labour Market Study, GIZ, SDC, Moldova, 2020, [https://mei.gov.md/sites/default/files/document/attachments/studiu\\_piata\\_muncii\\_md\\_.pdf](https://mei.gov.md/sites/default/files/document/attachments/studiu_piata_muncii_md_.pdf)

<sup>10</sup> National Employment Agency, 2019 Report, [https://www.anofm.md/view\\_document?nid=19387](https://www.anofm.md/view_document?nid=19387)

According to the BS Financing Agreement the number of VET students had to increase by 10% from 2013 until 2020, which is a proxy indicator for the increase in attractiveness of the VET. The reality was opposite though – in the backdrop population decline (by 8%) and associated decrease in youth aged 15-29 (by 27%) and children aged 0-15 (by 5,2%) the number of VET students shrank from 47,3 thousand in 2014-2015 to 43,6 thousand in 2019/2020 (see Figure 12 below)<sup>11</sup>. Against all odds, the number of VET students enrolled during the pandemic year 2020/2021 has increased to 44,9 thousand (2,9% increase as compared to previous school year). At the same time, unlike overall enrolment in VET, enrolment in dual education is on an upward slope for a number of years and has also increased by 13% during pandemic.

Figure 12: Decline in population and VET students (National Bureau of Statistic, 2021)



### Indicator 7.2.3. Dropout rate in sampled VET institutions

Strength of evidence based: Very Strong

#### Main source of information:

Document review

VET institutions Self-assessment reports for 2019-2020 school year  
VET institutions Annual reports for 2019-2020 school year

Interviews

Head of VET Department  
MECR

Survey

Survey of 37 VET institutions across all regions of Moldova

We looked at dropout rates of 37 sampled VET institutions. The average dropout rate is 19,6% (as per table above). The highest is 52,3% and the lowest is 2%. There are various reasons for school dropout – emigration, dissatisfaction with the studying choice, quality of education or living conditions in dormitories and various personal matters.

Dropout rates vary from country to country, but all face the challenge of students leaving school<sup>12</sup>. This is more acute in Tunisia, where every second student leaves the school, less severe in Turkey where 30% students drop schools and not a big problem in Montenegro where 95% of students complete education. As such, the dropout rate is not particularly high in Moldova, as compared to other countries. However, attention needs to be paid to those schools where the dropout is eminent.

### Indicator 7.2.4. Number of VET graduates employed as a share of total number of VET graduates

Strength of evidence based: Very Strong

<sup>11</sup> Data from National Bureau of Statistics, [www.statistica.md](http://www.statistica.md)

<sup>12</sup> <https://www.etf.europa.eu/en/news-and-events/news/school-drop-out-rewarding-job-vocational-education-counts>



<b>Main source of information:</b>		
Document review	Interviews	Survey
National Bureau of Statistics, <a href="http://www.statistica.md">www.statistica.md</a> Youth Transition to Work in Moldova, ETF 2018	Head of VET Department, MECR	Survey of 37 VET institutions across all regions of Moldova Survey of 536 students (in graduation year)

According to BS Financial Agreement it was expected that vocational training will be based on competences and will be adjusted to the labour market requirements, so that employment rate increases by 10 %, from 50.6% in 2012, for graduates from the secondary specialised education, and from 50% in 2012 for graduates from the secondary vocational education (we assume the objective was set for 2020).

This objective was not achieved. Quite the opposite, in 2019 (latest data), the employment rate of secondary specialised graduates dropped to 49,2% and that of secondary vocational education graduates to 47,5%<sup>13</sup>. Low employment is largely linked with a low level of remuneration. While the average salary has doubled since 2014, remuneration for most VET professions in Moldova is fairly unattractive<sup>14</sup>.

We have checked with our sampled VET institutions how many graduates got employed in 2020. In average 55% of all graduates did. On the extremes lay schools that reported 90,5% and 23% employed graduates. 6,6% of graduates continue to study either in an upper education level or change speciality. Among our sampled VET institutions, there is one school where 30% of graduates continue studies and four schools where none do so. What is worrisome is that VET graduates represent a third of the inactive population. Also, over 40% of people from the group “Not in Employment, Education or Training” (NEET) are aged 15-29 with secondary vocational studies and 33,4% with post-secondary vocational studies<sup>15</sup>. At the same time, almost one third of surveyed students claimed they expect to find a job on the learned profession, another third will continue studies, yet 9,5% plan to emigrate.

It is important to note that these data were obtained via an online request with support from VET Department, provided that the Tracer Study mechanism expected to be functional until 2020 (as per VET Strategy) was not implemented.

Drawing from our online survey, VET graduates (9% of all respondents) are doing relatively well. Most are employed (60%), 9,6% live abroad and only 10,5% are unemployed. However, their perception about how their wellbeing evolved since 2014 is not very pessimistic. Most (41,3%) believe their economic condition has worsened and 27,7% considered it has neither worsened nor improved. The economic situation in the country aggravated even more, in their view; 63,5% of VET graduates believe it has worsened and the confidence in the future economic situation is quite low (33 out of 100).

<b>Indicator 7.2.5. % Of VET Strategy activities implemented with the EU support</b>		
Strength of evidence based: Very Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Financing Agreement for supporting the implementation of VET Strategy	Head of VET Department, MECR	ETF VET Good Multilevel Governance Assessment

<sup>13</sup> National Bureau of Statistics, <https://statistica.gov.md/pageview.php?l=ro&idc=263&id=2204>

<sup>14</sup> The gross average salary in the economy was 4089 lei in 2014 and increased to 8860 lei (417 Euro) in the fourth quarter of 2020. The gross average salaries in agriculture, forestry, fishing (5553 lei), transport (6982 lei), processing industry (7647 lei) and constructions (8271 lei) are the lowest. On the other end, the highest average gross salaries are paid in information and communication (20311 lei) and financial activities and insurance (16006 lei). Source: National Bureau of Statistics.

<sup>15</sup> National Bureau of Statistics, data for 2019, [www.statistica.md](http://www.statistica.md)

<p>VET Policy Matrix (SPSP operationalisation)</p> <p>VET Strategy and Action Plan 2013-2020</p> <p>MECR Report on implementation of the VET Action Plan 2013-2020, February 2021</p> <p>VET TA project ToR, Mid Term and Final Reports of the TA project supporting implementation of VET reform (GOPA)</p> <p>2 Reviews of the VET Sector Policy Support Programme (1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> instalments)</p> <p>Concept of the Education 2030 Strategy and Implementation Programme</p>	<p>Former and present EUD Programme Managers on Education and Research</p> <p>VET TA Project Manager</p> <p>ETF Country Coordinator</p> <p>Co-founder, Centre for Innovation and Policy in Moldova</p>	<p>Report (2020) partially based on self-assessment survey</p>
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The national VET Strategy 2013-2020, along with a detailed action plan developed in anticipation of EU budget support, comprehensively addressed VET enduring frailty. Subsequently, in 2014 the EU signed the Financial Agreement on SPSP "Support to the implementation of the VET reform in Moldova", worth 25 million Euro (AAP2013). It was preceded by an allocation of 5 million Euro to cover the technical assistance needs (AAP2012). The SPSP's overall objective, six specific objectives and nine expected results were fully in line with VET Strategy. A SPSP Policy Matrix operationalised selected VET Strategy activities. Approximately 40% of VET Strategy activities were implemented with the EU support.

The EU funding ended in 2017, halfway through the time frame of the VET Strategy. Various assessments (Mid-term and Final Reports prepared by TA project implementing partner, the two SPSP reviews), have largely agreed that with VET budget support, a foundation of a modern and effective VET system was built. Particularly commendable were achievements related to restructuring of VET institutions, establishment of ANECEC, gradual introduction of the new financing formula, VET schools' self-management and shifting to a new curricula development approach, based on qualification and occupational standards. Dual education, started by ETF in 2014 and turned over to GIZ a few years ago is believed to be the greatest success of VET reform – 100 companies have contractual arrangements with VET institutions, engaging 9,8% of VET students.

Nonetheless, only 60% (15,1 million Euro) of VET budget support was disbursed. Frequent changes of ministers (4 ministers during BS implementation), insufficient MECR staff (4 people in VET Department) and turnover of TL in the TA project (4 during project implementation) hindered delivery on VET reform in general and lead to delays in implementing certain activities (e.g., creation of SCs, strengthening capacities of CRDIP and refurbishment of CoE etc.). Moreover, BS was new for MECR; its management was basically learning by doing throughout and absorption capacity was low.

In conclusion, although the Policy Matrix activities were straightforward, most activities were supply-side (education), without much consideration to the demand side (labour market). As a result, there was virtually no impact upon the attractiveness of VET sector (number of students in constant decline, dropout rates high), employment levels of VET graduates (at the same level as in 2014) or a better match with the labour market demand. Unfortunately, VET continues to be of marginal importance up until now (in terms of Government finance and staffing) and there is no clear-cut medium and long-term vision and strategy after 2020.

JC 7.3. EU support in higher education, research and innovation has increased mobility and people-to-people contacts

During 2014-2020 Moldova participated in two overarching EU programmes - Erasmus+ and Horizon 2020 supporting higher education and R&I. Participation of Moldova in these programmes has increased mobility and people-to-people contacts, but more importantly, they boosted institutional and systemic changes. While Moldova had a positive development under both programmes, EaP countries with a similar size, such as Georgia and Armenia outmatch Moldova in Erasmus+ programme in terms of funding, mobilities and number of projects. At the same time, Moldova stands much better regionally in Horizon 2020 programme.

<b>Indicator 7.3.1. Number of students and academic staff that benefited from Erasmus+ academic mobility</b>		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Roadmap for internationalisation of Higher Education 2020-2025 Higher Education ERASMUS+ projects in Moldova, 2015-2019 Erasmus+ for HE in Moldova factsheet, 2020 Erasmus+ Capacity Building I Higher Education action, Regional Report Eastern Partnership Countries, EACEA, 2020 Library on <a href="http://www.erasmusplus.md">www.erasmusplus.md</a>	National Erasmus+ Office Head of HE Department, MECR Representative of the DG Education, Youth, Sport and Culture, EC	Online Survey on EU-Moldova cooperation 2014-2020 Media Content Analysis

During 2014-2020 3624 students and academic staff have benefitted from Erasmus+ academic mobility between Moldova and the EU<sup>16</sup>. At the same time, Erasmus+ programme is broader and goes beyond individual opportunities. It also addresses institutional and systemic issues in HE. As such, during the last seven years there were 21 CBHE projects, of which 7 were structural projects, the latter aimed at promoting reforms in HE system. All in all, the total budget awarded to Erasmus+ projects in 2014-2020 amounted to 30 million Euro – almost two thirds for CBHE projects and almost one third for ICM projects<sup>17</sup>.

With Erasmus+ programme universities' internationalization expanded: 25 universities from Moldova partnered with more than 200 European universities in ICM projects and with about 160 Programme and Partner countries' higher education institutions in CBHE projects (more than 100 European HEIs and almost 60 HEIs from Partner countries). Internationalisation was particularly successful because of improvements in the legal framework (e.g., national regulation on academic mobility and recognition of degrees, joint and double degrees' study programmes elaboration; National roadmap on Internationalisation of Higher Education and Research), as well as teachers' training and curricula modernisation.

Within the Erasmus Mundus Joint master's degree projects 30 scholarships in total were awarded to Moldova. Under the Jean Monnet Action, which promotes excellence in teaching and research, Moldova is granted up to 4 projects annually (22 in total). In terms of credit mobility Moldovan participation improves year by year – from nearly 300 international credit mobilities for short term exchanges in 2015 to 1179 now (including those obtained through the additional 2.85 million Euro top-up budget for ICM for Moldova in 2020 Call).

While success rate in ICM was gradually increasing – from 44,9% in 2015 to 93,7% in 2020, the success rate in CBHE and Jean Monet projects was unsteady and overall, quite low; the highest was in 2020 - 12,5% for CBHE and 30,8% for Jean Monnet projects. Other Eastern Partnership countries of a similar

<sup>16</sup> Data provided by National Erasmus+ Office in Moldova.

<sup>17</sup> CBHE – 19,28 million Euro, ICM – 9,8 million Euro and Jean Monnet – 0,9 million Euro.

population size, such as Armenia, but particularly Georgia, have a greater number of Erasmus+ projects and mobilities<sup>18</sup>.

We have carried out media content research and looked at the extent and frequency of media coverage of Erasmus+ programme on both Nistru riverbanks. Overall, there is large media coverage on the right bank. However, looking at the content of 10 media outlets from the left bank, only five articles in which Erasmus+ programme was mentioned (outwardly) were spotted. This can be explained by the fact that young people on the left bank have limited ICM opportunities, because the State University in the region is not accredited in Chisinau, hence its students are ineligible, as only students from the left bank who study at accredited universities can participate in Erasmus+. In addition, to travel abroad, they must hold the citizenship of Moldova or of any other officially recognized state.

<b>Indicator 7.3.2. Number of young people from Moldova that took part in EU-funded non-formal education projects</b>		
<b>Strength of evidence based: Strong</b>		
<b>Main source of information:</b>		
<b>Document review</b>	<b>Interviews</b>	<b>Survey</b>
SALTO-YOUTH website: <a href="https://www.salto-youth.net/">https://www.salto-youth.net/</a>	Representatives of the Info Centre for Erasmus + Youth & European Solidarity Corps Representative of DG Education, Youth, Sport and Culture, EC	Online Survey on EU-Moldova cooperation 2014-2020

According to DG EAC data 5,011 young people took part in EU funded non-formal education projects (except EU4Youth participants) since 2014. Based on SALTO-YOUTH network data<sup>19</sup>, there were 4479 learners (of which 2726 were Moldovan learners) under Erasmus+ Youth and European Solidarity Corps during 2014-2019<sup>20</sup>. Due to the pandemic, there were only about 35 young participants in 2020, of which up to 5 were from the left bank. However, all these numbers are believed to be an underestimation of the reality – some Moldovan young people participate in these programmes with Romanian or Ukrainian citizenship.

It is important to note that reliable data for 2014-2020 was not available at the moment of data collection (both for ICM and non-formal mobilities). One reason could be the fact that the monitoring and reporting system is mixed. The decentralised actions are managed in each programme country by National Agencies that are appointed by their national authorities. At the same time, the centralised actions are managed at a European level by the Education, Audio-visual and Culture Executive Agency, which oversees the complete life-cycle management of projects, from the promotion of the programme, the analysis of the grant requests, the on-the-spot monitoring of projects, up to the dissemination of the projects' and programme's results. While in case of centralised actions the EC gets all the data automatically, in case of decentralized actions data is collected by each NAs and then sent to the EC. The process of data collection by NAs and dissemination to EC is uneven. Therefore, despite introduction in 2018 of the Mobility Tool+ system, which allows Erasmus+ & European Solidarity Corps beneficiary

<sup>18</sup> EU-Eastern Partnership cooperation through Erasmus+ Factesheet, [https://ec.europa.eu/programmes/erasmus-plus/sites/default/files/easternpartnership-regional-erasmusplus-2019\\_en.pdf](https://ec.europa.eu/programmes/erasmus-plus/sites/default/files/easternpartnership-regional-erasmusplus-2019_en.pdf)

<sup>19</sup> Moldovan Info Centre for Erasmussus+ Youth & European Solidarity Corps (established in 2017) is managed by SALTO-YOUTH, which is a network of seven EU Resource Centres working on European priority areas within the youth field. As part of the European Commission's Training Strategy, SALTO-YOUTH provides non-formal learning resources for youth workers and youth leaders and organises training and contact-making activities to support organisations and National Agencies (NAs) within the frame of the European Commission's Erasmus+ Youth programme, the European Solidarity Corps, and beyond.

<sup>20</sup> Data on Moldova could be found on the SALTO-YOUTH website: <https://www.salto-youth.net/>. There is data until 2019 – no data for 2020, as most activities were on stand-by.

organisations to access and manage their project information and submit final reports to NAs, at times updated information is not readily available.

Overall, the Moldovan performance in non-formal education projects was fair to middling. After visa liberalisation in 2014 Moldovan young people would make their own way to the EU countries without any programme support. Also, the lack of follow-up activities under Erasmus+ Youth demotivated young people to participate (in the previous Youth in Action Programme, there was a budget for follow-up activities). Likewise, Moldova is behind Georgia and Armenia in terms of the number of activities, as well as a number of native and foreign young learners. However, the number of organisations accredited to work with volunteers in Moldova has increased. There were only 3 organisations involved in 2017 and 6 in 2018-2019 and the budget doubled.

Among our online survey respondents, about 9% were young people (aged 18-25) with higher or advanced education. Unlike VET graduates, more than half of these respondents believe their economic situation has improved and less than a third think it has stayed the same. However, most of young very educated people (41,5%) believe the economic situation in the country has worsened and a fourth said it has stayed the same. While most of these young people (42%) were not able to access EU funding, over a half studied in the EU and 84% believe the EU support is decisive for the future of Moldova.

Indicator 7.3.3. Success rate in HORIZON 2020 programme – number of retained proposals to the total number of eligible proposals		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews <sup>21</sup>	Survey
Horizon 2020 in brief, EC, 2014	Interim Head of the National Agency for Research and Development from Moldova	Online Survey on EU-Moldova cooperation 2014-2020
Horizon 2020 Description of the Action	Representative of DG Research and Innovation, EC	
Horizon 2020 Grant Contracts, 2014, 2017	Head of the Republic of Moldova Mission to the EU MOST Office Official	
Peer Review of the Moldovan Research and Innovation system, Horizon 2020 Policy Support Facility, 2016	Representative	
Final Narrative Report on Horizon 2020 implementation, 2020	High Level EU Advisor on Education and Research	
Implementation Strategy for Horizon Europe, Version 1.0, 2020		
Horizon 2020 success stories (2014-2018)		
EC online dashboard: <a href="https://webgate.ec.europa.eu/dashboard/sense/app/a976d168-2023-41d8-acec">https://webgate.ec.europa.eu/dashboard/sense/app/a976d168-2023-41d8-acec</a>		

The success rate of Moldova in Horizon 2020 programme is 14,5%. This is the highest rate among EaP countries after Azerbaijan (21,43%); the latter, however, had almost seven times less applications than Moldova. Belarus is very close – 14,4%, but other EaP countries are lagging behind - Georgia – 12,5%, Armenia - 11,9%, Ukraine – 9,5%.

Up today, 528 Moldovan organisations applied - 447 applications were eligible, and 64 grants were signed, involving the participation of 82 organisations<sup>22</sup>. Marie Skłodowska-Curie Actions are by far the most international component of Horizon 2020, accounting for more than 50% of all participations of third (non-EU) countries and allow research and academic organisations in Moldova to reach out to

<sup>21</sup> All attempts to arrange a meeting with the MECR representative from R&D Department failed.

<sup>22</sup> Final calls and figures are not ready yet – in April - May there will be more reliable data on Moldova’s participation in Horizon 2020, but the final ones will be ready in 2022. For the moment, the EC’s online dashboard, which is regularly updated, is the most reliable source of data. <https://webgate.ec.europa.eu/dashboard/sense/app/a976d168-2023-41d8-acec> e77640154726/sheet/0c8af38b-b73c-4da2-ba41-73ea34ab7ac4/state/analysis/select/Country/Moldova%20(Republic%20of).



international partners and set-up strategic partnerships worldwide. The MSCA are also more competitive than the rest of Horizon 2020, meaning we can only fund proposals of extremely high quality. So far Moldova participated in 14 MSCA projects.

Indicator 7.3.4. Funding received by HORIZON 2020 projects participants		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
Peer Review of the Moldovan Research and Innovation system, Horizon 2020 Policy Support Facility, 2016 Horizon 2020 Description of the Action Horizon 2020 Grant Contracts, 2014, 2017 Implementation Strategy for Horizon Europe, Version 1.0, 2020 EC online dashboard: <a href="https://webgate.ec.europa.eu/dashboard/sense/ap/p/a976d168-2023-41d8-acec">https://webgate.ec.europa.eu/dashboard/sense/ap/p/a976d168-2023-41d8-acec</a> <a href="https://knoema.com/atlas/Republic-of-Moldova/topics/World-Rankings/World-Rankings/Global-innovation-index">https://knoema.com/atlas/Republic-of-Moldova/topics/World-Rankings/World-Rankings/Global-innovation-index</a>	Interim Director of the National Agency for Research and Development from Moldova Representative of DG Research and Innovation, EC Head of the Republic of Moldova Mission to the EU MOST Office Official Representative EU High Level Advisor on Education and Research	Global Innovation Index Survey

The net EU contribution to support Moldovan participation in Horizon 2020 programme was 7,11 million Euro (after deduction of their linked third-party funding). The top five Moldovan participants are: Research and Educational Networking of Moldova (1,05 m Euro), Institute of Applied Physics (975 k Euro), National Agency for Research and Development (700,1 k Euro), Institute for Electronic Engineering and Nanotechnologies (539 k Euro) and Moldovan Technical University (526,1 k Euro).

Moldova's the second among EaP countries (after Ukraine) regarding both the number of grants signed and funding received. However, in terms of innovations, which is the backbone of the Horizon 2020 successor (Horizon Europe), Moldova is clearly underperforming. As such, the Global Innovation Index of Moldova (GII) fell from 40.74 in 2014 to 33 in 2020 (0=weakest)<sup>23</sup>. Moldova is doing well in terms of ease of doing business, spending on education, ICT services exports, as well patents, trademarks, industrial design, utility models by origin etc. At the same time, the GII was dragged down because of weaknesses regarding state of cluster development, university/industry research collaboration, logistics performance, general infrastructure, innovation linkages and domestic market scale etc.

The State financing for science is limited (about 0,2% of GDP) and is on a downward slope. In 2018, as part of government reform, the budget allocations for science was reduced significantly, halving the number of scientists (from 4000 to 2000).

Indicator 7.3.5. Perception of the benefits of the Erasmus + and HORIZON 2020 among target groups		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
EaP Regional Report on Erasmus+ CBHE Action, EACEA, 2020 Roadmap for HE internationalisation (2020-2025)	Vice rector of the State University Vice Rector of the Technical University	Annual Survey Report: Republic of Moldova, OPEN Neighbourhood — Communicating for a stronger

<sup>23</sup> <https://knoema.com/atlas/Republic-of-Moldova/topics/World-Rankings/World-Rankings/Global-innovation-index>



	Vice Rector of the Academy of Economic Studies Vice Rector of the Balti State University	partnership: connecting with citizens across the Eastern Neighbourhood, March 2020 Online Survey on EU-Moldova cooperation 2014-2020
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We gathered perceptions about Erasmus+ and Horizon 2020 programmes from three sources, specifically:

- The interviews with four apex Moldovan universities<sup>24</sup>
- The Annual Survey Report on the EU visibility and communication in Moldova prepared in 2020<sup>25</sup>.
- The online survey on EU-Moldova cooperation conducted in 2021, to learn, among other things, how many respondents have studied in the EU<sup>26</sup>.

We have interviewed four Universities of Moldova to find out their perceptions about Erasmus+ and Horizon 2020 programmes. All four universities have a vast experience in Tempus/Erasmus Mundus/Erasmus+ projects and shared an opinion about strengths and weaknesses of each, including of Horizon 2020 (in the latter they have been involved only recently). As such, the following strong points have been conveyed by interviewees:

- **At the individual level** Erasmus+ increased capacities and skills. University staff have become more skilled in preparing applications, building partnerships, managing projects, they better speak foreign languages. They use this knowledge in other applications, beyond Erasmus+ programme. Students have also many benefits in terms of increased knowledge and capacity, but more importantly, Erasmus+ is a reason why some young people do not leave Moldova.
- **At the institutional level** there were achievements through CBHE projects. Collected opinions on the impact of CBHE projects are largely in line with the 2020 Regional Report on CBHE Action findings<sup>27</sup>. CBHE projects boosted a multi-level cooperation never experienced before, specifically: i) within Moldovan universities; ii) among Moldovan universities; iii) between Moldovan and international universities; and iv) between Moldovan universities and the Government. With Erasmus+ projects institutional capacity was built. Universities' management and academic staff learned how to prepare applications and coordinate projects. English proficiency increased and so did the emphasis on studying foreign languages. Universities' management is much more interested in cooperation now. They followed the calls and adjusted the university strategy to capture topics and objectives addressed in Erasmus+. Financial departments improved operations and project management. Universities obtained material support too - built labs, centres, repositories for online education. One success story is the Problem Based Learning approach, which was tested and introduced in a wide range of university programmes. Even though it is an institutional project it has also dealt with the HE regulatory framework. There were (are) other successful projects, such MHELM, CONNECT, MINERVA, TEACH ME, SMART and RESTART.
- **At the HE system level** there were also gains, specifically through structural projects. Erasmus+ lead to modernization of HE in line with Bologna Process. With Erasmus+ a jump to internationalization of Moldovan universities occurred, including integration in the EHEA and

<sup>24</sup> Moldovan State University, Moldovan Technical University, Academy of Economic Studies of Moldova and Balti State University.

<sup>25</sup> Annual Survey Report: Republic of Moldova, OPEN Neighbourhood — Communicating for a stronger partnership: connecting with citizens across the Eastern Neighbourhood, March 2020.

<sup>26</sup> The Survey was deployed during 15 February and 8 March 2021 and was completed by 3689 respondents across all regions of Moldova and Moldovan citizens living abroad.

<sup>27</sup> EaP Regional Report on Erasmus+ CBHE Action, EACEA, 2020.

ERA. A draft Roadmap for HE internationalisation (2020-2025) was prepared by MECR<sup>28</sup>. The HER regulatory framework was improved, and HE became more transparent. The National Agency for Quality Assurance in Education and Research was established as part of Erasmus project. Other successful structural projects were (are) EUniAM, COMPASS and ELEVATE.

There are also a number of Erasmus+ weaknesses in view of the universities:

- There are issues regarding **mobility** component. The scholarships for post-doctoral studies (very much appreciated under Erasmus Mundus) were removed. Also, mobility duration has been shortened to 5 days only. More predictability in terms of mobilities would also be necessary; with short notice, professors have difficulties adjusting.
- Another issue relates to **remuneration** in capacity building projects. Remuneration for Moldovan participants is very small as compared to other EaP countries<sup>29</sup>. With reduced rates, motivation of Moldovan academic staff to prepare applications and implement projects has been affected. As an alternative, they switch to research programmes. Teachers implement small research projects co-financed by the state. Some embassies also provide small funds for research activities. Horizon 2020 is the best alternative, though. The fact that academic staff 'transits' from education to research is not a negative trend. With recent decentralisation of research and transition from ASM to universities it is finally reaching its home and more and more professors turn to research. At the same time, universities are looking for ways to combine research activities with programmes, curricula and methodologies' development.

There are a number of problems at the HE system level, specifically related to accreditation, which is very complex and lengthy. It is also believed that universities' network is hefty. For a small country like Moldova, with a decreasing number of population and number of students (for instance Balti State University has only 4 thousand students, compared to 11-12 thousand a decade ago) there are too many universities (21 in total). While some mergers are occurring now, there is no political will to tackle this issue more systematically. There are universities with a very limited number of students (some have 200 students only), but which bear high management costs and a number of 'sleeping' universities, especially in the South of the country. The political situation in the country has also damaged the reputation of Moldovan universities abroad. For instance, it is believed that Georgia is doing much better in Erasmus+, because, among other things, it has no identity and integrity problems, and the political situation is much more balanced.

Based on the 2020 Annual Survey Report, the infrastructure development projects are the most well-known EU-financed programmes in the country (58% of Moldovans aware of EU-funded programmes), followed by 'educational programmes' (43%, up 6%), which may be an attestation of the continued participation in Horizon 2020, Erasmus+ and Mobility Partnership Programme. In terms of benefits from the current EU support, only 8% of respondents claimed they have fairly benefited from EU support as regards better education, and three quarters of respondents claimed they did not benefit much or at all. At the same time, according to our online survey deployed during 15 February- 8 March 2021 over one third of respondents have claimed that either themselves or a member of their family have studied or attended training in the EU.

#### JC 7.4. Free visa regime operates effectively, and projects are being implemented under the Mobility Partnership

- 79 projects have been completed, 25 are ongoing and another 10 are under consideration in the framework of the EU-Moldova Mobility Partnership in areas like: consolidation of the

<sup>28</sup> [https://mecc.gov.md/sites/default/files/anexa\\_foia\\_de\\_parcur\\_ord.997.pdf](https://mecc.gov.md/sites/default/files/anexa_foia_de_parcur_ord.997.pdf)

<sup>29</sup> The gross daily rates are the following: manager – 47 Euro, professor/researcher – 33 Euro, technical staff – 20 Euro, administrative assistant – 17 Euro. Ukrainian counterparts' rates are much higher (above 100 Euro for teachers). It is believed that rates are originating from Tempus programme, yet a lot has changed since 2014, but the rates stayed the same. In Ukraine the economic situation worsened, and Moldovan average salary has increased ever since.

national migration system, social protection of migrants, cooperation in border management, fight against illegal migration and trafficking in human beings, diaspora consolidation, labour migration schemes, etc.

- transfer of expertise from the right bank of Moldova to the Transnistrian Region and enhancement of the cooperation in the area of migration management between the two banks

Indicator 7.4.1. Number of measures under the Mobility partnership		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Scoreboard
EU MP core documents, independent external evaluations of the MP (Moldova included) of ICMPD and the Maastricht Graduate School of Governance, CBM-IV action document, IOM CBM-IV project documentation and reports, External Mid-term evaluation of CBM-IV, web sites	Interviews with IOM-Moldova and think tank NGOs	<a href="http://scoreboard.mfa.gov.md/projects">http://scoreboard.mfa.gov.md/projects</a>

The European Union Mobility Partnerships (MP) was developed already in 2008 as a multilateral cooperation framework to enhance migration governance. The Joint Declaration on a Mobility Partnership between the EU and the Republic of Moldova was signed in 2008.

The MP is far from being a project or cluster of projects. It is an instrument, that helps promote a lot of horizontal measures with repercussion on numerous areas like migration and the institutional capacity to manage migration, asylum and refugee protection, promoting labour employment, also through pre-departure training and support to temporary workers, facilitating studying abroad, integration and protection of migrants, managing the return of irregular migrants, reducing the danger of trafficking, etc. It facilitates twinning projects, and the development of extensive operational cooperation between Frontex and the Border Guard Service of the Republic of Moldova and so on.

The EC sponsored a lot of initiatives in Moldova prior to the period of the current evaluation with different implementing partners. In the period under review there have been two efforts that should be mentioned: the Scoreboard (<http://scoreboard.mfa.gov.md/projects>), and the project “*Supporting the implementation of the migration and development component of the EU-Moldova Mobility Partnership and harnessing its benefits for the residents of the Transnistria Region of the Republic of Moldova*”, implemented by IOM in the period 2015-2017 within the framework of CBM –IV.

The scoreboard is a monitoring tool, which provides information on the initiatives under the MP, with information about partners, contact points, implementing period, funding source and other relevant information. It is also a tracking instrument for the evolution of the MP and a synthesis tool, presenting ongoing, completed and planned initiatives/projects under the EU-Moldova Mobility Partnership.

As seen from the Scoreboard that so far 79 projects have been completed, 25 are ongoing and another 10 are under consideration in areas like: consolidation of the national migration system, social protection of migrants, cooperation in border management, fight against illegal migration and trafficking in human beings, diaspora consolidation, labour migration schemes, etc.

The project “*Supporting the implementation of the migration and development component of the EU-Moldova Mobility Partnership and harnessing its benefits for the residents of the Transnistria Region of*

*the Republic of Moldova*” was a very novel and relevant initiative, especially having in mind that before this no mapping was ever conducted of the Transnistrian diaspora and no cooperation existed between the academia or migration data practitioners from both banks. The project has been effective in providing a lot of capacity building also for the de-facto authorities in Transnistria how to manage migration and has strengthened the cooperation between academia and migration data practitioners from both banks of the river. It had an impact on strengthening the human, institutional and legislative capacities for the successful implementation of legal commitments such as the readmission agreement and visa facilitation agreement, thus leading to enhanced border management and reduction of irregular migration. An intangible impact, as suggested from the field interviews, has been the change of attitude and the building of confidence through work with the Ministry of Interior in Transnistria, the academia, practitioners, NGOs, and vulnerable groups (victims of labour migration, victims of domestic violence, etc.).

#### Indicator 7.4.2. Number of legal entries in Schengen zone from Moldova

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Surveys
<a href="https://bluehub.jrc.ec.europa.eu/atlas/finalExt/FinalExt.pdf">https://bluehub.jrc.ec.europa.eu/atlas/finalExt/FinalExt.pdf</a>	N/A	N/A

During the evaluation period, the number of emigrants from Moldova to the EU has continued to increase. This trend follows the implementation of the VLAP. From these overall numbers, the number of irregular migrants has steadily gone down, proof that the number of legal migrants is on an upwards trend. These indicators clearly point to better opportunities for mobility in accordance with the law between the EU and Moldova, which was both an objective and an outcome of the VLAP. At the same time, the proportion of returns among irregular migrants was lower in 2019 than in 2016 according to the figures available: this shortcoming points to the need to accompany the opportunities for legal geographic mobility, with an effort towards returns. The number of asylum seekers from Moldova has continued to increase, but the proportion of granted asylum has continued to decrease, reaching less than 1% in 2020.

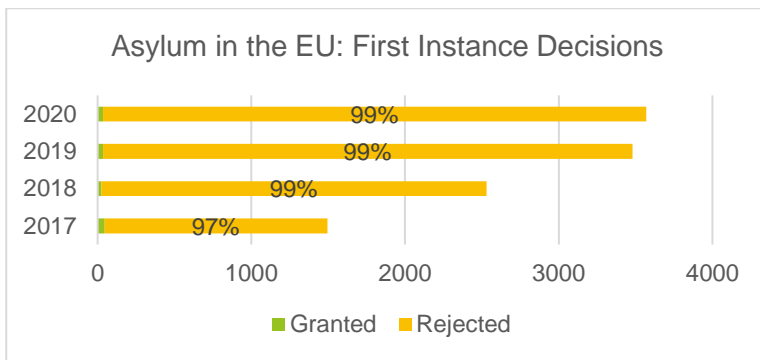
Year	Emigrants from Moldova to EU (in thousands)
2005	194
2010	304
2015	377
2019	471

(source UNDESA<sup>30</sup>):

Figure 13: Asylum in the EU: first instance decisions in the EU 2017-2020 (Source: Eurostat<sup>31</sup>)

<sup>30</sup> <https://bluehub.jrc.ec.europa.eu/atlas/finalExt/FinalExt.pdf>

<sup>31</sup> Ibid



Year	Persons ordered to leave	Persons returned	Return rate
2019	5010	2405	48%
2018	4565	3820	84%
2017	5420	4650	86%
2016	7515	4725	63%

Figure 14: Persons ordered to leave, and persons returned



### Main findings for EQ 7

- Most fundamental VET sector elements were built and strengthened, yet after eight years of reform implementation, VET governance is unsteady and a coherent medium-term and long-term vision is missing
- VET prestige is gradually building up, but it continues to be the second-best choice for students and is barely matching labour market demand
- Erasmus+ and Horizon 2020 programmes have increased mobility and people-to-people contacts, strengthened individual and institutional capacity and boosted reforms in higher education and R&I, which are yet to be complete

## 4. Evaluation question 8: JCs and indicators

### EQ8. To what extent the EU support to Moldova has contributed to improved business environment?

This EQ covers Effectiveness, impact and sustainability.

JC 8.1. Access to finance and to business services for SMEs has been enhanced and their productivity increased?

JC 8.2. The EU financial assistance has contributed to the implementation of the DCFTA chapters related to the business environment

JC.8.3: EU support contributed to the development/ improvement of the policy, legal and institutional framework for an effective development of Moldova's economic sector including rural and agricultural sectors

#### JC 8.1. Access to finance and to business services for SMEs has been enhanced and their productivity increased

EU support strengthened the banking sector in general through a specific intervention (Strengthening the National Bank of Moldova's capacity in the field of banking regulation and supervision in the context of the EU requirements) and provided access to financing and to guarantees through regional blending operation (with KfW, EBRD, EIB) and through projects. Especially the different credit lines implemented by ODIMM (and supported by EU) are reported as successful. Business support services have been provided by regional and national projects.

Survey and interviews with development partners showed that the access to credit and business services provided has been important. However, EU support provided can only cover a small part of the needs on financial services and business support services actually existing.

According to the World Bank, specific study performance of Moldovan companies has improved since 2013. Labour productivity growth in Moldova in 2019 was 0.5 percent, higher than the average in Europe and Central Asia (ECA). Yet, firms still faced two big constraints to growth: skilled labour force and access to finance. Almost one third identified lack of an adequately skilled labour force as a major constraint, and the proportion of skilled workers among production workers has decreased by 25 percent since 2013. Further, rejections of loans applications doubled since 2013, with nearly 40 percent of companies experiencing loan rejections, four times higher than in ECA, suggesting that the country has not fully recovered from the 2014 bank fraud.

#### Indicator 8.1.1. % Of SMEs indicating in the questionnaire a benefit generated by an EU supporting project

Strength of evidence based: Strong

##### Main source of information:

Document review	Interviews	Survey
ODIMM reports EU4 business websites	ODIMM EBRD, Development Partners	Percentage of interviewees who had got Access to credit (but not % of SMEs)
Social Economy in Eastern Neighbourhood and in the Western Balkans, Country report – Moldova, - February 2018	EUD	



26,77% of interviewees indicated that they had access to financing with EU funds. However, there are no data related to the % of SMEs.

### Indicator 8.1.2. Number of SMEs having access to finance and business services with EU support (either at national level or/and in sampled areas)

Strength of evidence based:

#### Main source of information:

Document review	Interviews	Survey
Project documents	ODIMM EBRD, Development Partners EUD	NA

An important number of SMEs has benefitted from finance and business services with EU support. It is not possible to indicate data at level of sampled areas as data are available are not disaggregated. Some of the support has been provided through the budget of the Government of Moldova.

Further difficulties are related to the fact that several projects are still ongoing or are just starting. As such the following tables have to be taken as indicative and as an example, a considerable number of additional direct or indirect beneficiaries will be available.

Project	Achievements
ESRA	<ul style="list-style-type: none"> <li>▪ More than 3 000 grants and offered 200 loan guarantees were provided, more than 10 000 new jobs were created.</li> <li>▪ Business incubators: eight new business incubators in the rural areas of Leova, Stefan Voda, Rezina, Singerei, Cosnita, Cedir Lunga, Nisporeni and Cimislia.</li> </ul>
Inclusive economic empowerment of focal regions	<ul style="list-style-type: none"> <li>▪ 28 companies, start-ups and social entrepreneurship initiatives benefited from grants of up to €700,000 to expand business, create new jobs and increase the attractiveness of key regions for new investment</li> </ul>
CBM	<ul style="list-style-type: none"> <li>▪ 29 projects financed under „business development “component</li> <li>▪ 16 projects financed additionally in the framework of business development</li> </ul>
Biomass project	<ul style="list-style-type: none"> <li>▪ Numerous enterprises with more than 7000 workers are involved in the bio-mass sector</li> </ul>
Confidence Building Measures	<ul style="list-style-type: none"> <li>- 26 young entrepreneurs from the left bank of the Nistru have obtained financial support for the creation or development of their businesses:</li> </ul>
Support to Quality Infrastructure Framework within the DCFTA context	<ul style="list-style-type: none"> <li>• 113 companies participated in workshops</li> <li>• 45 companies benefitted from tailor-made coaching</li> </ul>

### Beneficiaries of regional projects (only Moldova beneficiaries)

CRIS No	Title	PFI-s	Supported SMEs	New jobs triggered by disbursed loans
255-366	EIB-04 SME Finance Facility - EIB window	Procredit	141	93
255-386	SME Finance Facility Phase I - EBRD/KfW	BT Leasing	701	120
376-993	DCFTA Initiative East (EIB) Guarantees Window	Procredit Moldova	55	240
phase 1: 373-0812 phase 2: 389-994	DCFTA Facility EBRD DCFTA programme phase 1 and phase 2 INCENTIVES FOR SMEs - DCFTA & Currency hedging UA	Mobiasbanca, Procredit	70	207
228-707; 398-298	EFSE (Neighbourhood Window of the European Fund for Southeast Europe); The EU Currency Partnership Initiative (EFSE)	BT Leasing	15647	2800
334-927; 404478; 401728	GGF - Extension to NIF East Region; GGF Extension to Neighbourhood East II; Extension to Neighbourhood II	BT Leasing MD	310	30
unknown	Ready to Trade programme, an EU4Business project for the Apparel sector	(Business support)	40	

Indicator 8.1.3 Number of Business associations & incubators created or supported by EU under sampled projects		
Strength of evidence based: high		
<b>Main source of information:</b>		
Document review	Interviews	Survey
ESRA reports (evaluation) EU4MOLDOVA: Start-up City Cahul	ODIMM, EBRD, Development Partners EUD GIZ Project team	NA

ESRA: Business incubators: eight new business incubators in the rural areas of Leova, Stefan Voda, Rezina, Singerei, Cosnita, Cedir Lunga, Nisporeni and Cimislia.

EU4MOLDOVA: Start-up City Cahul, the EU has proposed to finance the establishment of a regional ICT centre for innovation in Cahul. The overall objective of the EU support is to support inclusive economic development in Moldova by increasing the potential of the digital economy and enhancing regional competitiveness and its business and investment environment. The project is part of the EU Single Support Framework for Moldova 2017 – 2020: Sector 1: Economic development and market opportunities, including sustainable and inclusive economic growth. The Government of Sweden has entered into a delegation agreement with the European Delegation in June 2020 for the implementation

of Start-up City Cahul Project aiming to develop a regional ICT Innovation centre for the Cahul region. The tender for the physical construction of the infrastructure is still open.

### Confidence Building Measures

- Creating a sustainable **system of business education in Transnistria** for beginner entrepreneurs, mid-level managers and CEOs, as well as creating a sustainable pool of local business trainers
- 4 cross-river business platforms managed by the Chambers of Commerce on both sides, as well as by Fruit, Essential Oils, and Beekeepers Associations, are cooperating for the capacity development of pear Associations and their members' competitiveness enhancement.
- 3 Associations in partnership with private companies from both banks are developing and implementing innovative business solutions to strengthen the resilience of entrepreneurial communities to market disruptions.
- 60 entrepreneurs on both banks of the river Nistru will receive individual support to overcome the consequences of the pandemic crisis.

Indicator 8.1.4 % of SMEs indicating in the questionnaire that their access to finance and business services has improved		
Strength of evidence based:		
<b>Main source of information:</b>		
Document review	Interviews	Survey

26,77% of interviewees indicated that they had had a loan grant with EU support

- This is identical to indicator 8.1.1.

Indicator 8.1.5. % Of SMEs with increased productivity from 2014 to 2020		
Strength of evidence based:		
<b>Main source of information:</b> medium/strong		
Document review	Interviews	Survey
2019 SBA Fact Sheet	ODIMM	N/A

SMEs in Moldova account for 70.6 % of employment and 70.7 % of value added, above the respective EU averages of 66.5 % and 56.3 %. SMEs played a significant role in the upswing of the Moldovan 'nonfinancial business economy'. In 2014-2017, SME value added increased by 51.1 %, while SME employment stagnated. No more recent figures have been traced yet.

SMEs	Number of enterprises	Number of persons employed	Added value
Micro	27 950	78 051	577,3

Small	4 680	91 740	723,7
Medium	924	92 906	782,8
ALL SMES	33 554	109 392	2083,8
Big enterprises	164	372 089	862,4

Source: 2019 SBA Fact Sheet MOLDOVA

Indicator 8.1.6. Examples of social enterprises created with EU support		
Strength of evidence based:		
Main source of information:		
Document review	Interviews	Survey
EU4 Youth unlocking the potential of social enterprises in Moldova and Ukraine;	EUD staff ODIMM	NA

Social entrepreneurship is in an early stage of development in the Republic of Moldova, although over the last few years, several initiatives to develop social enterprises, including with the support of the European Union, were launched. **In 2020, the European Union, through grants to NGOs with a total of €5 million, contributed to the establishment of 13 social enterprises in the country.**” Actually, the initiative EU4Youth - Unlocking the potential of young social entrepreneurs in Moldova and Ukraine is under implementation. The project will be implemented up to 2022 and aims to establish an active network of 500 social enterprises contributing to the promotion of public-private partnerships in Moldova and Ukraine; furthermore it aims to raise public awareness on social entrepreneurship, integrate social entrepreneurship topics into the university curriculum, and support young social entrepreneurs to earn public recognition for their innovative efforts to tackle social exclusion, inequalities and environmental degradation.

With the support of EU4Youth in February 2021 over 100 social entrepreneurs, national authorities and experts in the field of social entrepreneurship participated in one of the largest social entrepreneurship events of the year - the National Conference on the legislation of Social Entrepreneurship in the Republic of Moldova.

Social entrepreneurship is an entrepreneurial activity whose main purpose is to solve social problems in the interest of the community. The basic law governing entrepreneurship activity, including social entrepreneurship, is the **Law of the Republic of Moldova on Entrepreneurship and Enterprises**.<sup>[1]</sup> According to this, "entrepreneurial activity" represents the activity of production manufacturing, execution of works and provision of services, carried out by citizens and their associations independently, on their own initiative, on their behalf, at their own risk and under their patrimonial responsibility in order to ensure a permanent source of income.

Based on this law, **the social entrepreneurship can be conducted by social enterprises and social insertion enterprises, focusing on improving living conditions and providing opportunities for people in disadvantaged categories of the population by strengthening economic and social cohesion**, including at the level of local communities, by employment, by developing social services in the community's interest, by enhancing social inclusion.

Non-profit organizations like public associations, foundations, religious cults, and private institutions can practice social entrepreneurship, only if they receive special statute. There are two special statues for NGO's who can practice social entrepreneurship: social enterprise and social insertion enterprise.

According to the national law, social entrepreneurial activities are activities in the fields oriented towards:

- creating jobs and employment, as a priority, of people from disadvantaged categories of the population.
- protecting and promoting the rights of people with disabilities and their families for the purpose of social inclusion.
- promoting the possibilities of employing people from the disadvantaged categories of the population through the provision of labour mediation services, information and professional counselling, guidance and training, counselling and assistance in initiating entrepreneurial activity.
- carrying out activities to contribute to the implementation of public regional development policies, including reducing imbalances between levels of social and economic development in and within regions,
- strengthening financial, institutional and human opportunities for the socio-economic development of the regions, supporting the work of the authority's local government and local communities, oriented to the socio-economic development of localities and coordination of their interaction with national, sectoral and regional development strategies and programs.
- providing and developing social services as well as ensuring financial sustainability in order to develop and expand social services.
- promoting environmental protection activities.
- waste management in order to reduce and re-introduce them in the economic circuit, as well as to prevent environmental pollution.
- promotion of national heritage protection activities.
- performing tourism and sports activities for recreation and socialization purposes.
- carrying out extra-curricular activities.
- carrying out activities in the fields of education, culture, health, social protection and welfare, welfare
- and community development if these activities are directed exclusively towards strengthening economic
- and social cohesion and increasing social inclusion.

