

Annex E3 Country Notes: Moldova

This country note is one of a number of analysis outputs that support the evaluation of the Danish Neighbourhood Programme. It is based on a desk-based analysis and visit that took place in Moldova in late May/early June 2016 by the evaluation team. It provides a very brief overview of the country context and presents conclusions arising from the country visit, as well as more detailed findings against the evaluation questions. It acts as an input to the wider evaluation and is complemented by a series of more detailed country analysis and project specific analysis documents. Chapter 1 gives the brief context; Chapter 2 the conclusion arranged under strategic relevance, results and lessons learned; and Chapter 3 provides more detailed findings related to the evaluation questions in bullet form.

1 Introduction and context

1.1 The context of the neighbourhood programme in Moldova

Moldova is a lower middle-income country; it is the poorest country in the European Neighbourhood Region. Since 2010, when Danish support to Moldova started, there has been unsteady economic progress. In 2010 and 2011, real GDP growth was 7% per annum; this decreased by 0.8% in 2012 as a result of the drought during that year which severely affected the agriculture sector. GDP growth in 2013 was at a record high of 8.9%, but slowed down to 2% in 2014. In the second half of 2015, the economy went into recession, again as a result of a drought impacting on the agriculture sector; due to lower remittances flowing into Moldova as a result of the economic slow-down in the countries of the Commonwealth of Independent States, which have a large number of Moldovan labour migrants; and due to the fall-out from a large-scale bank fraud, and high inflation. Poverty, which is high in Moldova, was on the increase in 2015. The Government responded by adjusting expenditures while prioritising social payments. The economy forecast puts the growth for 2016 close to nil, and stabilisation and economic growth are not expected until 2017-2018.¹

Moldova has pursued EU integration since 2009, and its reform priorities have been synchronised with priorities in the integration process. The country signed an Association Agreement with the EU in 2014. Reform areas highlighted by the EU are:

- Decisive steps on the reform of the public prosecution system and the judiciary, in line with the Justice Sector Reform Strategy. Moldova has a Judicial Sector Reform Strategy, but progress has been very slow due to corruption affecting the public prosecution service, the lack of independence of the public prosecutor is a particular concern; new standardised procedures for the vetting and assessment of judges have been introduced, but the results were considered questionable; further reforms are needed in particular with regards to the introduction of an automated case allocation system.
- Completion of the reform of the Ombudsman institution, consolidation of the system of human rights protection, and the full implementation of the Human Rights Action Plan; there is an urgent need to reform the Ombudsman's office to bring it in line with the Paris Principles on national human rights institutions.

¹ See World Bank Moldova <http://www.worldbank.org/en/country/moldova/overview> and Programming of the European Neighbourhood Instrument 2014-2020/Single Support Framework for EU support to the Republic of Moldova (2014 to 2017) at http://eeas.europa.eu/enp/documents/financing-the-enp/index_en.htm.

- Clearer progress is needed on public administration reform and the implementation of the decentralisation strategy, where progress thus far has been limited, in particular with regards to the de-politicisation and professionalization of the public administration. Average salaries of civil servants remained low and the civil service remained structurally weak due to staff moving to the private sector or to international organisations and because of corruption. The capabilities of local authorities varied widely due to the high number of local entities, making the reorganisation of local government an urgency.
- A better enabling environment for participation of civil society is required. Despite an adequate legislative framework in place to encourage the development of civil society, and despite the existence of a 2012-2015 civil society development strategy, the third sector remained weak at local and regional level and in rural areas. Progress has been made on increased participation of civil society in policy discussions, but a proper consultation mechanism was lacking. The EU also points out that public trust in civil society was relatively low, and that the sector was donor-driven.
- There is need for improvement of media freedom, in particular as it relates to the transparency of media ownership. While in general, the media are free in Moldova, it continues to be controlled by only a handful of political and business interest groups, and media overall was not transparent or pluralistic.
- More decisive reforms are needed in the area of anti-corruption, with a focus on prevention, and with fully independent anti-corruption agencies: the EU pointed out the nexus between systemic and high-level corruption and the lack of political and economic development, and the necessity of more progress on the implementation of the 2011-2015 national anti-corruption strategy.²

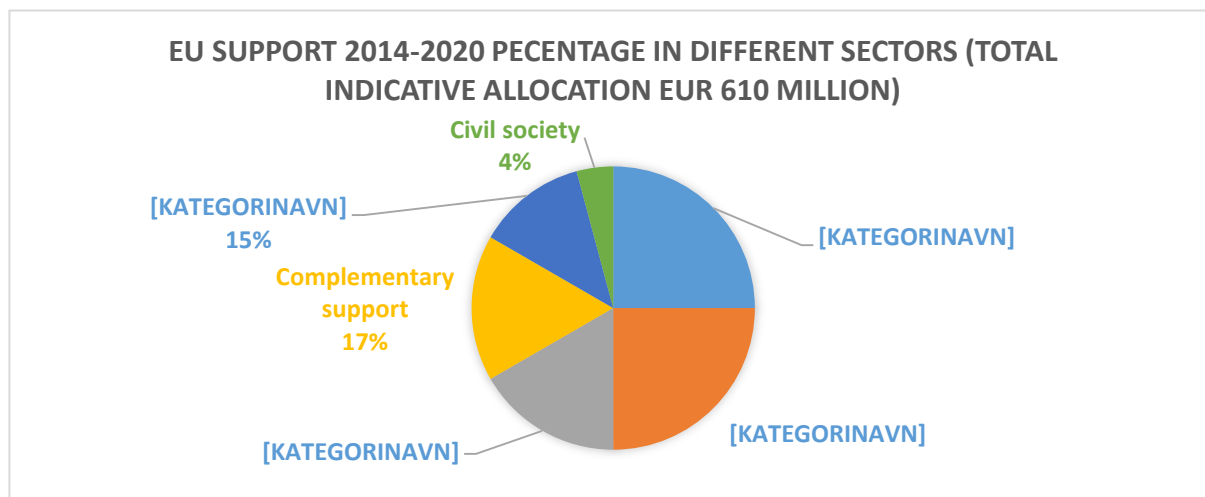
Reforms supported through the DNP Moldova portfolio are as follows: National Strategy on Gender Equality in the Republic of Moldova 2009-2015 and National Programme on Ensuring Gender Equality 2010-2015; National Human Rights Action Plan 2011-2014, including amendments; the Justice Sector Reform Strategy; UN Convention on the Rights of Persons with Disabilities (signed by in 2010) and its National Monitoring Mechanism; National Strategy on the Inclusion of Persons with Disabilities (expired in 2013, not replaced); past and draft future Public Administration Reform for Moldova; Decentralisation Strategy of Moldova 2011-2015 (extended to 2016); Economic Stabilisation and Recovery Programme 2009-2011 with its emphasis on youth business formation; the national strategy Rethink Moldova (2010); the National Programme for the Economic Empowerment of Youth; the Growth and Poverty Reduction Strategy (valid until 2015) with its medium-term National Development Strategy 2008-2011; the 2010 Government of Moldova's Development Partnership Principles, and Aid Effectiveness Implementation Plan.

