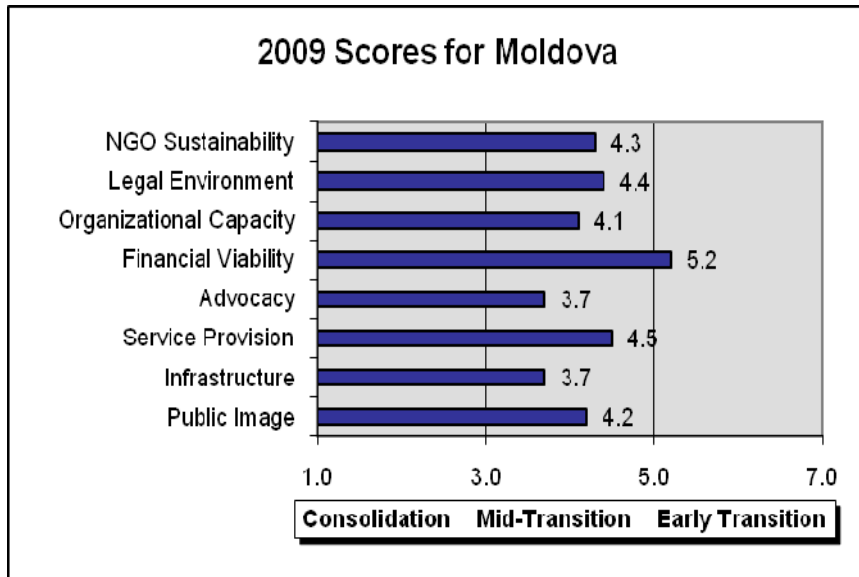


MOLDOVA



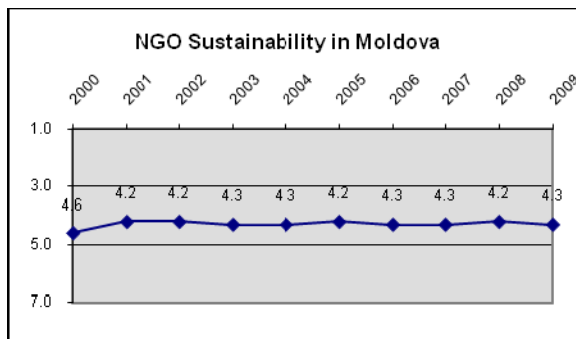
Capital: Chisinau

Polity:
Republic

Population:
4,317,483 (July 2010 est.)

GDP per capita (PPP):
\$2,300 (2009 est.)

NGO SUSTAINABILITY: 4.3



Two rounds of parliamentary elections in 2009 generated significant changes in Moldova’s civil society sector. Street protests in response to widespread allegations of electoral irregularities in the April 5 elections turned violent and hundreds of protesters were arrested; many later reported that they had been tortured in police custody. Since the parliament elected on April 5 failed to elect a president as required by the constitution, the legislature was dissolved and early parliamentary elections were held on July 29, 2009. The elections and instability at the national government level stalled many projects at the national level.

The government elected on July 29 has repeatedly sought the input of NGOs. Authorities are discussing reactivating the National Participation Council in some form, which would enable the third sector to be included in the policy development process.

More than 8,000 NGOs are registered at the national and local levels, which translates into more than two organizations per 1,000 inhabitants. While they are generally concentrated in urban areas and in the center of the country, the number of NGOs working at the local level is almost the same as that working at the national level. Almost half of NGOs work either in the social or educational sectors.

The year saw an increase in the number of projects implemented by both national and local level NGOs in the Transnistrian region, as well as new partnerships with Transnistrian NGOs. The impetus for some of these initiatives came from increased donor interest in Transnistria.

