



Swiss Cooperation Strategy 2010-2013

Special Program Republic of Moldova



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC

Foreword



The Republic of Moldova had a difficult way to go after independence. Almost immediately, the new Republic was confronted with the declaration of separation by the region east of the Dniester river. The economy, which had been fully dependant on the Soviet market, was put under extreme pressure. The result was a considerable deterioration of all economic and social indicators in the 1990s, including access to basic public services, access to water, and communication. Moldova has not yet caught up to its GDP from before 1990. The process of democratization is still ongoing. The international financial and economic crisis of 2009 was a major shock for the Moldovan economy and has slowed down progress in poverty reduction.

With the accession of Romania to the European Union in 2007, Moldova became an EU neighbour. For the EU, greater stability and security within and around its borders is a major foreign policy objective, as is the reduction of the inequalities which hamper social cohesion and trigger immigration. Though not part of the EU, Switzerland shares these objectives and has a common interest in a rapid social, political and economic development in Moldova.

Since the beginning of its engagement in Moldova in 2000, the Swiss Agency for Development and Cooperation (SDC) has focused its support on sectors where Switzerland has a comparative advantage, while coordinating with the Moldovan government and other donors. With a long-term partnership approach, SDC is a valuable partner also in contributing to policy-reform processes.

SDC works together with line Ministries and civil society while developing alliances with other international donor agencies. Pursuing only two sectors, water and health, gives a stronger focus to the programs.

The Cooperation Strategy 2010 to 2013 defines the frame in which the Swiss Cooperation will work over the next four years. Our approach builds on past experience, continuing our work at the field level, and using field experience in policy dialogue and reform endeavours. The on-going, good cooperation with the national and decentralized authorities of the Moldovan Republic provides a solid basis for effectiveness and sustainability.

I am confident that the strategic goals of the Swiss Cooperation Strategy in Moldova will be met and that the SDC program will contribute to sustainable improvement in the living conditions for the people of Moldova.

Martin Dahinden
Director-General
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Summary

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Abbreviations

CHF – Swiss Franc
 CIS – Commonwealth of Independent States
 DFID – United Kingdom Department for International Development
 EGPRS – Economic Growth and Poverty Reduction Strategy
 EU – European Union
 GDP – Gross Domestic Product
 MDG – Millennium Development Goal
 RCC – South-Eastern Europe Regional Cooperation Council
 SDC – Swiss Agency for Development and Cooperation
 OSCE – Organisation for Security and Co-operation in Europe
 PPP – Purchasing Power Parity
 UNAIDS – Joint United Nations Program on HIV/AIDS
 UNFPA – United Nations Population Fund
 UNICEF – United Nations Children’s Fund
 USAID – United States Agency for International Development
 WHO – World Health Organisation

Through the Swiss Agency for Development and Cooperation (SDC), Switzerland has been supporting the Republic of Moldova in its transition process towards greater prosperity for the country and its citizens since 2000. In a first stage, support focused on humanitarian relief activities after periods of drought, flooding or severe winter conditions. Support also focused on rehabilitating social institutions (mental health centers, womens’prisons, boarding schools) to provide better living conditions for the Moldovan people. Secondly, in the administrative district (Rayon) of Nisporeni, SDC built and promoted water supply and sanitation solutions that improved the living and health conditions of the rural population. Third, SDC has joined Moldova’s efforts to reform the national health system, in particular the sectors of mother and child health where coordinated efforts of all actors has led to improvements in key health indicators.

The positive results have helped Switzerland to position itself as a worthy partner of the Government of Moldova, providing an optimal base for the coming four years (2010-2013) during which time SDC will focus on the two key sectors of water and health. In these sectors, Switzerland has proven that it can improve the life of the Moldovan people.

During the period of the new Swiss Cooperation Strategy for Moldova 2010-2013, Switzerland seeks to improve the quality of health services provided to the population, in particular women, children and mentally disabled people, and to support the government in its efforts to develop modern, effective and sustainable health strategies. The Swiss Cooperation will focus its intervention in the fields of reproductive health, pediatric emergency and mental health through capacity building, provision of medical equipment, training of trainers, development of curricula, support to legal changes and strengthening of synergies between State and civil society.



Over 70% of the rural population in Moldova does not have access to safe drinking water and adequate sanitation. This adversely affects the health of the people and results in higher economic costs. To address this alarming situation, Switzerland will continue to build and promote decentralized drinking water systems, and to improve water quality through the introduction of new technologies. The development of new decentralized management systems and support for necessary legal changes at the national level will ensure the sustainability of the infrastructure provided.

