

## **BACKGROUND**

In the decades since independence, Moldova's democratization and development efforts have been slowed by political instability and serious economic challenges, with recent years being no exception.

With the revelation in 2015 of the theft of more than US\$1 billion from the country's three major banks, Moldova was thrown into a series of political crises, with increasingly vocal opposition from across the political spectrum and repeated mass protests against what was perceived to be corruption at the highest levels of government. In September 2015, Vlad Filat, at the time the leader of one of the par-

ties in the ruling coalition, was arrested in connection with the fraud, causing a collapse in support for the coalition. With the latest coalition government under the pro-European "Alliance for European Integration" – led by the Liberal Democrats – falling after a vote of no-confidence in Parliament in October 2015, a new coalition government led by Pavel Filip of the Democratic Party was sworn in at the end of January 2016.

This political crisis was compounded when the Moldovan economy, already one of the poorest in the ECIS region, went into recession in the second half of 2015. Although this was due in part to a particularly harsh drought causing

<sup>1</sup> Equivalent to 12 percent of the country's GDP, but the indirect costs – e.g. reduced appeal for foreign investment – are likely far higher.

significant declines in agricultural output – a primary source of export revenue for Moldova – it was not helped by the continued political impasse that has prevented the country from implementing effective measures to tackle the economic problems. These recent events have generated significant public distrust for governmental institutions.

Deep political divisions also remain in Moldovan society. In particular, the issue of Transnistria, which declared independence from Moldova after a short but bloody conflict in 1992, remains unresolved. Despite lacking international recognition, a relatively small contingent of Russian peacekeepers remains stationed in the *de facto* republic.

Despite the challenges, there have been positive developments in recent years, notably the signing of an Association Agreement with the EU in June 2014 and its ratification in 2016, which includes access to the Deep and Comprehensive Free Trade Area. Moldova also continues to be party to the main human rights treaties and has made efforts to implement its human rights commitments, including the adoption of anti-discrimination legislation and steps taken to prevent torture and ill-treatment.

## ASSISTANCE AND IMPACT

With improving public trust in public institutions a high priority, UNDP supported the Parliament in conducting an institutional corruption self-assessment and developed an Anti-Corruption Action Plan and Code of Conduct for MPs. Furthermore, to ensure an inclusive process to evaluate the National Anti-Corruption Strategy 2011-2015, key representatives from civil society organizations were included in the public hearings. UNDP also supported trainings for 85 parliamentarians and their staff on the proper scrutiny of legislation, with a focus on identifying gender equality considerations and conformity with international human rights obligations.

Significant progress was also made in improving openness and transparency by involving the public and civil society in the parliamentary



The Anti-Corruption Action Plan and the Code of Conduct and Ethics being presented to MPs

Photo by: UNDP Moldova

process. Steps taken included 20 parliamentary public hearings held based on a UNDP pilot, with plans in place to institutionalize the practice; five fact-finding visits to civil society organisations to consult on important policies in the areas of public finance, social protection, human rights, and education; 67 meetings between MPs and citizens were held in the four Parliamentary Constituency Offices established in 2014, resulting in more than 2,000 policy requests and comments; and the Parliament now publically broadcasting all sessions and some Committee meetings.

Jointly with the e-Governance Centre, UNDP is also supporting the Government's efforts to reform public administration and service provision through citizen engagement. In 2015, the Moldova Innovation Lab (MiLab) was established, with the goal of deploying user-centred design and policy impact evaluations. Efforts were also focused on developing the capacity of the Central Elections Commission (CEC). With the goal of improving electoral systems and processes, this work resulted in the smooth operation of the IT-based State Register of Voters in the 2015 local elections, contributing to more accurate voter lists. In addition, the newly developed State Automated Information System Elections allowed for real-time monitoring of the voting process and the prevention of attempts of multiple voting. It also reduced the time for preliminary results from 24 hours to 3-4 hours and allowed automated display of results on the official website of the CEC. The capacity development was also extended to CEC staff, where a tailored curriculum was used to train 10,000 elections officials and staff on gender responsive election management and on ensuring access for voters with visual impairments and/or locomotive disabilities.

Moldovan NHRI's were also recipients of capacity development programmes, with UNDP helping the People's Advocate Office and the Equality Council to improve the quality of their reporting and strengthen their ability to identify and address human rights violations and discrimination cases. The Equality Council was also supported in carrying out the Equality Perceptions Study that provides the baseline level of discrimination and social exclusion of vulnerable groups to serve as the evidence for policy making and targeted service provision. Furthermore, the National Anticorruption Centre was supported in performing a corruption risk assessment of the public procurement system. This assessment aims to identify gaps where corruption can occur and provide recommendations for increasing the transparency and accountability of the public procurement process.

The fiscal decentralization system, previously piloted in 74 localities, was introduced to all first-level local governments across Moldova. It was designed to increase the autonomy and accountability of local authorities in relation to budget management, with supplemental training provided for accountants and mayors on performance budgeting methodology. Furthermore, support for inter-municipal cooperation, led to the establishment of 10 service operators and better services for 60 communities. As a result, more than 10 illegal landfills were cleaned up, over 40,000 people from rural Moldova obtained access to waste management services, 10,000 were provided with street lighting, and over 50,000 will benefit from road maintenance services.