**A social enterprise is an enterprise who carry out social entrepreneurial activities in order to solve social problems of community interest and which meet the conditions mentioned above.** In order to be granted the status of social enterprise or social insertion enterprise, it will be necessary to file to the National Commission for Social Entrepreneurship the dossier containing documents confirming the carrying out of the social entrepreneurial activity. The statute is awarded for a period of 3 years, with the possibility of extension if it is proved that the conditions underlying the award of the status have been respected and is obtained from the moment of registration of the syntagma "Social enterprise" or "Social insertion enterprise" in the enterprise incorporation documents and in the State Registry in which the legal entity is registered.

### **JC 8.2. The EU financial assistance has contributed to the implementation of the DCFTA chapters related to the business environment**

EU financial assistance is supporting almost all sectors covered by DCFTA in Moldova by a mix of instruments. During the evaluation period, Republic of Moldova has made moderate progress in further developing a conducive business environment for SMEs. Moldova has advanced in the implementation of the SME Development Strategy 2012-2020 with substantial progress in the reduction of burdensome regulation, the implementation of regulatory impact analysis and the provision of business development services for SMEs. Noteworthy reforms also include reinforced policy framework for entrepreneurial learning, start-up support for young entrepreneurs, an expansion of the credit guarantee scheme, broadened e-government services and a formalised public-private dialogue platform.

SME promotion would need a more effective competition policy and a transparent and independent judiciary. Same further support is needed for entrepreneurial learning/business support services, including promotion of better matching of available skills of human resources with needed resources of SMEs.

Market access, goods	Since September 2015, the EU has almost completely opened its market for tariff-free imports from Moldova. Trade with EU markets has already increased significantly,
Technical standards (TBT)	<p>The adoption of European technical standards for industrial and agri-food products is of high importance for making the Moldovan industry competitive. Former Soviet standards has to be abandoned and precise European standards have to be applied. The process is still ongoing.</p> <p>With regard to food safety, Moldova is – with the support of the EU – implementing a strategy for applying EU sanitary and phytosanitary regulations, this process is still ongoing. The application of the European standards will increase the trust of the Moldovan consumer and increase the possibilities for exporting Moldovan products to international markets. However, the adoption of food safety standards creates difficulties for small producers, especially what concerns the tracing of animal origin.</p>
Procurement	Moldova has made significant progress towards bringing its public procurement system into compliance with EU, but some implementation problems remain, in particular with electronic procurement. In relation to intellectual property rights, the legal framework is largely consistent with international rules as well as those of the EU, but enforcement similarly needs strengthening. Moldova largely complies with the DCFTA requirements on competition policy, but the institutional capacity of the Competition Council needs reinforcement.
Transport	The DCFTA sets out the EU's detailed rules and regulations for most modes of transport (road, rail, inland waterways, sea and intermodal). Reforms along these lines are progressing. The EBRD, EIB and European Commission are funding major investments in transport infrastructures and adopting a more conditionality-driven approach with a focus on advancing the sectoral reforms. EU has financed technical assistance to support reforms. Reduction of transport costs is directly improving the business environment.
Energy Sector	<p>The legal provisions of the Agreement and DCFTA in the energy sphere correspond mainly to commitments made under Moldova's accession to the Energy Community Treaty in 2010, including the EU's Third Energy Package. Compliance with these provisions is proceeding slowly. The Moldovan market for both gas and electricity are currently dominated by Russian companies.</p> <p>Projects for diversification are being developed through network connections with Romania for both gas and electricity and privatisation of some gas assets with the participation of Romanian companies. EU funding is provided. However, the advances are somewhat slow. No evidence of decrease of energy prices yet.</p>



Agricultural sector	EU is supporting the rural sector since many years with different interventions. Moldova has considerable potential for agricultural development, and in recent years its agri-food exports to the EU have grown. The major challenge is to increase the low level of productivity. There are substantial EU technical assistance and funding projects to support the process, with grants from the EU and capital from the EIB.
Environment	Moldova's environmental policy is being aligned with EU legislation, although implementation presents some challenges due to insufficient financial and human resources. Environmental investment projects are being funded by the EBRD, EIB, the European Commission and some member states.
Labour Market Social	- Moldova has developed an elaborate legislative and institutional framework for governing the labour market, which for the most part corresponds to EU standards and those of the International Labour Organization. Other domains for legislative approximation include company law and consumer policy.
Education	Basic educational reforms are supported in the Association Agreement, notably for higher education through the 'Bologna process', and with concrete programmes like Erasmus+, which benefits a large number of Moldovan students. There are extensive possibilities for Moldova's inclusion in the EU's agencies and programmes, with the potential to develop institutional capabilities and advance policy reforms. For example, in 2014 there was agreement on Moldova becoming a full participant in the EU's main research programme, Horizon 2020.

<b>Indicator 8.2.1. Number of EU projects supporting DCFTA.</b>		
Strength of evidence based: High		
<b>Main source of information:</b>		
Document review	Interviews	Survey
<a href="https://www.eu4business-ebrdcreditline.md/">https://www.eu4business-ebrdcreditline.md/</a> 2019 SBA Fact Sheet		

Almost all projects and programmes implemented since 2014 are supporting directly or indirectly DCFTA implementation. As such in this chapter only the most relevant projects and facilities will be mentioned again

### **Support to Quality Infrastructure Framework within the DCFTA context**

The project is a technical assistance project aiming to support Republic of Moldova in the strengthening of the country's Quality Infrastructure framework within a DCFTA context.

Specific objectives:

- To further align the country's Quality Infrastructure and Market Surveillance structures with EU requirements.
- To enhance the country's private sector competitiveness aspects by improving SMEs' production, quality and business processes.
- To design the concrete multi-layered DCFTA visibility and communication action plan in particular in the field of Quality Infrastructure, Market Surveillance and internal and external market conditions and opportunities as well as in the implementation of its different awareness, communication and visibility actions related to Quality Infrastructure, Market Surveillance and internal and external market conditions and opportunities.

#### Results:

- The legal and normative Moldovan Quality Infrastructure (QI) and Market Surveillance (MS) frameworks are closely aligned with EU requirements as per the relevant GoM Action Plans.
- Overall competitiveness of Moldovan businesses within a DCFTA context in the fields of quality, production, export promotion and marketing and management are improved.
- MoEI is assisted in the execution of its different awareness, communication and visibility actions in the field of Quality Infrastructure, Market Surveillance and internal and external market conditions and opportunities.

### **DCFTA Facility**

The DCFTA Facility is a blended programme which helps local entrepreneurs to take full advantage of the opportunities offered by the Deep and Comprehensive Free Trade Area (DCFTA) between Moldova and the EU.

DCFTA will accelerate growth, help Moldova's economy to modernise further and become more competitive. To reduce additional costs related to the reforms in the short and medium term, funds have been committed to Moldova under DCFTA Facility. Put in place jointly **with EBRD, EIB and KfW**, it consists of a set of programmes designed to increase SMEs' competitiveness, ease their access to finance, help them to seize new trade opportunities and comply with new food safety, technical and quality standards, as well as with environmental protection measures implied by the DCFTA implementation. Not only does this boost access to EU market but also increases consumer safety in Moldova.

SMEs benefit through different instruments of support, such as risk sharing mechanisms, local currency hedging, investment incentives (e.g., grants provided to SMEs investing in the EU standards compliant machinery or production processes) and overall technical assistance (e.g., support to assessment of the compliance with the EU standards). **EBRD Credit Line project has supported SMEs in Moldova with investing €10.3 million in 70 projects.**

### **ESRA-SBSP**

The ESRA-SBSP contributed to:

- 'Capitalising credit lines to stimulate competitiveness of producers and potential exporters in rural areas'; 'Provide financing for the purchase of equipment by SMEs';
- Create a network of business incubators.
- 'Ensure the functioning of the regional development agencies'; and
- 'Increased the capitalization of the AIPA grant system in order to pilot 'ENPARD' like interventions.

The interventions supported through budget support also provided the foundations for the introduction of rural development as a government policy priority. These pilot outcomes can only be considered as making a very limited direct contribution to 'sustainable economic development of rural areas in Moldova' It is also difficult to determine to what extent these outcomes were the result of the ESRA-SBSP, given

that substantial, parallel financing was provided through EU-funded Technical Assistance and Twinning projects, Member State contributions, IFI loans and grants, and other donor support.

Most of the inputs and outputs from ESRA-SBSP were delivered not by the beneficiary, but either by EU-funded technical assistance or de facto budgetary transfers into AIPA, PARE 1+1, the Loan Guarantee Scheme, the NPEEY and the Business Incubator Network.

With respect to ESRA-SBSP, based upon the available data provided through AIPA, the national agriculture and rural development programme budget and numbers of beneficiary has gradually expanded over the period of budget support.

- There is also evidence of a gradual increase in the number of women and young people benefiting from rural development funding over the period. However, it is impossible to disaggregate the use of budget support funds from other support for rural development provided by a significant number of donors (including a number of Member states) over the same period.
- The support to the development of the **business incubators and the BI Network (RIAM)**<sup>7</sup> yielded positive results. There are 10 incubators established with EU support, which comprise 197 resident businesses, against a target of 170. It is reported that 800 jobs have been created, compared to a target of 700. The occupation and activity rates are good (averaging in the 80%-85% range). The activity rates for those businesses which have graduated after three years incubation, is lower, at approximately 70%. The Network of Business Incubators plays an active role in the local community, and it does to some extent contribute to job creation and poverty alleviation at the Region level. However, the number of incubated companies is small, the total jobs created is modest when compared to labour market activity rates, and the companies are better described as micro rather than small.
- The **Business Academy for Women (BAW)** achieved all that it had promised in the grant application. 10 sub-grants were disbursed to 10 companies, although the recipient companies were very small. 314 women entrepreneurs were trained (target 300) and the target of 30 mentors trained was also met. There is no evidence to suggest that there have been specific outcomes from the assistance and BAW is seeking further funding to repeat the exercise. The funds allocated via the budget support intervention have enhanced the scale and impact of the implementation of PARE 1+1 as a mechanism to support small businesses and start-ups. As the two tables below illustrate, the number of beneficiaries was higher (+162) than the original target, and women and young people were significant beneficiaries of the programme.
- The **360 companies (SMEs,) which used the Guarantee Fund**, would have not otherwise obtained the loans from the respective bank. An additional outcome has been that ODIMM has been able to develop credibility with nine Moldovan banks and should in future be able to capitalise on the low level of defaults (1.39%). The LGF has facilitated 550 new jobs, of which a small majority (284) were jobs for women.

The following table gives an overview of the progress of implementation of DCFTA and related EU support programmes.

Figure 15: Overview of DCFTA in Moldova and EU programmes supporting the different chapters related to business environment.

Chapter	Achievements/progress	EU Financial support
4. Market access, goods	Increase of exports to EU emerge, now reaching 66% of total	Several programmes: - ESRA, ENPARD

6. Customs services	Significant progress, but still inefficiencies and perception of corruption	<ul style="list-style-type: none"> <li>- Support to the modernization of Customs Service of Moldova in line with AA requirements (twinning)</li> <li>- High Level Advisor</li> <li>- EU Border Assistance Mission</li> </ul>
7. Technical standards (TBT)	Adoption of EU standards progressing, some institutions are still weak	<ul style="list-style-type: none"> <li>• EU4Business-EBRD credit line</li> <li>• EU support for the National Institute for Standardization of the Republic of Moldova to comply with CEN and CENELEC full membership criteria (twinning)</li> <li>• Support to Quality Infrastructure Framework within the DCFTA context</li> </ul>
8. Food safety (SPS)	Adoption of EU SPS proceeds, but with delays, poor facilities and corruption	<ul style="list-style-type: none"> <li>- Support to ANSA (twinning)</li> <li>- Support to Quality Infrastructure Framework within the DCFTA context</li> </ul>
10. Public procurement	Approximation well advanced, some implementation problems remain	<ul style="list-style-type: none"> <li>- TA support (e-procurement),</li> <li>- technical assistance (PFM SRC)</li> </ul>
11. Intellectual property rights	Legal regime fairly advanced, enforcement issues remain	<ul style="list-style-type: none"> <li>- Support to Enforcement of Intellectual Property Rights</li> </ul>
12. Competition policy	Institutional capabilities of Competition Council need strengthening	<ul style="list-style-type: none"> <li>- Support to the Competition Council – Enpi/2015/367-197</li> <li>- Adjustment of Moldova's Competition Law to European Union Competition Law</li> </ul>
13. Statistics	Implementation according to European standards has accelerated	<ul style="list-style-type: none"> <li>- EU provides direct support (TA project and provision of equipment)</li> </ul>

14. Macroeconomics	Recovery of macro growth underway; macro- aid conditions not met	- Technical Assistance PFM SRC
15. Financial services	2014 bank fraud still not resolved; governance reforms proceed slowly	- Twinning project with Central Bank
16. Transport	Fast growing sector for air and road; extensive approximation	1. TA undertake studies for 2. Several Blending operations
17. Energy	Approximation advances; de-monopolisation of gas and electricity difficulties	3. TA studies, HLA 4. Blending operations 5. Projects on energy efficiency
18. Environment	Approximation advances; implementation still weak	6. Crosscutting under energy, water. Agriculture 7. EU4 Environment 8. Support to greening programme
19. Digital	ICT usage advances rapidly; approximation advances	9. ICT Cahul EU4Digital
20. Consumer protection	Approximation advances, institutional capacities to be enhanced	10. Support to ANSA (twinning) 11. Twinning support until 2012 12. Support to Quality Infrastructure Framework within the DCFTA context
22. Agriculture	Agri-food exports to EU grow; big challenge to enhance productivity	Several interventions under BS and project approach,
23. Employment/ social	Approximation advanced; liberalization of labour code suspended	Several interventions

**Indicator 8.2.2. Interviewees judge that EU finance assistance has contributed to DCFTA objectives achievements**

Strength of evidence based: medium

**Main source of information:**

Document review

Interviews

Survey

EAP Factsheet Moldova 2019, 2020. European Parliament: Association agreement between the EU and the Republic of Moldova European Implementation Assessment (update) JOINT STAFF WORKING DOCUMENT Association Implementation Report on Moldova	EUD staff GoM officials Development partners	NA
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All interviewees indicate that the EU finance assistance has contributed to the progress in achieving DCFTA objectives. As stated, before most DCFTA chapters have been supported by interventions under different modalities, being also twinning and technical assistance important.

### JC.8.3: EU support contributed to the development/ improvement of the policy, legal and institutional framework for an effective development of Moldova’s economic sector including rural and agricultural sectors

There is evidence that EU support – especially support provided under service contracts and twinning has contributed to an improvement of the policy, legal and institutional framework. Transposition of standards has proceeded well, with some 24,900 European standards now adopted, a compliance rate of approximately 91.7%; laboratories have been equipped; institutional competencies have been refined, institutions have been reorganised and substantial institution-building and human resource capacity development has taken place. The achievements are related to the DCFTA-SRC, and substantial parallel support provided through the High-Level Policy Advice Mission, technical assistance, supply and Twinning contracts and many of Specific Conditions in the Policy Specific Contract 2018/401-914/2 (SIEA 2018). The DCFTA-SRC helped to make starting the process of implementation of the DCFTA.

However, the achievement is affected by several key issues: the application and enforcement of the revised legal documents has been limited to date; the harmonised legislation is deemed to apply only to export/import markets. Ensuring that these quality and safety standards are reflected in the domestic market has yet to be realized. This is particularly true with respect to Food Safety; There appears to be limited interest and/or capacity amongst entrepreneurs to obtain accreditation, use the available services and/or access EU markets.

Government officials and other projects active in this area indicate that many entrepreneurs are still unwilling to take advantage of the opportunities presented by the DCFTA because of the investment costs involved, the need to diversify their product range, the extensive compliance procedures and the financial risks linked to exporting. Furthermore, most of the enterprises are microenterprises, owners are often advanced in age and do not know how to make applications for loans and other support; thus, being unable to take advantage of existing opportunities. Consequently, there has been limited take-up of the agreed quotas for most non-traditional products. Interviewees suggest that the growth in the value of exports to the EU that has been achieved is predominantly a consequence of existing (bigger) exporters increasing their activity rather than a reflection of greater market penetration by an increasing number of Moldovan entrepreneurs.

<b>Indicator 8.3.1 Extent to which the sectoral changes achieved have achieved legislative alignment with the EU acquis</b>		
Strength of evidence based: Medium		
<b>Main source of information:</b>		
Document review	Interviews	Survey
Project Documents	EUD officials	NA



There is evidence on the adoption by the Parliament of the Republic of Moldova of numerous legislative acts in line with the country's commitments enshrined in the AA, namely related to public administration, public financial management and justice system reforms; underlines the importance of a full implementation of these acts, including by adopting secondary legislation. Transposition of standards has proceeded well, with some 24,900 European standards now adopted.

For example, Moldova has managed to make significant progress in implementing EU regulations on sanitary and phytosanitary standards. Between 2014 and 2019 the ISM (National Standardisation Institute of Moldova) managed to adopt over 5000 European and international standards in the food sector (over 2000 of which are European standards). Moldova is also gradually withdrawing from the Soviet norms which still apply in some sectors. About 700 of these are still in force, but almost 350 were cancelled between 2014 and 2016.

Simultaneously the 'e-ANSA' system was implemented in order to ensure an efficient and secure exchange of data between authorities in electronic format. One of the key achievements of this strategy is the setup of a 'one-stop shop' for the export and import of agricultural products.

### **Food Safety**

During 2018, over 60 laws and regulations were amended. Thanks to Law 185, which came into force at the end of 2018, the monitoring functions have been transferred to ANSA (the National Food Safety Agency). Previously, these rights had been divided among the Ministry of Health, ANSA and other state authorities. In October 2018 (Government Decision No. 938), the ANSA became the only institution with the right to carry out sanitary and phytosanitary inspections at the border. Both those decisions secured the effectiveness of the 'one-stop shop' solution and increased ANSA's effectiveness. Importantly, border control procedures have been significantly simplified. The number of control stages during border inspections has been reduced to only one (previously, inspections were carried out both at the producer's warehouse, and at the border). The time required to receive a phytosanitary certificate has also been reduced to about 2 hours (the procedure is carried out in parallel with the loading of the goods in the presence of an inspector). Declarations of the Origin of Goods have been introduced. The provisions on laboratory tests have also been changed; currently they are not performed for each carriage of goods, but for the entire group of products intended for export.

Unfortunately, despite the noticeable progress, some areas still require special attention and action. One of the biggest problems concerns the quality infrastructure, which in some sectors is almost non-existent. The financial and institutional efforts needed to improve the situation are insufficient, and do not allow a systemic change in quality control.

- For example, although some food testing laboratories are operational in the country, there are no reference laboratories for various sectors (such as honey).
- Also, the costs that producers have to incur in order to adapt to the new requirements are often too high, which slows down the process of change (this concerns almost all animal products). In general, it seems that an overall national assessment of progress and challenges regarding the SPS strategy is required. Investment shortages are one of the main reasons why Moldova is still struggling with the problem of exporting products of animal origin (especially chicken meat and eggs). Most manufacturers do not have a technology line that complies with European standards.

There is a positive trend in the approximation of EU legislation. **The procedures for legal amendments have been initiated and/or finalised concerning the following EU regulations: Examples:**

- In July 2016, a law entered into force that transposes into national legislation the provisions of the Regulation (EC) 510/2006 on the protection of Geographic Indications (GI) and Designations of Origin (DO) for agricultural products and foodstuffs. The same law includes the

harmonisation on Regulation (EC) 1216/2007 on agricultural products and foodstuffs guaranteed as traditional specialities.

- In June 2017, the draft law on organic agro-food production and the labelling of eco products was approved by the Government and was sent to the Parliament, where it is currently pending approval. The law transposes Regulation (EC) 834/2007 on organic production and labelling of organic products and the implementing Regulations (EC) 889/2008 and 1235/2008
- The Government started to harmonize the national legislation to the provisions of the Regulation (EC) 1760/2000 on bovine animal identification and the labelling of beef and beef products and implementing Regulations (EC) 1825/2000 and (EC) 566/2008
- In September 2017, consultations began on draft regulations to transpose into national legislation Regulation (EC) 273/2008 on quality evaluation of milk and milk products,
- Directive 66/401/EEC on the marketing of fodder plant seed has been transposed into the national legislation.

Indicator 8.3.2. National policies and strategies developed and implemented		
Strength of evidence based: medium		
Main source of information:		
Document review	Interviews	Survey
Websites GoM National Development Strategy Moldova 2030 National Agriculture and Rural Development Strategy for 2014-2020 (NARDS) The National Waste Management Strategy (NWMS) 2013-2027 EU4 Business Country Report Moldova	EUD officials GoM officials Development partners	

During the reference period a number of national policies and strategies were elaborated in Moldova, many of them with the support of EU. However, development and implementation of national policies is challenging in the Moldovan context. Frequent change of governments, sharing different priorities, values and work principles. An oligarchic governance by the Democrat Party of Moldova (2019) compromised the European path of the country and affected public trust in democracy and rule of law, was substituted by the government set by a Parliamentary majority formed of two pro-European political parties (ACUM – an alliance between the Party of Action and Solidarity and Dignity and Trues Platform Party) and the pro-Russian Socialist Party informally headed by the President of the country.

Furthermore, also policies have been designed their implementation is often challenging due to limited financial means and human resources. Although GoM has implemented a public sector Reform which includes increase of salaries for public employees, salary levels remain low; this leads to frequent turnover of staff and for leaving qualified staff for positions in the private sector or outside the country.

### National Development Strategy Moldova 2030

In September 2015, the Republic of Moldova committed to implement the 2030 Agenda for Sustainable Development. In line with this commitment, the main strategic planning document of the country - the National Development Strategy "Moldova 2030" – was drafted and will be re-approved by the new Government. The strategy defines long-term sectoral development priorities, focusing on improving the quality of citizens' lives in four pillars:

- Sustainable and inclusive economy.
- Strong human and social capital.

- Fair and efficient institutions.
- Healthy environment.

Moreover, the principles of gender equality and women's empowerment are underpinning the implementation of the Moldova 2030 strategy. Furthermore, Moldova set up a National Council for Sustainable Development, which is to coordinate the implementation of the Sustainable Development Goals (SDGs). This permanent body supervises the adaptation, integration and implementation of the 2030 Agenda and its goals. It comprises representatives from ministries, the National Bank, the statistics authority, trade unions, employers' associations and the national association of local authorities.

The main goal of the strategy "Moldova 2030" is a noticeable improvement in the quality of life of the population of the Republic of Moldova. Such an approach also implies poverty eradication in all relevant aspects of this phenomenon, and not just strictly in monetary terms, because it implies not only the level of income, but also equal and undeniable access to qualitative public and private goods and services. Implementation of politics directed at stimulation through incentives of productive employment will be particularly important for economic growth and income of the population. Improvement of the quality of life implies increase of income level and improvement of the quality of environment.

Moldova 2030 includes ten sustainable development objectives that the country is to achieve by 2030. **Unlike in previous years, the focus is no longer on economic development, but on people.** As a result, the strategy offers a holistic framework for both the implementation of the 2030 Agenda and the Association Agreement with the European Union.

However, although the government is supporting the implementation of the 2030 Agenda in the country, there is still a lack of specific approaches for the process. This is mainly due to the fact that there are still no appropriate structures for planning and monitoring in accordance with the 2030 Agenda. This means that the prerequisites for fact-based policy are not yet met and the implementation has so far been tied to the logic of the Millennium Development Goals.

### **National Decentralisation Strategy and Action Plan 2012-2015**

The strategy establishes national decentralisation mechanisms and was developed and adopted by Law No. 68 of 2012. Over the two decades of developing the appropriate legal framework for decentralisation, various proposals for reform have been made and some incremental changes undertaken. It has become increasingly clear that decentralisation and local governance are a viable approach sustainable development, but the process is very slow, and the political will is not evident. Law No. 436 of 28.12.2006 on local public administration (LPA) regulates the organisation and functioning of public authorities at local, town and rayon levels. The law defines LPAs' competences at level 1 and 2 in fields of activity established by the Law on Administrative Decentralisation. Thus, there is a potential for a certain level of autonomy, however limited human and financial sources of local authorities are hindering a real decentralization process.

### **National Agriculture and Rural Development Strategy for 2014-2020 (NARDS)**

EU support was important for updating the National Agriculture and Rural Development Strategy, especially what concerns the objective "Improving living conditions in the rural areas." New activities have been introduced, such as improvement of rural infrastructure, village renewal and development, and diversification of economic activities in rural areas beyond agriculture. Same thanks to EU support the advance payment subsidy principle has been developed and started implementation in 2020. Rural development support measures, which will be financed by the National Fund for Agriculture and Rural Development (NFARD).

The strategic policy framework is represented by the National Strategy on Agriculture and Rural Development for 2014–20, approved in June 2014, together with an Action Plan adopted a year later. The major goals are increasing the competitiveness of the Agri- food sector, ensuring sustainable management of natural resources in agriculture and improving living standards in rural areas. Related policies concern food safety, services in rural areas and regional development, SMEs, energy, transport

and logistics, IT and tourism. Particular attention is devoted to digitising the agricultural sector, with an 'e-agriculture' strategy, aimed at improving IT infrastructure for public services in this domain.

The strategy involves efforts to build capacity in the planning and assessing activities of the line ministries (in particular the MARDE). Improving the subsidy mechanisms administered by the Interventions and Agriculture Payments Agency is a key priority. The subsidy mechanism significantly changed in recent years. Since 2017, the share of subsidies offered for heavy machines was cut from 55% to 33%. In exchange, more money became available for investing in high value-added agricultural products (HVAAP), and in post-harvest infrastructure. Moreover, 5% of allocations are devoted to innovative techniques in agriculture.

### **National Regional Development Strategy (NRSD)**

In April 2016, the Government adopted the National Regional Development Strategy (NRSD) 2016-2020, which is aligned with related sectoral strategies, notably the Water Supply and Sanitation Strategy 2014-2028, Small and Medium Enterprises' Sector Development Strategy 2012-2020, the Energy Strategy up to 2030, the Agriculture and Rural Development Strategy 2014-2020 and the draft Strategy for Research and Innovation. The overall objective of the NRSD is to achieve balanced and sustainable development in all regions of the Republic of Moldova.

### **The Strategy on Water Supply and Sanitation for 2014 – 2028 and the Law No 303/2013 on the Public Service of Water Supply and Sewerage**

The objective of the strategy is to ensure gradual access to safe water and adequate sanitation (SDG 6) for all. The overall policies in Moldova related to the WSS are:

- Exclusive competence for LPAs to establish, organise, coordinate and control public services.
- Improvement of the operational and financial performance of WSS service providers in order to enhance safety and quality of services.
- Extension/regionalisation of WSS systems and the provision of access to WSS services, as well as development of centralised/regionalised water supply systems and connections to nearby localities.

### **The National Waste Management Strategy (NWMS) 2013-2027**

The strategy is developed pursuant to Article 89(b) of the EU-Moldova Association Agreement. It foresees a systematic, integrated approach to waste management and regionalisation of waste management services into eight waste management zones covering the entire territory of the country. Furthermore, Integrated Solid Waste Management Strategies for the three development regions (North, Center, South) were developed and adopted by the respective Regional Councils in 2016.

A Solid Waste Management Investment Programme was developed by the European Investment Bank (EIB) on this strategic basis. At request of the Moldovan Government, eight feasibility studies were launched with the support of various development partners (EIB, GIZ, and the Czech development agency).

The Waste Law was adopted in July 2016 and entered into force on 27 December 2017. It introduces modern principles of waste management (prevention, reuse, recycling and sanitary landfilling), as well as waste recycling targets to be achieved. So far, five regulations have been approved to implement the law, and draft implementing regulations are being developed in line with the respective EU requirements and legislation in these areas,

### **SMEs**

The SME Development Strategy 2012-2020 and its associated Action Plan are the main strategic documents guiding policy support for SMEs. The documents emphasise improving the business climate and reducing administrative burdens on SMEs, encouraging entrepreneurship (especially among women), improving access to finance, encouraging cluster development and supporting SME internationalisation. The Strategy is aligned with broader national development strategies, which do not

specifically include SME-related provisions but aim at supporting entrepreneurship through a number of priority actions (e.g., fostering a sustainable and inclusive economy, or building strong human and social capital). In terms of the implementation of the Strategy, substantial progress was made in the reduction of regulatory burdens, the implementation of regulatory impact analysis and the provision of business development services for SMEs. Noteworthy reforms include, among other things, a reinforced policy framework for entrepreneurial learning, an expansion of the credit guarantee scheme, broadened e-government services and a formalised public private dialogue platform.

### Education Code and the Education Development Strategy for 2014-2020

This education strategy provides a sound basis for new policies in the education sector, including Vocational Education and Training (VET) and Higher Education (HE). Principles expressed in the strategic vision are in line with the Association Agreement. However, the main problem remains the implementation of the reforms foreseen in these documents.

### Gender and Human Rights

The Constitution of the Republic of Moldova and primary legislation guarantee the rights of women and children. In addition, the Public Administration Reform strategy 2016-2020 and its Action Plan 2016-2018 also include measures to train central and local public authorities in the application of principles and criteria specific for gender sensitive decentralisation. The legislation and policy oblige the local authorities to localise the plans and actions for gender equality. The responsibility for designating, ensuring, and coordinating the work of the gender units lies with the districts' presidents and mayors. Moreover, actions to localise and follow the "The European Charter for Equality of women and men in local life" have been undertaken by some local authorities.

Moldova is party to seven of the nine core international human rights treaties, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the United Nations Convention on the Rights of the Child (CRC). Further steps have been made to advance gender equality, most notably the 'Law on Ensuring Equal Opportunities for Women and Men (2006)', the 'Law on Equality (2012)', the Law on Preventing and Combating Family Violence (2008), along with another 11 laws (2016) aligning national legislation with the Istanbul Convention.

Indicator 8.3.3. Quality standards for production, packaging and marketing introduced		
Strength of evidence based: medium		
Main source of information:		
Document review	Interviews	Survey
Final report twinning ANSA	EUD officials ANSA AIPA	NA

Efforts have been made to introduce quality standards for production, packaging, and marketing:

- EU has provided significant support to ANSA for implementing food safety regulations. However, Moldova still lacks financial and institutional resources to fully implement the commitments on SPS. Institutional weaknesses in the key government agency (ANSA), at the local level, the poor infrastructure of laboratories and corruption cases (phytosanitary certificates) are serious constraints on the growth of the agri-food sector. So far Moldova has been able to export to the EU only three categories of goods of animal origin: caviar, honey and egg flour, although other non-animal foods (apple, nuts) and wines have given bitter results.
- the opportunities offered by the DCFTA have given better results than expected and agri-food exports (fresh and processed products alike) benefitted more than industrial products. Since the inception of the DCFTA, exports of agri-food products have increased by USD 820 million (2015-2018) – an upsurge of 52% compared to 2011-2014. However, there is still considerable room for



further leveraging the potential offered by the DCFTA. This is due also to poor compliance with **technical requirements related to packaging, poor pre- and post-harvesting practices, and a lack of proper infrastructure** (it still needs to be improved to adapt to EU market standards). For example, Moldovan agriculture significantly lags are the export of products of animal origin (e.g., meat, eggs, dairy products) due to the failure to comply with EU standards, often because of poor infrastructure (i.e., accredited laboratories for animal health) and low investment in its renovation. Legal approximation in line with the AA/DCFTA is in progress, but with substantial delays on organic farming and animal health.

- There is an increasing demand for quality standards, good packaging and marketing: At national level critical changes in the organisation of the food system can be observed. This includes the decline of traditional wholesale systems, the increased presence of supermarkets and supply chains and increasingly demanding private standards for product quality and safety. The supply-side implications of these changes are becoming apparent: smaller and under-capitalised Moldovan producers are unable to meet the new requirements, resulting in the exclusion of many small producers. The expansion of major retail chains has also promoted a rapid development of the private label product segment – products manufactured by one company but sold under another company’s brand.

Indicator 8.3.5 Procedures for Regional and Rural Development funds management adopted.		
Strength of evidence based:		
<b>Main source of information:</b>		
Document review	Interviews	Survey
	EUD officials	

Local governments in Moldova are organised in a two-tier system. The first level comprises 898 local governments (primaria); the second level comprises 35 administrative-territorial units – including 32 raions; Only the municipalities of Chişinău and Bălţi are simultaneously tier 1 and tier 2 units<sup>16</sup>, and Gagauzia is an autonomous territorial unit. Especially first level local governments face considerable problems related to Budget and human resources available. 282 tier 1 administrative units (UATs), or 31 %, have four or fewer employees. Only 10 % of tier 1 UATs have seven or more employees. The average number of staff in tier 1 UATs with a population of more than 20.000 is around 17 employees. Similarly, 30 % of tier I UATs have less than 1500 inhabitants, despite 1500 being the minimum legal requirement for forming a local administrative unit. In addition, around 89 % of tier I UATs have a population of less than 5000 inhabitants. As a result, local public administration in Moldova is characterised by a high degree of fragmentation, inadequate human and financial resources, and limited administrative capacity.

EU is not directly promoting decentralisation, as this is a very sensitive process in Moldova, however EU is implementing several projects and programmes at local level, strengthening thus local governments. (i.e., Project Modernisation of local public services in the Republic of Moldova, Construction of Water Supply and Sanitation Infrastructure and Energy Efficiency in Public Buildings).

The Decentralisation Policy Framework (NDS) consisting of the “National Decentralisation Strategy and Action Plan 2012-2015”. The strategy establishes national decentralisation mechanisms and was developed and adopted by Law No. 68 of 2012. Over the two decades of developing the appropriate legal framework for decentralisation, various proposals for reform have been made and some incremental changes undertaken. However, implementation of decentralisation and local governance is progressing only slowly. **Law No. 436 of 28.12.2006 on local public administration (LPA)** regulates the organisation and functioning of public authorities at local, town and rayon levels. The law defines LPAs’ competences at level 1 and 2 in fields of activity established by the Law on Administrative Decentralisation.

The Regional Development Agencies (RDAs) implement the Regional Development Strategies and the Regional Operating Programmes, which feed into the National Regional Development Strategy (NRDS)



and applications for finance from the National Regional Development Fund. The Regional Development Agencies (RDAs) have benefited from capacity building activities and are actively acting as facilitators at local level on regional development issues.

**In April 2016, the Government adopted the National Regional Development Strategy (NRSD) 2016-2020, which is aligned with related sectoral strategies, notably the Water Supply and Sanitation Strategy 2014-2028, Small and Medium Enterprises' Sector Development Strategy 2012-2020, the Energy Strategy up to 2030, the Agriculture and Rural Development Strategy 2014-2020 and the draft Strategy for Research and Innovation. National Fund for Regional Development (NFRD)** the national fund for regional development represents the main instrument for financing projects and programs for regional development, focused primarily on the disadvantaged areas of the Development Regions.

The fund consists of annual allocations from the state budget, as a distinct position for regional development policy, as well as from other sources. The size of the Fund represents 1% of the approved revenues of the state budget for that year, except for the special purpose revenues provided by the legislation. Other financial resources can be attracted to the Fund from the public and private sectors at local, regional, national, and international level, in addition to the resources offered by the assistance programs of the European Union.

The volume of the Fund is approved by the annual law of the state budget.

The fund is under the management of the authority for the implementation of the regional development policy, which carries out the allocation of its means, with the prior approval of the NCCRD.

The form of formation and use of the funds of the Fund is according to the regulation approved by the Government.

Money from the Fund shall be allocated as a priority to the disadvantaged areas of the Development Regions.

The financial means received from the component budgets of the national public budget by the Regional Development Agencies are managed through the Single Treasury Account of the Ministry of Finance, and the financial operations for executing the investment project financed by the regional development partners are carried out by Regional Development Agencies through commercial banks.

One aspect of regional development policy in the Republic of Moldova is related to the financial support of this process. According to the legislation in force, the programs and projects defined as priority, included in the Single Programming Document and approved by the National Council for Coordination of Regional Development, are financed by means of the National Fund for Regional Development, which represents 1% of the budget revenues for that year, except for special-purpose revenue.

At the same time, the implementation of the regional development policy in the Republic of Moldova is also supported by the external development partners. Starting with 2010, the European Union, the governments of Great Britain, Germany, Romania, and Sweden, through their cooperation agencies and other external partners, provide financial, logistical, and multi-dimensional support to regional development policy. In this respect, assistance is provided for the implementation of various investment projects oriented towards infrastructure development, increasing the efficiency and quality of public services, and strengthening the institutional capacity of the beneficiaries. Support for development partners also covers the policy framework.

Thus, with a twinning project supported by the European Union, the capacities for regional development have been strengthened. With the participation of the external partners, the regional development strategies for the North, Central, and South regions, the regional operational plans for the regions concerned were elaborated. Support was also given to the development of the Sectoral Regional Program in the fields of water supply and sanitation, solid waste management, energy efficiency in public buildings,

and regional and local roads. The implementation of the Sectoral Regional Program will be ensured by identifying a flow of "ready-to-finance" projects, including feasibility studies, environmental impact assessments, etc., for investments in the identified sectors.

The LEADER approach was first piloted in the southern part of the Moldova in 2016 in the context of the EU SARD Programme. Since then, the number of Moldovan Local Action Groups (LAGs) – institutionalised partnerships between public sector, private sector, and civil society representatives – has grown to 32. These involve over 3,000 people from local communities and have implemented 250 development projects to the benefit of over 600,000 inhabitants in rural areas. The **LEADER-EU Rural Development Fund** is a tool implemented by the Solidarity Fund PL in Moldova in partnership with the LEADER National Network in the Republic of Moldova. In 2020 it is implemented within the project "LEADER approach for rural prosperity in Moldova", financed by the Delegation of the European Union to the Republic of Moldova, co-financed by the Ministry of Foreign Affairs of the Polish Republic under the Polish development cooperation program – Polish aid. **The LEADER approach will be introduced into the national legislative framework further to Parliament's own initiative.**

<sup>[1]</sup> Law on Entrepreneurship and Enterprises, Nr. 845 of 03.01.1992, Art. 1

## 5. Evaluation question 9: JCs and indicators

**EQ9. To what extent has the EU support to Moldova contributed to achieving tangible progress towards a viable solution to the Transnistria conflict?**

This EQ covers Effectiveness, impact and sustainability

JC 9.1. The economic and social rapprochement of the two banks of the Nistru river has been enhanced

JC 9.2. The sectoral rapprochement of the two banks of the Nistru river has been enhanced (health, social services, culture and media)

**JC 9.1. The economic and social rapprochement of the two banks of the Nistru river has been enhanced**

The Transnistrian conflict substantially hinders Moldova's socio-economic development. The two CBM programmes have made a contribution to the social and economic rapprochement of the two banks of the Nistru river. They fostered cross river economic cooperation between the two banks of the by establishing partnerships between businesses and business communities, strengthening SMEs and promoting their cooperation through launching infrastructure projects. Jobs and livelihood opportunities were created in this process. Social rapprochement has been enhanced through grants and sub-grants for promoting the rights of various disadvantaged and vulnerable groups, community development, CSO strengthening and also through infrastructure projects with the involvement of the local authorities, which ensures their sustainability.

**Indicator 9.1.1 Number of cross-river exchanges and partnerships between businesses and business associations**

**Strength of evidence based: Strong for CB. Country wide – addressed under JC 8**

**Main source of information:**

**Document review**

Interviews	Survey
Interviews with EUD, the former Director of the Bureau for Reintegration and Deputy Prime Minister, interviews with the project implementer - UNDP and grantees from both banks	N/A

**CBM-IV and CBM-V UNDP implemented project documentation and mid-term reports Mid-term evaluation of CBM-IV, review of all grants disbursed under this component, web sites and publications**

Increased cross-river cooperation of economic actors has been one of the specific objectives of the CBM-IV project *Increased opportunities and better living conditions across the Nistru River*, implemented by UNDP over the period March 2015-December 2018. The project had targeted economic actors (SMEs, Chambers of Commerce, business associations, etc.) from both banks of the Nistru River and dedicated much effort on business development and promoting the common interests and cooperation of business actors from both banks, also in the context of EU integration. Business to business interaction has focused on the facilitation of cooperation between business associations, supporting business cooperation networks, and building local capacities.

The activities implemented in this area have been **relevant** and **effective**. They promoted cooperation between existing business associations. Grants were made available to the Chamber of Commerce and Industry of Moldova, Chamber of Commerce and Industry, Transnistria region, Tiraspol, the Association of Fruit producers and Exporters, the Agency for Regional Development of Transnistria, the Agency for Sustainable Local Economic Moldova Development, the Federation of Agricultural Producers, etc.; the business partners promoted joint offers through common stands of products and services from both banks' producers at international and local fares.

The project reported the facilitation of 102 cross-river contracts and partnerships between business associations from both banks, between associations and consulting companies, as well as private companies. 54 study visits were organized in the country and abroad (Austria, Germany, Cyprus, Lithuania, Poland, Romania, Ukraine, Belarus, etc.) to support the business service providers from both banks to learn from international best practices. Intensive training, conferences and workshops to the members of business associations, platforms and entrepreneurs were provided.

The follow on CBM-V project, again implemented by UNDP (January 2019-ongoing), also has as one of its core areas support to economic development and entrepreneurship. The efforts to promote cross-river business platforms were continued and supported through grant allocation for joint projects, as for example: the Association of Beekeepers from the left bank and the Moldovan National Association of Beekeepers (for preservation and recreation of the gene fund of Carpathian bee); the Association of Lavender Growers and Processors in Chisinau and the Union of Eco Farmers in Tiraspol (for business revival); the Association of Fruit Producers in Chisinau and the Association Dnestrovski Fruct in Tiraspol (for increasing fruit competitiveness); the Chambers of Commerce and Industry in Moldova and Transnistria (for export promotion platform development), etc.

Currently 4 cross river Business platforms are operational, developing business services and representing over 300 members. The Beekeepers Platform has successfully launched in operation a Mobile Bee Breeding Centre and gathered already 130 service requests from both banks; the Lavender Oil Platform published a Guide on the cultivation of aromatic plants; the Fruit growers platform provided specialized training on fruit cultivation, the Chamber of Commerce and Trade from Chisinau and Tiraspol helps the registration of companies on the European Enterprise Network Platform and facilitating cooperation offers.

The number of cross river exchanges and partnerships has thus risen tremendously compared to the previous CBM-IV. Key constraints faced by the business sector are being addressed and export opportunities are bettered.

Some examples of project proposals funded under the business development component CBM-V

Title	amount	Implementer	Period
Preservation and recreation of the gene fund of Carpathian bee through creating a Center for breeding and artificial insemination of queen bees	24,226 €	Association of Beekeepers from the left side of the River Nistru & Moldovan National Association of Beekeepers	2019-2020
AroMed business revives on the banks of Nistru	23,955 €	Association of lavender growers and processors from Moldova, Chisinau & PA Union of eco-farmers and consumers, Tiraspol	2019-2020
Increasing fruits' competitiveness on the traditional and alternative markets through cooperation of fruit-trees' growers from both sides of the Nistru river	24,222 €	Association of fruit producers and exporters Moldova Fruct, Chisinau & Association Dnestrovschii fruct (Transnistrian Fruit), Tiraspol	2019-2021
Development of a collaborative export promotion platform on both banks of Nistru river	22,181 €	Chamber of Commerce and Industry (CCI) Moldova & Chamber of Commerce and Industry (CCI) Transnistria	2019-2021
"Start for Youth Plus" Programme on the Left Bank of the Nistru River	265,311 €	Chamber of Commerce and Industry of Transnistria	2019-2021
COVID-19 response measures: organization of Online International Conference "Digital Quarantine"	3,648 €	Non -commercial partnership "Agency for innovation and development"	2020
COVID-19 response measures	3,500 €	EDUJOC SRL	2020
Study on 2 Focus groups with young entrepreneurs from both banks	874 €	Independent Sociology and Information Service "Opinia"	2020
Impact and Needs Assessment of Target Beneficiary MSMEs under COVID-19 Crisis	1,220 €	AO Expert Grup	2020
Organization of express school on tourism	8,000 €	NGO Agency for Regional Development	2019

Examples of project proposals funded under the business development component CBM IV

Source UNDP

<b>Support the CSOs and BAs to develop their capacities</b>	<b>9,314 €</b>	<b>Chamber of Commerce and Industry of Moldova</b>	<b>2016</b>
In-depth analysis of the Business Development Services market on both banks of the Nistru River	67,568 €	NGO Alternative Internationale de Dezvoltare	2016
Improve the opportunities and services available for business communities on both banks of the Nistru River	171,376 €	NGO Alternative Internationale de Dezvoltare	2015-2017
Study on entrepreneurship perception among youth (aged 18-35) on the left bank of the Nistru River	22,519 €	CBS-AXA SRL	2015-2016
Economic research and forecasts about the economic situation of the Transnistrian region	60,011 €	A.O. Centrul Analitic Independent EXPERT-GRUP	2015-2016
Creation of Job Opportunities through Business Support for Youth in the Transnistrian region	344,489 €	Chamber of Commerce and Industry, Transnistria region, Tiraspol	2015-2017
Creation of Job Opportunities through Business Support for Youth in the Security Zone	330,270 €	Business Consulting Institute NGO	2015-2017
Boosting the CCI capacity of offering sustainable consultancy services to the beneficiaries from both banks of the Nistru River	135,330 €	Chamber of Commerce and Industry of Moldova	2016-2018
Measures to provide business education and staff development of business structures in order to enhance business activities in the Transnistria region	134,776 €	Chamber of Commerce and Industry, Transnistria region, Tiraspol	2015-2017
Developing capacities of export and internationalization consultants on both banks of the Nistru River	104,105 €	NGO Alternative Internationale de Dezvoltare	2016-2017
Provide consultancy services for Competitiveness Improvement	177,381 €	CPM Consulting	2016-2017

through training and certification of Business Consultants			
Development of a sustainable cooperation platform of women agricultural entrepreneurs from both banks of the Nistru River	52,633 €	Federation of Agricultural Producers Agroinform	2016-2017
Cooperation platform of fruit growers on both sides of Dniester in increasing their competitiveness on traditional and alternative fruit markets	51,665 €	Association of Fruit Producers and Exporters Moldovafruct	2016-2017
Development of tourist business on both sides of the Nistru River by establishing sustainable partnerships	44,360 €	ANTRIM - National Association of Inbound Tourism	2016-2017
Business Bridge Platform - revival of business confidence on both banks of the Nistru River	42,826 €	C.C.I. Moldo-Italiana	2016-2017
Development of consortium of hospitality industry on both banks of the Nistru River	48,710 €	Agency for Regional Development of Transnistria ARDT	2016-2017
Integrated platform for berry value chain development BERRYDEV	51,607 €	BizGates Agency for Sustainable Social Economic Development	2016-2017
Through communication and cooperation to a better life	49,628 €	Association Cutezatorul	2016-2017
Trans-Dniester partnership on marketing research	48,836 €	C.C.I. France-Moldavie	2015-2017

Thus, the two CBM projects implemented in the period under review contributed to consolidation of the business services market, bolstered the capacities of business actors from both banks and promoted a culture of entrepreneurship. There has been also a special effort on enabling youth from both banks to become successful entrepreneurs.

