

X. ANNEXES

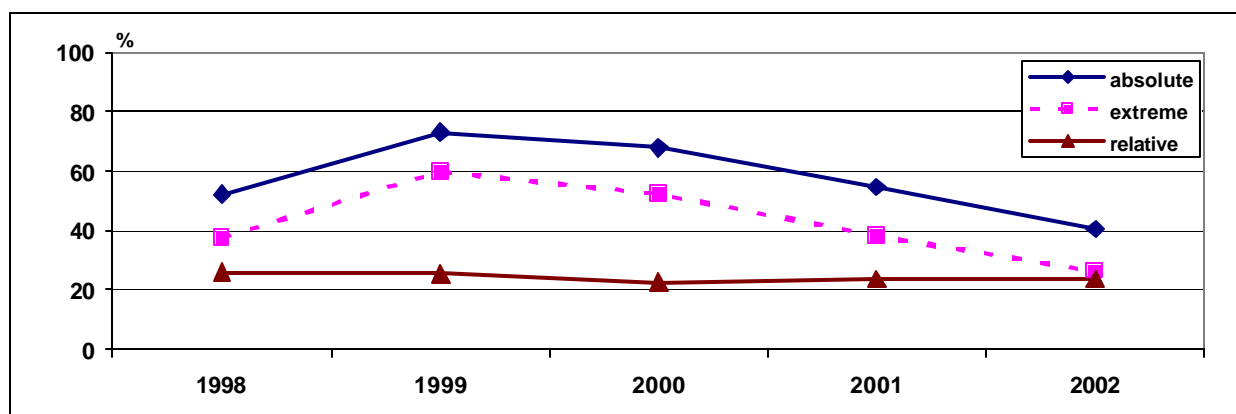
ANNEX I. POVERTY PROFILE

Table 1.1. **HOUSEHOLD MEMBERS, THEIR rate and structure OF POVERTY according to the selected characteristics, 2002 (percent)**

	All household members	Poor		Extremely poor	
1. Residence					
Urban	36.8	32.2	29.9	19.4	27.5
Rural	63.2	45.1	70.1	30.2	72.5
Total	100.0	40.4	100.0	26.2	100.0
2. Household size					
1 person	10.4	34.6	9.1	19.6	8.0
2 persons	22.6	32.9	18.4	18.7	16.0
3 persons	22.8	35.4	20.2	20.4	18.0
4 persons	25.2	43.4	26.8	30.6	28.9
5 persons	12.4	49.8	15.2	36.6	17.3
6 and more persons	6.7	63.0	10.3	46.4	11.8
Total	100.0	40.4	100.0	26.2	100.0
3. Household type					
One-member Household	10.4	34.6	9.1	19.6	8.0
Couple without children	16.3	32.5	13.1	17.4	10.8
Couple with under-18 children	30.9	42.0	32.2	28.3	33.1
Lone parent with under-18 children	6.9	34.4	5.9	22.4	5.9
Other households with under-18 children	22.7	48.0	26.9	34.6	30.1
Other households without children	12.7	40.9	12.8	25.2	12.1
Total	100.0	40.4	100.0	26.2	100.0
4. Household composition					
Household with 1 child	26.8	36.1	24.4	23.9	24.6
Household with 2 children	23.8	45.4	26.4	31.9	28.7
Household with 3 children	7.4	53.4	9.7	38.5	10.9
Household with 4 and more children	2.7	69.5	4.5	48.6	4.9
Household without children	39.3	35.8	35.0	20.5	30.9
Total	100.0	40.4	100.0	26.2	100.0
5. Social-economic groups					
Farmers	20.8	47.3	24.0	32.7	25.8
Agricultural employees	14.7	56.0	20.1	39.5	22.4
Non-agricultural employees	34.1	28.0	24.1	17.0	21.9
Entrepreneurs	2.3	18.8	1.0	6.1	0.5
Pensioners	26.1	45.5	29.1	28.4	27.9
Others	2.1	32.6	1.7	19.9	1.6
Total	100.0	40.4	100.0	26.2	100.0
6. Main source of income					
Remunerated activity	31.7	29.3	23.4	18.2	22.0
Individual agricultural activity	41.8	46.8	48.0	31.5	49.9
Individual non-agricultural activity	2.2	22.6	1.2	11.7	0.9
Social allowances	12.6	59.1	18.1	39.1	18.5
Other sources	11.7	32.3	9.3	19.1	8.6
Total	100.0	40.4	100.0	26.2	100.0
7. Number of employees					
1 person households					
Without an employee	7.2	42.3	7.6	23.3	6.5
1 employee	3.2	18.5	1.5	11.7	1.5
Households with 2 and more employed					
Neither person works	12.5	44.3	13.3	26.1	12.0
1 employee	21.6	35.1	19.1	22.1	18.2
Two employees	42.0	39.7	41.5	26.2	42.4
Three and more employees	13.5	51.8	17.0	38.2	19.5
Total	100.0	40.4	100.0	26.2	100.0
8. Educational level of the HH head					
Higher and incomplete higher education	11.5	13.3	3.9	6.3	2.7
Secondary and vocational studies	58.0	40.8	58.5	26.3	58.2
Incomplete secondary and primary education	27.2	49.4	33.0	34.0	34.9
No primary education or illiterate	3.2	59.2	4.7	34.5	4.2
Total	100.0	40.4	100.0	26.2	100.0

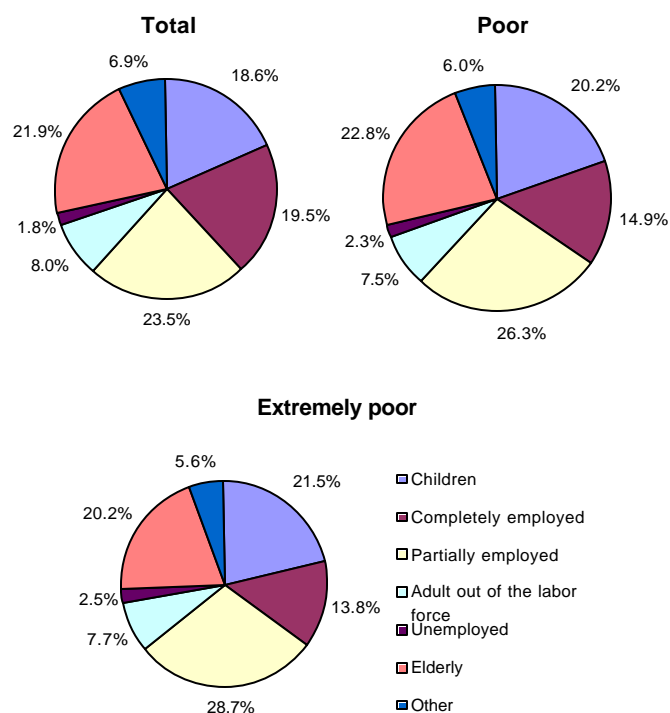
Source: PPMU based on HBS data.

Diagram 1.1. Evolution of the absolute, extreme and relative poverty rate in 1998 - 2002



Source: PPMU based on HBS data.

Diagram 1.2. The structure of population in poverty and extreme poverty (2002)



Source: PPMU based on HBS data.

Table 1.2. Child poverty rate in Moldova, 2002 (percent)

	All		Urban		Rural	
	Poor	Extremely poor	Poor	Extremely poor	Poor	Extremely poor
CHILDREN - TOTAL	45.2	31.2	35.7	21.6	50.0	36.1
under 5 years	48.0	34.5	32.5	21.1	55.3	40.8
MALE	44.2	30.3	34.3	19.9	49.4	35.7
Under 5 years	46.9	33.1	31.2	18.4	54.4	40.2
FEMALE	46.2	32.1	37.2	23.4	50.7	36.5
Under 5 years	49.2	36.1	34.0	24.3	56.3	41.5

Source: PPMU based on HBS data.

Table 1.3. Structure of poor and extremely poor economically active* population by their employment status, 2002 (percent)

	Total	Poor	Extremely poor
Total economically active population:	100.0	100.0	100.0
Employed	97.8	97.1	96.8
of which:			
- fully employed	68.4	63.5	59.7
- partially, casually employed or in administrative leave)	29.4	33.6	37.1
Unemployed	2.2	2.9	3.2

* The economically active population is the total population of 14-62 years old men and 14-57 years old women who are employed, partially employed or unemployed.

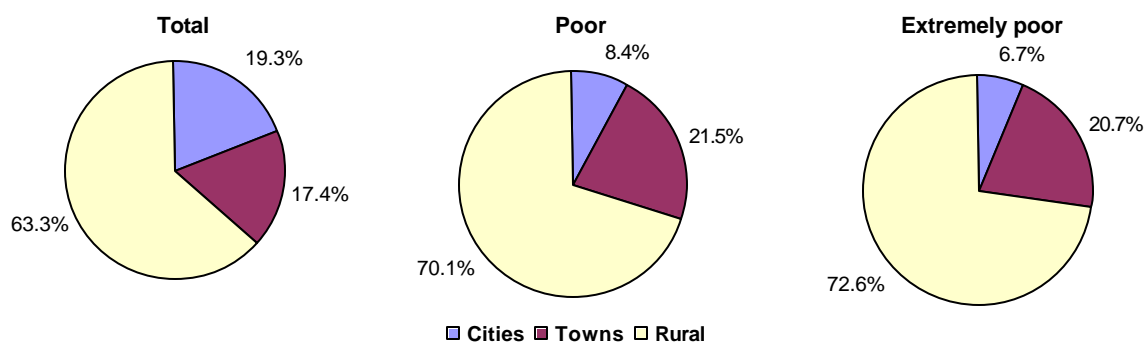
Source: PPMU, based on HBS data.

Table 1.4. Temporal aspects of poverty, 1999 - 2002

	Number of HHs	Percentage
Total	930	100.0
One-off poverty (1 out of 4 years)	212	22.8
Repeated Extreme Poverty (2, 3, 4 out of 4 years)	617	52.7
including:		
2 out of 4 years	207	22.3
3 out of 4 years	198	21.3
4 out of 4 years	85	9.1
Non-poor (0 out of 4 years)	228	24.5

Source: PPMU based on HBS data.

Diagram 1.3. Distribution of the poor by type of residence areas, 2002



Source: PPMU based on HBS data.

Table 1.5. Poverty indicators by residence areas, 2002 (percent)

	Rate - P ₀		Gap - P ₁		Severity - P ₂	
	Poverty	Extreme poverty	Poverty	Extreme poverty	Poverty	Extreme poverty
Total	40.4	26.2	12.4	6.6	5.2	2.4
Urban:	32.2	19.4	9.7	5.1	4.1	2.0
cities	16.5	8.5	4.2	1.8	1.5	0.6
towns	53.2	33.9	17.1	9.5	7.5	3.8
Rural	45.1	30.2	14.1	7.5	5.9	2.7

Source: PPMU based on HBS data.

Table 1.6. Structure of the poor by socio-economic groups in rural areas, 2002 (percent)

	Total	Poor	Extremely poor
Total	100.0	100.0	100.0
Farmers	32.0	33.1	34.5
Agricultural employees	22.3	27.8	30.3
Non-agricultural employees	14.3	9.0	8.1
Entrepreneurs (non-farm self-employed)	1.2	0.5	0.1
Pensioners	29.6	29.3	26.8
Others	0.5	0.2	0.1

Source: PPMU based on HBS data.

Table 1.7. Structure of the poor by socio-economic groups in urban areas, 2002 (percent)

	Total	Poor	Extremely poor
Total	100.0	100.0	100.0
Farmers	1.5	2.6	2.6
Agricultural employees	1.5	2.0	1.5
Non-agricultural employees	68.1	59.5	58.2
Entrepreneurs	4.0	2.1	1.5
Pensioners	20.0	28.6	30.7
Others	4.8	5.2	5.5

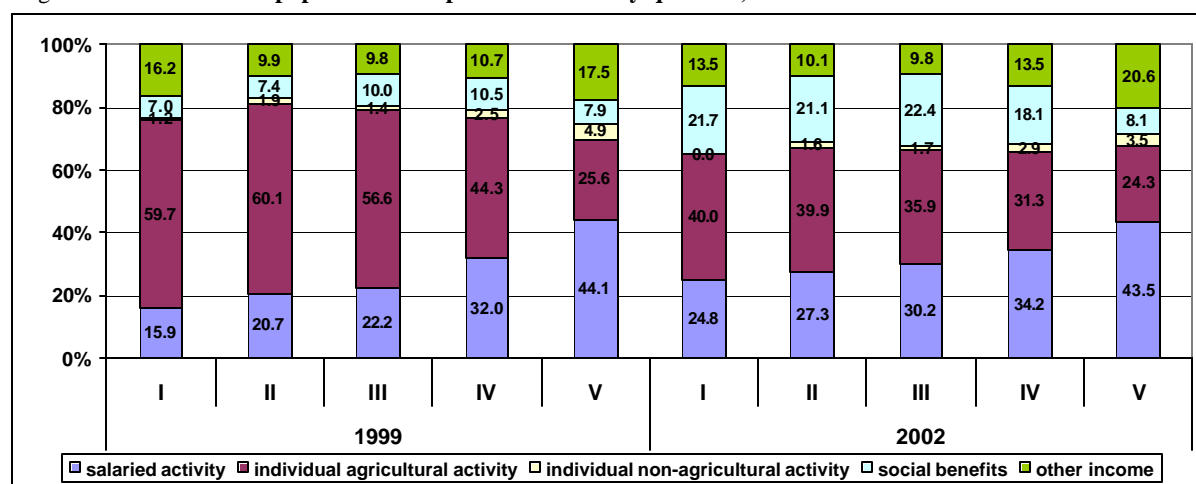
Source: PPMU based on HBS data.

Table 1.8. Poverty rate by Gender, 2002 (percent)

	Poor	Extremely Poor
Household members – total	41.5	26.9
Men	41.4	26.9
Women	41.6	27.0
Household heads – total	38.6	23.8
HH Head – men	38.9	23.8
HH Head – women	38.3	23.7

Source: PPMU based on HBS data.

Diagram 1.4. Structure of population's disposable income by quintiles, 1999 and 2002



Source: PPMU based on HBS data.

Table 1.9. Structure of disposable income of the extremely poor by activity in urban and rural areas, 2002 (percent)

	Urban	Rural
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Total	100.0	100.0
salaries activity	52.3	14.0
individual agricultural activity	8.0	52.0
individual non-agricultural activity	2.4	0.6
social benefits	27.1	22.6
other income	10.2	10.8

Source: PPMU based on HBS data.

Table 1.10. Structure of disposable income by type of sources, 2002 (percent)

	total income	income in cash	income in kind
rural poor	100.0	44.9	55.1
rural population	100.0	49.5	50.5
urban poor	100.0	87.7	12.3
urban population	100.0	89.8	10.2
total poor	100.0	57.6	42.4
total population	100.0	67.5	32.5

Source: PPMU based on HBS data.

Table 1.11. Poverty rate in households by gender and age of the head, 2002 (percent)

Age of the HH head	Total HH		Gender of HH head			
	Poor	Extremely poor	Men		Women	
			Poor	Extremely poor	Poor	Extremely poor
Total	38.6	23.8	38.9	23.8	38.3	23.7
Below 30	23.7	14.2	31.9	19.0	15.8	9.5
30 – 39 years old	38.1	24.0	40.7	26.1	32.5	19.5
40 – 49 years old	38.1	25.9	40.2	27.8	33.6	21.8
50 – 59 years old	36.2	21.9	35.8	20.8	36.9	23.7
60 – 69 years old	39.5	23.1	37.4	20.9	42.2	25.9
70 – 75 years old	46.2	24.3	44.8	23.3	47.6	25.3
Over 75 years old	51.6	32.7	41.8	24.2	57.3	37.6

Source: PPMU based on HBS data.

Table 1.12. Poverty rate by type of household, 2002 (percent)

	Poor	Extremely poor
Total	38.6	23.8
HH with one member	36.2	20.6
Family couple without children	33.5	17.9
Family couple with children	41.6	27.2
One adult with children	32.9	21.4
Other HH with children	47.6	34.4
Other HH without children	41.6	25.1

Source: PPMU based on HBS data.

Table 1.13. Poverty rate in HHs headed by pensioners, 2002 (percent)

	Total		Urban		Rural	
	Poor	Extremely Poor	Poor	Extremely Poor	Poor	Extremely Poor
Total households	38.6	23.8	32.7	19.3	42.6	26.7
HH headed by pensioners – total	45.0	26.2	48.0	29.6	43.6	24.5
HH headed by pensioners – men	41.6	23.0	47.2	29.0	39.8	21.2
HH headed by pensioners – women	48.0	28.9	48.4	29.9	47.8	28.2

Source: PPMU based on HBS data

Table 1.14. Poverty rate by presence of disabled persons in households, 2002 (percent)

	Poor			Extremely Poor		
	Total	Urban	Rural	Total	Urban	Rural
Total	38.6	32.7	42.6	23.8	19.3	26.7
Without Disabled	38.7	32.3	42.9	23.9	18.9	27.3
With Disabled	38.3	35.3	40.3	22.6	22.4	22.7

Source: PPMU based on HBS data.

Table 1.15. Access to the social infrastructure / public institutions, 2002

Institution:	Total			Urban			Rural		
	Extremely poor	Poor	Non-poor	Extremely poor	Poor	Non-poor	Extremely poor	Poor	Non-poor
Clinic, medical station: number of visits per month	0.24	0.25	0.58	0.31	0.35	0.79	0.21	0.21	0.43
Hospital: number of visits per month	0.02	0.03	0.23	0.01	0.03	0.24	0.03	0.03	0.22
Post-office: : number of visits per month	0.85	0.90	1.01	0.67	0.70	0.85	0.94	1.00	1.12
Public administration offices: number of visits per month	0.20	0.21	0.24	0.04	0.04	0.07	0.28	0.29	0.37

Source: PPMU based on HBS data.

Table 1. 16. Structure of the poor and non-poor by educational attainments and residence area, 2002 (percent)

	Poor			Non-poor		
	Total	Urban	Rural	Total	Urban	Rural
Total	100.0	100.0	100.0	100.0	100.0	100.0
Higher and incomplete higher	4.1	8.6	2.0	15.4	27.8	6.2
Secondary and vocational	47.8	61.4	41.6	51.5	56.6	47.6
Incomplete secondary and primary	42.6	26.4	49.9	30.2	14.9	41.5
No primary education and illiterate	5.5	3.6	6.4	3.0	0.7	4.7

Source: PPMU based on HBS data.

Table 1.17. Poverty rate by educational attainments, in rural and urban areas, 2002 (percent)

	Poor			Extremely poor		
	Total	Urban	Rural	Total	Urban	Rural
Total	40.6	33.4	45.0	25.9	20.0	29.5
Higher and incomplete higher	15.3	13.4	21.0	7.4	5.9	11.7
Secondary and vocational	38.9	35.2	41.7	24.4	21.4	26.8
Incomplete secondary and primary	49.1	47.0	49.6	32.6	29.7	33.4
No primary education and illiterate	56.2	73.1	53.1	35.2	42.3	33.9

Source: PPMU based on HBS data.

Table 1.18. Rate of enrollment in the educational system by poverty status and residential area, 2002

	All HH members			Poor			Extremely poor			Non-poor		
	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural
Gross Enrollment Rates												
Primary Education	1.02	1.03	1.01	1.01	1.00	1.01	1.01	1.02	1.01	1.03	1.04	1.02
Secondary Education	0.79	0.82	0.77	0.75	0.79	0.73	0.74	0.77	0.73	0.82	0.84	0.81
Higher Education	0.27	0.44	0.10	0.11	0.27	0.04	0.09	0.23	0.03	0.36	0.50	0.16
Net Enrollment Rates												
Primary Education	0.93	0.94	0.93	0.92	0.92	0.92	0.92	0.92	0.92	0.94	0.95	0.94
Secondary Education	0.78	0.81	0.76	0.74	0.78	0.72	0.73	0.77	0.71	0.81	0.83	0.80
Higher Education	0.17	0.29	0.06	0.07	0.17	0.01	0.05	0.15	0.01	0.24	0.33	0.10

Source: PPMU based on HBS data

Table 1.19. Inequality of the household disposable income 'before' and 'after' social transfers

Years	Gini	
	Before social transfers	After social transfers
1998	0.4448	0.4435
1999	0.4351	0.4342
2000	0.4172	0.4165
2001	0.4308	0.4279
2002	0.4241	0.4214

Source: PPMU based on HBS data.