The EU is the biggest donor in Moldova – EU bilateral assistance to Moldova has increased from EUR 40 million in 2007 to EUR131 million in 2014. The EU priority areas for support closely overlap with that of the Danish Neighbourhood Programme. In the two consecutive strategy periods since 2007, EU support focused on democratic development, good governance, and the rule of law and fundamental freedoms; social and human development; and trade and sustainable development. Current EU support for Moldova is focussing on the priorities laid out in the 2014 EU- Moldova

² See Implementation of European Neighbourhood Policy in the Republic of Moldova Progress in 2014 and recommendations for actions http://www.ecas.europa.eu/enp/pdf/2015/repulic-of-moldova-enp-report-2015_en.pdf, pp. 5.

Association Agreement, and spans the period from 2014 to 2020, and focuses on public administration reform; agriculture and rural development; and police reform and border management (see Figure 1.1)³

Figure 1.1 Indicative allocation of EU support



1.2 Neighbourhood engagements and projects selected

Country	Moldova				
Project Name	Dates	Amount (DKK)	Partner type	Modality	Focus
Programme to Support Good Governance, Human Rights and Democracy	2010 – 2014	15 million	International Organisation (UNDP) Civil Society Organisation	Delegated Partnership (for UNDP) Grant for East Europe Foundation Moldova	HR/D
Financial Support to Rural Areas	2010 – 2013	27 million	International Organisation (IFAD)	Delegated Partnership	SEIG
Moldova Private Sector Support Programme	2014 – 2017	30.35 million	International Organisation (IFAD)	Delegated Partnership	SEIG
UNDP Decentralisation	2013 – 2015	30 million	International Organisation (UNDP)	Delegated Partnership	HR/D
Human Rights and Democracy Programme	2015 – 2018	30 million	International Organisations (UNDP and Council of Europe)	Delegated Partnership	HR/D
Civil Society Development Programme for Ukraine, Belarus and MOLDOVA	2012 – 2016	11.5 million	National partner East Europe Foundation	Delegated Partnership	HR/D

The evaluation focussed on five completed or partly completed projects and also considered the two projects under the recently started Human Rights and Democracy Programme. On a general note, it should be stated that many of the projects in the human rights and democracy portfolio have been reviewed recently in the framework of either UNDP or East Europe Foundation independent external evaluations. The analysis of the Moldova portfolio therefore draws on these previous evaluations, in particular where those were carried out by the DNP evaluator.

³ Information derived from EU – Moldova ENI Single Support Framework for EU Support to the Republic of Moldova 2014-2017, at http://ec.europa.eu/enp/documents/financing-the-enp/index_en.htm, pp. 5.

2 Conclusions

2.1 Strategic relevance

The Danish support has been closely aligned with national policy priorities of Moldova, which, in turn, reflect obligations stemming from the country's European integration process as well as international commitments. Interventions both within the human rights and democracy and sustainable inclusive development areas supported the implementation of the country's Public Sector Administration Reform; the Decentralisation Strategy; the Justice Sector Reform Strategy; the Human Rights Strategy; and the Growth and Poverty Reduction Strategy, among others. These set out the reform processes needed in these sectors to bring the country closer to EU standards, as well as to bring Moldova in compliance with Council of Europe and United Nations legal instruments in the area of human rights and democracy. Most of the national strategies emerged during a period of considerable reform momentum towards European integration in 2010/2011, however, this momentum has not been maintained throughout the supported period; Danish support continued along its original strategy but with slow political uptake from the Moldovan side, in particular with regards to the full implementation of the decentralisation strategy.

The portfolio has been clearly aligned with Danish priorities as laid out in the Danish Neighbourhood Strategy as well as in the development cooperation strategy "The Right to a Better Life". The support to the East Europe Foundation aimed at developing a vibrant civil society that can hold government at central and local levels accountable. Interventions implemented through the United Nations aim at strengthening human rights institutions at the interface between the public and the state; the Council of Europe is, with Danish support, leveraging reforms of the legal and institutional framework governing the public prosecution in Moldova to become politically independent and accountable to the public and to operate in accordance with international human rights standards. UNDP has worked with local public authorities using a human rights-based approach to policy and decision-making at the local level, thereby empowering citizens, including marginalised groups. The UN's International Fund for Agricultural Development is providing matched loans to facilitate economic activities for the rural young so that they can ensure their own livelihoods in one of Europe's poorest countries.

Although the national policies and priorities supported were relevant, there was a credibility gap. The government has, on paper, been committed to the public sector reforms, however, these were not always carried out whole heartedly, leading to long delays in implementation.

2.2 Results

Since 2009, the programme has created results that have led to significant changes both within human rights and democracy and sustainable and inclusive economic development areas. The most notable examples include:

- East Europe Foundation Moldova has consolidated its position as an umbrella organisation for the non-governmental sector in Moldova. The organisation has become the leader in grant-making to and capacity development of other Moldovan civil society organisations, including those at regional and local levels. East Europe Foundation has facilitated the work of issues-based NGO coalitions; and it has been instrumental in increasing their partners' expertise and organisational capacities to demand and realise their right to be involved in legislative and policy-making processes. East

Europe Foundation also contributed to the facilitation and maintaining of dialogue, at community level, between communities on both sides of the river Dniestr, thereby making a contribution to conflict resolution.