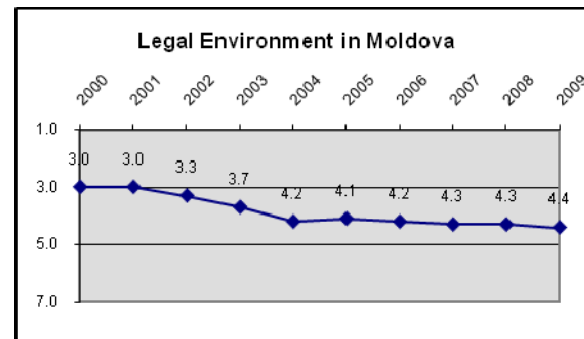
LEGAL ENVIRONMENT: 4.4

The political uncertainty negatively affected the operating environment for NGOs. The National Democratic Institute submitted registration paperwork on three occasions between September 2008 and February 2009, but all three requests were refused. Eurasia Foundation Moldova and the International Republican Institute encountered similar registration barriers. At the end of September 2009, the new Minister of Justice expressed regret for the delays in the registration of these NGOs and officially presented registration certificates. He also declared that he will remove bureaucratic barriers in the work of the ministry and initiate close collaboration with NGOs.

After post-election street violence in April, the Fiscal Tax Inspectorate sent summons letters to at least ten members of the Coalition for Free and Fair Elections–Coalition 2009, a voluntary coalition of over seventy NGOs. The letters demanded that the NGOs reveal their sources of funding and provide financial reports for 2009, or risk having their bank accounts frozen. On April 21 the Ministry of Justice sent a letter demanding that within ten days eight of the coalition members as well as two other NGOs provide information about the steps they took to prevent and stop the violence that followed the April 5 elections. Between April and June 2009 the Information and Security Service monitored several leading human rights NGOs through direct observation and the interception of telephone conversations.

Despite changes to the legal framework for NGOs, registration remains problematic. After the entry into force of amendments to the Law on Public Associations, the Ministry of Justice (MoJ) insisted that NGOs re-register their statutes by changing the word “organization” to “association” in the case of public associations and the word “public” into “private” in the case of organizations registered as institutions. The fifth NGO Forum held in December 2008 adopted a resolution which proposed an amendment to the Law on Public Associations simplifying the re-registration procedure, but the parliament did not consider this amendment

during the year. The re-registration process is still burdensome and dependent on the human factor within the MoJ, and in some cases takes more than six months.



The government is now using the electronic registry of NGOs, financed by UNDP and implemented last year by the MoJ. An online module which would permit interaction with the public and NGOs is not functioning yet.

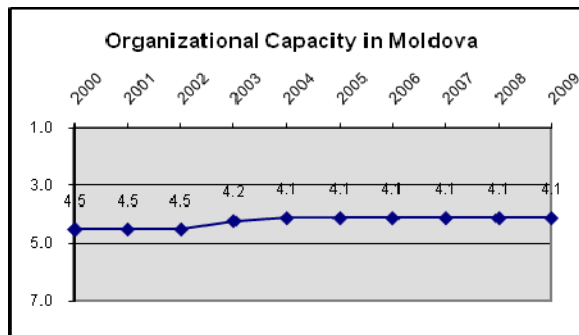
While Moldovan law enables NGOs to implement income-generating activities, procedural and legislative gaps create barriers to such activities. NGOs do not receive any tax exemption on grants or other sources of funding, and employees are required to pay income tax as well as a social insurance tax on their salaries. There is still no law enabling local and international businesses to receive tax incentives for funding charitable activities.

NGOs have limited access to legal services, especially in rural areas. The Ministry of Justice failed to continue to provide legal assistance to NGOs following the completion of a UNDP-financed civil society strengthening project in 2008.

During 2009, a consortium of civil society organizations actively promoted a draft percentage law, a nondiscrimination law, a law on public benefit organizations, and amendments to the Law on Charity and Sponsorship, but parliament did not act on these initiatives.

ORGANIZATIONAL CAPACITY: 4.1

A lack of significant donor-funded organizational support led most NGOs to continue following short-term development strategies. The few strategic planning efforts that NGOs undertook were mainly donor driven. Even if most NGOs have a written mission and strategic objectives, these exist mostly on paper.



