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Swiss Cooperation Strategy Republic of Moldova 2018–2021



Preface

Moldova has experienced noteworthy economic growth, accompanied by reductions in poverty, in the past decade. Politically, closer relations with the European Union resulted in the visa liberalization for Moldovan nationals to the Schengen area and the signing of an Association Agreement, including a Deep and Comprehensive Free Trade Agreement. Nonetheless, Moldova remains the poorest country in Europe and faces challenges in sustaining progress. High political volatility, notable economic fluctuations, massive outmigration, declining remittances, an unresolved frozen conflict, a profound national identity crisis, and an increasing polarization of society hamper further advancements. Inequality within the country is pronounced. The most excluded groups are people living in rural areas, the poor, the elderly, and people with disabilities.

Switzerland has been supporting Moldova's political, social and economic transition processes since 2000. Today, Switzerland ranks among Moldova's largest bilateral cooperation partners. Until 2017, the Swiss Agency for Development and Cooperation concentrated its support in the areas of health and water and sanitation.

As a result of Swiss support, over 50'000 people have gained better access to safe drinking water. Water supply systems were built in rural communities and are managed in a participatory way by water consumers' associations. Over 22'000 people in more than 50 communities enjoy decent and environmental-friendly sanitation facilities installed in schools, public and social institutions. With Swiss support, Moldova has also made great strides forward in improving the quality of healthcare for mothers and newborns all over the country. Moldova has also steadily decreased the mortality rates from trauma and poisoning among children under 5 years old. The Swiss Agency for Development and Cooperation

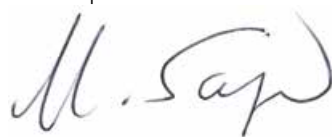
contributed to this success by supporting the set-up of a regionalized system of pediatric emergency care. As regards migration, thanks to Swiss support, the Moldovan Government has developed its first national strategy on diaspora engagement to support the development of their home country and communities of origin.

Based on the results achieved so far, developments in the context and in-country consultations, Switzerland took the strategic decision to reorient its sectoral engagement. The Swiss Cooperation Strategy 2018–2021 is an expression of Switzerland's ongoing commitment to support Moldova in addressing some of the above-mentioned remaining challenges in its political, social and economic transition. It focuses on three thematic domains: Local Governance, Economic Development and Employment, and Health.

We trust that this strategic change fits the country's priorities and that the implementation of the Swiss Cooperation Strategy for Moldova 2018–2021 will contribute to an enhanced well-being of Moldova's population and increased cohesion of Moldovan society.

Bern, December 2017

Swiss Agency for Development
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Manuel Sager
Director General



People of Moldova united to demand a better future, despite their different geopolitical views, ethnic backgrounds or social statuses. © Mihail Marcuta



The gap between the richest and the poorest people in Moldova has dramatically widened over the past decades. © Pavel Braila

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Executive Summary

Moldova's progress towards a liberal democracy and functioning market economy since independence has been uneven. Advancements in building a democratic system and an impressive economic growth record have been tarnished by political instability, opaque decision-making, and widespread corruption, which frequently obstructed the implementation of structural reforms. Despite significant achievements in reducing income poverty, Moldova remains the poorest country in Europe.

SDC's engagement with Moldova dates back to 2000, when Switzerland started a humanitarian relief program to help Moldova deal with the consequences of catastrophic draughts, floods and severe winter conditions. Over the years, Switzerland's support to Moldova became more long-term-oriented. Interventions concentrated on the two core domains of health and water & sanitation. In the past strategy, these were complemented by a special program on migration & development. Thanks to SDC support, noteworthy results were achieved both with regard to the performance of Moldovan partner institutions and organizations, as well as with regard to the well-being of final beneficiaries. The quality of essential healthcare services has been improved in the field of perinatology, paediatric emergencies and youth-friendly health services, resulting in a steady decrease in infant and child mortality, as well as in improved health outcomes for adolescents. Tens of thousands of people have gained access to safe drinking water and improved sanitation facilities. Swiss-supported innovative interventions aimed at harnessing the development potential of migration enabled an unprecedented mobilization of migrants in the long-term development of their home communities.

SDC has continuously expanded and intensified its support, becoming one of Moldova's major development partners. Given its neutrality, know-how and ability to leverage complementarities with other international assistance programs, Switzerland has the potential to make a meaningful contribution to Moldova's sustainable development.

The overall goal of the 2018–2021 Swiss Cooperation Strategy for Moldova is to enhance the well-being of Moldova's population and the cohesion of Moldovan society, with a special focus on the inclusion of excluded groups. By supporting the participation of women/girls and men/boys in decision-making processes, their access to enhanced economic opportunities, and their effective enjoyment of good quality

services, SDC will make a contribution to improving people's physical, social and economic situation and increasing their trust in institutions. By prioritizing social inclusion, SDC will contribute to more equity in the political, economic, and social spheres.

Switzerland will engage in the following domains of intervention:

- › **Health** – The focus is on integrated healthcare, health promotion and disease prevention. SDC will support health authorities and healthcare institutions in ensuring equitable access to qualitative and affordable primary healthcare services. At the same time, opportunities will be created for people to act responsibly with regard to their own health and get involved in holding health institutions accountable for delivering quality services.
- › **Local Governance (LG)** – SDC will contribute to ensuring that women and men, especially from excluded groups, have more opportunities to effectively participate in local decision-making processes, demand the respect of their rights, and hold local public authorities accountable for the provision of quality public services for all. SDC will actively advocate for effective decentralization and will support local public authorities in increasing their access to resources, allocating and spending funds in line with the population's priorities, and in providing sustainable and quality services in an inclusive and accountable way.
- › **Economic Development and Employment (EDE)** – This domain will focus on the development of better functioning market systems and on improving the investment climate to stimulate the creation of more and better jobs and income opportunities for women and men. SDC will contribute to making the vocational education and training (VET) and lifelong learning system more demand-driven and practice-oriented, enabling students and job-seekers to acquire skills needed on the labour market. SDC will also work towards improving the matching of job-seekers with available job opportunities. SDC will invest special efforts to ensure that education, job and income-generation opportunities are accessible to excluded persons.

Resources: The foreseen program disbursements amount to CHF 46.9 million (excluding management costs).

1. Context analysis

Since gaining independence in 1991, the Republic of Moldova has undergone a political and socio-economic transition from a communist political system and centrally-planned economy towards democracy and a market economy. Moldova's progress has been uneven. On the one hand, the advancement in building a democratic system has been largely positive. According to Freedom House's Nations in Transit reports, the country fares better than the regional average on all aspects of democratic governance. Notably, with regard to electoral process and civil society development, Moldova (together with Ukraine) has been a positive outlier among the CIS states. The country's economic growth record has been impressive; GDP increased by almost 5% a year on average since 2000. At the same time, Moldova has made progress in its engagement with the European Union (EU). This resulted in the visa liberalization for Moldovan nationals to the Schengen area and the signing of an Association Agreement, including a Deep and Comprehensive Free Trade Agreement (DCFTA) in 2014, which commits the government to bring its regulatory framework and practices in line with EU standards. On the other hand, the pace and direction of reforms has been frequently stalled by political volatility, opaque decision-making, and corruption. Moldova's economy has been also challenged by Russia's ban on certain Moldovan products as well as by externally-induced economic fluctuations. The country's small, open economy is heavily exposed to regional and global economic trends (trade and remittance flows, energy prices). Agriculture, an important sector of Moldova's economy, is regularly affected by extreme weather events.

The phenomenon of "state capture" has been a defining feature of Moldovan statehood since independence. While until recently different groups were vying for power, the past three years have seen a gradual concentration of influence. Independent media is increasingly confronted with intimidation and pressure. The justice system is one of the most discredited institutions in the country, widely seen as politicized and corrupt. Corruption has a systemic and endemic nature. It is deeply rooted in governmental institutions at all levels and includes control of key state institutions to benefit private interests. The large-scale fraud within the banking sector of 2014, in which 1 billion USD (equivalent to 12% of GDP) was channeled out of the country by political decision-makers, crushed public and international confidence in the country's institutions. According to the Public Opinion Barometer (POB), trust in govern-



Every tenth child in Moldova has one or both parents in migration. Catalina, 5, lives with her grandmother in a village from central Moldova, while her parents work abroad.

© Andrea Diefenbach

ment slumped to a record low in 2015–16, when less than 10% of the population expressed confidence in political parties, the president, or parliament. The consistently most trusted governmental institutions are the local public authorities (LPAs), with a trust rating of 41% in October 2017.

Reflective of Moldova's geographic location, its history and ethnic diversity, the process of nation-building has been difficult and is far from being completed. Moldovan society is divided along ethnic lines, with minorities making up 18% of the population: 6.6% Ukrainian, 4.6% Gagauz, 4.1% Russian, 1.9% Bulgarian, 0.3% Roma. Society is also divided within the titular group. While some Moldovan/Romanian-speakers self-identify as Romanians, the majority believes in the existence of a distinct Moldovan identity. In its over 25 years of independence, the country's political and intellectual elite has not managed to create a unifying national idea and build a sense of belonging together among citizens, thus making Moldovan statehood inherently fragile. Moldova's population not only disagrees with the interpretation of history, but also with the future direction of the country. While in the late 2000s more than 70% of the population was in favor of EU integration, the share has significantly fallen ever since then. Nowadays, there is a close balance between those

who prefer a rapprochement with the EU and those who are for closer ties with the Russian-led Eurasian Customs Union (47% vs. 42% in October 2017 according to the POB). Moldova's nation-building efforts have been further complicated by geopolitical influences from the East and the West which, in turn, have been used by Moldovan political entrepreneurs for gaining popularity amongst groups/factions of the electorate.

Geopolitical factors are a central reason why the internal conflict with the breakaway region of Transnistria, in the East of Moldova, remains frozen. Tensions between Chisinau, Moldova's capital, and Tiraspol, the capital of the Transnistrian Region, have been increasing ever since Moldova started to pursue closer ties with the EU. After Russia's annexation of Crimea in 2014, the de-facto Transnistrian authorities addressed a request to the Russian Government to integrate the separatist region into the Russian Federation. While negotiations within the 5+2 format – including the two conflicting sides, Russia, Ukraine, the Organization for Security and Cooperation in Europe (OSCE) as mediator, as well as the United States (US) and EU as observers – continue, the perspectives for resolving the conflict and reunifying the country in the near future look bleak. Nonetheless, the decisions reached within the OSCE format in order to resolve certain everyday problems of the population on both sides of the Dniester River demonstrate the concrete benefits of these discussions. Gagauzia, an autonomous territory in the South of Moldova inhabited mostly by a Turkic-speaking Orthodox Christian people, does not strive for independence, but demands more autonomy from Chisinau. The implementation of a 1994 law that grants the region a special legal status has been patchy. After Gagauzians, in an unrecognized referendum in 2014 spoke

out in favor of closer ties with the Russian-led Customs Union and against closer EU integration, a permanent joint working group between the Moldovan Parliament and the People's Assembly of Gagauzia was established in 2015. The working group was tasked with clarifying Gagauzia's special legal status and bolstering the implementation of the status law. However, due to opposing views between Comrat (Gagauzia's capital) and Chisinau, the discussions regarding the status of Gagauzia are still ongoing.

Thanks to an extraordinary record of pro-poor growth, Moldova has made sizeable progress in poverty reduction. The poverty rate declined from 68% in 2000 to 11.4% in 2014.¹ The main driver for reducing poverty has consisted of remittances being regularly sent by Moldovan migrants to their relatives since the early 2000s. Remittances as a share of GDP peaked high up to 31% in 2008 and gradually declined to 22% in 2016. Since a great part of migration was from rural areas, remittances predominantly benefitted the poorest segments of society, who used the money for consumption purposes, mainly of imported goods. While remittances thus alleviated poverty, they did not have a tangible impact on the stimulation of the local economy. In fact, growth has been jobless, and the employment rate actually decreased while the economy was growing. As a result, Moldova has one of the lowest employment rates in Europe (41% in 2016 compared to 71% in the EU-28). Significant disparities in economic performance exist between regions. Of all industrial enterprises, 57% are located in the municipality of Chisinau. The business environment is not conducive to the attraction of investments due to weakly protected property rights, deficient law enforcement, and corruption. To attract foreign investments and stimulate export-oriented production, seven free economic zones (FEZs), which provide a number of advantages to both foreign and local investors, have been established by the government. Not least thanks to the FEZs, foreign direct investments have gradually gained in pace in recent years, mainly in the automotive sector.