- The fiscal decentralisation reform is being implemented and has increased local autonomy. The UNDP-implemented decentralisation project has been crucial in developing the technical details of the fiscal decentralisation reform, in piloting it in select local public administrations, and in rolling it out countrywide.
- Local public authorities' capacity to engage citizens in participatory decision-making at local level, including women, ethnic minorities, and vulnerable groups has been created and strengthened. The UNDP decentralisation project has played a pivotal role for the achievement of this result.
- The new Law on the Public Prosecution in Moldova has been adopted, which paves the way for institutional reform of the prosecution service in Moldova and which will bring it in line with international human rights standards. The Council of Europe-implemented project "Support to the Criminal Justice Reforms in the Republic of Moldova" has facilitated the drafting and adoption of this law.
- 725 rural businesses run by young entrepreneurs and storage and processing SMEs have started or have expanded; there has been an increase in the capitalisation and capacities of the local financial institutions to support agricultural activities with medium to high risks. The Danish contribution to two consecutive projects implemented by the International Fund for Agriculture has been key.

The prospects for financial sustainability have been supported by new procedures for fiscal decentralisation and efficiency measures although there are still threats, in particular in relation to the implementation of the territorial and administrative decentralisation which has not yet taken place. While territorial decentralisation is not, yet, in place, the algorithm to calculate transfers to local public authorities developed under the UNDP decentralisation project can be adapted to future new territorial boundaries once these become a reality. The decentralisation project has piloted new ways of public service delivery (by cross-border service provision that results in savings and overall greater efficiency), and there is evidence that at least 10 pilot projects are now financially sustainable and continue to run after external funding has ended.

The new Law on Public Prosecution in Moldova is unlikely to be reverted after adoption, however, there might be attempts to compromise or dilute provisions in the law as seen in countries like Ukraine, and challenges lie ahead in terms of its implementation.

Without financial support from donors over the medium and long-term, it is unlikely that East Europe Foundation Moldova would be able to continue more than a fraction of their current activity. The question as to whether the organisation and its partners in Moldovan civil society would have the same access to policy makers in government is somewhat more complex: while the government often pays lip-service to the international community by inviting civil society representatives to participate in public consultations and expert working groups, there is also a considerable, and less acknowledged, level of dependence on expertise that now resides within civil society organisations (as opposed to the administration), and which the government needs for technical input into reforms and draft legislation. Ultimately, whether civil society can continue to provide this technical expertise to government also depends on whether there are financial resources available for the sector. Crucially, one question is to what extent donors might be funding, by proxy, government functions.

The two IFAD-implemented agricultural projects that have a Danish component need close follow-up and support to ensure the sustainability of results: there are numerous risks for the

young entrepreneurs' 725 rural small businesses related to proper use of machinery, agricultural technologies; timely financial planning and controlled implementation. The evaluation team concludes that these risks may become non-manageable if no proper exit strategies are being put forward and if no consultations on business, financial management and agricultural activities are carried out continuously over the next four to five years. The next major result – the increased capacity of financial institutions – can be sustained if there are continuous state support programmes after the grant component of the projects ends. For the continuous funding, the financial institutions will need also parallel development of agricultural insurance schemes.

The choice of partners and modalities was apt – examples include:

- UNDP Moldova has a strong reputation as a neutral policy broker, including at the interface between government and civil society, with convening power and considerable access to decision-makers in government at all levels; the organisation has also a dense network of contacts and partnerships across the country.
- The Council of Europe and UNDP were chosen in areas where they are uniquely placed to implement human rights projects in Moldova, as both organisations are guardians of the key human rights legal instruments; standards and the respective monitoring mechanisms in relation to these standards.
- Partnership with the East Europe Foundation Moldova was highly relevant as it anchored the development of Moldovan civil society within a national stakeholder, thereby also honouring the principle of national ownership of development cooperation.

2.3 Lessons learned

The theory of change for interventions like the IFAD-implemented grant/loan projects are highly complex and it is essential that the economic context is sufficiently factored into project design. It is important that the business plans are revisited during the implementation and further planning is adjusted during the grant projects. It is very difficult to transform rather distinct agricultural businesses scattered all-over the country into consolidated rural economic growth as far as the entrepreneurs' commitment to unite and join efforts is low. A possible way to address this in future similar projects might be to focus on a continuum of geographically connected beneficiaries in the region. Success cases were reported when some capable farmers were taking the initiative to provide for a 'point of transfer' – a cold storage or a processing facility and leading a group of other farmers to unite and use economies of scale for productive technologies, services, and to bargain more efficiently on the market.

Donor support remains key for sustaining the work of not only East Europe Foundation, but also its partners throughout Moldova and civil society throughout the country. This has nothing to do with the performance of the supported interventions, but is a direct function of the economic and governance climate. Even though civil society participation in policy debates and decision-making processes has increased in the strategy period and through Danish support, these are by no means irreversible trends and incentivised in part by the technical services that NGOs can provide to government, i.e. how useful the maintaining of partnerships is to government in terms of making up for the lack of resources. Beyond the financial support, civil society organisations in Moldova need the moral support of donors and multi-lateral organisations in the medium and long-term.

There are benefits from coordination of monitoring and evaluation procedures between donors: there needs to be a balance between accountability for funds on the one hand, and not putting unnecessary demands on partners' resources on the other hand. For example, the East Europe Foundation seems to be subject to multiple layers of monitoring and evaluation—and which take up the organisations' resources without necessarily always adding to learning; there are arguments in favour of finding a more streamlined approach.

3 Findings across the evaluation questions (EQ)

3.1 Strategic relevance and lessons learned

EQ 1 Strategic relevance: What are the programme's strategic relevance as it is translated into policies pursued, activities funded, the modalities and partners' chosen for Danish foreign policy objectives and the countries?

