Table of Contents

Welcome Message .................................................................................................................. 1
The World Bank Group and Its Development Agenda ............................................................. 2
15 Years of Partnership with Moldova ..................................................................................... 3
Cooperation with Development Partners ............................................................................... 5
Working with the Civil Society ............................................................................................... 6
Public Information Services in Moldova .................................................................................. 7

- PROJECTS UNDER IMPLEMENTATION .............................................................................. 8
  WORLD BANK-FINANCED PROJECTS (IDA, Credits and Grants) ........................................ 8
  Public Financial Management Project .................................................................................. 9
  Competitiveness Enhancement Project ............................................................................... 10
  Pilot Water Supply and Sanitation Project ......................................................................... 11
  Energy II Project ............................................................................................................. 12
  Road Sector Program Support .......................................................................................... 13
  AIDS Control Project ...................................................................................................... 14
  Social Investment Fund II ................................................................................................. 15
  Quality Education in the Rural Areas of Moldova Project .................................................. 16
  Avian Influenza Control & Human Pandemic Preparedness & Response ......................... 16
  Health Services and Social Assistance Project ................................................................... 17
  Rural Investment and Services Project (APL II) ................................................................. 18

  WORLD BANK-ADMINISTERED PROJECTS (TRUST FUND Grants) ............................... 19
  Renewable Energy from Agricultural Wastes .................................................................... 20
  Environmental Infrastructure Project ................................................................................ 20
  Public Heating Biomass in Rural Communities ................................................................ 21
  Sustainable POPs Stockpile Management ......................................................................... 22
  Agricultural Pollution Control Project ............................................................................... 23
  Soil Conservation Project .................................................................................................. 24
  Soil Conservation Follow up Project .................................................................................. 24
  Energy Conservation and Emissions Reduction ................................................................. 25
  Capacity Building in Moldova Public Sector Accounting ............................................... 26
  Education for All, Fast Track Initiative ............................................................................. 26
  Reforming Courts ............................................................................................................. 27
  Strategic Development of the Court of Accounts .............................................................. 27
  Technical Assistance on Public Administration Reform .................................................... 28

- PROJECTS UNDER PREPARATION ................................................................................ 29
  Poverty Reduction Support Credit II .................................................................................. 29
  RISP 2 Additional Financing ............................................................................................. 29
  National Water Facility Project .......................................................................................... 29
  Moldova Community Forestry Project ............................................................................... 30
  Moldova Financial Sector Reform ...................................................................................... 30

- COMPLETED PROJECTS .................................................................................................. 31

© World Bank in Moldova, 2008
Photos: © UN / Julie Pudlowski: cover (happy boy), pages 4, 5 (top) and 16.
Welcome…

…to this short and concise, and we hope, user-friendly brochure on the World Bank and its program of assistance to Moldova. The World Bank offers diverse assistance to more than 100 countries in various stages of development, including Moldova. In 1992, Moldova joined the World Bank. Since then, the World Bank has continuously supported the country’s economic and social reform program by working with the authorities, local stakeholders, and development partners to reduce poverty and enhance the living standards of the people. The World Bank and Moldova have become real and trustworthy partners in the country’s transition toward a market-based economy.

The purpose of this brochure is to provide the reader with a snapshot of this partnership, not only in terms of raising awareness about the Bank and its program of assistance in Moldova, but also in terms of promoting an informed dialogue and cooperation between the Bank and the major stakeholders in the country.

The brochure is the result of the collective efforts made by the World Bank Moldova Country Team. It presents a succinct description of the diverse assistance the Bank provides to the country, ranging from credits to technical assistance, capacity building, analytic and advisory services, and cooperation with the civil society and local communities. We hope that you find the brochure useful and informative. Please do not hesitate to provide us feedback for improving this document in the future.

Melanie Marlett
Country Manager
Moldova Country Office
Europe and Central Asia Region
The World Bank

February 2008
The World Bank Group and Its Development Agenda

The World Bank Group is an international organization which provides financial and technical assistance to developing countries around the world. Our mission is to reduce poverty and improve quality of life through:

(i) Promoting growth to create economic opportunities; and (ii) Helping poor people to take advantage of these opportunities.