Despite achievements in reducing income poverty, Moldova remains the poorest country in Europe. In 2017, GDP per capita, at purchasing power parity, amounted to USD 5,660 – while in Ukraine it was USD 8,660 and in Kosovo USD 10,380. Poverty in Moldova is preponderantly a rural phenomenon: 84% of the country's poor live in rural areas. The rural-urban welfare gap is also reflected in access to and quality of public services – water supply, sanitation, waste management, heating – which are inferior for the rural population. Health insurance coverage, while virtually universal in urban areas, does not encompass many self-employed farmers. The latter have

Andrei Mereuta, 45, keeps Russian and EU symbols in his car. East and West meet and peacefully coexist in his daily life in a village historically populated by different ethnical groups including Roma, Ukrainians and Moldovans.
© Adrian Ianovici, SDC



¹ The rate is calculated against the national poverty line, which amounted to around 50 EUR in 2014. All poverty-related data is from the World Bank (WB): Moldova Poverty Assessment, 2016.

to bear high out-of-pocket costs, and catastrophic health expenditures put them at the risk of falling into poverty. Taking a multi-dimensional approach to poverty, focusing on health, education, employment and housing, Moldova's decline in the poverty rate has thus been much less impressive: from 31% in 2007 to 26% in 2014. In a medium-term perspective, a further deterioration of social conditions in rural areas can be expected due to a continuing brain drain and an overaged workforce.

According to the World Economic Forum's Global Gender Gap Index, Moldova has a relatively good degree of gender equality. The country ranked 30th in 2017, well ahead of its neighboring countries Romania and Ukraine, which ranked 58th and 61st respectively. Nonetheless, many serious gender-related inequalities persist. Women continue facing barriers in life due to widespread patriarchal attitudes and stereotypes, reinforced through education, media and advertisement. Women are underrepresented in decision-making and elected positions. Only a minority of women is involved in productive work (39% female employment rate in 2016). Ingrained traditional gender roles lead to a gender-specific division of labor and put the main burden of care on women. This is also due to a discriminatory labor code, deficient childcare policies, a sizeable pay gap (12.4%), and a lack of public care services for dependent family members. Women are overwhelmingly overrepresented in low paid jobs in public administration, education, healthcare, culture, and social assistance. Migration of male household members acts as a disincentive to work for many women, either through income compensation or imposing care duties. At the same time, migration can have an empowering effect on women, either when they become heads of households after their husbands have migrated, or when they migrate themselves and turn into the main breadwinners of the family. Violence against women remains an issue of great concern. Almost two thirds of all Moldovan women are facing psychological, physical or sexual violence in their lifetime. Gender gaps are also remarkable in health, however to the disadvantage of men: women's life expectancy is around eight years higher than men's.

In addition to gender, other important inequalities are deep-seated in Moldova. The most excluded groups are people living in rural areas, the poor, the elderly, and people with disabilities. In rural areas, people struggle with low-quality public services and a lack of decent jobs. Low state pensions and public neglect make the elderly particularly vulnerable. Negative attitudes and the absence of adapted infrastructure exclude people with disabilities from accessing basic services and make it almost impossible for them to gain economic independence. Ethnic and language identity is a factor of exclusion with regard to access to information, justice, and jobs in the public administration. Language use has become more and more politicized due to increasing geopolitical

tensions. Although the Russian language has enjoys the legal status of being language of interethnic communication, most often state institutions fail to respect it. Roma people face the strongest social prejudice among all ethnic minorities. Absolute poverty, illiteracy and unemployment rates are twice as high among Roma compared to the non-Roma population. The highest degree of stigma and discrimination among all population groups is experienced by LGBT, people living with HIV, ex-detainees, and persons affected by mental health disorders.



© Ramin Mazur

2. Swiss foreign policy objectives in Moldova and other cooperation partners strategies

Swiss cooperation and in-country presence in Moldova is based on Switzerland's foreign policy goal to alleviate need and poverty in the world, advance human rights and democracy, and promote peaceful co-existence of people. The present Cooperation Strategy (CS) is fully aligned with the Federal Dispatch on International Cooperation 2017–2020, the guiding document for Switzerland's development cooperation programs globally. The Federal Act on Cooperation with Eastern Europe focuses on four sectoral priorities – Governance and Decentralization, Economic Development and Employment, Infrastructure, and Health – and introduces Migration & Development as a crosscutting theme. It emphasizes the promotion of good governance and anti-corruption, the support to increased social inclusion, and the reduction of fragilities, including the attenuation of interethnic tensions.

The Government of Moldova (GoM) priorities are first and foremost related to the EU association agenda. The agenda encompasses a long list of technical reforms to be undertaken in a wide range of areas. At the same time, strengthening the independence and effectiveness of institutions, guaranteeing democracy and the rule of law, as well as ensuring respect for human rights and fundamental freedoms, are key pillars of the association agenda. As to sectoral priorities, the following reforms rank high on the GoM medium-term agenda: rule of law and justice; public administration, including a far-reaching territorial-administrative and decentralization reform; education, especially with regard to vocational education and

training (VET); and a comprehensive health system reform. The national development strategy *Moldova 2020* includes seven priority areas for reform: education, access to finance, roads, business regulation, energy efficiency, justice sector, and social insurance. The strategy is currently being revised for it to align with the SDG Agenda. *Moldova 2030*, to be finalized and formally adopted in summer 2018, is intended to focus on the most pressing needs of the population, such as employment and income, education, health, and improved living conditions.

Thanks to its long-standing engagement, Switzerland is valued as a reliable and trustworthy partner by the GoM and other relevant stakeholders. Switzerland's neutrality and geopolitical non-affiliation add credibility to the cooperation program. Switzerland ranked fourth among grant-giving donors in 2016 (behind the EU, Romania, and the US), accounting for 2.5% of overall Official Development Assistance (ODA), including soft loans. Other main development partners include Sweden, Germany, the UN, and multilateral development banks. Total ODA made up 6.7% of Moldova's GDP in 2016. The Swiss Agency for Development and Cooperation (SDC) has assumed an active role in sector coordination and donor harmonization. It is the lead donor in the water and health sectors, with a strong involvement in sector coordination efforts together with the line ministries. SDC regularly participates in the EU development counsellors meetings and has made an important contribution to the formulation of the European Joint Development Cooperation Strategy.

Switzerland's neutrality and reputation as an honest broker provides opportunities for an increased political engagement with Moldova, as shown by the reintroduction of political consultations between the two countries in October 2017 in Chisinau. This engagement can be further increased and developed through future visits of high-ranking officials from the Directorate of Political Affairs of the Swiss Federal Department of Foreign Affairs (FDFA) to Moldova.

School children march on the streets of Carpineni village to raise awareness and funds for a road rehabilitation project, initiated by the community with help from local authorities, migrants and SDC. © UNDP, SDC



3. Results of Swiss Cooperation with the Republic of Moldova from 2014 to 2017

Under the CS 2014–2017, SDC invested great efforts in building up and extending its cooperation program, transitioning from being a relatively small donor to becoming one of the major development partners in Moldova. Actual disbursements increased by 66% in comparison with the last CS: from 29 million CHF for the period 2010–13, to 48 million CHF for 2014–2017. An evaluation of the CS 2014–2017 conducted in 2016, attested a generally high level of results achievement, while highlighting a noticeable variation in the achievement of country development results in different domains. Results in the health sector were judged as highly satisfactory, both at the level of the Swiss portfolio and country development results. The performance of the water & sanitation and migration & development programs was deemed successful with regard to Swiss portfolio results at the local level, but less so at national level.

3.1 Health

Swiss interventions have tackled issues related to the entire continuum of care, from birth to adolescence, adulthood, and old age. The most important results have been achieved regarding access to essential health services, notably in the field of pediatric emergencies, youth-friendly health services, and community-based mental healthcare. Healthcare services developed or improved with Swiss support have been integrated into the package covered by the mandatory health insurance, which guarantees their sustainability. A regionalized system of pediatric emergency care is now fully functional, with three regional centers. Better access to quality pediatric emergency services contributed to a steady decrease in child mortality. Children under-5 mortality declined from 14.4‰ in 2009 to 11.7‰ in 2016, infant mortality from 12.1‰ in 2009 to 9.4‰ in 2016. The scaling up of youth-friendly health centers (YFHCs) to cover the entire country led to an increased access of adolescents to targeted health services from 5% in 2009 to 20% in 2016. Outreach efforts resulted in a higher number of most vulnerable service users and male beneficiaries accessing the services. In districts where YFHCs have been operating for more than five years, the adolescent fertility rate is two times lower than in other districts. The first four community mental health centers, opened in 2015, are fully integrated into the national health system and provide services to beneficiaries closer to their homes. The establishment of intra- and inter-sectorial cooperation mechanisms allowed for the active involvement

of an increasing number of young people, parents and community members in health promotion. Progress has also been registered in the area of steering and governance. The Ministry of Health, Labor and Social Protection (MoHLSP) is moving towards more evidence-based decision-making, enabling a more efficient resource allocation and more effective policy implementation. Policy influencing activities contributed to the approval of the Law on Tobacco Control and the decision to restructure the outdated public health services. SDC, for the first time, entered into a large-scale engagement in the Transnistrian Region. In close cooperation with Moldovan authorities and the de-facto authorities of the region, perinatology services were modernized and regionalized, improving the access of pregnant women to quality care. A particular focus of interventions lay on fostering exchanges between professionals of both river banks, with a view to building confidence between the Moldovan and Transnistrian sides.



A girl examined by a medical specialist in the Emergency Department of the Municipal Hospital in Cahul city, southern Moldova, one of the three regional paediatric emergency centres in Moldova set-up with SDC support. © SDC



A family in Grozesti village, central Moldova, shares its joy of having, for the first time ever, safe drinking water in their home. This is thanks to one of the largest water supply rehabilitation projects in Moldova, financed by a consortium of partners, including SDC and ADA.

© Victor Garstea, SDC

3.2 Water and Sanitation (W&S)

32,807 people have gained access to safe drinking water and over 12,000 people benefited from access to improved sanitation facilities thanks to Swiss support over the period 2014–2017. All SDC-supported small rural water supply systems cover the entire village, including the most disadvantaged areas. To operate the water supply systems at local level, 26 water consumer associations (WCAs) were created. In a context where small rural water operators provide only intermittent service of bad quality water and struggle with financial deficits. 70% of SDC's created WCAs operating in a sustainable manner can be considered a great success. The achieved progress in ensuring access to safe water is limited to confined geographical areas, while at the national scale, the number of real water connections is diminishing as a result of obsolete, non-performing or dysfunctional systems. Although the cost-effective and easily replicable rural water and sanitation (W&S) solutions developed with SDC support have been officially incorporated into the National W&S Strategy approved in 2014, their extensive roll-out has proven not to be a key priority for the GoM. Some progress was achieved in integrating the WCAs in municipal enterprises and in newly created regional operators, but the capacity of LPAs and W&S operators to invest in rural W&S remains low. Therefore, during the implementation of the current CS, SDC shifted the focus of the W&S portfolio towards strengthening the institutional framework and improving sector governance. SDC managed to establish trustful working relations with key actors, paving the way to a gradual improvement of sector planning and management from within. While small improvements in sector governance related to W&S planning and cost-effective delivery models have been achieved, big advancements

are seriously hampered by deeply-rooted political economy problems, including politically-biased investments in infrastructure and party-based appointments of leadership in sector institutions.

