

Summary of the Development towards the Strategy Results and the Implementation of the Contribution Portfolio

Overall Assessment of the Development towards the Strategy Results and Implementation of the Contribution Portfolio			
Year	2014	2015	2016
Overall Assessment of:			
Assessment of the development towards the strategy results*			
Assessment of implementation of contribution portfolio**			

Overview: Assessment of the Development towards the Strategy Results and Implementation of the Contribution Portfolio <i>per result</i>			
1. Enhanced economic integration with the EU and development of market economy	2014	2015	2016
Result 1 (EaP) Partner countries better fulfil EU requirements for entering into and applying association agreements, including deep and comprehensive free trade areas (AAs/DCFTAs) Result 1: (WB) Enhanced capacity among institutions to continue economic integration with the EU Result 2: Competitive small and medium-sized enterprises make up a greater share of the economy	Assessment of the development towards the strategy results		
	Assessment of implementation of contribution portfolio		
	Assessment of the development towards the strategy results		
	Assessment of implementation of contribution portfolio		
2. Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law <i>2a - focusing on strengthened public administration and judicial systems</i>	2014	2015	2016
Result 3: More efficient public administration, with [stronger] administrative capacity to implement reforms for EU-integration	Assessment of the development towards the strategy results		

Result 4: Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption Result 5: More efficient judicial systems that [to a greater extent] guarantee the right to fair trial [and include a developed sentencing system] in accordance with European standards Result 6: A reduction in gender-based violence, hate crimes and human trafficking [Result 7: More democratic and effective police forces]	Assessment of implementation of contribution portfolio			
	Assessment of the development towards the strategy results			
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- 2b - focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence public administration and judicial systems		2014	2015	2016
Result 8: A more pluralistic civil society, including political parties, with strengthened popular support. Result 9: Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections Result 10: Freer and more independent media Result 11: Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
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Result 12: Women and men have, to a greater extent, the same power to shape society and their own lives	Assessment of implementation of contribution portfolio			
	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change		2014	2015	2016
Result 14: Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 15: Enhanced environmental responsibility among the general public, the business sector and civil society	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			
Result 16: More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy	Assessment of the development towards the strategy results			
	Assessment of implementation of contribution portfolio			

Summary of Conclusions and Recommendations

Conclusions and Recommendations for the Remaining part of the Strategy Period

The Swedish portfolio is aligned with the strategy and incorporates cross cutting issues and Swedish priorities well, but the contextual situation in Moldova has deteriorated during the strategy period affecting the potential for positive results.

Sweden developed different scenarios for the country operational plan, based on assumptions on the pace of reforms for EU integration at the beginning of the strategy period.

The minimal scenario included: a reinforced program for supporting the civil society (core support instrument); involving Swedish actors and linking their work closer to political dialogue; a continued, and possibly expanded, support to improve the investment climate, with a specific focus on Small and Medium-Sized Enterprises (SMEs) and an analysis how to better use grant financing (and other

instruments) for stimulating environment-related investments, for example within Eastern Europe Energy Efficiency and Environment Partnership (E5P).

Due to changes in the local context 2014 - 2016 it was decided to apply the minimal scenario. At the point of this MTR, the conclusion is that this was the right choice, given the circumstances. See below for analysis and recommendations connected to the Sustainable Development Goals (SDGs) identified as most critical for Moldova.



EU approximation remains the best option for development and poverty reduction in Moldova. However, the strategy period's political and economic instability has hindered necessary reforms. The country is presently relatively stable but showing signs of increased concentration of power, corruption and deteriorating environment (shrinking space) for civil society and media.

The capacity for Moldova to reach the Deep and Comprehensive Free Trade Agreement (DCFTA) commitments is limited and needs additional support to continue to harmonize its regulatory and institutional framework. Support to competitiveness, in particular on the EU market, is essential for boosting economic growth and should continue. Sweden aims to pursue a gender equality focus in economic development by gender mainstreaming and empowering vulnerable and poor women from rural areas.



In light of the last year's development, the concentrated effort to focus and strengthen Civil Society Organisations and the Human Rights portfolio, through core support, should be continued and further developed. Growth of CSO portfolio should be controlled and corruption taken into account. Sweden should also continue to support free media in Moldova and encourage freedom of speech and pluralistic opinions. Efforts to resolve conflicts in Gagauzia and Transnistria (TN), including dialogue, support of human rights and economic development should continue on both banks.



The extensive work to combat Gender Based Violence (GBV) and promotion of women's leadership and gender equality should continue, as Sweden is considered to be a brave and trustworthy partner. An area to develop is the work with men and boys for gender equality. The targeted support to women in politics and decision-making, where Sweden is the only donor, has shown very good results.



For various reasons (legislative framework, dysfunctional regulatory body, corruption, etc.), Swedish support to the energy sector has shown limited results. As the constraints are expected to remain Sweden should consider decreasing support to new contributions with the possibility to exit. An exception is to explore the potential regarding renewable energy to combat energy insecurity, climate change and geo-political black-mailing.



Moldova faces many challenges related to environment and climate change and the sector is underfunded and dependent on reformed legislation. Support to environment protection should be widened, through present and potential channels (CSOs, multilaterals). Swedish national expertise could be involved to improve the performance of this sector.

Modality-wise the ambition is to further diminish the total number of contributions and to aim for larger and longer agreements with partners.

1. Context Analysis

During the strategy period, Moldova has been subjected to many changes with severe consequences for people and poverty levels in the country. Moldova has been going through a protracted political crisis characterized by lack of rule of law and political will to promote democratic reforms, widespread corruption, weak institutions and lack of transparency and accountability. The crisis has affected the well-being of the whole population with a disproportionate negative impact on the poor.

The **economic situation** in Moldova has worsened during the strategy period, picking up slightly towards the end of 2016. There has been a decline in several sectors affecting poverty levels. In 2014, the situation was more positive as reflected in the traffic light above. In terms of poverty on paper, Moldova is the poorest country in Europe. It is also the country with the highest share of Gross Domestic Product (GDP) supported by remittances, making qualitative measures inaccurate and stressing the need for a multi-dimensional poverty analysis.

In 2014, 1 BUSD, equivalent to 12% of GDP, “disappeared” in extensive money laundering bank fraud (Russian Laundromat¹). A large part was transferred into national debt, making the citizens responsible through dramatically increased taxes and prices. As a result, vulnerable groups, such as elderly, persons with disabilities and those affected by chronic diseases, families with small children and youths have fallen into chronic poverty and the gap between urban and rural areas is widening.