<b>Indicator 9.1.2. Number of SMEs involved in joint activities</b>		
Strength of evidence based: Strong for CBM. Other aspects of SMEs – addressed under JC 8		
<b>Main source of information:</b>		
Document review	Interviews	Survey



CBM-IV and CBM-V UNDP implemented project documentation, and mid-term reports, Mid-term evaluation of CBM-IV, review of all grants disbursed under this component	Interviews with EUD, interviews with the project implementer - UNDP and grantees from both banks	
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The CBM-IV UNDP implemented project "*Increased opportunities and better living conditions across the Nistru/Dniestr River*" has been **effective**. The target of having "at least 200 SMEs involved in joint activities and received business support services" was greatly over-fulfilled. Over 1 000 companies from both banks are reported to have carried out joint actions and received support services, and this is well documented. In addition – they were exposed to good practices, helping them promote their goods and find new partners. A study on the *Business Development Services Market* on both banks of the Nistru river was carried with recommendations for the further development of the sector. The results of the study served as the basis for targeted interventions and can still be as a resource for further initiatives.

The project had a strong **impact** on youth enterprise development: 31 new enterprises were created within the *Grants for Youth Programme* (16 from the Transnistria region) and received continuous support through consultancy and coaching. Representatives of over 100 companies were exposed to best practices in ecological agriculture and hotelier services. Information centres were created in the area of tourism and agriculture.

CBM-V has built on these achievements and included as a specific objective "to contribute to economic and social development by ensuring more equal access to the opportunities provided by the AA and its DCFTA. Since 2019, under CBM-5, another 300 SMEs have been involved in joint activities and it is planned to have about 20 new businesses created and supported through the SME grant programme by early 2021. The programme also set up a framework for transferring the experience of the Organisation for Support to Small and Medium Enterprises Sector Development on the right bank (ODDIM) – to the left bank and it was linked to a counterpart on the left riverbank to facilitate the support to SMEs there. This has built on the **impact and sustainability** of the previous CBM project.

Indicator 9.1.3. Number of new jobs created and livelihood opportunities		
Strength of evidence based: Strong for CBM		
Main source of information:		
Document review	Interviews	Survey N /A
CBM-IV and CBM-V UNDP implemented project documentation, and mid-term reports, Mid-term evaluation of CBM-IV, review of all grants disbursed under this component	Interviews with EUD, interviews with the project implementer - UNDP and grantees from both banks	

Over the period 2016-2018, 166 permanent jobs were reported to have been created by the CBM-IV UNDP implemented project, including: 123 new jobs created by 31 young entrepreneurs supported in the frame of 2 mirror Grants for Youth projects (70 of them on the left bank). Another 43 permanent jobs were created by the newly established 10 associations, 3 centres and 8 assisted platforms. Indirectly 124 jobs were reported to have been created by association members. The number of temporary jobs reported is over 200. Although there are no separate statistics on the jobs created under the project, this is well documented for each granted project and reported to the Steering committee, where key stakeholder is represented.

Livelihood opportunities were promoted with the support to over 3 500 farmers and agriculture producers, who were assisted to enhance their sales capabilities through participation in training how to grow

ecological products and implement environmentally friendly agricultural practices, and with support to the establishments of new contacts and trade links. Over 500 employees of 24 fruit producing companies developed a joint working plan and learned new methods on how to prepare their orchards for the winter.

The livelihood opportunities are further promoted by the 4 cross-river Business platforms.

<b>Indicator 9.1.4. Number of social infrastructure projects implemented</b>		
Strength of evidence based: Strong		
<b>Main source of information:</b>		
Document review	Interviews	Survey N/A
CBM-IV and CBM-V UNDP implemented project documentation, and mid-term reports, Mid-term evaluation of CBM-IV, detailed review of all grants disbursed under this component, publications across both banks for various infrastructure projects	Interviews with EUD, interviews with the project implementer - UNDP and grantees from both banks, as well as the Head of the Coordination council on Technical and Humanitarian Assistance of Transnistrian region and the President's office in Tiraspol, Solidarity fund	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova, including media the on left bank of the Nistru river covers the EU support, projects and programmes

Community development has been a powerful component of CBM to achieve social rapprochement, addressed in many of the CBM interventions – both in the awarded projects under the CBM Call for proposals, and the UNDP implemented projects in the framework of CBM-IV and CBM-V. In the majority of cases community development has been promoted through social infrastructure projects.

Already under CBM-IV, there has been high interest from communities from both banks to the opportunity to implement social infrastructure projects. Big amount of project proposals was submitted, and 31 infrastructure projects ideas were selected and implemented by the end of 2018. These included: renovation of 8 schools, 7 community centres, 3 social protection facilities, 5 health care institutions, 3 sports centres, 1 road infrastructure, 1 sewage network, 1 fire station and 2 tourism info centres. The total number of people who benefitted from improved social infrastructure objects is estimated to be over 100 000 people.

The Programme also identified the need for additional assistance to the Local Public Administrations (LPAs) on both banks for the assessment of community needs, and improving the capacities for planning, implementation, and sustainability of the social infrastructure projects. To address these needs, a capacity development programme was implemented by two consulting companies from each bank of the Nistru River. At least 30 communities (20 from the right bank and 10 from the left bank) which had not before that benefitted from CBM funding, were assisted to identify relevant confidence building project ideas. Confidence building elements were incorporated in the Local plans.

Tackling the growing disparity between the Transnistrian region and the rest of the country by supporting local development and CSOs has become a Specific objective of CBM-V. The idea to establish specialized thematic platforms of collaboration developed further and worked out well, given that all social infrastructure projects funded under the CBM framework fall under five major activity fields – education, healthcare, sports, culture and environment protection. The platforms are operational and gather further momentum and recognition. Feedback from the field shows some of them have been very useful for Transnistria during the pandemic. The Health Platform, for example, did quick needs assessment and undertook practical steps for the delivery of personal protection equipment, blood test kits, extended help to vulnerable groups, etc. The Education Platform was also very effective in the pandemic – it helped introduce distance learning solutions for educational institutions on both banks, and this is ongoing.

New 14 social infrastructure projects were launched in 2019, and are being implemented under CBM-V. The Rezina-Ribnita bridge lighting project was inaugurated at the beginning of 2020 and received great coverage. The bridge over the Nistru river is now lit up for the first time since 1993, allowing around 60,000 people from the region to travel safely between Rezina and Ribnita even at night. Another 4 projects (renovation of a kindergarten and a gymnasium, a sports field and waste management collection system) were completed shortly afterwards. Special mention should be made of the Waste management project in Speia – Telita villages, introducing modern waste collection methods and ensuring a greener environment for some 7000 villagers. As part of the project 6 waste collection platforms were built, specialized waste trucks procured, and the local authorities contributed to this effort by buying waste bins. The rest of the projects are implemented with some delay due to the Covid crisis but expected to be completed soon. The research on media implemented by the project has revealed that these projects have been among the best covered by the media in Transnistria.

Some examples of most recent infrastructure / community development projects funded under CBM

Source: UNDP

Title	Amount	Implementer	Period
Renovation of public lighting in the district: Lomonosov street, Rezina - the bridge over the Nistru river, RTbnita	28,699 €	Compania Electrica SA	2019-2021
Construction of the Social Center in Malaesti Vechi village, Balabanesti commune, Criuleni district and replacement of roof and renovation of the canteen with adjacent premises in Gymnasium from Roscani village, Anenii Noi district	161,065 €	Aria Grup SRL	2019-2021
Renovation of kindergarten Albinuta in Teiul village and at school in Malaiesti village, Grigoriopol district	117,440 €	Lavsar SRL	2019-2021
Development of technical design for the refurbishment of multifunctional sports fields located in Tiraspol, Corotna village, Camenca town and Sanatauca village	7,199 €	Sauras SRL	2019-2021
Refurbishment of multifunctional sports fields located in Tiraspol, Corotna village, Camenca town and Sanatauca village	201,482 €	Iati SRL	2019-2021
Extending the system for waste management (arranging 6 platforms with containers for collecting household waste) in Speia - Telita, Anenii Noi and Speia, Grigoriopol	27,372 €	Marconex Prim SRL	2019-2021
Extending the system for waste management (procurement of garbage truck) in Speia - Telita, Anenii Noi and Speia, Grigoriopol	39,467 €	Ravitan SRL	2019-2020
Replacement of roof of the Cultural Hall in Holercani village, Dubasari district and renovation of Garofita kindergarten, Cocieri village, Dubasari district	120,778 €	Giesena SRL	2019-2021

Renovation of the community center of Ternovca village	51,305 €	Lavsar SRL	2019-2021
Restoration of the public infrastructure of the National Park in Cioburciu village, Slobozia district	80,953 €	Iati SRL	2019-2021
Development of feasibility study for extending the electrical transportation network (trolleybus line) from the streets' junction Panin-Ermakov-Engels of Bender city - Tighina street of Varnita village - industrial area "Severnii" District of Bender city	8,762 €	SIG-Engineering SRL	2019-2021

**Another project "Access to success: partnerships for self-sustainable community development" (2017-2020)** has used local development as a means to build trust between people living on both banks of the Nistru river, gathered together around common challenges, resources and territory. The project fostered learning-by-doing cooperation experience with a strong people-oriented dimension and promoted the EU community-led local development approach. The project worked in over 40 communities and implemented a broad capacity building programme for local authorities, community leaders and activists with a series of training sessions on project management and financial management, as well as the Assets-Based Community Development (ABCD) method, used within the Action. This increased the competences of the participants in local public services, community planning and participation, empowerment of women and marginalized groups, etc. Initiative groups from local communities were provided with support to develop strategic documents for local communities by the national and international experts. It is estimated that over 450 local community leaders took part in the programme. Local partnerships gathering local leaders from different sectors were established in 41 local communities. Parallel to this support was provided to 42 communities from both banks of the river, and 41 of them developed strategic plans, based on community involvement and consultations with different local stakeholders. At the time of the evaluation 15 partnership projects had been selected for implementation under the Small Grants Fund of the project.

List of partnership projects (Source: Solidarity Fund)

Partnership and the name of the partnership project	Priorities	Hard component
Dubasarii Vechi - Dubasari <i>A common dream - it's a reality</i>	Social field, with involving youth people; culture and sport	Dubasarii Vechi: The Park revitalisation Dubasari: The school multifunctional playground
Telita- Maiac <i>New Life Stories</i>	Initiatives focused on cultural and sports modernization	Maiac: Creation of an open-air sport field in the village of Maiac Telita: Works on arranging the local museum
Rezina- Tiraspolul Now <i>Through synergy, tourism and ecology to a sustainable trust</i>	Environmental solutions, sustainable and eco-	Rezina: Connection to the sewer for a neighborhood housing including kindergarten

<i>between the communities of both banks of the Dniester</i>	friendly tourism in Dniester fluvial basin	Tiraspolul Nou: Expedition "Scanning of the natural and anthropogenic potential of the Dniester River basin in the region of Rezina-Ribnitsa - Lalovo-Butuceni". Trainings
<i>Pelinia- Butuceni Awareness, involvement, development - Key factors for improving the quality of life in Pelinia - Butuceni communities</i>	Cultural promotion	Pelinia: repairing the Fest Hall in the Pelinia Theoretical Lyceum (installation of the heating system)  Butuceni: repairing the Gym (repair works of the floor, plastering and painting walls);
<i>Barboieni- Corotnoe Together for prosperous communities</i>	Initiatives focused on social modernization	Barboieni: arrangement and endowment of recreation zone  Corotnoe: repair works of the roof of Centre of family medicine
<i>Gura Bicului- Crasnogorca A step towards future</i>	Local culture initiatives, public space modernization, building trust and collaboration between communities	Gura Bicului: Renovation works in the House of Culture  Crasnogorca: Renovation works in the kindergarten
<i>Milesti- Ternovca Two banks - one tradition</i>	Development of culture and tourism on the local level, including music, arts, sports activities and exchange of cultural traditions	Milesti: Procurement of bicycles; Marking the bicycles paths and elaboration of maps  Ternovca: Reconstruction activities in House of Culture
<i>Ocnita - Gisca (Bender) Young people in the spotlight</i>	Initiatives focused on social modernization	Ocnita: creation of the Youth Centre for self-development of young  Gisca: creation of a Youth Centre
<i>Climautii de Jos- Rascov Unforgettable halt</i>	Community development through development of rural tourism; Initiatives focused on business infrastructure in rural areas	Climautii de Jos: arrangement of 4 houses in Climautii de Jos for tourists' accommodation and food provision  Rascov: creating tourist centre
<i>Chiscareni- Hirtop Bridges over the rivers Dniester</i>	Local Economy and Tourism Development; Social Modernisation-based initiatives	Chiscareni: repair works of the craftsmen's center  Hirtop: creation of the Multifunctional Centre

Cuizauca- Jura <i>People and culture</i>	Initiatives focused on cultural and social modernization	Cuizauca: repair works and gasification of the House of Culture Jura: repair works and gasification of the House of Culture
Sorooca- Caragas <i>Social integration without borders</i>	Initiatives based on social development	Sorooca: procurement of tandem bicycles Caragas: workshop studio
Cisla- Butor <i>Culture unites communities</i>	Local culture initiatives, public space modernization, building trust and collaboration between communities	Cisla: construction of the summer stage Butor: reconstruction and assembly work of heating system in 8 rooms of the House of Culture
Sircova- Ofatinti <i>All together</i>	Sport, culture, modernisation, local development	Sircova: creation of the stadium - multifunctional sports ground, procurement and installation of the sports equipment Ofatinti: renovation of the stadium, multifunctional sports ground, procurement and installation of the sport equipment
Sanatauca- Chitcani <i>Youth constellation</i>	Social and cultural modernization, development of the creative potential of the youth from both localities	Sanatauca: development and organization of mini eco-routes in the park zone Chitcani: creating conditions in the House of Culture in Chitcani - repairmen works in 3 rooms and partial arrangement of the local park

An important dimension of confidence building was that trust between Transnistrian local communities and representatives of de facto authorities in the region (especially local authorities and the Coordination Council for Technical and Humanitarian Aid) towards the EU in general, particularly EU member states was strengthened as well as the EU development instruments and policies. This is also related to the possibility of getting exposed to the practices in an EU member country. Beneficiary communities participated in study visits to Poland. The purpose has been to familiarize them with the EU experience, accumulated in Poland, on community development following ABCD approach. The participants of the visit were divided groups by interests: Cultural heritage, Community initiatives; Social entrepreneurship; Rural and agro- tourism; Libraries in villages; Processing local food product; Local economic development. The majority of participants got interested in the rural and agro-tourism initiatives, social initiatives and cultural heritage.



## JC 9.2. The sectoral Rapprochement of the two banks of the Nistru river has been enhanced (health, culture and media)

Significant rapprochement of the two banks of the Nistru river has been achieved in the sectors of health, medical and social care and protection of the cultural heritage, thanks to CBM-IV, CBM-V and a Twinning project in the area of cultural heritage protection. Support is being rendered to media companies and media outlets from both banks for better audio-visual quality and joint audio-visual and new media productions, that will also increase EU visibility. As regards media content, biggest on the left bank has been the coverage related to community infrastructure projects - refurbishment of kindergartens, renovation of schools and polyclinics, inauguration of sports and educational facilities, etc. Social projects were also well covered, and increased EU visibility.

### Indicator 9.2.1 Degree of alignment of public health systems

Strength of evidence based: Strong

#### Main source of information:

Document review	Interviews	Survey N/A
CBM-IV and CBM-V action documents and projects implemented by the WHO and GIZ, projects, Final and Interim reports of the above projects, Mid-term evaluation of CBM-IV, Call for proposals under CBM	Interviews with UNDP, MoHSP, WHO, project beneficiaries of the WHO project from Transnistria, CSOs, the Health Platform (covering both banks), Keystone Moldova, GIZ	

Public health has been in the focus of the attention of two long terms projects since 2015. Already in 2015, the "*Technical assistance and capacity building activities in the health sector between both banks of the Nistru River*" project has been launched under CBM-IV with focus on Transnistria, where the health system has been largely following the Soviet model, with little access to modern models and methods. The project was implemented by the World Health Organization (WHO) in the period 01 April 2015-31 December 2018). The **Relevance** of this intervention is quite evident and driven not only by the need to reduce the gap in health care on the two banks, but also by the demographic and epidemiological situation, the challenges to the health systems in terms of better governance, improvement of service provision, alignment to international standards and best practices, etc. While structural alignment of the health sector on both banks has not been envisaged, nor possible for political reasons, the project has been **Effective** in fulfilling its major objectives to strengthen the health policy analysis and action planning capacities of the health authorities and to improve the public health services and actions on non-communicable diseases. The project mapped the health systems structures and functions, reviewed the possibilities of health systems financing and workforce planning and deployed a large-scale training and capacity building programme that was unprecedented till then.

The **Impact** of this effort is seen above all in the improved capacity of health professionals. The project implemented cross-cutting capacity building activities, involving more than 550 health professionals in health service delivery, mapping health systems structures and functions, health systems financing, health workforce planning and management, etc. Next to this it also provided capacity building to health managers and public health specialists in topics such as public health and emergency management, international health regulations, use of guidelines in primary health care, human resource management and planning, "best buys" on non-communicable diseases and awareness on WHO Framework Convention. Some reforms were initiated in Chisinau – review of hospital structures, hospital financing, reform of public health services, but the frequent changes resulting from national and local elections and the subsequent staff rotation obstructed their continuance. The project's impact also relates to its innovativeness. Some of the training had never happened before, like these on life threatening conditions

and the training for emergency workers. A beneficiary from Transnistria, now a Chief doctor in the Tiraspol Emergency Centre, reported that he is applying what he learned now in the Covid-19 crisis, and that not only the clinical trainings but also these on organizational management are particularly valuable in the current pandemic situation. The campaigns implemented under this project are also up to-date, and particularly these on prevention and immunization.

Another project aimed at providing general support to the Transnistrian health system alignment, with focus on primary health care is the current CBM-V project- *“Improvement of medico-social care for people with long-term care needs on both sides of the Nistru river”* (implemented by GIZ and the Czech Development Agency) under CBM-V. It is aimed at ensuring the cohesion of two public sectors involved in the process: the health care sector and the social protection sector. Although it is under the title of Health Sector Modernization in the respective action document, it is not purely health related. The focus is more on long term care, thus departing from the genuine health sector, with an accent on service provision. One of the specific outputs expected relates to opening a pilot day care center for patients from both sides of the Nistru River.

The **Relevance** of the project is clear as regards the needs of long-term care patients and the absence of relevant services on both banks of the river. Goodwill on both banks also exists and voiced. While it is still early to estimate the **Effectiveness** of the effort, some challenges have surfaced. These are both logistical and of substance nature. On logistical level they related to the change of location of the Centre, despite prior agreement and investments already made. More significant are the substantive **challenges** – the definition of the services to be provided their anchoring in the local (Transnistrian) legislation. This would also require relevant processes (for example the development of medical/social minimal standards, as well as setting the rules for licensing and medical accreditation for services of this kind. It could be difficult to align the Transnistria social legislation to EU standards in home care and this would perhaps be the biggest problem. A compromise solution will probably have to be found to adapt the Transnistrian legislation to European standards and overcome possible resistance. This raises the issue of the continuity of the investments already made by the EU in the previous long-term WHO-implemented project. Instead of building on its achievements, a switch has been done to a totally new area, more related to social services than to health.

Health and socio-medical care were not the only sectors where rapprochement happened. Next to these long-term projects, there were also other projects in the framework of CBM Call for proposals (2015) where **rapprochement of the social protection systems** was targeted.

Through the development of social protection for people with disabilities, the project *“Social services for persons with disabilities to increase the trust between both banks of the Nistru river”* did increase trust between both banks of the Nistru River. With EU funds the project supported the renovation of public buildings and bought vehicles to drive to remote villages, established mobile teams for delivery of social services to children with disabilities and their families from five districts on both banks of the Nistru River, established a Day care centre in Tiraspol (TN), triggered legislative changes. In Tiraspol they even used the legislation from Chisinau. To address the stigma and discrimination of people with disabilities, Keystone Moldova provided training to journalists from both banks, built the capacity of the local authorities and the specialists from the mobile teams and the day care centre in case management and quality monitoring, offered mini-grants for local CSOs and journalists for promoting social inclusion and non-discrimination of people with disabilities, developed and strengthened the CSO network on both banks of Nistru River and even provided support to self-advocates for promoting initiatives and participating in community life.

The local NGO partner - Centre for Rehabilitation and Consultancy (OSORC) - facilitated the dialogue with the authorities in Transnistria, while Keystone was the communication point for the authorities on the other bank. A hotline for PwD to report on their rights violation and seek counselling was started, the service was approved by the Government and since 2019 the MoHSP is funding the hotline service.

There some more projects from the same Call for proposals in this category. Other grants from the same call worked to raise trust between teachers on both banks of the river, build regional capacities for continuous development of teacher's skills, facilitated the social and vocational integration of disadvantaged youth, or created partnerships for community development.

Another grant focused on joint initiatives of CSOs from banks for socio vocational integration of disadvantaged youth, providing a set of comprehensive assistance services: social, psychological, legal, vocational. At the same time, the project activities strengthened the relations between youth from the right and left riverbanks and also worked towards the creation of a regulatory framework for these types of services. Young people have been the beneficiaries of yet another project that pursued to raise the mutual trust between teachers. The project helped strengthen the capacities for continuous development of teachers' skills and introduce proactive methods of human rights education. It also worked for institutionalisation of the consultation mechanisms between CSOs and education institutions and contributed to establishing partnerships and cooperation between education institutions, teachers and CSOs from Moldova and the Transnistrian region.

An outreaching sub-granting scheme supported joint initiatives of CSOs from the two banks aimed at building confidence through educational activities. These encompassed a wide range of priorities like: *internet technologies*; modern proactive teaching methods of human rights education; improving the legal knowledge of teachers and starting a legal clinic; intercultural education; creation of two clubs for young civic journalists; training in new methods of teaching international law and standards for human rights protection; studying and promotion of social rights, methodological analysis of curricula and work programs on legal subjects in order to determine the scope of legal and theoretical materials on social human rights, etc.

Other projects from the same call also contributed to building bridges between civil society and communities from both banks and helped establish partnerships for sustainable development and promotion of human rights.

Indicator 9.2.2. Cross-river encounters around cultural heritage sector		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
CBM-V project documents and interim reports, media publications on cultural heritage preservation from both banks	Interviews with UNDP, the Resident Twinning Advisor in Moldova, the President's administration in Transnistria, the Head of the Coordination council on Technical and Humanitarian Assistance of Transnistrian region, the Director of Bender Fortress in Transnistria, UNDP grantees in the area of culture	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova, including media the on left bank of the Nistru river covers the EU support, projects and programmes

Culture / historical heritage was highlighted comparatively recently as a priority in EU-Moldova cooperation, as a specific sector in CBM-V. This has been a very **relevant** step, considering the role which the common heritage, historical legacy and monuments can play in uniting the people round common values, while at the same time investing in the country's future, facilitating development and conflict resolution.

A rather successful Twinning project “*Support to promote cultural heritage in the Republic of Moldova through its preservation and protection*”, (September 2017 – November 2019) laid a good basis for this. The project focused on the inter-sectorial dimension of cultural heritage, as enabler and driver of

sustainable, equitable and people-centred development and well-being, along the lines of the most updated European and international approaches to cultural heritage and culture at large. Overall, the project has been very **effective and impactful**. It worked to improve the legislation for protection and sound management of Moldova's many heritage assets; helped increase the administrative and management capacity of the Ministry of Education, Culture and Research and its subordinated agencies, cultural offices and other relevant stakeholders; developed and implemented training programmes related to the protection and restoration of cultural heritage at secondary vocational education and at higher education levels, supported Moldovan heritage protection institutions on digitization of cultural heritage and sustainable management.

As the confidence building dimension of the historical-cultural heritage is new to the Republic of Moldova, CBM-V capitalized on the results of the EU-Funded Twinning Programme, which had among other things also conducted preliminary assessments of two flagship projects: Bender Fortress and Chisinau Circus. Based on these assessments, complex tendering procedures were launched by the UNDP project in the framework of CBM-V, targeting detailed technical designs for conservation works and Masterplans, as a road map for long term development and promotion of these sites. While the Covid-19 crisis put challenges, in view of the involvement of Italian partners and travel restrictions, the progress made is reasonable and the detailed technical design for the Bender fortress was launched in early 2020. There is now a final list of priorities to be addressed and a tender for the first phase conservation works was announced in late 2020. The selection of the contractor is pending in 2021.

Another activity with expected potential tangible **Impact** for both banks relate to the creation of "*EU fund for conservation-restoration of cultural heritage*" (as specified in the Action document for CBM-V. Progress today includes the development of the modality of the Fund, with the support of international expertise, assessments and consultations with experts from both banks, and it was approved by the Steering Committee in the end of 2019. In line with this modality a public Call for ideas to support small scale cultural heritage sites was conducted in January 2020 that gathered over 200 ideas. In the end, 10 such sites have been selected (5 from each bank) and this will be followed by signing of MoUs, design of conservation works, coordination and actual conservation activities in 2021. The sites relate to Sinagogue ruins, church ruins, a family tomb, windmill, water mill, etc. The **Sustainability** of this effort is more than evident.

Indicator 9.2.3. Media content quality trends in pilot areas		
Strength of evidence based: Strong		
Main source of information:		
Document review	Interviews	Survey
CBM-V UNDP project documents and interim reports, review of grants disbursed under the Media support component, reports of projects related to media, funded under CSO-LA Call for proposals, media publications from both banks	Interviews with UNDP and UNDP grantees (Artwatt and beneficiaries) Interviews with CSO-LA grantees (API and beneficiaries)	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova, including media the on left bank of the Nistru river covers the EU support, projects and programmes

Media is another comparatively new priority in EU-Moldova cooperation, as a specific sector in CBM-V, but even before this media across both banks have been outreached, involved and supported throughout other programmes. Already before the evaluation period, for example, the Agency for Investigative Journalism (API) implemented a project under CSO-LA/2014 "*Quality Journalism for Democracy*". The project was implemented 2016-2018 and had as a goal to promote democratic processes and enhance the professional level of journalists from both banks of the river Nistru. It established a national Centre of investigative journalism with a video department and five regional departments, one of them covering Transnistria. Already at this time, the issue of producing joint materials with analytical elements, establishing and strengthening the cooperation between both banks of the river Nistru and eliminating

false preconceptions were raised - topics and problems which are still **Relevant**. The project produced a report: “*Analysis of the situation of the media, access to information and freedom of expression in Transnistria*” and a Practical guide, “*Reporter in Transnistria*” on access to information and tips on how to work as a foreign journalist in Transnistria, paving the way for subsequent efforts in this area.

CBM-V continued work in this direction. One of its components relates specifically to cooperative media local content development and focuses on support to media from both banks for better quality audio-visual and new media productions in a collaborative and joint manner. This is being done through capacity building, exchange of experience and a grant programme to support joint work. An open call for proposals was announced covering the period October 2019-December 2020 and was efficient in selecting around 20 projects. Projects selected today include: 7 documentary films/series, 2 talk shows, real life reportage, road shows, sexual education podcast series, one animation movie and one fiction movie. Their **Effectiveness** and **Impact** will be difficult to measure and will take a long period of time. This is a first good step, the more so that interviews from the ground suggested numerous difficulties for closer media cooperation due to administrative border restrictions, the limited media market on the left bank and its dependencies (political and in terms of ownership), the general sensitivity in this area, due to its proximity to politics, fear on the side of journalists and media outlets from cooperation, the absence of initiative of journalists on the left bank, etc.

Some examples of media projects implemented in the framework of CBM-V (Source: UNDP)

Ttitle	Amount	Implementer	Period
"Odiseea MD-2020" (Documentary film)	46,468 €	Alternative Arts Association "Artwatt"	2020-2021
Inclusion of the left bank community agenda into the informational flow on the right bank through the TV show Reghionaly on TV8	59,905 €	Public Association "Pilgrim-Demo"	2020-2021
Reality Show "Frontline 24"	43,676 €	Public Association "Filmul pentru drepturile omului"	2020-2021
Nistru People	22,579 €	Public Association "Sud Est Media"	2020-2021
Between two riverbanks/"Asfalt de Moldova"	61,729 €	Public Association Center for Health Promotion and Education "Health"	2020-2021
Artefacts	39,290 €	Non-profit partnership - Creative Association "APT-noxog"	2020-2021
The Nistru Riverbanks submissive to love	5,006 €	Natolir SRL	2020-2021
Sexplicatii	19,200 €	Press Agency "Onixmedia" SRL	2020-2021



We are young, we are the same	14,738 €	Satelrom -TV SRL	2020-2021
The boatman of destinies	10,238 €	SC "Univers Studio" SRL	2020-2021
"Santa Barbara"	35,039 €	"Dax Tandem" SRL	2020-2021
Riverbanks	36,275 €	Intellectual and Production Center "Trio" SRL	2020-2021
"Tur-retur"	33,209 €	"LV-Topal" SRL	2020-2021
Our people in Belgium	36,269 €	"Videolab" SRL	2020-2021
Success stories of women from both sides	36,276 €	Canal Regional SRL	2020-2021
Fairytales of Ion Creanga	32,159 €	Kreyon Motion SRL	2020-2021

The evaluation conducted a comparative monitoring of media content on both banks in the past 5 years, round several non-political key phrases with the purpose to identify to which extent the media on the left bank of the Nistru river have covered the efforts and programmes of the European Union on both banks of the river. The monitoring has revealed a difference between the way state media from the Transnistrian region, on one hand, and the private and CSOs media, on the other, cover the events within the EU programmes.

UNDP has conducted, and continues to conduct a large-scale campaign to cover the activities and achievements of CBM-IV and CBM-V. Only in the framework of CBM-IV about 150 events, campaigns, tours and other activities for the press were carried out during that project period. Still, it has been observed that the state media in Transnistria avoided highlighting the role of the European Union in financing projects carried out in the region. It was noted that the press and civil society organizations on the left bank of the Nistru river have covered the programme's activities in the region in approximately 500 news articles, features and other media coverage. For comparison, about 2,000 such media coverage events were published on the right bank of the Nistru river. However, it must be mentioned that there is also a much bigger number of media institutions on the right bank of the Nistru river compared to the left bank.

As regards the content, biggest on the left bank has been the coverage related to community infrastructure projects - refurbishment of kindergartens, renovation of schools and policlinics, inauguration of sports and educational facilities, etc. Social projects were also relatively well covered, as well as the renovation the Bender Fortress, but not the opportunities under Erasmus. There is practically no information about the Erasmus + programme opportunities on the left bank of the Nistru river. The media in the region hasn't written practically anything about the Erasmus+ programme, compared to the right bank of the Nistru river, where there is a large number of news and articles about the programme's activities, opportunities and success stories. It seems that one of the reasons is that young people on the left bank of the Nistru river have less opportunities to participate in Erasmus + programmes because the University in the region is not accredited in the Republic of Moldova. They must also have citizenship of Moldova or any other internationally recognized state in order to travel abroad.

There is a need for a better media coverage of Erasmus + opportunities in the media on the left bank of the Nistru river, including the identification of different solutions to enable young people in the region to participate in mobility projects



## Main findings for EQ 9

The two projects implemented by UNDP under CBM4 and CBM5 changed the landscape of cross river cooperation and increased the trust between people on both sides of the Nistru River by supporting joint activities in two core areas: business development and improving community infrastructure. The increased cross-river cooperation of business actors is already leading to improved employment opportunities and livelihoods across the Nistru River and the local communities get empowered through joint projects addressing pressing development needs and improving critical community infrastructure.

Significant improvements were noted in the health sector: strengthened capacity of the public health systems in areas like policy analysis, action planning and capacity building and advancement of measures for improvement of the medico-social care for people with long-term care needs on both sides of the Nistru river. Particularly successful has been the cooperation in the protection of the common cultural heritage, with efforts related to the Bender Fortress and some smaller cultural heritage objects. There has been advancement in the improvement of the legislation for protection and sound management of Moldova's many heritage assets, the administrative and management capacities of the stakeholders have been increased, digitization of cultural heritage was started. Significant landmark will be the creation of "*EU fund for conservation-restoration of cultural heritage*" and activities in this direction are already under way.

- EU support to Moldova has intensified the cross-river contacts, partnerships and cooperation of the main economic actors, thus contributing to the economic rapprochement of the two banks
- The social rapprochement of the two banks has been promoted with the help of EU interventions and has improved the standards of living of the targeted communities, vulnerable groups and the population at large. The development of infrastructure projects has a strong social impact and promotes the visibility of the EU
- EU support to Moldova in the sectors of health and socio-medical care is reducing the gaps and bringing about alignment of the public health systems
- The efforts for protection and preservation of the common cultural heritage have been enhanced with EU support and increased EU visibility in Transnistria
- Media on both banks are beginning to produce locally attractive, qualitative and professional content.

## Evaluation question 10: JCs and indicators

**EQ10. To what extent has the EU support to Moldova contributed to a strengthened role of independent the Civil Society actively participating in decision and policy making, monitoring and oversight in Moldova, in its priority area and the implementation processes of the EU-Moldova Association Agreement?**

This EQ covers Effectiveness, impact and sustainability

JC 10.1. EU support to Moldova has made a contribution to CSO internal capacity strengthening, professionalism, collaboration and ability of CSOs to advocate for their enabling environment and to monitor the implementation of the Association Agreement

JC 10 2. Sustainable partnerships between civil society, the government and socio-economic actors in policy dialogue have been established in EU-sponsored projects and they contribute to good governance, social and economic development and social protection

JC 10.1. EU support to Moldova has made a contribution to CSO internal capacity strengthening, professionalism, collaboration and ability of CSOs to advocate for their enabling environment and to monitor the implementation of the Association Agreement

### Summary response to JC 10.1

The internal technical and financial capacity of civil society has been further developed with EU support in the period under review. A long-term technical assistance project helped improve the human resources and financial management of CSOs, strengthened their governance structures and supported three grantees and their sub-grantees in project management, implementation and monitoring. It produced manuals to guide the larger civil society, and also provided training based on demand, as requested by the three grantees. Yet, during most of its duration, it had focused mostly on supervision of the sub-grantees. Only logistical support was provided to the two CSO platforms and there was no streamlined effort to monitor the implementation of the Association Agreement. However, CSO monitoring was still done and there are good examples in the period under review where various projects financed under CfP included components on monitoring of the implementation of sector reforms by CSOs, or where think tanks and CSO platforms monitored closely the developments in the different areas of the AA. Civil society has been actively engaged in improving its enabling environment, though mostly with the help of other donors, and a new law on non-commercial organisations was adopted.

#### Indicator 10.1.1. Extent to which governance structure, financial management, and monitoring mechanisms of sampled CSOs are harmonised and match European standards

Strength of evidence based: Strong for sampled CSOs (SFM, EED and their partners and grantees; KAS and KAS grantees)

#### Main source of information:

Document review	Interviews	Survey
EU documents related to civil society and Moldova, CSF documentation, Road Maps for Civil society Development from 2015 and 2018, TA project - interim and final reports, Mid-term evaluation of the CSF, websites, civil society reports and publications on civil society from different sources and donors	Interviews with EUD, the TA project and the 3 CSF grantees (SFM, KAS, EED); interviews with sub-granted project implementers; interviews with CSO think tanks (Expert Grup, Ippe), EaP CSF Platform, grantees of EIDHR and CSO&LA	Survey conducted by the evaluation

In the period 2014-2016 there have been no specific actions targeting civil society capacity building, The CSF launched in 2016, and particularly the project “*Technical Assistance to Support CSO Development in the Republic of Moldova*” (September 2017-September 2020) was expected as per ToR to produce five main results, two of which pertained directly to the strengthening of CSO in the above areas. The project was expected to help enhance the knowledge and skills of CSOs in EU project implementation and policy monitoring, strengthen CSO governance structures, financial management systems and sustainability, promote the coordination, networking and consortium building capacities among CSOs, while at the same time providing support to the sub-grantees of SFM, EEF and SFM. This mission was in line with the two Road Maps for Civil Society development from 2015-2017 and 2018-2020, and the second Road Map was actually adopted during its mandate.

The overall **effectiveness** of this component of the TA project **has not been as strong**. The prime focus of the project has been on monitoring the performance and improving the skills of the sub-grantees in a rather narrow segment (grant management, project monitoring and reporting). As indicated by the MTE, the project misunderstood its role and did not fulfil all its objectives. Only after this MTE, this approach was revised and more capacity strengthening activities were launched to support CSOs in strengthening their governance structure and financial management with trainings on human resources, fundraising strategies, advocacy, lobbying, public relations, event planning and organization, financial management, community mobilization, cross cutting priorities. It is indicative, however, that most of these activities happened in the summer of 2020, just before the closure of the project in September 2020. They seem to have been conducted in haste and apparently without a prior overarching strategy. This is also due to the fact that for some reason, as traced by the current evaluation, already in its Second Interim Report the project requested the cancelation of components related to institutional capacity development of local CSOs (and this originally envisaged the definition of a comprehensive institutional capacity assessment model, accountability self-assessment tool and Guidelines, capacity strengthening of CSO internal institutional development, mentoring and coaching on organisational strengthening, individual organisational reform plans, etc.). Following the advice of the MTE report the project took the decision, together with the EUD to reactivate this activity and elaborate a Capacity Building Programme for local CSOs and this obviously resulted in the congregation of so many new training courses all in the summer of 2020. Even in such a short timeframe, this yielded results. With support from the project, the three Grantees undertook reforms in their financial and human resources structures, updated their salary grids, etc. A good sustainable result are two manuals: The Guide Manual on Human Resources and Financial Management for Non-Commercial Organisations in the Republic of Moldova and the Regulation on Remuneration and the Salary Grid within CSOs.

On the level of policy making tailored training was provided to the grantees, and the feedback from their interviews is that it has been valuable and useful. Thematically this included: child's rights and child protection, referral mechanisms and case management (for SFM and its sub-grantees); accreditation to social services for SFM and its sub-grantees dealing with social service delivery: accounting and taxation of revenue in non-profit organisations engaged in entrepreneurial activity (for EEF and its sub-grantees).

While the above trainings have strengthened the capacity of these organisations in policy dialogue and policymaking, this has come after the elimination of another key activity in the 5<sup>th</sup> Interim Report related to Building the capacity of local CSOs in policy dialogue processes (including a Capacity building programme on policy dialogue for CSOs). Another key area - policy monitoring, strongly highlighted in the Road Map (2018-2020) - remained marginal in terms of capacity strengthening efforts.

As a conclusion, the **TA project fulfilled its mission only partially**. Capacity building in policy making and policy monitoring were not strategically addressed by the TA project. The need highlighted in the CSF Action document that "*Civil society organisations technical and financial capacities and expertise need to be reinforced, especially in terms of enhancing the role of the civil society in monitoring policy reforms*" was not accentuated.

However, the three CSF grantees performed quite successfully. SFM, for example, conducted extensive training on participatory monitoring and evaluation of social services for CSOs<sup>32</sup>, capacity strengthening on social accountability and even promoted a mechanism for social accountability<sup>33</sup>. Also, there are other good examples in the period under review where various projects financed under CfP included components on monitoring or implementation of sector reforms.

<sup>32</sup> [www.soros.md/publication/2019-09-26](http://www.soros.md/publication/2019-09-26)

<sup>33</sup> <https://aliantacf.md/en/news/2019/12/06/the-participatory-monitoring-and-the-evaluation-of-social-services-a-mechanism-for-social-responsibility/>

On thematic level, with EU support, there have been such efforts, too. Most outreaching has been the monitoring of the reform in the justice sector. Also, the European Business Association (EBA) project partner to EED, has been closely monitoring different problems faced by the private sector. In the framework of the project *“Better Social Services through a Sustainable Partnership between the Civil Society and the Government”*, for example, capacity strengthening was provided on participatory monitoring and evaluation of social services for CSOs, social accountability, mechanisms for social accountability, etc. and there are other good examples in the period under review for such practices, where other grantees and projects financed under CfP included components on monitoring or implementation of sector reforms by CSOs.

A project needs to be mentioned, implemented under a Call for proposals for Strengthening the role of civil society in monitoring budget support operations. The project “Facilitating active engagement of the civil society actors in the agro-rural policy dialog” started in March 2017 based on a partnership of three local partners namely “AGROinform” (at present FARM), “The Republican Association of Agricultural Producers”, the “National Farmers Federation from Moldova” and two external partners from Latvia and Romania. The purpose of the project has been to enhance the role of civil society in the process of developing, implementing and monitoring agro-rural development policies, with the specific objectives to build the capacity of farmers' organizations and their rural constituents in monitoring and evaluation agro-rural policies, in particular budgetary policies and improving the dialogue between public authorities at central and local level, farmers' organizations, women's organizations, and CSOs through the establishment of agro-rural policy dialogue platforms.

At the end of the project over 40 CSOs had received capacity building activities, 10 Regional Platforms were established, and a National Rural Development Network was started. Some 30 local community groups were functioning, and several position papers were elaborated with more than 35 policy recommendations. The project sent a strong message that agro-rural policy dialogue is an important tool for solving economic, social, environmental, and other rural problems, and it does not involve only representatives of the central and local public authorities but also entrepreneurs and farmers from rural areas, who are directly involved in day-to-day farming activities. The project worked in synergy with another EU funded project “Technical Assistance for the implementation of the Sector Reform Contract: European Neighbourhood Programme to Agriculture and Rural Development (ENPARD)”.

Budget process and budgetary transparency is another area of current activities. A capacity building programme aimed at strengthening the role of the CSOs is under way in the framework of a project “Transparent public authorities for active and informed citizens” project (2020-2021), implemented in the framework of the “Development of grassroots civil society” Grants Programme. The project is building the capacity of CSOs to monitor budgetary transparency and implicitly promotes of the accountability of the local public authorities.

Accompanying sector-specific projects with civil society monitoring components seems to be both a relevant and effective approach to foster a policy dialogue.

A relevant step to enhance these efforts is the new TA project *“Support for Structured Policy Dialogue, Coordination of the Implementation of the Association Agreement and Enhancement of the Legal Approximation Process”*, launched in 2020, which has as one of its purposes to enhance the structured policy dialogue with civil society and support the communication and awareness raising on AA issues.

During the period under review civil society has been actively engaged in working on a new legislation for its enabling environment. The process of drafting the new law started in March 2016, initiated by the Ministry of Justice which created a working group with representatives of the public authorities and civil society. The adoption of a new NGO law was a provision of the National Action Plan on the implementation of the Association Agreement. The law was one of a package of laws sought by Brussels in respect of the Association Agreement and a precondition for the release of financial aid to Moldova.

On 27 July 2020, the new law on Non-commercial Organisations (NCO Law) was published in the Official Gazette of Moldova. It was adopted by Parliament with the support of 95 out of 101 deputies, and after heated debates, as some restrictions were initially intended. The law was adopted without these restrictions in the end, and it unifies the regulation for all non-profit/non-commercial legal entities (i.e., associations, foundations and private institutions). Key support in this effort was provided by the European Centre for Non-Profit Law. ECNL organized expert comments, shared comparative information

on good European standards and examples from other country laws and supported an inclusive process engaging all stakeholders. Key interlocutors have indicated that “the law reduces bureaucracy and establishes guarantees for registration, simplifies internal organisation of non-commercial organisations, institutes principles of fair play in accessing public funds and state support, limits the possibility of unjustified interventions in the activity from the state.”<sup>34</sup>

**Indicator 10.1.2. Number of events and papers/public statements issued by CSOs in relation to the AA**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
CSF documentation, TA project, CSO Shadow Reports on the implementation of the AA, IPRE and Expert Grup publications, web sites, reports and publications of the EaP CSF platform, EU-Moldova progress reports	Interviews of EUD, TA project manager, KAS, CSOs - IPRE, Expert group, EaP Civil Society Platform, EBA	N/A

In the period under review, civil society did not receive targeted support on the monitoring of the AA project, although the TA project envisaged such support.

However, this assistance was interpreted and translated in practice as logistical assistance only and this component of the TA project was not effectively implemented. The support provided by the TA project included the development of the Strategic Plans (2018-2020) of the two platforms, support to workshops in the key thematic areas of the AA. As a result of every workshop, specific thematic policy papers were produced on key issues related to the 2020 deliverables. Yet, as indicated in the MTE report the CSF that “ *TA activities regarding support to the AA platforms have been focusing on the organisation of meetings with government and on the provision of event-based or opportunity-based support, without having a clear support or engagement strategy and without an analysis of emerging needs for engagement of the civil society*”<sup>35</sup> [11] .

Instead, CSOs organisations have mobilized themselves for horizontal and vertical monitoring of the implementation of the AA. The most comprehensive effort relates to the AA shadow reports (under the leadership of IPRE and Expert Grup). Already 6 such reports have been published since 2014, the last one from October 2020, with support from KAS. The reports analyse the key areas, which have a spill-over effect, under the five titles of the Agreement: political dialogue and reforms; Justice, Freedom and Security; Economic and other sector cooperation; Trade and Trade-related Matters (DCFTA); Financial Assistance, Anti-Fraud and Control Provisions. Based on the findings, the reports propose as recommendations a set of updated priorities for the next period, including in the context of the negotiation of the future post-2020 EU-Moldova Association Agenda<sup>36</sup>.

On thematic level there have been such efforts, too. Most outreaching has been the effort on monitoring of reform in the justice sector. A sub-grantee of EEF - the European Business Association (EBA) project partner, has also been closely monitoring different issues faced by the private sector and issued over 30 position papers and advisory notes<sup>37</sup>.

<sup>34</sup> Source ECNL

<sup>35</sup> MTE Moldova CSF Evaluation Final report, p.29

<sup>36</sup> Shadow Reports IPRE and Expert Grup

<sup>37</sup> EEF Interim report, Annex 3,



Generally, in the period under review, civil society did not benefit from support on the monitoring of the AA. A relevant step to enhance these efforts is the new TA project “*Support for Structured Policy Dialogue, Coordination of the Implementation of the Association Agreement and Enhancement of the Legal Approximation Process*”, launched in 2020, which has as one of its purposes to enhance the structured policy dialogue with civil society and support the communication and awareness raising on AA issues.

JC 10.2. Sustainable partnerships between civil society, the government and socio-economic actors in policy dialogue have been established in EU-sponsored projects and they contribute to good governance, social and economic development, and social protection

### Summary response to JC 10.2

With EU support, and particularly the outreaching CSF sub-granting mechanism, civil society created and was actively engaged in partnerships with various government and socio-economic actors, and this contributed to good governance, social and economic development, and social protection. In the area of business development six business hubs were created, 15 social enterprises, 10 Youth entrepreneurship funds. Very impactful has been the work in the sector of social service delivery – development of innovative social services in particular. Over 40 social services in partnership with the public authorities or public institutions were developed and implemented - supported living service, community home services, community-based services for children in risk situation, etc. all around the country. The project also helped the deinstitutionalization of persons with intellectual and psychosocial disabilities. Another corner stone has been the implementation of infrastructure projects with comparatively little budgets, but improving the environment and standards of living, and giving a lot of ownership.