3.3 Migration and Development (M&D)

Thanks to SDC support, the migration policy focus of the GoM has shifted from a perspective of management and control to optimizing the opportunities provided by migration. In 2016, the GoM approved the first National Diaspora Strategy, aiming to effectively engage migrants in Moldova's development. SDC supported the GoM to put in place a comprehensive mechanism for mainstreaming migration into all government policies and to establish a sound institutional framework for migration and development (M&D), including the creation of a dedicated institution - the Bureau for Diaspora Relations. Moldovan authorities improved their capacity to collect and analyze migration-related data for more strategic and evidence-based decision-making. Progress has also been made in designing and implementing innovative interventions leveraging the human, financial, and social resources of migrants. Home town associations (HTAs) were created in 25 municipalities across the country, including Gagauzia and the security zone bordering with Transnistria. HTAs closely collaborated with LPAs to produce local socio-economic development strategies and are now implementing different projects with the active involvement of over 6,500 migrants and 3,500 community members. These projects will benefit over 200,000 people. Twenty additional municipalities have created HTAs without SDC support, thereby proving the appealing nature of the concept. Thanks to SDC's investment in migrant-centric integrated service centers during 2014–2017, around 7,700 Moldovan migrants and their families have had access to information and tailored assistance designed to make their migration experience safer and more productive. Despite the achieved progress of the M&D program at the output level, its effects on migrants, their families and local communities remain limited, as the program has not tackled the main root causes of migration, namely the lack of opportunities for business development and employment.



3.4 Small Actions and Culture

During the implementation of the CS 2014–2017, SDC has made increasing efforts to address issues related to diversity and inclusiveness through its small actions and culture program. As a result, Switzerland has become recognized as a promoter of unity in diversity and achieved significant visibility in this regards amongst the government, civil society and international community.



In a premiere for Moldova, the SDC-supported summer school uniting girls and music professionals from all regions of Moldova produced five new all-girl rock bands and staged an amazing rock concert. © SDC

3.5 Key lessons learned

Over the time covered by the last Cooperation Strategy period, Switzerland has introduced some innovative, cost-effective and replicable solutions. Yet, their scaling up and extensive roll-out did not always occur as expected. Thus, an important lesson learned is that ownership and commitment to reforms by the relevant stakeholders is key to achieve broad-based national uptake.

In sectors with limited priority on the national reform agenda and/or with political economy issues, a countrywide roll-out of Swiss programs is extremely difficult. In such sectors, a lesson learned is that

Switzerland should contribute to the active engagement of citizens and civil society organizations, so that they can voice their priorities. This could in turn increase the reform willingness and commitment of the government in those sectors.

In a highly politicized environment as Moldova's, thinking and working politically is a precondition for a successful program implementation, particularly in sectors and areas with a challenging political economy. This requires an in-depth political assessment and a critical stakeholder analysis at the outset of each new intervention. In addition, it requires a stronger engagement of SDC and its partners in a results-oriented policy dialogue at different levels.

4. Implications for the Cooperation Strategy 2018–2021



Rodion is getting ready for his work day. He is an employee of the catering company “Floare de cires” (Cherry Blossom), one of the few social enterprises hiring persons with disabilities in Moldova. © Sofia Åström

Notwithstanding the challenging context, Switzerland has been able to achieve significant results in Moldova at the level of institutions as well as at the level of final beneficiaries. This positive track record, coupled with SDC’s solid standing in the donor landscape of the country, call for a further engagement of Switzerland in Moldova. A continued Swiss involvement is also warranted by the evident needs of the country, especially by those people living in rural areas. As a neutral and geopolitically non-affiliated country, Switzerland can play a stabilizing role in the geopolitical situation marked by tensions between East and West. Furthermore, Switzerland’s own diversity allows SDC to plausibly advocate for increased tolerance and interethnic dialogue in Moldova.

In light of the context developments, Switzerland’s foreign policy objectives, as well as results achieved so far, it is necessary that the future CS for Moldova has a strategic reorientation in terms of its sectoral engagement, while building further on the positive results delivered and demonstrated by SDC in the past. The selection of sectors for the new CS has been determined taking into consideration the achieved results at the country level, the strategic prioritization of a given sector by the GoM, the intensity of vested interests in the sector, and the level of ownership over intended reforms by relevant stakeholders – the general population, LPAs, private sector, and civil society.

SDC will thus continue its engagement in the health domain, with some adjustments in terms of focus. Building on the results in the water & sanitation and migration & development programs, SDC will bundle existing interventions into a new local governance domain. The provision of rural W&S services will remain an important element under this domain, but the intention is to move away from narrow service delivery to a more holistic governance approach, given that local governance is a good entry point for fostering trust-building and social cohesion. Regarding migration & development, SDC will treat this topic as a special theme to be considered in all sectors rather than as a sector itself, while placing stronger emphasis on the root causes for migration. To this end, SDC will enter into a new economic development and employment domain. By investing in the development of skills that are in demand on the labor market and in the creation of better employment and income generation opportunities in Moldova, alternatives to migration, especially for young people, shall be highlighted.

Considering the persistent rural-urban welfare gap, SDC will focus its interventions on the rural population. In order to deal with widespread inequalities, social inclusion will become a crosscutting topic. Due to the high trust placed by the Moldovan population in LPAs, SDC will further strengthen its cooperation with them and other local level stakeholders in order to gradually build up a broad-based support for reforms. Supply-side interventions (working with government and service providers) will be complemented with equally strong demand-side ones (working with communities, civil society organizations, parliamentarians, media, and the private sector), in order to mobilize pressure on the government to advance the reform agenda. To ensure sustainability, SDC will continue engaging in policy dialogue activities and work with a wide range of stakeholders to advocate for the scaling up of tested and successful Swiss solutions.

Girls from all regions of Moldova use a robot “Eva” to learn the essentials of robotics and programming during the GirlsGoIT summer camp supported by SDC. © SDC



5. Priorities and objectives for the Cooperation Strategy 2018–2021

The overall goal is to enhance the well-being of Moldova's population and the cohesion of Moldovan society, with a special focus on the inclusion of excluded groups.² By supporting the participation of women/girls and men/boys in decision-making processes, their access to enhanced economic opportunities, and their effective enjoyment of good quality services, SDC will make a contribution to improving people's physical status as well as their social and economic situation, and increasing their trust in local institutions. By prioritizing social inclusion, SDC will contribute to more equity in the political, economic and social spheres, and to an increased sense of fairness among members of society. This will help ease existing frictions in society and foster social cohesion.

5.1 Health

Thanks to its past achievements and good reputation, SDC is ideally positioned to support Moldova in addressing the remaining transition gaps in the health sector: a highly oversized and ineffective public hospital sector; a fragmented primary health care sector with a poorly functioning referral system; weak public health services; and insufficient financial protection of the Moldovan population against catastrophic health expenditures. Without addressing these bottlenecks, the health system will neither manage to tackle the challenge of non-communicable diseases, which already are the most common causes of death and morbidity, nor will Moldova be able to reach the SDG target on universal health coverage.

SDC will engage in improving the quality of and access to primary healthcare (PHC) services, shifting the focus from disease-centered to patient-centered care, increasing health awareness, promoting healthy behavior, and strengthening accountability mechanisms. A special focus will be put on redressing inequity in access to health services and on closing the widening gender gap in health outcomes, which negatively affects boys and men.

With regard to quality of and access to PHC services, Swiss interventions will keep bringing services in line



High school students discuss how different behavior choices impact their health at the mobile exhibition organized by the Youth-Friendly Health Centre in Strasenii town, central Moldova. © SDC

with international standards and population expectations by developing the capacities of health and social professionals, updating guidelines and procedures, and strengthening the management skills of health-care providers. To stimulate an increased service utilization by men/boys and excluded groups, outreach services and mobile solutions will be introduced or strengthened. The National Health Insurance Company (NHIC) will be assisted to extend insurance coverage and to ensure the financial sustainability of services. With regard to the shift towards patient-centered care, SDC will strengthen the collaboration with social protection, education, and other sectors, as well as the referral mechanisms throughout the levels of care. To additionally bolster this shift in care approach, SDC will contribute to an overarching reform on the regionalization of care at national level. Both the Ministry of Health, Labor and Social Protection (MoHLSP) and the NHIC will be supported in the management and financial steering of the system, in line with the reform agenda.

With regard to the promotion of healthy behavior, Swiss interventions will engage with communities and LPAs to promote supportive environments for healthier lifestyles. SDC will work with health professionals and community-based organizations (CBOs) in order to stimulate men/boys and women/girls to play a more active role in improving their own health. Efforts will be made to improve people's healthcare-seeking behavior and to increase their trust in the healthcare system. At national level, SDC will contribute to the reform of public health services, which

² The Council of Europe (2004) defines social cohesion as the capacity of a society to ensure the welfare of all its members, minimizing disparities and avoiding polarization. Excluded groups are systematically denied full access to various rights, opportunities and resources based on their identity (e.g. ethnic origin, social class, sexual orientation, disability status, age). As a result of social exclusion, affected individuals are prevented from participating fully in their country's or local community's economic, social, and political life.

aims at shifting the focus from mostly sanitary control towards health promotion and disease prevention. SDC will join forces with champions from the public sector and parliament, civil society and with other development partners in advocating for stronger inter-sectorial cooperation and a regulatory framework that reduces the population's exposure to risk factors. With regard to accountability, SDC will collaborate with CSOs, parliament and other actors on transparency, monitoring and citizen involvement, especially regarding service delivery and the procurement of medicines and equipment.

The planned budget for the domain over 2018–2021 is CHF 15.4 Mio. Mandate projects are combined with contributions and projects implemented directly through the MoHLSP or other governmental agencies. For the CS 2022–25, it is planned to integrate SDC's health interventions into the local governance domain. Health projects will therefore have a strong transversal governance focus and shall be aligned, as much as possible, with the objectives of the local governance domain.

5.2 Local Governance (LG)

SDC has made viable contributions to the development of cost-effective and sustainable W&S solutions at the local level. However, these solutions have not been scaled up, and the lack of access to public services in rural areas remains important. It has become increasingly clear that a fundamental improvement of public services in rural areas is only possible under two conditions: (i) local authorities can generate additional resources and/or receive higher fiscal transfers, and (ii) women and men are more actively involved in the management of local affairs. This requires a comprehensive local governance approach, including strong demand-side interventions and supporting concerted actions on decentralization. Such an approach will also allow for SDC to work more systematically on social inclusion aspects.

Volunteers in Slobozia Mare village, southern Moldova, dig trenches to bring water in courtyards in the frame of a water supply renovation project supported by migrants, local authorities, and SDC.
© UNDP, SDC



The LG domain aims to enhance participation in local development and decision-making, to further improve public service provision in rural areas, and to promote an effective decentralization. It will have a strong focus on the inclusion of excluded groups (poor rural population, Roma, people with disabilities).

With regard to local participation, SDC will support initiatives that allow community members to jointly tackle shared challenges, such as the creation of healthy environments, cultural spaces, or access to various improved public services. SDC will also invest in civic education, working in schools and kindergartens to equip children with vital life skills and raise their civic consciousness and respect for diversity. Community-based CSOs will be strengthened and their involvement in the policy cycle at local and national levels facilitated. SDC will work with citizens and CSOs so as to equip them with the skills needed to demand more accountability and better services from LPAs and service providers.

At the same time, SDC will assist LPAs and service providers in technical and managerial aspects of public service delivery, in improving transparency, and in making services more inclusive and accessible for excluded groups. SDC will also support LPAs in sourcing new funding possibilities, through harnessing investments from migrants, national investment funds and multilateral development banks, and by exploring possibilities to incentivize private sector engagement.

To address the chronic underfunding of services in rural areas in a more sustainable way, SDC will support the GoM in the implementation of local governance reforms, with a focus on effective fiscal decentralization, inter-municipal cooperation, and regionalization of services. SDC will intensify the collaboration with the Moldovan Congress of Local Authorities (CALM) and support advocacy efforts towards a genuine decentralization, together with governmental and non-governmental actors committed to reforms. In order to further advance decentralization processes, SDC will also assist central public authorities in improving the institutional set-up, as well as managerial and technical capacities in selected sectors (environment, health, employment).

The planned budget for the domain over 2018–2021 is CHF 17.9 Mio. Ongoing interventions from the former W&S domain and M&D program will be integrated into the new LG domain and complemented with new projects. The health domain will contribute to the achievement of the LG domain objectives by working on communities' engagement in health, by improving the institutional set-up in the health sector, and by engaging LPAs in health service provision at local level.



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5.3 Economic Development and Employment (EDE)

The high rate of labor-related emigration and low employment rate pose serious demographic and social challenges to Moldova and hamper its long-term development. To sustainably support inclusive economic growth and poverty reduction in the long-run, the country needs to stimulate private sector-led job creation. Companies need to become more competitive and create more and better jobs. Wages need to replace remittances as the main source of population's income growth, offering alternatives to migration. There is a need for productive employment opportunities, especially in rural areas, given that 8 out of 10 poor individuals in Moldova live in such areas.