In 2015, the Patients' Advocate, institutionalized by the Ministry of Health with UNDP support in 2014, processed 1,465 complaints from people held in psychiatric institutions, interviewed patients, and provided information and legal advice. As a result, about 100 cases of forced hospitalization were resolved at the administrative level, with approximately the same number of people released from the institutions or moved to more suitable accommodation. The Patients' Advocate also brought 29 cases either to court or to the relevant psychiatric institution's management.

UNDP has also been working to build confidence between communities on both banks of the Dniester river, including in the Transnistria region. The implementation of an EU-funded programme has resulted in improved services and opportunities for more than 120,000 people by rebuilding schools, medical centres and other facilities, developing business cooperation, and providing grants to civil society. Initiatives also focused on the inclusion of people with disabilities, providing assistance with finding employment, and improving building accessibility. As noted in an external impact assessment "UNDP's excellent performance in developmental results, with 41 community infrastructure projects reaching the entire population of the target region (500,000 people), 14,500 beneficiaries in 45 civil society initiatives, over 3,000 graduates of business education in Transnistria, and numerous participants in study tours, international fairs and start-up entrepreneurship." The intervention strategy focused on an integrated cycle of infrastructure rehabilitation, business development and civil society engagement, supplemented by focused initiatives in healthcare and environment. These measures have enabled the expansion of a pro-integration constituency, empowered local actors, and provided greater acceptance of their legitimacy by policy makers, thus creating greater confidence between institutions and citizens' groups, and more trust among individuals.

One of UNDP's major success stories has been working to improve the participation of women in the political process. At a national level, a cross-party Women Caucus in the Parliament was established and immediately engaged with five regional policy forums, where they met with women representing grass-roots organizations and vulnerable groups, and discussed the policy and reform agenda in the context of the SDGs. UNDP also worked directly with nearly 1,000 women candidates to strengthen their political and campaigning skills, contributing to a notable increase in the number and placement of candidates, and the number of women in decision-making positions. Women won 20.6 percent of mayoral elections - more than doubling the number of female mayors - and secured 30.0 percent of the seats in local councils and 18.6 percent in district councils.

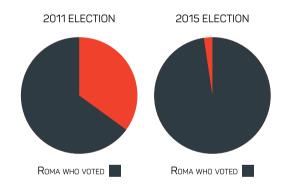
Moreover, two Roma women of the seven Roma women registered were elected as local councillors for the first time in the history of Moldova. The increase in Roma candidates, in combination with UNDP voter

The national 'Let's vote' caravan advocated for the importance of women's participation in elections, not only as voters, but also as candidates



Photo by: UNDP Moldova

education campaigns, also contributed to increased voter turnout amongst Roma, for example, in Chetrosu, 98 percent of Roma people voted, compared to approximately 35 percent in the previous election. In the other seven targeted communities, the turnout of Roma voters increased, on average, to 60 percent from 20-25 percent previously.<sup>2</sup>



## CHALLENGES, LESSONS LEARNED AND THE WAY FORWARD

After recession in 2015, economic conditions are expected to remain poor, putting budgetary pressure on development efforts and increasing the risk that recent reductions in poverty will be reversed. Meanwhile the political instability is also

expected to continue. With the first direct presidential elections held in October 2016, it remains to be seen whether this change will help to bridge political divisions. Social cohesion, recovery of public trust, and the ability of the Government to manage fiscal pressure while enacting structural reforms will be key factors for the country getting back on track to European integration and modernization.

The political and economic instability is of particular concern to UNDP due to the impact on development efforts. In 2015, several projects had both their scope and success limited, with the prevention of a planned review of the electoral code, and the postponement of the approval of the Parliament's Strategic Development Plan two notable setbacks. These will be pushed forward, along with further advocacy efforts for the formal approval of the Code of Conduct and Ethics for MPs.

Looking forward, public sector and civil service reform, as well as a comprehensive reform of the justice system, are some of the most complex and strategically important priorities, particularly given its importance for the goal of joining the EU. As such, UNDP, in collaboration with other UN agencies and partners, will continue to support the implementation of reforms. This will also include assistance to the National Anticorruption Centre to improve its corruption prevention and analysis capabilities, and support for planned police reforms, where the concept of community policing is to be re-conceptualized.

Improving the transparency of the Parliament will also continue to be a key focus, with support planned for the implementation of an e-parliament system and engagement with the Open Parliament initiative. Anticorruption will again be a focus, but in addition, UNDP will support the Parliament to increase engagement with civil society and the public through regional offices. Moreover, UNDP will work to further position the MiLab as a key driver of a new governance model, leading to effective reform of the public administration and gender sensitive public services design.

UNDP, "Let's vote: Roma communities take the lead", 2015. Available from http://www.eurasia.undp.org/content/rbec/en/home/our-work/democratic-governance-and-peacebuilding/successstories/let\_s-vote--roma-communities-take-the-lead.html

To assist the Government to meet its human rights commitments, UNDP will support the Ombudsperson's Office and the Equality Council to contribute more effectively to the protection and promotion of human rights, and to address inequalities and discrimination, focusing on the rights of women, minorities, and marginalized groups. Progress will need to be complemented with improvements in monitoring capacity.

Finally, work to rebuild confidence, trust and cooperation between communities on both banks of the Dniester river remains a priority. UNDP also intends to focus on better integrating the Gagauz Autonomous Region in the reform process across Moldova. This work will target boosting economic development in the region, supporting small and medium entrepreneurs and strengthening local governments' capacity to deliver efficient, equitable and accessible local public services.







898 firstlevel local governments moved onto decentralized fiscal system



Women are elected mayors in 20.6 percent of local elections, more than double the result at the previous election



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