Switzerland will allocate approximately CHF 6.5 mln per annum to implement its new strategy in Moldova and will maintain a cooperation office in Chisinau.

To increase the effectiveness of its interventions, Switzerland will continue to work closely with the line Ministries concerned, the decentralized authorities and civil society. It will also seek alliances and synergies with other donors and with international financial institutions.

1 Country Context and Development Policies

1.1 Geopolitical context

Since its breakaway from the Soviet Union in 1991, the Republic of Moldova¹ has had a difficult start towards independence. The newly formed parliamentary democracy had to face the fast track introduction of nation building and of market economy. Both processes remain incomplete.

Ethnic tensions within the country and geopolitical interests of Russia fostered, in 1992, the breakaway of the self-declared, internationally unrecognized, but de facto independent state of Transnistria, east of the Dniester river. Since then, Moldova has been unable to regain control over its entire territory. For the European Union, Transnistria potentially harbours the most dangerous security threat within its immediate neighbourhood. On one hand, the current arrangement offers Russia a reason to keep a military base close to the EU border. On the other hand, the separatist region offers a breeding ground for criminal organizations and illegal trafficking activities into the Euro zone.



Though the Organisation for Security and Co-operation in Europe (OSCE) actively seeks to resolve the Transnistria conflict, a solution is highly unlikely to be found in the medium term. Nevertheless, the transformation, in particular democratisation and modernisation of the country, is inevitably linked to a stronger Europeanization of the country. This process will eventually generate a pull-effect for Transnistria towards Moldova, since the European market offers the only long-term solution for the survival of Transnistrian heavy industry.²

This unresolved conflict also hampers the building of a national Moldovan identity defined in political terms. National identity in ethnic terms is no less challenging since the country shares close historical and cultural ties with Romania. Though its western neighbour has shown no interest in a Romania-Moldova reunion, this “threat” has been continuously brought up by the Government of Moldova whenever domestic instability is at stake.

Today, Moldova is a direct neighbour of the European Union. Within the framework of the European Neighbourhood Policy, Moldova has been able to secure close ties with the European Union, but has had to give up hopes for EU membership in the medium-term future.

The different geopolitical interests between the EU and Russia leave little choice for the Moldovan Government but to cater to the demands of both sides. Over the long term, Moldova’s ultimate objective continues to be integration into the European Union. A strong and functional state apparatus is a pre-condition to fulfilling this objective.

Moldova’s future positioning in regard to the geopolitical conflict of interest between the EU and Russia represents a political risk for the SDC program. A further political risk the program needs to monitor is the precarious state of the respect for Human Rights in the country. The strong retaliation by the police against the post-election demonstrations in 2009 has highlighted this issue anew. SDC supports the government’s reform process which endorses the main objectives of the European Neighbourhood and Partnership Instrument. If the reform agenda is slowed down or put into question, it will have a direct effect on the success of SDC’s interventions in Moldova.

1.2 Economic and social development

The introduction of the market economy and liberalisation of prices led to an economic crisis between 1992 and 2001, spiking the national poverty rate up to 67% in 2000. Since the new millennium, Moldova’s economy has been growing continuously at medium rates, but GDP per capita has not yet reached its pre-independence level (2006 GDP level was at approx. 50% of the 1990 level). In 2004, 27% of the population lived below the national poverty line.³

With the *de facto* loss of Transnistria, where most of Moldova’s heavy industry is located, agriculture and related sectors remain the most important components of the economy, leaving it vulnerable to climate change and natural disasters. Though the secondary and tertiary sectors are steadily growing, remittances amount to one third of the GDP. The main destination countries for over a third of the active Moldovan population are (in decreasing order of importance): Russia, Italy, Ukraine, Romania, Portugal, Spain, Greece, Turkey, and Israel.

With such a weak national economy based on agriculture, which hinges on favourable climate conditions and on remittances, the country is prone to global economic crises, such as the 2008/9 financial crisis, that can quickly reverse the meagre gains in poverty reduction that had been achieved since the start of the new millennium. The international crisis could result in increased social tensions in Moldova if the government does not take appropriate mitigation measures.

Social development: Since its independence, Moldova has been experiencing a progressive decay of infrastructure in all sectors. Water supply services have significantly deteriorated and wastewater treatment has come to a standstill. The Economic Growth and Poverty Reduction Strategy estimates that over 70% of the population in rural areas are using water that does not comply with sanitary norms.