#### Indicator 10.2.1. Number and content of partnerships created in the area of good governance i.e. local planning and oversight activities in sampled districts (development since 2014)

Strength of evidence based: Strong

#### Main source of information:

Documents	Interviews	Survey
CSF project documentation, CfP, review of sub granted projects, websites of KAS and partners in this effort (Adept, APE, Expert grup, ProEurope), web sites of GIZ and partners (AGER, API, Procore, ProEurope), and some sub-granted projects	Interviews with EUD, KAS and partners (Adept, APE, Expert grup, ProEurope), GIZ and partners (AGER, API, Procore, ProEurope), as well as sub granted projects and media (API)	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova, including media the on left bank of the Nistru river covers the EU support, projects and programmes

Good governance has been in the focus of attention of several large scale projects: The “*Grassroots Civil Society Development Facility in the Republic of Moldova*”, implemented by KAS under the CSF aims at contributing to the development of civic engagement and of grass-roots civil society to become actively involved in policy and decision making, which in turn promotes and monitors the transparency and accountability of public institutions, including in the implementation of the EU-Moldova AA. *The Citizen Empowerment* project, implemented by GIZ has a very similar aim - to empower citizens through



constructive participation of CSOs in local, regional and national decision-making processes. Both projects are still under way, with a very similar implementation modality (each one with several partners covering different parts of Moldova, and a sub-granting scheme, organized round specific priorities and grants of different scale – big, medium, or small).

Structurally the first project includes three types of grants: big scale, small scale and micro- grants for civic initiatives. This has been both **relevant and effective**, so far meeting the expectation that the big grants will initiate and strengthen existing civil society partnerships in good governance with an enhanced grassroots CSOs involvement, and this will have an enhanced impact on the cooperation with public authorities and other socio-economic actors. By the end of 2020, 13 big grants had been awarded, covering the whole territory of the country, and they are producing good impact and sustainable results.

The project has also focused on conducting advocacy campaigns that promote good governance and the implementation of the AA Agreement. A good example is the big-scale grant awarded to the Association of Independent press (API) which is recognised as one of the most important mass-media organisations in Moldova. The project promotes the principles of good governance among the citizens through video materials explaining the building blocks of good governance, monitoring decision making transparency and public procurement procedures, and is organizing along these lines' public debates and TV debates, publication of materials and spreading motivational message on good governance. An innovative initiative of the project is the "Green line" space for reporting violations.

For the small-scale grants, the accent is on policy decision making and monitoring, with the idea that grassroots CSOs will be capacitated to hold public authorities at national and local levels transparent and accountable in order to ensure good governance. Under this component 57 grants have been disbursed, and the results are tangible again. Some flagship big and small projects include promoting digitalization in the interaction between citizens and authorities through innovative tools that stimulate civic participation, reengineering the social assistance system, increasing the accessibility of public buildings, promoting civic and political activism among students, citizen education through non formal education, partnerships to improve the social services system, increasing transparency through local media, etc.

The Citizen's Empowerment project moves well ahead in accomplishing its specific objectives of promoting participatory planning; participatory monitoring and awareness raising so that citizens (including pupils of public schools) are informed about investments in the areas of WSS and SWM, relevant environmental issues related to local public services and the relevance of cost-recovering tariff setting of their provision.

**Indicator 10.2.2. Number and content of partnerships created in the area of social service delivery in sampled districts (development since 2014)**

Strength of evidence based: Strong

**Main source of information:**

Document review	Interviews	Survey
CSF project documentation, websites, reports and publications of UNICEF, WB, Keystone Moldova, the Alliance of NGOs in the field of Child and Family Protection (APSCF), the Alliance Organization of People with Disabilities,	Interviews with EUD, SFM and its partners - Keystone Moldova, the Alliance of NGOs in the field of Child and Family Protection (APSCF), the Alliance Organization of People with Disabilities, and sub-grantees	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova, including media the on left bank of the Nistru river covers the EU support, projects and programmes

beneficiaries from both banks,  
etc.

Even before the launch of CSF, which put a special focus on social service delivery, there were several projects with tangible impact on the development and delivery of social services, which set a model of partnership between civil society and public authorities on central and local level in Moldova.

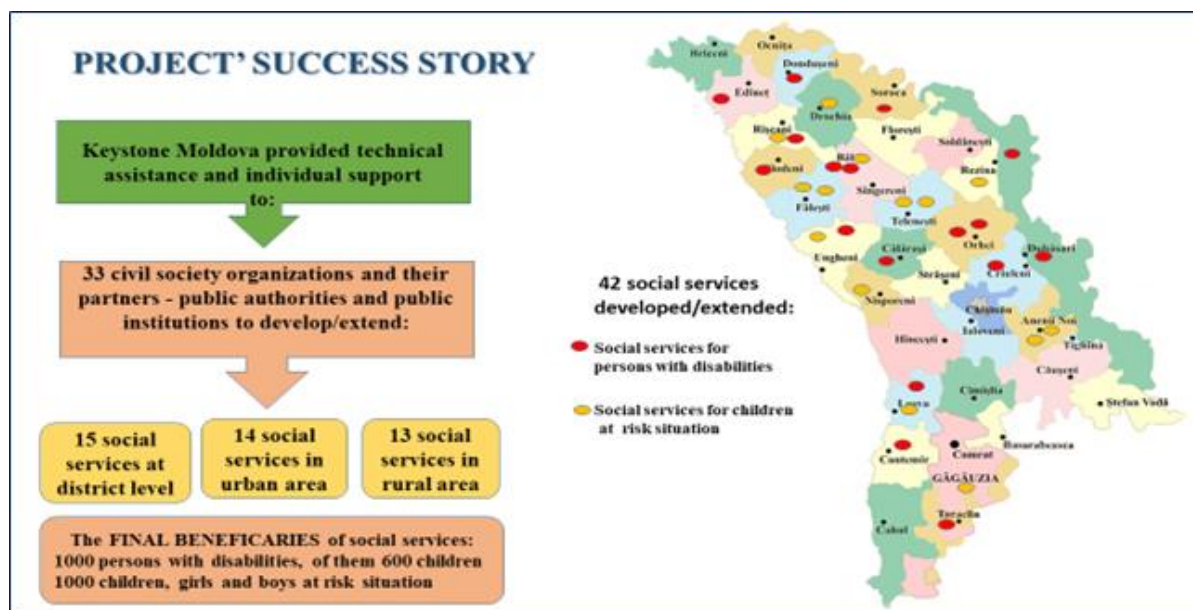
An EIDHR-2015 funded project “*Advancing and monitoring the rights of people with mental disabilities in neuro-psychiatric institutions*” (2016-2019), implemented by Keystone Moldova, with a European partner deserves special recognition. The project worked in 6 residential institutions - it built partnership with the public authorities on central and local level, developed policies and procedures for innovative social services, piloted these services and ensured their financial sustainability with public budget. A lot of advocacies was carried out to advance the deinstitutionalization process and as a result the Government approved a national programme on deinstitutionalization. In addition, CSOs built their capacity to monitor the implementation of the Convention on the Rights of Persons with Disabilities (CRPD) in neuro-psychiatric residential institutions.

The project “*Social services for persons with disabilities to increase the trust between both banks of the Nistru river*” – (CBM CfP-2015), implemented by the same organization worked to develop the social protection system for people with disabilities in five districts on both banks of the Nistru River through the development of five mobile teams and a Day center, strengthening the capacity of local public administrations in case management and quality monitoring and offering mini grants for local CSOs and journalists to promote social inclusion and non-discrimination of PwD, provided support for initiatives and participation in community life, and also triggered legislative changes.

With the launching of the CSF and the grant to SFM “*Better social services through sustainable partnership between civil society and government*” this work was further deepened towards the empowerment of CSOs in promoting and implementing innovative solutions for advancing social inclusion of persons with disabilities and vulnerable children in partnership with local public authorities.

The project awarded 33 grant contracts to CSOs for the development of innovative and sustainable social services, jointly with the public authorities. The services targeted persons with disabilities and vulnerable children. Till the end of 2020 the project had developed over 40 social services in partnership with the public authorities or public institutions<sup>38</sup>- supported living service, community home services, community-based services for children in risk situation, etc. all around the country. The project also helped the deinstitutionalization of 60 persons with intellectual and psychosocial disabilities, whereas 6 persons were referred to biological/extended families and 54 in Supported living and Community home services. Regulation and quality standards were developed with CSOs support, the policies and procedures on child protection and prevention of violence and abuse were further developed in a participatory way with services providers and grantee CSO. Key support was rendered to four organisations which intend to become social service provider to get accreditation and access the financial resources from state budget. All four grantees are in the process of self-assessment of their organization to prepare for accreditation and social contracting.

<sup>38</sup> Annual report, 2020 Keystone Moldova



**Indicator 10.2.3. Number and content of partnerships created in the area of economic development, social enterprise development and new economic opportunities (development since 2014)**

Strength of evidence based: Strong for CSF, Country wide – addressed under JC 8

**Main source of information:**

Document review	Interviews	Survey
CSF project documentation, EEF interim reports, detailed review of sub granted projects, review of sub granted projects by KAS and partners in this effort (Adept, APE, Expert grup, ProEurope)	Interviews with EUD, EEF and partners (European Business Association, HelpAge International, Centre Partnership for Development, Centre for Social and Innovation)	N/A

The CSF grant “Local civil society contributes to economic and social development in Moldova”, implemented by EEF, made a key contribution to the creation of partnerships in the area of economic development, social enterprise development and new economic opportunities, through its components related to development of business hubs; social enterprise development; establishment of youth entrepreneurship funds.

Six business hubs<sup>39</sup> were created throughout the country, Gagauzia and Transnistria included

BUSINESS HUBS			
HUB name	CSO name	Location	Area of activities
Techno Textile HUB	ProEntrance	Soroca	Support to entrepreneurs from the textile branch

<sup>39</sup> Table developed by the evaluation team based on documents

Business Innovation HUB	CSO for Children and Youth	Ungheni	Support to youth entrepreneurs with innovative ideas
Smart HUB	CSO Procore	Balti	farmers support
Business Support Centre	Innovation and Development Agency, IDEA	Tiraspol Transnistria	Tailored packages for different clients: for entrepreneurs - practical trainings, for youth - weekly curricula “School of little bloggers”, for potential entrepreneurs -Start up Academy, interest clubs for entrepreneurs
Business HUB	Gagauzia Business Association	Comrat, Gagauzia	General support to association members
Business Support Centre	Regional Development Agency	Orhei	Start-ups, working with youth interested to open a business

The project created 10 Youth entrepreneurship funds<sup>40</sup>. Sub grants were awarded 10 regional youth-led entrepreneurship funds (one in Transnistria) which supported over 60 ideas of young people selected in an open competition. This component addresses exclusively the youth initiative groups, as well as the Local Youth Councils.

Fund name	CSO name	Location
Youth Entrepreneurship Support Fund Ialoveni	NGO “Eco Razeni” Ialoveni v. Razeni	Razeni
Entrepreneurship Support Fund Gagauzia	NGO European Center “Pro-Europa”	Comrat
Youth Entrepreneurship Support Fund Singerei	NGO “Centre Consensus”	Singerei
Innovative-Entrepreneurial Youth Fund (FIAT NGO “Caroma Nord”)	NGO “Caroma Nord”	Balti
Entrepreneurship Support Fund Maramonovca	NGO “Viitorul din Maramonovca”	Maramonovca village
Youth Entrepreneurship Support Fund Stefan Voda	Association for sustainable development	Stefan Voda
Youth Entrepreneurship Support Fund Stefan Cahul	NGO “Perspectiva”	Cahul
Youth Entrepreneurship Support Fund Orhei	NGO Rural development agency	Orhei
Youth Entrepreneurship Support Varnita	NGO Youth association	Varnita
Youth Entrepreneurship Support Fund Stefan Tiraspol	NGO Agency for regional development	Tiraspol, Transnistria

<sup>40</sup> Ibid.,

### **15 social enterprises were established (6 in Transnistria)**

This is a comparatively new activity in Moldova, but there are already various initiatives led by CSOs, which pursue social objectives. The CSF, and particularly the grant implemented by EEF, made a contribution to the development of this sector. The Baseline survey conducted in the framework of the project revealed the existing good practices, models and the need of supporting mechanisms and initiated the launch of 15 social enterprises all around the country, Transnistria included. This has been done through sub-grants to local CSOs, and a series of training programs, designed to build capacities of CSOs in the area of social entrepreneurship. Particular attention in the process was given to CSOs working with disadvantaged and vulnerable groups. The target groups of some of some of the selected sub-grantees include people with Autism, people at risk of HIV, vulnerable children and youth, hospice clients or people in home care, etc.

These social enterprises cover different economic sectors like agriculture (honey production, agricultural services), eco business (production of bark and wood concrete), services (catering, cleaning, hair dressing), manufacturing (production of nails), health care (manual therapy), etc.

Project 'Local civil society contributes to economic and social development in Moldova' (Source: East Europe Foundation):



## Project “Local civil society contributes to economic and social development in Moldova”



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**Indicator 10.2.4. Number and content of civic initiatives targeting community development in sampled districts (development since 2014)**



Strength of evidence based: Average

**Main source of information:**

Document review	Interviews	Survey
CSF project documentation, KAS reports, review of lists of sub-granted projects with topics and budgets, publications in the press from both banks	With EUD, KAS, KAS partners and grantees, GIZ, GIZ partners and grantees,	Media research survey, conducted by the evaluation on how the press in the Republic of Moldova, including media the on left bank of the Nistru river covers the EU support, projects and programmes

A quite innovative effort in the period under review is the micro-grants for civil initiative under the grant implemented by KAS (CSF) ranging from Eur 1000 to Eur 10,000 for up to 12 months for local and grassroots CSOs, newly established organizations and registered civic initiatives. The projects targeted mainly the involvement in community development activities. 25 such grants were disbursed by the end of 2020. These are grassroots CSOs which are very sensitive, fragile and can disappear in a month. However, they know very well the local situation and can contribute to their area of expertise. They were thus involved in local communities' development and citizen mobilization to resolve community problems and got civic ownership with their achievements. They can attract small funds and mobilize people locally and this is their strength, but they need more help. However, as the project works only with registered NGOs, a target group like CBOs has been lost even though the application procedure has been simplified to encourage them to get registered. The Citizen empowerment project was very innovative in getting CSOs engaged in infrastructure issues – sanitation, water supply, energy and waste collection, etc. Three are remarkable examples of impactful and sustainable solutions implemented with small or middle-sized grants. One NGO has interesting cooperation with schools and emergency departments. While in the autumn the three leaves were burnt and this created emergencies, now awareness is raised, drones are used (bought with project money) and volunteers are mobilized to lessen the risk. Another NGO is focused on waste reutilization, explaining to the population how to minimize waste, and producing cases for compost making, etc. There are such good examples from all regions where the project works. Interviews from the field suggested the coordination between KAS and GIZ in the above two projects is absent or even missing.

**Main findings for EQ 10**

The internal technical and financial capacity of civil society has been further developed with EU support in the period under review. A long-term technical assistance project helped improve the human resources and financial management of CSOs, strengthened their governance structures and supported three grantees and their sub-grantees in project management, implementation and monitoring. It produced manuals to guide the larger civil society, and also provided training based on demand, as requested by the three grantees. Yet, during most of its duration, it had focused mostly on supervision of the sub-grantees. Only logistical support was provided to the two CSO platforms and there was no streamlined effort to monitor the implementation of the Association Agreement. However, CSO monitoring was still done and there are good examples in the period under review where various projects financed under CfP included components on monitoring of the implementation of sector reforms by CSOs, or where think tanks and CSO platforms monitored closely the developments in the different areas of the AA.

With EU support, and particularly the outreaching CSF sub-granting mechanism, civil society created and was actively engaged in partnerships with various government and socio-economic actors, and this contributed to good governance, social and economic development, and social protection. In the area of

business development six business hubs were created, 15 social enterprises, 10 Youth entrepreneurship funds. Very impactful has been the work in the sector of social service delivery – development of innovative social services in particular. Over 40 social services in partnership with the public authorities or public institutions were developed and implemented - supported living service, community home services, community-based services for children in risk situation, etc. all around the country. The project also helped the deinstitutionalization of persons with intellectual and psychosocial disabilities.

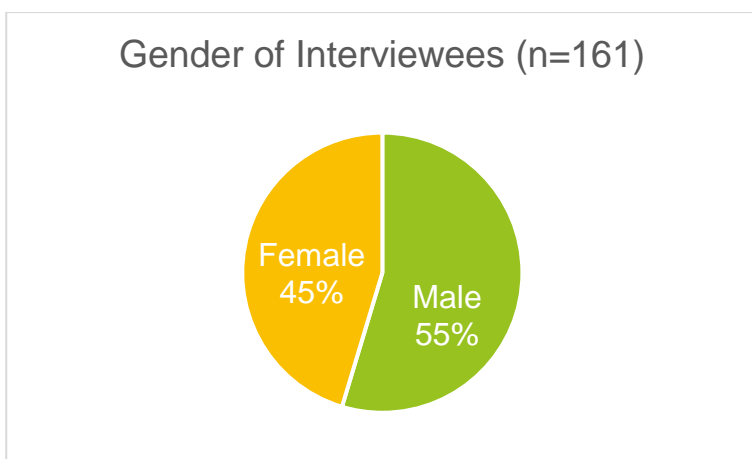
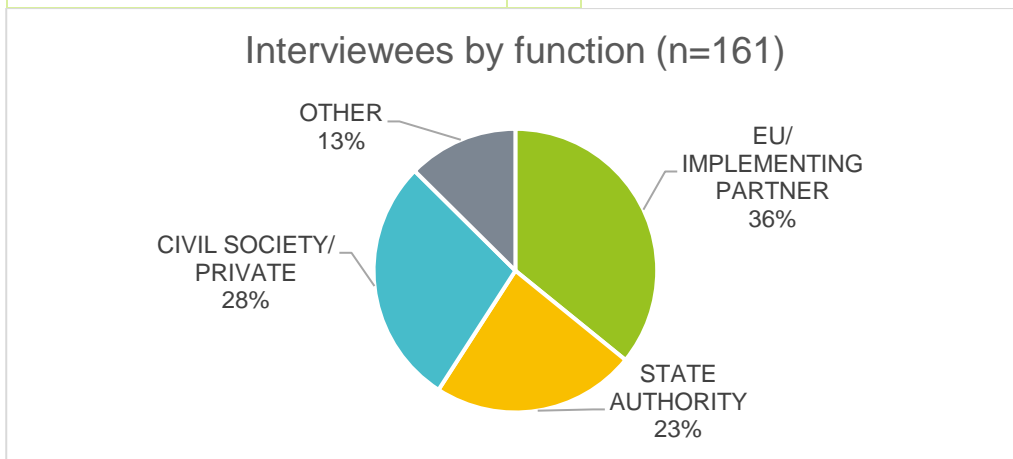
Another corner stone has been the implementation of infrastructure projects with comparatively little budgets but improving the local standards and giving ownership.

The EU did not have a strong role in improving the enabling environment for CSOs. A new law on non-commercial organisations was adopted in 2020 after many years of efforts on behalf of civil society. Its adequate implementation will require help and monitoring.

# Annex 3: List of institutions consulted

# Summary

Total number of interviewees	168
Total number of interviews conducted	127



## List of institutions consulted

### EU staff

EU staff and implementing partners
EU Delegation to Moldova
National Erasmus + Office in Moldova
European Commission, DG EAC
European Commission, DG GROW
European Commission, DG TRADE
European Commission, DG NEAR, Centres for Thematic Expertise (COTE) Public administration Reform and Justice
European Commission, DG RTD

European Commission, DG ECFIN
European External Action Service, Geographic Desk
European Endowment for Democracy
European Training Foundation
High Level Advisor Mission
Erasmus + Office in Moldova and Information Center
EU Special Representative for Transnistria

## State authorities' representatives

State authorities' representatives
Prime Minister's Office
Specialised Anti-Corruption Prosecution Office
Audiovisual Council of Moldova
State Chancellery General Secretariat
Chisinau Courts
Coordination council on Technical and Humanitarian Assistance of Transnistrian region
Members of Parliament (current and former)
Stefan Cel Mare Academy
General Police Directorate (current and former representatives)
Ministry of Education, Culture and Research
Ministry of Economy and Infrastructure
Ministry of Finance
Ministry of Environment and Forest
Ministry of Foreign Affairs
Ministry of Justice
Ministry of Interior
Moldovan office for Science and Technology (MOST)
National Agency for Research
National Institute of Justice
National Integrity Agency
People's Advocate's Office
Superior Council of Magistracy
Superior Prosecution Council

## Civil society and private actors

Civil society and private actors
Association for participatory democracy (Adept) (CSO)
Alliance of Active NGOs (CSO)
Alliance of Organizations for Persons with Disabilities of the Republic of Moldova (CSO)
The Foreign Policy Association of Moldova (APE)
Artwatt (CSO)
Association of Independent Journalists Moldova (CSO)
Association of Independent Press (CSO)
Bender Fortress, Transnistria
CBM Health Platform (CSOs)
Centre for Innovation and Policy in Moldova (CSO)

East Europe Foundation (CSO)
EU Moldova Civil society platform (CSO)
European Business Association
Expert Group think tank (CSO)
Institute for European Policies and Reforms (CSO)
Journalists (private)
National Council for Prevention of Torture (CSO)
Organization for SME Sector Development
Procore
ProEuropa
Promolex (CSO)
Soros foundation (CSO)
The Solidarity Fund
Trinity (CSO)
Youth & European Solidarity Corps

## Other actors

Others
Academy of Economic Studies
Balti State University
CCI France Moldova (Chamber of Commerce)
Council of Europe
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
International Organisation for Migration (IOM)
Liechtenstein Development Service (LED)
Organisation for Security and Coordination in Europe (OSCE)
SIGMA (OECD/EU)
Swedish Cooperation
State University of Moldova
Technical University of Chisina
United Nations Development Programme (UNDP)
World Bank
World Health Organisation (WHO)
For 20+ ongoing and past technical assistance, twinnings and contribution agreements: Projects Team Leaders and Technical Advisers representing domestic and international companies and CSOs



# Annex 4: List of Documents consulted

The table below summarises the various types of data that has been collected.

	Documents	Interviews	Survey data	Focus groups
Primary (directly concerning EU intervention)	<p>All EU strategic and project documents, proceeds of political and policy dialogue formats, reports published by implementing partners in the frame of EU interventions.</p> <p>No changes.</p>	<p>Interviews with EUD, EU DGs, informants in Government of Moldova and other national-level public entities, CSOs, implementing partners</p> <p>Interviews with local stakeholders (local self-governance administration/elected persons, small and medium entrepreneurs, local CSOs, local courts and police stations, local utilities and service providers) are unlikely to be possible remotely.</p>	<p>Review of existing surveys on EU intervention</p> <p>Survey by evaluation team (component on EU assistance)</p>	<p>One focus group with EU programming and implementing partner (Council of Europe) due to interconnection of interventions implemented by this partner.</p>
Secondary (related to changes in the country, but with no direct link to EU interventions)	<p>National strategic, legislative and regulatory documents, general reports and statistics published by CSOs, international organisations, academia.</p> <p>Documentation from local stakeholders (e.g. municipal budget and plans) are unlikely to be obtained without field travel.</p>	<p>Interviews with EU Member States' representatives in Moldova, other international organisations, CSOs not directly involved in EU interventions.</p> <p>No changes</p>	<p>Review of existing surveys on respective sectors</p> <p>Survey by evaluation team (components on sectors)</p>	<p>N/A</p>

## Annual Action Plans and action documents

European Commission 02/05/2014 C(2014) 2988 Common Implementing Decision Special measure 2014 in favour of Georgia and Moldova to be financed from the general budget of the European Union

European Commission 16/07/2014 C(2014) 5140 Common Implementing Decision Special measure 2014 on the Annual Action Programme 2014 in favour of the Republic of Moldova to be financed from the general budget of the European Union

Annex 2 ENI/2014/034-128 2014 Action Document for the “ENPARD Moldova – Support to Agriculture and Rural Development”

European Commission 16/10/2015 C(2015) 7150 Commission Implementing Decision on the Annual Action Programme 2015 in favour of the Republic of Moldova to be financed from the general budget of the European Union

Annex 1 ENI/2015/038-135 Action Document for Support to Public Administration Reform (PAR)

Annex 2 ENI/2015/038-144 Action Document for Support to Police Reform

Annex 3 ENI/2015/038-137 Action Document for the Civil Society Facility (Moldova)

Annex 4 ENI/2015/038-136 Action Document for the Technical Cooperation Facility

European Commission 24/11/2016 C(2016) 7752 Commission Implementing Decision on the Annual Action Programme 2016 in favour of the Republic of Moldova to be financed from the general budget of the European Union

Annex 1 ENI/2016/039-554 Action Document for the Development of Rural Areas in the Republic of Moldova

Annex 2 ENI/2016/039-553 Action Document for Technical Cooperation Facility 2016

European Commission 05/12/2017 c(2018) 8292 Common Implementing Decision amending Commission Implementing Decision C(2017) 7533 of 8.11.2017 on the Annual Action Programme 2017 in favour of the Republic of Moldova to be financed from the general budget of the Union

Annex 1 ENI/2017/040-474 Action Document for Citizens' Empowerment in the Republic of Moldova

Annex 2 ENI/2017/040-490 Action Document for Strategic communication and media support

European Commission 2018 DRAFT Annual Action Programme 2018 in favour of the Republic of Moldova

Annex 1 2018 Action Document for Inclusive economic empowerment of focal regions of the Republic of Moldova

Annex 2 2018 Action Document for EU Support to Confidence Building Measures V (2019-2022)

Annex 3 2018 Action Document for strengthening the rule of law and anti-corruption mechanisms in the Republic of Moldova

Annex 4 2018 Action Document for Support for the Implementation of the EU-Moldova Association Agreement

European Commission 17/10/2019 C(2019) 7455 Common Implementing Decision on the Annual Action Programme in favour of the Republic of Moldova for 2019

Annex 1 ENI/2019/042-243 Action Document for "EU4MOLDOVA: Startup City Cahul (UE pentru Moldova: Startup Oraşul Cahul)"

Annex 2 ENI/2019/042-233 Action Document for "EU4MOLDOVA: Clean Water for Cahul (UE pentru Moldova: Apă Curată pentru Cahul)"

## Anti-Corruption

Council of Europe October 2020 GRECO and CoE Fourth Evaluation Round: 'Corruption prevention in respect of members of parliament, judges and prosecutors' Second Compliance Report

JHA IND/EXP 61407 Peer Assessment mission to Republic of Moldova on 22-26 February 2016  
TAIEX Institution Peer Review on the National Anti-Corruption Centre and the National Integrity Commission, Chisinau-MD, November 30- December 4th 2015  
2015 UNDP National Anticorruption Center public perception survey  
ENI 2018 041-244 Action Document ENI/2018/041-244 "Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova"  
ENI 2018 041-244 Financing Agreement July 2019 ENI/2018/041-244  
Annex 1 Technical and Administrative Provisions ENI/2018/041-244 "Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova"  
ENI 2019 410-242 Description of the Action ENI 2019 410-242 "Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova"  
ENPI 2012 023-421 First Progress Report June 2018 "Controlling Corruption through Law Enforcement and Prevention"  
ENPI 2012 023-421 Second Progress Report June 2019 "Controlling Corruption through Law Enforcement and Prevention"  
ENPI 2012 023-421 Annex II to Financing Agreement ENPI 2012/023-421  
ENPI 2012 023-421 Description of the Action March 2017 "Controlling corruption through law enforcement and prevention (CLEP)- the Republic of Moldova"

### **Bilateral Assistance**

Table of EU bilateral assistance to MD 2007 ENPI to 2014 ENI

### **Budget Support**

April 2020 Final Evaluation of Budget Support Programmes: 'Economic Stimulation in the Rural Areas' & 'Deep & Comprehensive Free Trade Area Sector Reform Contract' 2018/401/914/2

2016 Court of Accounts budget support Final report SR\_MOLDOVA

2019 Court of Accounts budget support data 2019

2018 Final Evaluation of the Budget Support Programme "Support to Public Finance Reform in Moldova"

2014 Financing Agreement ENI/2014/033-684 Sector Reform Contract Support to Public Finance Policy Reforms in Moldova (PFPR)

2014 Annex 1 to Financing Agreement ENI/2014/033-684

2014 Annex 1 Modified Table C of Technical and Administrative Provision of Financing Agreement No ENI/2014/033-684

Annex 1 ENI/2019/042-243 Action Document for "EU4MOLDOVA: Startup City Cahul (UE pentru Moldova: Startup Oraşul Cahul)"

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### **Civil Society**

ENI 2017 040-474 Citizen Empowerment Action Document for Citizens' Empowerment in the Republic of Moldova ENI 2017/040-474

ENI 2017 040-474 Citizen Empowerment GIZ Factsheet Citizens' Empowerment in the Republic of Moldova

ENI 2017 040-594 (EaP CSF Regional actions) Action Document for the Eastern Partnership Civil Society Facility 2017 – Regional Actions No ENI 2017 040-594

ENI 2015 038-137 (CSF Moldova) 2019 Mid-term evaluation of the Civil Society Facility (Moldova)

ENI 2017 388-484 First Interim Report September 2017-March 2018 Technical Assistance to Support CSO Development in the Republic of Moldova

ENI 2017 388-484 Second Interim Report April-September 2018 Technical Assistance to Support CSO Development in the Republic of Moldova

ENI 2017 388-484 Third Interim Report October 2018-March 2019 Technical Assistance to Support CSO Development in the Republic of Moldova

ENI 2017 388-484 Fourth Interim Report April - September 2019 Technical Assistance to Support CSO Development in the Republic of Moldova

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ENI 2017 394-124 First Interim Report February 2019 "Local Civil Society contributes to economic and social development in Moldova"

ENI 2017 394-124 Second Interim Report February 2020 "Local Civil Society contributes to economic and social development in Moldova" 2017/394-124

ENI 2017 394-358 First Interim Report "Better Social Services through a Sustainable Partnership between the Civil Society and the Government" 2017/394-358

ENI 2017 394-358 Second Interim Report No2 "Better Social Services through a Sustainable Partnership between the Civil Society and the Government" 2017/394-358

ENI 2018 397-510 KAS Grassroots Civil Society Development Facility in the Republic of Moldova

ENI 2018 397-510 Interim Narrative Report Grassroots Civil Society Development Facility in the Republic of Moldova

ENI 2018 397-510 Annex A.2 Full application form

ENI 2018 397-510 Project Factsheet

ENI 2018 397-510 Grant call guidelines 2nd call for proposals

EU\_Moldova AA Action Document for Support for the Implementation of the EU-Moldova Association Agreement

EU\_Moldova AA Shadow report Association Agreement Republic of Moldova-European Union 2014-2019

NEAR-TS 2017 391-674 Project Factsheet "Civil society advocacy for inclusive and fair elections in the Republic of Moldova, compliant with EU and OSCE/ODIHR recommendations and human rights commitments"

NEAR-TS 2017 391-674 Annex 1 Full application form "Civil society advocacy for inclusive and fair elections in Moldova, compliant with EU and OSCE/ODIHR recommendations and human rights commitments"

NEAR-TS 2017 391-674 Progress Report ""Civil society advocacy for inclusive and fair elections in Moldova, compliant with EU and OSCE/ODIHR recommendations and human rights commitments"

EAP CSF Report of a Review of the Rapid Response Mechanism Put in Place for the Neighbourhood East Region (Draft)

NEAR.C2/CoTE Civil Society Support Working Methodology for the Rapid Response Mechanism

2018-2020 EU Roadmap for engagement with civil society in the Republic of Moldova

2014-2017 EU Country Roadmap for Engagement with Civil Society

Rapid Response Mechanism EAP CSF Report of a Review of the Rapid Response Mechanism Put in Place for the Neighbourhood East Region (Draft)

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2018-2020 EU Roadmap for engagement with civil society in the Republic of Moldova

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Contract Cris N 2017 / 383-476 Interim Narrative Report 'Cutting edge improvements in the public procurement system in Moldova through inclusiveness, creativity and law - abiding practices'

Contract Cris N 2017 / 383-476 Evaluation Report 'Cutting edge improvements in the public procurement system in Moldova through inclusiveness, creativity and law - abiding practices'

2017 Final evaluation report "Public Budget is My Money Too!"

2014/354-629 FINAL NARRATIVE REPORT PROJECT: "PUBLIC BUDGET IS MY MONEY TOO!"

(2019) 2018/404401 Draft Final Report 'Assessment of CSOs' and citizens' engagement in public budgetary process at national and local level in the Republic of Moldova'

2018/404-600 INTERIM NARRATIVE REPORT 'Inform, Empower, Act. Civil Society for good budgetary governance in Moldova'

## Comms and media

DG NEAR (23rd October 2020) Opinion Polling Eastern partner countries. Spring 2020 vs 2016 baseline. EU OPEN Neighbourhood

## Confidence building measures

ENPI 2014 355-339 Initial logframe

ENPI 2014 355-339 Amended logframe

ENPI 2014 355-339 Budget

ENPI 2014 355-339 Progress report 2015

ENPI 2014 355-339 Progress report 2016

ENPI 2014 355-339 Progress Report 2018

ENPI 2014 355-339 Agreement with IOM

ENI 2018 041-309 Action Document for EU Support to Confidence Building Measures V (2019-2022)

ENI 2018 404-319 Annex VI Communication and Visibility Plan

ENI 2018 404-319 Annex I Description of the Action

ENI 2018 404-319 2019 Progress Report

ENI 2018 404-319 Agreement with UNDP

ENI 2018 404-319 Budget

ENI 2018 404-319 Annex I Description of the Action

ENI 2018 404-319 Contribution Agreement with GIZ GmbH

ENI 2018 404-319 Annex VI to the Contribution Agreement

ENPI 2014 354-587 2019 Final Report Increased opportunities and better living conditions across the Nistru/Dniestr River

ENPI 2014 354-750 First Interim Report "Confidence Building Measures: Technical assistance and capacity building activities in the Health Sector between both banks of the Nistru River 2015-2016"

ENPI 2014 354-750 Addendum No1 to Contribution Agreement 2014/353-750

ENPI 2014 354-750 Budget

ENPI 2014 354-750 Final Report June 2019

ENPI 2014 354-750 Contribution Agreement with the World Health Organization March 2013

Mid-term evaluation of Confidence Building Measures from the European Union (EU CBM) Rev.3 2017/390751/1

NewSecEU (March 2010) 'New Dimension of Security in Europe. Policy Paper The EU and Conflict Resolution in Transnistria'

## Democracy and elected bodies

ENI 2018 404-139 Project Factsheet "International observation of the Parliamentary Elections in the Republic of Moldova"

ENI 2018 404-139 2020 Final Narrative Report "International Observation of the Parliamentary Elections in the Republic of Moldova"

ENI 2018 404-243 Project Factsheet "Information campaign in Moldova's regions about the democratic situation and EU assistance for the country's development"

ENI 2018 404-243 2019 Final Narrative Report "[Information campaign in Moldova's regions about the democratic situation and EU assistance for the country's development]"

ENI 2019 410-458 Project Factsheet "International Observation of the Local Elections in the Republic of Moldova 2019"

ENI 2019 410-458 Rapid Response Mechanism Full Application ENI 2019 410-458

ROM Report C-387983 "'Twinning Strengthening the capacities of the Parliament of Moldova for EU approximation process"



## EaP

Eastern Partnership September 2018 '20 Deliverables for 2020: Monitoring- State of Play 2018'

Mobility partnerships, visa facilitation and readmission agreements

Eastern Partnership June 2020 'Structured consultation on the Eastern Partnership beyond 2020: Civil Society Perspective. Country Report Moldova'

Eastern Partnership Multilateral Platforms: General Guidelines and Rules of Procedure

## Education and Research

MD 15 ENI SO 01 18 (MD/34) Annex C1: Twinning Fiche Project title: Enhancing the quality and effectiveness of the Vocational Education and Training (VET) system

MD 15 ENI SO 01 18 (MD/34) Twinning Proposal "Enhancing the quality and effectiveness of the Vocational Education and Training (VET) system"

MD 15 ENI SO 01 18 (MD/34) Annex C15 Rolling Work Plan No1

MD 15 ENI SO 01 18 (MD/34) Annex C15 Rolling Work Plan No2

MD 15 ENI SO 01 18 (MD/34) Twinning Fiche Enhancing the quality and effectiveness of the VET system

ENPI 2013 333-798 Final Report "Support for VET Sector in the Republic of Moldova"

ENPI 2013 333-798 EuropeAid/133700/C/SER/MD/12 Letter of Completion

ENPI 2012 023-419 ENPI 2012/023419 Financing Agreement

ENPI 2014 350-207 2016 Mid-Term Evaluation of the VET Reform in Moldova ENPI/2014/350-207

ENPI 2014 350-207 Template for a Final Report Budget Support Republic of Moldova

ENPI 2016 380-420 September 2017 Final Report "REVIEW OF THE VET SECTOR POLICY SUPPORT PROGRAMME (3RD INSTALMENT) SUPPORT TO THE IMPLEMENTATION OF THE VET STRATEGY ENPI/2016/380420/1"

ENPI 2013 024-404 Action Fiche "Support to the implementation of the Vocational Education Strategy of Moldova"

ENPI 2017 387-025 Final Report Twinning Project "Support to promote cultural heritage in the Republic of Moldova through its preservation and protection" 2017-2019

European Training Foundation 2020 "Policies for Human Capital Development Republic of Moldova"

European Training Foundation "Moldova: Education, Training and Employment Developments 2019"

European Training Foundation 2019 "Moldova: Education, Training and Employment Developments 2018"

European Training Foundation Country Strategy Paper 2020 Update: Moldova

European Training Foundation Digital Factsheet December 2019

European Training Foundation "Global Inventory of regional and national qualifications frameworks 2019 Volume II: National and regional cases"

European Training Foundation 2019 "Continuing Professional Development for Vocational Teachers and Principals in Moldova 2018: Executive summary"

European Training Foundation 2019 "Skills Mismatch Measurement in Moldova"

European Training Foundation "Moldova VET Governance ETF Partner Country Profile"

European Training Foundation 2019 "Policies supporting youth transition to work in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine"

European Training Foundation "Youth Transition to work in Moldova"

ERASMUS+ Programme in the Republic of Moldova

ERASMUS+ 2019 ERASMUS+ Programme in the Republic of Moldova

ERASMUS+ 2015 - 2019 Higher Education ERASMUS+ projects, Republic of Moldova

August 2020 Final Narrative Report on Horizon 2020, August 2020

Horizon 2020 brochure with success stories

Directorate-General for Research and Innovation 2016 "Peer Review of the Moldovan Research and Innovation System: Horizon 2020 Policy Support Facility"

Directorate-General for Research and Innovation 2016 "Background Report: Peer Review of the Moldovan Research and Innovation System: Horizon 2020 Policy Support Facility"

SPSP and VET Policy Matrix 2014-2016

August 2013 Annex II Terms of Reference VET

## EUBAM

EUBAM 11 Annex IV European Union Border Assistance Mission to the Republic of Moldova and Ukraine

EUBAM 12 Annex I Description of the Action Document for European Union Border Assistance Mission to the Republic of Moldova and Ukraine

## European Court of Auditors

ECA (December 2019) Special Report No 25/2019: Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches

ECA (September 2016) Special Report No13: EU assistance for strengthening the public administration in Moldova

ECA (March 2016) Special Report No9: EU external migration spending in Southern Mediterranean and Eastern Neighbourhood countries until 2014

ECA (January 2009) Special Report No9 Effectiveness of EU support in the area of Freedom, Security and Justice for Belarus, Moldova, Ukraine

ECA (January 2016) 2015 Special report No23 Water quality in the Danube river basin: progress in implementing the water framework directive but still some way to go

ECA (December 2019) Press release 'EU budget support to partner countries not always backed up by sufficiently relevant and robust performance data, say Auditors'

## Human Rights

NEAR-TS 2016 378-030 Grant Application Call "Increasing the observance of women's rights in Moldova through combating gender based violence"

NEAR-TS 2016 378-030 Project Factsheet "Increasing the respect for women's rights in Moldova through combating gender based violence"

NEAR-TS 2016 378-030 Final Narrative Report "Increasing the respect for women's rights in Moldova through combating gender based violence"

NEAR-TS 2017 388-469 Project Factsheet "Let All of Us Say NO to Torture in Moldova: Civil Society against Torture"

NEAR-TS 2017 388-469 Interim Narrative Report "Let All of Us Say NO to Torture in Moldova: Civil Society against Torture"

NEAR-TS 2017 388-469 ROM Report 29/01/20 "Let All of Us Say NO to Torture in Moldova: Civil Society against Torture"

NEAR-TS 2017 389-612 April 2020 Final Report "Sustainable community partnerships to support the rights of persons belonging to minorities in Moldova"

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EIDHR Call for Proposals 2016/2017 EuropeAid/151888/DD/ACT/MD

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2015 UNDP, OHCHR Moldova, Council on the Prevention and Elimination of Discrimination and Ensuring Equality 'Study on Equality Perceptions and Attitudes in the Republic of Moldova'

June 2016 The Equal Rights Trust Country Report Series 7 'From Words to Deeds: Addressing Discrimination and Inequality in Moldova'

## Infrastructure and Transport

ENI 2017 391-480 GIZ Progress Report No.2 for Construction of water supply and sanitation infrastructure as well as energy efficiency in public buildings' Action

ENPI 2011 265-548 EBRD Annual Progress Report 2012 "Moldova Road Rehabilitation Project"

ENPI 2011 265-548 EBRD Annual Progress Report 2017 "Moldova Road Rehabilitation Project"

ENPI 2011 265-548 Financing Agreement ENPI/2011/265-548

ENPI 2011 265-548 Financing Agreement ENPI/2011/265-548 Annex 1 General Conditions

ENPI 2011 265-548 Neighbourhood Investment Facility Implementation Agreement between EC and EBRD Financing Agreement ENPI/2011/265-548

ENPI 2011 265-548 Financing Agreement ENPI/2011/265-548 Special Conditions- BUDGET

ENPI 2011 265-548 Financing Agreement ENPI/2011/265-548 Annex II Technical and Administrative Provisions

ENPI 2014 353-807 EBRD Annual Progress Report 2016 "Moldova Road Rehabilitation Project IV"

ENPI 2014 353-807 EBRD Annual Progress Report 2017 "Moldova Road Rehabilitation Project IV"

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ENPI 2014 353-807 EBRD April 2020 Extension Request ENPI/2014/353-807 and ENI/2014/355-431

ENPI 2014 353-807 EU Contribution Agreement with EBRD ENPI/2014/353-807 and ENI/2014/355-431

ENPI 2014 353-812 Moldovan Railways Restructuring Project Progress Report No2 May 2019

ENPI 2014 353-812 Moldovan Railways Restructuring Project Progress Report No2 May 2017

ENPI 2014 353-812 EU Contribution Agreement with EBRD ENPI/2014/353-812

ENI 2015 038-136 EuropeAid/139029/DH/SER/MED Inception Report 2018 "Support to reform of the Transport Sector in the Republic of Moldova"

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398212 COWI November 2018 "Feasibility Study and cost analysis for a project of supply of equipment to the Port Complex of Giurgiulesti: Final Report"

## Justice

ENPI 2012 023-420 Support to Justice Sector Reforms: 2015/360992 Review of Moldova Sector Policy Support Programme ENPI/2012/023-420 "Support to the Justice Sector Reforms"

ENI 2019 410-443 Eastern Partnership Civil Society Facility 2018 Rapid Response Mechanism Full Application "Support to the development and implementation of justice policies in the Republic of Moldova."