Main findings in bullet points (judgement criteria and source of information in brackets)	
Topics	Findings
Strategic relevance of the DNP to countries' policies and needs	<p><u>Good Governance and Human Rights:</u></p> <ul style="list-style-type: none"> • The projects examined were/are well aligned with country policies and needs, which in turn are premised on the priorities stemming from Moldova's EU integration priorities (including the 2014-2016 Association Agenda) and priorities stemming from the Council of Europe-Moldova Action Plan (2013-2016), including compliance with international legal instruments. • The UNDP-led project on capacity building in the Moldovan parliament worked in support of parliament becoming a more professionally run institution, accountable to the public, and in line with Moldova's Public Administration Reform Strategy 2010-2016; and which, in turn, worked towards the implementation of EU public administration standards. • The UNDP-implemented project on decentralisation and local self-governance reform supported Moldova's 2011-2015 Strategy for Decentralisation, which in turn was aligned with requirements set out in the EU integration process, and which includes compliance with the Council of Europe's European Charter of Local Self-Government. • The ongoing Human Rights and Democracy programme focuses on the reform of the prosecution system in Moldova, a key national priority laid out in the national Justice Sector Reform Strategy and which is highlighted in the EU Association Agenda. The programme also works on strengthening the public institutions in charge of the protection of human rights (including the ombudsman's office) to monitor the fulfilment of Moldova's commitments in respect of international human rights instruments (United Nations human rights instruments; the European Convention on Human Rights), as well as making these institutions stronger to advocate for human rights at national level.

	<p><u>Civil society:</u></p> <ul style="list-style-type: none"> • Two consecutive phases of support to the East Europe Foundation Moldova aimed at the establishment of a domestic non-governmental institution to serve as an umbrella through which the development of civil society in Moldova could be facilitated. In turn, civil society would participate in policy making, advocacy, as well as providing a counterweight to and holding government to account and thus advance democracy and the rule of law. The contribution was provided in support to East Europe Foundation's own organisational strategies. A commitment to structured involvement of civil society in decision-making processes was laid out in Moldova's Civil Society Strategy 2010 – 2015. <p><u>Private sector development:</u></p> <ul style="list-style-type: none"> • The Danish segment of providing access to finance to young rural entrepreneurs aimed at addressing the issue of youth unemployment and, by proxy, the impact it has on economic migration. It was therefore highly relevant to the context of Moldova and worked in support of several relevant governmental policies, including the Economic Stabilisation and Recovery Programme 2009-2011 with its emphasis on youth business formation; the national strategy Rethink Moldova (2010); the National Programme for the Economic Empowerment of Youth; the Growth and Poverty Reduction Strategy (valid until 2015).
<p>The relevance of partnerships and modalities</p>	<p><u>Human Rights and Good Governance:</u></p> <p>Interventions were/are conducted through delegated partnerships with the UN and the Council of Europe representation in Moldova. Both partnerships are highly relevant because:</p> <ul style="list-style-type: none"> • With respect to UNDP, the organisation has a strong reputation as a neutral policy broker, including at the interface between government and civil society, with convening power and considerable access to decision-makers in government at all levels; the organisation has also a dense network of contacts and partnerships across the country, and which were successfully made to work in particular with regards to the decentralisation project. • At central policy level, given that the UN is the guardian of the UN human rights legal instruments and standards (which are more ambitious than those of the Council of Europe) and the respective monitoring mechanisms in relation to these standards, the organisation is the natural authority for working with government on human rights in Moldova. • With respect to the Council of Europe, the organisation enjoys a unique reputation among both the Moldovan government and the public as the guardian of the European Convention for Human Rights, as well as the Venice Commission as the final arbiter of a country's legislations' compliance with Council of Europe standards and norms, and which are binding for Council of Europe

	<p>member states. The Council of Europe has the expertise as well as the legitimacy to work with the government on relevant reforms.</p> <ul style="list-style-type: none"> • By comparison, the Council of Europe has less resources than the UN in Moldova, and therefore, although the organisation is standard-setting on decentralisation, it is questionable whether it could run a programme in the same way as the UN did in the decentralisation programme and where a considerable amount of work was carried out in the local self-governance units, requiring substantial human resources in locations across Moldova.⁴ <p><u>Civil society:</u> Partnership with East Europe Foundation Moldova was highly relevant from two perspectives:</p> <ul style="list-style-type: none"> • First, the support anchored the development of Moldovan civil society within a national stakeholder, thereby also honouring the principle of national ownership of development cooperation. • Second, it resulted in resource efficiencies as it removed an administrative layer for on-granting to smaller organisations. Risks were mitigated by the fact that Denmark was a co-donor alongside Sweden and the US (phase 1). <ul style="list-style-type: none"> - East Europe Foundation and its partner organisations have been present at the discussion around key national policies, for example in the area of gender equality, and have, although facilitated to a considerable extent by the international community, given a voice to non-governmental stakeholders. - Involvement of East Europe Foundation and its partners has also been relevant in that it gave/gives the international community access to information from outside government about the situation on the ground and in the MD region to which they otherwise would have no day-to-day insight. <p><u>Private sector development:</u></p> <ul style="list-style-type: none"> • The partnership with the UN’s International Fund for Agricultural Development (IFAD) was relevant because of the organisation’s expertise in rural development and track record of loan-making, as well as its looking back on an established track record of four past projects in Moldova. •
The relevance of M&E systems	<ul style="list-style-type: none"> • The partners throughout the portfolio use(d) their own monitoring and evaluation systems, with the exception of the second phase of support to East Europe Foundation which, due to its regional

⁴ The major difference here is that CoE is not able (nor does it claim to be) to work locally – they are typically based in the capitals, with limited human resources. UNDP in Moldova is, on the other hand, very well connected in even very small and remote municipalities, and has the expertise and can activate people at that level. This is not so much an issue of UNDP versus CoE, because in particular CoE will always work with government at the central level, not so much on the very local levels. So, projects at the local level are relevant to be implemented with UNDP; central level reforms in key areas are relevant for implementing with the CoE in the organisation’s key areas of expertise. CoE would typically work on decentralisation issues at legislative level, but not so much on implementation at the local level. This was the problem in Ukraine – they tried to roll out the decentralisation/local government project to the localities and really didn’t have the resources at all to do that. The project was most successful in Ukraine where it worked on legislative reform.