The financial hardship experienced during the transition period meant that maintaining Moldova’s extensive health system was impossible and that the reform of the health system was unavoidable. Unlike in the water sector, health issues were prioritised early on by the post-independence governments and the sector has been reforming since the mid-nineties, especially at the primary health care level. Poverty, alcohol and tobacco are the key health determinants for most Moldavians. The main causes of death are diseases of the circulatory system, followed by cancer, diseases of the digestive system, injury and poisoning. The latter two causes are especially common among children whose parents are working abroad. These children grow up in less stable environments, living with their relatives, their older siblings, or at times alone.

Although women in Moldova constitute the majority of both qualified specialists and of holders of degrees of higher education, their unemployment rate is significantly higher than for men and their average income 40% lower. National labour legislation is overly protective, in particular for pregnant women, and creates obstacles to women’s participation in the labour market, while also perpetuating gender stereotypes. As a reaction, more than half of the migrating workforce are women.

Physical integrity of Moldovan women is poorly protected. Violence against women, including domestic violence, is widespread, trafficking of women from or through Moldova is a serious threat for poor and young women. ILO reports that, according to the Moldova’s national Bureau of Statistics, over 25,000 Moldovan were victims of trafficking for forced labor in 2008.⁴

2 Review of the Swiss Cooperation

1.3 Development policy context

Together with the EU-Moldova Action Plan signed in February 2005 and the government's program "Modernization of the Country, Well-being of the People," approved in April 2005, the Economic Growth and Poverty Reduction Strategy (EGPRS) has guided Moldova's economic development during the last few years. From 2008 onwards, the government consolidated its development strategies into an umbrella document – the National Development Strategy 2008-2011 – drafted in close consultation with the donor community. Seeking to improve the living standards, the National Development Strategy is based on five basic pillars: consolidation of the rule of law, resolution of the Transnistrian conflict, enhancement of competitiveness, human and regional development.



Donor landscape: The main donors active in Moldova are USAID, the European Commission, the World Bank, the International Monetary Fund – which in 2009 agreed to provide Moldova with an Extended Credit Facility/Stand-By Arrangement of About USD 600 Million, the European Bank for Reconstruction and Development, the Swedish International Development Cooperation Agency, and DFID. In 2007, Moldova received CHF 270 mln Official Development Assistance, which represents 5.4% of its GDP.⁵ The country has signed the Paris Declaration on Aid Effectiveness and progress has been achieved in the alignment of the international support to national development goals. Still, much remains to be improved, especially in regard to greater coordinated and harmonised support.

In February 2005, the EU-Moldova European Neighbourhood Policy Action Plan was adopted and, in 2009, the Eastern Partnership which Moldova is part of, was launched.⁶ Through these instruments the European Commission will play an increasingly important role in Moldova. Together with the election year 2009, which has altered the political landscape in favour of pro-European voices, the commitment by Moldova to the Eastern Partnership initiative shows the recent orientation of the Moldovan government towards the EU and its models of governance. The new Activity Program of the Government of the Republic of Moldova 2009-2013 "European Integration: Freedom, Democracy, Welfare"⁷ is revealing in this regard. Existing national development strategies will continue to guide the newly elected government but a change in their way of implementation is expected, from a centralist to a more decentralized style of governance.

2.1 Swiss development cooperation in Moldova

Moldova is the poorest European country sharing its boarder with the European Union and the Schengen space, of which Switzerland is a member. In order to promote stability, enhanced security, rule of law, prosperity and solidarity in Europe, Switzerland is committed to support the Republic of Moldova in its transition processes.

The high poverty rate in the country, as well as the increasing number of migrants and persons being trafficked to the EU from Moldova – as a transition country or country of origin – represent an inherent threat to Western Europe stability. It is also in the interest of Switzerland to support the transition of Moldova to a stable and democratic country. Only a prosperous Moldova will be in a position to halt the current emigration and join hands with the EU to reverse the increasing threat of mafia-like organisations.