While the law requires all NGOs to have a board in order to register, most organizations do not understand the board's importance or function. Only a few of the most developed NGOs have a functional board and a clear division of responsibilities between the board and management staff. Experts and leaders from some prominent NGOs moved to political party work or took positions in the government. Only

FINANCIAL VIABILITY: 5.2

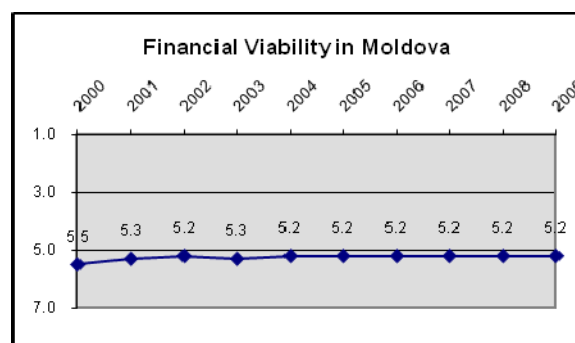
NGOs continue to be financially dependent on foreign donors and have weak internal financial management systems. The financial vulnerability of the sector was particularly obvious this year. Most donors prioritized the financing of elections-related projects; consequently, NGOs with a different focus or with weaker institutional capacities were less active. Most donors did not cover staff salaries, capacity development or technical equipment.

While some progress has been made in local fundraising initiatives, sustainable and well-structured mechanisms for public financing of NGOs have not yet been created. Government support for NGOs is sporadic and the total amount of government funding is difficult to

a small percentage of NGOs have permanent paid staff, and only a few of these, most of which are based in the capital, have teams that are larger than ten or fifteen people. In rural areas, employees usually work on a voluntary or project basis.

Volunteerism increased due to election-related projects and initiatives. Most volunteers were young people. NGOs actively promoted volunteerism through various activities including the National Week of Volunteering and annual National Volunteer Festival. A coalition of NGOs has been lobbying for a draft volunteering law for the last four years. While the government discussed the draft in 2009, the law has not yet been adopted and voluntary work still has no legal status.

Many NGOs, especially outside of major cities, do not have the equipment necessary to implement activities, or their equipment is outdated and needs to be replaced. Technical progress and decreasing prices for electronic products and Internet services, however, have increased NGO access to IT, especially in rural areas.



about the impact of the world financial crisis on the financial situation of Moldovan NGOs.

Four out of five community foundations created in 2007 continued their activities in 2009. To date, NGO social enterprise initiatives and other

income-generating activities have been implemented mainly through donor funding, though some NGOs have made modest attempts to increase revenues by providing fee-based services or attempting to attract dues-paying members or domestic donors. Some NGOs succeeded in building good relations with business representatives and received assistance from local companies, though this was mainly in-kind.

Except for a number of organizations based in Chisinau, most NGOs still lack the capacity and human resources to comply with EU application procedures and eligibility criteria. At least forty-

ADVOCACY: 3.7

The overall environment for NGO advocacy was enhanced by the parliament's passage in December 2008 of a resolution approving the Strategy for Civil Society Development for 2008–2011. The strategy is based on the principle of active civil society involvement in the decision-making process, outlines principles of cooperation between public authorities and civil society, and identifies priorities for government support to the nonprofit sector.

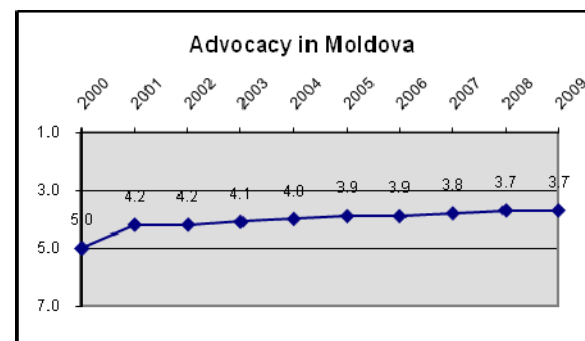
The year's two elections drew government attention away from legislative advocacy initiatives, but the new government seems open to productive collaboration with NGOs. Roundtables with civil society representatives were among the first meetings on the new government's agenda. The newly elected prime minister invited NGOs to form a council of experts that would institutionalize cooperation between civil society and the government. Other public institutions such as the Ministry of Agriculture and Food Industry, the Ministry of Youth and Sports, the Ministry of Environment, and the Center for Combating Economic Crime and Corruption organized meetings with NGOs. Prominent NGO leaders took positions in the new government, reducing the level of advocacy skills and capacity within NGOs.