The banking crisis also revealed the involvement of key political figures in corruption schemes that qualify Moldova as a “captured state”. There is a high perception of Russia’s involvement in the economic and political affairs of Moldova including financing of the political parties. The close proximity to and relationship with Russia affects Moldova’s economic resilience and poverty.

As a result of the lack of progress in the investigation of the banking fraud, several large loan providers, including the EU, froze their budget support. The support gradually started to be re-established after Moldova’s signing of the new agreement with IMF in 2016 on an economic reform program.

Migration out of the country has become a survival strategy and is causing severe brain-drain. The consistent migration push factor is poverty. As a result, remittances have become an important source of income and a factor in the national economy and poverty levels (considerably exceeding the Foreign Direct Investment (FDI) and Official Development Assistance (ODA) inflows). However, remittances are decreasing, affected by the economic crisis and immigration situation in Europe which affects poverty in Moldova.

Corruption is a systemic phenomenon in Moldova which affects poor people’s ability to rise from poverty. In particular, political corruption and vested interests jeopardize reforms and negatively affect the prospects of democratization and modernization. Moldovan state institutions are weak and continue to be governed by persisting non-democratic management practices. The Government and the Judiciary have increasingly lost their independence in the crisis. The Parliament lacks transparency, accountability and trust. Its capacities to implement legislative, representative and oversight functions are improving but are still weak. In several reform areas, such as the fight against corruption and promotion of democratic reforms, the country shows significant reversal with negative effects for the people, especially the poor. Although civil society is not free from corruption, the decision to strengthen CSO rather than work with government agencies is in itself an anti-corruption strategy.

Despite a non-aggressive relationship with break-away republic **Transnistria** (TN), Moldova remains in conflict. The economic welfare of the country is directly affected by the conflict which is used in geopolitical standpoints and during the strategy period, tension has risen in the security zone.

¹ https://en.wikipedia.org/wiki/Russian_Laundromat

Reform cooperation in The Autonomous Territorial Unit of **Gagauzia** (UTAG) is challenging as they held a referendum (2014) where an overwhelming majority of voters opted for closer ties with Russia over EU integration and preferred independence if Moldova chooses to join the EU. Big projects implemented by EU countries in the region is diminished by Russian and local media.

A majority of the **media** is owned by a few politicians and oligarchs and there is almost no independent or critical media. There is a lack of sustainability, independency and questionable legislation on ownership's transparency severely affecting people's access to information and voice.

Contrary to the widely disseminated statements through controlled media, there is a perception of high tension in the society due to pending issues in the case of banking fraud, impunity of high officials involved in this fraud, high degree of corruption in judiciary, etc.

Poor people of Moldova face several **environmental** challenges that are likely to worsen with **climate change**. The socio-economic costs of climate change related natural disasters are significant and intensity and frequency will increase. Climate change impact on agriculture is of particular concern as agriculture is a major source of income for a big part of the population, especially the poor in rural areas.

To **summarize**: Moldova is a poor country on a predominantly rich continent. The geographical area incorporates one autonomous area and one break-away republic, both used by Russia in geo-political power demonstrations. Protracted political and economic crisis and poverty have caused people to migrate and there is a growing sense of hopelessness amongst those who stay. Corruption remains a wide-spread phenomena hindering development on all levels. There are a number of severe environmental threats to people's health and wellbeing, and the country is expected to be deeply affected by climate change.

2. Swedish Priorities for Development Cooperation

The **Swedish priorities** - gender equality, environmental and climatic sustainability, a rights-based approach and conflict sensitivity are targeted and integrated in the implementation of Sweden's contributions in Moldova.

Gender Equality is attempted to be mainstreamed in all contributions (currently 99% of DAA). Sweden is working on increasing staff capacity and DAA with environment and climate as objectives.

In regards to conflict sensitivity and a rights-based approach, Sweden is one of few donors working with human rights in TN and the first to establish a formal dialogue between the People's Assembly of Gagauzia and the Parliament in Moldova. Sweden is also one of the few donors that work with sensitive issues such as GBV and LGBTQI, putting strong emphasis on the rights perspective and gender equality in all work. The decision to strengthen CSO's rather than work with government agencies is a necessary anti-corruption strategy in the current context.

3. Financial Allocation

Strategy period: 2014 – 2020

Use of country allocation	
Total amount for the strategy, in MSEK	n/a per financing code
Disbursed amount total, in MSEK	n/a per financing code
Undisbursed amount (of total), in MSEK	n/a per financing code

Disbursed amount per area of support and year	2014	2015	2016	Totalt
1. Enhanced economic integration with the EU and development of market economy	18,45	24,8	39,09	82,34
2 a Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law - Strengthened Public Administration and Judicial systems	20,57	9,9	5,30	35,77
2 b. Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law -Increased enjoyment of Human Rights and greater opportunities to exercise democratic influence	33,54	41,8	39,55	114,89
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change	30,72	14,4	10,50	55,62
Non-committed amount, in MSEK	n/a per financing code			
Agreed amount in total, in MSEK	n/a per financing code			
Agreed amount per area of support and year (MSEK)	2017	2018	2019	Totalt
1. Enhanced economic integration with the EU and development of market economy	38,94	23,11	15,27	77,32
2a. Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law - Strengthened Public Administration and Judicial systems	8,08	4,96	1,2	14,24
2b. Strengthened democracy, greater respect for human right and a more fully developed state under the rule of law -Increased enjoyment of Human Rights and greater opportunities to exercise democratic influence	35,96	29,95	22,17	88,08
3. A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change	15	10	1,55	26,55

The Swedish ambition is to increase activities and contributions in Result Area 3, while support to Result Areas 2a and 2b are expected to decrease compared to 2016, mostly as a result of increased focus on core support and reduced engagement with state actors. Other areas are expected to maintain their present share. There is capacity to prepare and implement more/larger contributions; we would propose an increase to at least 110 MSEK/year.