In 2000, SDC initiated its intervention in Moldova through humanitarian aid assistance, focussing firstly on the rehabilitation of rural water supplies and the physical infrastructure of social institutions. In 2003, SDC support was extended to include Technical Cooperation while maintaining thematic interventions in the fields of water and health/social protection. From 2005, SDC started to support projects in the field of economic development and employment. The Swiss Cooperation Strategy for the Republic of Moldova for the period 2007-2009 defines SDC involvement in the country as a Special Program⁸ with two main sectors of intervention:

- Health and Rehabilitation
- Economy and Employment⁹

2.2 Results and lessons learned

Rehabilitation: During the previous strategy, SDC rehabilitated the infrastructure of social institutions (psycho-neurological institutions, prisons, boarding schools), and provided humanitarian assistance to vulnerable people, especially in emergency situations (droughts, floods and severe winter conditions). The rehabilitation of eleven social institutions led to improved living conditions for the patients coupled with an evident impact on the confidence of the staff, and to an enhanced commitment of the ministry concerned to continue the rehabilitation of further institutions according to the models developed and demonstrated by SDC Humanitarian Aid.

In rural areas, SDC demonstrated the viability and affordability of decentralized potable water and sanitation systems and on-site ecological sanitation¹⁰ toilets for schools. Some 25 water supply systems were constructed, benefiting 30,000 end-users, and 31 schools were equipped with ecological sanitation toilets, benefiting 14,000 children. These efforts resulted in improving the quality of life for rural populations, a significant decrease in Hepatitis A, and a reduction in the distance from individual households to public water distribution points.



By involving the village population in financing, constructing and managing their water systems, the program successfully demonstrated that in a post-soviet context, well trained communities and local administrations were able to effectively manage and maintain social infrastructures. This experience has enabled SDC to become the lead donor agency in the water sector. It also contributed to increasing the visibility of Switzerland in Moldova and to establishing relationships of confidence with the government of Moldova.

3 Strategic Orientation for 2010-2013

2.2 Results and lessons learned

Health: Assisted by UNICEF and WHO, the Republic of Moldova started its health sector reform efforts in 1997, focusing on qualitative primary health care to mothers and children. In 2003, SDC started to support the efforts of Moldova with interventions in the perinatal sector through staff training, development of clinical protocols, and provision of modern equipment to maternities at the district and municipal level. This contributed to decreasing the neonatal mortality rate from 7.5 per 1000 live births in 2002 to 5.1 per 1000 live births in 2007, and maternal mortality from 22.9 in 2003 to 15.8 per 100,000 live births in 2007.¹¹ In comparison, in 2000 the Swiss neonatal mortality rate was at 4 per 1000 live births and the maternal mortality rate at 7 per 100,000 live births.

In 2008, SDC broadened its support to the Moldovan Healthcare System Development Strategy 2008-2017 by supporting reforms within the pediatric emergency system through East-East cooperation (with Romania) and knowledge transfer. SDC interventions take place within the frame of the overall health system reform process supported by the World Bank and the European Commission.

Additionally, SDC has been active in the sub-sector of mental health through its rehabilitation program, and from 2005 through its Technical Cooperation. The

support is a response to the widespread trauma and stress faced by a large part of the population due to massive political, economic and social changes. The increase in the incidence of mental health problems in all ex-communist countries has been recognized by the Stability Pact for South-Eastern Europe (succeeded by the Regional Cooperation Council RCC in 2008) which, in 2002, gave birth to the South-Eastern Europe Mental Health Project. Switzerland has been strongly involved in this process.

In 2007, Moldova formulated a national health policy which is in accordance with the South-East Europe Mental Health Project.¹² With the support of SDC, important changes of perception and attitudes have taken place and the community mental health care is now partially funded by the national health insurance company.

The basis for effective implementation of health reforms is in place, and the SDC contribution to support this process is highly appreciated and will be continued.

Economy and Employment: SDC supported the reform of the regulatory framework of the rural finance sector. Its interventions were closely linked to the interventions of other donors, in particular the World Bank. The SDC interventions have achieved the objective and resulted in the reduction of the number of small and non performing institutions, thus giving way to solid, professional and bigger micro-finance institutions working in rural areas.

In contrast, SDC support to vocational education and training reforms has not lived up to expectations mainly because of the lack of government commitment. Given this moderate success, SDC has decided to withdraw from the sector.

Human Trafficking: SDC recognises the debilitating effects of human trafficking on the social development of countries in transition. In 2008, SDC launched a regional program to support the fight against human trafficking in the region of the Commonwealth of Independent States. In Moldova, the program presently focuses on developing a national referral system for assistance to and protection of victims, and strengthening the capacities and efforts of the government and civil actors to protect children's rights both at national and trans-national level.