We support governments of member countries in their efforts to invest in schools and health centers, provide water and electricity, fight disease, and protect the environment.

We are not a “bank” in the commonsense. We are an international organization owned by 185 countries—both developed and developing—that are our members. We were set up in 1944 as the International Bank for Reconstruction and Development. When we first began operations in 1946, we had 38 members. That number increased sharply in the 1950s and 1960s, when many countries became independent nations and joined our organization.

As our members grew and their needs changed, we expanded and are now made up of five different agencies.

We are like a cooperative, where our members are shareholders. Through their representatives on our Board of Executive Directors, these countries set our policy, oversee our operations and benefit from our work.

The World Bank Group consists of five Institutions

The International Bank for Reconstruction and Development (IBRD) lends to governments of middle income and creditworthy low-income countries.

The International Development Association (IDA) provides interest-free loans—called credits—and grants to governments of the poorest countries.

The International Finance Corporation (IFC) provides loans, equity, and technical assistance to stimulate private sector investment in developing countries.

The Multilateral Investment Guarantee Agency (MIGA) provides guarantees against losses caused by noncommercial risks to investors in developing countries.

The International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes.

Even though the World Bank Group consists of five institutions, only the International Bank for Reconstruction and Development and the International Development Association constitute the World Bank.

*) In this brochure, Bank and World Bank refer to the whole institution, the World Bank Group.

Headquarters: Washington, DC and more than 100 offices around the world.

Established: July 1, 1944 by a conference of 44 governments in Bretton Woods, New Hampshire, USA

Membership: 185 countries

Staff: Approximately 7,000 employees in Washington, DC and over 3,000 in offices around the world.
Moldova joined the IBRD on August 2, 1992 and IDA on June 14, 1994. The country is currently eligible only for IDA’s concessional lending.

The Bank’s assistance program in Moldova has included the following operations:

■ Structural adjustment/policy-based lending to support fiscal and price stabilization, trade liberalization, and a general move to a free market economy;

■ Investment operations in the form of loans, credits, and grants to support development projects proposed by the government or private sector, as well as grant-funded technical assistance covering such activities as budget and financial planning, program and project planning; and

■ Economic and sector work, which has included products ranging from major reports focusing on key economic and social issues to policy notes, workshops, and conferences.

Structural adjustment and investment lending have been provided as IBRD loans/IDA credits. Projects implemented directly with the private sector have been financed through IFC. Grants have taken various forms and have come from various sources: IDA grants, Japanese Policy and Human Resources Development grants, Institutional Development grants, as well as support from other partners and affiliated organizations, such as the Global Environment Facility and Financial Sector Reform and Strengthening Initiatives.

The first Bank loan to the country, an Emergency Drought Recovery Loan of US$26 million, was approved by the Board in October 1993, with the objective of financing critically needed agricultural imports after the severe drought of that year. From 1993 to 2002, to address the terms of trade shocks and the need for structural reforms of the 90s, the World Bank financed four structural adjustment operations totaling US$185.65 million (disbursements). The operations focused on promoting reforms, including privatization and enterprise restructuring, financial sector, agricultural policy, trade and pricing policies, and social sector.

Investment lending to Moldova began in 1995, with a US$30 million Pre-Export Guarantee Facility. The loan offered political risk insurance designed to attract working capital loans from abroad. Investment lending programs accelerated in 1996 with the approval of loans for projects in private sector, agriculture, and energy. At that time, the first IFC investment in Moldova (US$10 million in INCON, a major agro-processor) was also initiated. Expansion of investment lending continued in 1997 and 1998, with support to education and the cadastre system and further assistance for private sector development.

By the end of the 1990s, the World Bank-funded investment operations had expanded to cover most key sectors of the economy. The investment operations were complemented by a portfolio of grant-funded technical assistance projects, ranging from the strengthening of public procurement legislation to the development of modern enterprise accounting standards and the design of health care reforms.

Today, the Bank is currently providing direct budget support under its Poverty Reduction Support Credit (PRSC). Bank-funded investment operations cover a wide range of sectors: private sector development and competitiveness enhancement, rural development (agriculture, rural entrepreneurship, and rural education), human development (education, social protection, and health), and infrastructure. Further, World Bank non-lending operations in Moldova cover many areas, including agriculture, environment, social
and public sectors, and infrastructure.