ENI 2019 410-443 Project Factsheet "Support to the development and implementation of justice policies in the Republic of Moldova"

ENI 2018 398-120 2020 Progress Report SUPPORT TO EFFICIENT PREVENTION AND FIGHT AGAINST CORRUPTION IN JUSTICE SECTOR"

ENI 2018 398-120 Project Factsheet "Support to Efficient Prevention and Fight against Corruption in the Justice Sector"

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ENI 2018 399-648 Description of the Action "European Union/Council of Europe Partnership for Good Governance"

ENPI 2017 387-983 Annex A1 Description of the Action: Twinning Work Plan

ENPI 2017 387-983 Project Factsheet "Twinning Strengthening the capacities of the Parliament of Moldova for EU approximation process"

2073- Regional CoE/ EU PGG Annual Plan for Action 2019-2021: WA2J - Women's Access to Justice: delivering on the Istanbul Convention and other European gender equality standards

2073- Regional Project Factsheet "Partnership for Good Governance 2019-2021 (PGGII) Regional project: Women's Access to Justice: delivering on the Istanbul Convention and other European gender equality standards"

2349- Moldova EU PGG Annual Plan for Action 2019-2021: "Support to further strengthening the efficiency and quality of the judicial system in the Republic of Moldova"

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2350- Moldova CoE/ EU PGG Annual Plan for Action 2019-2021: "Strengthening the capacities of the justice sector actors to deliver justice in line with European standards, in particular to fight discrimination"

2350- Moldova Project Factsheet "Strengthening the capacities of the justice sector actors to deliver justice in line with European standards, in particular to fight discrimination"

2352- Regional Project Factsheet "Strengthening measures to prevent and combat economic crime"

2352- Regional CoE/ EU PGG Annual Plan for Action 2019-2021: "Strengthening measures to prevent and combat economic crime"

2353- Regional Project Factsheet "Strengthening the profession of lawyer in line with European standards"

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2354- Regional Project Factsheet "Strengthening the access to justice through non-judicial redress mechanisms for victims of discrimination, hate crime and hate speech in Eastern Partnership countries"

2354- Regional CoE/ EU PGG Annual Plan for Action 2019-2021: "Strengthening the access to justice through non-judicial redress mechanisms for victims of discrimination, hate crime and hate speech in Eastern Partnership countries"

2354- Regional August 2019 Baseline study for assessing the national non-discrimination mechanisms in the Republic of Moldova

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ENI/2018/041-175 and ENI/2019/041-176 Action Document for the Support to Rule of Law and Justice in the Eastern Partnership

2017/394931/1 April 2019 Final evaluation of four Technical Assistance Projects (Support to the Justice Sector Policy Reforms in Moldova (AAP 2011)) -2017/394931/1

ENPI/2011/22680 2011 Support to the Justice Sector Policy Reforms in Moldova Annex 4: Action Fiche for the Republic of Moldova AAP 2011

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International Commission of Justice "«Only an Empty Shell» The Undelivered Promise of an Independent Judiciary in Moldova" 2019

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Agency for Courts Administration (2020) Courts Disposition time and clearance rate for 2019 and 9 months

Council of Europe and European Commission for the Efficiency of Justice, CEPEJ Report 2016: 'European judicial systems: Efficiency and quality of justice' CEPEJ STUDIES No. 2

Council of Europe and European Commission for the Efficiency of Justice, CEPEJ Report 2020: 'European judicial systems CEPEJ Evaluation Report'

EuropeAid138640DHSERMD 'SURVEY REPORT ON NIJ INITIAL AND CONTINUOUS TRAINING "Support to efficient prevention and fight against corruption in the justice sector"

EuropeAid/138640/DH/SER/MD 'ASSESSMENT REPORT ON THE IMPACT OF THE IMPLEMENTATION OF THE ETHICS AND CONDUCT CODE OF PROSECUTOR "Support to efficient prevention and fight against corruption in the justice sector"

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### **Macro financial assistance**

European Commission Ref. Ares(2017)5212362 - 25/10/2017 Macro-Financial Assistance to the Republic Of Moldova Memorandum Of Understanding (Note to the Member States' Committee on Macro-Financial Assistance)

European Commission Ref. Ares(2019)6270394 - 10/10/2019 Macro-Financial Assistance To The Republic Of Moldova: Disbursement Of The First Instalment (Information Note to the European Parliament and the Council)

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Mobility partnerships, visa facilitation and readmission agreements

Council of the European Union 21/05/2008 "9640/08 Joint Declaration on a Mobility Partnerships between the European Union and the Republic of Moldova"

Information Newsletter Edition No2, May 2010 'Mobility Partnership Moldova- European Union'

European Union 20/06/2013 L. 168/3 Agreement between the European Union and the Republic of Moldova amending the Agreement between the European Community and the Republic of Moldova on the facilitation of the issuance of visas

### **Other Related Evaluations/ Reports**

Evaluation Roadmap: Evaluation of the EU-Georgia and the EU-Moldova Deep and Comprehensive Free Trade Areas

API, IPRE, LRCM, Promo-LEX, National Environment Center, ADEPT 2020 02 07 Analysis of the Moldovan Government Action Plan

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ENI 2015 038-144 Annex I to Financing Agreement "Support to Police Reform"

ENI 2015 038-144 Overview of Payments "EU Support to Police Reform in the Republic of Moldova"

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- Annex I Description of the Action Financial support to the participation of the Republic of Moldova in the EU programme Horizon 2020
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- Final Narrative Report ENI 2014/354-750 (June 2019)
- Annex II General Conditions
- Contribution Agreement 2014/354-750 (18/12/2014)

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- Annex III Budget for the Action ENPI/2014/354-896
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- Budget for the Action 2014/355-339
- Contribution Agreement 2014/355-339 (December 2014)
- Final Report 2014/355-339 (29<sup>th</sup> June 2018)
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- Annex A3 Budget Contract No 2015/357-112
- Twinning Project Final Report (July 4<sup>th</sup> 2017)
- Special Conditions 2015/357-112 (March 2015)
- Twinning Contract ENPI 2011/022679 MD/14/ENP/OT/18
- Annex C1 Standard Twinning Project Fiche ENPI 2011/022679 MD/14/ENP/OT/18

**3571512015 Strengthening of the standards and metrology sector according to the best practice in the EU Member States**

- Twinning Project Fiche ENPI 2011/022-679
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- Draft Detailed Review Report ENPI/2014/350/207 (June 2015)
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**3609922015 Review of Moldova Sector Policy Support Programme ENPI/2012/023-420 "Support for Justice Sector Reforms" evaluation for the disbursement of the 3rd, 4th instalments and final evaluation of the Programme**

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- Annex A1 Description of the Action: Twinning Work Plan
- Twinning Project MD14/ENP/FI/16 Final Report (16<sup>th</sup> October 2017)
- Annex A2 General Conditions
- Twinning Project MD14/ENP/FI/16 Interim Quarterly Report No1 (20<sup>th</sup> October 2015)
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- Final Report 2012/294-811 (January 2016)
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**3649722015 Support for the National Accreditation Centre MOLDAC to successfully undergo the EA peer evaluation process in order to be accepted as a signatory of the EA MLA for the selected scope**

- Amendment No. 01 to Twinning Project MD14/ENPI/TR/20
- Annex A2 General Conditions
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**3656752015 Technical Assistance for the Implementation of DCFTA Moldova**

- Addendum No1 to Service Contract No. 2015/365675 (June 2016)
- Service Contract No ENI 2015/365-675
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**3666212015 Preparation of Draft Law on the Transnistrian Settlement Process**

- Specific Terms of Reference ENPI AAP/2013 024-401

**3671532015 Technical assistance for the procurement of diagnostics kits for Avian Influenza and NewCastle Disease**

- Specific Contract Nr 2015/367153 (01/02/2016)
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**3671972015 Support to Competition Council**

- Annex I General Conditions
- Draft Contract No ENPI/2015/367-197 (November 2015)
- Annex II Terms of Reference CTR 367197

**3672752015 Technical Assistance to Improve Public Finance Policy and Public Financial Management of Moldova**

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- Final Report EuropeAid/136587/DH/SER/MD (November 2018)
- Annex I General Conditions
- Inception Report EuropeAid/136587/DH/SER/MD (February 2016)
- First Progress Report 24<sup>th</sup> November 2015 – 31<sup>st</sup> May 2016 (June 2016)
- Second Progress Report 1<sup>st</sup> June – 30<sup>th</sup> November 2016 (December 2016)
- Third Progress Report 1<sup>st</sup> December 2016 – 31<sup>st</sup> May 2016 (July 2017)

- Fourth Progress Report 1<sup>st</sup> June to 30<sup>th</sup> November 2017 (December 2017)
- Fifth Progress Report 1<sup>st</sup> December 2017 to 31<sup>st</sup> May 2018 (June 2018)
- Draft Contract No ENI/2015/367-275
- Annex II Terms of Reference (ENI/2015/367-275)

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- Annex III Budget for the Action 2015/367-559
- Annex I Description of the Action 2015/367-559
- Annex II General Conditions for PA Grant or Delegation Agreements Contract No 367-559 (May 2015)
- Interim Financial Report covering period 17/01/2016 to 17/01/2018 Contract No 2015/367-559
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**3696982015 Assessment of conditions related to macro-economy, PFM, budget transparency for tranche releases under budget support programmes implemented in Moldova in 2016-2017**

- Specific Contract Nr 2015/369698 (December 2015)

**3702652015 European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) Phase 11**

- Annex III Budget for the Action 2015/370-265
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- Annex II Terms of Reference (15/07/2015)

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- Annex I Description of the Action ENI/2015/371-445
- Progress Report ENI/2015/371-445 (2017)
- Progress Report ENI/2015/371-445 (2018)
- Project Report Balti District Heating (22<sup>nd</sup> November 2019)
- Progress Report ENI/2015/371-445 (2016)
- E5P Project Pipeline Moldova (October 2016)
- Annex V.I ENI/2015/371-445

**3719072015 "ENPARD Moldova – Support to Agriculture and Rural Development" SRC**

- Financing Agreement Sector Reform Contract ENI/2014/034-128



- Annex II General Conditions ENI/2014/034-128

**3719162015 'Support to Agriculture and Rural Development through promotion of confidence building measures'**

- Support to Agriculture and Rural Development through promotion of confidence building measures 2016-2018 CRIS 2015/371-916
- Addendum No1 to Delegation Agreement number: 2015/371-916
- Annex 2 Budget for the Action 2015/371-916
- Annex II General Conditions
- European Union Delegation Agreement 2015/371-916 (December 2015)

**3720962015 Assistance to the implementation of the European Union High Level Advisors' mission to the Republic of Moldova 2016-2018**

- Annex I General Conditions 15<sup>th</sup> July 2015
- Service Contract No ENPI 2015/372-096
- Annex II Terms of Reference ENPI 2015/372-096

**3721122015 Quality Journalism for Democracy**

- Annex II General Conditions
- Grant Contract 2015/372-112

**3721312015 Improving access to community-based early years and preschool support services for vulnerable children with special needs in Moldova**

- Part B Full Application Form 2015/372-131
- Final financial report period 11/01/2016 – 10/01/2019 Contract No 2015/372-131
- Interim financial report period 11/02/2016 – 10/01/2018 Contract No 2015/372-131
- Interim report 1 2015/372-131 (10/03/2017)
- Interim report 2 2015/372-131 (16/03/2018)
- Grant Contract 2015/372-131 (December 2015)

**3722212015 Financial support to the participation of the Republic of Moldova in the EU programme COSME for 2014-2015**

- Annex II General Conditions 2015/372-221 (15<sup>th</sup> July 2015)
- Grant Contract 2015/372-221 (December 2015)

## 8. 2016

### **3723172016 Support to the Constitutional Court of Moldova**

- Annex I General Conditions (15<sup>th</sup> July 2015)
- Service Contract No 2016/372-317

### **3741552016 Advancing and monitoring the rights of people with mental disabilities in neuro-psychiatric residential institutions**

- Annex III Budget for the Action Grant Contract 2016/374-155
- Grant Contract 2016/374-155 (April 2016)
- Annex II General Conditions
- Annex I Grant Application Form (November 2015)
- Interim Report Reference No. 2016/374-155 (23<sup>rd</sup> June 2017)

### **3752312016 Provision of laboratory services to the National Food Safety Agency**

- Annex I General Conditions
- Service Contract No 2016/375-231
- Annex II Terms of Reference 2016/375-231

### **3780302016 Increasing the respect for women's rights in Moldova through combating gender based violence**

- Annex III Budget for the Action CRIS 2016/378-030
- Final Financial Report (01/10/2016 – 30/09/2019) 2016/378-030

### **3783602016 GaMoCon - Gagauzian Modernization Convention**

- Annex A.2 Full application form EuropeAid/150382/DD/ACT/MD
- Annex VI Final Narrative Report 2016/378-360 13.10.2016 – 12.02.2019 (August 2018)
- Final Financial Report 2016/378-360
- Annex II General Conditions
- Grant Contract 2016/378-360

### **3785052016 Social Services for persons with disabilities to increase the confidence between the both banks of the Nistru river.**

- Addendum No1 to Grant Contract No 2016/378-505 (June 2017)
- Annex III Budget for the Action 2016/378-505
- Annex A2 Full Application Form EuropeAid/150382/DD/ACT/MD
- Final Narrative Report No 2016/378-505 November 2016-March 2019

- Annex II General Conditions
- Interim Report No 2016/378-505 01.11.2016 – 01.11.2017
- Grant contract 2016/378-505

**3785072016 Raising Mutual Trust between Teachers on Both Banks of the Nistru River: Building Regional Capacities for Continuous Development of Teachers' Skills of the Modern Pro-active Methods of Human Rights Education**

- Final narrative report 2016/378-507 (June 2019)
- Annex II General Conditions 2016/378-507
- Annex VI Interim Narrative Report 2016/378-507 (Reporting period 01/12/2016 – 30.11.2017)
- Grant Contract 2016/378-507

**3785102016 Joint Initiatives of Civil Society Organizations from the both Nistru river banks for Socio Vocational Integration of Disadvantaged Youth from Republic of Moldova (SVIS Moldova)**

- Annex III Budget for the Action 2016/378-510
- Grant Contract 2016/378-510
- Interim Narrative Report CRIS No 2016/378-510 (December 2017)
- Interim financial report: period (20/10/2016 - 19/10/2017) Contract No 2016 / 378-510
- Annex II General Conditions
- Interim financial report: period (20/10/2016 - 19/10/2019) Contract No 2016 / 378-510
- Annex VI Interim Narrative Report (20/10/2016 - 19/10/2017)

**3786572016 Building bridges, facing challenges building bridges between the civil society and communities on two banks of Nistru River**

- Budget Addendum No1 Contract No 2016/378-657 (01/10/2017-31/05/2019)
- Annex III Budget of the Action
- Annex A.2 Full application form EuropeAid/150382/DD/ACT/MD
- Final Narrative Report No 2016/378-657 (March 2020)
- Annex II General Conditions
- Annex VI Interim Narrative Report ENPI/2016/378-657 January 1 2017 – December 31 2017
- Interim Narrative Report Grant No 2016/378-657 (February 2019)
- Grant Contract 2016/378-657

**3792152016 Towards a Cross-River Partnership for Sustainable Development and Human Rights**

- Annex I Description of the action 2016/379-215
- Annex II General Conditions
- Annex VI Final Narrative Report (01/01/2017 – 31/05/2019)

- Grant Agreement 2016/379-215

**3792552016 Access to Success: partnerships for self-sustainable community development**

- Annex A.2 Full Application Form EuropeAid/150382/DD/ACT/MD (14/02/2016)
- Annex II Contract No ENPI/2016/379-255
- Grant Contract 2016/379-255

**3794612016 Support to Enforcement of Intellectual Property Rights**

- Draft Final Report (10/11/2016 – 09/11/2018) Contract No. ENPI/2016/379461 (01/11/2018)
- Annex I General Conditions
- Service Contract No ENPI/2016/379461

**3794742016 Strengthening civil society in Gagauzia ATU**

- Annex A.2 Full application form EuropeAid/150382/DD/ACT/MD
- Annex II General Conditions 2016/379-474
- Grant Contract 2016/379-474

**3799702016 Strengthening of the Medicines and Medical Devices Agency of Moldova as regulatory agency in the field of medicines, medical devices and pharmaceutical activity**

- Twinning Project Fiche MD16/ENP/HE/23 ENPI 2012/023-421
- Annex C5 Twinning Final Report CTR CRIS 2016/379970 (April 2019)
- Annex A2 General Conditions 2016/379970
- Interim Quarterly Report No1 (15<sup>th</sup> May 2017)
- Annex A Twinning Contract Special Conditions CTR CRIS 2016/379970

**3801392016 Capacity building of the Moldovan Agency for Intervention and Payment in Agriculture (AIPA) for the application of EU norms and standards for the administration of ARD support schemes**

- Annex A2 General Conditions
- Twinning Contract MD 14 ENI AG 01 16 CRIS No 2016/380-139
- Twinning Project Fiche MD16/ENI/AG/22

**3801712016 Technical Assistance for the implementation of the Sector Reform Contract: European Neighbourhood Programme to Agriculture and Rural Development (ENPARD)**

- Addendum No1 to service contract No 2016/380-171
- Addendum No2 to service contract No 2016/380-171
- Annex V Budget Breakdown No 2016/380-171
- Annex I General Conditions
- Service Contract No 2016/380-171

- Annex II Terms of Reference No 2016/380-171

#### **3804182016 Support to the National Food Safety Agency of the Republic of Moldova**

- Annex A1 Description of the Action 2016/380-418
- Twinning Contract MD 12 ENPI AG 01 16 CRIS No 2016/380-418
- Standard Twinning Project Fiche MD 12 ENI AG 01 16 (MD/25)
- Annex A6 Expenditure Verification MD 12 ENI AG 01 16 (MD/25)

#### **3804202016 Review of the VET SPSP (3rd Disbursement)**

- Final Report Contract No 2016/380420 (September 2017)

#### **3824592016 Financial support to the participation of the Republic of Moldova in the EU programme COSME for 2016-2017**

- Final source of funding COSME 2016 2017 (15<sup>th</sup> January 2016)
- Annex II General Conditions
- Annex VI Final Narrative Report ENPI/2016/382-459
- Grant Contract ENPI/2016/382-459

#### **3832312016 Business Academy for Women (BAW)**

- Annex II General Conditions CTR 2016/383-231
- Grant Contract 2016/383-231

## **9. 2017**

#### **3834762017 Cutting edge improvements in the public procurement system in Moldova through inclusiveness, creativity and low-abiding practices**

#### **3850472017 Twinning: Support to the strengthening of the operational capacities of the Law Enforcement Agencies of the Republic of Moldova in the field of prevention and investigation of criminal acts of corruption.**

#### **3869802017 Financial support to the participation of the Republic of Moldova in the EU programme Horizon 2020 for the years 2016-2017**

#### **3870252017 Twinning "Support to promote cultural heritage in the Republic of Moldova through its preservation and protection"**

#### **3872802017 Technical assistance to improve the quality of regularity and performance audits conducted by the Court of Accounts of the Republic of Moldova**

#### **3873172017 Support to local public authorities in ATU Gagauzia**

- Annex I Description of the Action 2017/387-317

- Annex II General Conditions
- Grant Contract 2017/387-317

**3873492017 Support to modernisation of the Energy Sector in the Republic of Moldova**

- Service Contract No 2017/387-349
- Annex I General Conditions
- Annex II Terms of Reference No 2017/387-349

**3875642017 Technical assistance for the integration of ATU Gagauzia in the national framework for regional development**

- Final Report Contract No 2017/387 564 (8<sup>th</sup> November 2019)
- Annex I General Conditions 2017/387-564
- Contract No 2017/387-564

**3878712017 TWINNING - Capacity building of the National Centre for Personal Data Protection of the Republic of Moldova**

- Detailed Budget Twinning Project MD 13 ENPI JH 03 17
- Twinning Final Report MD 13 ENPI JH 03 17 (MD/29)
- Annex A2 General Conditions
- Twinning contract MD 13 ENPI JH 03 17 Ctr 2017/387-871

**3878872017 Support to development of an effective internal control and audit environment in the public sector in Moldova**

- Annex A2 General Conditions
- Twinning contract MD 13 ENPI FI 06 17 (MD/30) Contract No 2017/387-887

**3878982017 Twinning Light Project - EU support for the National Institute for Standardization of the Republic of Moldova to comply with CEN and CENELEC full membership criteria**

- Twinning Light Contract 2013/024403 2017/387-898
- Annex A2 General Conditions 2017/387-898

**3879832017 Twinning Strengthening the capacities of the Parliament of Moldova for EU approximation process**

- Addendum No1 to Twinning Contract No. CRIS 2017/387-983
- Annex A3 Budget No 2017/387-983
- Annex A1 Description of the Action Twinning Work Plan
- Final Report Twinning Project Reference No MD 13 ENPI OT 02 17 (MD/28) Reporting Period 16<sup>th</sup> September 2017 – 15<sup>th</sup> December 2019
- Annex A2 General Conditions 2017/387-983
- Twinning Interim Quarterly Report number 1 MD 13 ENPI OT 02 17 (MD/28) 23<sup>rd</sup> January 2018



- Twinning Interim Quarterly Report number 2 MD 13 ENPI OT 02 17 (MD/28) 4<sup>th</sup> April 2018
- Twinning Interim Quarterly Report number 3 MD 13 ENPI OT 02 17 (MD/28) 11<sup>th</sup> July 2018
- Twinning Interim Quarterly Report number 4 MD 13 ENPI OT 02 17 (MD/28) 09<sup>th</sup> October 2018
- Twinning Interim Quarterly Report number 5 MD 13 ENPI OT 02 17 (MD/28) 23<sup>rd</sup> January 2019
- Twinning Interim Quarterly Report number 6 MD 13 ENPI OT 02 17 (MD/28) 09<sup>th</sup> April 2019
- Twinning Interim Quarterly Report number 7 MD 13 ENPI OT 02 17 (MD/28) 11<sup>th</sup> July 2019
- Twinning Interim Quarterly Report number 8 MD 13 ENPI OT 02 17 (MD/28) 8<sup>th</sup> October 2019
- ROM Report C-387983 (2019)
- Twinning Contract MD 13 ENPI OT 02 17 CRIS No 2017/387-983

**3880232017 Visibility and Communication for actions related to AA/DCFTA implementation in the framework of the EU funded assistance programme**

- Annex I General Conditions
- First Progress Report 11.09.2017 – 28.02.2018
- Second Progress Report 01.03.2018– 31.08.2018
- Service Contract No 2017/388-023

**3882042017 Twinning Project "Support to the modernisation of Customs Service of Moldova in line with AA requirements"**

- Annex A2 General Conditions
- Twinning Contract MD 13 ENPI FI 07 17 (MD/19) Contract No 2017/388204

**3884692017 Let All of Us Say NO to Torture in Moldova: Civil Society against Torture**

- Project Factsheet NEAR-TS/2017/388-469
- Annex VI Interim Narrative Report 2017/388-469 01.12.2018-30.11.2019
- Annex III Budget for the Action 2017/388-469
- ROM Report C-388469 29/01/2020
- Annex A.2 Full Application Form EuropeAid/152550/DH/ACT/Multi (2016)
- Annex II General Conditions 2017/388-469
- Interim financial report 2017/388-469 Implementation period of the contract (01/12/2017-30/11/2020)
- Progress Report No 2017/388-469 (January 2019)
- Annex VI Interim Narrative Report No 2017/388-469 (2019)
- ROM Report C-388469 20/12/2019
- Grant Contract 2017/388-469 (November 2017)

**3884842017 Technical assistance to support CSO development in the Republic of Moldova**

- Addendum No1 to Service Contract No 2017/388-484 (June 2019)
- Annex II Terms of Reference 2017/388-484

- Annex III Organisation and Methodology No 2017/388-484
- Addendum No2 2017/388-484 (February 2020)
- Annex V Budget 2017/388-484
- Annex I General Conditions 2017/388-484
- Second Interim Report 2017/388-484 1 April 2018 – 30 September 2018 (22 October 2018)
- Fourth Interim Report 2017/388-484 1 April 2019 – 30 September 2019 (30th October 2019)
- Fifth Interim Report 2017/388-484 1 October 2019 – 31 March 2020 (30th April 2020)
- Service Contract 2017/388-484 (September 2017)

**3886522017 SUPPORT TO THE QUALITY INFRASTRUCTURE FRAMEWORK WITHIN A DCFTA CONTEXT IN THE REPUBLIC OF MOLDOVA**

- Annex I General Conditions 2017/3886-652
- Service Contract 2017/3886-652 (August 2017)

**3896122017 Sustainable community partnerships to support the rights of persons belonging to minorities in Moldova**

- Final financial report Contract No 2017/389-612
- Final Report Contract No 2017/389-612 (April 8<sup>th</sup> 2020)
- Annex II General Conditions 2017/389-612
- Grant Contract 2017/389-612 (November 2017)

**3898572017 Increasing the competitiveness of the agri-food sector through integration to domestic and global value chains and Strengthening the water supply and sanitation infrastructure in rural areas focusing on safe wastewater disposal in Cantemir**

- Budget of the Action 2017/389-857
- General Conditions 2017/389-857
- Progress Report 2017/389-857 (June 2019)
- Specific Contract 2017/389-857 (2017)

**3902202017 Educating Moldovan consumers of information to reduce the effect of the false information and manipulation through the media**

- Annex II General Conditions 2017/390-220
- Grant Contract 2017/390-220 (December 2017)

**3902912017 Empowering Youth to Become Civic Actors (EYCA)**

- Grant Contract 2017/390-291
- Annex A.2 Full Application Form EuropeAid/151888/DD/ACT/MD
- Final Evaluation 2017/390-291 (October 2019)
- Annex VI Final Narrative Report 2017/390-291 (November 2017 – November 2019)

- Annex II General Conditions 2017/390-291
- Specific Contract 2017/390-291

**3904562017 Assessment of conditions on public finance management and budget transparency for tranche releases under budget support programmes; technical assistance on wage policy and payroll management**

- Specific Contract 2017/390456 (December 2017)
- Specific Terms of Reference 2017/390456

**3914802017 Construction of Water Supply and Sanitation infrastructure as well as Energy Efficiency in Public buildings**

- Annex III Budget for the Action ENI 2017/391-480
- Description of the Action ENI 2017/391-480 (November 2017)
- Annex II General Conditions 2017/391-480
- Progress Report No1 2017/391-480
- Progress Report No2 2017/391-480
- Specific Contract 2017/391-480

**3916742017 Civil society advocacy for inclusive and fair elections in the Republic of Moldova, compliant with EU and OSCE/ODIHR recommendations and human rights commitments**

- Annex A.2 Full application form EuropeAid/151888/DD/ACT/MD
- Annex II General Conditions 2017/391-674
- Specific Contract 2017/391-674 (December 2017)

**3920442017 EUBAM 11 – Extension**

- Addenda Budget 2015/370-265
- Annex I Description of the Action EUBAM
- Annex C1 Terms of Reference EUBAM

**3928152017 Establishing Regional Business Information and Support Centre for the Gagauzia Region of the Republic of Moldova**

- Annex A.2 Full application form 'Establishing Regional Business Information and Support Centre for the Gagauzia Region of the Republic of Moldova'
- Annex II General Conditions 2017/392-815
- Grants Contract 2017/392-815

**3928822017 „South Open Gate of Moldova” for Businesses and Investments**

- Grants Contract 2017/392-882
- Annex A.2 Full application form EuropeAid/155272/DH/ACT/Multi
- Annex II General Conditions 2017/392-882

**3929922017 Creation of excellence center through piloting demonstrative new energy efficiency technologies and renewable energy sources in Festelita community**

- Annex III Budget for the Action 391-992
- Annex A.2 Full Application Form EuropeAid/155713/DH/ACT/Multi
- Annex II General Conditions 2017/392-992
- Specific Contract 2017/392-992 (December 2017)

**3929952017 Cantemir Thermal Rehabilitation of Educational Buildings CanTREB**

- Annex II General Conditions 2017/392-995
- Grant Contract 2017/392-995

**3930272017 Efficient public lighting in Calarasi city - Firefly in the heart of forests**

- Specific Contract 2017/393-027
- Addendum No1 Annex A.2 Full Application Form 2017/393-027
- Annex II 2017/393-027

**3934182017 Edinet – Economic Growth Pole in North region of Moldova**

- Description of the Action EuropeAid/155272/DH/ACT/Multi
- Annex II General Conditions 2017/393-418
- Grants Contract 2017/393-418

**3935942017 Visibility of EU and EU assistance in the Republic of Moldova in 2018.**

- Final Report no. 2017/393-594 (30<sup>th</sup> December 2018)
- Annex I General Conditions no. 2017/393-594
- Service Contract No 2017/393-594

**3941242017 Local civil society contributes to economic and social development in Moldova**

- Annex I Full application form 2017/394-124
- Annex II General Conditions 2017/394-124
- First Interim Report 2017/394-124 (February 2019)
- Second Interim Report 2017/394-124 (February 2020)
- Grant Contract 2017/394-124

**3943582017 Better Social services through a sustainable partnership between the civil society and the government**

- Description of the Action EuropeAid/152768/DD/ACT/MD
- Annex II General Conditions 2017/394-358
- Specific Contract 2017/394-358

**3948072017 Review of the Moldova Energy and Biomass Project**

- Specific Contract 2017/394-807 (December 2017)
- Specific Terms of Reference 2017/394-807

## 10. 2018

### **3947172018 Direct grant to ODIMM "Support to SMEs in rural areas"**

- Addendum No1 to Grant Contract 2017/394-717 (September 2018)
- Addendum No2 to Grant Contract 2017/394-717 (April 2020)
- Addendum No3 to Grant Contract 2017/394-717 (July 2020)
- Budget of the Action 2017/394-717
- Annex II General Conditions 2017/394-717
- Grant Contract 2017/394-717 (March 2018)

### **3971142018 EUBAM Moldova/Ukraine Phase 12 (European Union Border Assistance Mission)**

- Contract 2018/397-114
- Annex I Description of the Action
- Annex II General Conditions 2018/397-114

### **3975102018 Grassroots Civil Society Development Facility in the Republic of Moldova (2017 – 2020)**

- Budget for the Action 2018/397-510
- Annex A.2 Full Application Form 2018/397-510
- Annex 6 Grant Action On The Spot Check Report ENI/2018/397-510
- Annex II General Conditions 2018/397-510
- First Interim report 2018/397-510 (November 2019)
- Grant Contract 2018/397-510

### **3981202018 Support to efficient prevention and fight against corruption in the justice sector**

- Progress Report EuropeAid/138640/DH/SER/MD 23 July 2019 – 22 January 2020 (February 2020)
- Project Factsheet ENI/2018/398-120
- Technical Offer ENI/2018/398-120 (December 2017)
- Budget Breakdown EuropeAid/138640/DH/SER/MD
- Addendum No1 ENI/2018/398-120 (June 2019)
- Addendum No2 ENI/2018/398-120 (June 2020)
- Budget Breakdown 2018/398-120
- Annex I General Conditions 2018/398-120
- Progress Report EuropeAid/138640/DH/SER/MD (July/August 2019)
- Progress Report 23rd July 2019 – 22nd January 2020 EuropeAid/138640/DH/SER/MD (January/February 2020)
- Service Contract ENPI/2018/398-120

### **3989322018 Support to the professional capacity development and motivation of the Public Administration employees in the Republic of Moldova**

- Addendum No1 to Service Contract No ENI/2018/398-932
- Addendum No2 to Service Contract No ENI/2018/398-932
- Budget ENI/2018/398-932
- General Conditions ENI/2018/398-932
- First Interim Report No ENI/2018/398-932 (April 2019)
- Second Interim Report No ENI/2018/398-932 (October 2019)
- Third Interim Report No ENI/2018/398-932 (March 2020)
- Service Contract No ENI/2018/398-932 (July 2018)
- Terms of Reference ENI/2018/398-932

**3989772018 Reform of the initial and continuous training of the police system in the Republic of Moldova**

- Amendment No1 to Grant Contract ENPI 2018/398-977 (December 2018)
- Budget of the Action ENI/2018/398-932
- Annex A1 Description of the action ENI/2018/398-932
- Annex A2 General Conditions ENI/2018/398-932
- Annex A Twinning Grant Contract – Special Conditions

**3992122018 Support to public administration reform processes**

- Addendum No1 to Service Contract No 2018/399-212
- Addendum No2 to Service Contract No 2018/399-212
- Addendum No3 to Service Contract No 2018/399-212
- Addendum No4 to Service Contract No 2018/399-212
- Addendum No5 to Service Contract No 2018/399-212
- Service Contract No 2018/399-212
- Annex I General Conditions No 2018/399-212
- First Interim Report No 2018/399-212 (April 2019)
- Second Interim Report No 2018/399-212 (October 2019)
- Third Interim Report No 2018/399-212 (April 2020)

**3993472018 Strengthening of the policy development process in the context of the implementation of the Association Agreement**

- Addendum No1 No ENI 2018/399-347 (February 2020)
- Contract No ENI 2018/399-347
- Annex I General Conditions 2018/399-347
- Progress Report 1 2018/399-347 (April 2019)
- Progress Report 2 2018/399-347 (October 2019)
- Terms of Reference 2018/399-347

**3993962018 Supply of equipment for the National Bureau of Statistics of the Republic of Moldova**

- Supply Contract ENI/2018/399-396 (September 2018)
- Annex 1 General Conditions ENI/2018/399-396
- Special Conditions ENI/2018/399-396

**3994952018 Twinning: Support to the strengthening of the system for anti-money laundering in the Republic of Moldova**

- Annex A Twinning Grant Contract ENPI 2018/399-495 (September 2018)
- Annex A2 General Conditions ENI/2018/399-396
- Twinning Interim Quarterly Report 1 MD 16 ENI JH 01 18 (MD/33) (December 2018)
- Twinning Interim Quarterly Report 2 MD 16 ENI JH 01 18 (MD/33) (April 2019)



- Twinning Interim Quarterly Report 3 MD 16 ENI JH 01 18 (MD/33) (July 2019)
- Twinning Interim Quarterly Report 4 MD 16 ENI JH 01 18 (MD/33) (October 2019)

#### **4003082018 Support to the police reform in the Republic of Moldova**

- Addendum No1 to Service Contract No 2018/400-308 (July 2020)
- Financial Offer – EuropeAid/138631/DH/SER/MD
- Financial Report ENI/2018/400-308 (December 2019)
- General Conditions ENI/2018/400-308
- Inception Report ENI/2018/400-308 (December 2018)
- Annex 1 Logframe ENI/2018/400-308
- Six Months Report ENI/2018/400-308 (October 2019)
- Service Contract ENI/2018/400-308
- Terms of Reference ENI/2015/038-144

#### **4003112018 Moldova-Romania Interconnection Phase I**

- Addendum No1 to the Delegation Agreement No ENI 2018/400-311
- EU Delegation Agreement ENI/2018/400-311

#### **4005662018 Support to the implementation of the European Union High Level Advisors' mission to the Republic of Moldova 2019-2021**

- Service Contract No ENI 2018/400-566
- First Semestrial Interim Report ENI 2018/400-566 01 January – 30 June 2019 (August 2019)
- Annex I General Conditions ENI 2018/400-566
- Annex II Terms of Reference ENI 2018/400-566

#### **4006302018 Support to the reform of the Transport Sector in the Republic of Moldova**

- Final Report ENI 2015/038-136 October 2018 – March 2020 (March 2020)
- General Conditions 2015/038-136
- Service Contract No 2018/400-630
- Annex II Terms of Reference 2018/400-630

#### **4026742018 Citizens' Empowerment in the Republic of Moldova**

- Addendum No1 ENI/2018/402-674
- Budget ENI/2018/402-674
- Annex I Description of the Action ENI/2018/402-674
- Specific Contract ENI/2018/402-674

#### **4039532018 Advancing Human Rights Based-Policing in Moldova**

- Annex III Budget for the Action 2018/403-953
- Annex A.2 Full Application form ENI/2018/403-953
- Annex II General Conditions ENI/2018/403-953
- Annex VI Interim Narrative Report December 14 2018 – December 31 2019 ENI/2018/403-953
- Grant Contract ENI/2018/403-953

#### **4040432018 Civic monitoring of the Police Reform in Moldova**

- Annex III Budget 2018/404-043
- Description of the Action 2018/404-043
- Annex II General Conditions 2018/404-043
- Annex VI Interim Narrative Report 2018/404-043
- Grant Contract 2018/404-043 (December 2018)

#### **4041452018 Visibility of EU and EU assistance in the Republic of Moldova in 2019**

- Specific Contract No 2018/404145 (December 2018)
- Final Report Month 1-12 No 2018/404145
- Specific Terms of Reference No 2018/404145

#### **4041612018 Strategic communication and support to mass-media**

- Addendum No1 to Service Contract 2018/404-161
- Financial Offer 2018/404-161
- Annex I General Conditions 2018/404-161
- Service Contract 2018/404-161
- Annex II Terms of Reference 2018/404-161

#### **4042432018 Information campaign in Moldova's regions about the democratic situation and EU assistance for the country's development**

- Eastern Partnership Civil Society Facility 2017 Rapid Response Mechanism Full Application (November 2018)
- Annex II General Conditions
- Grant Contract ENI/2018/404-243 (December 2018)

#### **4043192018 European Union confidence Building Measures Programme V (2019-2022)**

- Annex III. Budget of the Action (CBM V 2019-2022) - Cris n. 404309
- Description of the Action Cris n. 404319
- Annex II General Conditions
- Contract number ENI 2018/404-319 1 January 2019 – 31 October 2019

#### **4044012018 Assessment of CSOs' and citizens' engagement in public budgetary process at national and local level in the Republic of Moldova**

- Specific Contract No 2018/404401 (December 2018)
- Specific Terms of Reference 2018/404401

#### **4046002018 Inform, Empower, Act. Civil Society for good budgetary governance in Moldova**

- Annex III Budget for the Action Contract No 2018/404-600
- Annex I Description of the Action 2018/404-600
- Annex II General Conditions 2018/404-600
- Grant Contract No 2018/404-600

#### **4046122018 AGREED - Activating Governance Reform for Enhancing Development**

- Annex 1 Description of the Action 2018/404-612
- Annex II General Conditions
- Grant Contract 2018/404-612

#### **4046432018 Civil society engagement in improving the rural development processes and promotion of efficient models for sustainable local development**

- Addendum No1 to Grant Contract No 2018/404-643 (September 2019)
- Budget for the Action No 2018/404-643
- Annex I Description of the Action No 2018/404-643
- Evaluation Study No 2018/404-643 (February 2019)
- Final report 01.03.2017 – 28.02/2019 2017/383-396

- Budget for the action 2017/383-396
- Annex II General Conditions
- Progress Report 1 01.03.2017-31.08.2017 2017/383-396
- Quarterly Progress Report 01/09/2017 – 31/12/2017 2017/383-396
- Quarterly Progress Report 01/04/2018 – 31/09/2017 2017/383-396
- Grant Contract 2018/404-643 (December 2018)

## 11. 2019

### **4048302019 Twinning Enhancing the quality and effectiveness of the Vocational Education and Training (VET) system**

- Addendum No1 to Twinning Grant Contract ENI/2019/404-830 (July 2019)
- Addendum No2 to Twinning Grant Contract ENI/2019/404-830
- Budget ENI/2019/404-830
- Twinning Grant Contract ENI/2019/404-830
- Annex A2 General Conditions ENI/2019/404-830
- Annex C4 Twinning Interim Quarterly Report 1 ENI/2019/404-830 (July 2019)
- Minutes of First Steering Committee Meeting (15/04/2019)
- Annex: Structure for Methodology for development of qualification standards
- Annex A1 Description of the Action and Proposal of Member States Contract 2018/404-830

### **4061972019 EUBAM Moldova/Ukraine Phase 12 (European Union Border Assistance Mission)**

- Annex III Addendum to contract 2018/3970114 Budget for the Action
- Addendum Description of the Action Annex I 2019/406-197

### **4062622019 Technical Assistance to support the National Bureau of Statistics of the Republic of Moldova**

- Annex V Budget 2019/406-262
- Contract ENI/2019/406-262
- First Interim Report EuropeAid/138242/DH/SER/MD 2019/406-262
- Report for an Expenditure Verification of a Service Contract ENI/2019/406-262
- Interim Financial Report July- December 2019 ENI/2019/406-262 (January 2020)
- Annex I General Conditions 2019/406-262
- Inception Report EuropeAid/138242/DH/SER/MD (October 2019)

### **4068582019 Communication and visibility of EU assistance under the Annual Action Programme 2016**

- Annex I General Conditions
- Service Contract No 2019/406-858
- Annex II Terms of Reference 2019/406-858

### **4073232019 Improvement of medico-social care services for people with long-term care needs on both sides of the Nistru River**

- Budget for the Action ENI 2019/407-323
- Contribution Agreement ENI 2019/407-323

- Annex I to the Contribution Agreement Description of the Action ENI 2019/407-323 (2019)
- Annex II General Conditions ENI 2019/407-323

**4086942019 Technical assistance to the Court of Accounts of the Republic of Moldova in institutional development and improvement of audit process**

- Budget for the Action 2019/408694-1
- Specific Contract No 2019/408694 (October 2019)
- Specific Terms of Reference 2019/408694

**4090792019 Technical assistance on developing e-procurement system in the Republic of Moldova**

- Service Contract No ENI/2019/409-079
- Annex I General Conditions (September 2019)
- Annex II Terms of Reference ENI/2019/409-079
- Technical Specifications for the development of e-Procurement Information System ENI/2019/409-079

**4102422019 Strengthen the rule of law and anti-corruption mechanisms in the Republic of Moldova**

- Budget 2019/410-242
- Contribution Agreement No 2019/410-242
- Annex I Description of the Action CRIS No. 2019/410-242
- Annex II General Conditions 2019/410-242

**4104432019 Support to the development and implementation of justice policies in the Republic of Moldova**

- Project Factsheet ENI/2019/410-443
- Addendum No 1 2019/410-443
- Annex 3 Budget 2019/410-443
- Specific Contract 2019/410-443
- Description of the Action 2019/410-443
- Eastern Partnership Civil Society Facility Full Application 2018 RRP DELMD/RRM/ 2019/410-443

**4104702019 EU4Moldova: focal regions**

- Annex III Budget for the Action ENI/2019/410-470
- Contribution Agreement ENI/2019/410-470
- Annex I Description of the Action ENI/2019/410-470
- Annex II General Conditions for the Contribution Agreement ENI/2019/410-470

**4115362019 Moldova against all discrimination**

- Grant Contract 2019/411-536
- Annex A.2 Full Application Form 2019/411-536 (May 2019)
- Annex II General Conditions 2019/411-536

**4115532019 Advocacy for better protection against discrimination**

- Annex II General Conditions 2019/411-553
- Grant Contract 2019/411-553

**4116522019 EU4MOLDOVA: Clean Water for Cahul**

- Budget for the Action 2019/411-652
- Contribution Agreement 2019/411-652
- Annex I Description of the Action 2019/411-652
- Annex II General Conditions 2019/411-652

#### **4129702019 Visibility of EU and EU assistance in the Republic of Moldova in 2020**

- Specific Contract Nr 2019/412970 (December 2019)
- Specific Terms of Reference 2019/411-652

#### **4136992019 Supply of laboratory diagnostic kits to the National Reference Laboratory of the National Food Safety Agency (ANSA)**

- Supply Contract No 2019/413-699
- General Conditions No 2019/413-699
- Technical Specifications No 2019/413-699

#### **4139892019 Strengthened Gender Action in Cahul and Ungheni districts**

- Budget for the Action 2019/413-989
- Contribution Agreement ENI 2019/413-989 (December 2019)
- Annex I Description of the Action 2020-2022 2019/413-989
- Annex II General Conditions 2019/413-989

#### **4142982019 EU 4 Border Security**

- Budget for the Action 2019/414-298
- Annex I Description of the Action 2019/414-298
- Annex II General Conditions 2019/414-298
- Contribution Agreement ENI/2019/414-298

#### **4142892020 LEADER approach for rural prosperity in Moldova**

- Grant Contract 2019/414-289 (January 2020)
- Annex I Grant Application Form 2019/414-289 (June 2019)
- Financial Report 2019/414-289
- Terms of Reference 2019/414-289

#### **4150972020 Support for structured policy dialogue, coordination of the implementation of the Association Agreement and enhancement of the legal approximation process**

- Budget Breakdown ENI 2020/415-097
- Service Contract ENI 2020/415-097
- Annex I General Conditions ENI 2020/415-097
- Annex II Contract ENI 2020/415-097

#### **4166302020 TWG Improving Spatial Data Services in the Republic of Moldova following EU standards (MD 16 ENI OT 01 19 (MD/35))**

- Annex A Twinning grant Contract 2020/416-630
- Annex A1 Description of the action 2020/416-630
- Annex A2 General Conditions 2020/416-630
- Annex A6 Terms of Reference 2020/416-630

#### **4166562020 TWG Further support to agriculture, rural development and food safety in the Republic of Moldova (MD 16 ENI AG 01 19 (MD/37))**

- Annex A1 Description of the Action 2020/416-656

- Twinning grant Contract 2020/416-656
- Annex C1 Twinning Fiche 2020/416-656



## Annex 5: Sampling Approach and sample interventions

# Introduction

The evaluation sampled a set of interventions (each intervention including a core programme and a set of complementary programmes) which are both important and representative of the portfolio. The sample of interventions form the keystone of this evaluation: by **providing stories of changes which confirm or inform the reconstruction of the intervention logic**.

The **sampling criteria** was based on:

1. **One to three interventions per sector** (sectors are defined by Evaluation Questions 4 to 10) depending on the breadth of the sector (e.g. governance will have more sampled interventions than Transnistria);
2. **Volume of funding:** this criterion will point to a few key interventions, which must be included in the sample (for instance, in the agriculture and rural development sector, ENPARD has to be covered because the volume of funding exceeds that of most programmes in the portfolio.) For instance, the projects included in the top 10% most expensive will be included in the sample. The cut-off amount for this criterion will be determined during the desk phase, because at present the evaluation portfolio is not validated yet, and it is therefore not possible to generate reliable intervals of typical funding volumes.
3. **Strategic value of the core programme:** this will be determined by a review of DoAs for the portfolio, linked with strategic documents primarily the SSF. Inception interviews have provided precious indications already.
4. Interventions should be diversified if possible, to be representative of cooperation in each sector.
5. In case of budget support (BS) programmes, the whole group of complementary measures is seen together with the BS, unless they are too recent to be evaluated.
6. Programmes which have been ROM-ed and evaluated will be favoured, so as to achieve economies of scale and higher efficiency.
7. Programmes on which data gaps are signalled by the EUD will be discarded from the sampling.

Based on seven sampling criteria ensuring both feasibility and representativeness of the sampled interventions, the evaluation team sampled 54 interventions (including budget support, blending operations, technical assistance projects, twinning projects, grants to civil society organisations, and contribution agreements with international organisations). However, during the answering process of JC and indicators it showed that it was not sufficient to analyze the sampled projects and programmes. Thus experts had to analyze almost all interventions at national and regional level.

Table 1: Sampling approach

EQ	Topic	Intervention expected result	Intervention components selected (final sample)
4	Rural and Economic Development	Economic diversification, social and economic infrastructure, inclusive economic development	Core programme: Budget support ENPARD including complementary measures (AT + CBM);  AAP 2016 Development of Rural Areas; + AAP 2018 Focal regions programme

5	Law enforcement	Structure, processes, independence	Core programme: Police Budget support.  Complementary programmes:  2018 ENI 400.308 Support to police reform TA  2018 403.953 CSO human rights-based police monitoring (Soros)  2018 404.043 Promolex Police Reform Monitoring grant
	Anti-corruption		2018 399.495 Twinning on AML;  Added: 2019 410.242 GIZ strengthen RoL and anti-corruption mechanisms; 2017/381.731 CoE CLEP
	Justice	Judicial bodies and Court management	Core programmes: ENPI 2014 349.066 "ATRECO" GIZ Courts; PGG 2349 CEPEJ.  Complementary programmes: ENPI 2014 343.372 Pretrial Investig and Defse Setup; 2019 410.443 IPRE Grant Support to Justice Policies
	Human Rights	Fight against torture and ill treatment	Core programme: NEAR TS 2017 388.469 Grant Institute for Dem (Let us all say no to torture).  Complementary programme: 2016 375.231 Advancing and monitoring the rights of people with mental disabilities in neuro-psychiatric residential institutions.
	Public Finance Management and PAR	Economic stability  Efficient public administration	Macro financial assistance +  Core programme: Support to Public Finance Policy Reform SBS ME 33. Complementary programmes: CS TA Public Finance Policy/PFM; 2 Twinning's External Public Audit/ Internal Control  Added: TAs 2018/399932 Prof Capacity Dvt and Motivation of PA Employees; TA 2018/399347 Strengthening Policy Dvt
6	Infrastructure	Strengthened infrastructure (geographic sampling: Cahul)	Four core programmes: <ul style="list-style-type: none"> <li>• Clean water Cahul;</li> <li>• Moldovan Railways Restructuring Project</li> <li>• Moldova road rehabilitation project Phase IV (Bahmut Bypass</li> <li>• Construction of water supply and sanitation infrastructure as well as energy efficiency in public buildings</li> </ul>

	Energy		<ul style="list-style-type: none"> <li>• TA Support to Reform of the Energy Sector (CRIS/2011/22515)</li> <li>• ENPI 308751 Moldova Power Transmission Network Rehabilitation Project,</li> <li>• ENI 2018/400311, Moldova-Romania Interconnection Phase I</li> <li>• Eastern Europe Energy Efficiency and Environment Partnership – E5P extension to Moldova (this includes several projects)</li> <li>• EU Moldova Biomass Project</li> <li>• <i>Interventions financed under the TC Facility for Transport sector and to a certain extent for Energy</i></li> </ul>
7	VET and mobility	<p>VET skills are better matched with labour market needs</p> <p>Increased mobility through investments in higher education, research, innovation and visa liberalisation</p>	<p>Core programme: SPSP in VET sector “Support to the implementation of the VET reform in Moldova” (ENPI/2013/024-404). Complementary programmes: TA (ENPI/2012/023-419) and twinning (MD 15 ENI SO 01 18 (MD/34))</p> <p>ERASMUS +</p> <p>HORIZON 2020</p> <p>VLAP</p>
8	Business environment	Strengthened entrepreneurship (geographic sampling: Cahul	<p>Core programme: "EU4MOLDOVA: Startup City Cahul</p> <p>TA: Strengthening of the Policy Development Process in the Context of the Implementation of the Association Agreement;</p> <p>Different interventions financed under the TCF Regional Blending Operations: Deep and Comprehensive Free Trade Area (DCFTA) Initiative East</p> <p>Support SMEs in Rural Areas (ODIMM)</p> <p>LEADER Approach for rural prosperity</p> <p>Some action of the DCFTA BS related to the strengthening of business environment also considered.</p>
9	Transnistria	Rapprochement through health, culture and media sectors	Two core programmes: CBM IV and CBM V Complementary programme - Twinning project “Support to promote the cultural heritage in Moldova”
10	Civil society	Capacity development, collaboration, good governance, partnerships for social and economic development, monitoring	Core programme: Civil Society Facility ENI/2015/038-137 Complementary programme: ENI/ 402-674: Citizens’ Empowerment

# Annex 6: Portfolio overview and intervention logic

# Overview of EU intervention in Moldova

## Overview of political, institutional and technical frameworks

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The relationship between Moldova and the EU has been guided by a succession of strategic documents, which follow and complement each other. These documents are summarised here but are further analysed as a part of the intervention logic of EU–Moldova cooperation.