3.1 Overall objective

In line with the overall objectives of Swiss cooperation with Eastern Europe – stability, security, rule of law and prosperity – SDC supports the Republic of Moldova in implementing its national development goals.

Overall Goal: Support the Republic of Moldova in its objective to guarantee to all its citizens equal access to quality infrastructure and services in the health and the water sectors.

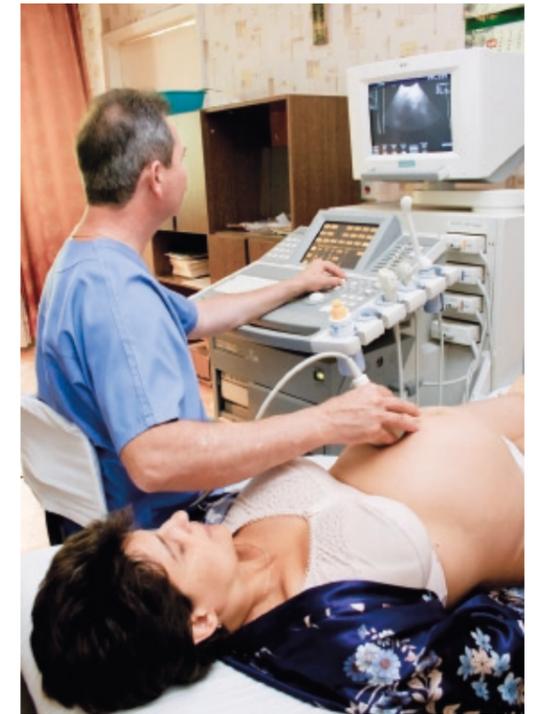
Through its program, SDC assists the country in achieving the following Millennium Development Goals:

Mdg 4: reducing the mortality rate of under-fives by two-thirds by 2015

Mdg 5: reducing the maternal mortality ratio by three quarters by 2015.

Mdg 7: integrating the principles of sustainable development into the country's policies and programs and minimizing the loss of environmental resources.

This strategy covers a period of four years from 2010 till 2013. SDC's commitment beyond 2013 will depend on the definition of the Swiss development priorities in transition countries, as well as the results and achievements of the strategy and the commitment of the government of Moldova. In this respect, SDC welcomes the government's new efforts in revitalizing the country's transition process by signaling a move to greater administrative decentralization.



3.2 Sectors of intervention

3.2.1 Health

Objective: The Moldovan population uses quality services for mother & child and mental health care

SDC's health objective is aligned to the National Development Strategy 2008-2011 and the National Healthcare System Development Strategy 2008-2017, and has been drafted in consultation with the donor community. The World Bank and the EU are the two major donors within the sector, while WHO, UNICEF, UNAIDS and UNFPA provide important technical support. In addition, the objective is in line with the Activity Program of the Government of the Republic of Moldova 2009-2013 in general, and with its health of population objectives in particular.

SDC is the main bilateral donor in the sector and has developed an excellent collaboration with the Ministry of Health. SDC will continue to focus its intervention on two distinct sub-sectors:

- Mother and Child Health
- Mental Health

Within the sub-sector of **mother and child health**, SDC supports the government in the regionalization¹³ of the health system, and in developing the national referral system. SDC interventions focus on municipal and administrative district (Rayon) hospitals (the secondary level), thus complementing the programs of the World Bank and the EU which focus on primary health care reforms (family doctors and rural health centers). SDC strategic focus seeks to ease the pressure put on specialized hospitals which have limited capacities and are unable to deliver qualitative services. The result is an optimized functioning of the national health referral system assuring that patients are treated at the appropriate health institution.

The infant mortality¹⁴ rate has been falling since independence down to 11.8/1000 live births, due to an early prioritization to improve the health situation of mothers and their children. Today's mortality rate is low for countries of the CIS (average was at 14.0 in 2005), but still more than double the EU average of 5.0 in 2005. Official maternal mortality rates have also been following an overall downtrend to 15.8 per 100,000 live births in 2007, but further significant reductions are needed to enable Moldova to reach its Millennium Development Goal target for maternal

mortality of 11/100,000 live births by 2015.¹⁵ But there is room for optimism since the government has shown leadership in the health sector, while coordinating effectively with the donor community.