4. Assessment of Development towards the Strategy Results and the Implementation of the Contribution Portfolio

4.1 Overall assessment of Development towards the Strategy Results and Implementation of the Contribution Portfolio

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Year	2014	2015	2016
Overall Assessment of:			
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Implementation of contribution portfolio			

Since 2010, when Moldova became a member of the **Eastern Partnership**, the main goal of the development cooperation was changed to establishing closer links with EU and promoting democratic reforms, EU values and market economy. The critical assumption made in this context was that EU approximation and EU-driven reforms would lead to diminished poverty on all levels of the Moldovan society. The new results strategy was operationalized on the basis of the theories of change elaborated for each of the result areas, these are presented in the conclusions/result area.

4.2 Result area 1: Enhanced economic integration with the EU and development of market economy of

R 1: (EaP) Partner countries better fulfil EU requirements for entering into and applying association agreements, including deep and comprehensive free trade areas (AAs/DCFTAs) or (WB) Enhanced capacity among institutions to continue economic integration with the EU.

Year	2014	2015	2016
Assessment of:			
Developments toward the strategy results*			
Implementation of contribution portfolio**			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Government Effectiveness	43.0	39.9	29.3	n.a.	
Legal approximation to <i>acquis</i> communautaire	0%	29%	29%	34%	

Development toward strategy results is assessed as partially gone in the right direction reflecting Moldova's capacity to fulfill EU requirements which has worsened somewhat during the strategy period with a slight up-turn towards the end. Implementation of contribution portfolio is assessed as according to plan based on positive results in cooperation areas.

2014-2015 Moldova was slowly progressing in regards to fulfillment of the requirements under the Association Agreement (AA) and DCFTA. The situation was negatively affected by the political instability, economic crisis, trade restrictions imposed by Russia, and the situation in Ukraine. With higher public debt and damaged business confidence, the macroeconomic framework has been severely damaged. During 2016, with a new cabinet in place, the implementation has taken up speed; however the progress varies, with lowest performance in the justice sector and trade area.

In this Result Area Sweden is supporting the implementation of the DCFTA in the Food Safety sector, through capacity building of the national authority (ANSA)² together with the Swedish Board of Agriculture. The support facilitates the compliance of Moldovan food products to European standards making it possible for farmers and manufacturers to sell products to Europe.

Sweden also supports the State Tax Service (STS)³ by streamlining the business procedures and interaction with the taxpayers. As a result, the workload of the tax officers was optimized, the overall performance of the institution increased and tax collection has significantly improved due to improved tax compliance and a risk-based supervision model. Tax collection increased by 1 BMDL 2015-2016.

The bilateral cooperation between Statistics Sweden and National Bureau of Statistics (NBS) has registered progress and contributed to improved quality of the policy making process by enabling the NBS to produce statistics more effectively in compliance with EU and other international standards. A revised Law on Official Statistics in compliance with the Eurostat and European Statistics Code of Practice, as well as the new Strategy of Statistics Development 2017-2020 was developed with Swedish support.

R 2: Competitive small and medium-sized enterprises make up a greater share of the economy

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Increase in domestic and international competitiveness	Rank 89 (from 148), score 3.9	Rank 82 (from 144) score 4.0	Rank 84 (from 104), score 4.0	Rank 100 (from 138), score 3.9	
Ease of doing business index (1=easiest to 185=most difficult)	49	52	47	44	

Development toward strategy results is assessed as partially in the right direction as some improvements were made in 2014 and 2016 but reforms have been uneven. Implementation of contribution portfolio is assessed as according to plan track with good results.

During past years Moldova has managed to re-orient its trade relations towards EU, now the biggest trade partner. The greatest challenge for the Moldovan SMEs is competitiveness. During the reporting period the reforms in this area (tax administration, inspection framework, business granting permits, administration) has had uneven pace. A most critical challenge was the increased vulnerability of the

² 55120003 Food Safety Capacity Building Moldova

³ Tax System Reform 53040050

financial sector due to fraudulent activities. The transparency and accountability of the Government in implementation of the reforms has diminished and a vast majority of enterprises reported a worsening of the business environment.⁴

The portfolio was enlarged during 2016 to include two targeted contributions to support Moldova's efforts to comply with the requirements under DCFTA. In both cases Sweden joined ongoing USAID projects (Public private partnerships) focused on competitiveness enhancement of selected export oriented Moldovan industries: wine production, tourism, light industry, ICT with creative design, and precise engineering. The support in the ICT sector is directed towards increasing capacity of Moldova's ICT market potential as well as to attract international companies. The contribution is placing focus on equitable and inclusive development and on promoting gender equality and women's rights, encouraging women in ICT. The partnership with USAID works well and has produced significant results.

4.2.1 Concluding assessment RO 1

Theory of change: *General improvement business environment in Moldova (legal framework harmonized with EU Acquis and DCFTA, bureaucratic burden on SMEs reduced, enterprises enhance management and raise quality of their products to international standards, increased labor force skills etc) would lead to Moldovan enterprises becoming more competitive on the local and international markets. The country would then be able to boost export driven growth, new jobs would be created and this have a positive effect on emigration by increasing the economic opportunities in Moldova.*

The approach used in the portfolio for RO 1 follows the theory of change and the support is assessed as bringing results in a difficult context. The pro-poor perspective and gender equality are well integrated into the portfolio.

The structure of the portfolio under Result Area 1 is relevant to the critical needs of the country under EU-approximation agenda. The portfolio is focused on key pillars: (i) institutional capacity building of the state agencies responsible for the DCFTA implementation (evidence based policy formulation, reliable statistics; legal approximation; service provision to SMEs); (ii) targeted support to enhance the competitiveness of the Moldovan industries in the key sectors contributing to GDP; (iii) support to associations of industries and public-private partnerships. The key national partners are ANSA the STS and NBS. Swedish comparative advantages are used and support bilateral cooperation with Swedish Board of Agriculture, Swedish Tax Authority and Statistics Sweden.

4.3 Result area 2: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law *focusing on strengthened public administration and judicial systems*

R3: More efficient public administration, with administrative capacity to implement reforms for EU-integration

Assessment of: \ Year	2014	2015 ⁵	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

⁴ The number of companies paying bribes has increased four-fold in recent years.

⁵ This result area was marked as both red and green in the strategy report from 2015.