Table 1.20. Incidence of social transfers, 2002 (percent)

	Total	Poor	Non-poor	Poverty rate
Total	100.0	100.0	100.0	23.8
Households:				
- without beneficiaries	85.3	86.9	84.7	24.2
- with beneficiaries	14.7	13.1	15.3	21.1

Source: PPMU based on HBS data.

ANNEX 2. METHODOLOGICAL PRINCIPLES FOR THE EVALUATION OF THE ABSOLUTE POVERTY LINE

(Excerpt from the document awaiting approval by
the Ministry of Economy and the Department of Statistics and Sociology
of the Republic of Moldova)

1. Background: The proposed methodology for calculation of the absolute poverty line was developed in conformity with the Decision of the Government of the Republic of Moldova no. 619 of 16 May 2002 „On approval of the Plan of actions designed to build the capacity for poverty monitoring and evaluation for the period 1 June 2002 – 31 May 2005”.

The absolute poverty line shall be used for the purpose of poverty analysis and evaluation of anti-poverty impact of the Government policies, and will be conducted on a regular basis over the long period of time. The methodology deals with three fundamental issues in the measurement of poverty: *measuring welfare* of the population - *comparing households* of different size and composition (equivalence scale) – *designing the poverty line*.

2. Conceptual and methodological principles.

The basic unit of the poverty measurement and analysis is *household* (as defined in the Household Budget Survey). The basic measure of population's welfare is household's *consumption expenditures* (considered a more reliable and accurate measure of welfare than widely underreported in statistical surveys income). They include expenditures for food consumption (including imputed market value of items taken from household's production), for non-food items and payment for services. *Population's consumption expenditures per capita* (divided by the number of persons in the sampled households) and '*equivalized*' *consumption expenditures* (divided by adult-equivalent number of household members) are (to be) used for measuring the household welfare level.

?? To ensure comparability between households surveyed in different months, the consumption expenditures will be *deflated* using the monthly *Consumer Price Index (CPI)*, the prices as of January of the year of study will be taken for the base.

?? To ensure compatibility between households of different size and composition *the OECD equivalence scale* will be used (according to which value of 1.0 is assigned to the first adult at a household; 0.7 to each other adult; and 0.5 to each child aged under 15). This is a temporary solution, as it is expected that a country-specific equivalence scale be developed.

3. The method of calculation of the absolute poverty line.

According to its „absolute” nature -- being rendered in the concept of the minimum standard of living -- this method focuses on estimating the amount of money necessary to guarantee meeting the basic needs defined in terms of food and non-food requirements (necessities). At its core is the food-energy-intake method of assessing the value of food consumption level meeting the energy requirement for health and normal activity, defined in terms of minimum of daily calories intake equal to 2282 Kcal per person per day. Subsequently, minimal requirement of non-food items (including services) is also assessed and added to the food component resulting in absolute poverty threshold, as below.

?? **Determining the absolute extreme poverty line (or the food line):** The population in 2nd to 4th deciles of the distribution of the total consumption expenditure is selected (the population in the 1st decile is not included because the consumption structure of this group differs significantly from the rest of the population). The food basket for this group consists of 46 products. The food-energy-intake of each product is calculated (according to the Alimentation Institute of the Academy of Science USSR, 1989) and its percentage share in total consumption expressed in calories is established. The caloric input of each consumed product is adjusted to the value of 2282 kcal/day, the required food consumption per person in the Republic of Moldova stipulated in the Decision of the Government of the Republic of Moldova „Regulations relating to the procedure of calculation of the existence minimum” no. 902 of 28 August 2000). The resulting amount of money represents the value of *the food line* or *extreme poverty line*.

?? **Establishment of the absolute poverty line** is based on the assumption that the population whose consumption expenditures are equal to the food line spend for non-food consumption only a required

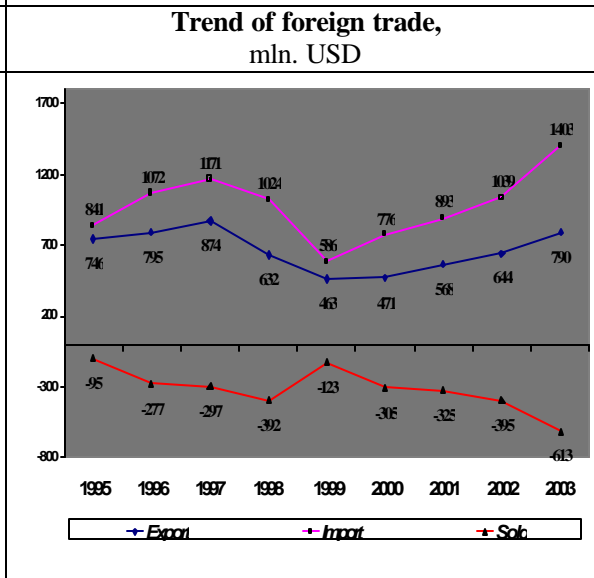
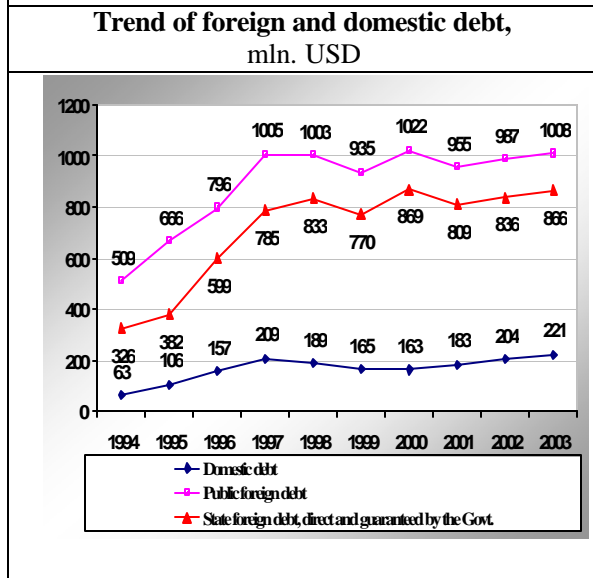
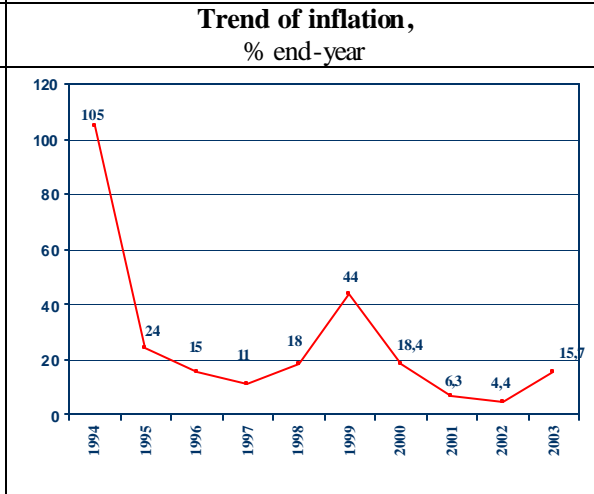
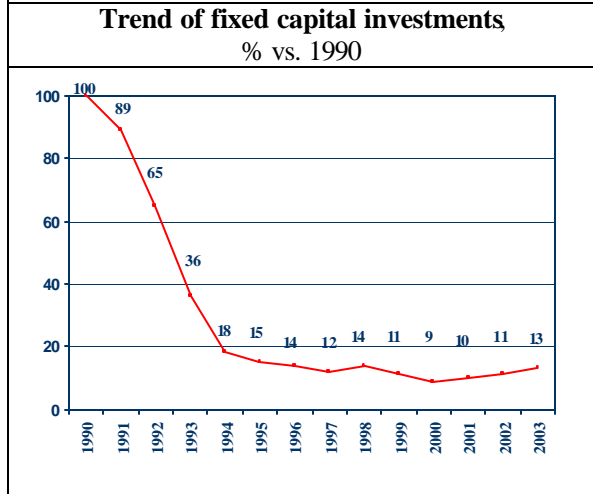
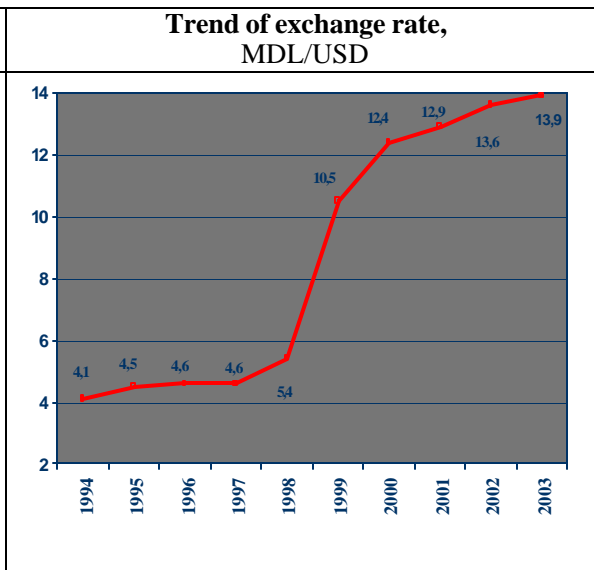
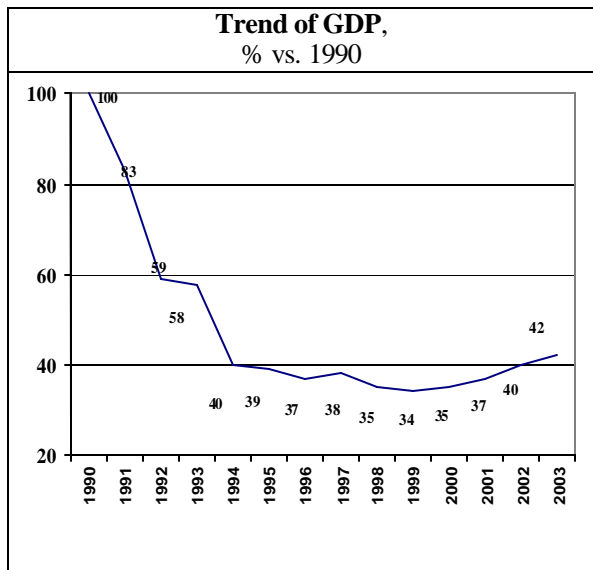
minimum. Thus, the amount spent by this population for non-food and services is added to the food line (absolute extreme poverty line), as follows:

Select the population, whose consumption expenditures (C_T) match the food line (S_{ex}) ? the standard deviation (s) of this value: $C_T = S_{ex} \pm s$. Establish the actual structure of the monthly consumption expenditures for this population group and consumption structure is calculated on the basis of structure of the monthly consumption expenditures (which represent the share of food and non-food consumption in the total amount of consumption). To obtain the absolute poverty line, the value of the food line (S_{ex}) line is added to the food line quantum multiplied by the established coefficient of non-food component ($S_{ex} \times$ the share of non-food products and services): $S = S_{ex} + (S_{ex} \times \text{the share of non-food products and services})$.

ANNEX 3. MAIN SOCIO-ECONOMIC INDICATORS IN 2000-2003

	Meas. Unit	2000	2001	2002	2003
Nominal Gross Domestic Product (GDP)	mln. MDL	16020	19052	22556	27297
vs. previous year, in comparable prices	%	102,1	106,1	107,8	106,3
Consumer Price Index, annual average					
vs. previous year	%	131	109,6	105,2	111,6
Inflation rate:					
monthly average	%	1,4	0,5	0,4	1,2
end-year	%	18,4	6,3	4,4	15,7
Gross monetary reserve of the NBM (end-year)	mln. USD	204	228,5	268,9	302,3
Commercial bank loans to the economy (end-year)	mln. MDL	2291,2	3101,3	4165,8	5999,7
Monetization:					
Cash in circulation vs. GDP (M0)	%	9,2	9,6	10,1	10,0
Monetary mass vs. GDP (M2)	%	15,7	18,2	20,0	20,6
Monetary mass vs. GDP (M3)	%	21,9	25,1	28,9	31,2
Monetary multiplier (M3)		1,80	1,92	2,00	2,23
Dollarization of deposits	%	48,8	44,8	47,2	50,1
Exchange rate of the national currency:					
average	MDL/USD	12,43	12,87	13,57	13,94
end-year	MDL/USD	12,38	13,09	13,82	13,22
Foreign trade					
Export (F.O.B.)	mln. USD	471,5	568,1	643,9	790,3
vs. previous year	%	101,7	120,5	113,3	122,7
Import (C.I.F.)	mln. USD	776,4	892,7	1038,5	1402,7
vs. previous year	%	132,4	115,0	116,3	135,1
Trade balance - total	mln. USD	-304,9	-324,6	-394,6	-612,4
%, vs. GDP	%	-23,7	-21,9	-23,7	-21,3
Import coverage by export	%	60,7	63,6	62,0	56,3
Current account of balance of payments	mln. USD	-125,7	-91,7	-98,2	-212
%, vs. GDP	%	-9,8	-6,2	-5,9	-10,8
Consolidated budget					
Revenues	mln. MDL	4102,4	4324,9	5084,4	6620,1
Expenditures	mln. MDL	4268,8	4325,9	5194,1	6179,3
Deficit (-), surplus (+)	mln. MDL	-166,4	-1	-109,7	440,8
%, vs. GDP	%	-1,0	-0,0	-0,5	1,6
State domestic debt (end-year)	mln. MDL	2022,2	2400,5	2821,4	2920,4
%, vs. GDP	%	12,6	12,6	12,5	10,7

	Meas. Unit	2000	2001	2002	2003
Foreign debt - total (end-year)	mln. USD	1254,8	1255,0	1361,3	1436,9
% , vs. GDP	%	97,4	84,8	81,9	73,4
Foreign debt - public (end-year)	mln. USD	1022,0	954,9	987,0	1008,2
% , vs. GDP	%	79,3	64,5	59,4	51,5
State foreign debt, direct and guaranteed by the Govt. (end-year)	mln. USD	867,8	809,0	835,6	866,1
% , vs. GDP	%	67,3	54,7	50,3	44,2
Industrial production					
vs. previous year, in comparable prices	%	107,7	113,7	110,8	113,6
Agricultural production					
vs. previous year, in comparable prices	%	96,7	106,4	103,4	85,9
Fixed capital investments					
vs. previous year, in comparable prices	%	85	111	111	116
Commodities transported by specialized transport enterprises	mln. tons	11,1	13,5	16,4	18,6
Amount of retail sales					
vs. previous year, in comparable prices	%	104	114,8	134,2	118,2
Amount of paid services to population					
vs. previous year, in comparable prices	%	100,1	121,2	111,8	112,5
Nominal wage of economy workers (monthly average)	MDL	407,9	543,7	691,5	892
vs. previous year:					
<u>nominal</u>	%	<u>134</u>	<u>133</u>	<u>127</u>	<u>129</u>
real	%	102	122	121	116
Amount of established pension (end-year)	MDL	85,1	135,8	161,0	210,5
vs. previous year:					
<u>nominal</u>	%	<u>103</u>	<u>160</u>	<u>119</u>	<u>131</u>
real	%	78	146	113	117
Number of unemployed (at the end of period):	thou.				
according to ILO	persons	140	118	110	117
unemployment rate, according to ILO	%	8,5	7,3	6,8	7,9



ANNEX 4. THE FORECAST OF MACROECONOMIC INDICATORS FOR 2004-2006

Moderate (basic) scenario

Indicators	Meas. Unit	2000	2001	2002	2003	2004	2005	2006
		<i>De facto</i>				Updated estimates	forecast	
Nominal GDP	billion MDL	16,02	19,05	22,56	27,3	30,6	34,9	38,8
Vs. previous year, in comparable prices	%	102,1	106,1	107,8	106,3	106	105	105
GDP Structure								
Gross Value Added	%	87,5	88,0	87,3	85,6	85,0	84,9	85,2
agriculture	%	25,4	22,4	21,0	19,3	17,1	16,2	15,0
industry	%	16,3	18,7	17,3	17,8	18,2	18,8	19,6
services	%	48,2	49,2	51,0	50,8	52,2	52,5	53,3
financial intermediation services	%	-2,4	-2,3	-2,1	-2,3	-2,5	-2,6	-2,7
Net taxes on products and	%	12,5	12,0	12,7	14,4	15,0	15,1	14,8
Final consumption	%	103,0	101,1	103,2	108,8	108,3	106,3	104,3
by households	%	87,6	86,0	82,0	89,5	89,5	88,0	86,4
by public and private administration	%	15,4	15,1	21,3	19,4	18,8	18,3	17,9
Gross capital formation	%	23,9	23,3	21,7	21,7	22,1	22,6	23,0
gross fixed capital	%	15,4	16,7	16,3	17,1	17,9	18,7	19,3
stocks variation	%	8,5	6,5	5,3	4,6	4,2	3,9	3,7
Net export	%	-27,0	-24,4	-24,9	-30,5	-30,4	-28,9	-27,3
Consumer Price Index								
annual average	%	131,1	109,6	105,2	111,6	110,0	108,9	106,9
end-year	%	118,4	106,3	104,4	115,7	109,0	108,0	106,0
MDL exchange rate								
annual average	MDL/USD	12,4	12,9	13,6	13,9	13,5	14,4	15,0
end-year	MDL/USD	12,4	13,1	13,8	13,2	14,1	14,9	15,4
Export								
mln. USD		471	568	644	790	900	1020	1140
Vs. previous year	%	101,7	120,5	113,3	122,7	114	113	112
Import								
mln. USD		776	893	1039	1403	1525	1632	1730
Vs. previous year	%	132,4	115,0	116,3	135,1	109	107	106
Trade balance – total								
mln. USD		-305	-325	-395	-613	-625	-612	-590
Current account of balance of payments								
mln. USD		-125,7	-91,7	-98,2	-212	-175	-141	-117

Indicators	Meas. Unit	2000	2001	2002	2003	2004	2005	2006
		<i>De facto</i>				Updated estimates	forecast	
%, vs. GDP	%	-9,8	-6,2	-5,9	-10,8	-7,7	-5,8	-4,5
Consolidated budget								
Revenues	mln. MDL	4102,4	4324,9	5084,4	6620,1	7109,2	8206,9	8904,1
Expenditures	mln. MDL	4268,8	4325,9	5194,1	6179,3	6769,2	8007,4	8608,6
Deficit (-), surplus (+)	mln. MDL	-166,4	-1	-109,7	440,8	340	199,5	295,5
%, vs. GDP	%	-1,0	-0,0	-0,5	1,6	1,1	0,6	0,8
Monetization (monetary mass (M3) vs. GDP)	%	21,9	25,1	28,9	31,2	36,0	39,4	43,9
Industrial production in current prices	billion MDL	8,2	10,4	12,6	16,2	18,8	22,5	26,3
Vs. previous year, in comparable prices	%	107,7	113,7	110,8	113,6	112	111	110,5
Agricultural production in current prices, in all households	billion MDL	8,3	8,6	9,5	10,3	10,5	11,7	12,3
Vs. previous year, in comparable prices	%	96,7	106,4	103,4	85,9	107,5	104	103
Fixed Capital Investments	billion MDL	1,8	2,3	2,8	3,7 *	4,4	5,3	6,1
Vs. previous year, in comparable prices	%	85	111	111	116	113	110	109

* Estimated by the Ministry of Economy

ANNEX 5. INDICATORS FOR MONITORING THE EGPRSP IMPLEMENTATION

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
Objective I: Inclusive and sustainable economic growth								
Rate of growth in GDP, %	DSS	2,1	6,1	7,8	6,3	6	5	5
Rate of growth of Gross Regional Product at the raion level, %								
Share of processing industry in GDP, %	DSS	14,2	15,8	14,9	15,7			
Gross fixed capital investment as a share of GDP, %	DSS	15,4	16,7	16,6	16,4			
External public and publicly guaranteed debt as a share of GDP, % (end of year)	MF	67,3	54,7	50,3	44,2			
Current account balance as a share of GDP, %	NBM	-9,8	-6,2	-5,9	-10,8	-7,7	-5,8	-4,5
Foreign direct investments, million USD	NBM	136	147,1	117,1	43			
Objective II: Reducing poverty and inequality and enhancing the participation of poor in economic development								
Share of population with income of less than 1.08 USD per day, %	DSS	26,3	18,3	12	7,1			
Share of population under the absolute poverty line, %	PPMU	67,8	54,6	40,4	...			
Share of first quintile in the national consumption, %	DSS	6,7	6,6	6,8	...			
Share of population consuming less than 2280 calories per day, %	DSS							
Gini coefficient (consumption based)	PPMU	0,37	0,38	0,37			
Unemployment rate, ILO, %	DSS	8,5	7,3	6,8	7,9			
Objective III: Human resource development								
Human development index (UN)	PPMU	0,699	0,707	0,709	...			
Life expectancy at birth by gender, years:								
<i>Male</i>	DSS	63,9	64,5	64,4	...			
<i>Female</i>	DSS	71,2	71,7	71,7	...			
Death rate of population (per 1000 people):								
<i>Male</i>	DSS	12,1	11,8	12,4	...			
<i>Female</i>	DSS	10,7	10,3	10,8	...			
Rate of net enrolment in primary education, %	DSS	93,5	92,4	92,7	...			
Rate of gross enrolment in primary education, %	DSS	99,4	99,5	99,5	...			
Rate of net enrolment in general secondary education, %	DSS	87	86,8	88	...			88,9"
Rate of gross enrolment in general secondary education, %	DSS	90,2	91,1	92,2	...			