	<p>framework, is monitored by an external Danida-appointed monitoring consultant. Regular reporting is done jointly to donors, i.e., there are no separate reports to Sida and Danida, respectively. However, the requirements of this reporting is considerable, in particular the reporting against the strategy log frame (which runs over dozens of pages). Both phases of support to East Europe Foundation had allocated resources for external review/evaluation, and which were commissioned by East Europe Foundation itself. In the current phase of support, the monitoring arrangement on behalf of Danida has added an additional layer of monitoring and evaluation, and which is problematic, not least because it uses up valuable resources that East Europe Foundation could use on pursuing their core work⁵.</p> <ul style="list-style-type: none"> • With regards to UNDP and IFAD, both organisations use their own monitoring systems, and for both the parliamentary democracy project and the decentralisation project, have commissioned external evaluations. • There would seem to be an intrinsic conflict of interest in the organisation commissioning their own evaluation, even though it is nominally an independent evaluation, and there are some concerns with regards to potential bias in the evaluations. • In the case of IFAD, Danida-led M&E would be beneficial to follow-up on the results, impacts and measures to support exit and sustainability of the results.
The relevance to Danish policies and interests	The portfolio of programmes and projects supported in the strategy period has been clearly aligned with the Danish Neighbourhood Strategy in both priority areas of increasing stability through democratic governance and pro-poor economic growth.

EQ 6 Lessons learned on strategic relevance

<p>Main findings in bullet points</p> <ul style="list-style-type: none"> • The portfolio of programmes and projects was consistently aligned with governmental strategies and policies. This gives the interventions legitimacy, as well as facilitating the partner -government dialogue. • Different international partners have different comparative strengths in the context of Moldova. Exploiting the niche strengths as was done in Moldova is crucial to success. • Partnership with civil society organisations and strengthening such organisations provides access to information on the ground that bilateral donors and multilateral organisations might not otherwise have. This is important in terms of informing donors’ dialogue with government. • Monitoring and evaluation procedures should be better coordinated between donors so as to provide accountability to Danish taxpayers on the one hand, but not to drain the partners’ resources unnecessarily on the other hand. This could be done by discussing a greater role of

⁵ When the evaluation team was there, this was the 7th or so evaluation in the past 3 years. EEF accept this because they know it is a donor demand. But the learning they are taking from the evaluations are limited. It might be better to support strengthening of EEF’s own evaluation practice.

Danida in the formulation, commissioning, and oversight of East Europe Foundation's independent evaluations.

- Likewise, Danida might want to take a greater role in the commissioning of external evaluations of its international partners.

3.2 Results and lessons learned

EQ 2 Results (at country level): What are the development results of the interventions?

Main findings on results in bullet points (source of information in brackets)

Civil Society support:

- The partner, East Europe Foundation-Moldova, has increased its capacity and consolidated its position as the leading umbrella non-governmental organisation in Moldova. (East Europe Foundation external mid-term review; project documents; stakeholder interviews).
- East Europe Foundation-Moldova has developed NGOs and civil society organisations which increasingly have the expertise and organisational capacities to demand and realise their right to be involved in legislative and policy-making processes. (East Europe Foundation external mid-term review; project documents; stakeholder interviews).
- Through specific strands of East Europe Foundation's activities, a level of engagement and dialogue was maintained between communities (through media, business associations etc.) on both side of the river Dniestr, thereby making a contribution to conflict resolution. (East Europe Foundation external mid-term review; project documents; stakeholder interviews).

Human Rights and Good Governance:

- The UNDP-implemented decentralisation project has increased local autonomy through assisting the national authorities to develop, adopt and implement the fiscal decentralisation reform. (Project reports/documents; independent evaluation; EU Progress Reports; stakeholder interviews).
- Local Public Authorities' capacity in local service delivery has been strengthened, and has been brought closer to citizens through the adoption of a consistent human-rights based approach to local policy and decision-making. (Project reports/documents; independent evaluation; EU Progress Reports; stakeholder interviews).
- The parliament of the Republic of Moldova has a Strategic Development Plan, developed with the help of the project (for the period from 2011-2015), which is now going to go into its second generation. (Project documents; stakeholder interviews).
- The capacities of the parliament were strengthened, and parliament has become more open to the public. (Project documents; stakeholder interviews; on-site visit to parliament's public relations department during October 2015 evaluation of UNDP portfolio of projects)
- Gender has become a topic in parliament, and the parliament has had its first Gender Audit in late 2015. The project facilitated the establishment of a Women's Caucus in parliament. (Project documents; stakeholder interviews).
- The Council of Europe-implemented project "Support to the Criminal Justice Reforms in the Republic of Moldova" has facilitated the adoption, in February 2016, of the new Law on the Public Prosecution in Moldova. Overall, this law is in compliance with Council of Europe standards, paving the way for institutional reform of the prosecution service in Moldova. (Project documents; Council of Europe website; stakeholder discussions).

Private Sector:

- The incomes of 1824 people have been increased. 725 young entrepreneurs' businesses have been funded so far, of which 570 generated an income of 112 million Moldovan Leu with 30.6 million Moldovan Leu profit (USD 5.6 million and USD 1.5 million), with an incremental value of the fixed assets of 43.1 million Moldovan Leu (data provided by the Consolidated Programme Implementation Unit of IFAD).
- Experience and practice have been accumulated by the local financial institutions for the funding of risky agricultural funding: nine banks and 80 savings and credit associations of the rural finance corporation have been involved in the preferential loans scheme and disbursed USD 5.81 Million loans. USD 4.97 Million grants were disbursed by the project to support the loans.
- Over 1,100 young entrepreneurs have been trained on business planning, management and agricultural practices.
- Unfortunately, no further aggregation of the results is possible (at country level) as the impacts are not studied yet. It is not expected that the agricultural activities will have any notable impact on the country level without further intensive replication and dissemination of experiences. Even if this is done, the scattered small-scale agricultural projects with disjoint young entrepreneurs in charge cannot notably change the situation even at the community/regional level.