### > **Partnership and Cooperation Agreement**

Signed in 1994, the Partnership and Cooperation Agreement (PCA) replaced the agreement between the European Economic Community, the European Atomic Energy Community and the Union of Soviet Socialist Republics on trade and economic and commercial cooperation signed in Brussels in 1989. The PCA established the legal framework for bilateral relations between Moldova and the EU in political, commercial, economic, legal, cultural and scientific fields and aimed to support Moldova in strengthening democracy and the rule of law, respecting human and minority rights by providing the appropriate framework political dialogue, sustainable development of the economy and completion of the transition to the market economy by promoting trade, investment and harmonious economic relations.

### > **European Neighbourhood Policy**

Launched in 2004, The European Neighbourhood Policy (ENP) was set as a framework to govern the EU's relations with 16 of the EU's eastern and southern neighbours to achieve the closest possible political association and the greatest possible degree of economic integration. The ENP was revised in November 2015 to build more effective partnerships between the EU and its neighbours towards a more stable EU neighbourhood, in political, socio-economic and security terms. The key principles of the revised ENP are differentiation among partner countries, flexibility, joint ownership, greater involvement of the EU Member States, and shared responsibility. While continuing to preserve EU values, the revised ENP also engaged partners in increased cooperation on security matters. The Eastern Partnership (EaP) (which serves the ENP) is a joint initiative involving the EU, its Member States and six eastern European partners: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine. In March 2020, the Joint Communication on the 'Eastern partnership policy beyond 2020: reinforcing resilience – an Eastern Partnership that delivers for all' was published, outlining the long-term policy objectives for future cooperation.

The EU–Moldova Action Plan (adopted in February 2005) laid out the strategic objectives of the cooperation between Moldova and the EU, within the framework of the ENP. It aimed to help Moldova fulfil the provisions of the PCA and encourage and support Moldova's objective of further integration into European economic and social structures.

### > **Association Agreement (including a DCFTA) and the Association Agenda**

The Association Agreement (AA) which was signed in 2014 and fully entered into force in July 2016 replaced the PCA. The AA constitutes the legal framework for the development of bilateral cooperation between the EU and Moldova. It aims to deepen political and economic relations between Moldova and the EU, and to gradually integrate Moldova into the EU internal market with a view to economic integration of Moldova and the EU. The AA provides a long-term foundation for future EU–Moldova relations without excluding any possible future developments in line with the Treaty on European Union. The AA contains binding, rule-based provisions and is wide-ranging, covering all areas of interest. The AA includes provisions for setting up a Deep and Comprehensive Free Trade Area (DCFTA) and foresees economic and governance reforms and sectoral cooperation in 28 areas.



The main tool for the implementation of the AA is the Association Agenda, which replaced the European Neighbourhood Policy Action Plan. The agenda outlines the priorities for reform in Moldova and is based on the commitments included in the AA. In 2017, the new Association Agenda was endorsed for the period 2017-2019, including short and medium-term priorities for the EU–Moldova cooperation and the National Implementation Plan of the EU-Moldova Association Agreement. Council conclusions of both February 2016 and 2018 stressed that EU assistance to Moldova should be based on strict conditionality and linked to satisfactory progress in reforms. The Association Agenda also outlines the provisions for steering and dialogue.

### > **European Neighbourhood Instrument – Single Support Framework**

The SSF is a multiannual programming document which provides a summary of developments in Moldova–EU relations and outlines priority sectors of intervention to be financed through the national envelope, followed by the financial overview – a breakdown of indicative allocation. The SSF for EU support to Moldova in 2014-2017 was adopted in 2014. Another SSF for EU support to Moldova in 2017-2020 was adopted in 2017. The priorities and indicative allocations for financial assistance included in the SSF are connected to the priority actions set out by the Association Agenda.

### > **Annual action programmes**

Annual action programmes (AAPs) are financing decisions adopted by the European Commission, to reserve funds for regional and country-based external cooperation programmes and for the implementation of thematic programmes. AAPs specify the objectives pursued, the fields of intervention, the expected results, the management procedures and total amount of financing planned. In addition, AAPs contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative implementation timetable. They provide the guidance to European Commission Implementing Decisions, and corresponding Action documents, which translate strategy into actions and contracts.

### > **Policy dialogue**

Policy dialogue over the period under review has been informed by extensive consultations with the government, CSOs, multilateral and bilateral donors, EU Member States, international financial institutions (IFIs) and other international organisations, as well as the joint programming process.

In its cooperation with Moldova, the European External Action Service (EEAS) and the Commission are engaged in policy dialogue: (a) at bilateral level, in the framework of the Association Agreement; (b) at regional level in the framework of the Eastern Partnership; and (c) as part of the programming process of ENPI/ENP assistance, setting specific objectives and priorities for support in SSFs, AAPs, and budget support programmes.

The **EU–Moldova Association Council** was established to supervise and monitor the application and implementation of the AA. It consists of members of the Council of the EU, of the European Commission and of the Government of Moldova. The Association Council adopts decisions and recommendations towards implementation of the AA. It had five sessions since its inception. The last (fifth) Association Council meeting was in September 2019.

Efforts to arrive at a settlement of the Transnistrian conflict have several dimensions, in parallel with other policy and political dialogue areas. At the political level, Chisinau and Tiraspol, assisted by three international mediators, are working on a possible settlement of the conflict (under the Organization for Security and Co-operation in Europe (OSCE) Chairmanship). At technical level the interaction on identification of solutions to different issues is taking place in the framework of expert working groups. This evaluation will consider political dialogue as a background to programming and delivery of cooperation, but will not evaluate it per se.

## Portfolio overview

In total, over the period, the EC has developed complex programmes worth over EUR 1 billion (EUR 1,039 557,431)<sup>41</sup> which equates to over EUR 387 per capita not including Transnistria.<sup>42</sup> The EU has used four types of modalities, blending, budget support, project and macro-financial assistance. This composition has evolved over time.

Figure 16: EC planned amounts by action type<sup>43</sup> (2014-2017)

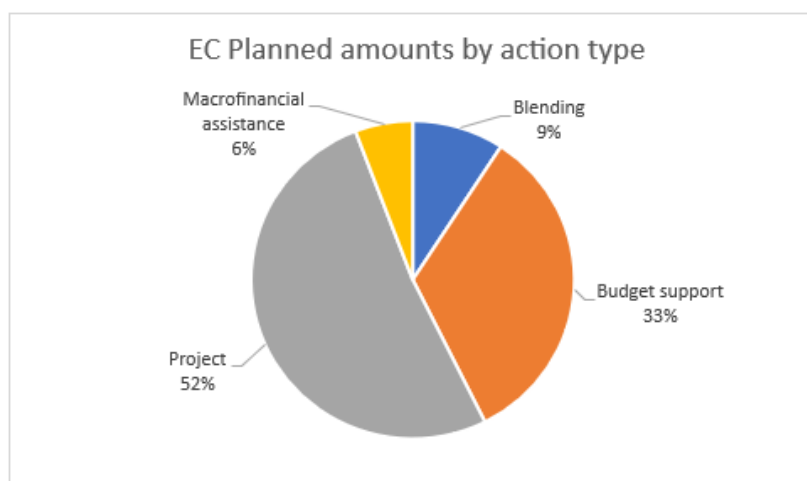


Table 1: EC planned amounts of expenditure (2014-2017)

Action type:	EC planned amounts €
Blending	95,505,400
Budget support	347,611,561
Project	536,440,470
Macro-financial assistance	60,000,000
Grand total	1,039,557,431

Figure 17: Planned amounts by types 2014-2017 (including bilateral, regional, cross-border) – according to portfolio list

<sup>41</sup> In the entire section below: Sources: portfolio overview, based on Clinical Record Interactive Search (CRIS) data communicated by EUD + data communicated by geo desk on regional and cross-border cooperation programmes + public data on macro-financial assistance. SSFs, AAPs. We note that there is a discrepancy between the total planned amounts of spending in the ET's consolidated portfolio list, and the indicative allocation range of planned amounts stated in the SSFs. Our understanding of this discrepancy is that the data received from different sources, at different stages of the evaluation, do not completely align despite the best efforts of the ET. Thus, the data on planned amounts from the ET's consolidated portfolio list must be understood as indicative figures only, to provide some reflection on the relative proportionality of planned amounts to the different types of actions.

For the projects 'Partnership for Good Governance with the Council of Europe I (PGG I) (2015-2018)' and 'Partnership for Good Governance with the Council of Europe II (PGG II) (2019-2021)'. The figures used to indicate EC planned contribution were received from Council of Europe and are approximate indicative amounts, calculated by pro rata, and cannot be used for auditing purposes.

Not included in the data is the 'Fruit Garden of Moldova' project, the EIB's EUR 120million long-term loan accompanied by a EUR 6 million NIF grant to fund partial loan guarantees to enable local banks to extend loans to underserved agricultural SMEs. The Evaluation team is aware of this project and its important contribution in the sector. However, there was limited official information shared on this project and has not been included in the scope of this data set.

<sup>42</sup> <http://statistica.gov.md/newsview.php?l=ro&id=6416&idc=168>.

<sup>43</sup> Source: CRIS.

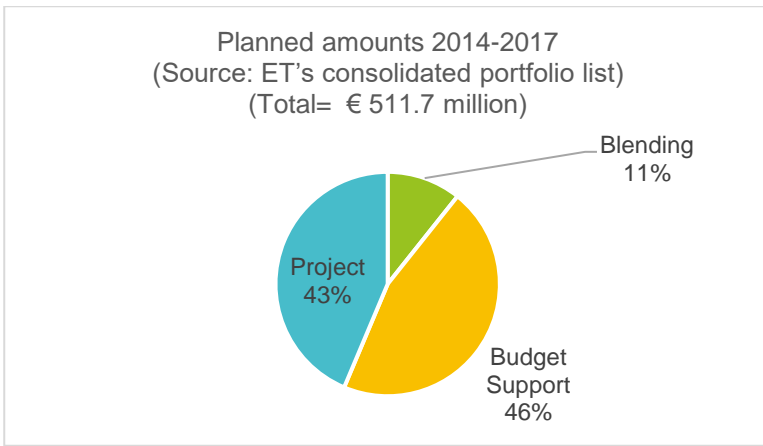
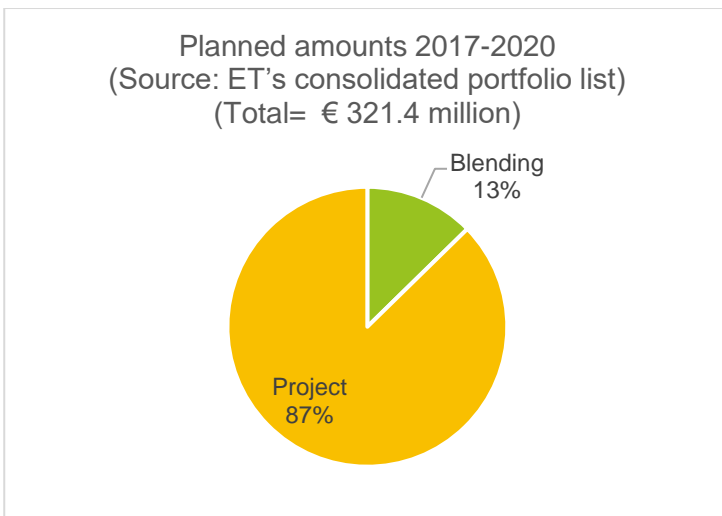
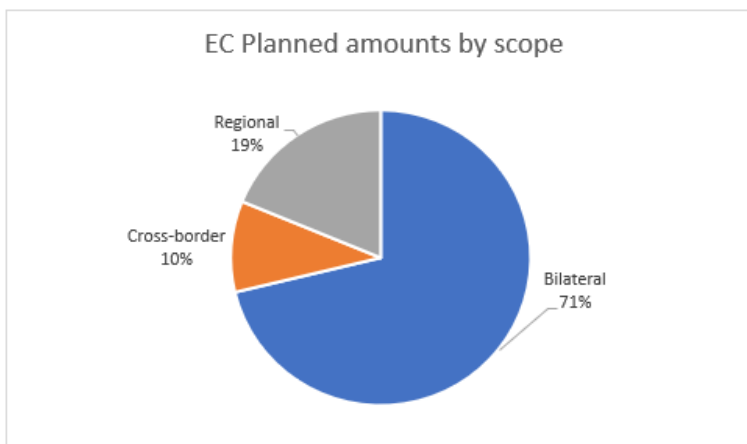


Figure 18: Planned amounts by types 2014-2020 (including bilateral, regional, cross-border) – according to portfolio list



The vast majority of the EU's cooperation was planned as bilateral (EU–Moldova) actions, amounting (according to the SSFs and Special Measures) to about EUR 740,000,000. Regional actions targeting Moldova were planned to be EUR 195,273,904, whereas cross-border actions targeting Moldova were planned for an amount of EUR 103 621 572.

Figure 19: EC planned amounts by scope (2017-2020)



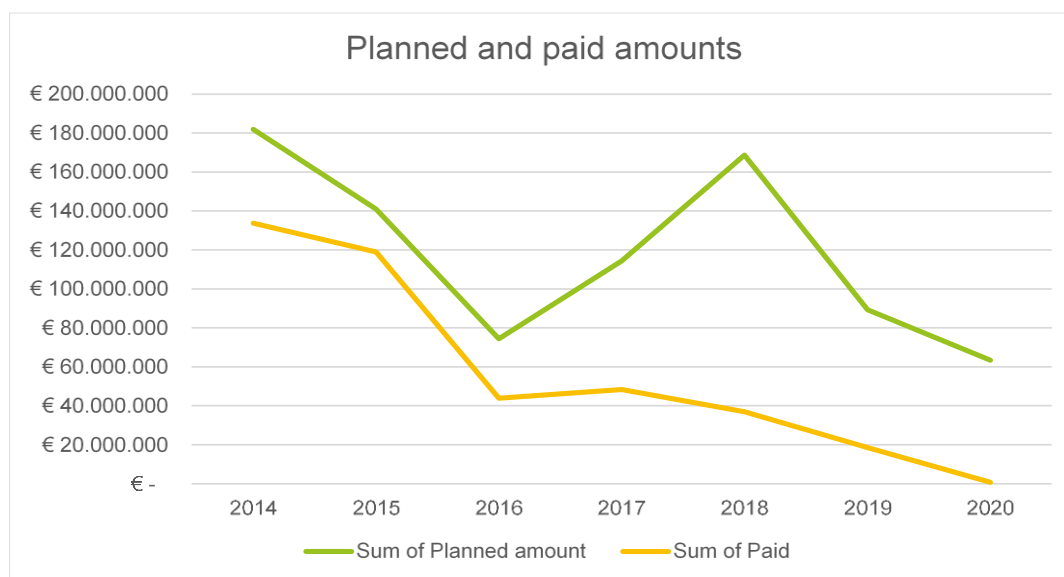
Geographic scope (all actions):	Planned amounts €
Bilateral	740 661 955
Cross-border	103,621,572
Regional	195,273,904

The annual action programmes from 2017 to 2020 and special measures, anticipated EUR 471,090,000 worth of bilateral cooperation. As noted above, the comparison of planned vs paid amounts is challenging, due to incomplete information on paid amounts. There is no authoritative public source on the total

amounts effectively disbursed at a given time. Based on the data made available regarding the evaluation's portfolio by the EUD and the Geographic Desk in October 2020, altogether close to EUR 429,000,000 was paid from the planned amounts, from the bilateral, cross-border cooperation and regional programmes, plus EUR 60,000,000 macro-financial assistance, amounting to roughly EUR 489,000,000 of support disbursed. This figure does not consider amounts disbursed between 2014 and 2020 from programmes planned before the SSF 2014–2017, and it should be noted that some amounts planned during 2014–2020 may still be disbursed beyond 2020 (due to ongoing programmes).

Based on the available information for the evaluation's portfolio, the paid amounts have decreased over the years, and the difference between planned and disbursed amounts has grown over the evaluated period, with a peak difference in 2018, in great part due to the interruption of budget support.

Figure 20: EC Moldova Planned versus Paid amounts 2014-2020<sup>44</sup>



The review of cooperation by sectors is imprecise because there is no uniform categorisation of sectors. There are differences and overlaps between:

Sectors as defined in the Clinical Record Interactive Search (CRIS) database. These correspond to the Development Assistance Committee (DAC) sector coding and include: agriculture, banking and financial services, communications, conflict, peace and security, education (level unspecified), secondary education, energy distribution, energy generation and non-renewable sources, energy generation and renewable sources, energy policy, government and civil society, health, industry, other multisector, other social infrastructure and services, trade policies and regulations, transport and storage, water supply and sanitation, unallocated/unspecified, unknown. Even when grouped, they only approximate the other categorisations.

Sectors as defined under the SSF 2014-2017. These include public administration reform, agriculture and rural development, police reform and border management, complementary support for capacity development and institution building, and complementary support for civil society development.

Sectors as defined under the SSF 2017-2020. These include economic development and market opportunities (including sustainable and inclusive economic growth); strengthening institutions and good governance, including the rule of law and security; connectivity, energy efficiency, environment and climate change; mobility and people-to-people contacts (including support to the continuous

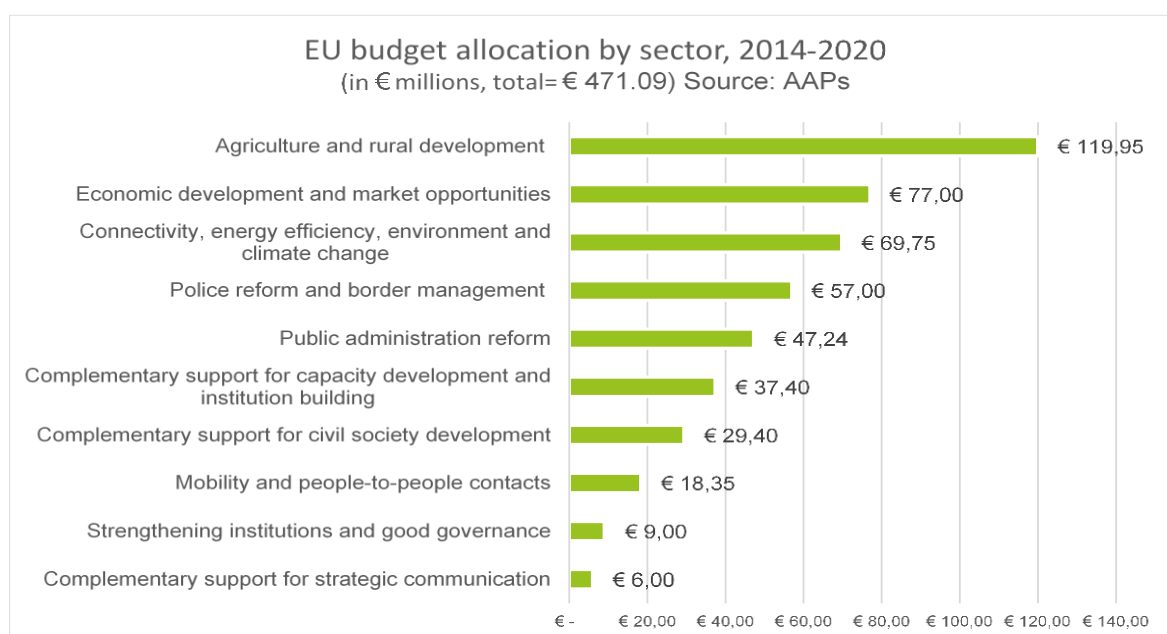
<sup>44</sup> The lower graph line excludes Partnership for Good Governance (PGG) with the Council of Europe I (PGG I) (2015-2018) (EUR 30,400,000) and PGG with the Council of Europe II (PGG II) (2019-2021) (EUR 2,025,654). It also excludes the action 'Sector budget support to the Justice Sector Reforms' which did not have an assigned contract year in the data used (planned amount of EUR 28,000,000).

fulfilment of the Visa Liberalisation Action Plan benchmarks and to education, training and research),; complementary support for capacity development and institution building, complementary support for civil society development; complementary support for strategic communication.

Sectors as defined by the evaluation questions. These include agriculture and rural development; governance (including public administration reform, good governance and rule of law); energy, infrastructure, environment, biomass and climate change; education and people-to-people contacts; business environment and SMEs; Transnistria; civil society.

At the bilateral level, the AAPs show the importance of agricultural development, business environment and infrastructure in the EU’s priority, but also of the governance sector: added together (police reform, border management, public administration reform, capacity development and institution building, good governance) amount to EUR 150.6 million, by far the most important sector in bilateral assistance.

Figure 21: EU budget allocation (bilateral only) by sector in million euros, based on annual action programmes



The evaluation portfolio review according to the EQs enables one to identify key interventions and compare the planned and paid amounts for these key interventions.<sup>45</sup> It shows very diverse levels of absorption depending on the sector, which tends to reduce the prominence of sectors related to development support, particularly infrastructure. However, it should be noted that the key interventions identified include a number of ongoing programmes, meaning that spent amounts are likely to continue evolving quickly after 2020.

Table 2: Distribution of planned and paid amounts per evaluation-defined sectors, based on identified key interventions

Sectors	Amounts planned (€)	Amounts paid (€)
Key interventions agriculture and local development	104,600,000	60,378,957
Key interventions good governance and public administration	89,681,952	54,533,611
Key interventions rule of law	29,096,414	20,431,364

<sup>45</sup> The ET had to rely on partial data regarding paid amounts. The graph is based on the available information regarding the key interventions under each of the evaluation’s sectors, defined by the EQs. Key interventions were identified in consultation with the Interservice Steering Group (ISG), in view of the EU’s intervention logic, broken down into sector-specific intervention logics, and validated by the ISG.

Key interventions energy, infrastructure, environment and biomass	142,210,485	45,422,916
Key interventions education and VET	11,900,000	1,515,046
Key interventions business environment and SMEs	7,907,738	5,599,855
Key interventions Transnistria	33,600,000	-
Key interventions civil society	10,341,378	5,748,805
Total sampled interventions (final sample as per Interim report)	429,337,967	193,630,553

EU–Moldova cooperation has evolved over time and during the temporal scope of the evaluation. This evolution reflects several important factors, which are captured in the intervention logic:

The development of the EU's regional approach and policy, embodied by the ENPI and ENP;

The evolution of the strategic agreements between Moldova, with a long transition between the CPA and the AA (signed in 2014 but ratified in 2016);

The multiple, and sometimes drastic changes in the political environment of Moldova, as witnessed by the succession of governments with sometimes very different logics. This relative political instability has weighed on the definition of a constant strategic framework for EU–Moldova cooperation, as well as on the programming under this cooperation;

The bank fraud of 2014,<sup>46</sup> which had a profound influence on the strategic planning and programming, in terms of content of the cooperation (thematic priorities), and even more so as regards the cooperation modalities.

### Intervention logic until signature of the Association Agreement

The intervention logic which still prevailed **during the first year covered by this evaluation (2014) is inherited from the CPA framework**, influenced by the ENI: the bulk of programmes implemented belonged to the pre-AA programming. It focused chiefly on development-related thematic areas: agriculture and rural development and core governance functions. The **core external assumption** was that there was high development potential and strong political and societal will. But, as a **core problem to be addressed**, this potential and this will were hampered by a lack of capacity and of base capital (human, material, financial). This problem, according to the initial intervention logic, required capacity support and investment, backed by a results-oriented approach. Now, and **for the purpose of future decision-making, this intervention logic is no longer relevant**. EU–Moldova cooperation has gone a long way since the CPA, and the strategic framework has greatly evolved. Therefore, **this evaluation will not assess the validity of the CPA-related intervention logic**, as it will focus on the performance and learning to be drawn from the intervention logic pertaining to the AA.

### Intervention logic of the AA and the 2014-2017 SSF

The intervention logic channelled through this SSF was slightly different from the previous approach: its core external assumption regarding high development potential and political will was identical, but the **core problem to be addressed was articulated more finely**: in addition to a lack of capital, and shortcomings in the capacity of the actors of development (government, civil society, private actors), the

<sup>46</sup> In 2014, USD 1 billion disappeared from three Moldovan banks in what appeared to be a coordinated criminal effort of embezzlement surrounded with various associated economic crimes. The total loss was equivalent to 12% of Moldova's GDP. The Moldovan Government bailed out these banks, which in turn dug the country's public finance deficit. An investigative report commissioned by the Moldovan Central Bank in January 2015 became public in May the same year, leading to a political scandal, strained relations with international donors, and a chain of judicial processes.

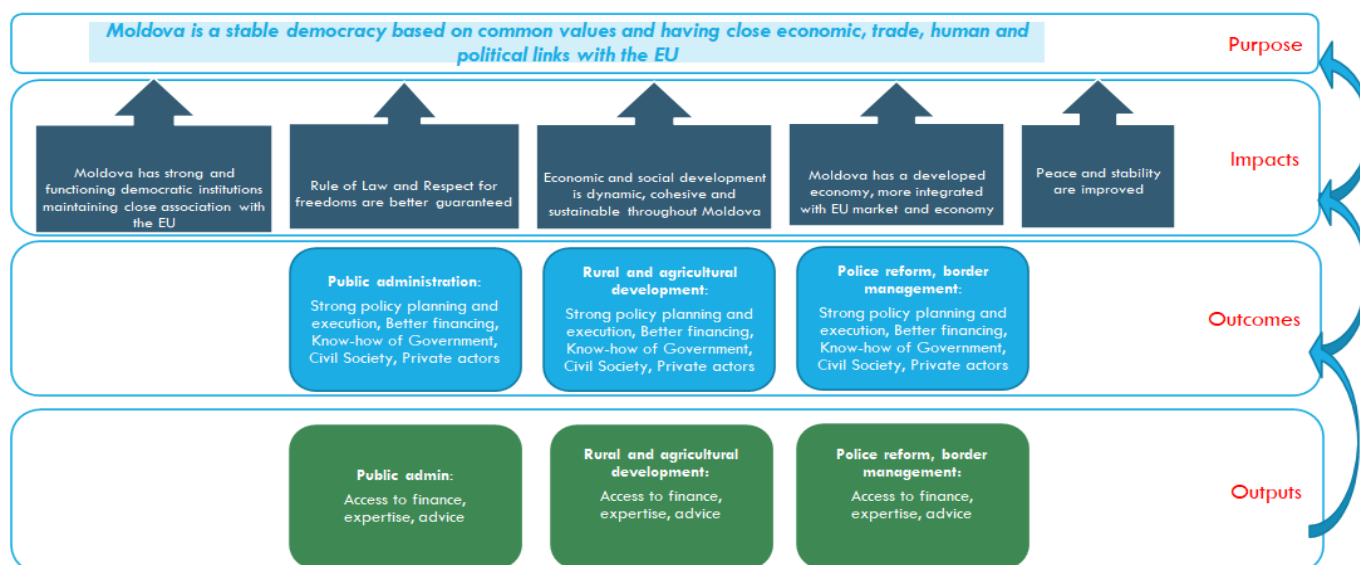


intervention logic identified **inadequate public policy planning, management and administration processes** (policy planning and steering) **as key hampering factors**.

According to this intervention logic, along with continued development support, policy support and capacity building were therefore viewed as transversal work. This work was trying to build know-how of the government as a precondition for addressing the hampering factors: it places a great **emphasis on governance overall**. However, the intervention logic of the time does not clearly articulate an overall governance strategy. It addresses policy-making and implementation of national objectives in all sectors without high granularity in the analysis of the state of advancement of the strategic planning of reforms in these respective sectors. There is limited differentiation between core governance sectors (such as sectors pertaining to the rule of law or democracy) and thematic sectors (such as agriculture, trade, education or infrastructure). This logic is characterised with intense recourse to budget support and blending, complemented by technical assistance, and to some extent Twinning. Civil society grants, contribution agreements with international/regional organisations, remain limited. Analysis of the indicators reveals a result-oriented logic, but somewhat parcelled strategic vision (programming does not foresee a lot of interaction among sectors). The political dialogue was envisaged as going hand-in-hand with these efforts, working to align Moldovan reform objectives and EU strategic objectives.

Therefore, for the 2014-2017 SSF, the intervention logic could be summarised as follows: *If* EU–Moldova cooperation supports public administration, rural and agricultural development and police reform/border management with a mixed approach of political dialogue/cooperation in the field of foreign and security policy, access to finance (blending and budget support), as well as expertise and advice (technical assistance and Twinning), *then* these sectors will be better financed *and* they will benefit from stronger know-how of the government, civil society and private actors, *and* they will build on stronger planning and steering of policies; *then* Moldova will become more strongly politically associated with the EU and more stable within the regional and international peace and security frameworks (political dialogue and reform, cooperation in the field of foreign and security policy), will become more closely integrated economically with the EU (trade and trade-related matters, financial assistance and anti-fraud/control provisions), will evolve as a society enjoying more freedom, security and justice i.e. a society governed by the rule of law (freedom, security and justice), and will develop as an economically and socially prosperous country (economic and other sectoral cooperation).

Figure 22: Overview of intervention logic under EU–Moldova SSF 2014-2017



In **November 2014**, the bank fraud created a backlash of the entire intervention portfolio against the background of limited progress in the rule of law sector, including judicial and police reform. The EU had to quickly react, along with its Member States and international partners. New fundamental **external assumptions** emerged, this time concerning the **integrity** of the actors and process of reforms. Corresponding risks were reassessed. In reaction, the **EU adapted its choice of implementation modalities**: budget support was put on hold and no new budget support was approved between 2015 and 2020.<sup>47</sup> This contributed to a sharp decrease 2014/2015 in development-oriented areas such as agriculture and rural development. Instead, more technical assistance, whose management is easier to control, tended to most priorities. All activities and funding **continued to focus on governance**, especially anti-corruption, as well as justice reform and law enforcement: these were expected to help guarantee the integrity of the reform efforts, and the accountability of the actors involved in their implementation. Local and national agents of change such as the civil society, the media or local governance bodies became more important implementation partners as well as beneficiaries of assistance, which the EU sought to involve, as much as possible, in all areas of work. For instance, through the Civil Society Facility (2015) the facility acted as a channel for initiatives which mainstreamed civil society involvement throughout the sectors. Furthermore, the EU increased its level of coordination and cooperation with other development partners and especially EU Member States. The importance of Twinning increased, as well as blending operations implemented by international financial institutions.

The implementation of this SSF picked up in 2015. Because the approach was generally less costly than core development investments and budget support was sharply reduced, the overall volume of funding also decreased. During this period, cooperation activities supported the political dialogue, which was rendered more difficult by these circumstances.

#### **Intervention logic flowing from the AA and the 2017-2020 SSF**

With the new SSF 2017-2020 some important lessons were learned from the previous cycle and the bank fraud. This SSF, breaking up with a traditional development approach, adopted a **more long-term perspective**, with a **more precise vision beyond result, towards impacts**. The intervention logic rested increasingly upon **agents of change**, in all sectors, among the state actors but also within the civil society and media, as well as in the private sector. The intervention logic further **diversified the cooperation portfolio**, with more intensive intervention in the sectors of education, mobility, and human rights. **Governance** is no longer presented just as a cross-cutting issue and a precondition for development and

<sup>47</sup> The COVID-19 Resilience Contract was approved at the end of 2020 and the Financing Agreement was signed in February 2021.

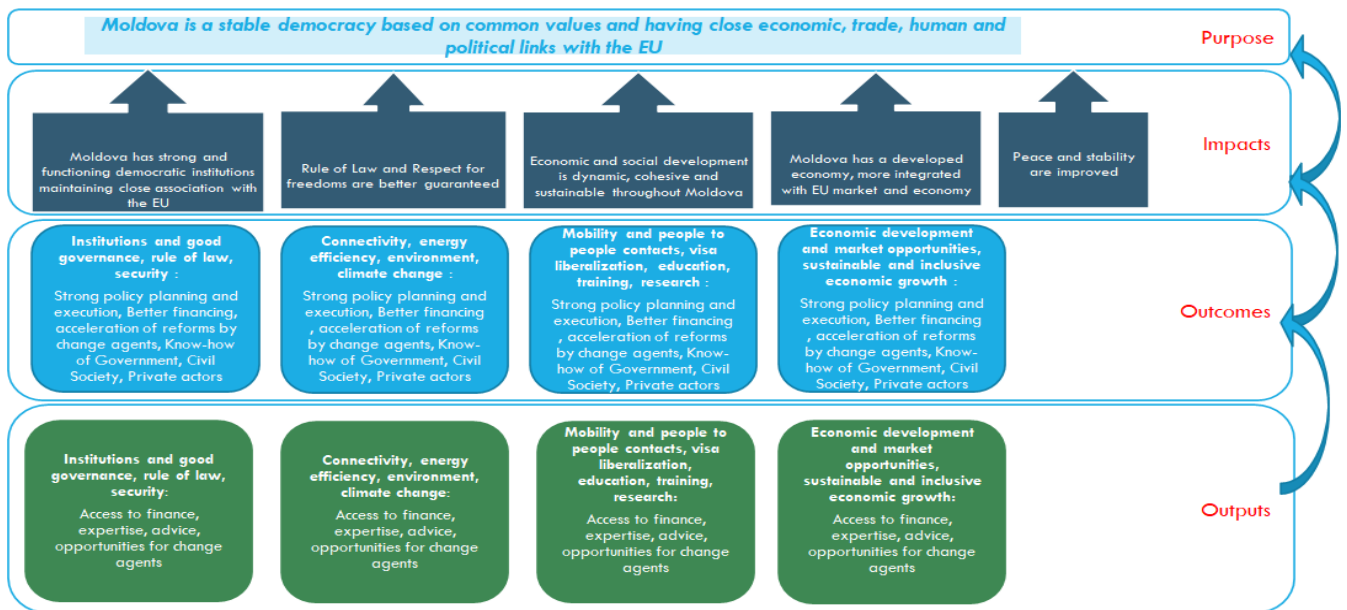
stabilisation, but also as **a large thematic area with high leverage**. Under governance, more elaborate programming took place, with **more structured interventions** around the justice and law enforcement systems, but also core democratic institutions such as the Parliament. Public administration reform more clearly delineates public finance management, and decentralisation. Throughout the sectors, the intervention logic also diversified the portfolio of counterparts: increased attention is put on local self-governance bodies, and especially civil society. **Civil society** organisations are involved both in civil society specific programmes, and through sector-specific programmes strengthening CSOs' role in contributing to decision-making, and in monitoring the Executive and the Justice. This SSF also launched various initiatives with direct reach to citizens, in particular with a range of local initiatives in the rural development, SME support, or human rights areas, and with the emergence of the **strategic communication** programme. The intention is to elicit mutual communication and recognition between the EU and the **Moldovan citizens**, addressing the dilution of EU effort which may have prevailed until then.<sup>48</sup>

#### ***Summary of the intervention logic of the 2017-2020 SSF***

*If* EU–Moldova cooperation supports economic development and market opportunities (including sustainable and inclusive economic growth), institutions and good governance (including rule of law and security), connectivity, energy efficiency, environment and climate change, and mobility and people-to-people contacts (including visa liberalisation action plans and education, training and research) with a mixed approach of political dialogue/cooperation in the field of foreign and security policy, access to finance (especially blending), expertise and advice (technical assistance and Twinning), and new opportunities for change agents especially in the civil society and the media, *then* these sectors will be better financed *and* they will benefit from stronger know-how of the government, civil society and private actors, *and* they will build on stronger planning and steering of policies, *and* the reforms will be invigorated by change agents; *then* Moldova will become more strongly politically associated with the EU and more stable within the regional and international peace and security frameworks (political dialogue and reform, cooperation in the field of foreign and security policy), will become more closely integrated economically with the EU (trade and trade-related matters, financial assistance and anti-fraud/control provisions), will evolve as a society enjoying more freedom, security and justice, that is, a society governed by the rule of law (freedom, security and justice), and will develop as an economically and socially prosperous country (economic and other sectoral cooperation).

<sup>48</sup> ENI/2017/040-490 Terms of Reference, p. 3.

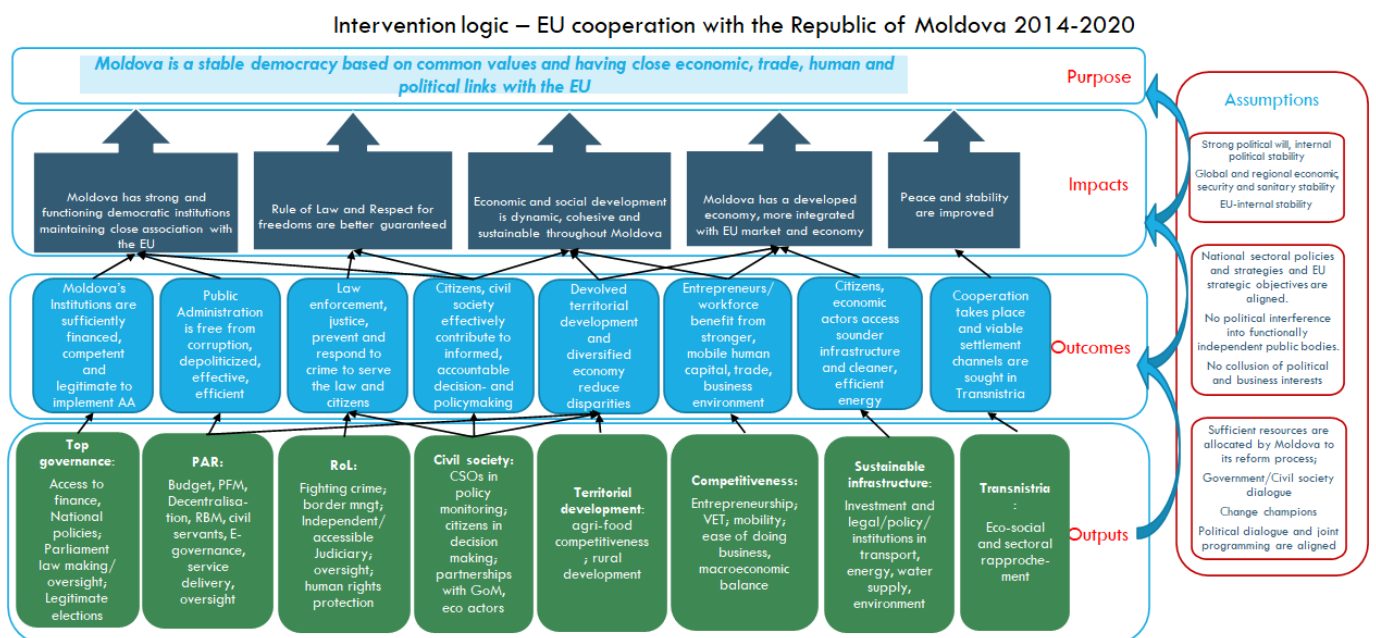
Figure 23: Overview of intervention logic under EU–Moldova SSF 2017-2020



**Synthesis**

In conclusion, the evolution of the intervention logic of the EU’s cooperation with Moldova does not concern so much the list of **priorities and objectives** (which are relatively stable during the period despite varying formulations and groupings) but rather their **relative importance**, and the **intervention modalities** which were selected to achieve these objectives. The reconstructed intervention logic flowchart (Figure 9) synthesises the two intervention logics of the EU in Moldova. While it does not show the evolution from one intervention logic to another, it clearly shows the chain of interventions and changes which were expected to occur in various priority areas under the respective SSFs.

Figure 24: Overall intervention logic of EU–Moldova cooperation 2014-2020



**External assumptions** are external factors that were necessary for the chain of changes to occur:

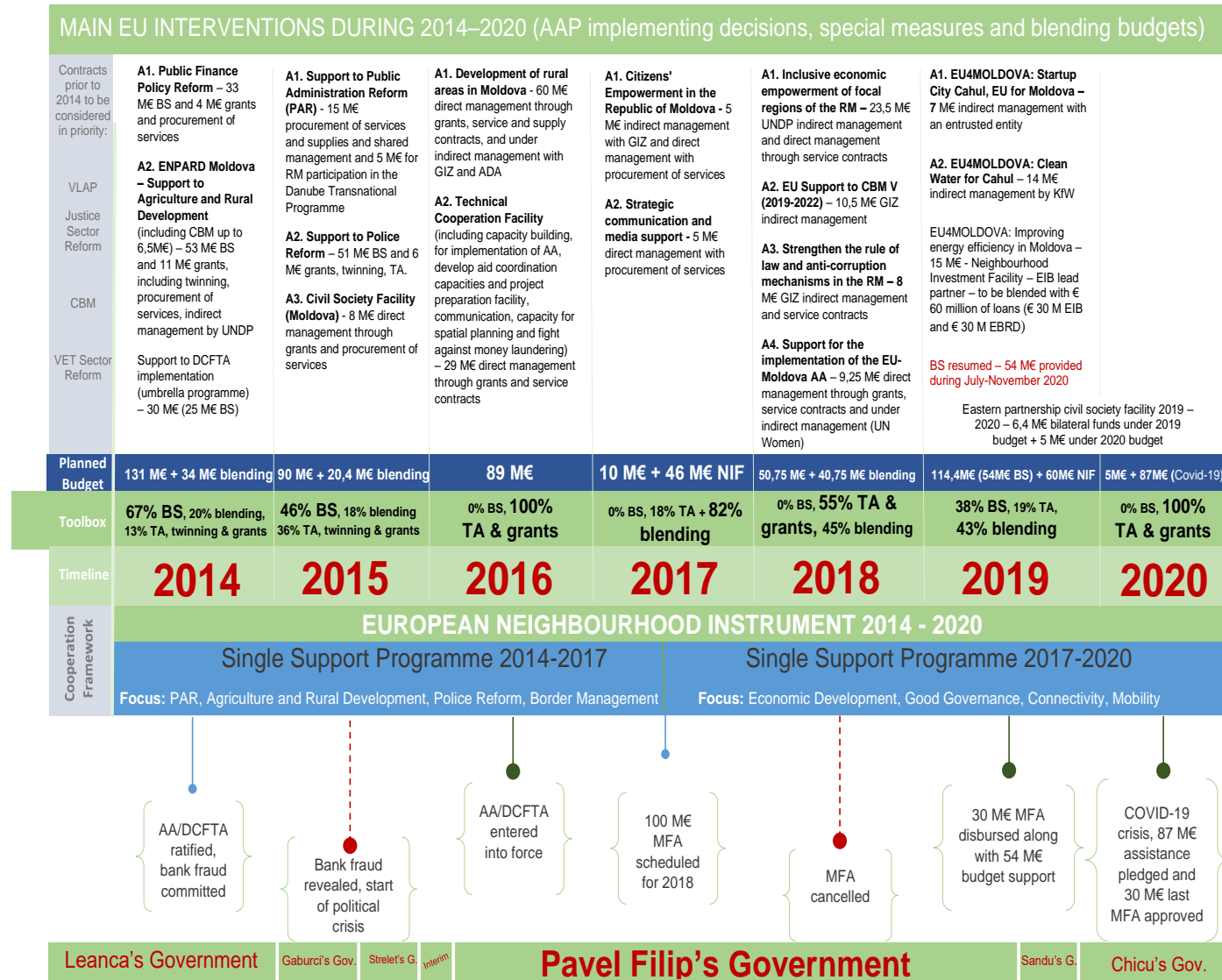
**Purpose level** (external factors enabling impact to feed into the purpose of EU–Moldova cooperation):  
 Strong political will, internal political stability; global and regional economic, security and sanitary stability; EU internal stability.

**Impact level** (external factors enabling outputs to provoke changes at impact level): National sectoral policies and strategies and EU strategic objectives are aligned; Gradual reduction of political interference into functionally independent public bodies (coherent with national policies and EU support); progressively less collusion of political and business interest.

**Outcome level** (external factors enabling interventions' outputs to provoke changes at outcome level): Sufficient resources (human and financial) allocated by Moldova to its reform process; government/civil society dialogue; existence of champions of change in all sectors among state/civil society/private actors.

The graph below (Figure 10) shows the evolution of the EU's cooperation with Moldova in its political context, particularly the evolution of the EU's mix of modalities ('tool box'):

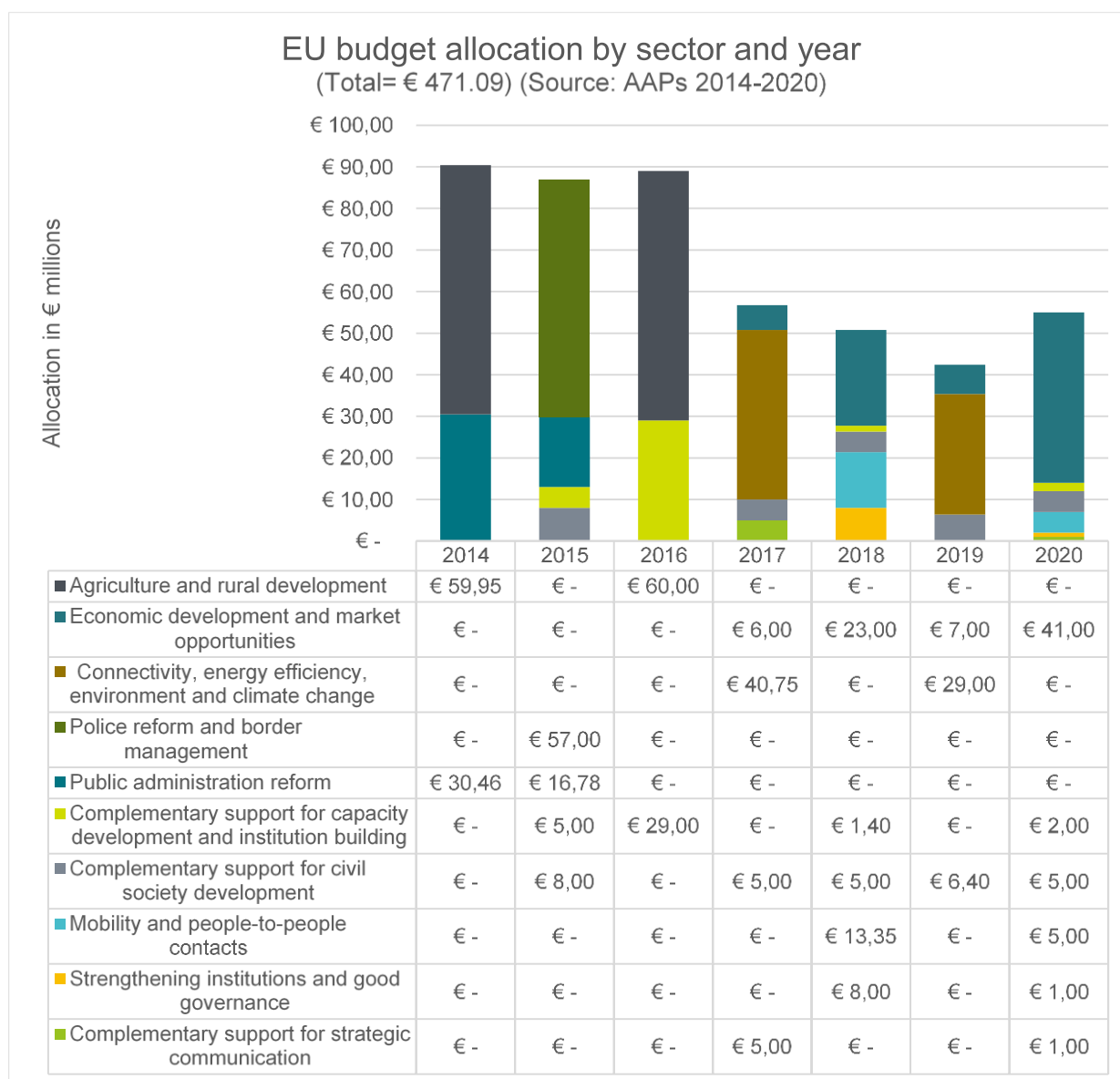
Figure 25: Timeline of main EU interventions and political context





The evolution of the allocations per sector, based on the AAPs, shows the evolution of the intervention logic, at least at bilateral level.