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
1. Ensuring macroeconomic stability								
Nominal Gross Domestic Product, MDL million	DSS	16020	19052	22556	27297	30600	34900	38800
Rate of growth of the Consumer Price Index (end of year), %	DSS	18,4	6,3	4,4	15,7	9	8	6
Gross Fixed Capital Investment as a share of GDP, %	DSS	15,4	16,7	16,3	17,1	17,9	18,7	19,3
Exports of Goods and Services, USD million	NBM	471	568	644	790	900	1020	1140
Imports of Goods and Services, USD million	NBM	776	893	1039	1403	1525	1632	1730
Exchange rate (MDL/USD), period average	NBM	12,4	12,9	13,6	13,9	13,5	14,4	15
Gross Official Reserves, USD million	NBM	204	228,5	268,8	302,3			
2. Poverty reduction								
Poverty line, lei per month	PPMU	234,8	257,3	270,7	...			
Poverty incidence, %	PPMU	67,8	54,6	40,4	...			
Poverty gap, %	PPMU	27	19,3	12,3	...			
Poverty severity, %	PPMU	13,7	9,1	5,2	...			
Extreme poverty line, lei per month*	PPMU	147,5	163,4	171,6	...			
Poverty incidence, %	PPMU	52,2	38	26,2	...			
Poverty gap, %	PPMU	17,6	11,6	6,6	...			
Poverty severity, %	PPMU	8,2	5,1	2,4	...			
Poverty line at 1,08\$/day (at PPP), lei per month**	PPMU	83,8	92	96,8	108.6			
Poverty incidence, %	PPMU	26,3	18,3	12	7.1			
Poverty gap, %	PPMU	10,5	7,8	4,7	2.6			
Poverty severity, %	PPMU	6,4	5,2	3	1.7			
Poverty line at 2,15\$/day (at PPP), lei per month**	PPMU	167,5	183,9	193,7	216.1			
Poverty incidence, %	PPMU	64,5	52,4	39,8	28.9			28"
Poverty gap, %	PPMU	29	21,9	15,1	9.6			
Poverty severity, %	PPMU	17,1	12,7	8,3	5.0			
3. Private sector development								
Share of private sector in GDP, %	DSS	75	76	70,5	71,2			
Foreign direct investments, USD million	NBM	136,1	147,1	117,1	43			
Number of employees in private sector, thousand	DSS	1167	1159	1166	1016			

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
Number of SMEs	DSS	19996	20518	22138	22437			
Number of employees in SMEs (more than 20 people), thousand	DSS	157	123	130,4	...			
Turnover of SMEs, MDL million	DSS	7930	9164	10833	12306			
4. Public sector reform								
Total number of public servants (beginning of the year), thousand	DSS	14,3	28,9	32,3	29,3			
Nominal wages in public administration, defense, social assistance, MDL	DSS	518	742	989	1049			
Nominal wages in public administration, defense, social assistance as a share of the average nominal monthly salary per employee in the economy, %	DSS	127	136,4	143	117,6			
Expenditures of consolidated budget for maintaining the public administration bodies as a share of GDP, %	DSS	15	11,4	11,3	7,5			
Number of registered crimes, % as compared to last year	DSS	97	99	96	85			
Corruption Perception Index***	TI	2,6	3,1	2,1	2,4			
5. Budget policy								
Revenues of consolidated budget as a share of GDP, %	MF	25,6	22,7	22,5	24,3			
Expenditures of consolidated budget as a share of GDP, %	MF	26,6	22,7	23	22,6			
Overall balance as a share of GDP, %	MF	-1	0	-0,5	1,6	1,1	0,6	0,8
6. Finance sector								
Commercial banks assets as a share of GDP, %	NBM	29,1	31,4	35,1	37,7			
Rate of growth of banking credit to the economy, %	NBM	40,1	35,4	34,3	44			
7. Infrastructure development								
Constructed new roads with hard surface, km	DSS	13,9	7,6	16,5	...			
Dwelling stock, million m ²	DSS	75,6	75,9	76,2	...			
Share of gasified dwelling stock, %	DSS	82,6	83,2	83,2	...			
Share of dwelling stock equipped with sewage system,%	DSS	29,4	29,9	30	...			
Energy consumption, million kW-h	DSS	3386,1	3400,8	3793,6	...			
Losses in the electrical network, million kW-h	DSS	907,1	439,5	383,4	...			

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
Rate of growth of turnover of goods, %	DSS	14,9	16,9	31,6	...			
Rate of growth of turnover of goods on railway, %	DSS	27	30,9	38,8	...			
Rate of growth of turnover of passenger, %	DSS	-10,8	-13,3	23,1	...			
Number of house telephone sets in the public network or connected to it, total per 100 inhabitants:	DSS	13,9	15,6	17,3	...			
<i>in urban network</i>		24	28,1	27,5	...			
<i>in rural network</i>		6,8	8,1	10,1	...			
Share of length of optical cable in total length of inland network of cable telecommunications, %	DSS	23,9	43,1	43,3	...			
8. Industry								
Employment in industry, thousand persons	DSS	161	165	171	...			
Population employed in industry as a share of total population employed in the economy, %	DSS	10,6	11	11,4	...			
Labor productivity index of big industrial enterprises, % compared to last year	DSS	112	119	112	...			
Industry as a share of GDP, %	DSS	16,3	18,7	18,6	...			
Rate of growth of industrial output, % from last year	DSS	7,7	13,7	10,8	13,6	12	11	10,5
9. Research and innovations								
Number of organizations which executed R&D works	DSS	83	81	76	...			
Number of employees who executed R&D works, thousand	DSS	8,2	7,9	6,9	...			
Execution of R&D works, MDL million	DSS	113,3	108	144,6	...			
10. Agri-food sector and rural development								
Employment in agriculture, hunting and forestry; fishing, thousand persons	DSS	766	764	747	...			
Employment in agriculture, hunting and forestry; fishing, thousand persons as a share of total employed in the economy, %	DSS	50,6	51	49,6	...			
Total area of cultivated land at the beginning of the year, ha thousand	SALRC, DSS	2550,3	2543,6	2538,7	2533,8			
Rate of growth of agricultural output, % compared to last year	DSS	-3,3	6,4	3,4	-14,1	7,5	4	3

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
Irrigated area at the beginning of the year, ha thousand, total in republic	SALRC, DSS	302	302	281	281			
Fixed capital investment in agriculture, MDL million	DSS	60,6	113,8	160,1	...			
11. Regional development policy								
Gross regional product per capita by raions, MDL		are calculated for districts			...			
Capital Investment per capita by raions, MDL					...			
12. Tourism								
Number of arrivals of foreign visitors in the country, thousand	DSS	19	15,7	20,1	23,6			
Number of departures of the visitors from the country, thousand	DSS	32,5	30,3	51,6	67,3			
Number of excursionists and tourists participating at domestic tourism, thousand	DSS	26,7	35,6	44,1	62,5			
13. Environmental protection and sustainable use of natural resources								
Lands of the forestry fund and for nature protection purposes at the beginning of the year, ha thousand	SALRC, DSS	354,4	354,6	356,2	388,3			
Area covered by forest, %	MENR	9,6	9,6	10,3	...			11,0"
Water use per hectare of irrigated land, m ³	DSS	123	107	121	...			
Proportion of population with sustainable access to an improved water source, %	MENR	37,8	38,1	38,5	...			47,7"
Proportion of population with access to improved sanitation, %	MENR		40		...			56"
Area protected to maintain biological diversity, %	MENR	1,97	1,97	1,97	...			2,1"
Water pollution, number of high pollution cases	MENR	24	20	20	43			
Air pollution by transport, tons thousand of gas and liquid detrimental substances	MENR	118,8	122,9	130,9	...			
Waste generation, tons thousand	DSS	2226,4	2039,8	2753,4	...			
Waste use, tons thousand	DSS	1117,4	836,9	1746,0	...			
14. Education								
Rate of net enrolment in primary education, %	DSS	93,5	92,4	92,7	...			
Rate of gross enrolment in primary education, %	DSS	99,4	99,5	99,5	...			
Rate of net enrolment in general secondary education, %	DSS	87	86,8	87,9	...			88,9"

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
Rate of gross enrolment in general secondary education, %	DSS	90,2	91,1	92,2	...			
Monthly nominal wage in education, MDL	DSS	247,7	336,9	463,3	612			
Monthly nominal wage in education as a share of the average nominal wage in the economy, %	DSS	60,7	62	67	68,6			
Literacy rate of 15-24 years old people, %	DSS	99,7	99,7	99,7	...			100"
Education expenditures as share in GDP, %	DSS	4,5	4,8	5,5	5,5			
Pupil-teacher ratio in education	DSS	15	15	14	14			
Number of children and teenagers without guardianship the parents placed in institutions	DSS	227	335	438	...			
Number of children and teenagers without guardianship of parents placed in families	DSS	1135	1243	1288	...			
15. Healthcare								
Birth rate, (per 1000 population)	DSS	10,2	10	9,9	10,1			
Infant mortality rate (under 1 year per 1000 newborn)	DSS	18,3	16,3	14,7	14,3			12,1"
Under 5 mortality rate, per 1000 newborn	DSS	23,3	20,3	18,2	17,8			15"
Maternal mortality rate (per 100000 of life-born)	DSS	27,1	43,9	28	21,9			23"
Proportion of births attended by skilled health personnel, %	DSS	98	99	99	...			100"
Morbidity, (number of cases per 1000 population)	DSS	357,6	338,3	352,3	...			
Mortality rate associated with tuberculosis (deaths per 100000 population)	MH	16,93	15,01	15,8	...			12"
Incidence of AIDS, per 100000 persons	DSS	0,1	0,2	0,5	1,2			
HIV carriers, per 100000 persons	DSS	4	6	5	5			
HIV/AIDS prevalence, %	MH	4,06	5,46	4,66	...			4"
HIV prevalence among 15-24 years old people, %	MH	11,9	10,9	6	...			4,9"
Proportion of 2 years old children immunized against measles, %	DSS	98,6	99,4	99,1	...			100"
Rate of immunization against diphtheria, convulsive cough, and tetanus, % of children under 2 years	MH	97,6	98,5	98,6	98,6			
Rate of immunization against poliomyelitis, % of children under 2 years	MH	97,6	98,5	98,6	98,6			
Medical doctors passed training courses, % of the total number	MH	16,2	20,5	21,6	26			

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
Average salary in healthcare, MDL	DSS	230,1	314,6	439,1	578,9			
Average salary in healthcare as a share of the average nominal monthly salary per employee in the economy, %	DSS	54,6	57,8	63,5	64,9			
Completed ambulance calls per 1000 inhabitants	DSS	144	152	162	169			
Number of visit to physicians, per 1 inhabitant	DSS	5,3	6,2	6,8	6,4			
Share of expenditures on preventive medicine in total healthcare expenditures, %	MH	3,2	3,2	2,6	2,1			
Share of expenditures on primary care in total healthcare expenditures, %	MH		18,6	16,7	17			
Healthcare expenditure as a share of GDP, %	MF	2,9	2,8	3,5	3,6			
16. Social insurance								
Average size of the monthly pension (as for January 1st according to the reporting year), MDL	DSS	85,1	135,8	161	210,5			
Real increase of the average pension, %	NSIH	87	146	113	117			
Number of pensioners as a share of total employed in the economy, %	DSS	48,3	47	45	48,4			
Ratio contributions/benefits of agricultural workers out of total revenues and expenditures, %:	NSIH							
<i>contributions</i>				12,2	7,3			
<i>benefits</i>				45,6	45			
Social insurance expenditure as a share of GDP, %	DSS	5,1	5,2	6,2	...			
17. Social assistance								
Distribution of social allowances and payments (excluding pensions) for the 1st and V quintiles, %	PPMU							
<i>1st quintile</i>		3,6	13,9	6,6	...			
<i>V quintile</i>		49,5	42,5	46	...			
Social assistance expenditures as a share of GDP, %	MLSP	3,8	2,6	2,9	2,7			
Number of old age beneficiaries of social services, homecare, thousand persons	MLSP	18	19	20	24			
Ratio between child benefits for 1,5-16 years old children and child subsistence minimum, %	DSS		5,6	4,9	4,3			

Monitoring indicator	Source	Period						
		2000	2001	2002	2003'	2004	2005	2006
18. Labor market								
Total employed in the economy, thousand persons	DSS	1515	1499	1505	1356			
Total labor force, thousand persons	DSS	2083	2088	2043	...			
Unemployment rate, ILO, %	DSS	8,5	7,3	6,8	7,9			
Average nominal monthly salary per employee in the economy, MDL	DSS	408	544	692	892			
Number of employed persons through the National Agency for Labor Force Employment, thousand persons	MLSP	22,1	24,1	24,3	26,3			
Number of people seeking for a job registered at the National Agency for Labor Force Employment	NALFE							
Number of beneficiaries of unemployment allowance and other benefits, thousand	NALFE							
Ratio between unemployment allowance and average salary in the economy, %	NALFE							
Number of disabled people willing and capable to work	DSS							
Number of specialized working places created for disabled people	DSS							
Number of marginalized people with a job	NALFE							
Average length of unemployment, months	NALFE							
Number of unemployed attending re-qualification courses	NALFE							
19. Youth policy								
Youth unemployment, thousand persons (registered unemployment)	DSS	23,3	27,8	30,6	28,4			
Rate of enrollment in education of population between 15-24 years old, %	DSS							

' Preliminary data

Targets within the context of MDG

*The extreme poverty incidence, gap, and severity indicators are calculated on the basis of adult consumption expenditures equivalent.

**The poverty incidence, gap and severity indicators among people with less than 1,08\$/day and 2,15\$/day (at PPP) are calculated on the basis of disposable income per person.

***The index is compiled by Transparency International on the basis of annual surveys measuring the degree to which corruption is perceived to exist among a country's public officials and politicians. It is a composite index, drawing on 17 surveys from 13 independent institutions, which gathers the opinions of business people and country analysts. The scores range from 10 to 0 with the latter signifying a highly corrupt environment.

ANNEX 6. EGPRSP POLICY AND ACTION PLAN MATRIX

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
Budget Policy					
Fiscal Policy	To ensure the stability and predictability of public revenues and promotion of fiscal equity, as well as stimulation of economic growth	<ol style="list-style-type: none"> 1. Extension of fiscal base; 2. Optimization of tax rates to reduce the fiscal burden both on economic agents and individuals; 3. Rationalization of fiscal facilities, to preserve those that are directed to economic growth and poverty reduction support; 4. Finalize the codification of fiscal legislation; 5. Implement the method of computerized selection of taxpayers for control, based on risks and fiscal and financial information, without leaving the office; 6. Computerization of fiscal procedures. 	Ministry of Finance	Minimum Nil Minimum Minimum Medium High	2004-2006 2004-2006 2004-2005 2005-2006 2004-2005 2004-2006
Public Expenditure Policy	To improve the efficiency of public expenditure through rationalization of expenditures and setting priorities	<ol style="list-style-type: none"> 1. Optimization of public expenditures structure to cover EGPRSP sector and inter-sector priorities; 2. Support public measures and services with a major impact on poverty reduction and economic growth; 3. Further implementation of the elements of strategic analysis and planning for public expenditures; 4. Increase the efficiency of the public finance usage through monitoring of public expenditures performance indicators. 	Ministry of Finance in cooperation with central and local public authorities	Nil Nil Medium Medium	2004-2006 2004-2006 2004-2006 2004-2006
Public Sector Reform	To establish a modern and efficient public administration, which strengthens the democratic processes and the impartial and non-political market economy based on the principles corresponding to the best European practice.				

