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## COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

## SECOND COUNTRY COOPERATION FRAMEWORK FOR MOLDOVA (2002-2006)

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## INTRODUCTION

1. The second Country Cooperation Framework (CCF) for Moldova covers the period 2002-2006 and will commence almost a decade after Moldova began cooperation with the United Nations (UN) in March 1992. In that period, the operations of the United Nations Development Programme (UNDP) have been guided by an initial Short-Term Country Framework (1993 – 1995), the first Country Programme (1994 – 1996), and the first CCF (1997 – 1999) with its subsequent extensions (1999 – 2001). This second CCF has been formulated in consultation with the Government and addresses some of the key challenges identified in the Common Country Assessment (December 2000) while also reflecting the lessons learned from the Country Programme Review (February 2001). In response to the United Nations Development Assistance Framework (UNDAF), it gives particular emphasis to a strategic and coordinated approach designed to make best use of the resources of the UN system while also mobilizing additional resources. It has been prepared at a time when Moldova is installing its third government in two years and thus has been designed with the flexibility needed to provide scope for fine tuning in line with the new Government's priorities. The two dominant themes reflected in this second CCF are **selectivity** in the choice of UNDP's activities to ensure success in delivering results and **responsiveness** to enable UNDP to work effectively in the highly dynamic political, social and economic environment that is likely to characterize Moldova for the next five years.

## I. DEVELOPMENT SITUATION FROM A HUMAN DEVELOPMENT PERSPECTIVE

2. Since independence in 1991, Moldova's transition to a democratic state with a small, open market economy and civil society has progressed less quickly than expected. Most progress has been made in the transition to democracy which is well advanced. Despite good initial progress in reforming the economy, Moldova has been unable to complete the reform process and its economic performance has not yet improved. Despite a promising start in the introduction of wide ranging economic and social reforms, the rapid succession of governments has made it difficult to translate policies into better practices. The failure to fully implement economic reforms (particularly in the agricultural sector) coupled with the collapse of effective demand for Moldova's exports to its traditional markets associated with the financial crisis of 1998/99, contributed to a contraction of some 60 percent in the real economy compared with its pre-independence level. The continuing separation of the breakaway region of Transnistria has deprived Moldova of most of its industrial base and the associated lack of security in the region has created opportunities for extensive smuggling and criminal activities. While the real economy has contracted, the shadow economy has grown dramatically and is now thought to represent about 60 percent of the GDP.

3. The inevitable consequence of the deteriorating economic performance has been increasing poverty and worsening social welfare. Successive governments have been unable to remove the inherited distortions and inefficiencies in the social welfare systems while the contraction in the real economy dramatically reduced government's capacity to fund these systems. As a result, the Human Development Index (HDI) for Moldova has deteriorated from 0.718 in 1993 to 0.700 in 2000 which places Moldova 102<sup>nd</sup> out of 174 countries in 2000: it was 75<sup>th</sup> in 1994. The major contributor to this decline in the index has been the deterioration in the GDP to only US\$358 per head (the cash income of \$180 is the lowest in Europe). Other indicators reveal the deteriorating social welfare: income differentiation is high; about 10 percent of the population consume less than 1500 calories per day; many young children and women are anemic; infant mortality rates are 1.5 – 2 times those of other European countries; the incidences of infectious diseases such as tuberculosis, hepatitis and HIV/AIDS have grown markedly; a growing number of children are being neglected, abused, and abandoned; crime has increased dramatically; prostitution has become widespread and there is a growing trade in women. At least 400,000 Moldovans have left the country in search of work.

4. The key features of the development situation in Moldova are outlined below.

- (a) While there has been substantial progress towards improved governance, further efforts are needed across all levels of government but particularly in further strengthening of local government, continuing judicial reform, anti-corruption measures and support for civil society organizations.
- (b) Poverty needs to be tackled more strategically. It is growing rapidly with 53% of households below the poverty line, and has spread across all sectors of the population including well-educated but now

unemployed professionals. The poverty reduction strategy prepared with UNDP and World Bank support must be implemented as part of a comprehensive program to ensure sustainable economic growth.