Since the beginning of its intervention in Moldova, the World Bank has financed 42 operations, including five adjustment operations, IBRD loans, IDA credits and grants. Commitments to date have totaled US$689.4 million. There are at present 11 operations under implementation and three under preparation. In addition, there is a wide range of analytical and advisory activities.

Since its inception in Moldova in 1995, IFC has committed US$72 million of its own funds, and arranged US$25 million in syndications in electricity, telecommunications, agribusiness, and small and medium-size enterprises (SMEs). In addition, IFC has supported technical assistance projects in banking, tourism, wine production, food processing, and leather industries. Going forward, IFC intends to maintain its assistance for private enterprise development by providing long-term funding through local banks and by helping attract foreign strategic investors.

Moldova has been a member of MIGA since June 9, 1993. MIGA guarantees facilitated approximately US$63.7 million of foreign direct investment (FDI) in the electricity, financial, and real estate sectors. It has also been involved in mediating disputes (in the electricity sector) and has provided technical assistance to formulate and implement strategies for attracting FDI. It has provided advice and tailored assistance to public and private organizations in image-building, sector-targeting, outreach, and information dissemination. MIGA’s online information service has 153 documents for Moldova, pertaining to investment opportunities and other related legal and regulatory issues.

---

**Ten Things You Never Knew About the World Bank**

1. We are the world’s largest external funder of education.
2. We are the world’s largest external funder in the fight against HIV/AIDS.
3. We are the leader in the fight against corruption worldwide.
4. We strongly support debt relief to the poorest, most heavily indebted countries.
5. We are one of the largest international funders of biodiversity projects.
6. We work in partnership more than ever before.
7. We are helping to bring clean water, electricity and transport to poor people.
8. Civil society plays a larger role in our activity.
9. We help countries emerging from conflict.
10. We are responding to the voices of poor people.
Cooperation with Development Partners

The Bank has played a significant role in helping the country achieve its poverty reduction and sustainable economic growth objectives. Over the years, with increasing financial support from other donors and agencies, the Bank is no longer the largest provider of external financial support to Moldova¹. This underscores the importance of deepening and extending IDA’s partnerships with other donors in support of tangible outcomes. IDA has been active in donor coordination during the past two years. Harmonization between the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) and the European Union-Republic of Moldova Action Plan, and the willingness of other partners to align their assistance with the EGPRSP and now the National Development Strategy (NDS), has facilitated coordination on the ground. The Bank has worked with other donors both in analytical work and in individual lending operations.

The harmonization process was carried forward through a Development Partnership Framework entitled “Co-ordination and Harmonization of Government and Donor Practices for Aid Effectiveness in the Republic of Moldova” between the Government, IDA, Netherlands, United Kingdom (DFID), Sweden (Sida), UN, IMF and EU, signed in Chisinau on May 29, 2006. This Partnership Framework commits the parties to joint reviews, harmonization of indicators, and prior actions and synchronization with government budget cycles with a view to reducing transaction costs of assistance to the country. It also contains performance indicators for both government and external partners to assess progress towards measures for increased aid effectiveness.

The Bank has already initiated the process of developing the new Country Partnership Strategy for Moldova, to cover the period of 2009-2012. The Government and development partners have expressed interest in a joint approach to help Moldova over the upcoming period, utilizing the NDS as the overarching framework in this process. The following priorities, as set out in the NDS, will guide the work of the development community over the next years: a modern democratic state based on the rule of law; reintegration of the country; increased national competitiveness; increased employment opportunities and social inclusiveness; and regional development.

¹ The IMF approved a PRGF of $118 million in May 2006. The EC, under the new ENP financial instrument, is expected to provide around Euro 200 million in grant financing over the next four years. The US Millennium Challenge Corporation granted compact status to Moldova in November 2006, holding out the prospects for substantial future grant financing.
The World Bank recognizes the important role that civil society plays in meeting the challenges of development and highly welcomes the opportunity to work with it. Today, cooperation between the World Bank and the civil society of Moldova covers a wide range of activities. Not only does the Bank finance special programs targeting civic groups of the country, it also places great emphasis on involving these groups in consultations and policy dialogue. As such, for the current World Bank Country Assistance Strategy (CAS) for Moldova, covering the 2005-2008 years, leaders of over 50 organizations of civil society attended discussions during its preparation phase and formulated valuable suggestions and proposals.