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
Central Public Administration	<p>To raise the efficiency of central public administration</p> <p>To improve public administration bodies' decision making and strengthen its strategic approach</p> <p>To develop capacity and the human resource development system</p> <p>To improve the interaction between public administration and civil society</p>	<ol style="list-style-type: none"> 1. Establishment of a highly professional Public Administration Reform Management Unit 2. Preparation of a Strategic Plan for Central Public Administration Reform which would: <ul style="list-style-type: none"> - Prepare working papers to carry out functional assessments of the current roles, responsibilities, functions and activities of the central and local public administrations and comparison with those required for a modern democracy and market economy. Would include comparison with the same in EU accession countries, and would take into account previous activities carried out by TACIS, the World Bank and other donors; - Performing an institutional and functional analysis of central public administration; - Preparation of organization restructuring proposals based on the functional assessment, and separation of the policy formulation, the regulatory systems, and the service delivery; - Develop a methodology and guidelines for a standard process of internal self-organization for ministries and departments; - Create the single informational system for public administration authorities, including the Registry of public functions and public officials; - Make proposals to the public administration reform management unit; - Make proposals for the development of the legal framework and management systems; - Make proposals for the human resource development, covering selection, recruitment and promotion, activities, skills and upgrading, reimbursement and incentives schemes, accountability and performance appraisal, training and leadership development, - Develop and implement an efficient communication strategy for the public administration reform 	State Chancellery and Prime Minister's Office	Medium (Technical assistance and using of local consultancy capacities)	2005-2006

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
Local Public Administration	To strengthen the decentralization of the public administration involving establishment of efficient self-governing institutions, which are responsive, transparent and accessible to the public	<p>For local self-governing bodies:</p> <ol style="list-style-type: none"> 1. Improvement of the legislation for local autonomy and self- government 2. Revision of the legal, regulatory and institutional framework in line with European standards and best practices; 3. Review of the system of functions transfer to the local public administration; 4. Clear definition of functions and responsibilities demarcated from those of central public administration; 5. Identification of procedures for the transfer of delegated functions and responsibilities to local public administration bodies; 6. Provision of professional training opportunities for the employees of the local self-governing bodies; 7. Dissemination of good experience and practice regarding social consolidation and partnership for mutual assistance, the efficient use of local resources, and resolving of local problems; 8. Development of a communication and information strategy on the local public administration bodies' activities, decisions, performance, finance and community property. 	State Chancellery and Prime Ministers Office	Medium Technical assistance and use of local consultancy capacities, training, information systems and publications	2005-2006
Public Finance Management	To build an efficient and sustainable public finance management system based on instruments and mechanisms adequate to European standards	<ol style="list-style-type: none"> 1. Creation of an integrated informational system of public finance management; 2. Further development of the Medium Term Expenditures Framework and the method for drafting budgets based on programs and performance; 3. Improve and systematize the legislation concerning budgetary process and system, including fiscal area, and adjust the legislation to European Union requirements; 4. Review and approve the Budgetary Classification (new edition) according to the updated international standards; 5. Develop and implement the state debt management strategy; 6. Further develop the treasury system and improve public sector accounting record-keeping; 7. Develop and implement the strategy in the area of internal audit and financial control in the public sector. 	Ministry of Finance	Medium Medium Minimum Medium Minimum Minimum Minimum	2004-2009 2004-2006 2005-2006 2004-2006 2004-2006 2004-2006 2005-2006

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
The Judicial System	To revise the legal and institutional framework to the requirements of the rule of constitutional state and a market economy	<p style="text-align: center;">Access to justice</p> <ol style="list-style-type: none"> 1. Examine possibilities for eliminating or reducing public legal costs; 2. Participatory review together with all participants of the legal information and assistance systems; 3. Discussion with private legal professionals' representatives of the possibilities for introduction of pro-bono services. <p style="text-align: center;">Legal framework</p> <ol style="list-style-type: none"> 4. Review of the legal framework and development standards of justice area regulations <p style="text-align: center;">Judicial system</p> <ol style="list-style-type: none"> 5. Studies and evaluations of the organization and functioning of justice, covering areas from protection of individual rights to the perspectives of sustainable economic development 6. Institutional development and capacity building for legal personnel 7. Ensuring access to modern equipment and informational technologies <p style="text-align: center;">Development of the legal education system</p> <ol style="list-style-type: none"> 8. Review of legal education standards 9. Optimizing education and training curricula <p style="text-align: center;">Enforcement of court decisions</p> <ol style="list-style-type: none"> 10. Review of performance and functioning modalities of the current system of court decision execution. 	Ministry of Justice	<p>Nil</p> <p>Low + TA</p> <p>Nil</p> <p>Nil</p> <p>Low</p> <p>Medium</p> <p>Medium</p> <p>Nil</p> <p>Low/medium</p> <p>Nil</p>	<p>2004</p> <p>2005</p> <p>2004-5</p> <p>2004-5</p> <p>2004-5</p> <p>2005-6</p> <p>2005-6</p> <p>2004</p> <p>2005</p> <p>2004-5</p>
Corruption	To fight corruption with main emphasis on removing bureaucratic barriers to entrepreneurial activities which provide the main opportunities for corruption	<ol style="list-style-type: none"> 1. Minimization and simplification of the administrative regulatory framework for business and enterprise – see Private Sector Development 2. Professional capacity building and professional development in public administration – see Public Administration Reform 3. Carrying out of open discussions between the public administration, civil society and the development partners on medium term institutional reform 	See relevant sections	See relevant sections	2004-6
Private Sector Development					
Regulatory Framework	To deregulate and place the accent on estimation and monitoring of regulations' impact	<ol style="list-style-type: none"> 1. Simplification and optimization of business registration and post-registration procedures, obtaining authorizations, permits, licenses; 2. Reducing all forms of state control and reorient them to tax collection, training/education and consulting support; 3. Increasing the efficiency of paid services provided by public authorities; 4. Optimize fiscal policies and procedures, especially for SME. 	Ministry of Economy	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>	<p>2004-6</p> <p>2004-6</p> <p>2004-6</p> <p>2004-6</p>
	To adjust to legal and administrative practices of EU and international ones regarding standards, technical regulations and conformity evaluation, adjustment of the institutional framework	<ol style="list-style-type: none"> 1. Improvement of the methodological basis and procedures for the assurance of products conformity and accreditation according to international/European criteria and practices; 2. Enhancing producer's responsibility by establishing legal provisions alongside producers' conformity declaration procedures; 3. Demonopolization of the conformity assurance procedure; 4. Promoting the voluntary application of standards by developing technical regulations, concurrently with transposing international/European standards into the national system; 	Ministry of Economy, Department of Standardization and Metrology	<p>Low</p> <p>Low</p> <p>Nil</p> <p>Medium</p>	<p>2004-6</p> <p>2004-6</p> <p>2004-6</p> <p>2004-6</p>

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
		5. Creation of adequate conditions for the introduction of ISO 9000 quality and ISO 14000 environment management systems; 6. Improvement of accreditation and products conformity assurance systems' activity, aiming at their accelerated involvement into the international circuit; 7. Creation of conditions to conclude mutual recognition of conformity certificates/declarations agreements as part of the international trade circuit		Nil Medium Low	2004-6 2004-6 2004-6
Competition Promotion	To ensure the right of economic agents to benefit from competition within the law and the rules of correct and honest conduct of business; To not allow limitation of competition, abuse of dominant market position, and infringing the legitimate rights of consumers; To assign central and local public authorities to contribute to the development and protection of competition	1. Development of the National Competition Agency (NCA) 2. Preparation of new competition laws / modification of existing ones 3. Ensuring policy transparency in the area and NCA activity by creation of a web page	NCA	Low Nil Low	2004 2004-6 2004
Corporate Management	To develop corporate culture; To improve corporate management; To ensure compatibility of internal corporate system with the international one	1. Developing the draft Corporate Administration Code; 2. Improving the present legal framework and the mechanism for its application, and assuring the coherence of the legal and procedural framework with the judicial branches; 3. Creating a competitive environment inherent to market economy; 4. Undertaking a constructive dialogue between the public and the private sectors, in order to achieve balance between the interests of the Government and the business community, as well as of all the participants in corporate relations	Ministry of Economy	Nil Nil Low Nil	2004 2004-6 2004-6 2004-6
Development of SMEs	To increase SME contribution to economic growth To consolidate the role of SME in solving socio-economic problems	1. Reviewing and improving the legal and institutional framework, promoting of SME concept, elaborated on the basis of best international practices; 2. Facilitating the access of SMEs to finance through such specific actions as: microcredit lines at accessible interest rate; development of microfinancing organizations, assuring the efficient use of financial resources provided by or through the state budget, including financial support from international financial institutions and other donors. 3. Improving the access of the SMEs to information and consultancy services, including creation of a national network of informational consulting Centers, business incubators, with the active participation of the local public authorities, and attracting technical assistance; 4. Preparing qualified personnel for SMEs and promoting business culture, by outlining the importance of the economic education to young people	Ministry of Economy	Nil High Medium Medium	2004-6 2004-6 2004-6 2004-6

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
External Trade Promotion	To ensure stability, accessibility and predictability of the trade legal framework; To remove and not allow new unjustified non-tariff barriers; To rationalize the regulatory procedures aiming to reduce to a minimum "entry/exit" costs for commercial activities; To speed-up the penetration of external markets	<ol style="list-style-type: none"> 1. Analyzing and evaluating, jointly with the National Bank of Moldova and financial institutions, the factors that can improve the balance of trade and acceleration of exports; 2. Publicizing international treaties, which Moldova is party to; 3. Using the potential offered by the preferential commitments with the EU and other developed countries, analyzing the comparative advantages of local products; 4. Increasing the efficiency of Moldova's participation at multilateral negotiations within the WTO, negotiating with the EU of a preferential commercial arrangement; 5. Developing the legal and institutional framework for the services sector according to the provisions of the appropriate WTO agreement; 6. Collecting, categorizing and disseminating information regarding the conditions for local goods and services for accessing international markets; 7. Developing modern information systems, which would enhance the visibility of export trade opportunities, especially those of SMEs; 8. Using modern exports promotion tools; 9. Encouraging SMEs to create export alliances; 10. Increase the efficiency of Embassies and commercial Representations of the country in exterior for the promotion of domestic products. 	Ministry of Economy Moldova Export Agency (MEPO)	Nil Nil Nil Nil Medium Medium Medium Nil Nil	2004-6 2005 2005 2004-5 2004-6 2004-6 2004-6 2004-6 2004-6
	To optimize the Customs Administration	<ol style="list-style-type: none"> 1. Correlation of customs legislation regarding economic agents and development of open and transparent cooperation with the commercial sector; 2. Rationalizing procedures, identification and application of audit and risk assessment practices 3. Introduction of irregularities prevention system, especially for operative check of information at customs posts; 4. Standardization and optimization of customs procedures and controls, developing customs statistics in cooperation with targeted institutions; 5. Improving customs evaluation through unification of the tariff classification; 6. Developing customs information and communication system, creation of electronic customs environment; 7. Professional training and retraining, with an emphasis on poverty mitigation incentives; 8. Establishment of customs administration performance evaluation system 	Customs Department	Nil Medium Nil Medium Low Medium Medium Nil	2004-6 2004-6 2004-6 2004-6 2004-6 2004-6 2004-6 2004-6
Investment Environment	To improve legislation regarding guarantees and the protection of the rights of investors and creditors, as well as the protection of the industrial and intellectual property rights; To not create barriers to investment activities and,	<ol style="list-style-type: none"> 1. Continuing the privatization of public assets, including adjacent terrains, with the aim to use those assets more efficiently, as well as attracting "efficient" investors; 2. Modifying fiscal legislation in matters regarding improving the incentives for local and foreign investors; 3. Developing the regional infrastructure with the purpose of improving investments at the regional level; 4. Supporting the infrastructure and institutional development of the financial market in order to consolidate the role of the financial sector in the mobilization and circulation of investment resources, as well as reduce investment risks; 5. Carry out dialogues with representatives of the investor community and business, aiming to optimize the resolution of the problems pertaining to the improvement of 	Ministry of Economy	Nil Nil See infrastructure Nil Nil Low	2004-6 2004-5 2005 2005 2004-6 2004-6 2005-6

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
	depending on the case, fast elimination of such impediments; To improve and adjusting the facilitated fiscal regime, as well as the modalities of its application towards local and foreign investors	<p>the investment climate;</p> <p>6. Developing instruments and mechanisms for stimulating the banks to offer long term loans, as well as for attracting the savings of the population, including the transfers of the people employed abroad, into the investment activity;</p> <p>7. Creating an efficient system for the dissemination of information, for foreign and local investors, about the opportunities for investment in Moldova.</p>			
Cadastre	To improve the unified national system of property registration; To complete land privatization to facilitate development of the real estate market; To implement the new system of mass appraisal for taxation; To ensure financial and institutional sustainability of the national cadastre.	<p>1. Final drafting of laws and regulations covering property registration aimed at supporting the real estate market;</p> <p>2. Completing the transfer of parcels into private ownership;</p> <p>3. Primary mass registration of properties;</p> <p>4. Mass appraisal of (a) apartments and individual residential houses in urban areas and (b) commercial, industrial and manufacturing properties, for taxation purposes;</p> <p>5. Reorganizing the system of cadastre bodies and creating a specialized cadastre company;</p> <p>6. Creating an integrated information system for cadastre and making it available to different users;</p> <p>7. Public information and staff training.</p>	National Cadastre Agency	<p>Nil</p> <p>Minimum</p> <p>Medium</p> <p>Medium</p> <p>Minimum/Medium</p> <p>Medium</p> <p>Medium/TA</p>	<p>2004-6</p> <p>2004-6</p> <p>2004-6</p> <p>2004-6</p> <p>2004-6</p> <p>2004-6</p> <p>2004-6</p>
Finance Sector	To improve the performance of the banking system	<p>1. Improvement of the legal and regulatory framework for new investment institutions</p> <p>2. Introduction of new financial instruments</p> <p>3. Introduction of the information on the securities market system</p> <p>4. Simplification of the issue procedures and market transactions</p> <p>5. Improvement of control and supervision mechanisms for securities market</p> <p>6. Sustainable development of savings and credit associations</p>	National Bank of Moldova Ministry of Finances and Ministry of economy	<p>Nil</p> <p>Nil</p> <p>Minimum</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>	<p>2004-6</p>
Industry	To achieve sustainable industrial growth To diversity industrial output in order to increase the input of the non-agricultural processing areas To improve the quality of industrial technology, management and	<p>1. Acceleration of privatization and restructuring processes of industrial enterprises, performing bankruptcy procedures of inefficient and broke enterprises;</p> <p>2. Conducting a study on identification of the development priorities for a competitive industrial sector;</p> <p>3. Developing the program of implementing integrated quality management systems, adjusted to international standards requirements;</p> <p>4. Creating developing programs for certain industrial sectors in order to attract investment;</p> <p>5. Introduction of a legal framework for elaboration and implementation of programs on technology parks development;</p> <p>6. Legislative support of industrial capital consolidation processes, formation and development of different forms of associations;</p>	Ministry of Industry Min Industry MEPO Ministries of Industry, Finance and Economy	<p>Nil</p> <p>Minimum</p> <p>Minimum</p> <p>Minimum</p> <p>Nil</p> <p>Nil</p>	<p>2004-6</p> <p>2005</p> <p>2005</p> <p>2005</p> <p>2004-5</p> <p>2004-5</p>

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
	competitiveness To accelerate industrial development in the regions	7. Developing the infrastructure for industrial production export promotion, and provision of information and consulting services; 8. Examine, together with the Ministry of Finances and the Ministry of Economy, possibilities for creation of the Industrial Investment Bank with joint capital (private and state).		See Private Sector Development Minimum	2004-6 2005
Research and Innovations	To raise the level of research and development; To ensure the efficient use of technological-scientific results in the economy; To develop the innovational sector based on delivery of research and development works and their results; To ensure the effective use of the existing intellectual potential	1. Harmonization of national legislation in the area of intellectual property protection with stipulations of international agreements and conventions; 2. Developing legal and organizational measures for transfer of the intellectual property rights, constituted from budgetary means, to organizations that possess this work; 3. Develop the legal and normative base and organize attestations for state scientific research institutions, reorganization or liquidation of institutions that have lost their scientific profile and do not have sufficient human and technical-material resources; 4. Inventory of the state scientific research institutions patrimony, selling unused goods and use the means gained for the improvement of the research technical-material base; 5. Developing and adopting a legal base for regulating the creation and functioning of modern infrastructure of research and innovations, including specialized financial institutions, funds and agencies, innovational parks, business-incubators; 6. Extending and modernizing the system of statistical record-keeping indices of research and innovational activities; 7. Implementation of insurance mechanisms for risks related to the development and implementation of innovations; 8. Improving procedures of amortization and taxation of intellectual property objects; 9. Develop certain legal and organizational measures for leasing of modern unique equipment and devices for scientific purpose; 10. Creation of a unique electronic database that would ensure registration of innovations and intellectual property objects; 11. Training and re-training of innovation specialists; 12. Improvement of the higher and post -graduate education programs of staff training for research and innovations 13. Developing and implementing mechanisms for stimulating innovational activities in small enterprises.	ASM, ASPPI, ASDA, Med, DSS, ME, CSSDT	Medium Nil Nil Minimum Nil Minimum Medium Minimum/medium Nil Medium Minimum Minimum	2004-5 2004-5 2004-5 2004-5 2004-5 2005-6 2005-6 2005-6 2005-6 2005-6 2005-6 2005-6
Infrastructure					
Energy	To enhance energy security and the environment for efficient and sustainable energy development	1. Extension of gas main-pipelines connections by constructing gas distribution stations and inter-urban gas pipelines 2. Promotion and implementation of the National Program for renovation and decentralization of heating supply systems in cities of the Republic of Moldova 3. Restructuring the energy sector by attracting private capital in different forms 4. Improving the regulatory framework to support development of the energy market and competition 5. Improving payment collections for energy along with social protection of vulnerable groups	Ministry of Energy	Maximum Maximum Minimum Nil See social protection	2004-6 2004-6 2004-6 2004-5 2004-6

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
Telecommunications and Information Technology	To create the preconditions for the establishment of the information society	<p align="center">Information Technology</p> <ol style="list-style-type: none"> Drafting and adoption of laws on personal data protection, circulation of electronic documents and digital signature, e-commerce and contracts Drafting the National Strategy "Information society technologies for development" Pilot project for the creation of seven collective access points at post offices, schools, libraries Development of ICT program for public administration 	Department of Information Technology	<p>Nil</p> <p>Medium</p> <p>High</p>	<p>2005</p> <p>2005-6</p> <p>2006</p>
	To ensure gradual liberalization of the telecommunication market	<p align="center">Telecommunications</p> <ol style="list-style-type: none"> Harmonization of national legislation and regulations with those of the EU, WTO and European Conference of Postal and Telecommunications Administrations Development and upgrading of networks (including fiber optic) based on private investment Finalization of the introduction of the National Numbering Plan Review MoldTelecom tariffs Privatization of MoldTelecom Review the possibility for a minimum service package 	Ministry of Transport and Communication	<p>Nil</p> <p>High but private</p> <p>Low</p> <p>Low</p> <p>Low</p> <p>Nil</p>	<p>2004-5</p> <p>2005-6</p> <p>2005</p> <p>2004</p> <p>2004</p> <p>2004-5</p>
Housing Construction	To improve access to housing particularly of the vulnerable	<ol style="list-style-type: none"> Study to prepare social housing policy and strategy Improvement of the legal and regulatory framework for hypothecation (mortgage) lending Improvement of the condominium regulatory framework and its application Divestment of incomplete state housing to the National Housing Agency and program for completion based on private investment Development and implementation of pilot projects for upgrading old housing 	Department for Construction & National Housing Agency	<p>Low + TA</p> <p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Medium</p>	<p>2005</p> <p>2004-5</p> <p>2004-6</p> <p>2004-6</p> <p>2005-6</p>
	Agri-food Sector and Rural Development	To continue the reforms in the agricultural sector	<p align="center">Agriculture</p> <ol style="list-style-type: none"> Study to support the implementation of Land Consolidation to review the current state of consolidation from the efficiency and equity perspectives and to make recommendations for addressing the issue over the medium to long term Ministry of Agriculture and Food Industry Restructuring Study Agricultural Subsidy Study to review subsidies in the light of the growth and poverty reduction goals of EGPRSP. Development with non-government organizations of pro-poor programs for the provision of information and advice, educational and vocational training, and micro and small enterprise financing Development of farmer group strategies for more efficient access and use of information, markets, inputs and production opportunities Promotion of strategic and commercial planning in processing enterprises Promotion of export market development – see Private Sector Development 	<p>Ministry of Agriculture</p> <p>Ditto</p> <p>Ditto</p> <p>Ministry of Ag and NGOs</p> <p>Ministry of Agriculture</p> <p>Min Economy MEPO</p>	<p>Low + TA</p> <p>Low + TA</p> <p>Low + TA</p> <p>Medium</p> <p>Medium</p> <p>Low</p>
To build a strong commercial and institutional framework for market led development		<p align="center">Rural Development</p> <ol style="list-style-type: none"> Rural Development Strategy Study. Provision of social services and physical infrastructure in rural areas - see relevant sector sections 	Min. of Ag	Low + TA	2005
Regional Development	To achieve country wide, balanced and sustainable	<ol style="list-style-type: none"> To enact a law in support of regional development which will lay the basis for the establishment of institutions for the implementation of regional development policy 		Low + TA (ongoing)	2005