Swiss interventions under the EDE domain will address three major gaps, related to labor demand (jobs gap), labor supply (skills gap), and the mismatch between them (labor market governance gap).

With regard to stimulating the creation of decent jobs and tackling the employment gap, SDC will work on improving the business environment through reducing regulatory obstacles, helping attract foreign investors, and facilitating employers' access to relevant skills, capital and know-how. Potential sectors for engagement include the automotive industry, agriculture and food production, clothing and footwear, electronics, information and communication technologies (ICTs), tourism, as well as the production of machinery and its parts. Throughout its interventions, SDC will apply strategies that avoid the creation of market distortions. As opposed to developing individual companies, the focus will be on removing systemic constraints that hamper a proper functioning of market systems, to benefit the poor and the excluded. To make sure that excluded individuals (rural youth, returning migrants, and ethnic minorities) benefit from new job opportunities, SDC and its partners will lead a dialogue with line ministries and the private sector to facilitate access to newly created jobs.

With regard to the skills' gap, SDC will work on making vocational education and training (VET), as well as lifelong learning (LLL) opportunities, increasingly demand-driven and practice-oriented, hence more consistent with the labor market needs. Interventions will contribute to strengthening the cooperation between the private sector and the VET system and enhancing the institutional and regulatory framework conditions for dual VET models. To address the important topic of soft skills, a close coordination with civic education interventions planned in the LG domain is foreseen. As in all EDE interventions, the focus will be put on reaching out to the poorest population in rural areas and small towns. SDC will encourage young women to choose non-traditional study fields and will seek adequate representation of ethnic minorities in VET programs. Specific interventions will target vulnerable groups, such as Roma, persons with disabilities, or prisoners.

With regard to the gap in labor market governance, to better match the existing employment opportunities with the relevant skills of job-seekers, SDC will work on improving the collection and analysis of data related to skills supply and demand and its use for steering purposes. SDC will also contribute to the development of more enabling labor market regulations and a more effective job intermediation system. The private sector will be supported in self-organizing to ensure that it can effectively participate in the governance of the business environment, education system, and labor market.

The budget planned for the EDE domain over 2018–2021 is CHF 12.1 Mio. SDC will work with multiple partners from the public and private sectors at different levels. Close cooperation will be sought with like-minded development partners, including members of the international Donor Committee for Dual VET.

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6. Program implementation and management



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The political instability and economic turmoil of the past years have accentuated and brought to the forefront the underlying vulnerabilities and cleavages within Moldova's society. A conflict-sensitive program management (CSPM) approach will therefore be applied to the entire Swiss cooperation program. Interventions will be screened from a "do-no-harm" perspective. Additionally, SDC will make efforts to gradually attenuate existing frictions by flagging fragility concerns in its policy dialogue with the government and through supporting longer-term interventions related to the promotion of tolerance and respect. SDC will notably leverage its substantial cultural and small actions program to disseminate messages on diversity and inclusiveness. It will also apply CSPM to its workforce policy, aiming over time at a greater diversity within the Swiss Cooperation Office (SCO) team, as well as amongst the staff of implementing partners.

In all three domains, SDC will, in close consultation with the GoM, increase efforts to engage in the Transnistrian Region. Given the challenging context that precludes systemic interventions, SDC will focus on delivering tangible benefits to the Transnistrian population. Should a window of opportunity open up during the coming four years, SDC stands ready to strengthen its involvement in the region.

Social inclusion – assuring that individuals and groups can participate in the country's political, economic

and social life on equal terms – will be a crosscutting topic under the new CS. Respective baseline analyses to identify excluded groups have been performed in all three domains, enabling an improved targeting of the groups during program implementation. Principles of good governance, including anti-corruption measures, will be taken into account when designing new interventions.

SDC will apply a programmatic approach to all domains, closely aligning projects under the overall domain objective. Policy influencing activities at the program level will be further systematized and geared towards results with the help of a dedicated policy influencing tool. Synergies across domains will be identified and exploited from an early stage. Potential for synergies particularly exists at the local level, between the support to improved local governance, the promotion of local economic development, and the creation of health-friendly environments.

With regard to aid modalities, mandate projects – whereby implementers/facilitators are identified through international tenders – will be complemented with contributions to other donors' projects and joint initiatives with development partners and/or the government. A partial use of the country system, as currently tested with the Ministry of Agriculture, Regional Development and Environment, namely through providing earmarked funds to public authorities for pre-defined objectives, could be further expanded. This will depend on the evolution of the country context. Preconditions for a sector budget support are currently not given due to serious fiduciary risks. The potential for the development of public-private partnerships will be explored, especially in the field of economic development and employment.

In continuity with the past, SDC will play an active role in sector and donor coordination. The CS is aligned with the European Joint Development Cooperation Strategy and will in particular cover the strategy's priorities related to "Economic development and market opportunities" and "Mobility and people to people contacts". SDC will, for the time being, retain the sector lead in the Environment & Water sector. It will initiate or revive, together with the GoM, sector coordination mechanisms in the fields of local governance and VET, and organize regular donor coordination meetings. SDC will potentially co-design new projects with other bilateral donors and multilateral organizations, should opportunities

arise, and will test new collaborations with multilateral development banks. Specific performance results for program management have been defined with regard to CSPM, sustainability, and anti-corruption.

The foreseen program disbursements over 2018–2021 amount to CHF 46.9 million, compared to CHF

47.3 million disbursed under the CS 2014–2017. SDC will enter into two new domains, LG and EDE. It is foreseen that, by 2021, these two domains will each absorb around 37% of budget allocations. The health domain will gradually be phased out. In the last year of the CS, the SDC allocation for health will decrease to 23%.

7. Strategic steering

To ensure a results-oriented program management, SDC will use a comprehensive monitoring system designed to provide key data for assessing and reporting on the progress towards achieving expected results (*accountability*); evidence-based and informed decision-making regarding necessary adjustments and corrective measures to ensure effectiveness and relevance of the Swiss portfolio (*steering*); as well as capitalizing and exchanging good practices within SDC and with external partners (*learning*). The ownership of the CS monitoring system is with the SCO. Implementing partners are included in the monitoring process and contribute through their project reporting and their participation in SDC-organized monitoring and reporting meetings.

The monitoring system has three levels of observation:

(1) **Country development context** – most important political, economic, social, security-related trends and other relevant developments, what they mean in terms of changing scenarios, and how they affect the Swiss portfolio;

(2) **Cooperation results** – progress in achieving the Swiss portfolio outputs and outcomes and how they contribute to country-level development results, including with regard to transversal themes (social inclusion & gender, and good governance);

(3) **Portfolio management** – effectiveness and efficiency of operational, financial-administrative, human resources, security and other management tasks.

A monitoring matrix will be compiled to include the most important indicators for each of the three

levels of observation. The matrix will consist of national and international standard indicators, as well as SDC-specific ones, including relevant aggregated reference indicators (ARIs), introduced by SDC to improve reporting and external communication on the Federal Dispatch 2017–2020. The analysis of the collected monitoring information will be reflected in the SCO's annual reports and will guide SDC's steering decisions on necessary programmatic adjustments, such as changing approaches or aid modalities, setting priorities, shifting financial resources, or reorienting cooperation with partners. Due to rising fragility in Moldova, an intensified monitoring of the country context will be maintained, and the links between context monitoring and programming will be reinforced.

A more detailed description of the overall monitoring system is provided in Annex 3.

People of different ethnic backgrounds dance in their national costumes during the Independence Day celebration in the centre of Chisinau.
© SDC



ANNEX 1 – Overview Results Framework

| Overall Goal | | |
|--|--|--|
| <p>To enhance the well-being of Moldova’s population and the cohesion of Moldovan society, with a special focus on the inclusion of excluded groups.</p> <p>By supporting the participation of women/girls and men/boys in decision-making processes, their access to enhanced economic opportunities, as well as their effective enjoyment of good quality services, SDC will make a contribution to improving people’s physical, social and economic situation and increasing their trust in local institutions. In prioritizing social inclusion, SDC will contribute to more equity in the political, economic, and social sphere and to an increased sense of fairness among members of society. This will reduce existing frictions in society and foster social cohesion.</p> | | |
| Domain Goals | | |
| <p>Health</p> <p>Men/boys and women/girls effectively enjoy essential healthcare services and act responsibly with regard to their own health.</p> | <p>Local Governance</p> <p>Women and men, with a special focus on excluded ones, are actively involved in local governance, shaping the development process of their local communities and effectively enjoying quality services.</p> | <p>Economic Development and Employment</p> <p>Better functioning market systems in selected sectors and localities increase the quantity and quality of jobs and provide net additional income to women and men, significantly benefiting excluded groups.</p> |
| Switzerland’s Domain Objectives | | |
| <ol style="list-style-type: none"> 1. Health institutions ensure equitable access to qualitative and affordable primary healthcare services, responsive to the users’ needs, and with a focus on health promotion and disease prevention. 2. Men/boys and women/girls have increased health awareness, make healthier lifestyle choices, improve their healthcare-seeking behavior, and actively hold health institutions accountable for delivering quality services. | <ol style="list-style-type: none"> 1. Women and men, with a special focus on excluded ones, effectively participate in local decision-making processes, demand the respect of their rights, and hold local authorities accountable. 2. Local Public Authorities have increased access to resources, allocate and spend funds in line with the population’s priorities and provide sustainable and quality services in an inclusive and accountable way. 3. A broad-based coalition of different stakeholders actively advocates for effective decentralization and advances the decentralization reform agenda. | <ol style="list-style-type: none"> 1. Women and men, with a special focus on excluded ones, have new or improved jobs and/or net additional income. 2. Vocational Education and Training (VET), lifelong learning and job mediation systems match relevant skills with jobs in demand on the labor market. |
| Total Budget per Domain | | |
| CHF 15.4 million | CHF 17.9 million | CHF 12.1 million |
| Crosscutting Themes and Approach | | |
| Social Inclusion, Gender Equality, Governance & Anti-Corruption, Migration & Development, Conflict-Sensitive Program Management | | |

ANNEX 2 – Results Framework per Domain

| Domain of intervention A: Health | | |
|--|---|--|
| <p>Domain objective: Men/boys and women/girls effectively enjoy essential healthcare services and act responsibly with regard to their own health.³</p> <p>Impact hypothesis: Access to quality primary healthcare will be improved by integrating health and social services and delivering those services closest to people. Quality service delivery will be further enhanced by enabling service users to hold healthcare service providers accountable. An intensified inter-sectorial and multi-stakeholder collaboration for comprehensive health promotion and disease prevention will create a favorable environment for improving health awareness among men/boys and women/girls and for stimulating them to play an active role with regard to their own health. Reinforced by an enabling regulatory framework, this is expected to positively influence health-seeking behavior and lifestyle choices, thereby reducing the main risk factors for non-communicable diseases (NCDs). Improved outreach by healthcare providers and expanded coverage with health insurance will increase access to essential healthcare services for the rural poor.</p> | | |
| (1) Swiss Portfolio Outcomes | (2) Contribution of the Swiss Program | (3) Country Development Outcomes |
| <p>Outcome 1: Health institutions ensure equitable access to quality and affordable primary healthcare services, responsive to the users' needs, and with a focus on health promotion and disease prevention.</p> <p>Indicators:</p> <p><i>Indicators will be disaggregated by sex, age, rural/urban, ethnicity and other relevant criteria whenever data is available.</i></p> <ul style="list-style-type: none"> • Access to healthcare services in the main areas of SDC interventions: - Ratio of NCD patients in target districts received for treatment and care at PHC level by total no. treatments per year/district <ul style="list-style-type: none"> Baseline (2016): 39.3/1'000 (diabetes), 207.7/1'000 (hypertension) Target (2021): 45.2/1'000 (diabetes), 228.5/1'000 (hypertension) - No. of users of community-based mental health (MH) services. <ul style="list-style-type: none"> Baseline (2017): 30.6% (2'450) in 4 pilot districts Target (2021): 50% of all MH service users in target districts Source: Mental Health project & MoHLS | <p>SDC will contribute to an enhanced access to quality essential healthcare by strengthening the health system with a focus on PHC and public health. Based on previous experiences in regionalizing services in pediatric emergencies, SDC will support the overarching reform of the regionalization of care. By working on inefficiencies of secondary care and better linking it to primary care, SDC will contribute to making health services more performant and cost effective. Swiss interventions will tackle issues related to system governance, capacities of stakeholders to promote and implement reforms, and the strategic, equitable and transparent allocation of resources. SDC will also support an efficient management of human resources and task-sharing and work towards ensuring the sustainability of services.</p> <p>A better collaboration between health and other sectors (social, education) and improved referrals through the levels of care will contribute to the quality, accessibility and affordability of healthcare services. To promote an increased utilization of services by men/boys and excluded groups, targeted interventions will be designed and applied. To ensure the inclusion of uninsured people, the NHC will be supported to extend its coverage and service providers to reach out to the most disadvantaged. Investing in strengthening health promotion and disease prevention will improve the cost effectiveness of the entire health system.</p> | <p>Universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. (Nationalized SDG 3.8)</p> <p>Indicators:</p> <ul style="list-style-type: none"> • The share of private (household's) spending for health <ul style="list-style-type: none"> Baseline: data from WHO and national statistics – 8.5% (2013); data included in the draft SDG document - 2015 4.3% (2015) Target (2030): tbd (in the final document on nationalized SDG targets) Source: NBS Reports • Proportion of households with catastrophic out-of-pocket payments <ul style="list-style-type: none"> Baseline (2016): 9.07% Target (2030): Reduction Source: NBS Reports • Proportion of population covered by mandatory health insurance⁴ |