Various NGOs are actually being involved in the implementation of World Bank-financed projects in areas like Rural Development, Community Development, Agriculture, Environment Protection, AIDS Control, Infrastructure and Education. Over 700 NGOs from rural localities, which were set up during the implementation of the First and Second Social Investment Projects, are administrating today projects aimed at providing improved rural services. A third type of cooperation is reflected in the Bank's invitation for the NGOs to conduct various surveys covering the level of poverty, quality of drinking water, social influence on land reform, doing business, etc.

The World Bank provided substantial support in the organization of the first 3 editions of the National NGO Forum and National NGO Fair.

**Grants Programs for Civil Society**

**Small Grants Program (SmGP).** The SmGP of the World Bank was created in 1983, with the purpose to support the empowerment of citizens to have greater ownership of development processes. After its decentralisation in 1998, the SmGP in Moldova is managed by the Country Office in Chisinau. Between 1997 and 2007, grants to Moldovan NGOs amounted to approximately US$365,000 for 92 projects belonging to 47 national and 45 local NGOs.

**Development Marketplace (DM).** This program, held at the global, regional, or country level, aims to identify and support innovative development ideas and build synergies between various players in the field. The first participation of Moldovan NGOs in the global DM was a big success with 4 finalists invited to Washington and 1 winner. In 2003, the World Bank held a regional DM for NGOs from Belarus, Moldova and Ukraine. At the final stage of competition in Minsk Moldovan NGOs registered an impressive result with 9 winners. Currently a new DM regional competition for 3 countries has taken place, targeting youth under the topic “Choose your future today”.

**Youth Voices Group (YVG).** In 2004 Moldova adhered to the YVG initiative, a project implemented by the Bank in Europe and Central Asia region. As a result, the first group of young people was selected for participation. YVG is a consultative group of approximately 16 young people, which brings local youth perspectives into World Bank-financed programs. The main purpose of the initiative is to facilitate a permanent dialog with youth stakeholders and establish a mutual learning process for youth stakeholders and the World Bank in order to contribute with new ideas and recommendations to improve World Bank programs for youth. In 2007 a new generation of youth leaders was selected on a competitive basis.
Public Information Services in Moldova

The World Bank in Moldova, as part of a global public information services network, is offering more information access points to the public in the county:

■ Visitor Center within the World Bank Country Office in Moldova;
■ Public Information Center and Depository Library at the Scientific Library of the Academy of Economic Studies in Chisinau;
■ Second Depository Library at the Balti State University “Alecu Russo”.

The World Bank also maintains English and Romanian local websites, www.worldbank.org.md, that are updated weekly. Website and centers provide information on:

■ local and global news and events;
■ the current project portfolio, data and documents;
■ publications and research papers on Moldova;
■ data and statistics;
■ loans, procurement and vacancies information;
■ information for NGOs and civil society (scholarships and grant competitions);
■ on-line access to more than 4,000 Bank books and publications through e-PIC database;
■ many other useful resources and data.

Access to information is free of charge and for everyone. Centers are equipped with computers and internet access.

Visitor Center is open:
Monday: 2 pm to 4 pm;
Tuesday to Friday: 10 am to 12 pm, 2 pm to 4 pm.

Location:
Banca Mondiala, #20/1, Pushkin St., MD-2021, Chisinau, Rep. of Moldova

Contact Person:
Elena Sosnovschi, Public Information Assistant,
Tel.: (+ 373 22) 200 706
E-mail: Esosnovschi@worldbank.org

Public Information Center & Depository Library
Academy of Economic Studies,
#61, Banulescu-Bodoni St., Chisinau,
Tel/fax: (373 22) 242663/227724
www.ase.md, library@lib.ase.md

Depository Library,
Balti State University “Alecu Russo”
#38, Pushkin St., Balti,
Tel/fax: (+373 23) 23362,
www.usb.md, liberuniv@usb.md