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
Policy	<p>socio-economic development</p> <p>To expand resource possibilities to solve socio-economic development problems of the regions</p> <p>To support local administrations in socio-economic development and coordination</p>	<ol style="list-style-type: none"> 2. Selection and identification of regions for development support covering several existing administrative territorial units but excluding Chisinau. 3. Establishment of a two tier coordination system at the national and local levels 4. Drafting and adoption of the new Constitution of the re-integrated state 5. Contribution to elaboration of a general guaranty system, including international guarantees 6. Achieving control and transparency at the border between Moldova and Ukraine, including transnistrian border section 7. Elaboration of the post -conflict development program 8. Sustaining active implication of the civil society in settlement of the Transnistrian problem 		<p>Low +TA (ongoing)</p> <p>Medium</p>	<p>2005</p> <p>2005-6</p> <p>2004-5</p> <p>2005-6</p> <p>2004-5</p> <p>2005-6</p> <p>2004-6</p>
Tourism	<p>To promote of tourism at the international level;</p> <p>To develop of national tourism value heritage in a sustainable and balanced manner;</p> <p>To improve of the tourism management;</p> <p>To increase the level of rendered tourism services</p>	<ol style="list-style-type: none"> 1. Drafting and implementing rural tourism development projects (pilots); 2. Organizing seminars for local authorities and population of rural and ecologic tourism development; 3. Creation of an informational base, editing guides and catalogues on rural tourism product, promotion of tourism product in target markets; 4. Drafting and promotion of investment projects on restoration, renovation and development of tourism infrastructure; 5. Creation of the National Center for retraining the tourism industry staff; 6. Developing efficient quality control mechanisms for services rendered to visitors; 7. Investigation and promotion of investment opportunities in tourism 	Tourism Development Department	<p>Medium</p> <p>Minimum</p> <p>Medium</p> <p>Medium</p> <p>Medium</p> <p>Nil</p> <p>Medium</p> <p>TA</p>	<p>2004-6</p> <p>2004-6</p> <p>2005-6</p> <p>2005-6</p> <p>2004-6</p> <p>2004-5</p> <p>2004-6</p> <p>2004-6</p>
Environmental Protection and Sustainable Use of Natural Resources	<p>To reduce the deterioration of natural resources and increase the efficiency of their use</p> <p>To maintain the quality of the environment as a factor to support health and quality of life</p> <p>To create an effective disaster monitoring, prevention and compensation system</p>	<p style="text-align: center;">Waste Management</p> <ol style="list-style-type: none"> 1. Destruction of 1,712 tones of prohibited pesticides, including persistent organic pollutants (POP) 2. Inventory of POP and PCB and, dismantling and decontamination of oils and equipment polluted with PCB 3. Feasibility study for upgrading waste disposal sites, concentrating on separation of waste type collections for waste processing and starting construction of a waste processing plant initially in Chisinau 4. Planning and implementing pilot project for waste processing in rural areas 5. Inventory, renovation and re-equipment of Bekkari animal waste sites <p style="text-align: center;">Water Resources</p> <ol style="list-style-type: none"> 1. Preparation of Action Plan for harmonizing environmental legislation and standards for surface and ground water with those of the EU 2. Inventory of water resources, quality, and sources of pollution 3. Preparation of national strategy on protection and sustainable management of water resources 4. Preparation and implementation of measures to eliminate pollution sources <p style="text-align: center;">Public Awareness</p> <ol style="list-style-type: none"> 1. Creation of regional environment information centers 2. Capacity building for central and local government officials regarding information and participatory approaches to environment protection 	<p>Ministry of Environment and Regional Development</p> <p>Mins Ag/Env</p>	<p>Nil</p> <p>Medium</p> <p>Low</p> <p>Medium</p> <p>Medium</p> <p>Medium</p> <p>Low/medium</p> <p>Low/medium</p> <p>Medium</p> <p>Medium</p> <p>Low</p> <p>Low</p> <p>Medium</p> <p>Low/Medium</p>	<p>2004-5</p> <p>2004-6</p> <p>2005</p> <p>2005-6</p> <p>2005</p> <p>2005</p> <p>2005</p> <p>2005-6</p> <p>2005-6</p> <p>2005-6</p> <p>2004-6</p> <p>2004-5</p> <p>2005-6</p> <p>2005-6</p>

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
		<ol style="list-style-type: none"> 3. Trainings on sustainable use of natural resources 4. Review and improve the environmental monitoring system 5. Preparation of a national strategy on environmental education 6. Development of the legal and institutional framework for implementing the requirements of the international Conventions, the Republic of Moldova is party to 7. Creation of a natural resources database <p style="text-align: center;">Forest Protection</p> <ol style="list-style-type: none"> 1. Extend forest plantation on lands belonging to the Forest Fund and local administrations 2. Improved forestry inventory and management systems 3. Preparation of programs for sustainable wood and non-wood processing <p style="text-align: center;">Biodiversity</p> <ol style="list-style-type: none"> 1. Biodiversity conservation in the Prut River middle course and development of community silviculture 2. Creating an environmental network 3. Creating the Lower Nistru National Park <p style="text-align: center;">Soil Degradation</p> <ol style="list-style-type: none"> 1. Pilot projects for the rational use and irrigation of soils, including protection of wet zones 2. Preparing and implementation of tree planting for soil conservation 3. Anti-erosion activities and rehabilitation of degraded areas 4. Training land owners and farmers in ecological farming methods 5. Rehabilitation and improvement of communal pastures management <p style="text-align: center;">Natural Disaster Monitoring and Relief</p> <ol style="list-style-type: none"> 4. Publicity campaigns on the impact of natural disasters 5. Upgrading the equipment and technology of the disaster monitoring system with the purpose of disasters prevention <p style="text-align: center;">Administrative and Financial Mechanisms</p> <ol style="list-style-type: none"> 1. Review of the activities and modalities of the Environmental Fund 2. Preparation and publication of the environmental impact assessment guide 		<p>Medium 2005-6</p> <p>Medium 2005-6</p> <p>Medium 2005-6</p> <p>Medium 2005-6</p> <p>Low 2004</p> <p>Low 2004-5</p> <p>Low 2005</p> <p>Low 2004-5</p> <p>Nil 2004</p> <p>Medium 2005-6</p> <p>Medium 2005-6</p> <p>Low 2005</p> <p>Low/medium 2005-6</p> <p>Low 2005</p> <p>Nil 2005-6</p> <p>Medium 2006</p>	
Education	To improve access to education especially of the poor	<p style="text-align: center;">Access</p> <ol style="list-style-type: none"> 1. Improvement of legislative and normative acts regarding consolidation and use of community funds for education, especially for the poor; 2. Adequate distribution of resources amongst levels in favor of primary, secondary general and secondary professional education; 3. Efficient management and priority resource allocation for increasing the salaries of employees in education, textbooks acquisitions, didactical materials and equipment; 4. Drafting and implementing the rural education development program; 5. Creation in rural areas of "circumscription" schools in parallel with provision of transportation services for pupils through revision and adaptation of the pre-school and school education to present demographic situation, considering the access of all children to the mandatory general education; 6. Implementation of a flexible and equitable system of support for students and pupils 	Ministry of Education	<p>Nil 2005</p> <p>Nil 2005-6</p> <p>Nil 2004-6</p> <p>Maxim 2004-6</p> <p>Medium 2004-6</p> <p>Nil 2005-6</p> <p>Minimum 2004-6</p>	

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
	To improve the quality of educational services	<p>from secondary general education by offering scholarships, depending on their successes and financial situation of families;</p> <p>7. Extend textbook loan schemes for pupils from high schools and subventions of textbooks for the poor</p> <p style="text-align: center;">Quality</p> <p>1. Developing and implementing state education standards;</p> <p>2. Develop school and university curricula, including in education based on life skills, implementing new teaching technologies;</p> <p>3. Systematic participation in international tests (TIMSS, PISA, etc.);</p> <p>4. Developing and realizing the presidential program “SALT” of implementing information and communication technologies in the education system;</p> <p>5. Improving the system of initial training and in-service training of teaching staff;</p> <p>6. Reconsidering the place and role of secondary professional education and its adjusting to community requirements, updating the catalog of trades and professions in partnership with social partners;</p> <p>7. Developing and implementing the national system of evaluation of pupils’ knowledge and skills and efficient monitoring of admission in higher education institutions;</p> <p>8. Developing mechanisms of implementing the European system of transferable academic credits;</p> <p>9. Adjusting the catalog of specialties to ISCED 97 and ISCO, restructuring the curricula in order to organize the higher education in 2 university cycles according to the Bologna Declaration provisions.</p>		<p>Minimum</p> <p>Minimum</p> <p>Minimum</p> <p>Medium</p> <p>Medium</p> <p>Minimum</p> <p>Medium</p> <p>Medium</p>	<p>2005-6</p> <p>2005-6</p> <p>2004-6</p> <p>2005-6</p> <p>2004-6</p> <p>2005-6</p> <p>2004-6</p> <p>2005-6</p> <p>2005-6</p>
	To improve the system of social integration of children with special needs	<p style="text-align: center;">Special requirements</p> <p>1. Organization of assistance services for children with special educational requirements in secondary general education institutions, develop community services for their assistance and support;</p> <p>2. Create a database of children with special educational requirements in order to develop efficient programs and measures of their assistance;</p> <p>3. Developing and implementing programs and different forms of education for children with special educational requirements;</p> <p>4. Creation and development of a system of services, alternative to institutionalization;</p> <p>5. Developing and implementing standards of care, education, medical assistance, recuperation, rehabilitation of children with special educational requirements;</p> <p>6. Consolidation of didactic and technical-material base for quality professional training of special education institutions’ graduates in order to facilitate their integration in society</p>		<p>Medium</p> <p>Minimum</p> <p>Minimum</p> <p>Medium</p> <p>Minimum</p> <p>Medium</p>	<p>2005-6</p> <p>2005</p> <p>2005-6</p> <p>2005-6</p> <p>2005-6</p> <p>2004-6</p>
	To increase the efficiency of the resource use	<p style="text-align: center;">Increasing the efficiency</p> <p>1. Improving and completing the legislative framework in order to ensure coherence and continuity of education system development;</p> <p>2. Creating the education management information system;</p> <p>3. Modifying the methodology of financing activities of initial and in-service training</p>		<p>Nil</p> <p>Medium</p> <p>Nil</p> <p>Nil</p>	<p>2004-6</p> <p>2005-6</p> <p>2004-6</p> <p>2004-6</p>

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
	contributions and benefits To improve the methodology for calculating and reviewing the amount of payments	6. Increase the volume of social insurance benefits through indexation		Medium/high	2005-6
Social Assistance	To improve the quality and diversity of specialized social services To improve the targeting of social payments	1. Introduction of social assistance program impact monitoring (as part of general EGPRSP monitoring) 2. Introduction of a poverty indemnity 3. Introduction of a separate social assistance budget and single register of beneficiaries 4. Study on the modernization of specialized social services 5. Creation of a network of professional social services 6. Preparation of compulsory quality standards for social service institutions	Ministry of Labor and Social Protection	Nil Low plus TA Low Medium Nil Nil	2004 2004 2005 2006 2005
Labor Market	To improve the efficiency of the labor market To improve the quality of employment services To assist the disabled to find employment To assist young people into employment	1. Equipping the National Agency for Labor Force Employment 2. Creation of a labor market informational system 3. Modernization and diversification of labor mediation services 4. Optimize the unemployed training and retraining activities 5. Review of the social protection system for the unemployed 6. Implement marketing and forecast researches on the labor market 7. Creation of three pilot centers for professional training of socially vulnerable persons 8. Preparation of flexible employment arrangement provisions for vulnerable persons 9. Creation of three youth employment centers 10. Bringing the internal legislation on migration in accordance with the international standards; 11. Making a comprehensive study on population migration and its consequences; creation of an informational system and the improvement of the management of migration processes.	National Agency for Labor Force Employment Migration Department	Medium Medium Minimum Medium Minimum Medium Nil Medium Low Medium	2005 2004-6 2004-6 2004-6 2004-6 2004-6 2006 2004-5 2004-5 2004-6
Youth Policy	To increase youth employment To improve the access of youth to information To improve capacities to work with youth To involve youth in the processes of decision making	1. Study and revision of youth policies 2. Ensuring access to information for youth 3. Special programs for youths and young families at risk 4. Vocational training – see Labor Market and Education 5. Adoption and implementation of the Youth Inclusion Project	Department for Youth and Sports, ANL, Ministry of Labor and Social protection, Ministry of Education	Nil Medium Medium Nil Medium	2004-6 2005-6 2005-6 2005-6 2004-6
Development of national statistics	Improving insurance of public authorities, civil society with quality and relevant statistical	1. Improving the legal and institutional framework and statistical management 2. Improving publications, dissemination of statistical information and relations with users 3. Improving statistics products and infrastructure	DSS DSS DSS with	Minimum Medium Medium	2004-2006 2004-2006 2004-2006

Sector /Policy Area	Objectives	Priority Actions (Figures indicate ranking)	Lead agency	Indication of Additional Budget Funding **	Timing
	information	3.1. Population Census 3.2. General Agricultural Census 4. Improving technical capacities of statistics system 5. Consolidate capacities of central and local public authorities on obtaining administrative data and extending their use for statistical purposes.	interested public authorities DSS DSS with interested public authorities	Medium Minimum	2004-2006 2004-2006
Implementation Monitoring and Evaluation	To ensure effective implementation, management and coordination of EGPRSP	EGRPSP Coordination Unit	Ministry of Economy		

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NIL INDICATES NO ADDITIONAL COSTS. ACTIONS WILL BE CARRIED OUT FROM EXISTING BUDGETS. INCLUDES INTERNALLY CARRIED OUT STUDIES, POLICY AND STRATEGY REVIEWS, LEGAL AND REGULATORY CHANGES.

Low indicates low cost activities requiring limited funding e.g. studies requiring local consultants, local information systems, small group training

Medium indicates substantial costs needed e.g. for national information systems, national training programs

High indicates major capital investments in infrastructure e.g. in roads, water supply infrastructure

ANNEX 7. EGPRSP PRIORITY ACTIONS INDICATIVE COSTS

(Thousand lei)

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	1. PRIVATE SECTOR DEVELOPMENT	156726	83832	68397	17416	41230	44650
	1.1 Regulatory framework	0	0	0	3250	3550	3800
1	Simplification and optimization of business registration and post-registration procedures, obtaining authorizations, permits, licenses ("one window" approach)						
2	Development and application of the law on state control and supervision systems and modification of relevant legislation						
3	Optimization of state control and supervision bodies, under institutional and procedural aspect						
4	Creation of a database on state supervision and control bodies and economic agents passable of control						
5	Creation and implementation of an informational system of state control and monitoring of supervision activities						
6	Increase of the efficiency of paid services provided by public authorities						
7	Optimization of fiscal policies and procedures						
8	Implementation of systems of conformity evaluation of products by the module principle (global approach and modular of the European Union)				100	100	100
9	Development of the practice of declaring the product conformity by the producer				50	150	100
10	Creation of adequate conditions for the introduction of ISO 9000 quality and ISO 14000 environment management systems						
11	Creation of adequate conditions for the introduction of food products quality management systems, based on the system for food security and hygiene HACCP (risks analysis and control of critical points), as well as implementation of Codex Stan standards in developing national standards for food products						
12	Accession and accreditation of the Accreditation Body in the area of products' conformity evaluation at the European Organization of Accreditation				1000	1000	1000
13	Update of the Law on standardization and Law on technical barriers to trade						
14	Execution of the program of technical regulations development				2000	2200	2500
15	Harmonization of the national standardization system with the provisions of European and international						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	standardization organizations						
16	Update of the Law on metrology and fulfillment of the Program for National Etalon System Development						
17	Accession to the international organization "Meter Convention"						
18	Creation of adequate internal conditions for signing agreements of mutual recognition of conformity certificates/declarations				100	100	100
19	Development and implementation of methodology for systemic analysis of regulations' impact on the national economy and monitoring of execution and efficiency of adopted decisions						
20	Deployment of regular consultation with representatives of the private sector						
21	Participation in the initiative "Regulatory governance" within the Investments Chart, Stability Pact for South-Eastern Europe						
	1.2 Competition Development & Promotion	0	0	0	0	0	0
1	Creation of the National Competition Agency (NCA)						
2	Development/modification of legislation on competition protection and revision of the relevant legal and normative framework						
3	Maintenance of the registry of monopolistic enterprises						
4	Development and fulfillment of the program for de-monopolization of certain commodities and services' markets						
5	Promotion of the NCA activity on international level, concluding relevant arrangements						
6	Dissemination of information for ensuring the transparency of the policy and activities, through: NCA web page, editing collection of normative acts, information and studies, publishing annual reports						
	1.3 Corporate management	0	0	0	0	0	0
1	Development of the draft Corporate Administration Code						
2	Improvement of the present legal framework and application mechanisms						
3	Creation of a competitive environment inherent to market economy						
4	Introduction of the mechanism of regular consultations between public and private sectors						
5	Participation in the initiative "Corporative governance" within the Investments Chart, Stability Pact for South-Eastern Europe						
	1.4 Development of SMEs	0	0	0	0	20160	21000

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
1	Revision and improvement of the legal framework with a set of relevant laws and adaptation of existing legislation						
2	Development and execution of the state medium term strategy and program for SME development and support						
3	Facilitation of SME access to low interest finance and loan guarantees					14400	15000
4	Optimization of efficient use of finances allocated from or through state budget, including financial support from international financial institutions and other donors						
5	Optimization of fiscal policies and procedures for SME						
6	Creation of a national network of informational-consulting centers and business-incubators with the participation of local public authorities					2880	3000
7	Adaptation of curricula to the needs of SME, including by supporting partnership relations between education institutions and representatives of SME					2880	3000
8	Active participation in the European Chart for Small Enterprises						
	1.5 External trade promotion	83800	6800	3000	9150	8880	10850
1	Analysis and evaluation, jointly with the National Bank of Moldova and financial institutions, of the factors that can improve the balance of trade, increase exports						
2	Analysis of comparative advantages of domestic products in using the potential of the System of generalized Preferences offered by EU and other developed countries						
3	Fulfillment of conditions to obtain the preferential trade regime for exporting products from Moldova to EU market						
4	Execution of recommendations of the European Commission on setting adequate internal conditions for creating a free trade zone Moldova-EU						
5	Use of the opportunities offered by the regional free trade zone within the Stability Pact for South-Eastern Europe						
6	Development of the legislative and institutional framework for the service sector according to provisions of the corresponding WTO agreement						
7	Collection, categorization and dissemination of information regarding the conditions for local goods and services for accessing international markets				500	500	500
8	Use of modern exports promotion tools, especially informational capacities	<u>2000</u>	<u>3000</u>	<u>3000</u>	<u>5500</u>	<u>5000</u>	<u>4500</u>
9	Encouragement of SMEs to create export alliances						

№	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
10	Increase of the efficiency of Embassies and commercial Representations of the country abroad for promotion of domestic products						
11	Improvement of customs legislation regarding trade						
12	Identification and application of audit and risk assessment practices				250	300	300
13	Introduction of the system for irregularities prevention, especially for operative check of information at customs posts						
14	Standardization and optimization of customs procedures and controls	2700	2000				2300
15	Unification of tariff classification				200	200	250
16	Development of customs information and communication system, creation of electronic customs environment	69000			1350	1440	1500
17	Professional training and retraining, with an emphasis on motivations contributing to the corruption eradication and open and transparent cooperation with economic agents	10100	1800		1350	1440	1500
18	Establishment of a system for customs administration performance assessment						
	1.6 Investment environment	0	0	0	0	0	0
1	Continuation of the privatization of public assets, including adjacent terrains						
2	Revision of fiscal legislation, to stimulate local and foreign investors						
3	Development of regional infrastructure, to improve the investment activity at regional level						
4	Development of financial market infrastructure reduction of investment risks						
5	Cooperation with the banking sector to stimulate long term crediting						
6	Identification of mechanisms and instruments for attraction of population's savings, including transfers of employees from abroad, in the investment activity						
7	Development of practices of consulting with investors community and businessmen in identification of problems and solutions that are related to improvement of investment climate						
8	Increase of the efficiency of information dissemination on investment opportunities in Moldova						
9	Participation in the initiative Investments Chart, Stability Pact for South-Eastern Europe						
	1.7 Creation of the cadastre of immovable property	72926	77032	65397	5016	8640	9000

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
1	Final drafting of laws and regulations covering property registration aimed at supporting the real estate market	5221	9168	5928			
2	Reorganization of the system of cadastre bodies and creation of a specialized cadastre company	1130		2880			
3	Creation of an integrated information system for cadastre and making it available to different users	5251	1072	6714			
4	Provision of public information and staff training	3043	2315	1995	5016	8640	9000
5	Completion of the transfer of land parcels into private ownership	44111	44599	33750			
6	Primary mass registration of properties	14171	14174	9600			
7	Mass appraisal of (a) apartments and individual residential houses in urban areas and (b) commercial, industrial and manufacturing properties, for taxation purposes		5704	4529			
	2. PUBLIC ADMINISTRATION REFORM	20175	26314	25955	0	3206	5585
	2.1 Central Public Administration	0	0	0		TA	TA
1	Establishment of a high level Public Administration Reform Management Unit						
2	Preparation of a Strategic Plan for Central Public Administration Reform						
	2.2 Local self-government	0	0	0		TA	TA
1	Improvement of legislation for local autonomy and self-government						
2	Revision of the legal, regulatory and institutional framework in line with European standards and good practices						
3	Revision of the state of transfer of functions to local government						
4	Clear definition of functions and responsibilities demarcated from those of central administration						
5	Identification of procedures for the transfer of delegated functions and responsibilities to local government						
6	Provision of opportunities for the professional training and development of local self-government employees						
7	Dissemination of good experience and practice in social mobilization and partnership for mutual assistance, the efficient use of local resources, and resolution of local problems						
8	Development of a communication and information strategy on local government activities, decisions, performance, finance and property						
	2.3 Public finance management	20175	26314	25955	0	2806	5385