Within the sub-sector of mother and child health, SDC interventions contribute to the achievement of the following results:

Result 1: Women of reproductive age and their families use perinatal services of improved quality

Result 2: Seriously injured children use quality pediatric emergency services

Having put emphasis on ante- and perinatal care in the past, SDC is gradually shifting to postnatal and pediatric care. Such sequencing allows SDC to support the government in covering key aspects of a young mother and her child's development. SDC support to the national ante- and perinatal health care system starts at the stage of parenthood planning and ensuring a healthy pregnancy. The goal is to prepare young couples to better prepare for a family and to reduce pregnancy risks as well as mother and child mortality.

The second component of the health program aims to reduce morbidity and mortality incidents among children, by raising awareness of the population about the risk of household accidents (partly due to the absence of parents working abroad) and by establishing quality pediatric emergency services.

The third component of SDC health interventions is the support to national reform process within the **mental health** sub-sector.

Result 3: People with mental health problems use outpatient mental health services.

In 2006, the annual incidence of mental disorders in Moldova was at 552.16/100,000 inhabitants, amounting to a prevalence rate of 4.12%. At present, over 25,000 patients with a severe degree of disability must undergo rehabilitation. The Moldovan health system tackles the problem by offering in-patient care in psychiatric hospitals and institutions, which leads to the patients' dissociation from their social environment and eventually to their stigmatization. "Also, the system does not ensure continuity of assistance and does not contribute to the rehabilitation of patients."¹⁶

SDC is the only donor working in this sub-sector, but it has been working in close collaboration with the local authorities. SDC interventions will build on previous experience and achievements, in particular the development of new policies and practices complying with European standards. SDC will support local partners in implementing new standards and in adopting decentralized approaches, especially community-based mental-health-care services.

3.2.2 Water

In the frame of the new Country Strategy 2010-2013, SDC will continue to support the development of decentralized potable water and sanitation systems in rural areas mainly through the replication and scaling up of successful experiences at the national level.

Objective: Moldova's rural population has access to decentralized drinking water and on-site sanitation systems that are ecologically and economically sustainable.

Efforts have been undertaken recently to consolidate the legal and institutional framework of the water and sanitation sector. The government adopted in 2007 a new National Strategy on Water Supply and Wastewater Management. The Strategy's main objective is to reduce health risks related to deteriorated drinking water quality and sanitation standards by promoting a stronger decentralization of administrative capacities in the sector and by expanding the nationally centralized water system infrastructure. This objective has been reaffirmed in the Activity Program of the Government of the Republic of Moldova 2009-2013 which puts great emphasis on improved public service provision through effective administrative decentralization.

Activities aim at creating decentralized drinking water and sanitation systems utilizing water resources coming from local springs that are neither polluted nor endangered by human actions. SDC estimates that approx. 40% of possible supply systems in rural areas (approx. 300-400 villages out of 917 communes) can be based on this cost-effective solution. The systems are especially appropriate for the central part of Moldova. Hygiene will continue to be part of the approach to community awareness-raising, while climate change considerations will be taken into account when choosing catchment sites.



SDC aims to achieve two results:

Result 1: Decentralized drinking water systems are replicated on a large scale in rural Moldova.

Result 2: On-site sanitation systems are replicated on a large scale in rural Moldova.

SDC's sector objective points out the crucial link between water supply, sanitation and waste water treatment. Having invested in the past mainly into the provision of drinking water for rural areas, future emphasis will also promote decentralized drinking water systems as well as decentralized sanitation and on-site waste-water treatment solutions in rural and semi-urban areas.

The support will evolve from the construction of local water and sanitation systems to a programmatic approach. To achieve this, SDC will work at local, regional and national levels. At the local and administrative district level, SDC will build on its good relations with the administrative authorities and enhance local capacities of civil society and market actors as well as the capacities of local administrations.

At the national level, SDC will strengthen its dialog with national authorities and continue to play a leading role in the donor group on water and sanitation (European Commission, World Bank, European Bank for Reconstruction and Development, Austrian Development Agency, Turkish International Corporation and Development Agency, and the Ministry of Foreign Affairs of the Czech Republic). SDC experience and expertise will complement the efforts of the European Commission which, as part of its European Neighbourhood Policy Instrument, will significantly invest in the water and wastewater sector over the next years.

4 Managing for Results

3.3 Transversal themes

A key principle in relation to Gender is addressing structural inequalities and unequal power relations both as an aim and a prerequisite of development. Therefore, objectives and indicators for gender equality mainstreaming into projects have to be developed for each sector. The use of gender analysis and gender disaggregated data will provide valuable insight for program orientation.