1 We also plan to open an information center in Cahul, South of Moldova, in 2008.
### WORLD BANK-FINANCED PROJECTS (IDA Credits and Grants)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Project Cost (USD mln)</th>
<th>IDA Financing (USD mln)</th>
<th>Date of Effectiveness</th>
<th>Expected Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Financial Mgmt.</td>
<td>15.43</td>
<td>8.55</td>
<td>1/3/2006</td>
<td>6/30/2010</td>
</tr>
<tr>
<td>4</td>
<td>Energy II</td>
<td>39.93</td>
<td>35.00</td>
<td>3/2/2004</td>
<td>12/31/2009</td>
</tr>
<tr>
<td>5</td>
<td>Road Sector Program Support</td>
<td>48.70</td>
<td>16.00</td>
<td>10/30/2007</td>
<td>6/30/2011</td>
</tr>
<tr>
<td>6</td>
<td>AIDS Control</td>
<td>5.73</td>
<td>5.50</td>
<td>10/8/2003</td>
<td>7/31/2008</td>
</tr>
<tr>
<td>7</td>
<td>Social Investment Fund II</td>
<td>29.17</td>
<td>20.00</td>
<td>9/15/2004</td>
<td>3/31/2010</td>
</tr>
<tr>
<td>8</td>
<td>Quality Education in Rural Areas</td>
<td>10.19</td>
<td>10.00</td>
<td>8/7/2006</td>
<td>5/31/2010</td>
</tr>
<tr>
<td>9</td>
<td>Avian Flu Preparations &amp; Response</td>
<td>10.60</td>
<td>8.00</td>
<td>9/12/2006</td>
<td>12/31/2009</td>
</tr>
<tr>
<td>10</td>
<td>Health Services &amp; Soc. Protection</td>
<td>44.36</td>
<td>17.00</td>
<td>9/5/2007</td>
<td>8/31/2011</td>
</tr>
<tr>
<td>11</td>
<td>Rural Investment &amp; Services II</td>
<td>25.98</td>
<td>15.00</td>
<td>7/7/2006</td>
<td>6/30/2010</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>258.39</strong></td>
<td><strong>156.85</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Lending volume by major sector, 2007

**Commitments US$ (million)**

- **Agriculture**: 13.8
- **Public admin, Law**: 4.4
- **Health & Social Serv.**: 13.0
- **Transportation**: 10.9
- **Water/sanit/fld prot**: 1.1
- **Industry and Trade**: 1.1

**Source:** World Bank Business Warehouse
1. Public Financial Management Project

**Amount:**
Government of Moldova – USD1.19 million
IDA – USD8.55 million credit
Netherlands - USD3.56 million, Sweden (Sida) - USD2.13 million

**Objectives**

(i) Improving fiscal discipline and strategic resource allocation by placing the budget into a medium-term perspective;

(ii) Ensuring effective budget execution and oversight by streamlining payment authorization arrangements, budget monitoring and reporting;

(iii) Improving efficiency of expenditure and financial management through better financial planning, centralization of cash balances and reporting;

(iv) Increasing transparency and accountability by strengthening financial and internal audit capacity at the Ministry of Finance level, as well as at each line ministry level; improving accounting, and making budget documents and other general purpose public finance reports available to the public.

**Results to date:**

- Improved comprehensiveness of the Government budget coverage, gradual consolidation of extra-budgetary funds into the state budget (the number of extra-budgetary funds reduced by half over the last three years);
- Introduction of a single treasury account system and consolidation of budget balances at the National Bank of Moldova (NBM);
- Gradual development of the Medium-Term Expenditure Framework (MTEF) process with a focus on comprehensive coverage and strengthening of the linkage between national policy priorities and the budget (MTEF institutionalized as a strategic planning phase of the regular budget cycle through amendments to the Law on Budget System and Budget Process; MTEF covers by now all the national public budget resources, including state budget, local budgets, state social insurance budget, national health insurance budget, donor funded investment projects; the coverage of detailed sector expenditure plans for the MTEF expanded from 3 sectors in 2005 to 6 sectors in 2007);
- Conceptual and functional design of the new Government-wide integrated financial management information system completed;
- Concept for development of the Government internal financial control and internal audit system based on EU standards developed and implementation launched;
- Strategic plan for institutional development of the Court of Accounts approved and implementation launched (supported by the parallel Multi-Donor Trust Fund (MDTF) for the Court of Accounts Technical Assistance (TA)).
Objectives
Assist Moldova in enhancing competitiveness of enterprises through improvements in the business environment and modernization of the MSTQ system (national system of standards).