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
1	Creation of an integrated informational system of public finances management	14500	21024	22185			
2	Further development of the Medium Term Expenditures Framework and the method for drafting budgets based on programs and performance	2150	2210	2300			
3	Improvement and systematization of the legislation concerning budgetary process and system, as well as in fiscal area and harmonization of the legislation to European Union requirements	250	250			605	605
4	Revision and approval of the Budgetary Classification (new version) according to updated international standards	250	200			630	630
5	Development and implementation of the state debt management strategy	2900	2060	1100		543	
6	Development of the treasury system and improvement of public sector accounting	125	300			578	3600
7	Development and implementation of the strategy in the area of internal audit and financial control in the public sector		270	370		450	550
	2.4 The Judicial system	0	0	0	0	400	200
	<u>Access to justice</u>						
1	Revision of public legal costs						
2	Participatory revision of public legal information and assistance systems						
3	Discussion with private legal profession regarding the possibilities for introducing pro-bono services for the poor						
	<u>The legal framework</u>						
4	Revision of the legal framework and standards						
	<u>The judicial system</u>						
5	Study and evaluation of the organization and functioning of justice, from protection of property and individual rights to the perspective of sustainable economic development					200	
6	Institutional development and capacity building for legal personnel					200	200
7	Ensuring public access to legal information					TA	TA
	<u>The legal education system</u>						
8	Revision of legal education standards						
9	Upgrade of education and training curricula						
	<u>Enforcement of court decisions</u>						
10	Revision of performance and modalities of current system activity						
	2.5 Corruption	0	0	0	0	0	0
1	Minimization and simplification of the administrative regulatory framework for business and enterprise - see Private Sector Development						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
2	Professional capacity building and professional development in government – see Public Administration Reform						
3	Promotion of an open discussion between the public administration, civil society and the development partners on medium term institutional reform						
	3. BUDGET-FISCAL POLICY	1610	4060	6500	14700	27960	14680
	3.1 Fiscal policy and administration	1560	4000	6400	14700	25300	12100
1	Broadening of the tax basis and improvement of tax structure to reduce fiscal burden						
2	Improvement of tax preferences system to support economic growth and poverty reduction						
3	Finalization of the Tax Code and streamlining with EU requirements		300	100		300	100
4	Development of fiscal information system (the immovable property evaluation for tax purposes, computer -aided tracking system of alcohol and oil products) and computerization of fiscal procedures.	1560	3700	6300	14700	25000	12000
	3.2 Public Expenditure Policy	50	60	100	0	2660	2580
1	Improvement of procedures for sectoral and inter -sectoral resource allocation under EGPRSP						
2	Development of support measures and public services to support economic growth and poverty reduction						
3	Continuous implementation of public expenditures review and strategic planning elements	50	50	50		2160	2250
4	Improvement of public spending through the use of performance indicators for monitoring public expenditure						
5	Improvement of state and local budget allocation mechanisms		10	50		500	330
	4. FINANCE SECTOR	0	0	0	0	0	0
1	Improvement of the legal and regulatory frameworks for new investment institutions						
2	Introduction of new financial instruments						
3	Establishment of an informational system on the securities market						
4	Simplification of the issues procedures and market transactions						
5	Improvement of control and supervision mechanisms for securities market						
6	Sustainable development of savings and loans associations						
	5. RESEARCH AND INNOVATION	0	0	0	3200	10150	7500
1	Harmonization of national legislation in the area of intellectual property protection with stipulations of international agreements and				2000	1250	

№	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	conventions						
2	Development of legal and organizational measures for transfer of intellectual property rights, constituted from budgetary means, to organizations that possess this work						
3	Creation of the framework for reorganization and accreditation of state research institutions				200	300	
4	Inventory of state scientific research institutions patrimony, trade of unused goods and use of released means for improvement of the research technical-material base				500	500	
5	Development of a legal base for regulating the creation of modern infrastructure of research and innovations				500	500	
6	Extension and modernization of the system of statistical record-keeping indices of research and innovational activities					100	
7	Implementation of insurance mechanisms for risk connected with development and implementation of innovations						
8	Improvement of procedures of amortization and taxation of intellectual property objects						
9	Development of organizational and legal measures for development of science-intensive equipment lease						
10	Creation of a single electronic database that would ensure registration of innovations, intellectual property objects					5000	5000
11	Training and re-training of innovation specialists					2500	2500
12	Improvement of study programs in the area of higher and post-graduate education of staff training for research and innovations						
13	Development and implementation of mechanisms for stimulating innovational activities in small enterprises						
	6. INFRASTRUCTURE	261713	462539	395680	436705	597930	754121
	6.1 Energy	5740	5740	5740	15540	15540	15540
1	Extension of main gas pipelines connections by constructing gas distribution stations and inter-urban gas-lines				82255	88348	91410
2	Promotion and realization of the National Program for renovation and decentralization of heating supply systems in cities of the Republic of Moldova				41460	44530	46080
3	Restructuring the energy sector by attracting private capital through different forms	5740	5740	5740	5740	5740	5740
4	Improvement of the regulatory framework to support development of the energy market and competition				9800	9800	9800
5	Improvement of payment recovery for energy in association with social protection of vulnerable groups						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	6.2 Roads and Transport	174300	333740	321600		128000	217000
	<u>Road transport</u>						
1	Design and implementation of roads rehabilitation program with an accent on growth of light, periodic maintenance	171200	291600	321600			
2	Creation of a sustainable and transparent roads financing system for continuous maintenance of road network						
3	Design and implementation of regional projects					123000	187000
4	Implementation of modern systems of roads condition evaluation and maintenance and repairs prioritization						
5	Recovery of the bridge over Prut, Lipcani	3100	42140				
6	Implementation of the Chisinau -Giurguilesti road rehabilitation project					5000	30000
7	Negotiation with international financial institutions on the rehabilitation of national European roads						
	<u>Rail</u>						
1	Rehabilitation of the railroad network to the level of projected and safety parameters for trains circulation						
2	Implementation of the conditions of the Memorandum Agreement between the Council of Creditors and CFM						
3	Realization of the existing CFM Restructuring Plan, by separating the management of rail infrastructure from the management of transport services						
4	Divestment of socio-cultural and communal possessions and ancillary enterprises from the CFM structure						
5	Renovation of the passenger rail carriages and diesel trains fleet						
	6.3 Water Supply and Sewerage	81270	88877	68250	295405	310002	369731
	<u>Access and quality</u>						
1	Development and modernization of water supply and sewerage systems in 156 localities	80770	88477	67750	270305	273602	328681
2	Development of 93,300 rural wells	500	400	500	14500	19600	24500
3	Implementation of pilot project for mechanical and biological ground water treatment for nitrates and sulphates contamination					1800	1800
4	Implementation of pilot projects for mechanical and biological waste water treatment					1900	1900
	<u>Water conservation and environmental protection</u>						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
5	Introduction of the groundwater monitoring program				1000	1000	1000
6	Implementation of measures for efficient surface water drainage				5000	5500	6000
7	Restoration of existing and establishment of new water protection areas and sanitary zones				3000	4000	5000
	<u>Tariff policy</u>						
8	Completion of water meter provision to all consumers				1000	1500	500
9	Preparation of a single methodology for tariff calculation and review				400	500	
10	Promotion of transparency when setting tariffs					300	200
11	Improvement of legal and normative framework in relations with consumers and suppliers regarding water supply and raising penalties for non payments and substantial raise of payment collections for consumption				200	300	150
	<u>Improvement of the legislative and regulatory framework</u>						
12	Implementation of services of technical audit of water supply and sewerage systems					TA	TA
13	Adjustment of the existing legislation, standards and regulations on water supply and sewerage in line with the European and international standards				TA	TA	TA
14	Improvement of the legal and regulatory framework to attract private capital to the sector in the form of concessions, rents, trust management, and joint ventures, including privatization of central water supply and sewerage systems				TA	TA	TA
	6.4 Telecommunications and Information Technologies	403	34182	90	725	360	360
	<u>Information Technology</u>						
1	Elaboration and adoption of laws on personal data protection, circulation of electronic documents and digital signature, and e-commerce and contracts		92				
2	Elaboration of the National Strategy "Information society technologies for development"						
3	Pilot project for the creation of seven collective access points at post offices, schools, libraries	48	50	50	200	150	150
4	Development of ICT program for public administration	355	34040	40	525	210	210
	<u>Telecommunication</u>						
5	Harmonization of national legislation and regulations with those of the EU, WTO and European Conference of Postal and Telecommunications Administrations					TA	TA

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
6	Development and upgrading of networks (including optical cable) based on private investment						
7	Finalization of the introduction of the National Numbering Plan						
8	Rebalance of MoldTelecom tariffs						
9	Privatization of MoldTelecom						
10	Creation and introduction of a minimum service package						
	6.5 Housing Construction				1320	11150	14000
1	Study to prepare social housing policy and strategy					TA	
2	Creation and improvement of the legal and regulatory framework for mortgage lending						
3	Improvement of the condominium regulatory framework and its application						
4	Approval of the State Program on incomplete housing completion						
5	Development and implementation of pilot projects for upgrading and rehabilitation of existing housing				1320	11150	14000
	7. INDUSTRY	0	0	0	0	8200	0
1	Continuation of privatization and restructuring of industrial enterprises, and bankruptcy for insolvent and inefficient enterprises						
2	Study to identify competitive industry development priorities adjusted to globalization and EU integration trends					4000	
3	Promotion of a Program of adjusting production process to international standards by implementing integrated quality management systems					1200	
4	Preparation of investment programs for certain industrial sectors					3000	
5	Establishment of a legal base for programs for technology parks						
6	Creation of the legal framework for capital formation, consolidation and merger						
7	Export promotion and the provision of information and consulting services						
8	Revision of the possibilities to create a mixed capital Industrial Investment Bank						
	8. AGRICULTURE AND RURAL DEVELOPMENT	186154	148120	141930	99455	141400	159000
	8.1 Agriculture	168304	135220	139330	94455	128100	135300
1	Study to support the implementation of Land Consolidation to review the current state of consolidation from the efficiency and equity perspectives and to make recommendations for addressing the issue over the medium to long term					TA	
2	Ministry of Agriculture and Food Industry Restructuring Study					TA	

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
3	Agricultural Subsidy Study to review subsidies in the light of the growth and poverty reduction goals of EGPRSP					TA	
4	Development with non-government organizations of pro-poor programs for the provision of information and advice, educational and vocational training, and micro and small enterprise financing	7304	4820	3130	955	2600	2800
5	Development of farmer group strategies for more efficient access and use of information, markets, inputs and production opportunities						
6	Development of a market based trade and institutional framework (harmonization of legislative acts regarding standardization, facilitation of the accreditation process for enterprises and laboratories in line with international standards)	7000			13500	25500	27500
7	Development of lending schemes in rural areas and promoting loan guarantees preferences	70300	90600	96400		20000	25000
8	Support to farm machinery services start-ups	83700	39800	39800	80000	80000	80000
9	Promotion of export market development – see Private Sector Development						
	8.2 Rural development	17850	12900	2600	5000	13300	23700
1	Rural Development Strategy Study					300	300
2	Development of institutional network in rural sector: business promotion centers, consulting and information agencies, business-incubators	17850	12900	2600			3400
3	Development of non-agricultural activities in rural areas				5000	13000	20000
	9. REGIONAL DEVELOPMENT	0	0	0	0	0	0
1	Implementation of a law in support of regional development which will lay the basis for the establishment of institutions for the implementation of regional development policy					TA	
2	Selection and identification of regions for development support covering several existing administrative territorial units but excluding Chisinau					TA	
3	Establishment of a two tier coordination system at the national and local levels						
4	<u>Country Re-integration</u> Drafting and adoption of the new Constitution of Moldova						
5	Contribution to elaboration a general guaranty system, including international guarantees						
6	Achievement of control and transparency at the border between Moldova and Ukraine, including Transnistrian border section						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
7	Elaboration of the post-conflict development program						
8	Promotion of active implication of the civil society in settlement of the Transnistrian problem						
	10. TOURISM	1437				24249	25068
1	Drafting and implementation of rural tourism development projects (pilots)	1000				4800	4800
2	Organization of seminars for local authorities and population of rural and ecologic tourism development	47				508	508
3	Support in creating the tourism reception infrastructure alongside major objects					10400	10400
4	Creation of the National Center for retraining the tourism industry staff	390				2925	2340
5	Creation of an informational base, editing guides and catalogues on rural tourism product, promotion of tourism product in target markets					5616	7020
6	Investigation and promotion of opportunities for investment in tourism					TA	
7	Developing efficient quality control mechanisms of services rendered to visitors						
	11. ENVIRONMENT	51747	108527	111977	97687	161862	368712
	11.1 Waste Management, reduction of the impact and quantities of toxic substances and wastes	32100	84150	91400	22900	82650	231800
1	Destruction of 1,71 2 tones of prohibited pesticides	32100	28150	17200	2900	1850	1800
2	Inventory and dismantling and decontamination of PCB equipment		56000	74200			
3	Feasibility study for upgrading waste disposal sites initially in Chisinau					50000	150000
4	Planning and implementation of pilot project for waste processing in rural areas					800	60000
5	Inventory, renovation and re-equipment of Bekkari animal waste sites				20000	30000	20000
	11.2 Water Resources	260	260	260	390	9015	9015
1	Preparation of Action Plan for harmonizing environmental legislation and standards for surface and ground water with those of the EU					8500	8500
2	Inventory of water resources, quality, and sources of pollution	60	60	60	190	315	315
3	Preparation of national strategy on protection and sustainable management of water resources						
4	Preparation and implementation of measures to eliminate pollution sources	200	200	200	200	200	200

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	11.3 Public Awareness	0	0	0	2000	2000	2000
1	Creation of regional environment information centers						
2	Capacity development of government central and local officials regarding information and participatory approaches to environment protection						
3	Trainings on sustainable use of for natural resources						
4	Revision and improvement of the environmental monitoring system						
5	Preparation of a national strategy on environmental education						
6	Development of the legal and institutional framework for implementing the requirements of the Aarhus Convention				2000	2000	2000
7	Creation of a natural resources database						
	11.4 Forest Protection	11087	11087	11087	18877	18877	18877
1	Extension of forest plantation on lands of Forest Fund and local administrations	11002	11002	11002	18512	18512	18512
2	Improved forestry inventory and management systems	60	60	60	140	140	140
3	Preparation of programs for sustainable wood and non-wood processing	25	25	25	225	225	225
	11.5 Biodiversity	6000	5000	3000	6000	2000	1000
1	Biodiversity conservation in the Prut River middle course and development of community silviculture	6000	5000	3000	4000	2000	1000
2	Creation of an environmental network				2000		
3	Creation of the Lower Nistru National Park						
	11.6 Soil Protection	0	6230	6230	44720	46520	105720
1	Pilot projects for the rational use and irrigation of soils					800	60000
2	Preparation and implementation of tree planting for soil conservation				43720	43720	43720
3	Anti-erosion activities and rehabilitation of degraded areas						
4	Training land owners and farmers in ecological farming methods				1000	2000	2000
5	Rehabilitation, improvement of communal pastures management		6230	6230			
	11.7 Natural Disasters	2000	1800	0	700	800	300
1	Publicity campaigns						
2	Upgrade of the equipment and technology of the disaster monitoring system	2000	1800	0	700	800	300
	11.8 Administrative and Financial Mechanisms	300	0	0	2100	0	0
1	Revision of the activities and modalities of the National Environmental Fund				2100		

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
2	Preparation and publication of the environmental impact assessment guide	300					
	12. EDUCATION	14790	111520	162420	50500	130805	152400
	Access						
1	Creation of the legal framework for the use of community funds for schooling, especially for the poor						
2	Reallocation resources between sectors to favor primary and gymnasium education		28300	59700			
3	Efficient management and priority resources allocation for increasing the salaries of employees in education, textbooks acquisitions, didactical materials and equipment						
4	Drafting and implementation of the rural education development program				39000	39000	45000
5	Creation in the rural environment of "circumscription" schools in parallel with provision of transportation services for pupils				Available budget resources reallocation within the sector		
6	Implementation of a flexible and equitable system of support for students and pupils from secondary general education by offering scholarships, depending on their successes and financial situation of families		12000	12000			
7	Extension of textbook loan schemes for pupils from high schools and subventions of textbooks for the poor	2500	2500	2500	1500	6000	5600
1	<u>Quality</u> Preparation and introduction of state standards for education	2800	2800	2800		6700	6700
2	Development of school and university curricula, including in education based on life skills, implementing new teaching technologies	The program started, costs for implementation are 1900 thousands USD and are covered from the grant					
3	Systematic participation in international tests (TIMSS, PISA, etc.)						
4	Development and implementation of the presidential program "SALT" of implementing information and communication technologies in the education system						
5	Improvement of the system of initial training and in-services training of teaching staff					2500	2500
6	Reconsideration of the place and role of secondary professional education and its adjusting to community requirements, updating the catalog of trades and professions in partnership with social partners						
7	Development of and implementing the national system of evaluation of pupils' knowledge and skills and efficient monitoring of admission in higher education institutions	3800	3800	3800			

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
8	Development of mechanisms of implementing the European system of transferable academic credits						
9	Adjustment of the catalog of specialties to ISCED 97 and ISCO, restructuring the curricula in order to organize the higher education in 2 university cycles according to the Bologna Declaration provisions					7200	13900
	<u>Special Requirements</u>						
1	Organization of assistance services for children with special educational requirements in secondary general education institutions, develop community services for their assistance and support					4000	4000
2	Creation of a database of children with special educational requirements in order to develop efficient programs and measures of their assistance					105	
3	Development and implementation of programs and different forms of education for children with special educational requirements					10300	13000
4	Creation and development of a system of services, alternative to institutionalization (family type institutions, etc.)	790	820	820			
5	Development and implementation of standards of care, education, medical assistance, recuperation, rehabilitation of children with special educational requirements					10300	2700
6	Consolidation of didactic and technical-material base for quality professional training of special education institutions' graduates in order to facilitate their integration in society	4900	4100	4100	10000	12000	15000
	<u>Management Efficiency</u>						
1	Improvement and completion of the legislative framework in order to ensure coherence and continuity of education system development						
2	Creation of the education management information system			11900		15000	17000
3	Modification of the methodology of financing activities of initial and in-service training of teaching and managerial staff from pre-university education						
4	Improvement of the methodology of budget financing of education system (program, unit-based financing, etc.)						
5	Upgrade of the technical-material base of education institutions and implementation of energy conservation measures		18100	24800		25000	27000
6	Improvement of the system of teaching and management staff attestation						
7	Establishment of responsibilities and competences of central and local public authorities, social partners, in order to						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	ensure normal conditions for education institutions' functioning						
8	Improvement of conditions for the functioning of pre-school institutions for mandatory preparation of children to school		39100	40000			
	13. HEALTHCARE	182840	144650	132880	287712	689137	789702
	13.1 Implementation and Support of Mandatory Health Insurance System	52400	67250	60900	157886	506436	608386
1	Establishment of an information system for mandatory medical insurance				65000	65000	65000
2	Capacity consolidation by medical institution staff training on the new system				2886	2886	2886
3	Completion of accreditation of medical institutions	1100	1200	1300			
4	Consolidation of institutional capacity	51300	66050	59600	90000	424550	526500
5	Modernization of the Republican College of Medicine					14000	14000
	12.2 National Health Programs	130440	77400	71980	129826	182701	181316
1	Restructuring and consolidation of medical services and institutions						
2	Implementation of National immunization program	10400	6700	7000	3370	1070	770
3	Implementation of National TB control program	26000	5900	3500	6500	6300	6100
4	Implementation of Blood Service technical-material base consolidation program	5830	6180	6680	12198	33848	33348
5	Implementation of Diabetes prevention and treatment program MoldDiab	8610	11300	11800	52243	49553	49053
6	Implementation of HIV/AIDS prevention and treatment program	57500	20920	16400	2180	1980	1880
7	Implementation of quality prenatal services program					40600	40600
8	Implementation of measures for fighting mental diseases, drug addiction, toxicomania and alcoholism	2400	5000	5100	7400	5000	5200
9	Implementation of the National Program for fighting viral hepatitis				2030	2145	2260
10	Implementation of the Program for prevention and fighting cancer	2700	4400	4500	12905	11205	11105
11	Implementation of the Programs of medical assistance for pregnant women, sick children				8000	8000	8000
12	Provision of small babies and pregnant women with drugs, compensated in ambulatory conditions	17000	17000	17000	23000	23000	23000
	14. SOCIAL PROTECTION	4180	16168	16180	28988	30443	29019
	14.1 Social Insurance	3240	15212	15212	0	1440	0
1	Social insurance harmonization review					TA	TA
2	Implementation of individual records of social insurance contributions	3240	5000	5000			
3	Introduction of social insurance fund medium term forecasts					1440	
4	Development of pension system for the self-employed especially in agriculture						