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
WB Rule of Law (higher rank worse)	-0.75	-0.66	-0.73	-0.83	

Development in Moldova towards strategy results has been negative and implementation of portfolio in regards to R3 stopped, hence the red light. Sweden supported major reforms in public administration and public finance management during 2006-2014. However, political will for reform has been uneven and limited the scope and depth of the reforms. The government shows the lowest progress in the judiciary reform, rule of law, transparency and accountability. The government has recently re-started the discussions on the administrative territorial reform, an indispensable part of the decentralization process. The probability that this reform will be promoted before the elections in 2018-2019 is very low due to vested political interests. On this background, the continued support in this result area were abolished. Also, following the planned support by the EU and the WB to Public Administration Reform and E-governance, Sweden decided to withhold further support to this area and instead re-orient its portfolio towards a more comprehensive support to civil society with the aim to boost demand for reforms from the bottom up.

R4: Delivery of higher quality public services, based on principles of non-discrimination and equal rights and with less corruption

Assessment of:	2014	2015 ⁶	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Transparency International Corruption Perception Index (91 -best score, 177 ranked countries)	score 35 rank 102	score 35 rank 103	score 33 rank 103		

The planned support to decentralization of public services in Moldova was stopped due to absence of political will to implement reforms, hence developments toward the strategy results has not gone in the right direction. Practically all state institutions - not least those responsible for fighting corruption, ensuring equitable justice, collecting taxes and regulating business – are considered to be under the direct control of oligarchs or affiliated to political leaders with detrimental effects on their functioning and trust.

However, Sweden continues to build administrative capacities aimed at EU-integration and service delivery in sectors such as tax administration, statistics, and regional development, hence the assessment that the portfolio is implemented with minor deviations. This support will continue until the end of the strategy period to be re-assessed. The decision to gear the portfolio towards support to civil society rather than support government is a coping mechanism to deal with systemic corruption.

The cooperation with GIZ⁷ in public service delivery and regional development under Result Area 3 is progressing well and contributing to building the capacities of regional development agencies, that are

⁶ Was wrongly marked as green in last year's report (not in conclusions).

⁷ The Modernization of Local Public Services Project [55120019](#)

efficiently reaching the rural population and enabling local actors to provide public services in a sustainable manner.

R5: More efficient judicial systems that guarantee the right to fair trial in accordance with European standards

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
World Bank: Worldwide Governance Indicators. Rule of Law: Confidence in and abide by the rules of society	14	13	12	n/a	

The development towards strategy results has not gone in the right direction as the justice sector is assessed as being regressive in its development and towards international standards compliance. As a result the Swedish support was geared towards CSO's and portfolio assessed as on track. EU budgetary support for justice reform was frozen in 2015 because of lack of progress. In February 2016, the European Council released conclusions on the Republic of Moldova and pointed out that it is concerned about the lack of independence of the judiciary and law enforcement agencies.

The Swedish support in this sector was focused to capacitate civil society in working with justice sector stakeholders in the field of human rights (core-support program)⁸. The community policing concept⁹ and economic crimes investigation, as part of the Police reform were decided as priorities for this result area as well. Both approaches support the Moldovan government to implement the EU AA.

In this area Sweden has supported, strategic litigations cases for people living with HIV/TB, victims of GBV and persons with mental disabilities. Key stakeholders from justice sector such as judges, prosecutors, police officers were capacitated on how to address the needs of rights holders from vulnerable groups and to guarantee the right to fair trial. The Police reform strategy was supported by contributing to the community policing national concept designed and capacitation of 4 police pilot regions in this field. This is a new potential priority area for Sweden in Moldova and in-depth analysis is conducted currently on how to best contribute to justice sector reforms especially in penitentiary and probation sectors.

R6: A reduction in gender-based violence, hate crimes and human trafficking

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

⁸ Preparatory support CRJM 10277, Core support IDOM 55120007, Core support Womens Law Center 55120009,

⁹ Police Feasibility Study_Moldova 55120027, Open Fun Football Schools, Moldova 55030097.

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2017	Target 2020
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Development towards the strategy results has partially gone in the right direction, hence yellow light. The contributions supported by Sweden are implemented successfully by the partners and assessed as according to plan. Relevant and trustworthy indicators are not available in this area.

Moldova has insufficient protection and care for victims of GBV as well as insufficient knowledge levels for professionals dealing with victims. While courts increased the number of issued protective orders, the police have not implemented such orders effectively. In 2014, Transnistrian *de facto* authorities failed to approve a law on fighting domestic violence, the main argument being that the new law will bring “western values” to TN. No comprehensive legislative amendment to prevent and prosecute hate crimes off-line and on-line is in place. Recent presidential election (2016) was marked by messages of hate used by candidates (including president Dodon). Discriminatory and segregating rhetoric against women, national minorities, immigrants, LGBTQI etc. was used to influence the electorate and to split “pro-Russian” and “pro-European”. Civil society reports physical assaults, theft, vandalism and threats. The trend in the legislative development is to restrain the freedom of expression and freedom of assembly as well as to enhance the controlling tools in the online and off-line space.

In this area Sweden supports and encourages CSOs’ from both banks to harmonize the standards for services, collect data about victims of GBV and to advocate for legislative improvements which has given results. An anti-domestic violence civic coalition was supported to enhance the support to victims and to spread consolidated messages against domestic violence in TN. Information on the first crisis center in Bender (Resonance)¹⁰ on domestic violence was, for the first time, published in local media. On the right bank, Women Law Centre¹¹ is supported to provide assistance for victims. National stakeholders as police offices, judges and prosecutors are capacitated on how to apply the legislation on victims’ protection and how to ensure the efficient execution of protection orders. Major needs remain in the area of reintegration to the society such as employment possibilities and economic empowerment of victims.

Result area 2: Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law *focusing on increased enjoyment of human rights and greater opportunities to exercise democratic influence*

R8: A more pluralistic civil society, including political parties, with strengthened popular support.

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
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Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 2020
USAID CSO Sustainability Index ¹²	4,0	3,9	3,9	n/a	n/a

¹⁰ 55120005

¹¹ 55120009

¹² <https://www.usaid.gov/europe-eurasia-civil-society>

Development toward both strategy results and implementation of portfolio is assessed as in the right direction/according to plan/green as results are evident despite shrinking space. The Civil Society Development Strategy 2012 - 2015 was promoted in Moldova under the responsibility of different stakeholders (including the state) however only 25% of this strategy was implemented. CSOs in Moldova face severe difficulties when it comes to the legislation regarding financing for CSOs (especially in TN), access to public data and lack of political will to strengthen the cooperation between civil society and the state institutions. The *de facto* Transnistrian institutions approved the “foreign agents law” modifying legislation on non-commercial organizations, to the effect that NGOs receiving foreign funding are obliged to register as “foreign agents” (the Russian model).