Figure 26: Evolution of planned amounts per sector, within bilateral cooperation (AAPs)



In addition to the above, following the outbreak of the COVID-19 pandemic, the EU mobilised a EUR 127 million package, combining existing and new funds to deliver, among others: material support, partly in cooperation with World Health Organization (WHO) (e.g. masks and other equipment, facilitation of treatment across both banks of the river in Transnistria); Budget support (EUR 15 million) COVID-19 Resilience contract, adopted in December 2020; Emergency grants; SME innovation and resilience programme; Health sector resilience support – loans with European Bank for Reconstruction and Development (EBRD) and European Investment Bank (EIB).

In addition, EUR 21.4 million unspent funds under the ongoing budget support programme for police reform have been mobilised to combat the pandemic in the law enforcement sector.

Further to the COVID-19 response package, an emergency COVID-19 macro-financial assistance, worth EUR 100 million in loans on highly favourable terms, was adopted in April 2020. The first instalment of EUR 50 million was disbursed in November 2020. The second tranche is set to be disbursed in 2021, if the relevant conditions are met.

This COVID-related support, which was mostly mobilised after the evaluation's cut-off date for including newly launched actions (February 2020) is not covered directly by this evaluation.

## Sector intervention logics

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### Agriculture and rural development

The intervention logic of the agriculture and rural development sector was aligned to the evolution of broader ENP objectives and the Agricultural Agreement. In line with the AA, the development of agriculture and rural areas has been a priority for EU–Moldova cooperation. The National Action Plans for the implementation of the AA envisaged cooperation of the EU with Moldova to promote agricultural and rural development, in particular through the progressive convergence of policies and legislation. This was incorporated in the logic of EU–Moldova cooperation and reinforced national strategies and programmes in the sector. Analysis of EU programming documents show that agriculture and rural development support was considered a long-term impact to be achieved by the cooperation, and special emphasis was put on harmonisation of policies legislation.

The EU's intervention logic in agriculture and rural development could be summarised as follows: *if* policy, legal and institutional framework is strengthened and approximation with the EU occurs, and *if* support services to the industry are enhanced and *if* investments occur in modernising agri-food value chains and rural infrastructure improves *then* this will improve the general business environment, enhance sectoral competitiveness and allow Moldovan producers to benefit from the EU market and contribute to economic development.

### Governance and rule of law

The EU's intervention logic in **public administration reform** can be summarised as follows: *if* political leadership is legitimate and capacitated to strategise and plan finances accordingly, with integrity, at all levels of governance, and *if* Moldova's financial balance reaches the basic standards, and *if* civil servants are ready, willing and able to discharge their duties efficiently and with integrity, *then* sound policies supported by budget planning will be efficiently cascaded down through all levels of democratic representation and civil service from national to territorial level, then Moldova will have strong democratic institutions, therefore it will become a stable democracy based common values with the EU.

The intervention logic of the EU in the **rule of law** area can be summarised as follows: *if* the law enforcement agencies and the justice system are capacitated in terms of policy-making, structure, processes, human and material resources, and *if* their functional (law enforcement, magistrates) and constitutional (judicial institutions) independence is protected in the legal order, and *if* they are monitored internally and externally, then they will become effective, efficient, independent, accountable and transparent. *Then*, they will prevent and respond to all crimes and violations as a service to the legal order and to the citizens. *Then* rule of law and respect for rights and freedoms will be better guaranteed, therefore Moldova will become a stable democracy based common values with the EU.

The intervention logic of **anti-corruption** interventions can be summarised as follows: *if* the law enforcement and justice system have the capacity to identify and prosecute corruption, and *if* public finance and key institutions become more transparent, and *if* the civil society monitors public finances, then public administration will be free from corruption *then* Moldova will have strong democratic institutions, therefore it will become a stable democracy based common values with the EU.

## Energy, environment and infrastructure

The EU's intervention in this sector has used different instruments including blending operations as an investment booster and a vehicle to accelerate Moldova's integration to the European energy and transport networks, reduce dependency upon energy imports (Moldova has historically depended upon energy imports from Russia) in parallel with legislative, regulatory and institutional capacity support to facilitate Moldova to correspond to commitments made under DCFTA.

The EU's intervention in this sector was the following: *if* investments in the energy sector are made and *if* this is combined with an increased production of energy of renewable resources and increased energy efficiency (especially in public buildings) *then* Moldova's dependency on imports will decrease, energy security will increase and Moldova will integrate more with countries of the EU. *If* investments in the transport sector are made, *then* Moldova's integration in the European transport networks will be accelerated and will benefit mobility and increase exchange of products. *If* additional support is provided through technical assistance and Twinning *then* Moldova's institutions will be strengthened and will promote legislative, regulatory reforms to respond to commitments under the DCFTA.

The intervention for the environment sector can be summarised as follows: *if* energy efficiency (public buildings, buses, locomotives) and the promotion of renewable energy (i.e. biomass, waste) is successfully implemented *then* there will be positive effects on the environment. *If* investments in water and waste-water sectors are made *then* this will not only booster local development but will also promote the environment.

## Private sector and small and medium enterprises

The EU's intervention logic in this sector was the following: *if* Moldova and the EU sign a DCFTA, *if* the business environment in Moldova improves and *if* technical support and financing opportunities are provided to the private sector and especially SMEs (to modernise their production, adapt to export requirements), *then* Moldovan enterprises will increase, diversify and improve production of products; this will lead to increase of economic relations with EU.

## Education

The intervention logic of VET was the following: *if* VET governance, financing mechanism, institutional network, curricula and teaching methods are re-conceptualised and social dialogue enhanced *then* VET will be more attractive to potential students and will better respond to labour market demand and limit the brain drain.

The Erasmus+ intervention logic can be represented as follows: *if* teachers, students and researchers from Moldova and EU benefit from learning exchanges and credit mobility and government will be supported in reforming higher education, *then* individual, institutional and system-level capacity will be strengthened, leading to increased quality of higher education and better learning outcomes.

The intervention logic of Horizon 2020 may be summarised as follows: *if* the EU provides financing for Moldovan participation in Horizon 2020 and supports the establishment and capacitation of research and innovation (R&I) managing institutions *then* R&I policy design and implementation will be enhanced leading to greater and more successful participation of researchers in national and international projects and better R&I outcomes.

## Transnistria and confidence building

While support to the 5+2 negotiation process is key to the long-term settlement of the Transnistria conflict, this is beyond the scope of the current evaluation, which is dealing only with the confidence-building measures. The intervention logic of CBM could be summarised as follows: *if* EU–Moldova cooperation supports the economic, social and sectoral rapprochement of the two banks of the Nistru river, through more intensive cross-river cooperation of various key actors (business companies, chambers of commerce, central institutions, local authorities, CSOs, healthcare and cultural institutions, media, etc.)

and the general population, they will come to know each other better, their mutual trust will be increased *and* they will benefit from exchange of information, access to knowledge and best practices, stronger capacity and know-how, *and* this will reduce the gap in the social, economic and sectoral development of the two banks. Mistrust will be overcome, more equal access will be ensured to the opportunities provided by the AA and its DCFTA, and integration between the two banks of the Nistru river will be facilitated. *Then* the disparity between the districts from the right bank of the Nistru river and the Transnistrian region will be reduced and Transnistria could be included in Moldovan-wide development initiatives to facilitate future reintegration, *thus* creating solid conditions for future conflict resolution based on increased mutual trust and understanding.





# Evaluation of the European Union's cooperation with the Republic of Moldova (2014-2020)

Annex to the final report

Volume 2

December 2021

*Evaluation carried out on behalf of the European Commission*



Consortium composed of



Lead Implementing Partner in  
partnership with

Adam Smith  
International



PROMAN



INTEGRITY



The evaluation was led by Landell Mills

*FWC COM 2015*

*EuropeAid/137211/DH/SER/Multi*

*Specific Contract N° NEAR COMMON/2019/ 411518*

**Evaluation of the European Union's cooperation with Republic of  
Moldova (2014-2020)**

**This evaluation was commissioned by the  
Coordination of financing instruments: Performance, Results and  
Evaluation Unit of DG NEAR, European Commission**

***The opinions expressed in this document represent the authors' points of view  
which are not necessarily shared by the European Commission  
or by the authorities of the countries involved.***

# Survey Results

# Annex 5: Survey Results

## 1. Demographics of informants reached through survey and key informant interviews

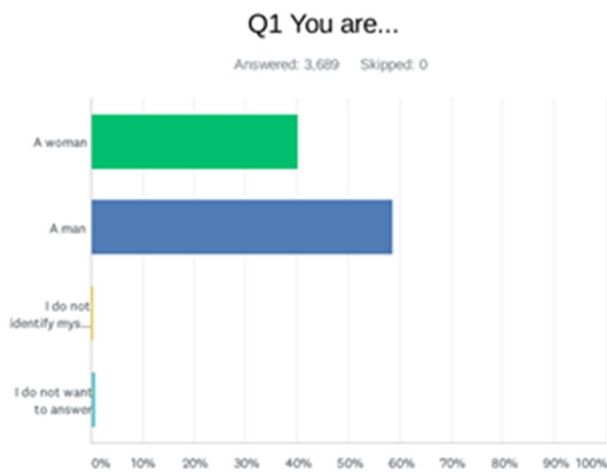
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### *Survey Demographics:*

There was a total of 3,689 respondents to the survey. Their demographics in terms of gender, age and employment status is presented below:

- Gender

Figure 1: Survey responses Q1 Gender



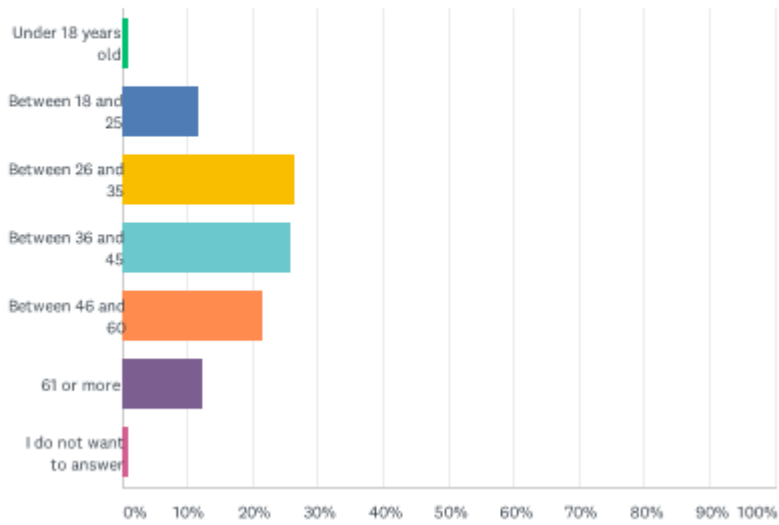
- Age

The age categories with the highest response rate were 26-35 years old (26.51%), followed by 35-45 year olds (25.94%). The age groups with the lowest rate of response were under 18's (0.92%) and over 61's (12.39%).

Figure 2: Survey responses Q2 Age

## Q2 Your age is...

Answered: 3,689 Skipped: 0



- Employment status

Figure 3: Survey responses Q3 employment status

## Q3 What is your employment status?

Answered: 3,689 Skipped: 0

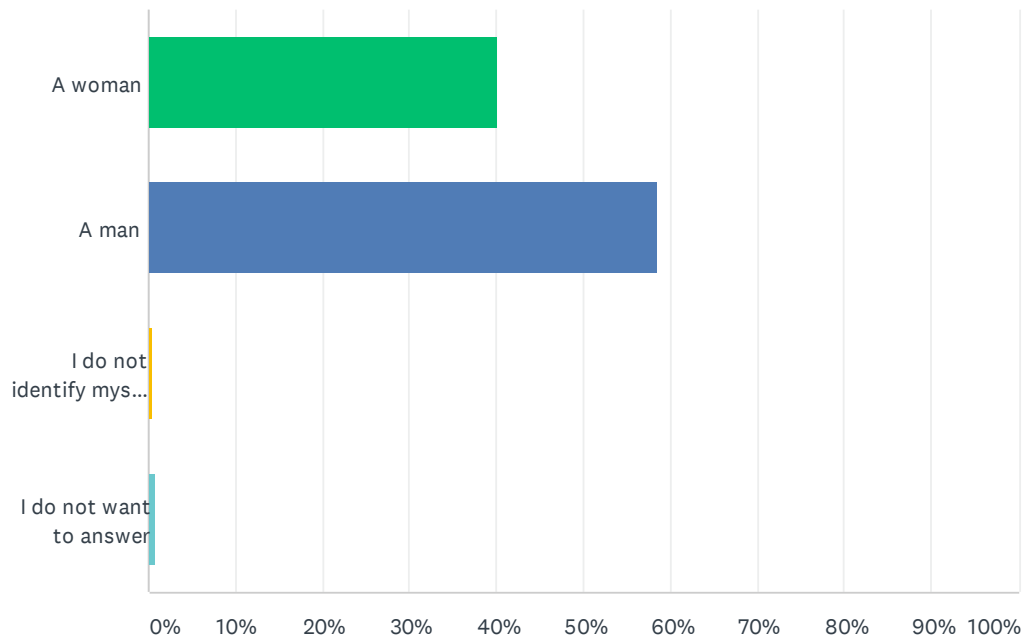


## 2. Full Survey Results

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## Q1 You are...

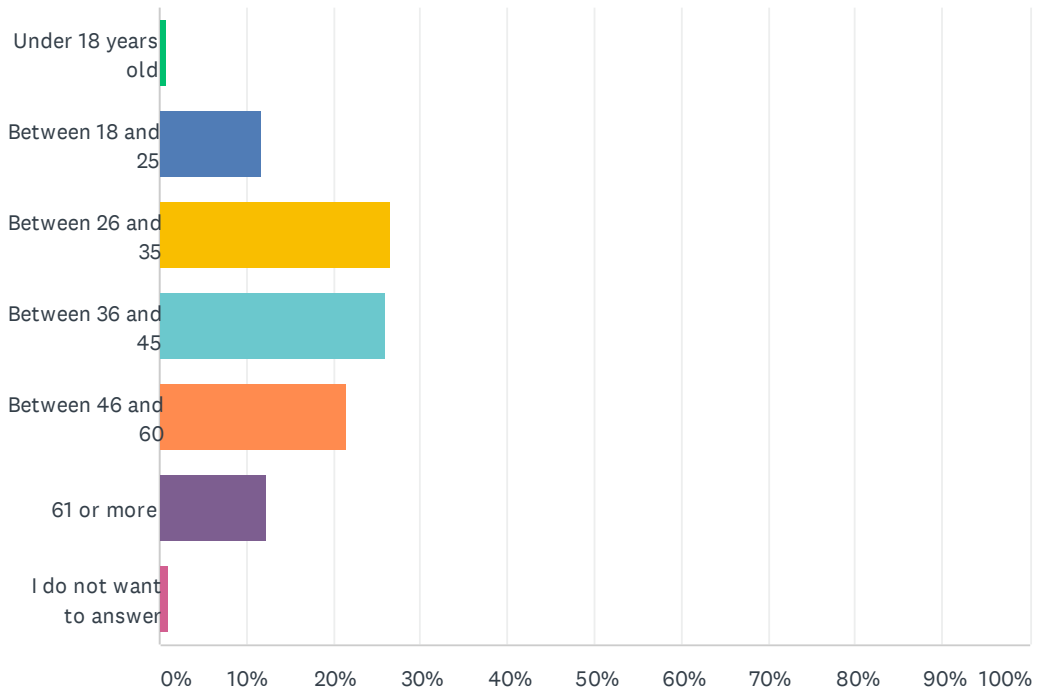
Answered: 3,689 Skipped: 0



ANSWER CHOICES	RESPONSES	
A woman	40.17%	1,482
A man	58.58%	2,161
I do not identify myself as either or	0.35%	13
I do not want to answer	0.89%	33
<b>TOTAL</b>		<b>3,689</b>

## Q2 Your age is...

Answered: 3,689 Skipped: 0

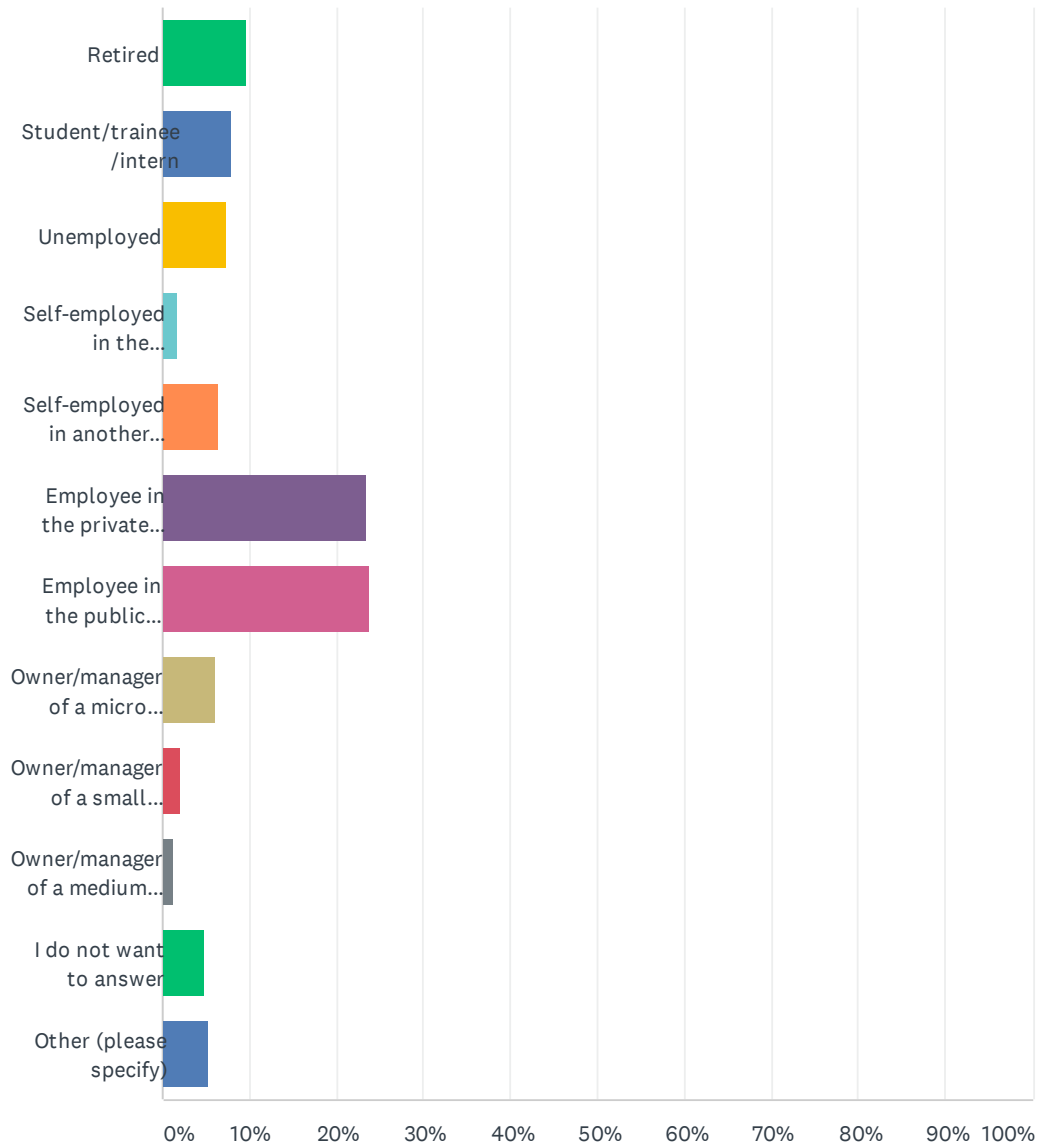


ANSWER CHOICES	RESPONSES	
Under 18 years old	0.92%	34
Between 18 and 25	11.68%	431
Between 26 and 35	26.51%	978
Between 36 and 45	25.94%	957
Between 46 and 60	21.58%	796
61 or more	12.39%	457
I do not want to answer	0.98%	36
<b>TOTAL</b>		<b>3,689</b>



### Q3 What is your employment status?

Answered: 3,689 Skipped: 0

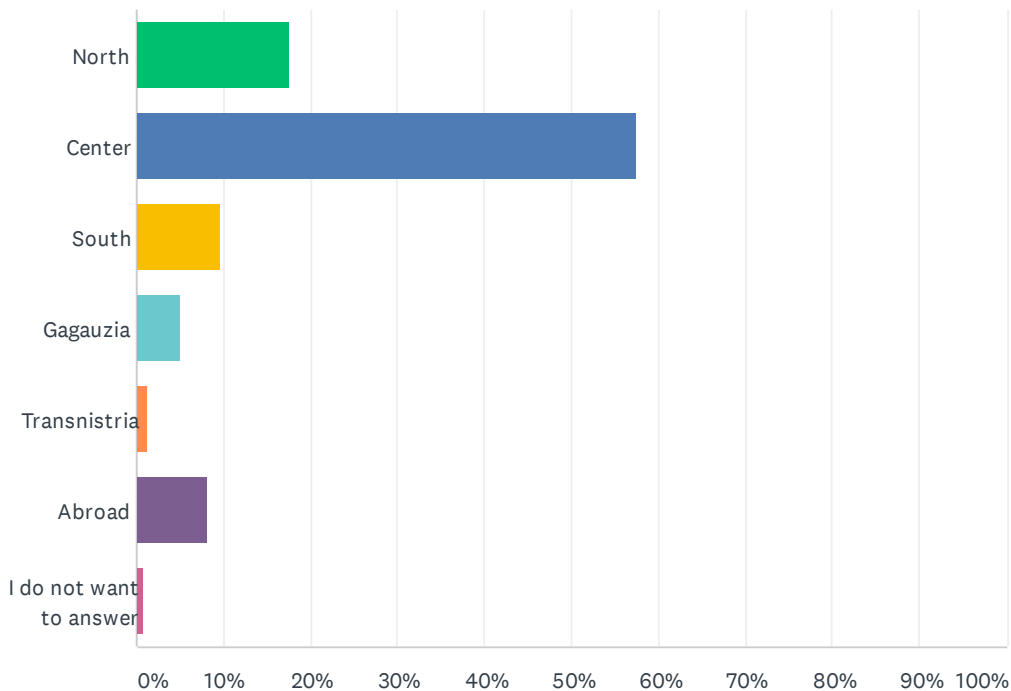


Survey on European Union's cooperation with Republic of Moldova 2014-2020

ANSWER CHOICES	RESPONSES	
Retired	9.70%	358
Student/trainee/intern	7.92%	292
Unemployed	7.32%	270
Self-employed in the agricultural sector (e.g. farmer)	1.65%	61
Self-employed in another sector (e.g. handcraft, independent professional)	6.56%	242
Employee in the private sector	23.45%	865
Employee in the public sector	23.88%	881
Owner/manager of a micro company (less than 10 employees)	6.02%	222
Owner/manager of a small company (11 to 50 employees)	2.20%	81
Owner/manager of a medium company (50 to 250 employees)	1.17%	43
I do not want to answer	4.91%	181
Other (please specify)	5.23%	193
<b>TOTAL</b>		<b>3,689</b>

## Q4 Which area do you live in?

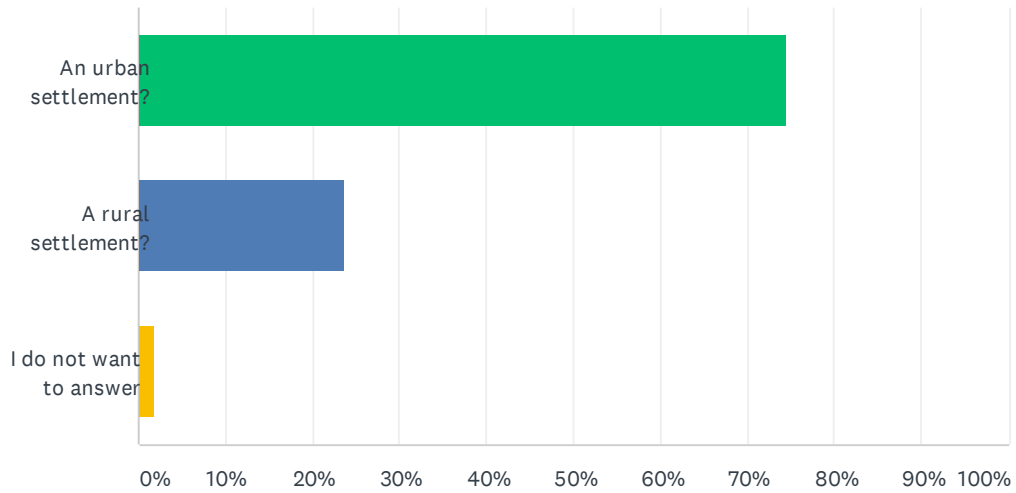
Answered: 3,689 Skipped: 0



ANSWER CHOICES	RESPONSES	
North	17.51%	646
Center	57.50%	2,121
South	9.68%	357
Gagauzia	5.07%	187
Transnistria	1.30%	48
Abroad	8.13%	300
I do not want to answer	0.81%	30
<b>TOTAL</b>		<b>3,689</b>

## Q5 Do you live in...

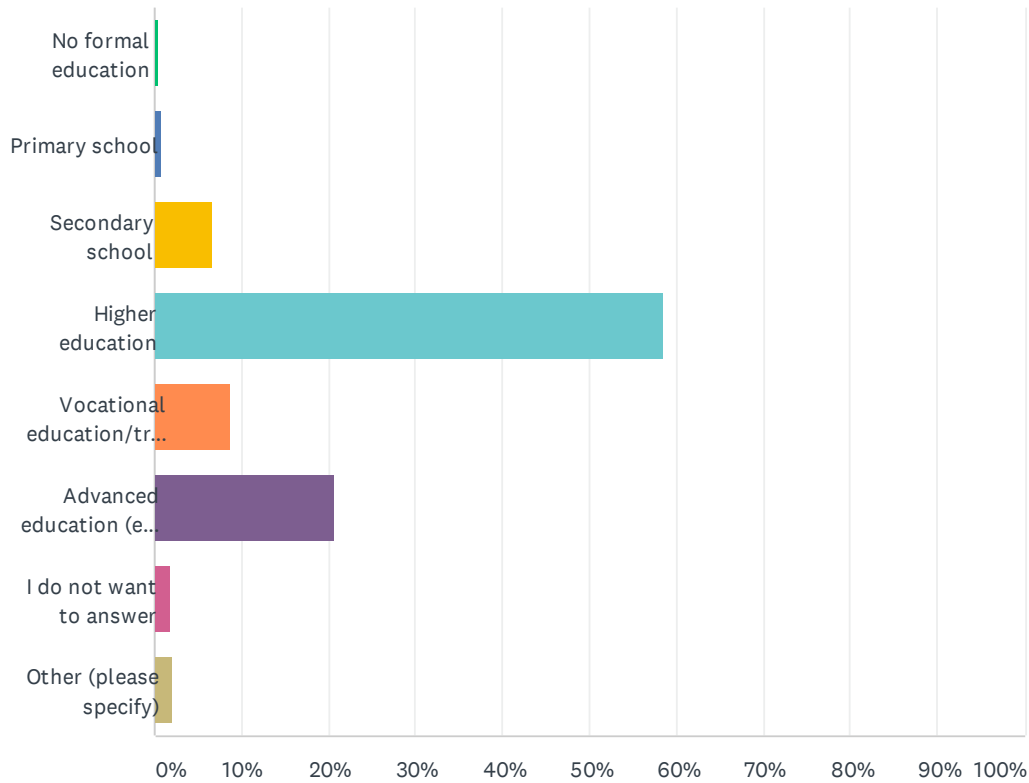
Answered: 3,689 Skipped: 0



ANSWER CHOICES	RESPONSES
An urban settlement?	74.52% 2,749
A rural settlement?	23.66% 873
I do not want to answer	1.82% 67
TOTAL	3,689

## Q6 What is your level of education?

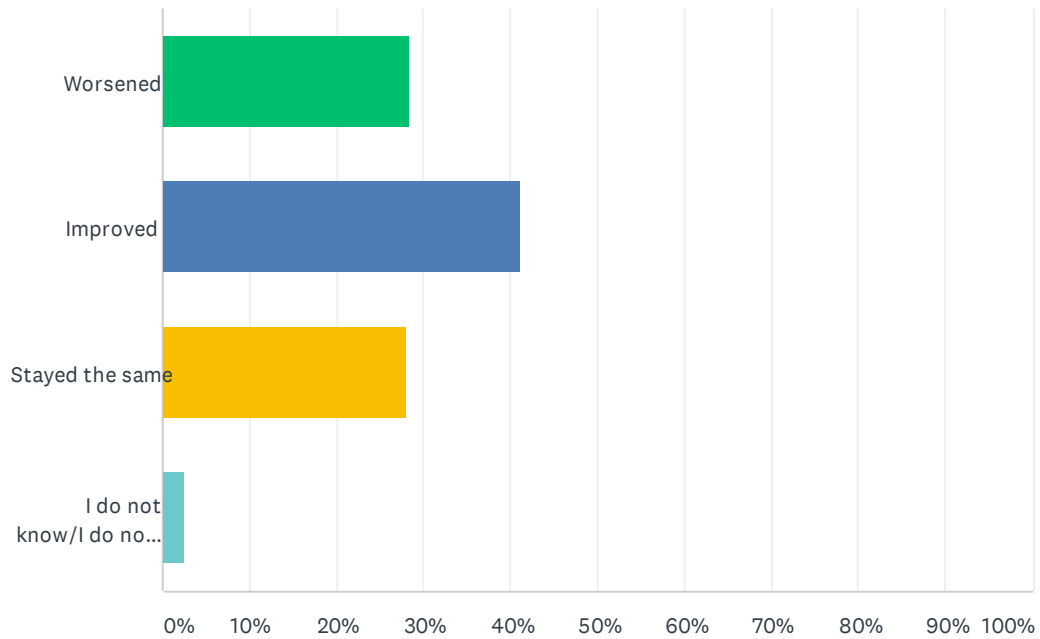
Answered: 3,689 Skipped: 0



ANSWER CHOICES	RESPONSES	
No formal education	0.33%	12
Primary school	0.89%	33
Secondary school	6.72%	248
Higher education	58.58%	2,161
Vocational education/training	8.78%	324
Advanced education (eg MA, PHd, MSc...)	20.68%	763
I do not want to answer	1.95%	72
Other (please specify)	2.06%	76
<b>TOTAL</b>		<b>3,689</b>

## Q7 Since 2014, would you say that your personal economic conditions have...

Answered: 3,427 Skipped: 262

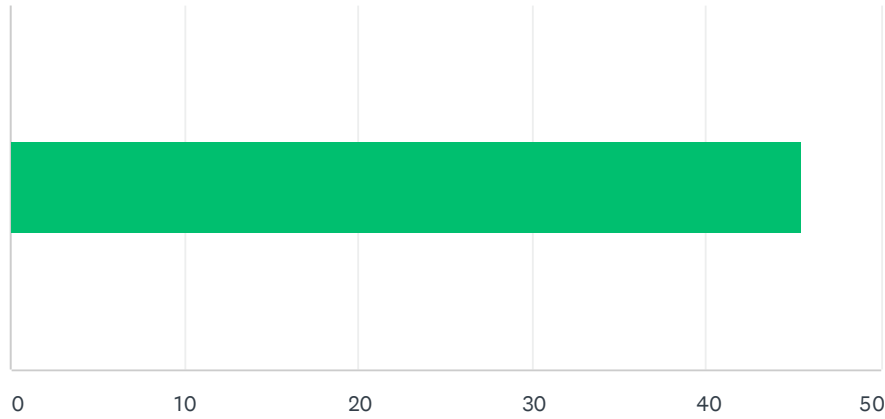


ANSWER CHOICES	RESPONSES	
Worsened	28.39%	973
Improved	41.11%	1,409
Stayed the same	27.98%	959
I do not know/I do not want to answer	2.51%	86
<b>TOTAL</b>		<b>3,427</b>



### Q8 On a scale of 0 (not confident at all) to 100 (absolutely confident), how confident do you feel about your future economic situation?

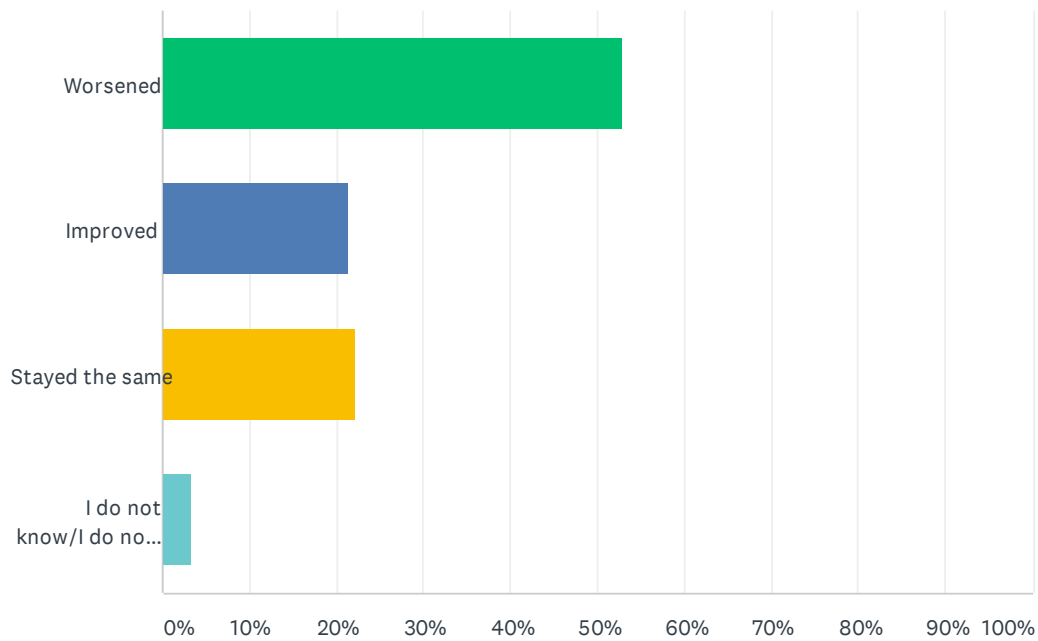
Answered: 3,427 Skipped: 262



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	46	155,970	3,427
Total Respondents: 3,427			

## Q9 Since 2014, would you say that the economic situation of the country has...

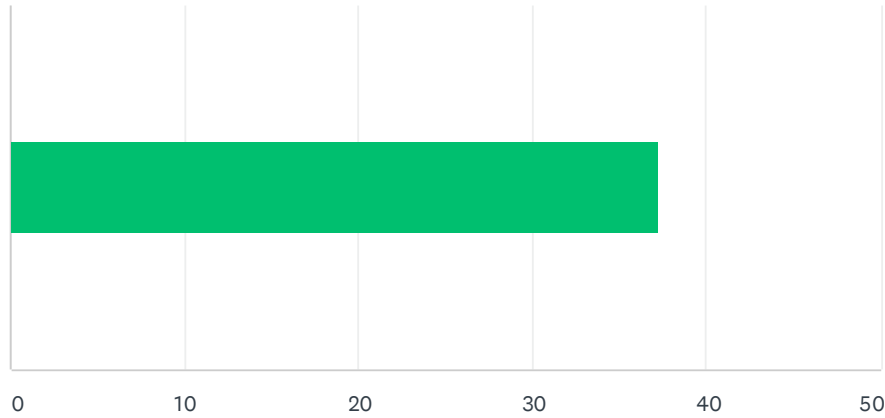
Answered: 3,427 Skipped: 262



ANSWER CHOICES	RESPONSES	
Worsened	52.99%	1,816
Improved	21.36%	732
Stayed the same	22.21%	761
I do not know/I do not want to answer	3.44%	118
<b>TOTAL</b>		<b>3,427</b>

Q10 On a scale of 0 (not confident at all) to 100 (absolutely confident), how confident do you feel about the future economic situation of the country?

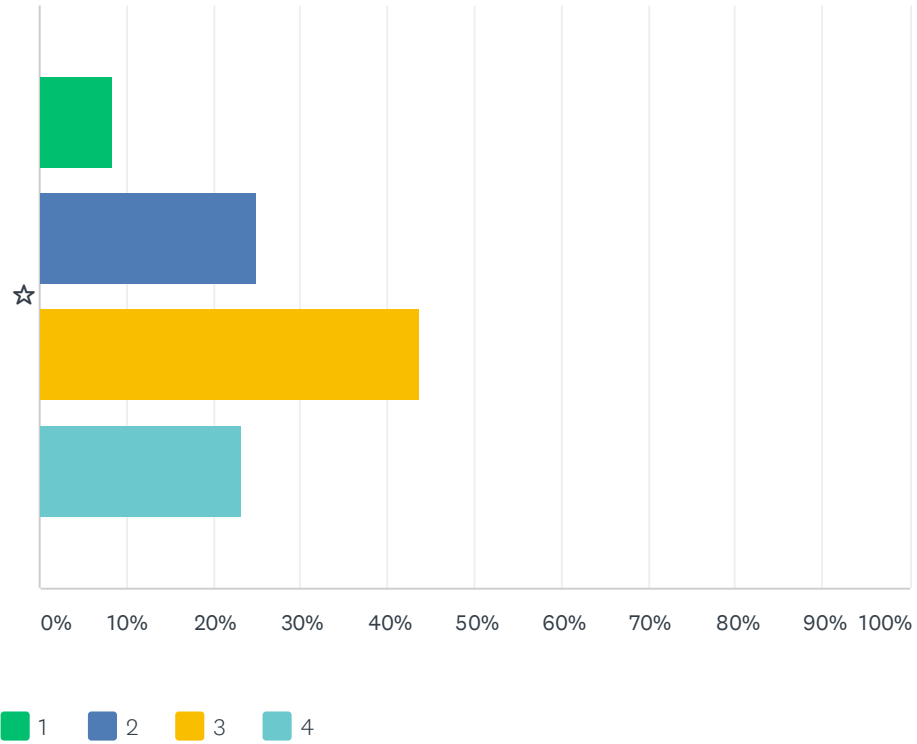
Answered: 3,427 Skipped: 262



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	37	127,467	3,427
Total Respondents: 3,427			

### Q11 How would you rate your trust in food products made in Moldova (0 being no trust, and 4 complete trust)?

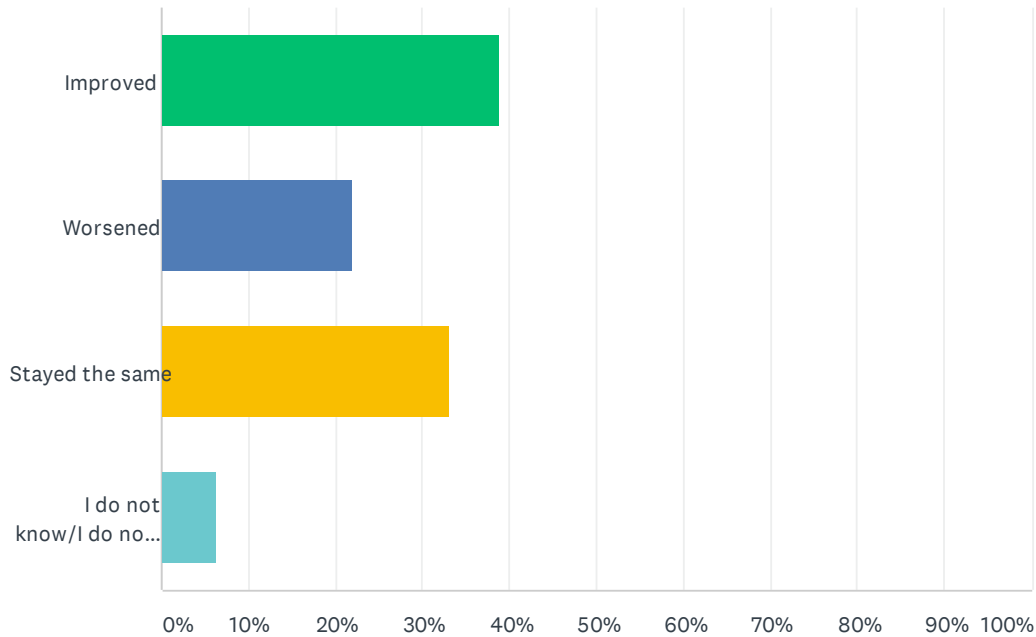
Answered: 3,303 Skipped: 386



	1	2	3	4	TOTAL	WEIGHTED AVERAGE
☆	8.36% 276	24.80% 819	43.69% 1,443	23.16% 765	3,303	2.82

## Q12 Since 2014, do you think food products made in Moldova have...

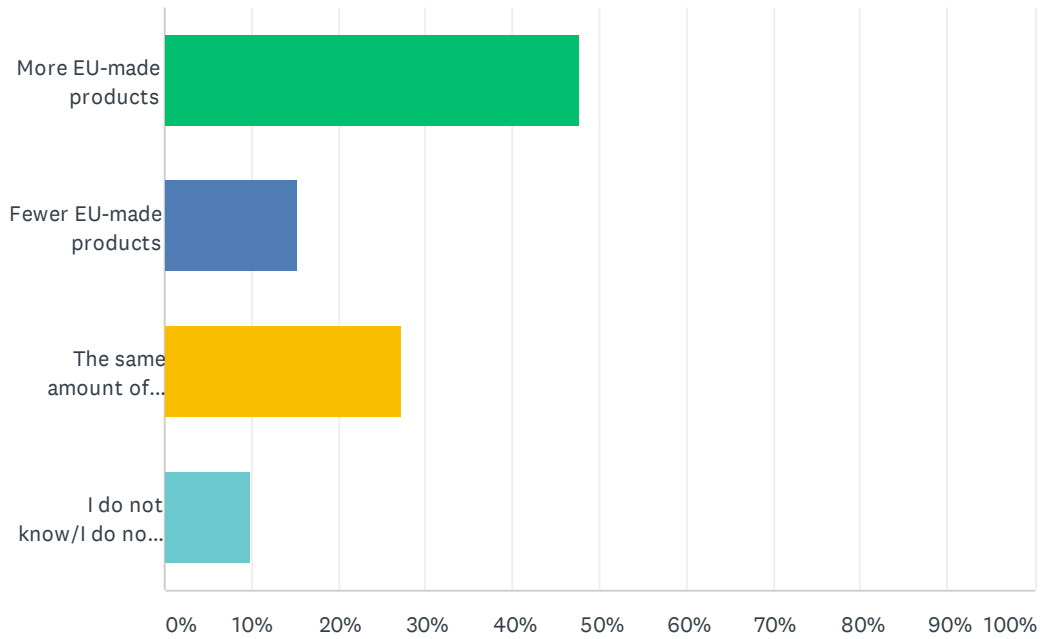
Answered: 3,427 Skipped: 262



ANSWER CHOICES	RESPONSES	
Improved	38.90%	1,333
Worsened	21.89%	750
Stayed the same	33.00%	1,131
I do not know/I do not want to answer	6.22%	213
<b>TOTAL</b>		<b>3,427</b>

## Q13 Compared to 2014, do you think you consume...

Answered: 3,427 Skipped: 262

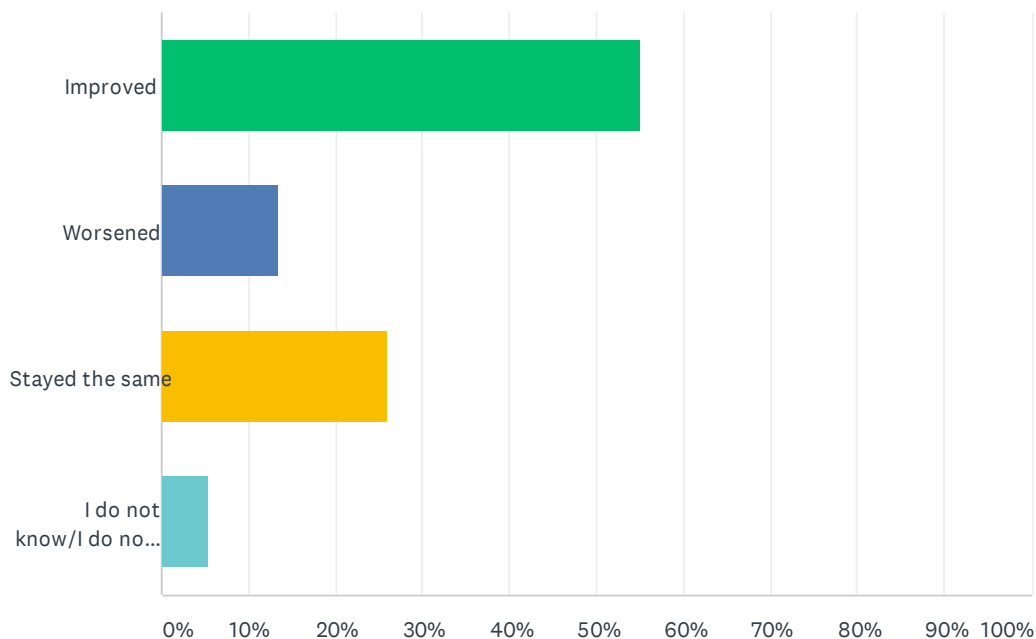


ANSWER CHOICES	RESPONSES	
More EU-made products	47.80%	1,638
Fewer EU-made products	15.17%	520
The same amount of EU-made products	27.25%	934
I do not know/I do not want to answer	9.78%	335
<b>TOTAL</b>		<b>3,427</b>



### Q14 Since 2014, did your personal experience of municipal services (e.g. cadaster, civil registry, and other services provided by your village or municipality) have