NGO representatives took positions against violations of the rights of detainees and the rights to freedom of assembly, association and

one EU programs and projects were active during the year, eight of which were managed by Moldovan NGOs.

UNDP, the Global Compact Network Moldova, the American Chamber of Commerce in Moldova and the Eurasia Foundation organized the third annual International Conference on Corporate Social Responsibility. Private sector representatives actively participated and made financial contributions to the conference, which provided a platform for communication and relationship building between NGOs and businesses.

expression. NGOs developed analyses and reports on the April events and addressed petitions to international organizations. A number of NGOs engaged in nonpartisan election activities, such as civic and voter information campaigns, election observation, media monitoring and the provision of free legal aid to journalists and voters. Volunteers were involved in all these activities.



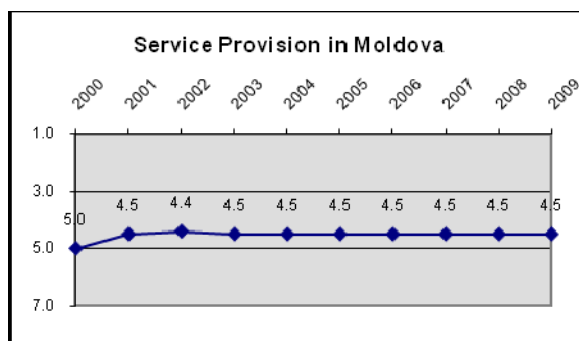
The 2008 Law on Transparency in Executive Decision Making, drafted with the active participation of civil society representatives, entered into force in March. The 2008 Law on Assembly, which was drafted after extensive consultation with civil society, was a significant step towards greater freedom of expression, but the law was not properly enforced. For example, when civil society representatives who were protesting peacefully on February 3 in front of the General Prosecutor's Office were attacked by masked persons, prosecutors who were

present did not intervene to stop the attacks and the police ignored protesters' calls for help. After this incident, the authorities and a group of human rights NGOs launched a dialogue. The new government has declared its commitment to respect and enforce the law.

The Soros Foundation Moldova sought to create a national cadre of advocacy trainers. In

addition, advocacy issues are part of the second phase of the Public Policy Program implemented by CReDO in cooperation with an international partner organization. Program participants working in groups consisting of both NGOs and public sector employees developed eight draft policy papers, which were discussed during a national conference with the participation of both NGOs and government representatives.

SERVICE PROVISION: 4.5



NGOs continue to provide services mainly in the social sector, including social services, education, and environmental protection. The groups targeted for service provision are generally socially vulnerable populations, including people with disabilities, victims of family violence and human trafficking, street children, people suffering from abuse, people living with HIV/AIDS, and the elderly. The purchasing power of these groups is extremely low, and NGOs still have little capacity to market their services despite high demand.

Donor institutions and public and private organizations rather than individuals contract

most NGO services. The range of services provided are aimed at the gaps donors are trying to fill, rather than the needs of constituencies. The protests that followed the April elections created a new group of beneficiaries—victims of police torture, who received medical and psychological assistance as well as legal services from members of the NGO community.

A number of NGOs have begun providing fee-based services such as training and specialized consulting, but fee-based services are far from a major fundraising source, especially when the fees charged are symbolic or just cover costs.

There are many types of services, especially in the social sphere, which the state cannot fully provide. The Strategy for Civil Society Development (2008–2011) addresses issues related to contracting with NGOs for the provision of social services, but there is still no legal framework for the government to contract for services. Currently no mechanisms exist for monitoring and evaluating NGOs' provision of services.