EQ 5 Commercial interest and private sector (at country level)

Additional Objectives	Result: Description of change and evidence
Danish commercial interests	There is no evidence that projects in the portfolio have furthered Danish commercial interests.
Local private sector	The local private sector has been involved in the private sector development project as well as in activities facilitated by the East Europe Foundation. However, it is not possible to trace impact on the local private sector beyond the results discussed above.

EQ 3-4 (at project level): Q3: Are these results sustainable and have they had a wider, transformational impact on the country/region/sector/area in question? Q4: What are important factors related to the policy dialogue, context, programme design, and/or implementation that have contributed to achieving and sustaining results and transformation?

	Findings
Impact and significance of the change (transition and transformational effect) (EQ 3)	<u>Human Rights and Good Governance:</u> <ul style="list-style-type: none">• The impact of the fiscal decentralisation reform, even though it has only been partially implemented, has been significant. Prior to the financial transfers from the central to the local levels being done by the algorithm developed through the project, the way the transfers were decided was entirely opaque, and often motivated by the political allegiances in the respective Local Public Authorities. With the contribution of the project, this opaqueness has been completely removed and replaced by a transparent process. This has specifically resulted in Local Public Authorities having more funds available, which is considered a significant contribution to

strengthening the way citizens see Local Public Authorities, given that they now have some predictability in their financial planning. (Project documents; independent evaluation; stakeholder interviews; EU progress reports).

- Changes to sectoral legislation to clarify the role and responsibilities of Local Public Authorities in key public service areas have been significant. Local Public Authorities are now able to consolidate public service delivery across municipal boundaries – something that was not previously possible and which resulted in the loss of economies of scale as services had to be delivered on a municipality basis. (Project documents; independent evaluation; stakeholder interviews).
- Local Public Authorities have been equipped with tools, skills and knowledge to conduct citizen-oriented work, based on data and using a human-rights based approach, including mechanisms to consistently involve women and minorities in local decision-making. This is a radical departure of policy-making at the local level and has to be considered a strong contribution to democracy at that level. Citizens have been given a voice through being involved in strategy and decision-making. In this respect, this has been a project that has made a contribution to the development of civil society in the broadest sense of the word, i.e. civil society as in empowered citizens at the grassroots level as opposed to NGOs or organised structures. (Project documents; independent evaluation; stakeholder interviews).
- The parliament of Moldova's technical apparatus has become more professional (working with clear job descriptions, within a defined hierarchy and clearly set out rules and procedures etc.) and is able to serve MPs better. (Project documents; stakeholder interviews).
- The project has contributed to the results of a wider effort of the international community in Moldova to mainstream gender into all parts of governance and decision-making processes. With the establishment of a Women's Caucus in parliament, and the implementation of a Gender audit, gender has become a more accepted topic in Moldovan politics. (Project documents; stakeholder interviews).
- The new Law on the Public Prosecution provides the key precondition for the reform of the criminal justice system in Moldova. (Council of Europe website; stakeholder interviews).

Civil society support:

- East Europe Foundation Moldova has established itself as the most important national-level umbrella non-governmental NGO which is able to facilitate the work of other NGOs across a considerable range of issues (including community engagement and participation in civil society-government dialogue at central level), as well as to provide capacity building and training to smaller and emerging organisations. (Project reports; stakeholder interviews).

Private sector:

- The impact from agricultural funding is not, yet, visible. The small-scale and territorially scattered funding has not yet reached a critical mass and is not supported by specific policy and infrastructure support measures to

	<p>contribute to complete and stable value chains. It is difficult to say whether impacts on income and employment will be apparent at individual household level during the phase out, as far as the payback period of investments, in many cases, exceeds the duration of the projects. However, there is a lack of evidence of wider knowledge transfer and replication, lack of horizontal consolidation of young entrepreneurs to jointly overcome risks and share experiences, absence of cumulative economic effects that could serve as a self-driver for the entrepreneurs and others involved.</p>
<p>Prospects for sustainability (EQ3)</p>	<p><u>Human Rights and good governance:</u></p> <ul style="list-style-type: none"> • While territorial decentralisation is not, yet, in place, the algorithm to calculate transfer to Local Public Authorities developed under the UNDP decentralisation project can be adapted to the new territorial boundaries once these become a reality. Territorial decentralisation is a priority in the draft Public Administration Strategy (2017-2021), and once adopted, will have to take place prior to the next local elections scheduled for 2019. It is unlikely that there would be a reversion to the previous non-transparent financial transfer regime. (Project documents; independent evaluation; stakeholder interviews). • The decentralisation project has piloted new ways of public service delivery (by cross-border service provision that result in savings and overall greater efficiency), and there is evidence that at least 10 pilot projects are now financially sustainable and continue to run. (Independent evaluation; stakeholder interviews). • Training materials developed under the decentralisation project have been mainstreamed into the Public Administration Academy, where they are being used for induction of newly elected public officials and continuous education; East Europe Foundation is using the methodology and material to conduct community engagement with Local Public Authorities that have not been involved in the UNDP project. (Independent evaluation; stakeholder interviews). • The increased capacities of the Moldovan parliament's technical apparatus are likely to be sustained given that it is one of the rare institutions in the country that does not suffer from significant turnover of staff. Sustainability prospects are further increased by the continued investment on the part of Sida in the project. (Project documents; stakeholder interviews). • With regards to the mainstreaming of gender into the work of parliament, there is prospect for sustainability if the topic continues to be pushed by donors (Sida) and international organisations in Moldova (for example UN Women), and that the country has strategic frameworks of dealing with gender issues. Also, gender has been taken up increasingly (including through Danish support to the East Europe Foundation) by civil society organisations. (project documents; stakeholder interviews) • With regards to the new Law on Public Prosecution in Moldova, it is unlikely that this will be reverted after adoption, however, there might be attempts to compromise or dilute provisions in the law (through the introduction of amendments or exceptions to the law), and challenges lie ahead in terms of implementation of the law. (stakeholder interviews; extrapolation from experience in Ukraine with similar reforms).