³ **Effective enjoyment** includes: availability, equitable access, affordability, quality, and acceptance/satisfaction. **Essential health care services** include reproductive, maternal, new-born and child health, infectious diseases, non-communicable diseases, as well as the capacity to deliver these services and provide access to them, for the general population including the most disadvantaged groups.

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| <p>- Proportion of young people 10-24 years old out of the total population of this age using Youth Friendly Health Services. <i>Baseline (2016):</i> 20% of the total population aged 10-24 <i>Target (2020):</i> 25% <i>Source:</i> reports by YFHCs</p> | <p>Risks:</p> <ul style="list-style-type: none"> Financial constraints and understaffing of healthcare providers. Turnover and migration of trained health professionals is weakening the capacities of service providers. The sector is highly politicized and affected by corruption. <p>Potentials:</p> <ul style="list-style-type: none"> Commitment to reforms and good leadership of MoHLSP. Existing strategies and action plans are a good basis for continuing systemic reforms. The sector is comparatively better funded than others, creating opportunities for the sustainability of reforms. | <p><i>Baseline (2016):</i> 85.6% (NHIC data); 76% (NBS data) <i>Target (2030):</i> 100% (including circular migrants) <i>Source:</i> Reports of NHIC and NBS</p> |
| <p>Outcome 2: Men/boys and women/girls have increased health awareness, make healthier lifestyle choices, improve their healthcare-seeking behavior, and actively hold health institutions accountable for delivering quality services.</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> % of population (disaggregated) aware of and acting on: <ul style="list-style-type: none"> behavior-related health risks⁵ how to act on knowledge to maintain health <p><i>Baseline:</i> tbd by end-2017 <i>Target:</i> tbd by end-2017 <i>Source:</i> KAP studies carried out by Healthy Life project</p> <ul style="list-style-type: none"> No. of people reached through health education sessions / campaigns related to the prevention of NCDs (ARI/H3) <i>Baseline:</i> YFHS - 82'000 adolescents (in the period 2014-16); PHC and MH –to start in 2018 <i>Target:</i> to increase <i>Source:</i> reports by projects | <p>SDC will contribute to reducing NCDs by tackling health-related risk behaviors and promoting a supportive environment for healthier lifestyles by improving access to accurate health-related information and providing incentives for healthy behaviors. SDC will support the reforming of public health services, to shift their focus towards health promotion. The multi-stakeholder & inter-sectorial cooperation for health promotion and disease prevention will be intensified, involving relevant ministries, PHC and public health service providers, national and local authorities, civil society, and migrants. SDC will work with health professionals and CBOs to enhance the population's active role in improving its health status. Efforts will be made to increase trust in the healthcare system. Service users will be stimulated to proactively demand transparency and accountability from healthcare institutions and to improve their healthcare-seeking behavior, while service providers will be encouraged to recognize service users as valuable resources and partners.</p> <p>Risks:</p> <ul style="list-style-type: none"> Unfavorable health determinants (social, economic, ecological) may negatively affect progress. Behavioral changes take time. In four years of CS implementation, the observable progress may be slower. <p>Potentials:</p> <ul style="list-style-type: none"> Private sector actors are already involved in promoting healthier lifestyles. There is a good potential for healthcare | <p>Premature deaths caused by non-communicable diseases are reduced by 30% through prevention and treatment (Nationalized SDG 3.4).</p> <ul style="list-style-type: none"> Premature mortality rate attributed to cardiovascular diseases, cancer, digestive diseases, diabetes, chronic respiratory diseases of people aged between 30 and 70 years <i>Baseline (2015):</i> 798.6 per 100 thousand people of that age <i>Target (2030):</i> 560.0 (30% reduction) <i>Source:</i> NBS Reports NCDs-related behavioral risk factors (18-69 age group) <i>Baseline (STEPS 2013):</i> <ul style="list-style-type: none"> Heavy episodic drinking – 19.5% (M - 29%; W - 9.2%); Smoking rate – 25.3% (M - 43.6%; W - 5.6%); Physical inactivity rate – 10.1% (M - 10.7%; W - 9.4%); Obesity – 22.9% (M – 17.8%; W – 28.5%). <i>Target:</i> Reduction <i>Source:</i> Periodical STEPS surveys |

⁵ Understanding the need for balanced diet, exercise, dangers of drug use and excess of alcohol / tobacco consumption, etc.

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| <ul style="list-style-type: none"> No. and % of facilities in the main areas of SDC interventions applying participatory mechanisms to involve beneficiaries / communities in health prevention / promotion and care and in designing and monitoring healthcare services <i>Baseline:</i> YFHCs – 37 (100%); MHS – participatory mechanisms are being developed and implemented in the community mental health centers in 4 SDC pilot-districts. <i>Target:</i> 100% <i>Source:</i> reports by projects | <p>providers and LPAs to engage in partnerships with them to build a supportive environment and infrastructure and to promote healthy diets and physical exercise.</p> <ul style="list-style-type: none"> Moldova could learn from many international and regional good practices (i.e. in new EU Member States) in successful behavior change campaigning. | <p>Improved mental health and well-being of the population (SDG 3.4.2 and 2012-2020 National Strategy for Prevention and control of NCDs)</p> <ul style="list-style-type: none"> Suicide mortality rate. <i>Baseline (2015):</i> 15.6 per 100 thousand people <i>Target (2030):</i> Reduction <i>Source:</i> NBS Reports |
| <p>(4) Lines of intervention (Swiss Program)</p> | | |
| <ul style="list-style-type: none"> Providing technical assistance on specific areas of strategy development and facilitating the implementation of reforms led by the MoHLSP in PHC, hospital regionalization and public health, aimed at improving effectiveness, quality and affordability of medical care and medicines. Facilitating donor coordination and cooperation with WHO and other development partners to seize synergies and leverage funds for a harmonized sector support. Maintaining close dialogue with the MoHLSP and its subordinated agencies and strengthening the cooperation with the NHIC, and the parliamentary committee. Contributing to capacity strengthening of key stakeholders in strategic planning, management, institutional development, monitoring and evaluation. Providing support for strengthening the PHC and public health coordination role in integrated and life-course approaches and gender-sensitive service provision. Outreach activities targeting excluded population groups and underserved persons (boys/men, adolescents, elderly, rural poor/uninsured persons). Ensuring an integrated approach by shifting the perspective from a focus on diseases to a focus on patient needs, through better inter-sectorial collaboration. Joining efforts with other development partners, political actors and civil society in advocating for improving the legal framework with a view to reducing the population's exposure to the main risk factors and preventing NCDs. Contributing to the development of effective mechanisms for addressing social determinants of health through inter-sectorial cooperation and a stronger engagement of health professionals in the screening and following-up of risk groups. Facilitating the empowerment of users' groups and civil society organizations, as partners of the health authorities. Working with community groups implementing health promotion activities and health action plans based on local health profiles, and tackling societal and environment-related factors (values, consumer environment, etc.), using innovative approaches (price policies, social marketing, etc.). Supporting transparency and accountability mechanisms by collaborating with relevant stakeholders and CSOs to address corruption, and out-of-pocket payments. | | |
| <p>(5) Resources, partnerships (Swiss Program)</p> | | |
| <ul style="list-style-type: none"> Financial resources: The planned budget for the domain is CHF 15.4 Mio. Human Resources: The domain will be managed by a National Program Officer (NPO) under the supervision a Deputy Director of Cooperation (DDoC). The key counterpart in the policy dialogue and steering of the program is the MoHLSP. Closer cooperation will be built with other ministries: MoECR, and MoF. Switzerland's leverage is further enhanced through cooperation with other important development partners – WHO, UNICEF, UNFPA, WB. Aid modalities: The domain mainly consists of mandate projects and contributions. Opportunities to increase the use of country systems, to work directly through national institutions, and to (gradually) start providing budget support will be further explored. Policy and advocacy efforts at country, regional and global level on relevant issues (i.e. NCDs agenda, in collaboration with WHO) will be combined to leverage Swiss interventions and provide evidence-based recommendations for policy-making. | | |

| Domain of intervention B: Local Governance | | |
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| <p>Domain objective: Women and men, with a special focus on excluded ones, are actively involved in local governance, shaping the development process of their local communities and effectively enjoying quality services.</p> <p>Impact hypothesis: Civic engagement interventions will offer women and men, especially excluded ones (people with disabilities, Roma and other ethnic minorities, adolescents), opportunities to jointly tackle issues of common interest, creating a sense of empowerment and purpose. Additionally, investments in civic education will allow young people and adults to become more literate about their rights and the government's obligations towards them. In combination, this is expected to increase the demand for quality public services. To enable women and men to better hold authorities to account, social accountability instruments will be introduced. For LPAs and service providers to react to increasing pressure, their technical and managerial capacities will be enhanced and their access to additional resources will be facilitated, most importantly by advocating for an effective and efficient fiscal decentralization. Altogether, this will lead to a better quality of services provided at the local level and an increased satisfaction of the population with these services. This, in turn, will foster a higher level of trust in LPAs and, in the longer term, in institutions more generally.</p> | | |
| <p>(1) Swiss Portfolio Outcomes</p> <p>Outcome 1: Women and men, with a special focus on excluded ones, effectively participate in local decision-making processes, demand the respect of their rights, and hold local public authorities accountable.</p> <p>Indicators: <i>Indicators will be disaggregated by sex, age, rural/urban, ethnicity and other relevant criteria whenever data is available.</i></p> <ul style="list-style-type: none"> Participation in decision-making at local level in Swiss supported municipalities <i>Baseline (2017):</i> 1.6% of population participating often in public consultations <i>Target:</i> at least 10% <i>Source:</i> project assessments Nr. of women and men from vulnerable groups empowered to participate in relevant peace, development and political processes (<i>ARI F1</i>) <i>Baseline:</i> 0 <i>Target:</i> 10'000 <i>Source:</i> project reports Nr. of investigations, reports and debates (at different levels of government) by supported public supervisory bodies (e.g. parliaments, media, citizens' initiatives, NGOs, auditors, independent institutions) on performance assessment and control of government authorities. Nr. of corrective measures or sanctions following complaints. <i>Baseline:</i> 0 | <p>(2) Contribution of the Swiss Program</p> <p>At local level, SDC will contribute to transparent and participatory decision-making, through the promotion of community-driven development and social accountability measures, i.e. citizen consultations, budget transparency, monitoring of service provision, grievance redress. SDC will strengthen CBOs, especially those representing excluded women and men, and facilitate their involvement in the policy cycle. SDC will support initiatives that allow community members to tackle common challenges and open opportunities for citizens' oversight, access to information and participation in local strategic planning and budgeting. To nurture democratic values and tolerance for diversity from an early age, SDC will invest in civic education. The interventions at the local level will be accompanied by a strong policy influencing component at the national level.</p> <p>Risks:</p> <ul style="list-style-type: none"> CSOs are trusted by only 22% of population, being perceived as "small businesses" with little links to peoples' interests. The level of participation in local decision-making is decreasing, mostly due to a loss of trust in public institutions. If this trend persists, motivating the population to participate in local affairs could be challenging. <p>Potentials:</p> <ul style="list-style-type: none"> LPAs enjoy more trust than the national government. Civil society at national level is relatively well organized and active in lobbying for inclusive policies, while CBOs work effectively at local level. By building stronger links between these CSOs, a significant leverage effect could be achieved. SDC already has valuable experience in mobilizing local communities in WCAs, engaging migrants in HTAs, and | <p>(3) Country Development Outcomes</p> <p>Ensure responsive, inclusive, participatory and representative decision-making at all levels. (SDG 16.6)</p> <p>Indicators:</p> <ul style="list-style-type: none"> People's participation in decision-making at local level <i>Baseline (2017):</i> local budget 4%; community strategic plan 3.6%; community projects 4.6% <i>Target:</i> increase <i>Source:</i> Local Democracy Assessment by IDEA Women holding a function in Local Government Institutions and local decision making bodies <i>Baseline:</i> mayors – 20.6% women, local councils – 30% women <i>Target:</i> increase <i>Source:</i> Central Election Commission |