INFRASTRUCTURE: 3.7

Many of the NGO resource centers created more than a decade ago have shifted from providing basic assistance to more tailored and high-quality consultancy services, partly due to demand from developed NGOs. There is an increasing need for high-level expertise in certain areas, but many NGOs that need these services are reluctant or unable to pay. Meanwhile, there is less informational and

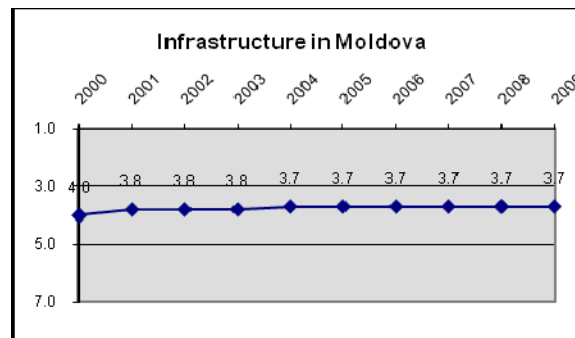
technical assistance available for nascent NGOs, especially at the local level.

Increasingly, issue-based NGO alliances and coalitions cover the functions of resource centers, offering training opportunities and informational and technical support for their members. For example, the Coalition for Nondiscrimination organized two seminars for

its member NGOs on conducting advocacy campaigns against discrimination and intolerance.

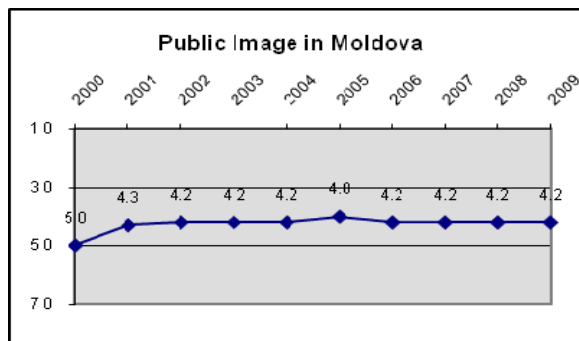
NGOs provide several long-term, high-quality capacity building programs. These include the Public Policy Program implemented by CReDO consultants in cooperation with international trainers, and the Management and Leadership Program implemented by the Center for Organizational Training and Consultancy.

Most training is still donor-subsidized and short term (one to three days), and includes neither an initial participant needs assessment nor follow-up activities. Donors continued to invest in national trainers and consultants in areas such as strategy development and organizational management.



NGOs revived the National Forum of NGOs and the National Council of NGOs. The National Forum of NGOs from Transnistria was organized for the second year in a row. The number of intersectoral partnerships is growing, especially at the local level. Specialized web portals (www.ong.md, www.civic.md), electronic newsletters and the Internet television station www.publictv.md are among the sources of information for NGOs.

PUBLIC IMAGE: 4.2



The July 2009 Barometer of Public Opinion published by the Institute for Public Policy showed a modest increase in the public perception of and trust in NGOs. Twenty-eight percent of respondents trusted NGOs compared to 21 percent in 2008, but levels of trust were still lower than they were between 2004 (when 36 percent trusted NGOs) and 2007 (when 31 percent trusted NGOs). NGOs continue to have among the lowest levels of public trust among institutions.

NGOs gained visibility due to their participation in the electoral process. The Coalition for Free and Fair Elections—Coalition 2009 garnered popular interest in their reports on topics

including elections observation and exit-poll results. NGO representatives participated as experts or special guests on TV and radio news programs and talk shows. NGOs' civic and voter education activities involved close cooperation with local authorities, the Central Electoral Commission, the media and other elections stakeholders. NGOs also met with a European Parliament delegation that came to analyze the April events.

NGO visibility and transparency were among the main objectives of the Soros Foundation Moldova's Civil Society Program. Soros in partnership with the National Council of NGOs organized two Civil Society Cafés (informal meetings of stakeholders) on the subject of NGO transparency and media relations. At the end of the year, Civil Society Cafés were organized in Balti, Cahul and Soroca with Soros Foundation financial support.

NGOs took more creative approaches to constituency building, such as creating profiles for their organizations on online social networks such as Facebook. NGOs became more creative in attracting media interest by organizing

activities like street events and flash mobs, and the Internet television station www.publictv.md

began to offer all NGOs free online publication of video materials.