	<p><u>Civil society</u></p> <ul style="list-style-type: none"> • East Europe Foundation as well as other non-governmental organisations will continue to depend on donor support in the medium and long-term. Without donor support, there is scant prospect that the current level of activity can be maintained to a comparative level. With regards to the gains made in terms of participation in governmental policy and decision-making forums, this might, too, depend on the availability of donor funds, given that civil society now has considerable expertise across technical issues that the government does not have. I.e. at present, the government depends on civil society organisations as a source of expertise (Stakeholder interviews). <p><u>Private sector:</u></p> <ul style="list-style-type: none"> • The financial analysis of the performance of the loan/grant recipients indicate a low pace of development of the businesses, which may result in them paying back the loans in about 4-5 years. Hence a closer follow-up and support is needed to ensure those are sustainable. • In the current volatile markets, young entrepreneurs or small processing SMEs need not only preparatory business planning, but also continuous and hands-on training on both business/financial management and agricultural technologies.
<p>Explanatory factors for the change (EQ4)</p>	<p><u>Human Rights and good governance:</u></p> <ul style="list-style-type: none"> • With regards to reform in the area of decentralisation and local self-government, it is clear that UNDP employed a highly skilled team of professionals who were able to convince and work with government officials on the fiscal decentralisation part of the national decentralisation strategy. The government did not, however, go further by implementing full territorial-administrative reform. This is widely understood to be a highly political reform and where vested interests (related to the fear of loss of political support bases in the current administrative set-ups) have blocked meaningful progress. (Project documents; independent evaluation; stakeholder interviews). • At the local level, the project worked with public authorities who do not typically have exposure to this type of programme/activities, and where the project responded to the needs on the ground, i.e. there was a genuine keenness of local public officials to engage. (Independent evaluation; stakeholder interviews). • In the parliament project, the work focused on the technical apparatus, i.e. the staff supporting the work of the members of parliament. This technical apparatus is somewhat of an exception in the context of Moldova as it suffers a considerably lower staff turnover than other administrations, i.e. is among the more stable institutions. (Project documents; stakeholder interviews) • The Law on the Public Prosecution has been a reform priority for many years, as voiced by the EU and the Council of Europe. The Moldovan government has yielded to that pressure, although there is probably little real enthusiasm for this reform given the level of difficulty to implement it, as it in essence means the complete removal of the prosecution from any political influence. (Stakeholder interviews).

	<p><u>Civil society</u></p> <ul style="list-style-type: none"> Government might not have been so enthusiastic about involving civil society if it were not for the insistence, by the donor community that civil society be involved in policy and decision-making processes. (Stakeholder interviews). <p><u>Private sector:</u></p> <ul style="list-style-type: none"> The explanatory factors for lack of an effect of rural economic-agricultural improvement are: (i) the small scale and the geographically scattered agricultural activities funded, without sufficient geographical or value chain linkages; (ii) the components on developing value chains through consultancy and capacity building were too late to assist the interventions financed through the grant/loan component
Influence of Danish support	There is no real visibility of Danish support (as opposed to visibility of the delegated partners) apart from Denmark providing the funding, and which is a function of the delegated partnership model.
Alternative explanations	The Moldovan government wants to be seen to implement some reforms so as not to highlight the fact that it is not ready to take other reforms. It wants to be seen to be open to civil society, whilst actual dialogue does not go beyond the formalities. Civil society is accepted as it provides crucial expertise that the government and administration does not have (and does not have the resources for).

EQ 7-11 (at country level): What are the lessons learned in relation to engaging Danish competences and partners, including from the private sector, in promoting the overall objectives of the programme and Danish foreign policy interests? Q8: What are lessons learned with regards to choice of modalities? Q9: What are lessons learned with regards to strengthening oversight and monitoring of programmes? Q10: What are the specific lessons learned with regard to applying a human rights-based approach including gender mainstream/focus, minority rights and indigenous peoples' rights? Q11: What are the lessons learned with regards to involvement in and contribution to donor coordination as well as general alignment to national policies?

Issue/lessons learnt	Findings
Choice of modalities? (EQ 8)	<p><u>Human Rights and Good Governance:</u></p> <ul style="list-style-type: none"> The choice of the modalities in this cluster have been appropriate and strategic, as the programmes have been delivered through organisations (UNDP and Council of Europe) which have the capacity at central and local levels, leverage/reputation, and procedures to deliver the objectives the projects aimed to deliver. <u>Civil society support:</u> The core support to East Europe Foundation has been an apt modality, building up and empowering a national organisation to implement both thematic activities as well as being an efficient grant-maker. Across the neighbourhood region, East Europe Foundation is the only civil society for whom such a modality was used; it could serve as an example to strive for in other countries. <p><u>Private sector development:</u> While the fully delegated partnership with IFAD has been substantiated by a</p>

	<p>number of advantages in Moldova, more oversight and follow-up by Danida would be helpful for (i) better design and sequencing of Danida's agricultural funding component; (ii) facilitation of overall M&E; (iii) follow-up on drivers and motivator factors for impact and sustainability.</p>
<p>Strengthening oversight and monitoring of programmes (EQ 9)</p>	<ul style="list-style-type: none"> • A better balance should be found between multiple, duplicative monitoring and evaluation layers (East Europe Foundation) on the one hand, and leaving monitoring and evaluation entirely to the partner, as this risks over-reporting and bias even if the evaluations are formally "external". This can take various forms, including a greater involvement in the drafting of evaluation ToR; a role in the appointment of the evaluators; a review of the draft evaluation reports; and/or an insistence that partners consistently make evaluation reports public (UNDP) through their website, and which is not always the case at the moment.
<p>Applying a human rights-based approach including gender mainstream/focus, minority rights and indigenous peoples' rights (EQ 10)</p>	<ul style="list-style-type: none"> • The human rights based approach was systematically applied in the UNDP decentralisation project where it was a key feature of engagement with Local Public Authorities. • East Europe Foundation is now increasing its focus on building the capacities of its partners to apply a human rights-based approach to their activities. • Gender has, through activities across the portfolio, been thematised, but is a topic that will need to be pushed by the international community in the medium-term to "take hold" in Moldova.
<p>Involvement in and contribution to donor coordination as well as general alignment to national policies (EQ 11)</p>	<ul style="list-style-type: none"> • Alignment to national policies has been consistent throughout the portfolio of programmes and projects. There is evidence of donor coordination related to the support to the East Europe Foundation where Danida coordinated with Sweden and the United States; for the ongoing support, it is coordinating with Sweden. However, there are issues in relation to monitoring and evaluation, and where there now seems to be an additional layer coming from the Danida support which is draining scarce EEF resources. • There is evidence that programmes and projects coordinate among themselves, combine efforts, and are able to reach synergies. Examples include the parliamentary support project which joined forces with the East Europe Foundation to advocate for the establishment of a women's caucus in parliament; and the learning taking place between the decentralisation project and the East Europe Foundation which uses training methodologies developed in the decentralisation project.
<p>Engaging Danish competences and partners, including from the private sector (EQ 7a)</p>	<ul style="list-style-type: none"> • The UNDP project in support of strengthening of human rights institutions in Moldova has worked with a Danish expert on project identification and formulation. • There is no evidence that this has taken place in other aspects of the Moldova programme
<p>Promoting the overall objectives of</p>	<ul style="list-style-type: none"> • The portfolio of programmes and projects has, overall, promoted the objectives of the Danish Neighbourhood Strategy and overall Danish