Both thematic priorities, water and health, inherently contain explicit gender goals. In health, the focus of the program is on mothers and children, but it also recognizes and intervenes on the role of the fathers. Improved water and sanitation conditions have a particular impact on women. In addition, a greater participation of women in decision-making and presence in the management of water systems will be promoted. The program will strengthen village identity, paying special attention to socially excluded population groups.

The principles of Good Governance (accountability, participation, transparency, non-discrimination and efficiency) are taken into account at the level of project and program management cycle. In the water sector, SDC builds and supports local governance structures aiming at more efficiency, effectiveness, participation and accountability. In the health sector, SDC intervention aims at a broad and non-discriminatory access to quality health services for all, and includes measures to improve the efficiency and effectiveness of the health system management.

Transversal themes will be monitored at the project and program levels.

3.4 Other interventions

Though SDC activities in Moldova will focus on the two priority sectors, minimal resources will be reserved to ensure some flexibility to respond to ad hoc and urgent needs of the local partners.

The SDC regional (Moldova, Ukraine and the Russian Federation) program on anti-trafficking aims at making a significant contribution to the prevention of human trafficking as well as to the protection of its victims, women and men. SDC in Moldova will continue to support the implementation of this program in the country, focusing on the rehabilitation and integration of the victims, on the development of trans-national referral mechanisms, and on prevention measures for groups at risk.



4.1 Approach

Systemic Approach: During the past cooperation strategy period, SDC gradually switched from a direct implementation modality to a coherent systemic approach. Such approach puts emphasis on the understanding of sector dynamics, on the interdependence of actors and their roles at all levels, micro (i.e. local) – meso (i.e. regional) – macro (i.e. national), and on the strengthening of local capacities (capacity building). A holistic policy dialog is key and will be conducted with the line ministries of the Government of Moldova in coordination with multi-lateral and bilateral donors. This dialog will be substantiated through close collaboration with civil society organizations, the private actors, and national and international expert centers. Whenever relevant, SDC will provide and use Swiss expertise and know-how.

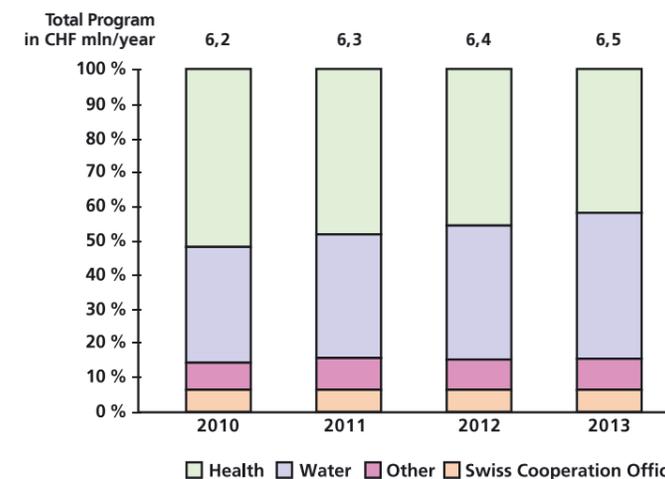
East-East Cooperation: The promotion of East-East cooperation between public and private institutions of neighbouring countries and Moldova will continue since it has proven to have a significant impact on processes of change and reform.



Aid Effectiveness: Switzerland is signatory to the Paris Declaration on Aid Effectiveness and will thus continue to align its program to national development strategies and to coordinate its interventions with other donors, especially with the European Commission. Joint implementation schemes will be sought to enhance commonalities among like-minded donors in view of greater impact in the priority sectors.

4.2 Resources

During the past 3 years, program budget has grown from CHF 5.7 mln to CHF 6.2 mln per year. A slight increase from CHF 6.2 mln to CHF 6.5 mln per year is foreseen during the next four years.



The multiple tasks in managing programs, alignment, harmonization, networking, policy dialogue as well as in steering and monitoring requires making adequate human resources in quantity and in quality available to the Cooperation Office in Chisinau.

Knowledge Management will continue to be promoted to ensure mutual learning within the cooperation office, among partners in Moldova, and beyond. SDC in Moldova will also become an active member of the SDC thematic networks water and health.