- (c) There is a need for greater integration in many aspects of development in Moldova. The divisive influences that need to be addressed include: poverty, marginalization of vulnerable groups, rural-urban differences, emigration, linguistic divide and HIV/AIDS. Economic development efforts need to be more closely integrated with parallel efforts to provide social welfare and to protect the environment. Moldova needs to re-build its social capital and mobilize the substantial resources of the civil society.
- (d) The environment has received little attention to date. Moldova has ratified 15 international environmental conventions but it has only limited capacity to satisfy the conditions of those conventions. NGO groups are actively seeking support to deal with a range of issues but UNDP has been one of the few agencies investing in human capacity building in this area.

5. Efficiency of Government Interventions. Although Moldova has received substantial development assistance, this has yet to be transformed into sustained improvements in the economic and social sectors. In some cases this reflects incomplete implementation of reforms as in the area of privatization where some of the most important assets remain under state ownership. In other cases it reflects an inability to improve or even to maintain the production capacity of the nation while simultaneously managing the transition to a market economy. This situation needs to be seen in context however since Moldova has been burdened with a major territorial problem in Transnistria as well as the growth pains associated with a new multi-ethnic nation struggling to find its place in a rapidly changing region. It has also been weakened by extensive corruption which has permeated almost all levels of society and has been fuelled by exploitation of the transition process by elites, political instability, low wages of public servants and by growing, widespread poverty.

6. The CCA identified human development and quality of governance as the key development issues warranting the attention of UN Agencies in Moldova. The UNDAF identified three goals for UN Agencies: a vibrant market economy that will sustain livelihoods; governance that is effective and accountable at the central and local levels; and social services in health, education and social welfare that are provided effectively and fairly to meet the needs of the general population and of the vulnerable groups in particular. The newly appointed Government has yet to fully enunciate its policies but it has indicated that it plans to: strengthen statehood including re-establishing the territorial integrity of Moldova; conduct open and transparent government; review relations between local and central authorities; and to fight criminality and corruption.

## **II. RESULTS AND LESSONS OF PAST COOPERATION**

7. Main Results Achieved in Promoting Sustainable Livelihoods. UNDP support to Moldova under the first CCF was oriented towards building capacity in state policy formulation and in its personnel. The two primary objectives were to alleviate poverty through promotion of sustainable livelihoods and to promote and enable sound governance. The objective of sustainable livelihoods was pursued across three main areas. (i) UNDP helped develop a poverty alleviation strategy which Government has since adopted. UNDP's support to a research unit in the Ministry of Economy and Reforms enabled the unit to begin to analyze the incidence of poverty in Moldova. This work, combined with parallel work by the World Bank in another Ministry, is providing an objective basis for designing poverty intervention programs that can be more accurately targeted on vulnerable groups. Recognizing the links between poverty, crime and drug trafficking, UNDP has initiated discussions with government as a precursor of efforts to formulate a national crime prevention and drug supply and demand control program. (ii) UNDP assisted enterprise development by establishing state institutions to support small and medium scale enterprises and to attract foreign investment. Owing to the generally unsupportive business environment, these initiatives have not yet generated the results expected. (iii) UNDP supported the formulation of a national strategy to include gender equity in all planning. As a result, government has placed 'gender focal points' in 11 central ministries. Additionally, UNDP established a leadership programme which is training trainers in gender and development issues. UNDP has been instrumental in raising awareness of and working to prevent a growing trade in people trafficking.

8. Main Results Achieved in Promoting Governance. The efforts involved three main areas of activity. (i) UNDP promoted governance and democracy by: assisting in establishing and providing advisory support to the Center for Human Rights. The Center has trained over 3000 people and has drawn attention to a range of issues including rights of the child, of women, of HIV/AIDS sufferers and the right to a safe environment. (ii) UNDP substantially contributed to the establishment of the rule of law through its support of the judicial reform process and the training of over 500 legal professionals per year through the independent Judicial Training Center. It has improved public administration processes and helped decentralization by training regional and sectoral strategic planners. (iii) UNDP has assisted government in preparing a draft National Strategy for Sustainable Development and has assisted in training local administrators in the preparation of Local Environmental Action Plans. The annual National Human Development Reports (NHDR) have made an outstanding contribution to efforts to promote better governance by raising awareness and by advocating new policies and practices.

9. Lessons Learned on the Programme Approach. Despite the intention to focus the first CCF on two primary objectives, over time, the portfolio of UNDP's projects grew to include a wider range of projects, some of which seemed less closely related to the original objectives. This evolution was in part a reflection of the resource mobilization process and in part UNDP's response to changing circumstances. Under the second CCF, UNDP will continue this opportunistic approach where appropriate but will use a screening process to ensure that the new projects contribute to the selected objectives of the CCF.