Amount:
IDA – USD4.9 million credit and USD4.9 million grant
Government of Japan – USD4.5 million

Results to date:
- The Government has completed the systematic review of the country’s legislation, and submitted to the Parliament a draft of the umbrella law recommending amendments to some 80 laws affecting business operations (so-called Guillotine II). In parallel, the Project is financing the local capacity-building program to prepare for the mandatory introduction of the Regulatory Impact Assessment (RIA) for all new legislation.
- Management time spent on meeting regulatory requirements decreased from 17% in 2004 down to 16% in 2006 (according to the Cost of Doing Business Survey (CODB)).
- Moldovan enterprises were inspected on average 8.7 times (CODB 2006) compared to 18 inspections in 2004. The average duration of inspectors’ stay at the enterprise is 16 days. A company had incurred on average USD184 a year for inspection costs, including penalties - USD133.
- It took about 20 days and USD286 for an enterprise to obtain a license in 2007.
3. Pilot Water Supply and Sanitation Project

**Amount:**
Government of Moldova – USD0.5 million
IDA – USD12 million credit

**Objectives**
Enhance the welfare of population living in some of the poorest rural areas and medium-sized towns and cities by improving the quality, efficiency and sustainability of water supply and sanitation services through: (a) rehabilitating and improving operations of selected water and sewerage systems to increase service quality and efficiency; (b) strengthening participating Apa Canals to improve sustainability; (c) improving the financial viability and commercial practices of the participating Apa Canals; (d) starting to involve the local private sector in the above; and (e) rehabilitating water and sanitation services in rural areas.

“Today, tap water is available 19 hours per day, and at the same time energy is being conserved at the pumping stations,” says Vasile Zagaevski, Head of the Municipal Water Enterprise in Cahul.

**Results to date:**
- Physical losses, measured by m3/km/day, decreased since 2003: Cahul – 11.3 (versus 13.3), Orhei – 11.3 (versus 12.04), Soroca – 8 (versus 9.3), Stefan Voda – 7.5 (versus 29.5), Balti – 51.5.
- Average collection ratio exceeds 86.91%.
- Non-revenue water decreased on average from 70% in 2003 down to 55% today.
- The share of energy use in 1 cubic meter of water billed reduced by 30% since 2003.
- All utilities have established operating and maintenance and emergency response procedures.

“As of December 2006, for the first time the entire town of Orhei enjoys a 24-hour supply of quality potable water”, General Mayor of Orhei, Ion Stratulat.
4. Energy II Project

**Amount:**
Government of Moldova – USD4.33 million
IDA – USD35 million credit
Sweden (Sida) - USD0.6 million

**Objectives**

Improve the security and reliability of the electricity transmission system and wholesale electricity supply and facilitate unimpeded commercial operation of the power system. Improve the availability, quality, and efficiency of heating in selected priority public buildings. The Project has two major components: (i) power system infrastructure – investments in upgrade and rehabilitation of metering, dispatch and communications, and rehabilitation of the electricity transmission network; (ii) heat supply and consumption – investments in improvement of heating supply and energy efficiency in selected public and residential buildings; technical assistance for the development of least-cost options for improving efficiency of heating supply and consumption in Moldova, and institutional and regulatory reform of heat production and delivery.

**Results to date:**

**Electricity Component:**
- Improved metering and recording of active and reactive electricity flows on the wholesale electricity market;
- Reduced non-technical losses through upgraded metering by 75% (to be reassessed after the full implementation of this sub-component);
- More reliable operation of the transmission system also leading to a reduction of system bottlenecks;
- Reduced outage rates of the high-voltage transmission lines and substations (by 35%).

**Heating Component:**
- Significant savings achieved through the implementation of new energy efficient technologies;
- Increased availability of heating in selected buildings from 30 to 120 days/year;
- Number of buildings connected: 39 social institutions and 37 residential buildings benefit from heating improvement measures.