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| <p>Target: 50 investigations etc., 15 corrective measures Source: project reports</p> <p>Outcome 2: Local public authorities have increased access to resources, allocate and spend funds in line with the population's priorities and provide sustainable and quality services in an inclusive and accountable way.</p> <p>Indicators:</p> <ul style="list-style-type: none"> Supported local authorities which have benefited from increased resources (ARI GO2) <i>Baseline:</i> 0 <i>Target:</i> 50 (before amalgamation) <i>Source:</i> project reports Supported LPAs, which changed practices: Nr. of local authorities informed x citizens transparently, involving them in decision-making processes and considering their interests in local development and budget plans. Among the local authorities, y take specific measures for balanced participation and consideration of interests of women and vulnerable groups. (ARI GO1) <i>Baseline:</i> 0 <i>Target:</i> 50 LPAs, 100'000 citizens, 25 LPAs take specific measures Satisfaction with services delivered by supported LPAs - general and for excluded groups. <i>Baseline (2017):</i> Rural: water supply 57% (satisfied); sewerage 19%; solid waste 39,5%; street lightning 49,9%.⁶ <i>Target:</i> improved satisfaction (especially of excluded groups) <i>Source:</i> project assessments | <p>motivating adolescents to be peer educators in health promotion activities.</p> <p>SDC will contribute to a more effective public administration able to provide quality services by supporting the professionalization of LPAs and service providers. SDC will aim to increase the capacities of LPAs and service providers to manage their resources in a transparent and accountable way and will promote inter-municipal cooperation for service provision.</p> <p>In order to mobilize additional resources for LPAs (financial resources as well as support in technical and managerial aspects of sustainable service delivery), SDC will keep supporting the national funds to strategically prioritize their resource allocations based on clear and transparent criteria. SDC will also continue attracting investments from migrants.</p> <p>Risks:</p> <ul style="list-style-type: none"> In the next four years, major reforms related to the local level are expected to take place (territorial-administrative reform and electoral reform). Implemented in a rush, there is a risk of incoherence between political, administrative and fiscal boundaries, which can be a source for frictions. <p>Potentials:</p> <ul style="list-style-type: none"> Mayors are trusted and well respected by the population. With the Public Administration Reform Strategy 2016-2020, a concrete and structured Action Plan for Territorial-Administrative and Decentralization reform has been established. The proposed changes would close the gaps in the legal framework and provide the basis for effective interventions at the local level. Other development partners (EU member states, US) are working on local governance already. The well-established cooperation with these actors offers potentials for real synergies on the ground and on national policy influencing. | <p>A professional, accountable and transparent public administration, which is citizen-oriented, able to provide quality public services according to the needs and expectations of people, and to become a catalyzer of sustainable development of the country. (based on overarching goal of Public Administration Reform Strategy 2016-2020)</p> <p>Indicators:</p> <ul style="list-style-type: none"> Strengthened public financial management of LPAs <ul style="list-style-type: none"> Share of own revenues in total revenues <i>Baseline (2014):</i> urban 19.83%, rural 13% <i>Target:</i> own revenues >40% of total revenues. <i>Source:</i> Local Democracy Assessment by IDEA. Share of administrative costs in own revenues: <i>Baseline (2014):</i> urban 64.6%, rural 178% <i>Target:</i> administrative costs <30% of own revenues. <i>Source:</i> Local Democracy Assessment by IDEA. Proportion of population using safely managed sanitation services (SDG 6.1.1) <i>Baseline (2015):</i> 69.7% <i>Target (2023):</i> 75% <i>Source:</i> Local Democracy Assessment by IDEA. Confidence in LPAs <i>Baseline (2017):</i> 41% <i>Target:</i> increase <i>Source:</i> Confidence in City Hall / Barometer of Public Opinion / Institute for Public Policy |
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⁶ Figures available disaggregated on urban/rural, gender, age, education, occupation, income, region, language (ru/ro), ethnic belonging.

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| <p>Outcome 3: A broad-based coalition of different stakeholders actively advocates for effective decentralization and advances the decentralization reform agenda.</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> <i>Field of Observation:</i> Efficiency in interactions between government authorities (vertical and horizontal); coordination and cooperation between government authorities and responsible public sector actors at different levels. <p><i>Baseline (2017):</i> Sectors struggle with unclear delineations of functions and overlapping roles and responsibilities among stakeholders.</p> <p><i>Target (2021):</i> Clear delineation of functions, clear distribution of roles and responsibilities, especially regarding W&S, solid waste, and regional development</p> <p><i>Source:</i> Project Reports</p> | <p>SDC will contribute to building a more appropriate governance system by assisting the GoM in implementing the planned territorial-administrative and decentralization reforms. SDC will intensify the collaboration with the reform champions within state chancellery, parliamentary committees, civil society, private sector, local authorities with a view to jointly push for an effective and efficient decentralization reform. Additionally, SDC will assist the government in improving the institutional set-up in selected sectors (environment, health, employment). Central-level institutions will be assisted in reorganizing their functions and capacitated to better support service provision at local level.</p> <p><i>Risks:</i></p> <ul style="list-style-type: none"> Mayors may delay the territorial-administrative reform implementation at local level, as it threatens their positions. CALM is against the amalgamation of municipalities and has an ambivalent position on the territorial-administrative reform. <p><i>Potentials:</i></p> <ul style="list-style-type: none"> After years of delay in decentralization reform, there appears to be will in the government to push the agenda forward. | <p>A rationalized governance system with clearly delineated functions between different tiers in a consolidated administrative-territorial setting enables local development and the engagement of citizens in state-society relations. (based on of Public Administration Reform Strategy 2016-2020)</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> Amalgamation of municipalities <i>Baseline (2017):</i> 898 municipalities <i>Target (2019):</i> 289 municipalities <i>Source:</i> Center for Reforms Implementation Budget savings due to Central Public administration reform <i>Baseline (2017):</i> 0 <i>Target (2018):</i> 48.6 to 72.9 Mio MDL (depending on scenario) <i>Source:</i> Center for Reforms Implementation |
| <p>(4) Lines of intervention (Swiss Program)</p> <ul style="list-style-type: none"> Supporting civic and human rights education. Empowering girls, boys and youth to take action to promote human rights, democracy, rule of law, diversity and equality. Identifying and supporting drivers of change that can enhance civic engagement at the local level (informal and unusual actors, community leaders/champions). Promoting the inclusive participation of women and men in decision-making processes within their communities. Strengthening CSOs' role as watchdogs of local authorities (and partially central government) with a view to enhancing social accountability. Improving funding for operating services through focusing on cost-recovery tariff-setting, local revenue generation and advocacy for genuine fiscal decentralization. Promoting inter-municipal cooperation for service provision by supporting motivated LPAs with technical assistance and co-funding. Piloting and providing models of on-budget support to selected municipalities. Attracting additional funding for LPAs by increasing the national funds' capacities, cooperating with development banks, engaging private sector and migrants. Ensuring access of LPAs and service operators to know-how through institutionalized advisory services on technical and managerial aspects of service provision. Building relevant skills among public administration officials to increase professionalism and accountability (and by extension, trust). Supporting the transfer of competences and resources from the central to the local level as part of the decentralization reform. Reinforcing the political dialogue around fiscal decentralization related-issues by creating a coalition of the "willing" from different sectors and levels. | | |
| <p>(5) Resources, partnerships (Swiss Program)</p> <ul style="list-style-type: none"> <i>Financial resources:</i> The planned budget for the domain is CHF 17.9 Mio. <i>Human Resources:</i> The domain will be managed by a NPO under the supervision of a DDoC. <i>Key partners:</i> line Ministries and national authorities; CALM (in advancing reforms from a perspective of local authorities); CSOs (in promoting inclusion and social accountability); private sector (in provision of services, engagement in public private partnerships). Mandate projects will be combined with contributions to multilateral agencies and national NGOs, as well as projects implemented directly by Ministries. | | |

Domain of intervention C: Economic Development and Employment

Domain objective: Better functioning market systems in selected sectors and localities increase the quantity and quality of jobs and provide net additional income to women and men, significantly benefiting excluded groups.

Impact hypothesis: On the labor market's supply side, a more demand-driven and practice-oriented vocational education and training (VET) and lifelong learning system will allow students and job-seekers to acquire skills in demand on the market and enhance their employability. On the demand side, an improved business climate, proactive investment promotion and enhanced access to essential resources (capital, labor, know-how) will help attract foreign investors and enable the local private sector increase its competitiveness and grow. It is expected that this will lead to the creation of more and better jobs and opportunities for women and men to gain additional income. Improved labor market governance and functioning job mediation services will ensure a better matching of trained job-seekers with available job opportunities. SDC will invest special efforts to ensure that education, job and income-generation opportunities are accessible to excluded persons (rural youth, returning migrants, ethnic minorities).

| (1) Swiss Portfolio Outcomes | (2) Contribution of the Swiss Program | (3) Country Development Outcomes |
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| <p>Outcome 1: Women and men, with a special focus on excluded ones, have new or improved jobs and/or net additional income.</p> <p><u>Indicators:</u> <i>Indicators will be disaggregated by sex, age, rural/urban, ethnicity and other relevant criteria whenever data is available.</i></p> <ul style="list-style-type: none"> No. of jobs created directly as a result of SDC-supported interventions <i>Baseline (2017): 0</i> <i>Target (2021): 3'000</i> <i>Source:</i> project reports No. of persons earning net-additional cash and/or in-kind income (ARI/E1) <i>Baseline (2017): 0</i> <i>Target (2021): 3'500</i> <i>Source:</i> project reports Amount of net additional income stimulated by SDC <i>Baseline (2017): 0</i> <i>Target (2021): at least 2 Mio CHF</i> <i>Source:</i> project reports | <p>SDC will contribute to an increase in job and income-generation opportunities for job-seekers, self-employed, as well as women and men in precarious employment by facilitating market systems development and the attraction of foreign investments in a few employment-intensive sectors with growth potential.⁷</p> <p>By supporting local private enterprises to gain access to skilled labor, capital, and know-how, and by contributing to an improved legal and regulatory framework for business development in selected areas and localities, enterprises will be enabled to increase competitiveness, grow, and create more jobs. Job creation shall also be fostered by promoting investments of foreign companies in Moldova. Jobs will be created as a direct result of program interventions, through multiplication effects (where investments in one sector create linkages in other sectors) and thanks to the crowding-in of additional market players.</p> <p>SDC and its partners will lead a dialogue with line ministries and the private sector to facilitate access to newly created jobs for excluded persons (e.g. by covering costs of transportation, accommodation, food).</p> <p><i>Risks:</i></p> <ul style="list-style-type: none"> Uncertain political situation and political economy concerns result in private sector' reluctance to engage. Vested interests curtailing competition hamper companies' growth and creation of additional jobs. Migration & brain drain: skilled labor force leaves the country, creating a bottleneck for companies' growth. <p><i>Potentials:</i></p> | <p>Increased economic productivity & employment, as well as income growth for the bottom-40. (Nationalized targets for SDGs 8.2, 8.5, 10.1)</p> <p><u>Indicators:</u> <i>Whenever possible, in addition to sex disaggregation, indicators will be disaggregated by sector in which SDC is active and by geographic location.</i></p> <ul style="list-style-type: none"> Net number of formal private sector jobs, including self-employment, created in the economy <i>Baseline (2016): 3'300/year</i> <i>Target:</i> Increase, as much as possible (no exact national target set). <i>Source:</i> NBS Reports Additional income and GDP per person employed <i>Baseline (2016):</i> average monthly earnings - 5084 MDL; GDP (at PPP) per person employed - 12'460 USD; annual growth rate of real GDP per employed person (SDG 8.2.1.) - 4.3% <i>Target:</i> Increase (no exact national target set) <i>Source:</i> NBS Reports Proportion of NEET youth, aged 15-29 (SDG 8.6.1, National Employment Strategy 2017-2021) |

⁷ Agriculture and food industry; automotive industry; business services, especially Business Process Outsourcing; clothing and footwear industry; electronics industry; ICTs; production of machinery and its parts (Moldova's Investment Attraction Strategy).