10. Other Lessons Learned.

- (a) UNDP's efforts under the first CCF focussed on public sector activities to provide a platform for further development. With that platform now in place, it is appropriate to broaden UNDP's reach by working directly and more extensively with the civil society and non-governmental organizations.
- (b) The most successful project activities were those which responded to a pressing current need (e.g. supporting the constitutional court). It is important that the CCF provides UNDP with the capacity to respond to such needs (within areas relevant to the objectives) as they arise. In order to assist in screening requests, it will be essential to develop and publicize a series of objective screening criteria.
- (c) UNDP has a particular role to play in supporting the government's efforts to deal with corruption since it has access to key stakeholders in the executive and the judiciary, access to world's best practice through its international network and since corruption has become a major contributor to poverty in Moldova. By combining a broad-based approach to curb corruption with a more narrowly targeted regional approach to control drug trafficking, UNDP could make a major contribution to poverty alleviation over the next five years.

11. The implications of these lessons for UNDP's future activities are that the CCF should: (i) be *pro poor* and focussed on delivering results for the vulnerable groups in society; (ii) be targeted on two primary objectives of governance and integration; (iii) be guided by objectively defined and transparent criteria; (iv) provide scope for opportunistic and strategic interventions; (v) place priority on engaging the civil society; (vi) make maximum use of synergies such as those able to be derived by tackling corruption and drug trafficking as a means to alleviate poverty, reduce the incidence of HIV/AIDS and to assist in integration.

### **III. OBJECTIVES, PROGRAMME AREAS AND EXPECTED RESULTS**

#### **Objectives**

12. The over-arching goal for the second CCF will be to help government create an environment that enables '*pro poor*' sustainable human development. UNDP will continue the broad strategic thrusts of its first CCF but will strengthen its '*pro poor*' emphasis by focussing, where appropriate, on the vulnerable groups in society. This approach will become evident in three new trends in UNDP's orientation: from central levels of government to lower levels; from national activities to regional and district activities; and from predominantly dealing with government organizations to greater involvement with NGOs. In addition, there will be a more selective approach to the selection of projects to ensure that they contribute directly to the CCF objectives. The rationale for these changes in the second CCF is that, during this phase of the development process in Moldova, UNDP can help bridge the gap between government and the civil society

and hence assist in mobilizing the full potential of Moldova's human resources. Similarly, UNDP has an important role to play in drawing attention to the plight of the poor. By emphasizing a *pro poor* approach, UNDP will assist government's efforts to ensure that the transition process leads to the consolidation of a democratic society and to the reduction of poverty and social inequities. In support of this approach, the CCF will comprise two *Primary objectives* and associated *Programme Areas*: (1) **Governance**—to strengthen governance as a basis for sustainable and equitable growth and development; and (2) **Integration**—to exploit opportunities to integrate people, ideas and activities in support of sustainable and equitable growth and development. In the design and implementation of its operational strategies and program interventions, UNDP will integrate the five *Cross-cutting Themes* outlined below.

**(a) Fostering civil society.** Although there are numerous NGOs in Moldova, the civil society remains weak and plays a limited role in the political and economic processes. UNDP will help facilitate conditions to support civil society wherever appropriate. This may include efforts to refine the supporting legislation or to assist with concrete mechanisms for more active participation in decision making processes. NGOs will be assisted to develop skills in project planning, management, evaluation and resource mobilization. They will be used to implement various UNDP projects and actively involved in partnerships to support observance of human rights and gender equality.

**(b) Poverty alleviation.** In line with the Millennium Summit commitment to halve poverty by 2015, UNDP will ensure all its interventions contribute to the overarching goal of reducing human poverty. Under the new Integration programme area, UNDP may support new initiatives directly aimed at facilitating income-generation or reducing the vulnerability of selected social groups. Given the large number of partners operating in the field of poverty alleviation, UNDP will play an important leadership and coordination role through the NHDR and other means to facilitate nation-wide dialogue on ways and means to accelerate poverty alleviation in the country.