“We have been operating in comfortable conditions for two years now, which has resulted in a two-fold drop in the rate of morbidity owing to respiratory conditions among health workers,” according to Ms. Lydia Hangan, Head Physician of the hospital. “We heated the working rooms with electric heaters for four years, and the specialists had to cram into fewer rooms to save power. The air temperature was as low as 8°C in the corridors, and many patients with certain health problems risked catching a cold.”
5. Road Sector Program Support

Amount:
IDA – USD16 million credit
European Investment Bank (EIB) – USD16.35 million
European Bank for Reconstruction and Development (EBRD) – USD16.35 million

Objectives
Reduced road transport costs for road users in Moldova by improving the condition and quality of its road network and the way it is managed.

Results planned and achieved to date:
- Reduce vehicle operation costs on the roads improved under the Project by at least 6 percent;
- Increase the Road Asset Value for the network of National Roads compared to the 2006 level;
- Effective October 2007, the Government developed and adopted a Land Transport Infrastructure Strategy, including management and road maintenance financing; and a 10-year priority investment plan in roads and rail infrastructure.
6. AIDS Control Project

**Amount:**
- Government of Moldova – USD0.23 million
- IDA – USD5.5 million grant
- Global Fund Against AIDS, Tuberculosis and Malaria (GFATM) has allocated a grant of USD5.2 million for 2003-2004

**Objectives**

Improve Moldova’s health status and assist the country in achieving its health-related Millennium Development Goals (MDGs) by reducing mortality, morbidity and transmission of HIV/AIDS, other sexually transmitted infections (STIs) and tuberculosis (TB). Specifically, the Project will support Moldova’s National Program for Prevention and Control of HIV/AIDS/STIs (NPAS) and the National Program for TB Control (NPTC) by: (i) scaling up HIV/AIDS/STI prevention programs targeted at high-risk groups as well as the general population; (ii) strengthening treatment, care and support for people living with HIV/AIDS (PLWHA); (iii) implementing the Directly-Observed Treatment Shortcourse (DOTS) strategy for TB control; and (iv) strengthening Moldova’s institutional capacity to better respond to HIV/AIDS/STIs and TB.

**Results to date:**

- HIV incidence reduced and stabilized at 18.79 per 100,000 (13.32 per 100,000 without Transnistria and 50.62 per 100,000 in Transnistria) since 2002;
- 30.2% decrease in syphilis incidence since 2002;
- Mother to child transmission reduced and maintained at 0% from 6.7% in 2002;
- 78.3% (47 HIV+ pregnant women received anti-retroviral treatment (ARVT) from 62 diagnosed HIV+ pregnant women) have access to mother-to-child transmission (MTCT) interventions;
- 88.7% of women who gave birth (47 HIV+ pregnant women received ARVT from 53 HIV+ who delivered) have access to MTCT interventions;
- 11,473 (from 10,810 registered and 50,000 estimated) intravenous drug users (IDUs) are covered by harm reduction programs;
- 831 (100%) of identified sex workers are covered by peer education, condom and STI referral;
- 35.3% (6/17) or 75% from eligible prisons (8) have Harm Reduction programs and 100% STI prevention;
- Increased percentage of young people aged 15-24 who both correctly identify ways of preventing the sexual transmission of HIV and reject major misconceptions about HIV transmission.

“I was extremely happy to learn that a Youth Friendly Health Center was established in my locality,” says Elena Radu, a beneficiary in Călărași town. “I met there doctors that I can trust, I found out new things and I liked the way I was treated. As such, I decided to become a volunteer at the Center. I like helping people and showing youth how to live a healthy lifestyle.”
Amount:
Government of Moldova – USD1.53 million
IDA – USD20 million credit
Sweden (Sida) – USD3.71 million
local communities – USD3.74 million

Objectives
The Project will contribute to the implementation of Moldova’s EGPRSP by empowering poor communities and vulnerable groups to manage their own priority development needs through: (i) higher access and better quality of basic social and economic services; and (ii) capacity building at community institutions level.

Serghei Stratulat, beneficiary from the town of Anenii Noi: „Access to the drinking water supply network changed our lives. Thus, we have the possibility to consume clean water and also use it for all household needs: we’ve done appropriate modifications to bathrooms and bought modern washing machines, etc.”