the programme and Danish foreign policy interests (EQ7b)	foreign policy interests.
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Moldova Appendix A: Persons Met

Name	Title	Contacts
United Nations Development Programme		
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Marina	Beneficiary of IFAD/DK grant/loan (greenhouse)	
Mihai	Beneficiary of IFAD/DK grant/loan (tractor)	
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Moldova Appendix B: Documents Consulted

IFAD – Private Sector Development

- Pro-poor Rural Economic Growth through Youth Entrepreneurship; Final Programme Support Document, August 2010
- RFSDAP Aide-Memoire of 9-20 September 2012 Supervision Mission, 23 October 2012
- Rural Financial Services and Agribusiness Development Project (Financing Agreement Grant no. C-DE-832-MD and Loan no L-I-832-MD); Sub-component: Loan financing of young entrepreneur's investments in Project-prioritized agricultural value chains; Brief Progress Report July 2011 to May 2012
- Impact Assessment, IFAD V, Youth Entrepreneurship Financing; Assessment Report, Chisinau, May 2014
- MFA of Denmark, Internal Grant Committee Meeting report, 11 December 2013
- IRECR Danish grant report 2015-2016
- RFSDAP Mid-Term Review report (main report and appendices), mission 14 to 27 September 2014; 16 October 2014
- IRECR Annual Work Plan and Budget 2015 (misnamed in inventory as “mission report”)

Joint Integrated Local Development Programme (JILDLP)

- JILDLP Project Document
- Consolidated Annual Report on Activities Implemented under the Joint Integrated Local Development Programme (JILDLP) in Moldova; Report of the Administrative Agent for the period 1 January - 31 December 2013; Multi-Partner Trust Fund Office Bureau of Management United Nations Development Programme
- Progress report for first semester of 2013 (Logframe/Work Plan format)
- Joint Integrated Local Development Programme; Annual Programme 1, Narrative Report, reporting period 1 January to 31 December 2014
- REPORT Final Evaluation of the Joint Integrated Local Development Programme (JILDLP) by Zehra Kacapor-Dzihic (Lead Consultant) and Olesea Stamate (National Consultant), December 2015, UNDP
- Grant Committee Meeting Minutes, 12 December 2012

Human Rights and Democracy Programme

- Council of Europe – Support to Criminal Justice Reforms in Moldova
- Funding Agreement between the Council of Europe and the Ministry of Foreign Affairs of Denmark on the funding of the Council of Europe Action Plan to support democratic reforms in the Republic of Moldova 2013-2016; 21 November 2014
- UNDP Project Document “Strengthening Technical Capacities of the National Institutions for the Protection and Promotion of Human Rights”, December 2014, including Annex A (project engagement document); risk matrix; annual work plan and budget 2015 - 2018
- Progress Report UNDP Republic of Moldova “Strengthening Technical Capacities of the National Institutions for the Human Rights Protection and Promotion”, July 2015
- Appraisal Danida Support to Human Rights and Democracy, Moldova 2015-2018; July 2014
- Internal Grant Committee Meeting minutes, 1 October 2014

Moldova Appendix C: Survey for Final Beneficiaries

A number of final beneficiaries and implementing partners were interviewed using the forms below as a check list. The original surveys are kept on file.

Final beneficiaries

Project identification (title, status, etc.)	
What is your involvement/role in this project?	
From your viewpoint and knowledge, outline the history and development of the project:	
Are you benefitting from this project? If so how?	
Who are the other people benefiting the project?	
Are you using the outputs generated by this project? (e.g. knowledge transmitted useful?)	
What was the situation before the project?	
Is there anything that can be improved?	
Do you have any other comments?	

Survey for project intermediaries

Project identification (title, status, etc.)	
What is your involvement/role in this project?	
From your viewpoint and knowledge, outline the history and development of the project:	
Was the design of this project conducive to HR/D or SEIG?	
Who are the people benefiting the project?	
What have been the main changes / results (or non-results)	
Are the results sustainable?	
What factors or types of	

intervention were the most influential	
Is there anything that can be improved?	
Do you have any other comments?	

Moldova Appendix D: Pictures

Photos 1-3: Greenhouse site visit, beneficiaries of rural private sector development programme



Marina, a young entrepreneur



Photo 4: Site visit to young entrepreneur beneficiary of private sector development programme (the grant received went towards the purchase of a Belarussian tractor, pictured)



Photo 5: Meeting with UNDP Moldova – Local Self-Governance team.



Moldova Appendix E: List of Abbreviations

CoE	Council of Europe
EU	European Union
HR/D	Human Rights and Democracy
NGO	Non-governmental Organisation
IFAD	International Fund for Agriculture Development
IOM	International Organisation for Migration
M&E	Monitoring and Evaluation
SEIG	Sustainable Economic and Inclusive Growth
Sida	Swedish International Development Cooperation Agency
ToR	Terms of Reference
UNDP	United Nations Development Programme