**(c) Gender equality.** UNDP support for numerous gender-related initiatives will continue along with increased efforts to mainstream gender concerns in all UNDP activities. Emphasis will be on facilitating equal participation of men and women in the activities of UNDP-supported projects, inclusion of sessions on the importance of promoting gender equality in UNDP-organized training, and rendering assistance in the collection of gender-disaggregated statistics, among others.

**(d) Promotion of human rights.** UNDP will provide support for human rights through the development of the National Human Rights Action Plan. The support may include the development of mechanisms to speed up processing of complaints and to enforce implementation of decisions of the respective bodies. Another entry point may be efforts to enhance understanding of human rights and freedoms among civil servants, NGOs, the media, academia and the general public. In addition, UNDP will facilitate national efforts to meet the provisions of the international Human Rights-related conventions and treaties ratified by Moldova.

**(e) Information access.** Efforts to facilitate information access will be a feature of all UNDP activities and will form a component of each project. All projects will work to identify information needs within the target groups of beneficiaries and propose ways and means to meet those needs. UNDP will also support transparency in government by promoting wider access to information for the population at large. This may involve: assistance in the development of web pages by various Government and non-government entities (e.g. the Parliament); ensuring more effective use of IT in the organization of public awareness campaigns; establishment of electronic information centers; and identification of employment and income generation opportunities through the Internet, among others.

## **Programme Areas and Expected Results**

### **A . STRENGTHENING GOVERNANCE**

13. The needs and opportunities to strengthen governance in Moldova are substantial but for UNDP the issue is to decide where it can provide the most valuable contribution. Given the *pro poor* focus, where appropriate, the efforts to address governance will target vulnerable groups. Within this programme area, the CCF will support three core programmes—Judicial reform, Local government and the Rule of Law. UNDP will operate selectively within these broad areas using criteria to decide whether UNDP will support particular activities such as: whether UNDP has the capacity to operate; whether other donors have less capacity; and whether UNDP activities are likely to be able to 'make a difference' for the poor. In each of these core programmes, the CCF envisages that UNDP will work more closely with civil society

organizations both as a means of identifying needs for future action and as a means of delivering some of the intended results. Whereas much of the past work of UNDP (and other donors) has focussed on the over-arching policy reforms, it is envisaged that more of the future work will move to the frontline where services are being delivered. By shifting the focus to this level, UNDP will be able to become more responsive and to enlist the civil society to assist in identifying the needs for action.

#### Proposed Interventions

14. Furthering judicial reform. With the substantial contribution that UNDP has already made to strengthen the judiciary at the central level, it is appropriate now to broaden support to ensure that all citizens have equal access to justice. At present, the judicial system has inadequate capacity in a number of areas and there are often long delays in bringing cases to court and having them settled. UNDP will seek opportunities to remove strategically important bottlenecks or areas of weakness in the judicial system by building on the partnerships and relationships that it has already established.

- (a) *Judicial Training.* Following completion of the highly acclaimed project supporting the Judicial Training Center, UNDP will explore options for further on-the-job training for staff of the four key judicial agencies. This may involve working with twinning partners to cover training domains such as legislative mandates, corporate governance and programming and operation. Another area of potential need concerns the economic courts which deal with matters such as bankruptcy and are chronically under-staffed.
- (b) *Management of the legislative process.* Work with the Ministry of Justice on the improvement of capacities in the legislative planning for the line ministries, legal drafting and strengthening Ministry of Justice capacities to improve the horizontal management of the legislative process. This would include supporting an analysis of strength and weaknesses of the management of the legislative process in the government, assistance in preparing the Ministry of Justice proposals to rationalize the process, support to the development of quality control institutions, such as a Legislative Council (institution building and advisory support) and the development of social and economic impact analysis as an element of law drafting.

15. Strengthening local government. UNDP will continue to strengthen local administration and its activities will be increasingly decentralized to lower levels of government to improve delivery of government services at the village level. UNDP support is envisaged as including training of administrators and members of the community, development of improved practices and development and implementation of local area plans. The programme will follow the broad approach set out under Agenda 21 and lead to improved expertise (strategic planning, conflict management, decision-making, partnership building and negotiation), greater transparency and decentralization, openness and cooperation with the civil society.