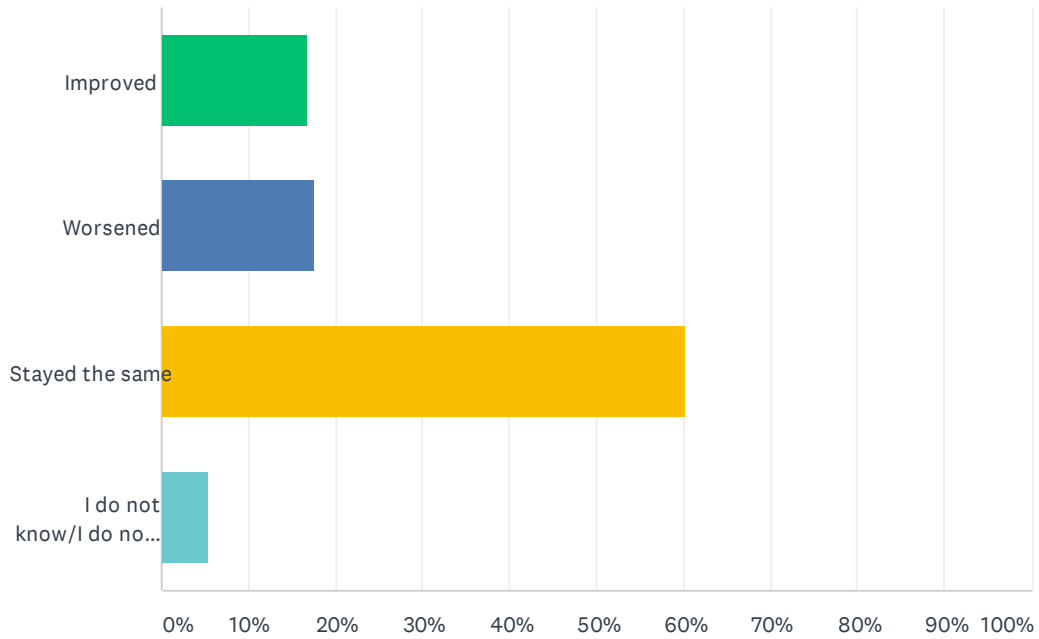
Answered: 3,327 Skipped: 362



ANSWER CHOICES	RESPONSES	
Improved	55.00%	1,830
Worsened	13.47%	448
Stayed the same	26.03%	866
I do not know/I do not want to answer	5.50%	183
<b>TOTAL</b>		<b>3,327</b>

## Q15 Since 2014, has the quality of tap water in your place...

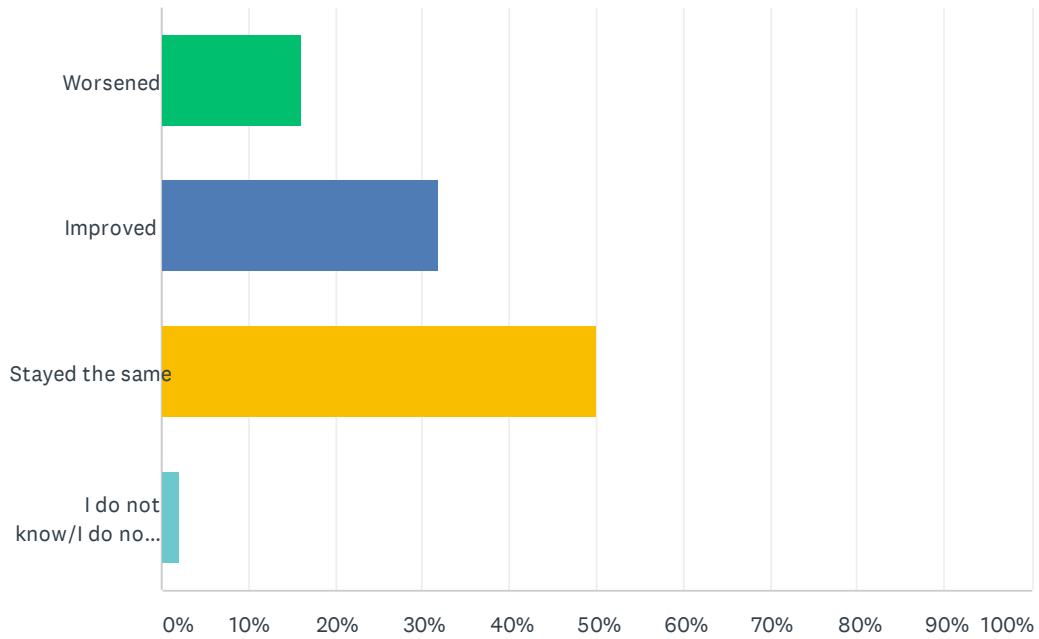
Answered: 3,327 Skipped: 362



ANSWER CHOICES	RESPONSES	
Improved	16.83%	560
Worsened	17.58%	585
Stayed the same	60.20%	2,003
I do not know/I do not want to answer	5.38%	179
<b>TOTAL</b>		<b>3,327</b>

## Q16 Since 2014, has waste disposal in your place...

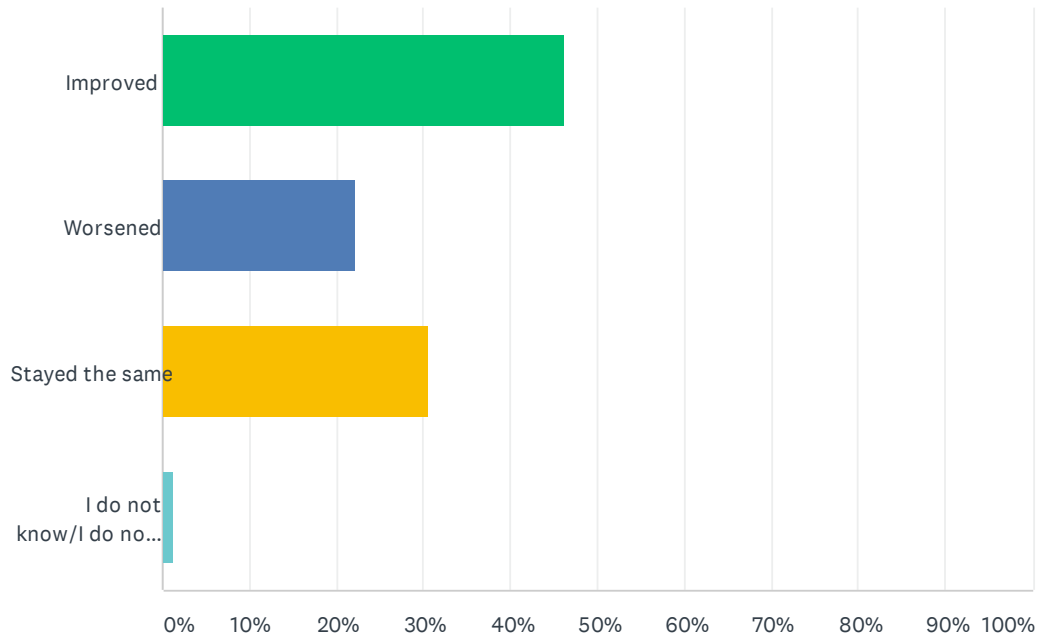
Answered: 3,327 Skipped: 362



ANSWER CHOICES	RESPONSES	
Worsened	16.05%	534
Improved	31.86%	1,060
Stayed the same	49.95%	1,662
I do not know/I do not want to answer	2.13%	71
<b>TOTAL</b>		<b>3,327</b>

## Q17 Since 2014, in your opinion, has the road network in Moldova...

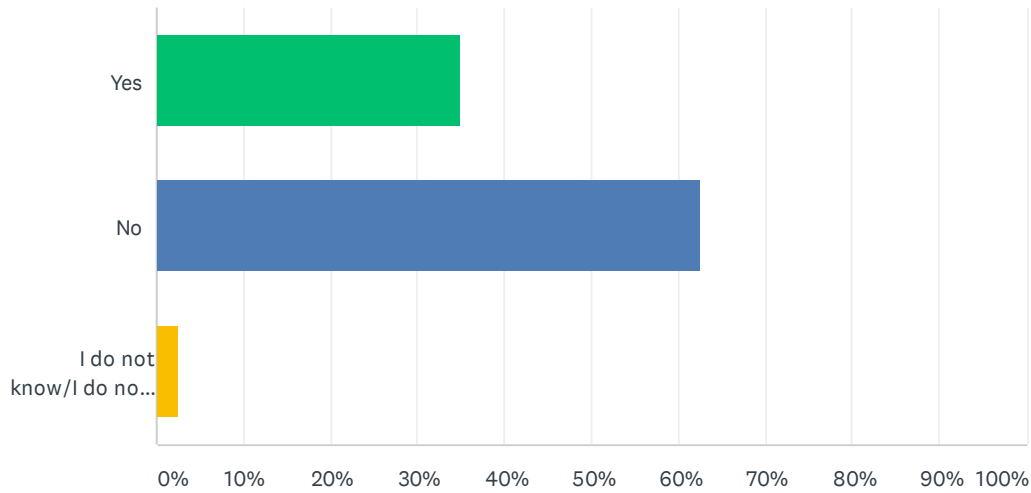
Answered: 3,327 Skipped: 362



ANSWER CHOICES	RESPONSES	
Improved	46.14%	1,535
Worsened	22.18%	738
Stayed the same	30.51%	1,015
I do not know/I do not want to answer	1.17%	39
<b>TOTAL</b>		<b>3,327</b>

## Q18 Since 2014, have you used the services of the justice system?

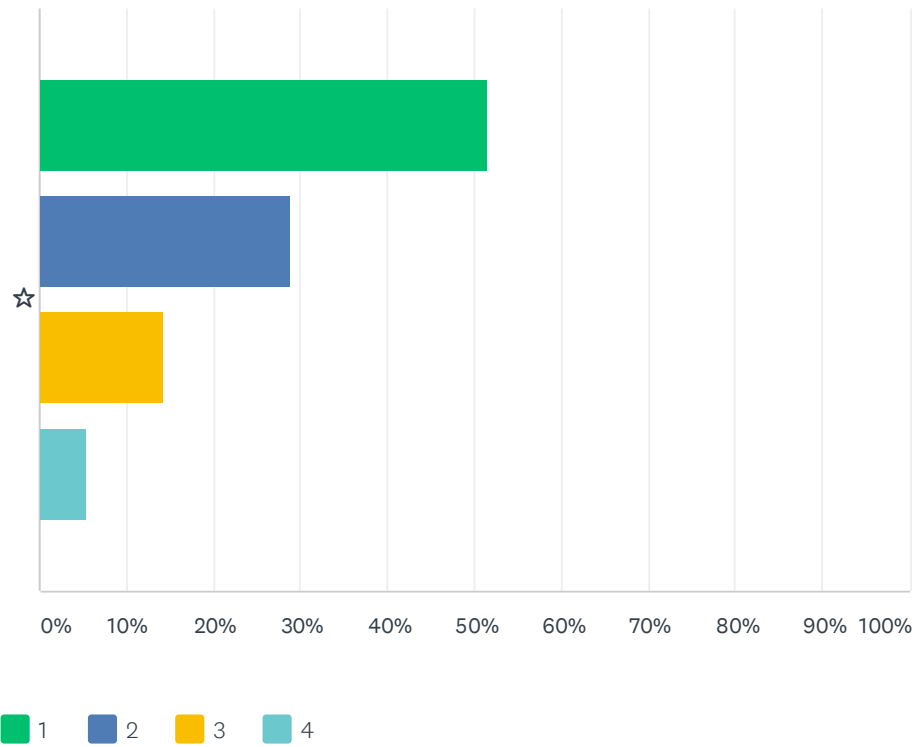
Answered: 3,052 Skipped: 637



ANSWER CHOICES	RESPONSES	
Yes	34.90%	1,065
No	62.55%	1,909
I do not know/I do not want to answer	2.56%	78
<b>TOTAL</b>		<b>3,052</b>

### Q19 If yes, how satisfied were you on this occasion (0 being not satisfied at all, and 4 fully satisfied)?

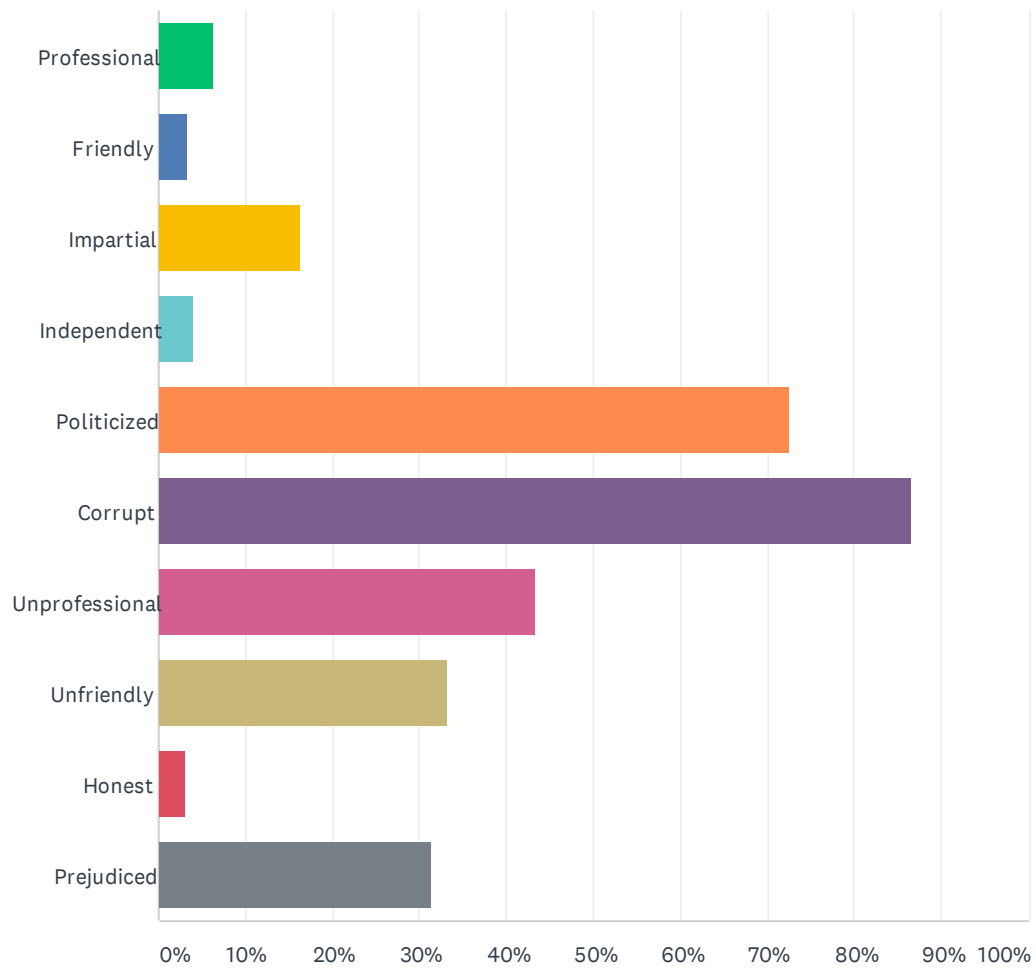
Answered: 1,304 Skipped: 2,385



	1	2	3	4	TOTAL	WEIGHTED AVERAGE
☆	51.46% 671	28.91% 377	14.26% 186	5.37% 70	1,304	1.74

## Q20 Please tick 3 words would you mostly associate with the justice system in Moldova.

Answered: 3,052 Skipped: 637



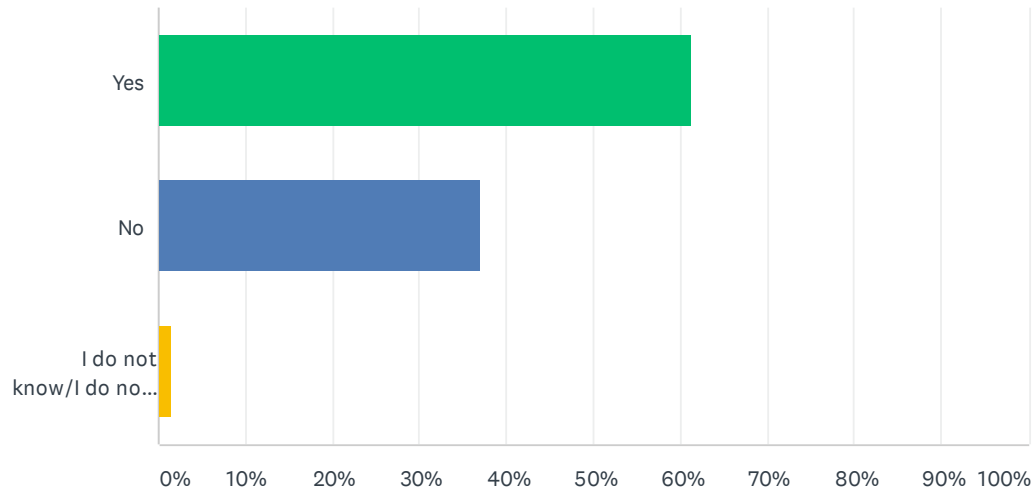


## Survey on European Union's cooperation with Republic of Moldova 2014-2020

ANSWER CHOICES	RESPONSES	
Professional	6.36%	194
Friendly	3.31%	101
Impartial	16.25%	496
Independent	3.96%	121
Politicized	72.58%	2,215
Corrupt	86.63%	2,644
Unprofessional	43.32%	1,322
Unfriendly	33.22%	1,014
Honest	3.08%	94
Prejudiced	31.29%	955
Total Respondents: 3,052		

## Q21 Since 2014, have you interacted with the police?

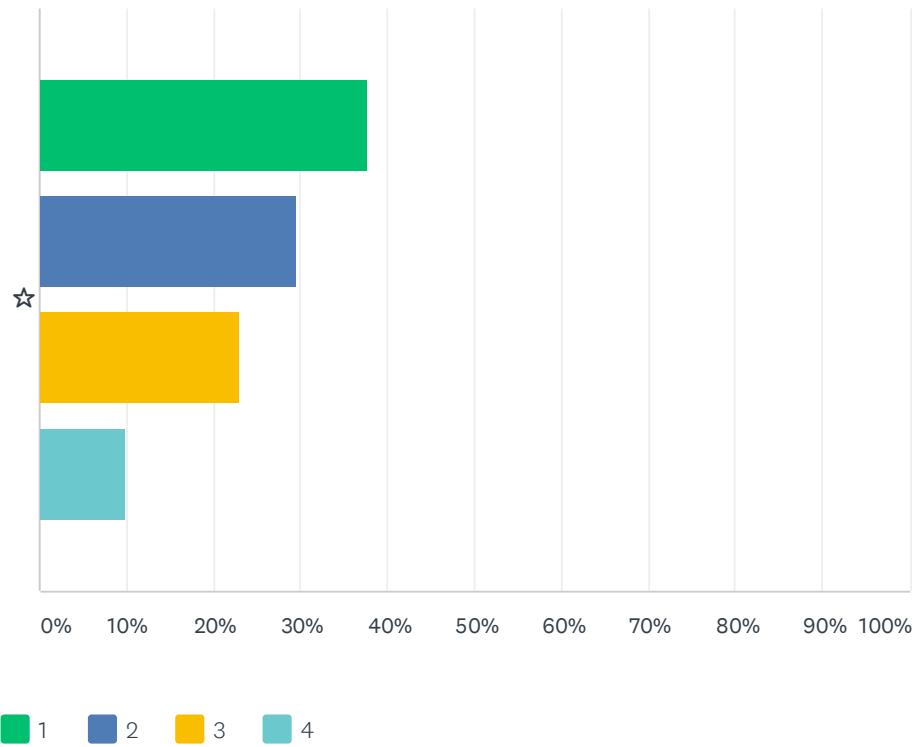
Answered: 3,052 Skipped: 637



ANSWER CHOICES	RESPONSES	
Yes	61.37%	1,873
No	37.12%	1,133
I do not know/I do not want to answer	1.51%	46
<b>TOTAL</b>		<b>3,052</b>

## Q22 If yes, how satisfied were you on this occasion (0 being not satisfied at all, and 4 fully satisfied)?

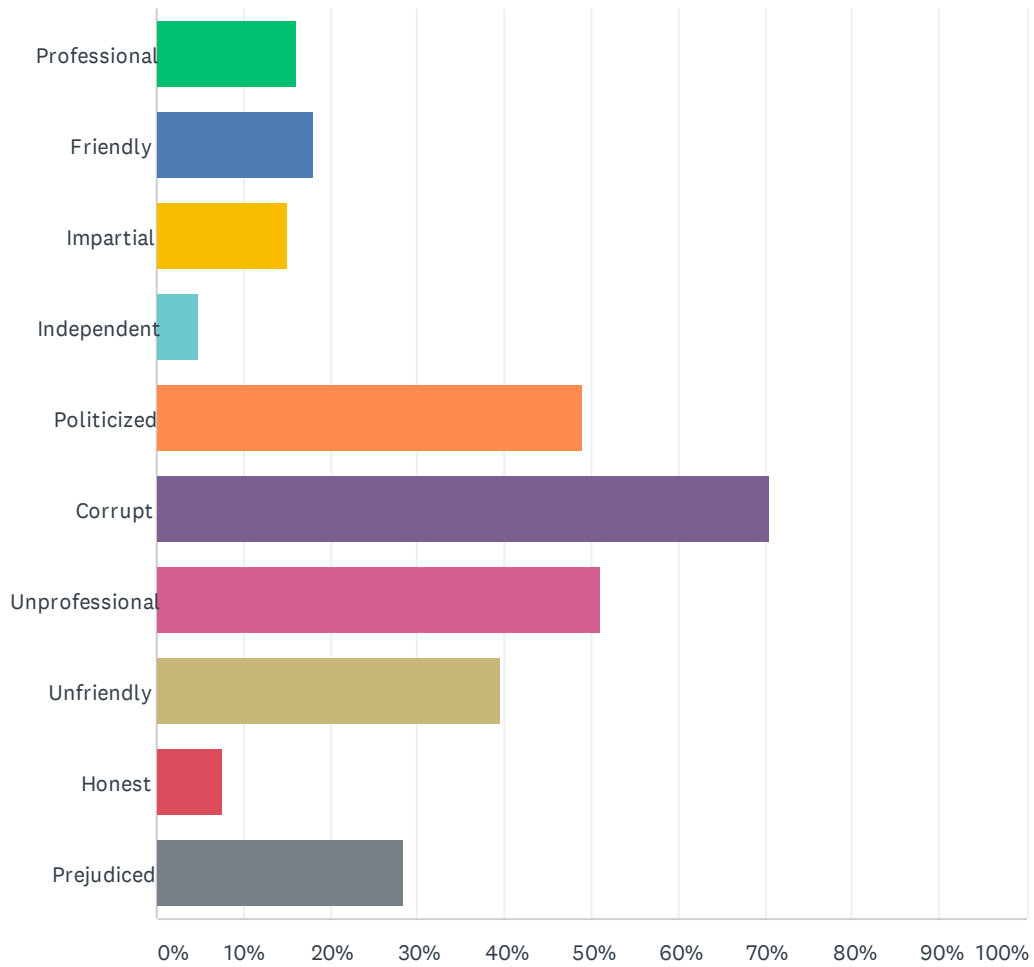
Answered: 1,936 Skipped: 1,753



	1	2	3	4	TOTAL	WEIGHTED AVERAGE
☆	37.60% 728	29.44% 570	23.09% 447	9.87% 191	1,936	2.05

## Q23 Please tick 3 words would you mostly associate with the police in Moldova.

Answered: 3,052 Skipped: 637

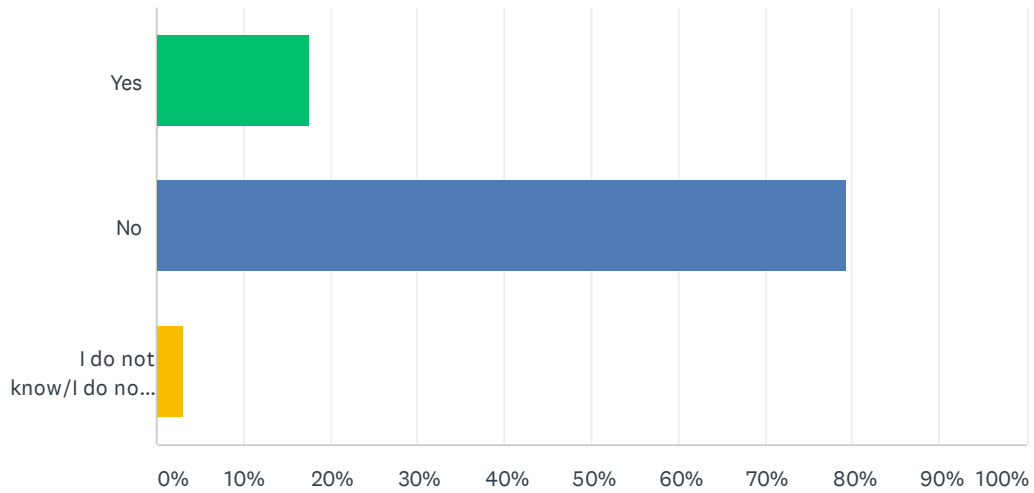


## Survey on European Union's cooperation with Republic of Moldova 2014-2020

ANSWER CHOICES	RESPONSES	
Professional	16.02%	489
Friendly	18.02%	550
Impartial	14.97%	457
Independent	4.85%	148
Politicized	48.89%	1,492
Corrupt	70.48%	2,151
Unprofessional	51.15%	1,561
Unfriendly	39.55%	1,207
Honest	7.63%	233
Prejudiced	28.44%	868
Total Respondents: 3,052		

## Q24 Are you a member of a civil society organisation?

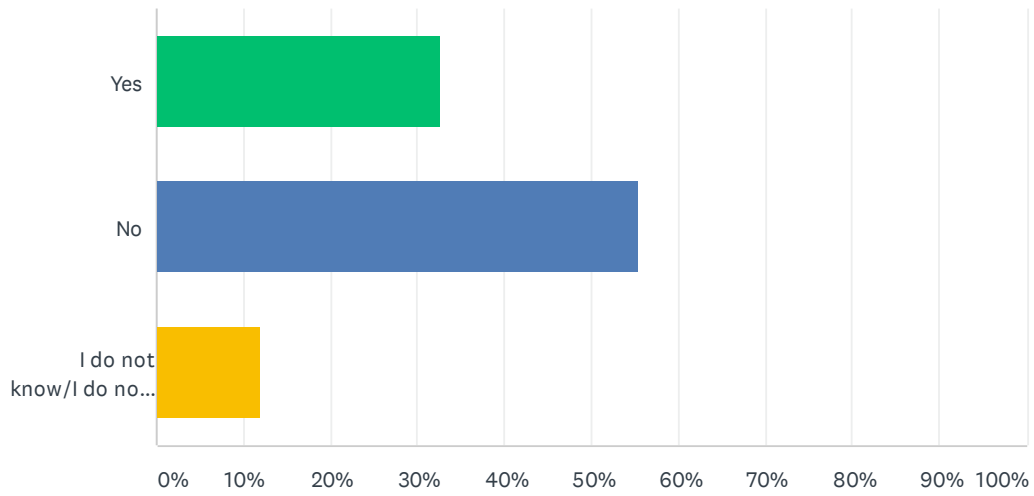
Answered: 3,024 Skipped: 665



ANSWER CHOICES	RESPONSES	
Yes	17.56%	531
No	79.37%	2,400
I do not know/I do not want to answer	3.08%	93
<b>TOTAL</b>		<b>3,024</b>

## Q25 Do you feel that one or several civil society organisations in Moldova represent your interests?

Answered: 3,024 Skipped: 665

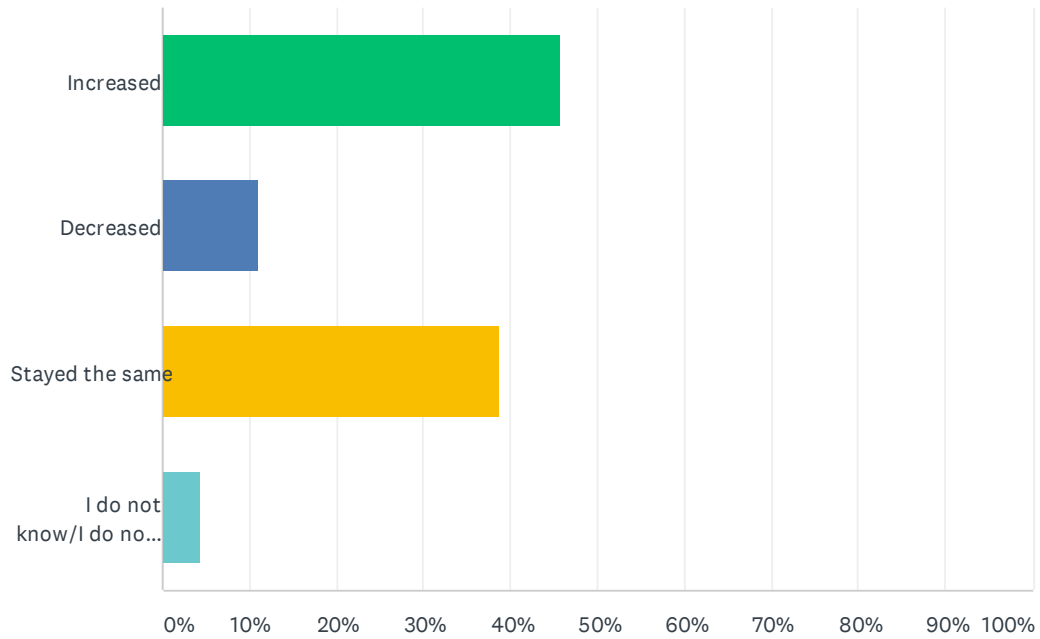


ANSWER CHOICES	RESPONSES	
Yes	32.61%	986
No	55.49%	1,678
I do not know/I do not want to answer	11.90%	360
<b>TOTAL</b>		<b>3,024</b>



## Q26 Since 2014, would you say that petty corruption in Moldova has...

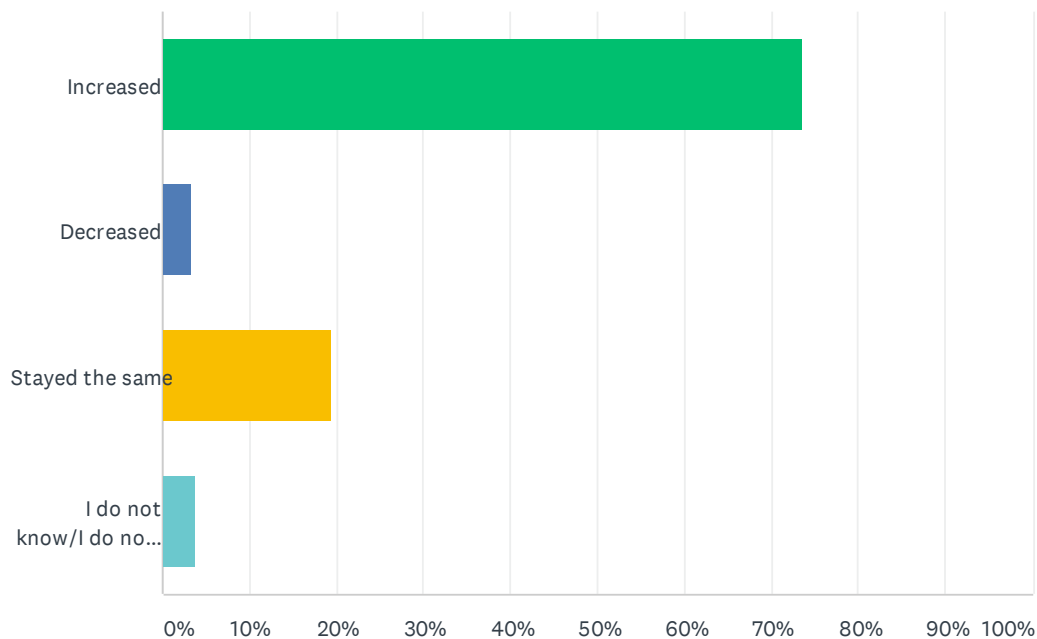
Answered: 3,024 Skipped: 665



ANSWER CHOICES	RESPONSES	
Increased	45.83%	1,386
Decreased	11.18%	338
Stayed the same	38.66%	1,169
I do not know/I do not want to answer	4.33%	131
<b>TOTAL</b>		<b>3,024</b>

## Q27 Since 2014, would you say that high-level corruption in Moldova has...

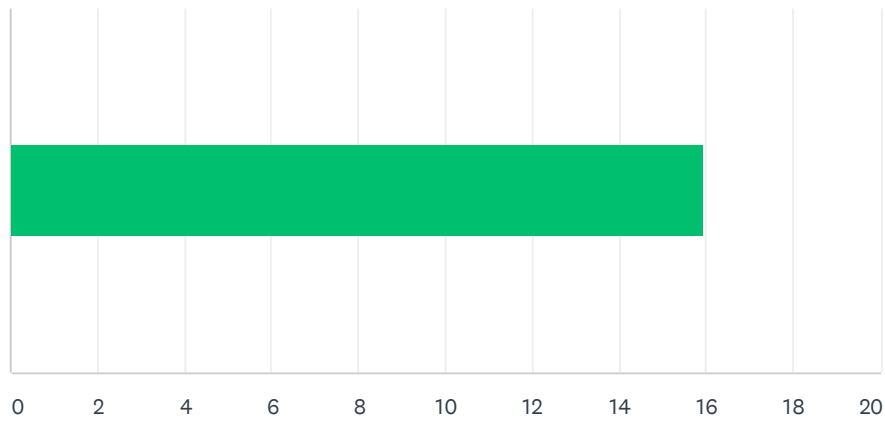
Answered: 3,024 Skipped: 665



ANSWER CHOICES	RESPONSES	
Increased	73.58%	2,225
Decreased	3.27%	99
Stayed the same	19.38%	586
I do not know/I do not want to answer	3.77%	114
<b>TOTAL</b>		<b>3,024</b>

## Q28 How confident are you that a solution to the situation in Transnistria is in sight?

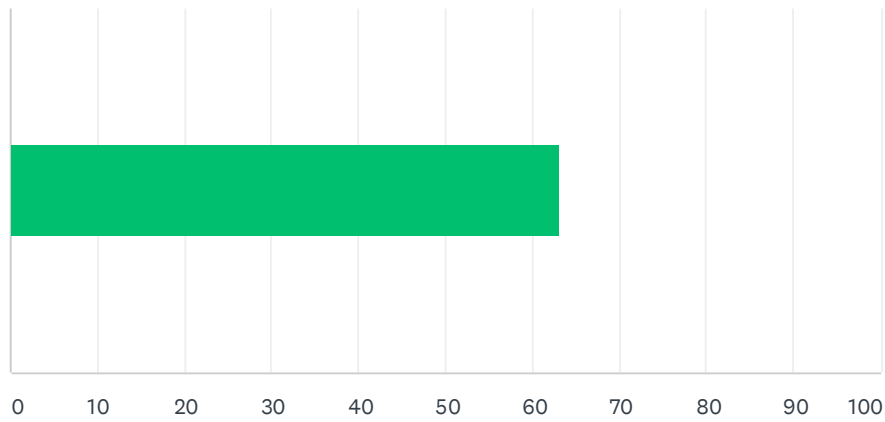
Answered: 3,024 Skipped: 665



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	16	48,179	3,024
Total Respondents: 3,024			

## Q29 How well informed would you say you are about what the EU does for Moldovan citizens?

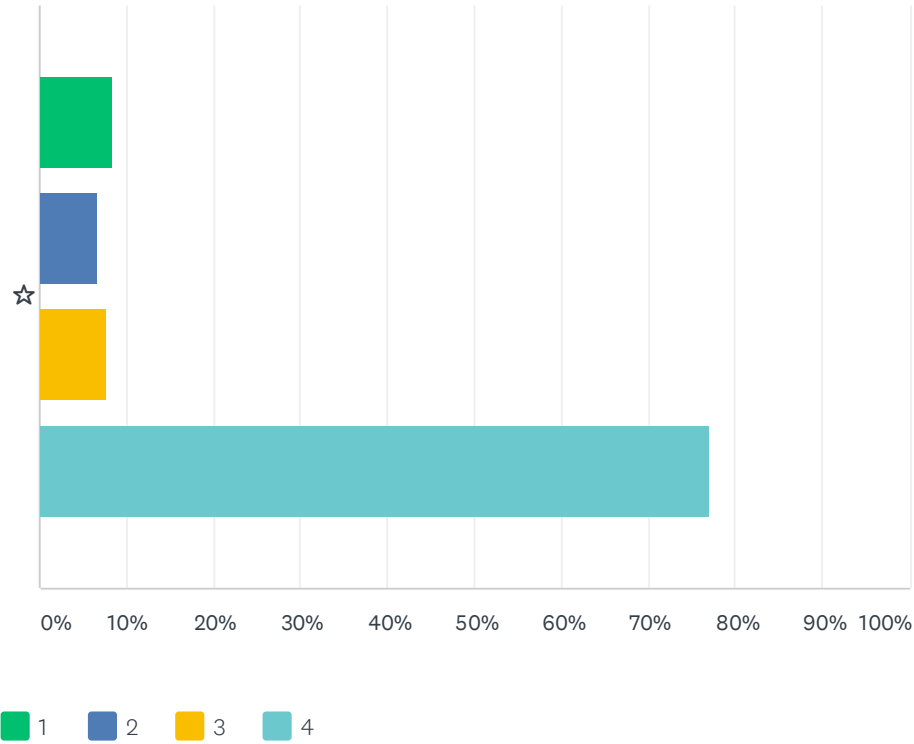
Answered: 2,977 Skipped: 712



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	63	188,158	2,977
Total Respondents: 2,977			

### Q30 In your opinion, how important is the EU's support to Moldova for the future of the country (0 being not important at all, 4 being decisive)?

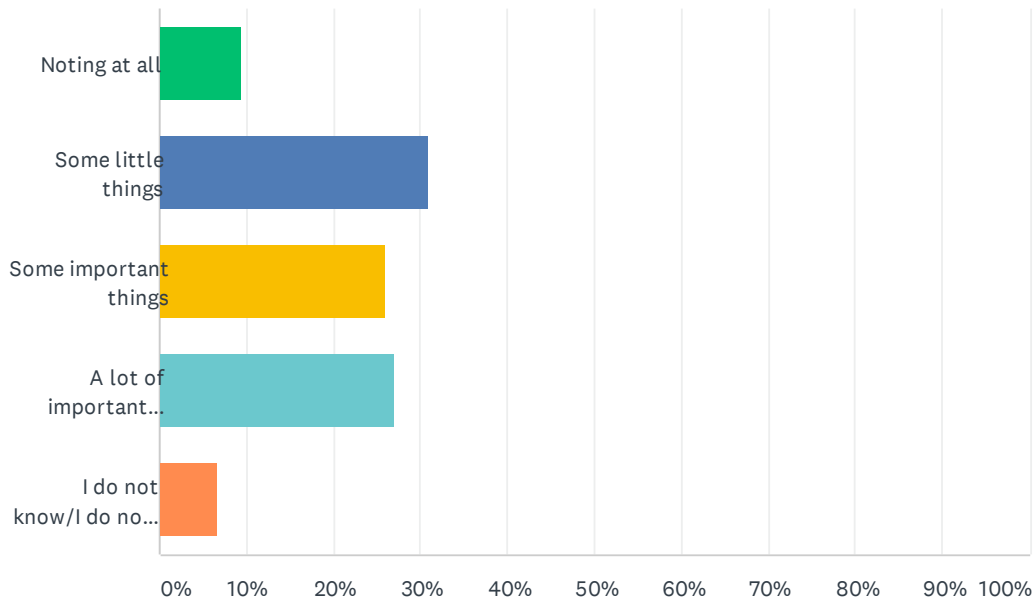
Answered: 2,977 Skipped: 712



	1	2	3	4	TOTAL	WEIGHTED AVERAGE
☆	8.43% 251	6.75% 201	7.83% 233	76.99% 2,292	2,977	3.53

### Q31 Has the EU's support to Moldova over the past 8 years changed something in your life?

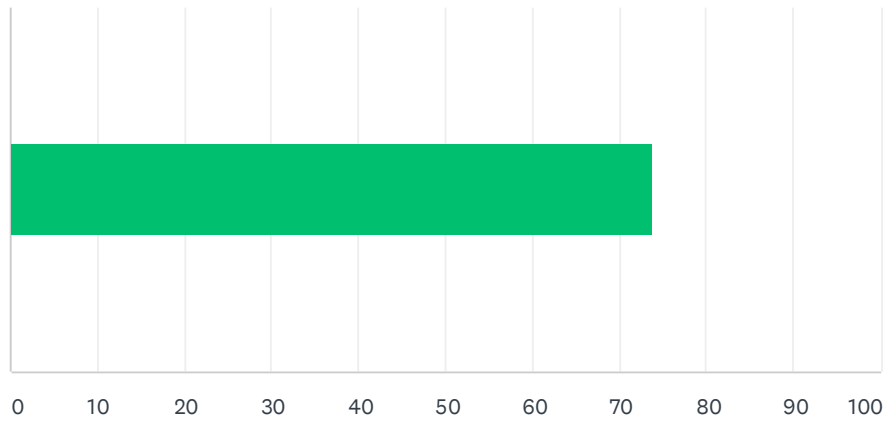
Answered: 2,977 Skipped: 712



ANSWER CHOICES	RESPONSES	
Noting at all	9.47%	282
Some little things	31.04%	924
Some important things	25.86%	770
A lot of important things	26.97%	803
I do not know/I do not want to answer	6.65%	198
<b>TOTAL</b>		<b>2,977</b>

### Q32 How much do you trust the good intentions of the EU in Moldova?

Answered: 2,977 Skipped: 712

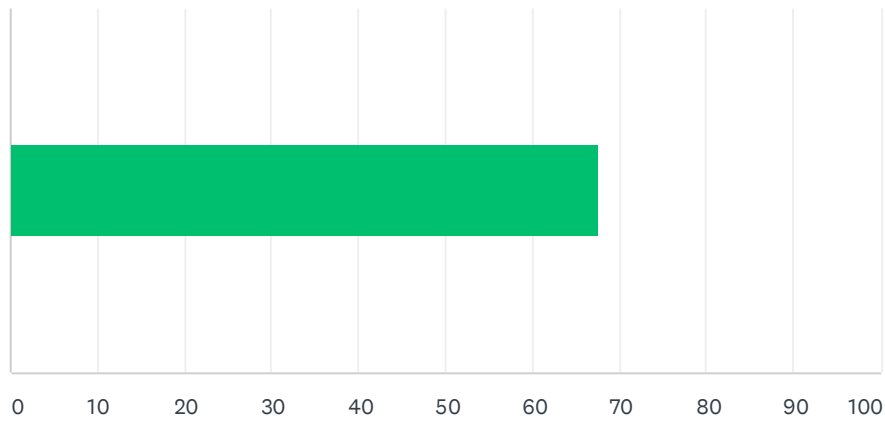


ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	74	219,738	2,977
Total Respondents: 2,977			



### Q33 How much do you trust the capacity of the EU to deliver on its objectives in Moldova?

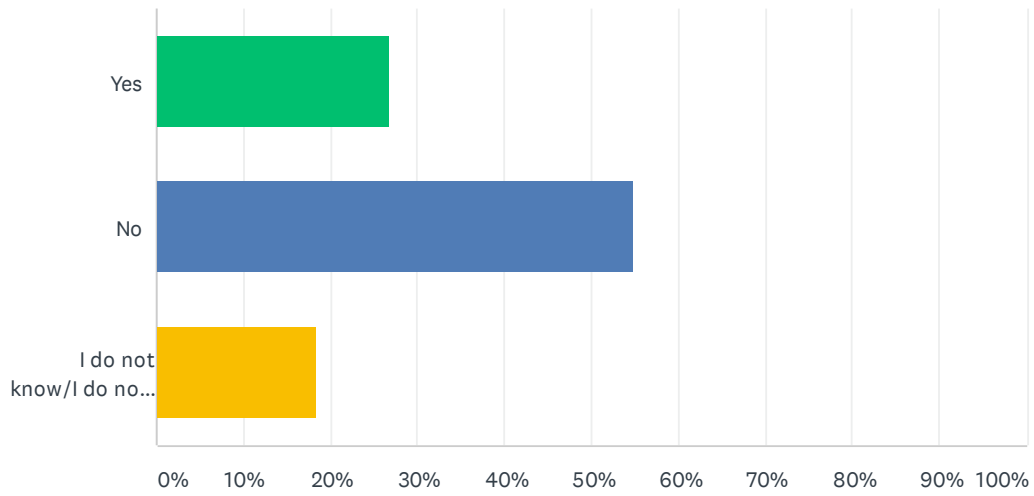
Answered: 2,977 Skipped: 712



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	68	201,431	2,977
Total Respondents: 2,977			

### Q34 Have you, or your company or your organisation been able to access EU funding (e.g. a loan, a grant...)?

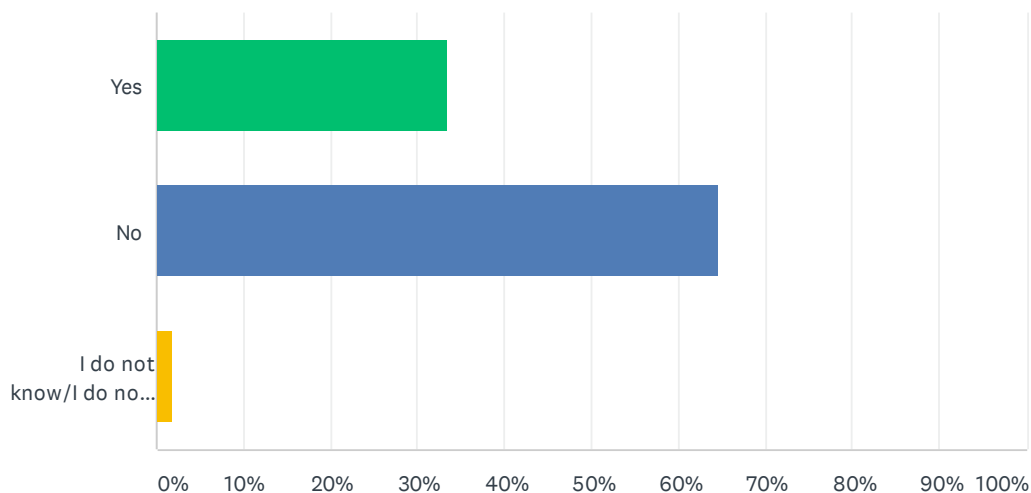
Answered: 2,977 Skipped: 712



ANSWER CHOICES	RESPONSES	
Yes	26.77%	797
No	54.79%	1,631
I do not know/I do not want to answer	18.44%	549
TOTAL		2,977

### Q35 Since 2014, have you or a member of your family studied or attended training in the EU?

Answered: 2,977 Skipped: 712



ANSWER CHOICES	RESPONSES	
Yes	33.52%	998
No	64.70%	1,926
I do not know/I do not want to answer	1.78%	53
<b>TOTAL</b>		<b>2,977</b>