Core support is provided by Sweden for CSOs working with human rights, media, economic development and environment. The Swedish support is fundamental for activists working all over the country (including Gagauzia and TN) to monitor the respect of fundamental rights, including different vulnerable groups (Civil Rights Defenders, (CRD))¹³. Smaller contributions including initiatives implemented by informal groups were supported through the resource-umbrella organisation East Europe Foundation (EEF). As a leading donor, Sweden supports the autonomy of civil society as an instrument in all sector reforms.

In 2015-2016, the first 4 organisations (Women’s Law Center (WLC), Moldovan Institute for Human Rights (IDOM), Resonance, Independent Journalist Center (IJC)) received 3 year core-support funding¹⁴. In 2016, 5 new organisations (Legal Resources Centre from Moldova (LRCM), EcoVisio, EcoContact, GenderDocM, Expert-Group)¹⁵ were selected to conduct the system based audits (the first phase for core-support). CRD supported 14 local partners to implement interventions based on human rights’ needs, including in Gagauzia and TN, and to be capacitated to monitor the progress of the country. Within the support provided by EEF, 202 grants have been awarded to NGOs and groups mainly in rural areas including Transnistria and Gagauzia. EEF also provided TA and facilitated cooperation and dialogue with the government.

R9: Improved conditions for democratic accountability to the people and participation in political processes, including the promotion of free elections

Assessment of: \ Year	2014	2015	2016
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Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Democracy score (lower figure=better) Nations in Transit, Freedom House	4,82	4,86	4,86	4,89	

Development towards the strategy results are assessed not gone in the right direction as Moldova is facing serious challenges in accountability and transparency. Implementation of portfolio is despite negative trend, assessed as according to plan as positive results are reported in representation and gender equality.

¹³ 5503003801

¹⁴ 55120007, 55120009, 55120005, 5512000801

¹⁵ 10277, 10276A0101, 5512001001,

Elections are run in Moldova more or less according to international standards, however the latest development show strong political interference in election management. An increased concentration of power and tendencies toward authoritarian rule are worrying signs.

The right of the people to have access to information is partly fulfilled by the Law on Transparency; still this is far from sufficient. The level of public awareness and civic activism, in particular among the younger generation, as well as youth participation in elections, is low. A big share of the most active population is migrating abroad and does not participate in elections.

Representation has improved through enhanced parliamentary outreach and communication, as well as through increased access to the constituency through the establishment of Parliamentary Constituency Offices in four districts of Moldova. Due to program support and continuous advocacy for gender and human rights considerations a Gender Audit of the Parliament was carried out and a Gender Mainstreaming Action Plan was developed in 2015. A Women's Parliamentary Caucus (WPC- Women MPs Dialogue Platform) was established. Women political participation and representation at the Parliament and mayor's level has increased after the elections.

Results have been achieved in electoral management and quality of the electoral process overall. Sweden supported the Central Electoral Committee (CEC). Establishing the interoperability of SAISE (State Automated Information System–Elections) is an important result improving electoral management data accuracy and transparency. In 2016 CEC initiated a global Association of Women in Electoral Management (WEM-International) to create a forum of women leaders of Electoral Management Bodies. The support to elections was finalized by end of 2016. Sweden decided to withdraw from the next phase.

R10: Free and more independent media

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 2020
World Press Freedom Index (reporters without borders) The lower rank the better, Sweden ranked 8 in 2016.	Rank 55 Score	Rank 56 Score 25.53	Rank 72 Score 27.85	Rank 76 Score 28.83	n/a

The development toward strategy results is assessed as not gone according to plan, reflected by the red light and based on the overall development in the country related to freedom of media and freedom of speech. Implementation of the contributions portfolio is with minor deviations from plan in a deteriorating environment.

Challenges include the lack of political will to approve a new Audiovisual Code, Russian propagandistic media, concentration and political ownership and control of local media and advertisement market, new restrictive legal initiatives (Big Brother Law and the ban on drones for investigative journalism) and direct threats, intimidation and court cases against independent journalists.

Sweden supports IJC¹⁶ through core support, as one of the most important watchdog resource-organizations representing media. A dialogue has been started with the independent TV7 channel (after

¹⁶ Independent Journalist Center 55120008

the change of the ownership) to encourage the application for a loan through Media Development Investment Fund, MDIF.

R11: Partner countries better fulfil their international and national commitments on human rights, gender equality (including the EU's strategy for equality between women and men) and non-discrimination

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Progress in the Istanbul Convention /CAHVIO ratification (qualitative indicator)	Law on domestic violence adopted in 2006	Domestic violence prioritized in the National Gender Equality Action Plan 2010-2015; First study on violence published by NBS	National Strategy on fighting domestic violence and VAW adopted; Coalition of CSOs in fighting GBV established	Law on emergency protection orders by police adopted; state funds allocated to shelters for victims of GBV	Istanbul Convention signed by Government February 2017
CoE/ ECHR Statistics (decisions against RM Government)	19	24	19	23	

The traffic light regarding development towards the strategy reflects the worsening situation in the field of human rights and assessed as only partially gone in the right direction. The portfolio is assessed as being implemented according to plan in a deteriorating environment. Significant problems include: allegations of torture and mistreatment by police, prison guards, and staff at institutions; violence against military conscripts; harsh and overcrowded prisons and detention centers; threats against journalists and pressure to self-censor; trafficking; discrimination against Roma; LGBTQI individuals and persons living with HIV/AIDS. The state still fails in the area of human rights because of weak institutions and institutional coordination and very low implementation rate of laws protecting human rights.¹⁷

Moldova has become the latest former Soviet republic to consider adopting a law against so-called gay propaganda, following Russia. In 2016, Moldovan LGBTQI activists and supporters, including Gender DocM held a march in Chisinau (around 300 participants). The event was interrupted by egg-throwing counter demonstrators, including Orthodox clergymen. Despite this, the organizers considered the event a success because it was the longest demonstration they had ever managed.

Much work still remains to have all discriminatory provisions removed from the legislation. Efforts to inform and educate citizens, state institutions, judges, prosecutors and civil servants regarding hate crimes and anti-discrimination rights and responsibilities are needed.