- (a) *Public administration.* UNDP will provide support to continue rationalization of the state structures and public administration. Sustainable development principles will be promoted as the basis for strategic development planning, introduction of improved management practices and more effective use of information and communication technologies.
- (b) *Participatory development.* The Local Agenda 21 process will be launched at judet, municipality and village levels. UNDP will assist civil society to develop a more effective partnership with public administration agencies. This will be achieved by helping staff of local authorities and members of civil society implement the processes of sustainable development, partnership building, public participation in decision-making, transparency, democratization and decentralization.

16. Strengthening the rule of law. Considerably more needs to be done to restore public confidence in the rule of law. Surveys have shown that there is now widespread acceptance of corruption and little confidence in law enforcement. Worsening law and order has been one of the consequences of the dismantling of the command economy and it has been aggravated in Moldova by the lack of authority in the Transnistria region. This has led to widespread and serious corruption, deteriorating or non-existent border controls and the absence of an ethic of law enforcement throughout Moldova. It has also contributed to rapidly expanding drug trafficking with its associated drug abuse problems.

- (a) *Anti corruption.* Growing and widespread corruption threatens to stall economic development in Moldova and to lead to worsening poverty and social deterioration. Tackling corruption will require legislative action to close off opportunities, institutional action to strengthen law enforcement and to promote anti corruption measures and economic action to improve salaries and to lessen the need for corruption among key public servants. UNDP, as a trusted development partner and an independent agency with a strong support network in good governance, is well placed to assist government in its efforts to tackle corruption. In doing so, it will seek to help government to develop appropriate policies and institutions and to facilitate access to support from other donors. Part of the approach will be to promote a dialogue on anti-corruption issues among Government, private sector, and civil society. UNDP may also provide advice on the formulation of a public awareness campaign against corruption, elaboration of anti-corruption programs and the monitoring of their implementation.
- (b) *Drug control.* UNDP will support the drug control efforts of government on both the demand and supply side. Demand reduction requires awareness raising, information, education and early intervention and UNDP support will include helping teachers inform students about narcotic drugs, tobacco and alcohol. Through raising awareness and enhancing the capacity to inform the community about drugs, teachers, policemen, civil society organizations and health workers will help reduce recruitment of young persons into drug abuse. The supply side of the drug control problem is linked to legislation and law enforcement. Under a regional program involving Belarus, Ukraine and Moldova, UNDP will work with authorities to address the lack of knowledge, methods and equipment that currently prevents Moldovan police, border control, customs and security service from curbing drug trafficking.

## *B . PROMOTING INTEGRATION*

17. In order to accelerate the rate of development in Moldova, it will be important to minimize those influences that tend to divide society and to help mobilize the full range of support and resources available. Poverty is clearly a divisive influence since it deprives the poor of a decent life and deprives Moldova of the contribution that the poor could make to society. The challenge of poverty is being addressed by many donors but UNDP has the capacity and mandate to assist in two clear areas. First, it will continue its work in poverty monitoring and mapping thus paving the way for better targeted interventions. Second, it will help explore new avenues for providing livelihoods such as those offered by the development of tourism in Moldova. Another divisive feature of society is the marginalization of vulnerable groups of people. Again, such processes not only hurt those marginalized, they also deprive the country of their potential contributions. UNDP is well placed to advise on policies and measures to assist vulnerable groups become better integrated into society. In this area the CCF envisages that UNDP would contribute through its work with women, HIV/AIDS programs, and through information access including use of Romanian (Moldovan) language. A third divisive influence in Moldova lies in the growing disparity in living conditions both between rich and poor and between rural and urban. While a large part of this is related to poverty, part also is related to the almost total lack of urban and regional planning now evident in Moldova. UNDP will seek to assist by promoting sustainable human settlement development as part of the National Sustainable Development Program (Agenda 21). Another area where more integration is needed concerns the relative neglect of the support potentially available from NGOs and individuals in society. There is a need for an explicit effort to broaden the support base for the transition process and to harness all available resources. Under this programme area the CCF includes a specific theme to foster civil society so that its substantial human capital can be utilized and further strengthened. One other area where the civil society has a substantial contribution to make concerns the re-integration of Moldovans who have returned to Moldova after having worked abroad. Whereas in the past those that returned tended to spend their savings on a new house, some are now using their savings to invest in business. Working through the civil society, UNDP can help promote this socially beneficial development pattern.