№	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
5	Improvement of calculation methods for contributions						
6	Unification and harmonization of the system and pension legislation, and the application of general pension norms to judges and prosecutors		10212	10212			
14.2 Social Assistance		940	956	968	28988	29003	29019
1	Introduction of social assistance program impact monitoring						
2	Introduction of poverty benefits system				TA	TA	
3	Introduction of separate social assistance budget and register						
4	Study on the modernization of specialized social services						
5	Development of professional network for social services	940	956	968	988	1003	1019
6	Preparation of quality standards for social service institutions						
7	Support of most vulnerable population's layers to cope with growth of energy tariffs				28000	28000	28000
15. LABOR MARKET		32595	41808	48659	4500	5720	2760
1	Equipping the National Agency for Labor Force Employment						
2	Creation of a labor market informational system	1100	761	597	2000	1500	500
3	Modernization and diversification of labor mediation services	85	175	262			
4	Optimization of the unemployed training and retraining activities	5700	10246	10724		1500	760
5	Revision of the social protection system for the unemployed	25700	30526	36080			
6	Implementation marketing and forecast researches on the labor market	10	100	100	500	500	500
7	Creation of three pilot centers for work preparation of socially vulnerable persons				1000	1220	1000
8	Preparation of flexible employment arrangement provisions for vulnerable persons			896			
9	Creation of three centers of youth employment centers				1000	1000	
10.	Bringing the internal legislation regarding the migration and asylum in accordance with the international standards;				TA	TA	
11.	Making a complex study on the migration of the population and its consequences; creation of an informational system and improvement of the management of migration processes.				TA	TA	TA
16. YOUTH POLICY		200	770	780	10200	11410	11300
1.	Conduct of studies on Youth situation and modification based on that of youth policies and legal framework						
2.	Fulfillment of actions of forming new technology skills and other life skills of unemployed youth, according to the Youth	50	50	50	750	850	750

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	Inclusion Project (YIP)						
3.	Implementation of actions for youth that graduated secondary studies and are not employed and/or studying - at regional level (YIP)				700	1100	1000
4.	Professional orientation actions with internships and employment in selected enterprises from Republic's raions (YIP)				1600	2000	2000
	<u>Increase access to services and information sources</u>						
5.	Creation of a support fund for gift ed youth in science and technique, education and culture by offering stipends and other supports				1500		
6.	Implementation of actions for preventing of risky behavior by promoting cognitive, cultural and sport opportunities, and access to new IT (YIP)	50	100	100	450	900	900
7.	Realization of cultural, cognitive and sport radio and TV projects and programs for youth		70	80		130	220
8.	<u>Development of human and institutional capacities in working with the youth</u> Creation of a Youth National Research and Investigations Center and a network of Youth Centers in rural areas (YIP)				2000	2000	2000
9.	Creation of Youth Resources Centers (Chisinau – 2 centers, in Soroca, Balti, Cahul, Ungheni, Orhei – each one center)				3000	3680	3680
10.	Realization of the National Program for training and re-training of youth professional workers	100	200	100	200	400	300
	<u>Stimulation of youth participation in decision-making process</u>						
11.	Promotion of youth representation in collegial and consulting structures of local and central bodies						
12.	Promotion of financial (through project contests) and technical support (youth resource centers) to the youth associative sector (YIP)		350	450		350	450
	17. DEVELOPMENT OF NATIONAL STATISTICS	34122	5679	2770	29205	58466	43089
1	Improvement of the legal and institutional framework and statistical management		463	463	1489	3123	1134
2	Improvement of publications, dissemination of statistical information and relations with users				644	639	471
3	Improvement of statistics products and infrastructure, including Population Census and General Agricultural Census	34122	5216	2307	9603	18234	38397
4	Improvement of technical capacities of statistics system				17469	36470	3087
5	Consolidation of capacities of central and local public authorities on obtaining administrative data and extending their use for statistical purposes.						

No	Priority Actions	MTEF costs envelope			Unsecured additional costs		
		2004	2005	2006	2004	2005	2006
	18. CAPACITIES DEVELOPMENT EGPRSP Implementation Monitoring Unit				6800	14400	15000
	TOTAL	948289	115398 7	111412 8	108706 8	195656 8	2422586
	Costs of inestimable actions (10% of TOTAL)	x	x	x	108707	195657	242259
	GENERAL TOTAL	948289	115398 7	111412 8	119577 5	215222 5	2664845

ANNEX 8. STRUCTURE OF PUBLIC REACTIONS IN THE DEBATES PROCESS ON EGPRSP, JANUARY-MARCH 2004

Identified types of public reactions

During public discussions on EGPRSP and sector strategies there has been both general criticism and substantial proposals. Reactions were on:

- ?? Methodological aspects and structure of papers under discussion;
- ?? Content (text);
- ?? Conceptual aspects of documents;
- ?? Action plans.

Some reactions refer to EGPRSP in general; others are limited to sector components. Below is a structural analysis of public reactions.

Reactions to integrated EGPRSP

Reactions on structure and methodology

It was proposed to include a chapter on endogenous and exogenous risks that might compromise the Strategy implementation in the following three years. It was suggested that the Government should conduct more thorough quality studies on the nature of poverty, as well as establish a clear procedure of consultation with the poor. The choice of a scientifically grounded methodology for the calculation of an official poverty line was another recommendation meant to contribute to a better “targeting” of social assistance policies.

Reactions to the text

The EGPRSP variant, which was the start of public debate in January 2004, was considered to contain too many findings with a political character meant at polarizing rather than brining the society together around the EGPRSP idea. There were proposals to extend social actors involved in the EGPRSP process. Trade unions, local communities associations and opposition political forces are the main nominees.

Economic experts argue for the reduction of the number of priority areas of EGPRSP. The opinions of most experts converge on the fact that a social policy needs to be selected (healthcare, education, or social insurance), to develop the private sector as a driving force of the economic growth and towards the improvement of governance.

There were proposals like, the intensification of sector strategy “Environment protection and sustainable use of natural resources” presence in EGPRSP and give a more “ecological” character to the EGPRSP in general.

The participants in debates suggested to the EGPRSP team to include a sub-component referred to science, and as result the chapter 6.5 “Development of the science sector” has been introduced. This chapter should clearly stipulate one of the main necessary preconditions, that in the future the academic community could bring a plenary contribution to the development of papers like EGPRSP and namely, to the research sector and its integration within higher education of Republic of Moldova (following the European model of scientific research and education). Also, it should provide for some institutional and fiscal conditions to create incentives for more confident domestic and foreign investment into the research and development sector, to integrate the financial and scientific capitals and to create, at the intersection of economy, science and

higher education, of a true scientific-economic sector “*economy of intellectual products*”. But for this chapter to preserve the EGPRSP “identity” it should clearly state, what is going to be the link between the consolidation of the research and development sector and poverty reduction until 2006.

Another issue brought up during the consultations was the non-uniform development of territories. In this context it was suggested to add another general objective “Regional development” or to formulate a sector strategy that would comprise regional development, with a clear stipulation of implementation and monitoring indicators, of responsible institutions (Regional Development Agency and Ministry of Economy).

Reactions to the action plan

It was deemed necessary to more clearly identify public agencies responsible for the implementation of actions. It was also suggested to eliminate some actions with a purely formal character or with no impact upon poverty and economic growth, as well as some actions and measures, which apriori are not achievable within a three-year time frame, envisaged for EGPRSP implementation.

Have been identified some problems related to the fact that EGPRSP will be implemented during 2004-2006. In fact, EGPRSP will be approved only in June-July of 2004. Therefore it reasonable to change the implementation term to 2005-2007.

Contributions

- with reference to chapter V “PRSP priorities and objectives” have reflected the proposals submitted during the consultations on social-economic development: 1) improving the governance, 2) private sector development and 3) changing the role of governance (health, education, social insurance, etc.);
- as a reply to proposals received, chapter 5.3 “EGPRSP and Millennium Development Goals” has been included;
- as a reaction to multiple commentaries and proposals a separate chapter on the role of innovations and science in the economic growth was included in the strategy (chapter 6.5 “Research and Innovations”);
- during the numerous debates on national and local levels it was mentioned that the territorial development is not homogeneous and it is necessary to include a new priority in the strategy – regional development (chapter 6.10. “Regional development policy”).

Reactions to sector components

“Public Sector Reform” Strategy

For the strategy’s structure it was suggested to create a separate section, dedicated to the issue of fighting corruption in all public structures. Most of public reactions to this strategy came in the form of concrete proposals for actions and measures to be undertaken:

Judiciary

To ensure independence of the judiciary it is necessary to develop mechanisms regulating the activity of the judge. It was also suggested to create a Magistrates Institute for an ongoing professional training of judges, prosecutors and lawyers. To finalize the legal system Reform component it is necessary to take into account the provisions of the National Plan for the protection of human rights approved by the Parliament, with an emphasis on the enhanced access of social-vulnerable layers to justice. The inclusion in the action plan of the approval of the Law on state guaranteed access to justice, which is a draft at the moment. There should be actions to enforce court decisions in the case of social-vulnerable layers.

As to the legal education it is necessary to promote actions on legal training of the population. The role of legal science should be determined in the development and enhancement of the legal framework, legal education system and legal practice in general.

Contributions

- as a result of received proposals the name of the chapter was changed to “Legal Sector Reform” and not judicial, which is a limiting approach;
- another proposal was reflected in the text of the section, to create a National Institute of Justice (Magistracy) for an ongoing professional training of legal staff (p.263);
- the enhancement of the access of social –vulnerable layers to legal services was emphasized;
- the optimization of study program and education plans for the legal education system (p.273).

Local Public Administration

It was suggested to create a legal system to clearly regulate financial relations between central and local public authorities at delegating competences from the central to the local level. The strategy should be based on regional development concepts. All localities must have strategic plans for short, medium and long-term development.

It is necessary to develop a national plan on the development and financing local infrastructure. Community development centers should be created at the local level, to comprise cultural, sports, educational activities etc. at the local level. Thus, it is suggested to re-institute the positions of youth and sports workers where these lack.

To improve local governance, develop and approve local and national budgets, civil society should be involved and the process should have large media coverage .

Quality of governance

It is necessary to involve the civil sector, especially economic agents in services provision, as an alternative to state ones. In this sense, it was suggested to provide equal rights to state, public and private schools. In a multinational state, the development of balanced national policies is of vital importance, while respecting the interests and rights of all minorities. The youth should be involved more actively in the political life of the country and in solving existent problems of the society. It is required an improvement of the cooperation process between the public administration and civil society.

Public institutions

The following was suggested in this area: revision, with a possible cancellation of historical debt of public institutions, to ensure their functionality. Creation of a functional system of continuous development of staff within the public administration.

Reducing the number of paid services provided by public institutions, which to a great extent is a hidden taxation of the population and creating an efficient communication system between public authorities and the population.

Efficient maintaining and use of public institutions’ goods by providing quality services to the community members.

Conclusions

- reconfirmation of the principle of decentralization of services and efficient management of public

institutions' goods from the central to the local level (p.222);

- creating an efficient system of continuous training of public servants;
- improving the governance by involving the public in decision-making process especially in relation to local budgets, their media coverage (p.221, 224);
- establishing the responsibilities of local public administration in relation to central authorities (p.213, 215);
- to increase the fiscal base for local budgets and increase its role is proposed the modification of legislation regarding the improvement of local Taxes mechanism (p.197).

“Private Sector Development” Strategy

Major problems identified by the public

Most of public reactions during the debates on the ‘Private Sector Development’ Strategy draft focused on solving the following major issues: 1) instability and complexity of the business environment regulatory framework, 2) administrative control and exaggerated tutelage of business by state bodies, 3) high bureaucracy, 4) limited access to financial resources, including to micro-financing and long-term investment credits; 5) difficult access to external markets; 6) persistence of corruption phenomenon.

Essential proposals:

1. Conducting a regulatory reform that would dramatically change the nature of interaction between the state and the businessman – sole solution against institutional blockings.
2. Simplifying all procedures, not only those for registration but also for account opening, tax accounting, registration as a VAT payer, obtaining licenses and authorizations to remove bureaucratic barriers.
3. Simplifying the fiscal system for small and medium scale enterprises – reducing the number of taxes and fees and decreasing the costs of fiscal administration (some central and local taxes involve administrative costs, which are higher than the taxes themselves). On the other hand, we believe that the Government of Moldova should seriously consider the possibility to reduce the fiscal burden even more, under the regional average, thus, gaining some advantages compared to the neighboring countries.
4. Meliorating investment policies – canceling VAT on import of technologies and equipment, exempting from the payment of re-invested income tax, reducing amortization periods.
5. Improving the system of economic information – creating regional centers of economic information and business consultancy, editing a quarterly bulletin for investors.
6. Facilitating the access of beginning businessman to activities related to training in the field of business administration – providing some specialized training or consulting activities, on specific issues.
7. Consolidating the links of reverse information within the labor force market system – vocational and higher education institutions.
8. To solve the problem of access to long-term bank loans was suggested the facilitation of leasing activities, for the banks to easier attract clients, the former must be exempted from the obligation of payments tracking, using the fund for small business support as a guarantee in obtaining credits.
9. Improving the participatory framework of economic policy – every interested person or institution should have the right to participate in the decision making on economic policy.
10. Introducing the state monopoly on the extraction and use of natural reserves – this will provide an equitable access to the country's wealth.
11. Removing the main contradictions, which exist in the economic policy – for instance, some policies intensify corruption, whereas others have a reverse effect.

12. Improving the country's image internationally – participation at international exhibitions, placing ads in prestigious international magazines.

Contributions

- Simplifying all procedures, not only those for registration but also post-registration (accounts opening, tax accounting, registration as a VAT payer, obtaining licenses and authorizations) especially for SME were included (p.291, i);
- Reducing the number of all state control forms, ensure consultancy from the part of fiscal bodies (p.291, ii);
- Simplifying the accounting system (p. 307, iii)
- Informing the population and economic agents about new business opportunities, as well as through opening of specialized information centers, business-incubators, by editing and disseminating magazines, booklet, electronic pages, etc., especially at regional level (p.310, iii);
- Proposals regarding the access of small and medium scale enterprises to financing of activities through micro-crediting lines, loans security, etc. (310, ii);
- In priority activities of the component *Improving Investment Environment*, has been stipulated the creation of conditions for the participation in public debates on issues of business environment that was reflected in the strategy (p. 323, v);
- Another concern of interested parties in the area was the promotion of the country's image internationally through domestic products and services at international exhibitions, publications, etc., including through providing the SME with information of selling markets and access conditions (p. 314, vi, viii, x);
- Proposals regarding infrastructure development in regions and the rural area as a precondition to attract investments (323, iii);
- Guarantee and protect the intellectual and industrial property rights (p.321, i, 359, i);
- Stimulate banks to offer long term credits (323, vi);
- Sub-chapter 6.4.7 "Creation of the real estate framework" was included;
- Use of special regimes of crediting innovational activities done within small enterprises (360, iii).

"Infrastructure development" Strategy

Proposed solutions for the improvement of infrastructure may be grouped in several categories.

Technical and technological proposals

- ?? Initiating new technologies to preserve asphalt (polymeric compound layer).
- ?? Installing meters for the natural gas, water and heating.
- ?? To determine procedures for the energy conservation in dwelling spaces, it was suggested to initiate some experimental projects to test technologies.

Structural proposals

- ?? Rehabilitating the network of bus stations in raion centres and those in rural centres
- ?? Stimulating the creation of private enterprises in the area of construction, repairs and road maintenance, to catalyse the competition and improve the quality of services
- ?? Initiating a system for the tracking of the quality of all water-supply resources in localities.

Policies proposals

- ?? Developing the energy market, the competition and eliminating the monopoly in distribution
- ?? Improving state control system over the newly built edifices.

- ?? Implementing the General Urban Plan in all localities of Moldova.
- ?? Creating viable mechanisms for financing investments in infrastructure (state contribution – economic agents – local public administration – consumers)
- ?? Implementing a tariffs system compliant with the requirements of the market economy with a simultaneous introduction of a viable mechanism for the protection of people with low incomes
- ?? Improving the tariffs policy, through differentiated prices from the social and seasonal aspects
- ?? It was proposed to implement and develop a program for the creation of alternative energy resources, which may cover around 10% of the country’s needs and reduce the energy dependency of Moldova on external sources.

Certain measures related to the environment Strategy objectives were proposed:

- ?? Establishing a more rigorous control of the Metrology and Standards Department over mineral water bottling and use of water to produce other food products.
- ?? Creating authorized permanently monitored dumps in localities.
- ?? To improve the quality of water in localities’ wells, local public authorities may organize an annual contest “The best well”.

<p>Contributions:</p> <ul style="list-style-type: none"> - For an efficient use of natural gas, water and heating resources it was proposed to install meters (p. 364, b); - For an efficient collection of payments for water and energy resources supply it is suggested to develop a tariffs system with the simultaneous introduction of the protection mechanism of people with low incomes (p. 367, v, p. 387, ii); - The proposal related to housing improvement was reflected in the measures chapter (p. 402, v); - In the field of using alternative energy means to the existent ones in Moldova’s conditions, was included in measures (to increase the share of non-traditional sources in the energy balance of the Republic (solar and wind energy, biogas)) (p.367, i.); - Many proposals were aimed at energy conservation as an efficient mean of cost reduction and promotion of population information on conservation methods (p. 364, b, ii); - To rehabilitate the roads has been proposed initiation of negotiations with international financial bodies to include the Republic in European corridor projects (p. 377, vi); - Actions have been proposed to maintain the roads as efficient as possible to stop their degradation (p. 377, i); - Has been proposed a large scale application of biological waste water cleaning, stop polluting waters by creating sanitary zones (p. 385, iv); - Within the national seminar, dedicated to youth problems, has been proposed to intensify the building of “social dwellings” (p. 402, i, p. 398, vi).

“Agri-food sector and rural development” Strategy

Reactions to the concept

The NGOs involved believe that little attention has been given to the issue of training in the rural area. Public officials thought that more attention should be given to strategic development plans, a main element for the development of any rural community. Agricultural producers called upon the need to involve the community in the debates regarding normative acts that affect them. To create market economy structures it was shown that tax relieves and the introduction of a unique tax are necessary, state subsidies of essential commodities, protection of the domestic producer and export stimulation, creation of the insurance mechanism in agriculture. Some of these proposals coincide with the proposals from the Private Sector Development Strategy. Building of a strong commercial and institutional framework, according to market economy principles. The main

emphasis will be on implementation of international quality standards, efficiency and range of products, as well as the entire spectrum of services necessary for the production chain until its selling.

The participants have also militated for the ensurance of strictly voluntary consolidation of land, and for promotion of information campaigns for farmers in this context: on alternative land lease modes, land exchange, etc. Land consolidation will be done exclusively through free market mechanisms. Will be stimulated the specialization of agricultural enterprises to create optimum size enterprises.

Participants at discussions proposed to create information centres in every locality or commune that will fulfil information functions in agriculture, commerce, and other areas, all of these can be implemented by local NGOs. Has been proposed to create commercial structures that would offer services to agricultural production exporters, to obtain conformity documents recognized in the West.