Sweden supports several UN Agencies to implement a comprehensive human rights project addressing people living with HIV/AIDS, rights of people with disabilities and domestic violence in TN¹⁸. On the right bank, Sweden is supporting IDOM, WLC, IJC and GenderDocM to prevent respectively, the ill-treatment in psychiatric premises and in pre-trial rooms, GBV and the restraining access to information and to promote equality values and fight against discrimination, particularly in case of LGBTQI¹⁹.

¹⁷ Universal Periodic Review, UPR by OHCHR.

¹⁸ 55120029

¹⁹ 10275

In the area of gender equality Sweden has contributed to the elaboration of significant amendments to a number of laws and codes. On April 14, 2016 the parliament adopted the package known as Law no. 71, which includes 40% gender quota for party list candidates and cabinet nominees and paternity leave for 14 days as well as other important amendments in the area of gender equality.

R12: Women and men have, to a greater extent, the same power to shape society and their own lives

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Global Gender gap Index (World Economic Forum)	0,704, place 52	0,740, place 25	0,742, place 26	0,741, place 26.	
Number of women MPs & women mayors	18% 18.5%	22 % n.a.	n.a. 20.4%	n.a.	

The developments towards strategy results are assessed as slow progress partially in the right direction, however entailing important areas where reforms have had impact, hence the yellow light. Portfolio has been implemented according to plan with good results.

Gender equality is now recognized as a national priority reflected in the adoption of National Gender Equality Strategies. The implementation remains a challenge and women still face discrimination, violence, inequality and significant challenges. On the governance level, the most serious obstacle is the lack of political will to promote gender equality, marginalization of the issue on the political agenda, and resistance to promote more women in leading positions. Women continue to be under-represented in decision-making and lack sufficient possibilities to influence the decision-making processes and decisions affecting their lives. Economic and employment policies are perpetuating the labour market segregation and the “women-dominated” occupations traditionally provide less income opportunities. Women living in rural areas have even less opportunities due to limited access to services, information and counselling, resources (land, equipment, and finance), decent jobs, social and health care as well as being the main career and provider for children. In 2016 an overarching contribution with UN Women Moldova was launched that covers these strategic impact areas and applies several innovations supported by Sweden.

During the reporting period important results were achieved in the area of women’s political participation and representation in Moldova, as well as overall gender mainstreaming of the electoral process and of the Parliament’s functioning. Swedish support before elections in 2014-2015 contributed to an increase of women candidates. Women make up 20.6% of all mayors and 30% of members of local councils. History was made in terms of political empowerment of Roma women during local elections in June 2015, when seven Roma women and girls were registered on electoral lists to run for office. Two Roma women won the elections and are currently local councillors.

Sweden has directly contributed to the elaboration, advocacy and adoption in 2016 of a revised legislative package (law 71) aiming to enhanced gender equality. Sweden has further contributed to the elaboration of the National Strategy on fighting domestic violence and violence against women and girls, as well as to the elaboration of the Law on issuing emergency protection orders by police, both adopted in 2016.

Good results were achieved in the area of WEE and targeted support to women owned enterprises. General evaluation results for Women in Business Fund for Moldova (WiB) projects are impressive, in spite of economic difficulties and political instability. This area of intervention is being complemented by the recently launched support to Moldovan competitiveness enhancement and ICT sector, both in partnership with USAID.

R13: Increased trust between parties in protracted conflicts

Assessment of:	Year	2014	2015	2016
Developments toward the strategy results				
Implementation of contribution portfolio				

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 2020
Global Peace Index (least figure= most peaceful)	Score 1,97 Rank 71	Score 1,97 Rank 71	Score 1,94 Rank 70	Score 1,95 Rank 65	n/a

The development toward the strategy has not gone in the right direction despite progress in dialogue since 2013. The red light reflects the social perception and political instability related to the conflict in TN but also a general measure of tension in the country. Implementation of the portfolio as assessed as on track with successful support to CSO's on both sides of the bank. The conflict perspective is a cross cutting issue in many contributions including economic development, supporting the civil society and media, supporting human rights activists and public administration. The main risk foreseen for Swedish projects in this field is Russian legislation comprising controversial laws as de-criminalization of domestic violence and the law on foreign agents.

The Transnistrian region is supported by Russia, including annual budgetary support and a political alliance. In 2016 Transnistria joined the DCFTA as a part of the agreement between the EU and Moldova. At the same time, after the last general elections (2016) Tiraspol declared that its priority is to integrate with the Moscow-led Customs Union (now the Eurasian Economic Union). The authorities in Chisinau do not have any clear official strategy or vision on how to solve the frozen-conflict and to reintegrate the Transnistrian region.

In Transnistria torture, arbitrary arrests and unlawful detentions are widespread. The right to association is also limited with civil society associations and groups of activities being monitored by the secret service. The population is manipulated, through local and Russian media, into viewing EU as an enemy and threat. De facto Transnistrian authorities are not tolerant of discourse regarding "human rights" "domestic violence", "LGBTQI", "freedom of speech", etc.

To increase trust and cooperation, Sweden supports dialogue between CSOs working on both banks, especially in preventing and combating GVB. It was further decided to support a comprehensive contribution on the protection of the rights of people with disabilities and people living with HIV/TB in prisons and civil areas (through UN Agencies and IDOM)²⁰.

Sweden also supports Moldovan authorities to enhance the dialogue between the Parliament of the Republic of Moldova and People's Assembly of Gagauzia to tackle issues related to the efficient exercise of Gagauzia's autonomous powers within Moldova's constitutional framework²¹.

²⁰ 55120029

²¹ 55120014

4.3.1 Concluding assessment for Results Area 2

Results Area 2a. *Theory of change: The logic of a state acting as service provider to its citizens (duty bearer) in a most transparent, accountable and non-discriminatory manner. The assumption: if EU best practices and values of democratic governance, justice and rule of law would be implemented through a wide public administration reform at all levels - then the state institutions would have capacities to elaborate policies that respond to the real needs of the citizens.*

Results Area 2b. *Theory of change: The assumption: a stronger, vibrant civil society can become an equally strong actor in the country's development and can influence the quality of democracy overall.*

Gender Equality. *Theory of change: The assumption that WEE and financial independence can help victims of GBV, as well as women from vulnerable groups to break the vicious circle and rise out of poverty and that women's political empowerment would help women to participate in decision making and by this influence the decisions and policies adopted by the state.*

Sweden's further engagement in administrative capacity building under the Result Area 2a (Result 3, 4 and 5) was conditioned on the presence of a clear national reform agenda and political will to implement EU-related reforms after the parliamentary elections in 2014. However, the political instability increased and the circumstances were not conducive to start long-term cooperation. Therefore, further support to the governmental institutions at central and local level was stopped. Only the cooperation with GIZ in regional development will continue. Sweden has chosen the minimal scenario of the operationalization, the portfolio was adjusted and the main focus was shifted to strengthening the Civil Society. The conclusion of the strategy period is to continue and enlarge the support to CSOs to enhance their independency and security of their activities taking into account severe challenges faced and shrinking space in Moldova.