### Proposed Interventions

18. Alleviating poverty. UNDP support in this critical area will focus on two important contributions. Firstly, UNDP's advocacy roles through its on-going and future projects will be based on assistance to government in social policy analysis and poverty mapping. Secondly, UNDP will seek to support efforts to generate employment and earn foreign exchange through sustainable tourism. UNDP is well placed to initiate poverty analysis and to advocate the creation of an enabling social, legal and policy environment for

pro-poor development. UNDP's upstream potential in pro-poor advocacy will be complemented by UNDP's guidance in preparation of NHDRs that will also serve as potential vehicles for advocacy and analysis.

- (a) *Poverty analysis.* UNDP will continue to strengthen the capacity of the Government to ensure a financially sustainable anti-poverty strategy by monitoring social expenditures and population's welfare and by evaluating the impact of on-going reforms. Support to the Poverty and Policy Monitoring Unit (PPMU) in the Ministry of Economy and Reforms will enable it to coordinate the creation of the poverty database and train staff to use the information to monitor welfare policies. The analysis will serve as a baseline for the creation of a poverty map outlining the incidence and forms of poverty across Moldova. Training activities will include staff from line ministries, departments and NGOs.
- (b) *Tourism Development.* Tourism is widely recognized as an industry of potentially substantial importance for promoting new employment opportunities for poor people throughout the world. Tourism has barely commenced in Moldova which has no strategy for its development. UNDP will explore the scope to assist government and civil society to develop a tourism industry. This may involve assistance in establishing an institutional framework, building links with regional and international tourism institutions and operators and providing specific advice on strategies that could be used to ensure benefits for the poor and those in rural areas. It would also involve linkages with efforts to improve regional planning and development.

19. Assisting vulnerable groups. UNDP has a mandate to help government in its efforts to assist vulnerable groups in society and government has a fiscal incentive to ensure that its social welfare efforts are closely targeted. UNDP cannot help all vulnerable groups and it has decided to focus on two groups outlined below.

- (a) *HIV/AIDS.* The social implications of HIV/AIDS are already evident in neighboring countries and it is essential that Moldova acts decisively to minimize the harm that HIV could cause. Moldova has one of the highest incidence of HIV among the countries of the CIS region and needs to take urgent steps to prevent an epidemic. This will require efforts to raise awareness and to create efficient means of dealing with treatment, counseling, information and social integration. As HIV/AIDS has no social or national boundaries, it is essential to adopt a regional approach to the problem and UNDP is well placed through the UN family to achieve this regional approach.
- (b) *Women.* In Moldova and elsewhere, women are often over-represented in vulnerable groups or they form a vulnerable group of their own. They tend to suffer most in cases of conflict, are often exploited and frequently, unless there is specific legislation or regulations, women's concerns are neglected. One particularly disturbing trend in Moldova has been the trafficking of women to other countries and there is currently no legal basis to prevent such abhorrent trade. UNDP will help address the broad area of women's needs by mainstreaming gender equality but it will also address specific women's issues through other means. Part of this will involve a continuation of its support for leadership development as a means to foster the role of women and to encourage gender-sensitive leadership. UNDP will help develop leadership, networking and communication skills in men and women and mainstream a gender-sensitive approach in civil society, business and in government administration. UNDP will also address the problem of trafficking in people, especially women by supporting the civil society in its efforts to advocate for appropriate legislation to prevent trafficking and by helping rehabilitate victims.

20. Language & Information access. Although the legal basis for use of the Romanian (Moldovan) language has been established in Moldova since 1989, there has been little done to assist non-Romanian speakers to develop proficiency in the language. This remains a divisive issue and UNDP will assist government develop a national program that would provide opportunities for non-Romanian speakers to develop their language skills. This may involve formulation of a language training network, development of teaching methodologies and general promotion of the use of the Romanian language. Access to information is an essential prerequisite to a democracy and to an efficient market economy. Through its information access theme, UNDP will ensure that all groups in society are aware of and make better use of information. In addition, where possible and where it is strategically justified, UNDP will assist civil society organizations and government agencies improve access to information. The emphasis will be on assisting groups respond to demands for information rather than on generating a supply of information without establishing whether such information is in demand.