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| <p>Outcome 2: Vocational Education and Training (VET), lifelong learning and job mediation systems match relevant skills with jobs in demand on the labor market.</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> In-company apprenticeship enrolment opportunities for dual VET created by enterprises. <i>Baseline (2017/18):</i> 860 enrolment places <i>Target (2021/22):</i> 2'000 enrolment places Sources: MoECR, Plan of Enrolment in dual VET, Chamber of Commerce register of training companies Percentage of dual VET graduates employed within 6 months: <i>Baseline (2016/17):</i> 55% <i>Target:</i> 60% each year Sources: Tracer Studies by European Training Foundation, MoECR, VET schools No. of youth (15-24 years) and adults (>24 years) (M/F) who gained access to improved vocational skills. Out of these: X% (M/F) gained access to gainful employment or self-employment. <i>(ARI/ EV3 - Information for this ARI will be compiled based on the above indicators).</i> | <ul style="list-style-type: none"> The private sector appears to be open for cooperation, as demonstrated by encouraging results of other development partners active in EDE. Building upon the work of like-minded development partners (Germany, USA, Sweden) in organizing the private sector and attracting foreign investors. As proven by the experience of other development partners, given a wise sector choice, the issue of vested interests can be circumvented. The diaspora signaled its willingness to provide skills and know-how transfer. <p>SDC will contribute to an improved employability of youth and adults by strengthening the role of the private sector in VET, lifelong learning, and labor market governance and by increasing the effectiveness of the public and private job-mediation system. SDC will work towards improving linkages between the education and training system and the private sector. The private sector will be encouraged and assisted to self-organize and build up a voice, so as to positively influence vocational education and lifelong learning offers, as well as labor market governance. Enterprises, associations and chambers will be supported to play a key role in identifying skills needs, to participate in the shaping and systematic implementation of demand-driven dual VET programs and to engage in the assessment of training needs, development of job profiles, and the evaluation of learning outcomes.</p> <p>SDC will advocate for VET programs to incorporate courses that enhance social and behavioral skills, as well as entrepreneurial abilities. The Swiss program will ensure access to (dual) VET for excluded groups (including minorities). All educational materials will be produced in both Romanian and Russian. Specific interventions will target especially vulnerable groups, such as Roma, persons with disabilities, or prisoners. With regard to decreasing gender stereotypes in professional choices, young women will be encouraged to choose non-traditional fields of study, in line with CEDAW recommendations. Furthermore, the program will promote reforms in the Labor Code that allow for a better combination of motherhood and work.</p> <p>Risks:</p> <ul style="list-style-type: none"> No critical mass of employers willing to engage. MoECR is reluctant to engage the private sector in VET. | <p><i>Baseline (2016):</i> 28.3% <i>Target (2021):</i> 26.8% Source: NBS Reports</p> <p>Increase the number of youth and adults who have relevant skills for the labor market. (SDG 4.4.)</p> <p><u>Indicators:</u></p> <ul style="list-style-type: none"> The link between the labor market and the VET system is strengthened as evidenced by: <ul style="list-style-type: none"> - Enabling legal framework for apprenticeships at workplace and on-the-job training; - New professions in line with market demand introduced in the national classification; - Increasing number of enterprises that promote on-the-job training and training at workplace. Share of dual VET students in relation to total secondary VET students (<i>MoECR Annual Reports, Monitorul Oficial/Official Gazette</i>) <i>Baseline (2017):</i> 10% (862 out of 8 485) Target: Increase Share of employers who state they lack workforce with relevant skills in selected industries <i>Baseline (2016):</i> 33.6% - average for manufacturing industry; 19.1% - administrative & support services; 22.1% - hotels and restaurants. Target: Decrease Source: National Employment Agency, Employer's Survey, Labor Market Forecasts'. |
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| | <ul style="list-style-type: none"> • VET school not receptive to new methods & practices. • Trade unions oppose changes in the restrictive labor market legislation. <p><i>Potentials:</i></p> <ul style="list-style-type: none"> • GoM pays increased attention to VET and has shown openness to introduce elements of dual VET. • The other dual VET countries (Germany, Austria, and Lichtenstein) are active in the employment and education sectors and open for cooperation. • Chambers of commerce and sector associations exist and are willing to cooperate. | |
| <p>(4) Lines of intervention (Swiss Program)</p> <ul style="list-style-type: none"> • Market systems development (as opposed to developing individual companies): identifying and removing underlying bottlenecks hampering the functioning of markets for the benefit of the poor and excluded. • Working on innovative funding models for private sector development, e.g. blended finance together with the local financial sector or through catalyzing funds, mobilizing migrants' investments through crowdfunding platforms and other mechanisms. • Facilitating more effective business development services. • Supporting anchor companies / multipliers, coupled with ex ante crowding-in strategies (in order not to create market distortions). • Working with the Prime Minister's Office, the Ministry of Economy and Infrastructure (MoEI) and relevant government agencies to improve the business and investment climate in targeted sectors. • Supporting the MoHLSP in the implementation of the Employment Strategy. • Working with the National Employment Agency and private recruitment companies to increase the effectiveness of job mediation services. • Enhancing the institutional and regulatory framework for the provision of dual VET. • Supporting capacity building of VET school management and vocational teachers with regard to up-to-date learning content and teaching methods. • Scaling up of dual VET practices through policy influencing, directly with line ministries (MoECR, MoHLSP, MoEI) and indirectly via private sector associations. • Building the capacity of national counterparts with regard to skills data collection and analysis. | | |
| <p>(5) Resources, partnerships (Swiss Program)</p> <ul style="list-style-type: none"> • Financial resources: The planned budget for the domain is CHF 12.1 Mio • Human resources: The domain will be managed by a NPO under the supervision of a DDoC. • National counterparts: Government and private sector (individual enterprises, private sector associations, business service providers, financial institutions). • Partnership with the other Donor Committee on dual VET countries (Germany, Austria, and Lichtenstein). • Potential cooperation with the US, Sweden and/or Germany regarding competitiveness enhancement of key industries. | | |

| Management/performance results (valid for all domains) | |
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| <u>Outcome statement 1</u> The Swiss program remains relevant to the country context. | <p>Indicators</p> <ul style="list-style-type: none"> • The CS monitoring system includes indicators on main aspects of the country situation, linked to scenarios. • Programmatic adjustments are taken in a timely manner, based on the analysis of country trends (MERV). • The Security Management Plan is up-to-date and applied. |
| <u>Outcome statement 2</u> The Swiss program contributes to decreasing inequality gaps and attenuating fragilities in Moldovan society. | <p>Indicators</p> <ul style="list-style-type: none"> • All project documents have specific targeting strategies for socially excluded groups. • Progress towards increased social inclusion is tracked, based on disaggregated data. Intervention strategies are adjusted if projects fail to reach excluded groups. • An equitable geographic distribution of project interventions is assured, taking into account aspects of deprivation and ethnicity of the local population. • SDC makes efforts towards improving the diversity of its own workforce, as well as the one of its project partners. • All information and promotion material produced by SDC and partners are translated into different languages (Ro/Ru and others if applicable). • SDC actively contributes to Human Rights Monitoring (UPR, UN treaties). |
| <u>Outcome statement 3</u> Sustainability and scaling-up are considered from the planning phase in all Swiss interventions, properly monitored, and followed up. | <p>Indicators</p> <ul style="list-style-type: none"> • Project documents contain a sustainability strategy, including a systematically planned policy influencing strategy. • Progress towards sustainability results are reflected in projects' reports and critically analyzed by SDC in its management responses. Intervention strategies are adjusted whenever sustainability is questioned. • A gradual increase in contributions to SDC-funded interventions from other actors (public and private, incl. domestic) is observable. • Replication of Swiss interventions without SDC financial support takes place, national policy uptake observed. |
| <u>Outcome statement 4</u> An adequate level of ring-fencing of Swiss funds is guaranteed, even when moving more towards the use of country systems. | <p>Indicators</p> <ul style="list-style-type: none"> • Partners' risk assessments have been carried out for all new SDC's partner institutions or organizations. • Funds to government partners are transferred to dedicated bank accounts. The number of tranches is increased and the amount per tranche decreased. |
| <u>Lines of Intervention</u> | <ul style="list-style-type: none"> • Address social inclusion and CSPM through dedicated project interventions, global credit actions, and policy influencing. • Analyze and promote workforce diversity in SCO and partner organizations. Set minimal thresholds for representation of minorities and gender. • Actively monitor security, political and economic context through MERV, regular meetings with experts, etc. • Ensure that the CS monitoring system includes disaggregated data and informs programmatic adjustments. • Conduct Partner Risk Assessments before engaging in new endeavors and conduct regular ICS visits. • Provide anti-corruption capacity building to SDC team and partners. • Maintain an active role in donor coordination, both at the general level (development partners meetings, EU Joint Programming) and in SDC's domains of intervention (sector coordination and donor harmonization mechanisms). • Support the civil society shadow reports to UPR (2021), CRPD (2020), CERD (2020). |

Annex 3: Monitoring System

The 2018-2021 Swiss Cooperation Strategy for Moldova will be subject to regular and systematic monitoring in order to ensure results-oriented management of Swiss interventions.

Monitoring tools and processes:

| Level of observation | Focus Area | Tools & Processes | Frequency |
|-----------------------------|---|--|---|
| Country context | <ul style="list-style-type: none"> Overall country context Most important developments / changes (political, economic, social) and their consequences for the Swiss portfolio Risk assessment and mitigation | <ul style="list-style-type: none"> MERV, included scenarios | Bi-annually or more frequently, if required, as long as fragility persists. Once a year if fragility decreases significantly. |
| | | <ul style="list-style-type: none"> Monitoring Matrix (indicators for key aspects of the country context relevant for the CS implementation & scenario monitoring) | At least once a year, in the process of annual reporting. Data for certain indicators might be collected more / less often, depending on the periodicity of data sources. |
| | | <ul style="list-style-type: none"> Permanent context monitoring and regular discussions | Ongoing. |
| Cooperation results | <ul style="list-style-type: none"> Swiss portfolio outputs & outcomes) per domain of intervention and their contribution to country-level development results Transversal themes (gender & social inclusion, good governance) CSPM | <ul style="list-style-type: none"> CS Results Framework | Developed together with the CS. If necessary, a mid-term review of the CS and RF might be undertaken. |
| | | <ul style="list-style-type: none"> Monitoring Matrix (indicators for the Country-level results and for the Swiss portfolio results; SDC ARIs) | At least once a year, in the process of annual reporting. Data for certain indicators might be collected more / less often, depending on the periodicity of data sources. |
| | | <ul style="list-style-type: none"> Annual Review Meetings with implementing/facilitating partners (per domain of intervention) | Every year in August – September (prior to annual reporting). |
| | | <ul style="list-style-type: none"> Annual Report | Every year in September-October. |
| | | <ul style="list-style-type: none"> Domain / programme reviews | As and when required. |
| Portfolio management | <ul style="list-style-type: none"> SCO efficiency and effectiveness (operational, financial administration, human resources, other management tasks) Compliance with management and aid principles SCO Security | <ul style="list-style-type: none"> Annual Plan Mid-year review | Developed every year in January-February. Reviewed in June-July. |
| | | <ul style="list-style-type: none"> Operational monitoring of Swiss projects/programs (project reports, monitoring visits, meetings of Steering Committees, external reviews, financial audits, End-of-Phase & End-of Project Reports) | As planned for each project/program |
| | | <ul style="list-style-type: none"> Monitoring Matrix (indicators for the results related to Portfolio Management) | |
| | | <ul style="list-style-type: none"> Internal Control System (ICS) Compliance Report | Every year in September (or another date set by HQ). |
| | | <ul style="list-style-type: none"> Office Management Report | Every year in August (or another date set by HQ). |
| | | <ul style="list-style-type: none"> External Audits | Every year in April-May |
| | | <ul style="list-style-type: none"> Security risk assessment & Security Plan | Updated once a year or more frequently, if needed. |
| | | | |

The Monitoring instruments and processes will be continuously revised and adjusted. Besides the above-mentioned key tools and processes, additional meetings and consultations, joint analyses with relevant stakeholders and other activities may be necessary.