The conflict perspective is an area that demands more support and integration in the entire country portfolio. The main priority is to continue to work with Gagauzia and Transnistrian regions through civil society, business and confidence building measures.

Promoting gender equality and women's political participation and representation has brought good results and this support should continue aiming at substantial changes in the society. More attention can be oriented towards working with boys and men, as well as joint integration of gender equality and environmental perspectives. The portfolio implementation is assessed as effectual and the assumptions made within the operationalization of the strategy remain valid and relevant.

4.4 Result Area 3: A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

R 14: Partner countries increase compliance with EU regulations and international agreements on the environment, climate and energy

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2013	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Environmental Performance Index	n/a	53,36	n/a	75.81	

Development towards strategy result is assessed as partially gone in the right direction/yellow based on some tangible results in the sector such as adoption of legislation. Implementation of portfolio is implemented with minor deviations from plan due to problems of lack of will to reform at government agencies. A reform of the environmental institutions is needed in order to enable the implementation of the legislative and regulatory framework. Currently, the implementation of the newly adopted legislation is rather modest in most of the sectors (especially waste management, Environmental Impact Assessment, Strategic Environmental Assessment). Therefore, these legislative acts have little impact on the life of population.

In the framework of the 4-year (2011-2016) Capacity Building for the Ministry of Economy and Energy Efficiency Agency, supported by Sweden²², the Moldovan Government has been assisted in the elaboration of the 2030 Energy Strategy, National Energy Efficiency Action Plan, National Renewable Energy Action Plan, methodology on energy audit cost calculation etc. The commitment of the donors and implementing actors have been fulfilled, but high staff turnover and the uncertainties around the central public authority reform, has negatively affected the impact of this contribution.

R15: Enhanced environmental responsibility among the general public, the business sector and civil society

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2010	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 2020
Energy efficiency in relation to reference scenarios in Moldova Energy Strategy 2020	0	-38 k TOE	n	n	%533 k TOE(20 % energy efficiency)
Renewables in total energy consumption	11.9%	13%	N	n	20%

Development toward the strategy results in this sector has partially gone in the right direction as reflected by the traffic light. Contribution portfolio has been implemented according to plan. The National Environmental Strategy 2014 - 2023 has set up Green Economy promotion priorities. Also, an inter-ministerial agreement (Ministry of Environment, of Economy, and of Agriculture) has been signed to declare the readiness for a joint action towards the promotion of Green Economy in Moldova and an inter-ministerial Working Group for promoting Green Economy has been created. In the National Strategy for SME Development, promotion of Green Economy is declared as a priority. Even though, there is a bigger visibility of the concept among civil society, governmental agencies, businesses, there is a limited understanding of its instruments and appliance.

Sweden supports two environmental NGOs through the pre-core support instrument. “EcoContact”²³ is the developer of the Road Map for Green Economy and the facilitator of the Inter-ministerial Working Group on Green Economy. “EcoVisio”²⁴ is active in awareness rising and responsible for a law prohibiting cost-free distribution of thick plastic bags in shops.

²² 53040015 Capacity building Min of Econ & EE Agency

²³ 10364 Förberedande stöd EcoContact

²⁴ 10276 Preparatory support EcoVisio

R16: More sustainable public services in areas such as water and sewage, waste management, energy efficiency and renewable energy

Assessment of: \ Year	2014	2015	2016
Developments toward the strategy results			
Implementation of contribution portfolio			

Indicators	Baseline 2009	Actual value/change 2014	Actual value/change 2015	Actual value/change 2016	Target 20xx
Number of formal agreements signed by local public authorities with suppliers of public services.	n/a	n/a	75		
Number of pilot public service projects implemented.	n/a	n/a	25		

Development towards strategy results is assessed as partially gone in the right direction/yellow based on challenges in cooperation with government agencies, widespread corruption and lack of political will to reform. Significant challenges for Moldova are identified in the areas of wastewater management, municipal solid waste management and biodiversity conservation. A deficient management of chemical substances has considerable impact on the quality of natural resources. The commitment of the Government to improve the management of chemicals is proved by the approval of the Law on Chemicals (currently under discussion in Parliament). The capacity for the implementation of the law is lacking, external assistance for this sector is also limited.

Sweden has been involved in the Moldovan energy sector for more than a decade. The current strategy period, has focused on EU adaptation, sustainable development and renewables. The cooperation has mostly been done with government authorities and agencies and Sweden has contributed by establishing policies, capacity building and strategic documents. Sweden has been supporting a 4-year capacity building project for the Ministry of Economy, Energy Efficiency Agency and Energy Efficiency Fund²⁵. Within its framework, vital documents and instruments have been developed that are functioning and sustained; and the staff has been intensively trained.

Another contribution targeting the improvement of energy efficiency is EBRD/Business Advisory Service Energy Efficiency for SME sector²⁶ has shown good results by supporting SMEs from rural and urban areas to implement energy efficiency measures (165 projects implemented).

A Loan Portfolio Guarantee for Sustainable Energy is being implemented in Moldova together with USAID and a national financial institution²⁷, offering loans for energy efficiency purposes. This instrument has proved to be less attractive for population with lower income from rural areas.

²⁵ 53040015 Capacity building Min of Econ & EE Agency

²⁶ 53040009 EBRD/BAS Energy Efficiency for SME sector

²⁷ 54020125 Loan Portfolio Guarantee for Sustainable Energy Moldova

Sweden is also supporting the creation of sustainable public services co-financing, together with the German Government, EU, Switzerland and Romania²⁸ that is targeting improvement in Water Supply and Sanitation, Waste Management and Energy Efficiency.

The support to the district heating reform program, financed through the Swedish Trust fund with the World Bank²⁹, 2012-2015 showed good results. The service was seriously challenged by the previous bankruptcy of the district heating company, which is now successfully transformed and able to provide services.