21. Strengthening regional development. With over 60 percent of the population living in rural areas outside the cities, regional development will be essential to ensure that the benefits of development are shared across society. The role of the state in regional development under a market economy becomes one of creating checks and balances through zoning provisions and the development and implementation of building standards. Government also has responsibilities in the provision of infrastructure and services, often on a user-pays basis. When Moldova became independent, the old command economy system of urban and regional planning lapsed but it has still not been replaced by a modern system. UNDP has substantial experience internationally in assisting governments institute regional and urban planning programs that contribute to sustainable human development. Expertise in this field will be made accessible through a programme aimed at strengthening the national capacity to incorporate principles of sustainable development into human settlements development plans at urban, sub-urban and village levels. The plans will also include measures to rehabilitate the environment as part of a sustainable approach.

22. Environmental compliance support. UNDP will assist government and NGOs in their efforts to strengthen the national capacity to meet Moldova's undertakings under international environmental conventions. This assistance will be tailored to the particular needs of each convention and will be in addition to the ongoing efforts to assist Moldova in meeting its Climate Change commitments under the Convention on Climate Change UNDP support will include: strategic strengthening of institutional capacity; training and development of human resources; specific areas of technical assistance; access to information and communication technologies; and assistance with outsourcing of expertise. Assistance will also be provided to help Moldova access the resources provided by the Global Environment Facility in its major areas of interventions including biodiversity, climate change and wetlands.

#### IV. MANAGEMENT ARRANGEMENTS

23. Management of the CCF. A Strategic Results Framework (SRF) will be developed for each of the two programme areas indicating expected outcomes, outputs and partnerships. Most of the planned interventions will involve partnerships among both levels of government, civil society and other donors. It is envisaged that the CCF will be implemented following a participatory approach.

24. Programme and project monitoring and evaluation. The CCF will be reviewed annually and at mid term in 2004 as part of the SRF/ROAR process. All partners and stakeholders will be actively involved in monitoring and evaluating progress.

25. Execution modalities. Both programme areas will be implemented using the national execution modality including NGO execution. Where appropriate, steering committees will be used to guide the projects and to help build ownership and sustainability after UNDP has exited from the area. Extensive use will be made of the specialized UN agencies and its networks.

26. Strategic partnerships and coordination. Full use will be made of partnerships both to improve effectiveness and to provide leverage for UNDP resources. UNDP will: (i) extend **relationships** and mobilize additional resources by working with and through NGOs and the civil society in general, particularly outside Chisinau; (ii) put a focus on **policies and partnerships** and enhance the effectiveness of cooperation strategies by seeking practical opportunities to assist frontline staff of NGOs and government agencies to convert policies into practice; (iii) put a focus on **people and performance** by making more extensive use of information networks and targeted training to improve capabilities of both UN Country Team and NGOs; (iv) exploit opportunities for improved efficiencies and effectiveness through collaborative programs both regional (e.g. anti drug trafficking) and national (e.g. with USAID and EU TACIS).

27. Resource mobilization. As can be seen in the resources mobilization target table, estimated core resources are: TRAC 1.1.1 \$6.500m (excluding TRAC 1.1.2 to be assigned by the Administrator), third party cost-sharing \$8.300m; and GEF \$2m. UNDP will continue to utilize core resources to attract funding from the government and donors in the form of cost-sharing and/or co-financing for priority projects and programmes. The country office will intensify its efforts to increase co-financing and will enter into further dialogue with the European Union and other donors to explore possibilities of collaboration. UNDP will also assist government counterpart institutions and NGOs to strengthen their financial capacities.

## ANNEX

### Resource mobilization target table for Moldova (2002-2006)

(In thousands of United States dollars)

| <i>Source</i>                  | <i>Amount</i>       | <i>Comments</i>                                    |
|--------------------------------|---------------------|--|
| <b>UNDP regular resources</b>  |                     |  |
| Estimated carry-over           | 27                  |  |
| TRAC 1.1.1                     | 6,500               | Including assigned resources for 2002-2003 (1,917) |
| TRAC 1.1.2                     | 66.7% of TRAC 1.1.1 |  |
| SPPD/STS                       | 120                 |  |
| <b>Subtotal</b>                | <b>6,647</b>        |  |
| <b>UNDP other resources</b>    |                     |  |
| Government cost-sharing        | -                   |  |
| Sustainable development funds: | 2,000               | GEF  |
| Third-party cost-sharing       | 8,000               |  |
| Funds, trust funds and other   | 300                 | SIDA Trust Fund                                    |
| <b>Subtotal</b>                | <b>10,300</b>       |  |
| <b>Grand total</b>             | <b>16,947</b>       |  |

<sup>a/</sup> Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.