4.3 Monitoring and controlling

The monitoring of the cooperation strategy has a twofold objective: improved steering mechanisms for enhanced effectiveness, and accountability. The strategic monitoring will be performed at three levels: at country level (i) monitoring the country's performance in delivering the expected results as stipulated in the National Development Strategy, in the national sector, and in sub-sector strategies; at the level of the

Swiss portfolio (ii) monitoring of the achievements at the project and program; and at the level of the Swiss Cooperation Office in Chisinau (iii) monitoring the performance of the team with regard to the efficient use of resources, learning and knowledge management, and the implementation of approaches and modalities.

Components	Instruments	Focal Areas	Periodicity	Modality
Context Cooperation Strategy relevance	MERV Sector analysis	Development-relevant changes	1 or 2 times/year	Partly In-house Partly outsourced
Program Effectiveness, efficiency, sustainability and coherence of Cooperation Strategy implementation	Annual Report	Effectiveness of projects in achieving annual targets to reach CS objectives.	1 report/year	In-house
	Specific Reviews and data studies		1 time/year	Partly In-house Partly outsourced
Management Swiss Cooperation Office efficiency	Annual Program	Swiss Cooperation Office capacity to reach annual targets.	1 report/year	In-house
	Dash board	Attainment of a core set of efficiency objectives as per targets (to be defined)	Once/year	In-house



The cooperation strategy will be monitored annually. The Swiss portfolio will be analyzed in the light of the Moldovan context, and in light of its effectiveness in achieving results/targets. If necessary and to complement the annual report, a mid-term review of the Strategy will take place in 2011. To assess the progress of the strategy in reaching its set-out results, a more detailed monitoring instrument with qualitative and quantitative indicators and targets defined on the basis of baseline figures will be finalized during the first six months of the cooperation strategy period. In February 2013, a final assessment of the Cooperation Strategy implementation and achievement will be conducted providing indications on the future involvement of SDC in Moldova.

Endnotes

1. Hereafter referred to as Moldova.
2. Vlad Kulminski, Hans Martin Sieg, *Die Europäisierung Moldovas: Eine Strategie zur Lösung des Transnistrienkonflikts*, Osteuropa, No. 59, pp. 17-28.
3. National Human Development Report 2006.
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6. Progress Report Republic of Moldova, Implementation of the European Neighbourhood Policy in 2008, European Commission, April 2009. Joint Declaration of the Prague Eastern Partnership Summit, Prague, 7 May 2009.
7. Activity Program of the Government of the Republic of Moldova 2009-2013 "European Integration: Freedom, Democracy, Welfare", Chisinau 2009. <http://gov.gov.md/en/govraport/>.
8. Unlike SDC Priority Countries, Special Programs envisage Swiss support with a medium-term outlook and focus only on two development priorities.
9. Both priorities reflect SDC Priority Themes – Health and Employment and Income – while Rehabilitation reflected the focus of SDC Humanitarian Aid.
10. Ecological sanitation, also known as ecosan or eco-san, is a sanitation process that uses human excreta and household wastewater as resources to be recovered, treated (where necessary), and reused, instead of as waste. Unlike most conventional sanitation methods, ecological sanitation processes human waste (as well as sometimes animal waste, and organic kitchen waste) to recover nutrients (usually for the purpose of growing crops) that would otherwise be discarded. Source: <http://en.wikipedia.org>, September 2009.
11. Early neonatal mortality refers to a death of a live-born baby within the first seven days of life, while late neonatal mortality covers the time after 7 days until up to 28 days. The sum of these two represents the neonatal mortality.
12. The South-Eastern Europe Mental Health Project enhances social cohesion through strengthening community mental health services. The project was developed at the end of the 1990s by the South East European Health Network under the auspices of the Social Cohesion Initiative of the Stability Pact for South-Eastern Europe, and in cooperation with the Council of Europe and WHO.
13. The new law on public administration in 2003 divided the country into 32 administrative districts (Rayons), 3 municipalities and 2 autonomous territories. This reform set the basis for the regionalisation of health services. While primary health care centres (primary level of care) have become autonomous from administrative district hospitals (secondary level), specialised care will be provided at the municipal level hospitals (secondary level). Specialised, reference health institutions in the capital constitute the tertiary level of the national healthcare system.
14. Infant mortality is defined as the number of deaths of infants (one year of age or younger) per 1000 live births and includes the neonatal mortality (see under 6).
15. Moldova Health System Review, Health Systems in Transition Vol. 10 No. 5 2008, European Observatory on Health Systems and Policies, p. 12.
16. Assessment of the SDC 2007-2009 Cooperation Strategy for Moldova, ExpertGroup, April 2009.

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