4.4.1 Concluding assessment Results Area 3

Theory of change: *The assumption: strong governmental institutions in the energy efficiency sector and the creation of incentives for SMEs and individuals to improve energy efficiency indicators will lower Moldova's energy intensity.*

Sweden has been working with multiple actors (governmental institutions, financial institutions, other donors and multilaterals) in order to promote Energy Efficiency in Moldova for a long time, results have been mixed. The most successful has proved to be the project implemented with EBRD on Business Advisory Service in Energy Efficiency for SMEs. The less successful capacity building project for the governmental institutions responsible for Energy Efficiency has caused Sweden to consider new possible areas of intervention as well as innovative partners and methods. A suggestion is to steer the portfolio more towards CSO's in the sector.

An important conclusion is that this sector needs additional support and severe challenges remain and are increasing. As an example: the environmental and water security of Moldova is threatened by the extension of the Dnestrovsk Hydro Power Plants announced by the Ukraine in 2016; the project threatens to reduce water flow and, in worst case, drain the river, the main source of drinking water for the population. Environmental impact assessment documentation has not been elaborated or presented.

The environmental sector in Moldova is severely underfinanced. The existing budgetary funding does not allow the Ministry of Environment to implement its core activities or to promote necessary policies. Given the extensive expertise of Sweden in the area of management of chemical substances and the existing gap in capacity of Moldovan national authorities in management of chemicals, as well as the impact of the mismanagement of chemicals on the population³⁰, this sector could be potential area of intervention. Another area requiring funding is the implementation of the Intended Nationally Determined Contributions (INDC) of Moldova (especially the adaptation measures mentioned) conditional to the existence of functional governmental structures to sustain the results of the project.

5. Synergies with Other Swedish Strategies

Annual amount within other appropriation items that reach/es the country/region 2016:	7,8 MSEK
Humanitarian assistance (Appropriation 1)	0 MSEK
Support through Swedish NGOs (Appropriation 5)	7,8 MSEK

²⁸ 55120019

²⁹ 53040016 World Bank Trust Fund for Energy Efficiency and Reforms in Moldova

³⁰ Although now prohibited, large quantities of fertilizers, pesticides and dangerous chemicals from Soviet are still stored around the country leaking into ground water and soil.

Research assistance (Appropriation 32)	0 MSEK
Guarantees	0 MSEK

There are limited synergies with other Swedish strategies under other appropriations, apart from some funding through Swedish NGOs and Loans/Guarantees in the portfolio. The Guarantee instrument is an interesting opportunity, but has not worked well in Moldova due to fundamental weaknesses in the financial sector. These weaknesses are not foreseen to be addressed in a satisfactory way before the expiry of the present Strategy; therefore no widening of the use of Guarantees as an instrument can be recommended at this point.

6. Donor Context

Development assistance corresponds to 23% of the national budget (2014)	Sweden's share of the total of development assistance constitutes 2.8% (average 2014/2015)
Common donor strategy 20XX – 20XX signed by [X] donors	EU Single Support Framework for Moldova is valid 2014-2017 Status of EU joint programming: under elaboration
The five largest donors (organisations or countries) are: EU, US, RO, IDA, JP (2014/2015)	Sweden is the 8 th largest donor. Of the EU member states Sweden is the 3 rd largest donor (average 2014/2015)

Synergies with EU Member states in the sector is sought through the EU Joint Programming exercise, started in Dec 2015. Sweden lead in the sectors: Economic Development and Energy. Work with other sectors (local governance and public administration, civil society, judiciary, human rights and environment) is supported by Sweden. With the aim to ensure gender integration, Sweden has provided extensive support to European Union Delegation and MS on gender analysis and mainstreaming of the whole joint analytical and programmatic phases. The Joint Analysis is supplemented by a Gender Baseline Study for Moldova and most of the sectors are gender mainstreamed. The Embassy has shared this experience on gender integration in the EU Joint programming with the Embassies in Kiev and Tbilisi.

Sweden is a leading donor in working with the core-support for civil society on both banks for Nistru River. Sweden initiated in 2014, informal civil society donor coordination meetings, held every second month (including specific thematic meetings). A civil society projects donor matrix is followed up by the EU delegation.

7. Conclusions, Lessons Learned and Recommendations

7.1 Suggested Adjustments to the implementation of the Strategy

In 2016, Moldovan economy started to recover from 2015 years recession and to make some progress in tackling long-standing vulnerabilities in the financial sector and advancing structural reforms. These efforts have helped to restore some financial stability and growth. The economy is projected to grow by 4.5 percent in 2017.

The Operationalization of the strategy during the reporting period was based on theories of change for each specific result area and Swedish thematic priorities. Overall, the experience during the strategy

period has demonstrated difficulties to work with the government and state institutions. Due to the political volatility with high degree of corruption, vested interests and political interference, the prospects of achieving measurable and sustainable results have been assessed as low; therefore the work with the government on major reforms should remain limited. Instead we suggest continues and strengthened support to Civil Society Organisations. The shift, towards a more comprehensive and long-term support to civil society, although entailing more time, efforts and resources, has proven its efficiency and is assessed as the viable option in the current context of shrinking space.

The current cabinet has made many official statements on their commitment to implement the AA and DCFTA, fight corruption, strengthen the banking and financial sector and launch new major reforms. The DCFTA implementation depends not only on legal approximation to *Aquis*, but it is even more critical to strengthen the efforts on fighting corruption and improvement of the business environment to boost economic growth and reduce poverty. The results from these statements are yet to be seen.

Politics and general decision-making are areas where gender inequality is the highest in Moldova. Despite progress, women's representation is below the existing international benchmarks and commitments. The main challenge is lack of political will and a persisting resistance within the political parties to promote women in politics and decision making. However, the achieved results demonstrate that the combined and innovative efforts, such as with UN Women and CSOs have gradually brought about a change in attitudes and perceptions. In line with the theory of change on gender equality, there is a potential to enhance the strategic focus and concentrate on long-lasting societal change by considering the opportunity to address all bottlenecks in a comprehensive and coordinated way. A concrete example: The recently launched contribution with UN Women that supports the implementation of the Strategic Note for Moldova 2016-2020 presents an example of a unique innovative approach to gender issues. Sweden should consider the possibility enlarging the volume of funds and duration of this contribution to cover the whole period of the new Strategic Note 2017- 2023.