Proposals related to planned measures

It is necessary to implement a National Program of Rural Development, which should be concentrated on the specialization of geographical zones in agricultural production and provide incentives to agricultural enterprises through the application of modern technologies. Another proposed measure is the stimulation of the integration and association of agricultural producers and processing enterprises to create a bigger added value.

Other recommendations referred to the institutional framework, like the establishment of a National Agency for Rural Development, ensure the transparency of the Ministry of Agriculture activity (especially in the area of discussions related to laws and programs drafts). Similar measures for transparency improvement have been proposed for other two sector strategies, Public Sector Reform and Private Sector Development.

It is necessary to create favourable conditions for the development of the rural tourism, especially opting for the development of craftsmanship and other non-agricultural activities in the rural area.

Proceeding from the fact that producers face big problems with shipping their production overseas, there needs to be a solution to the transit of goods, especially through Ukraine, at the state level. A continuous development of the existent information and consultation network, to have information on possible sale markets and prices for agricultural production is another option for the consolidation of growth in the rural area.

Special attention should be given to the maximum use of scientific potential owned by Moldova, especially orienting to selection, seeds production, technologies transfers etc. The development of private ventures in the rural area: roads, telecommunications, efficient systems for storing and processing of production waste, potable water-supply systems etc.

Given the fact that Moldova is in a geographical zone with a high risk for agriculture, different modalities have been proposed for estimation and decrease of producers' risks and measures for the restoration of the irrigation system.

Proposals regarding the improvement of the fiscal system in agriculture, to offer support to the agricultural producer through taxation, making it more direct.

Contributions :

- The proposal to provide subsidies to agricultural producers in priority fields was included in the Strategy (p. 432, p. 453);

- For aspects related to the provision of information, consultancy, training for the rural areas was proposed to attract the potential of the NGOs in this sphere (p. 446, p. 447);
- The proposal on integration and association of agricultural producers in associations and production cooperatives has found its reflection in the strategy (p. 449);
- There were proposals on encouraging the process of specialization of agricultural enterprises and creation of farmers' organizations to ensure access to information, markets and production opportunities (p. 449);
- Proposals on cooperation between rural and urban agricultural producers (p.452);
- Proposals related to the development of non-agricultural activities in the rural area (rural tourism, craftsmanship etc.) have found a reflection in the general objective (p. 426);
- An increased attention was paid to the development of infrastructure in rural area (p. 441, p. 446).

Regional development policy

The economic crisis had a more pronounced negative impact on peripheries. The economic gap between the capital and other regions has increased. At the same time, the political and socio-economic development of the country is affected by the Transnistrian conflict. All these demand a macro-level yet systemic approach for the socio-economic and sustainable development of all territories. It is demanded the support to local public administration bodies in the activities of territories development, simultaneous with allocation of resources and correlation of local development plans with national and sector development programs.

Contributions:

- Has been accepted the idea to include chapter 6.10. ***Regional Development Policy*** in the EGPRSP;
- Amongst measures that could contribute to the decrease of inter-regional gap, one of the most important is: improve and develop the infrastructure in localities (transport and telecommunications, roads, gas, utilities) (p. 460, i);
- Development of the small business and increase of its weight in territory (460, ii);
- Development of non-agricultural activities (p. 460, iii);
- Creation of the National Agency for regional development (p. 464);
- Facilitate the growth of production and promotion of export from regions (p. 460, v).

“Environment protection and sustainable use of natural resources” Strategy

Conceptual proposals

In the strategy we should talk about “reducing pollution” instead of “stopping pollution” (unattainable measure within 3 years).

Recommendations for actions and measures by objectives

To the first objective *Reducing the degradation of natural resources (water, forest and soil) and enhancing their productivity* a lot of proposals have been made of which we should mention the following: consulting with the population on issues of major interest for the community, hardening sanctions for the violation of ecological legislation, reviewing the methodology of calculating taxes for the pollution of environment and procedures of ecological inspection of cars.

For soils protection it is necessary to provide ecological consultations in agriculture and follow the observance of soil protection technologies, effective application of the law on re-cultivation-forestation of degraded land.

The protection of forest resources, involves actions like the development and support of private forest at the national level. An increase of 20% in forestation may be achieved by using the slopes, planting trees around water basins, planting green belts along the small rivers (e.g. Raut, Ciuluc). It is necessary to create specially arranged recreation places in forest zones. The positive additional effects will be achieved by planting field protection strips of resistant species (specific for the country's South).

To achieve the objective *“Maintain and improve the quality of the environment as a factor ensuring the nation's health”*, one of activities will be the destruction and neutralization of toxic substances and waste and appropriate management of domestic waste.

It was suggested to create authorized sites for garbage storage, creation of sarcophaguses for waste, according to modern requirements for the isolation of polluting substances. Separate collection of waste in rural zones and cities because of enormous quantities of accumulating waste and lack of landings that comply with the storage and re-cycling requirements. The strategy should provide mechanisms for the Mayor's office to be able to organize the collection and transportation of garbage, waste, according to a fixed schedule.

Public information and education was suggested as another important direction of activity. We should mention proposals like: organization of meetings with the population to inform on opportunities to use waste and re-cycling; a more active involvement of the population in the liquidation of unauthorized dumps; creating a hot-line for direct and operative information regarding unauthorized dumps.

Prevention and reduction of the impact of natural calamities may be achieved by observing the law in force regarding the prohibition of dwellings on hazardous terrain, investigation and monitoring of all land plots subject to slides, enforcing the barrages of lakes.

Some of the comments related to water sources inventory activities, inventory and marking of polluted water sources and rebuilding water eco-systems.

During the discussion on this strategy there have been ecological solutions for EGPRSP in general and for sector strategies.

Contributions

- the proposal regarding water sources inventory, quality determination and polluted sources location as well as development of a plan for liquidation of pollution sources (p. 490, ii);
- development of pilot-projects for waste use in rural areas (p. 490, ii);
- the aspect related to the increase of forestation areas brought up during discussions was formulated as well as planting protection forest belts on agricultural land (p. 490, iii);
- Providing ecologic consultancy in agriculture regarding the observance of sole protection technologies, use of fertilizers and pesticides, pasture land improvement (p. 490, v);
- Investigation and monitoring of land plots subject to land slides, as well as other natural calamities (p. 490, vi);
- A review of taxation procedures of damages caused to the environment (p. 490, vii);
- Improving population access to information, training the population in the ecologic area, increase the level of population participation in decision making on environment (p. 490, viii, 489, viii).

“Education” Strategy

In reference to professional training, it was proposed to develop the entrepreneurial spirit at youth from the general school; it was suggested to restructure vocational schools, according to the

requirements of the current labor market. A similar proposal was made during the discussions on the strategy for the consolidation of the private environment. It was suggested to introduce in general schools the vocational training and development of the entrepreneurship spirit. It was suggested to introduce an objective for the professional training of pupils, following the model of the economic education course developed and offered by the NGO “Junior Achievement”.

It was considered reasonable to introduce the secondary education in the strategy’s objectives. The key fields, which need to be considered to ensure the quality in this filed include, development of organizational and management capacity of education institutions (including by decentralization of finances management), human resource management in education (including through the decentralization of professional re-training of managers and professors), enhancement of curriculum and didactical materials (introducing optional subject into school programs), optimization of legislation in view of a better financing of the educational sector and providing incentives to sponsorship activities by the economic agents.

Education co-financing represents one of the main conditions for a better functioning of the system. A real and already implemented solution in the non-formal practice is parents and teaches associations. It is required to develop a regulation for a transparent collection and administration of funds received from parents.

Establishing, at the locality level of committees for coordinating activities between the school, local public authorities, social assistance, and medical assistance for the mandatory feeding of children in every school and supervising children from socio-vulnerable families and families with multiple children. Assure the access of children in extracurricular activities, drawing a particular attention to the rural area – in circles, sports sections etc.

Although the legal framework provides for the existence of private education institutions, they are placed in unequal conditions with the state ones. An example would be that of the requirement towards private institutions that provide education services, to have a statutory fund of 300.000 lei, which is discriminatory and cannot contribute to the development of the private sector in this area, and through this to poverty reduction.

The strategy does not provide for realistic ways of solving the employment problem of young specialists in the education area. As a solution, in order to maintain the staff and improve the quality of management it is suggested to award teachers with a public servant statue and employ directors through contest for a 4 years term. The same is true for all teachers since the quality of education cannot be ensured without a strong motivation.

The strategy does not either provide for the creation of special structures to conduct the quality management. It is required to create a structure independent of the Ministry of Education that would deal with accrediting education institutions. The quality criteria must comprise the quality of the teaching-learning process, evaluation quality, curriculum, manuals quality etc.

Contributions

- in the education area, one of the successes was the inclusion of vocational education as a priority and its adjustment to the requirements of today’s labor market, insomuch as this measure has a great social impact on young people from socially vulnerable families who cannot continue their studies in a different way; also it was proposed to include in the vocational education system children with special educational requirements for their utmost integration into the society (p. 507, vi);
- during the training process, the principle of market requirements correlation with the classified list of specialists from higher education institutions, colleges and polyvalent schools was accepted; a proposal brought up during the debates on Labor Market sector (p. 507, ix);
- in the sense of the community’s role growth (local public administration, parents, economic agents, etc.) in

school financing, the creation of the appropriate legal framework was suggested (p. 506, i);

- for improved assistance of children with special educational requirements has been proposed the organization of a tracking system for them and creating an assistance services alternative to institutionalization (p. 508);
- the principle of promoting to positions of importance and teachers motivation to be made through a contest (p. 509, vi)
- the idea of a prioritized allocation of resources for salary raise of employees from the education sphere and the improvement of the material base was proposed and taken over in relation to the issue of a large number of teachers leaving the education system (p. 506, iii, 509, v).

“Healthcare” Strategy

Reactions to the structure

The information was too voluminous and hard to analyse and a careful examination of the document was suggested with a more clear and particular explanation of the Strategy components, without duplicating the information.

Proposals to the text

The situation in this area being well known in general, it is necessary to present as briefly as possible those problems relating to health, which led and continue to lead to poverty. A clear stipulation of priority objectives was suggested.

Conceptual proposals

A major salary raise of all medical staff was requested, to ensure a decent living and optimum work conditions and knowledge enhancement, through diversification of training methods, including distant learning, modern equipment, creation of an informational health protection system . Health education should become a priority of various state agencies: education, medical and sanitary. It is required to ensure the transparency in the area of pricing for medical services. The role of the local public administration and private medicine as a cornerstone of the national health system was not adequately reflected.

Reactions to the action plan

A number of action proposals have been formulated. The most important one is to show the source of financing for every action and the amount. It was suggested to expressly provide for the role of the patient to choose the family doctor, the obligations and rights of the doctor. The single insurance package should be enlarged to include dental care services, treatment of chronic and social diseases. The legal framework of medical insurance should be enhanced and harmonized with the European legislation with the inclusion of the implementation mechanism. Completing the lists of those who benefit from state insurance policies with the representatives of vulnerable social groups (mothers with multiple children, chronically ill etc.) and expanding the list of provided services.

The endowment with equipment should be centralized, but carried out subject to the needs and with the agreement of medical and sanitary units’ representatives. Every locality should be ensured with at least one car for emergency cases. The State must assume the responsibility to ensure the cardio-patients with necessary medication. The cost of such medications is prohibitive for persons with such pathologies, who need ongoing or a long-time treatment. An alternative assistance is also necessary to people with mental disorders and institutions other than mental

homes, as well as the treatment in hospitals in normal conditions, appropriate and optimal to people with severe forms of mental disorders. The creation of emergency stations endowed with adequate space and equipment with a coverage area not larger than 25 km and a sufficient number of specialized teams (cardiologists, neurologists etc.)

A special attention was given to the mother's and child health by reopening milk kitchens for children from 1 to 3 years, ensure pregnant women with Fe and foliates, educating them in the area of their and children's correct nutrition.

The intention to create perinatal centres in rural communities was considered absurd. It is necessary to develop some centres at the level of raion centres, endowed with modern medical equipment and well-trained specialists. It is needed to develop individual vaccination plans, subject to the condition of every person and ensure every family with vaccines calendar.

Introducing "health education" classes in the school program with training provided by specialists. Developing some local programs on education and responsibility towards citizen's health, through informative, cultural and sports activities.

Marking polluted water sources and not recommended for consumption is a proposal within the Environment Strategy, which is equally applicable to the health field as well.

Contributions

- proposals related to the creation of a legal framework to regulate relations between doctors and patients, their rights and obligations (p. 527, i);
- comments on the mother and child health improvement were reflected in the action plan and namely in ensuring children and pregnant women with compensated medications (p. 530, ii);
- the chapter including some measures on fighting psychical sicknesses was also completed (p. 529, ix);
- proposals related to the creation of an informational system for the health care system have been reflected in the strategy (p. 527, v);
- the proposal regarding application of most active measures for fighting socially conditioned sicknesses is taken into consideration and included in objectives (p. 529, ii);
- the consolidation and strengthening of the technical-material base of the health system, endowment of medical-sanitary institutions with modern medical equipment and technologies (p. 527, ix).

"Social Protection, Social Assistance and Labor Market" Strategy

A general comment on this component is the weak coordination of activities aimed at protecting children and families in difficulty, between the Ministry of Education, Ministry of Health and Ministry of Labor and Social Protection and implicitly local public authorities.

Actions proposals for this strategy may be listed as active and passive policies.

Passive policies

Developing an efficient information mechanism of population able to work

1. developing an information system that would cover the whole territory of Republic of Moldova, including localities from the rural area;
2. creating a transparent informational system of population able to work;

Promoting social inclusion

3. creating opportunities for the employment of marginalized persons;
4. stimulating economic agents through fiscal facilities to employ disabled people, supporting the creation of production centers for people with disabilities to produce various traditional artisans and handicrafts within the limits of their capacities and providing substantial facilities for marketing these products
5. creating alternative forms to social services at the community level for lonely elderly citizen, disabled persons, etc, by establishing community centers for social and medical assistance.

Preventing unemployment among young people

6. Fiscal incentives to economic agents to employ young people;
7. economic education of youth from the rural area in view of initiating and opening their own businesses;
8. providing some facilities by exempting from the income tax on the first year of activity for young people who started their own business;
9. a form of partnership between the Ministry of Education and MLSP was suggested in order to establish a unique accounting for children aged from 15 to 18 and young people up to 20 years to establish the needs on the labor market, their professional training and directing them to professions in demand on the market. This category should be accounted by NALFE.
10. youth access to higher and vocational education through the offering of long term loans with a small interest rate.

Promoting legal emigration of the labor force

11. regulating the emigration of the labor force;
12. negotiating agreements with EU countries regarding legal employment

Fighting unemployment through active policies

13. Organizing labor force fares throughout Moldova
14. creating a center of readjustment and re-qualification of marginalized persons
15. stimulating the diversification of economic activities in the rural area
16. initiating public works

Assuring efficient social protection through active policies

17. indexing revenues and social transfers to the inflation rate and minimum consumption basket
18. reforming the pensions system in agriculture
19. creating the position of a social assistant within the local public administration

Improving social protection through passive policies

20. educating a civic spirit of responsibility towards fiscal obligations and active population's awareness of the need to make payments into the social insurance budget, explaining to the population that subject to the contribution of every person is the size of the pension when the person reaches pension age;
21. developing a deinstitutionalization policy for the handicapped people and getting them closer to the community;

22. developing the job of the personal assistant/caretaker who will provide assistance to a person with disabilities, which will allow this person to be with the family, making the institutionalization unnecessary;
23. developing a policy for the stimulation of families in order to take lonely or abandoned children in their homes to avoid their institutionalization.

Contributions

- as a response to the situation with pensions payments to people employed in agriculture it was proposed to develop a system to respond to the situation in this area, included in Social Insurance chapter (p. 542, iv, p. 539, i.);
- in the area of pensions provision was proposed their indexation to inflation (p. 535);
- orienting the social aid to the most vulnerable social layers and develop poverty criteria and official threshold of poverty (p. 552, p. 554 ii, p. 560, p. 105, p. 501);
- creating a system for segments with special requirements such as children and persons with special requirements (p. 556);
- for the de-institutionalization of children and disabled persons was proposed their integration in families (their own or placing them in family type houses) (p. 556);
- the idea of creating community centers for the provision of medical-social services to people with special requirements was supported and accepted (p. 557, p. 564, 556);
- for the chapter Labor Market, the creation of an informational system about employment possibilities, recycling and situation on the labor market was proposed and accepted (p. 579, ii);
- to increase the access of disabled people to the labor market, it was suggested to create fiscal facilities for the economic agents (p. 580);
- extension of best practices on economic education for young people, promoted by a number of NGO's from this field, with an enhanced focus on young people from the rural area (services on initiating and developing own businesses, trainings, information, etc.) (chapter Support and development of small and medium scale enterprises) and other measures for prevention of youth unemployment (p. 591, ii, p. 581).

Implementing, monitoring and evaluating EGPRSP

During public discussions on chapter VIII "Implementing, monitoring and evaluating EGPRSP" interested parties, preponderantly those with experience in above mentioned aspects, like, NGO's networks, local projects of various international organizations made a series of comments, proposals, recommendations and criticism aimed at improving the proposed text.

Essential comments:

A first general comment on the procedure to finalize the institutional framework for the implementation, monitoring and evaluation of EGPRSP is the need to enhance and finalize the existent institutional framework. A framework that should be followed by a detailed and clear description of attributions, the way of functioning and creation of every component. There is already some experience in this sense, which needs to be analyzed and applied in the future to ensure the continuity principle.

Another concern of interested parties was the lack of links between the national level represented by the National Council for EGPRSP implementation and other components and the local level. In this sense, there is a need to develop a mechanism of interaction between the national and local levels in aspects related to implementation, monitoring and evaluation of EGPRSP. The place and role of NGOs at the raion and local levels are not defined, as well how their activity and contribution will be measured. There should be created an institution/office where any person, organization or institution may express his/her opinion, request information etc.

As to who should exercise the leadership role in the implementation of the strategy, in most cases it was the Government, through ministries and departments, with a distinct role for the Ministry of

Economy. This does not exclude the participation of other interested parties in the implementation.

Point 623, which mentions the annual report on monitoring and evaluation “The impact of the Policy on Poverty Reduction in the Republic of Moldova” needs to contain a clear specification on who will make this report: a special unit of the Ministry of Economy.

There was an opinion on the importance to further maintain the Participatory Council as a useful tool of interaction between the Government, civil society and donors. The mechanism of creating and functioning of the council should be improved.

It is incorrect for the institution responsible for the implementation (Ministry of Economy) to exercise evaluation functions as well. These functions should be exercised by someone from outside the Government, a special body, institution etc. (for ex. the Parliament).

There should be a clear distinction between monitoring and evaluation: (i) monitoring is an internal activity related to the continuous administration of the project, the way the action plans are carried out, whether the budget lines are not exceeded etc. (ii) evaluation is an external activity, which takes place at established periods of time and may be handed over to international consultants. The central role in EGPRSP monitoring must be Ministry of Economy’s, which does not have direct implementation responsibilities, but if an evaluation of a 2-3 years of implementation needs to be conducted, this could be done by the Parliament, (institutions that have constitutional responsibilities to monitor the implementation of policies and evaluation of their impact), including the civil society.

In reference to the procedure on creation of the National Council for EGPRSP implementation the principle of parity of interested parties should be observed: central and local public authorities, private sector, civil society and donors. In case of the civil society, its representatives should be delegated by NGOs coalitions or networks with respective experience and potential.

Contributions :

- as a result of proposals that emerged during consultations, the existent institutional framework was taken as basis, especially the Participatory Council as a mechanism to ensure the participation, which needs to be enhanced and extended to the next level
- interested parties proposed to specify the institution that will be responsible for the elaboration and submission of the report “Policy impacts on Poverty Reduction in Moldova” and namely, the Ministry of Economy
- a general comment related to assuring a link between the local and central level, and as a solution the organization of regional forums where EGPRSP implementation progresses and results of policies monitoring will be discussed at the regional and local levels.