The SCO team will analyze and discuss monitoring data and relevant information collected from different sources and draw tentative conclusions. Then the team will engage in a dialogue with stakeholders (implementing partners, local partners, other donors, think tanks, multilateral organizations, etc.) and beneficiaries in order to test tentative conclusions and identify additional information.

Sources of data:

- *Official sources of the partner-country* – statistical data and national/subnational reports;
- *Alternative information resources* – shadow reports by NGOs and think tanks, reports of specialized international organizations, joint analyses of development partners;
- *SDC-supported projects/programs* collect and generate relevant data or provide assistance to the local partners to generate quality data in their respective sectors;
- *Additional data generated by the SCO* – in case certain important information is unavailable or is not of sufficient quality, the SCO will contract external expertise to generate necessary data.

Resources for the monitoring process:

The SCO will adequately plan the resources necessary for the monitoring process: budget, staff time allocation, training and capacity development, necessary institutional support from the HQ (methodological support, regional exchanges, etc.).

ANNEX 4 – Indicative Budget Allocation CS Moldova

Cooperation Strategy Moldova 2018-2021

| Budget allocation per domain CS 2018-2021 | In Mio CHF | in % of total budget | Repartition of budget in 2021 |
|---|-------------|----------------------|-------------------------------|
| Local Governance | 17.9 | 38% | 37% |
| Economic Development and Employment | 12.1 | 26% | 37% |
| Health | 15.4 | 33% | 23% |
| Other interventions | 1.5 | 3% | 3% |
| Total | 46.9 | 100% | 100% |

| Total planned disbursements 2018 – 2021 per year in CHF million (including disbursements committed before 2018) | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|------------|
| Domain | 2018 | 2019 | 2020 | 2021 | Total | in % |
| Local Governance | 4.1 | 4.5 | 4.3 | 5.0 | 17.9 | 38 |
| Economic Development & Employment | 1.9 | 3.3 | 3.4 | 3.5 | 12.1 | 26 |
| Health | 4.5 | 3.5 | 3.9 | 3.5 | 15.4 | 33 |
| Other interventions | 0.4 | 0.4 | 0.3 | 0.4 | 1.5 | 3 |
| Total | 10.9 | 11.7 | 11.9 | 12.4 | 46.9 | 100 |
| Management costs* | 1.0 | 1.0 | 1.0 | 1.0 | 4.0 | 8.5 |
| Grand total | 11.9 | 12.7 | 12.9 | 13.4 | 50.9 | |

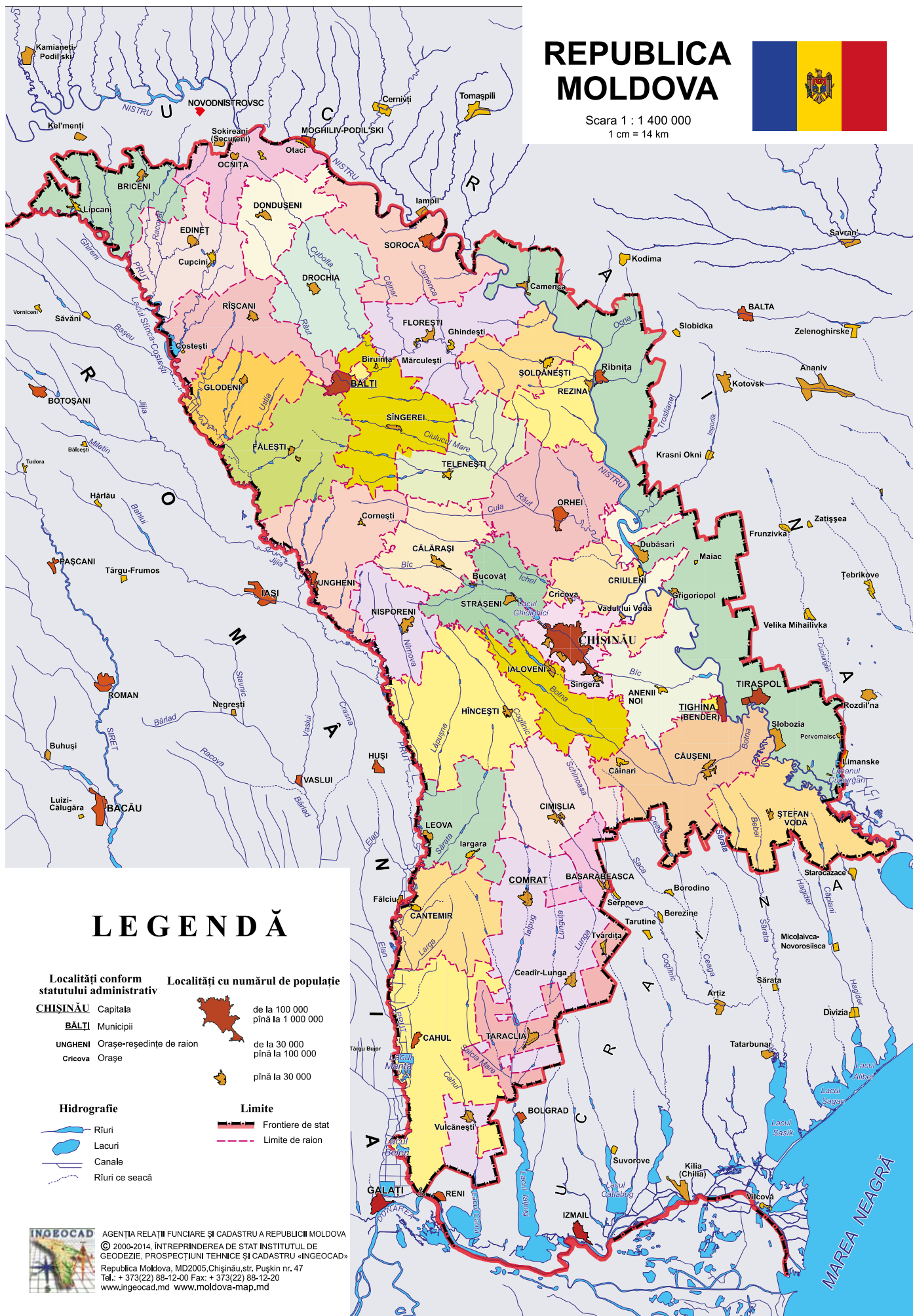
The final allocation of funds will depend on the identification of suitable interventions, the absorption capacity, as well as the efficiency and effectiveness of the cooperation with the relevant partners in the partner country. Accordingly, the following information on planned disbursements for the four-year period of this strategy is indicative. It cannot be considered a firm commitment or claimed as such by the partner country. This information serves merely as a basis for the forward spending plans that are reviewed each year by the Swiss Parliament. Actual disbursements will depend on various factors, such as the changes in the project portfolio and the framework conditions of the partner country, as well as available disbursement credits authorized by the Swiss Parliament. Portfolio and planned disbursements are regularly discussed with the partner authorities.

*According to the FDFA-SDC Budget Process, program management costs are no longer part of the Frame Credit VI. They are now included as "Own Operational Expenses" in the FDFA Global Budget. Development cooperation management costs are shown here for illustrative purposes.

REPUBLICA MOLDOVA



Scara 1 : 1 400 000
1 cm = 14 km



LEGENDĂ

Localități conform statutului administrativ

- CHISINĂU** Capitala
- BĂLȚI** Municipii
- UNGHENI** Orașe-reședințe de raion
- Cricova Orașe

Localități cu numărul de populație

- de la 100 000 până la 1 000 000
- de la 30 000 până la 100 000
- pînă la 30 000

Hidrografie

- Rîuri
- Lacuri
- Canale
- Rîuri ce seacă

Limite

- Frontiere de stat
- Limite de raion



AGENȚIA RELĂȚII FUNCIONARE ȘI CADASTRU A REPUBLICII MOLDOVA
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www.ingecad.md www.moldova-map.md

List of Abbreviations

| | | | |
|-------|--|---------|--|
| ADA | Austrian Development Agency | MoF | Ministry of Finance |
| ARI | Aggregated Reference Indicator | MoHLSP | Ministry of Health, Labor and Social Protection |
| CALM | Congress of Local Authorities of Moldova | NBS | National Bureau of Statistics |
| CBOs | Community-based Organizations | NCDs | Non-communicable Diseases |
| CEDAW | Convention on the Elimination of All Forms of Discrimination Against Women | NEET | Not in Education, Employment, or Training |
| CERD | Convention on the Elimination of all Forms of Racial Discrimination | NGO | Non-Governmental Organization |
| CHF | Swiss Franc | NHIC | National Health Insurance Company |
| CIS | Commonwealth of Independent States | NPO | National Program Officer |
| CRPD | Convention on the Rights of Persons with Disabilities | ODA | Official Development Assistance |
| CS | Cooperation Strategy | OECD | Organization for Economic Cooperation and Development |
| CSO | Civil Society Organization | OSCE | Organization for Security and Co-operation in Europe |
| CSPM | Conflict/Context-Sensitive Program Management | PHC | Primary Healthcare |
| CU | Customs Union | PI | Policy Influencing |
| DCFTA | Deep and Comprehensive Free Trade Agreement | POB | Public Opinion Barometer |
| DDoC | Deputy Director of Cooperation | PPP | Purchasing Power Parity |
| EDE | Economic Development and Employment | REPEMOL | Regionalization of pediatric emergency and intensive care services project |
| EU | European Union | RF | Results Framework |
| FDFA | Swiss Federal Department of Foreign Affairs | SCO | Swiss Cooperation Office |
| FEZs | Free Economic Zones | SDC | Swiss Agency for Development and Cooperation |
| GDP | Gross Domestic Product | SDG | Sustainable Development Goal |
| GoM | Government of Moldova | STEPS | Non-communicable Disease Risk Factor Survey by WHO |
| HQ | Headquarters | STI | Sexually Transmitted Infections |
| HTAs | Home Town Associations | SWAp | Sector-wide approach |
| ICS | Internal Control System | TB | Tuberculosis |
| ICT | Information and Communicatio Technology | tbd | To be determined |
| IDEA | International Institute for Democracy and Electoral Assistance | TN | Transnistrian Region |
| KAP | Knowledge, Attitudes, Practices | UN | United Nations |
| LGBTI | Lesbian, Gay, Bisexual, Trans, Intersex | UNFPA | United Nations Population Fund |
| LG | Local Governance | UNICEF | United Nations Children's Fund |
| LPAs | Local Public Authorities | UPR | Universal Periodic Review |
| M&D | Migration & Development | US | United States |
| M/F | Male / Female | USD | US Dollar |
| MD | Moldova | USSR | United Soviet Socialist Republics |
| MDL | Moldovan Lei (local currency) | VET | Vocational Education and Training |
| MERV | Report on Monitoring System for Development-Related Changes | VSD | Vocational Skills Development |
| MH | Mental Health | W&S | Water & Sanitation |
| MHSs | Mental Healt Services | WB | World Bank |
| Mio | Million | WCA | Water Consumer Association |
| MoECR | Ministry of Education, Culture and Research | WHO | World Health Organization |
| MoEI | Ministry of Economy and Infrastructure | YFHC | Youth-Friendly Health Centre |
| | | YFHS | Youth-Friendly Health Services |

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