Results to date:
■ To date, 317 new communities submitted and registered their sub-project proposals with Moldova Social Investment Fund (MSIF) and 249 sub-projects have already been approved (of these 225 have been completed and 22 are under implementation);
■ To date, MSIF received 107 grant proposals (for 111 sub-projects) from communities that implemented sub-projects under SIF I, of which MSIF approved 76 grants (23 are completed and 52 are under implementation) and is appraising 29 grants;
■ For the small towns community development component, SIF received 45 grant proposals (for 61 sub-projects), of which 43 grant proposals (for 59 sub-projects) have been approved and 2 are at the appraisal stage;
■ MSIF registered 34 sub-projects in 6 pilot raions for social services’ development;
■ MSIF received 27 sub-project proposals on youth and cultural centers in rural areas, of which approved 24 and is appraising 3;
■ 66 communities with community contributions higher than required;
■ On capacity building of local communities, MSIF conducted 2,207 seminars and workshops that provided 37,468 persons/day training in conjunction with promotion activities;
■ 449,063 people have benefited from SIF interventions.
8. Quality Education in the Rural Areas of Moldova Project

Amount:
Government of Moldova – USD0.19 million
IDA – USD5 million credit and USD5 million grant

Objectives
The development objective is to increase access to quality education for children from poor families, particularly in rural areas, improve efficiency in the use of resources, and strengthen the capacity of the system to plan and manage the delivery of educational services by: (i) improving teaching and learning in rural schools; (ii) increasing access and equity in rural schools; (iii) increasing efficiency in the use of resources; and (iv) strengthening education planning and monitoring.

Results to date:
- New curricular guides published and disseminated (26,000 copies in Romanian, 11,000 copies in Russian, 300 copies in minority languages).
- About 8,000 teachers trained, i.e. 100% of teachers (compared to school year 2005-2006).
- Textbooks for grade 10 in line with the new curriculum are being produced with Government funds. Textbooks for grade 11 will be produced with IDA funds in 2008.
- 80% of relevant Ministry of Education and Youth (MEY) staff have received training and are participating satisfactorily in the MTEF process.

9. Avian Influenza Control & Human Pandemic Preparedness & Response

Amount:
Government of Moldova – USD0.75 million
IDA – USD4 million credit and USD4 million grant
Government of Japan (PHRD) – USD0.50 million
European Commission (EC) – USD0.6 million
USAID – USD0.35 million

Objectives
The overall objective of the Project is to minimize the threat posed to humans by the Highly Pathogenic Avian Influenza (HPAI) and other infectious diseases that originate in animals. To achieve this, the Project will conduct surveillance for outbreaks of such diseases, prepare for outbreaks, and act to control outbreaks among humans and animals.

Results to date:
- Capacity has been created within a Moldovan government laboratory to identify the presence of HPAI in case of an outbreak of HPAI among poultry;
- Preparation is advancing for a second national simulation exercise;
- Compensation policy and institutional arrangements have been prepared for Government to compensate small farmers for culled birds in case of HPAI outbreak;
- The awareness campaign continues effectively under overall contractual management by UNICEF;
- Antiviral and other life saving drugs delivered for HPAI outbreak among people.
10. Health Services and Social Assistance Project

Amount:
Government of Moldova – USD2.56
IDA – USD17 million credit
bilateral agencies – USD24.8 million

Objectives
The overall objective of the Project is to support the Government’s program to increase access to quality, efficient and effective health and social assistance services for the Moldovan population in line with the Medium-Term Expenditure Framework (MTEF) for 2007-09. With this Project, Moldova will: (a) in the long term, decrease pre-mature mortality and disability through upgraded primary care services and increased efficiency of the health system; (b) be able to better identify the poor, have information available that would allow for good decision making both in social benefit awarding and in the identification and implementation of correct social service provision.

Expected results:
■ Increased information on all sources and uses of funds in the health sector;
■ Increased evidence-based policy decision making;
■ Increased health insurance coverage;
■ Increased financial and managerial autonomy of primary care physicians;
■ Output-based contracting strengthened for hospital financing;
■ Rural primary care facilities upgraded and staffed with trained personnel (540 social workers were recruited and training is ongoing; equipment will be bought in early 2008);
■ Decreased number of vacancies in rural health facilities;
■ Hospital master plan developed to guide future investments;
■ Better targeted and administered cash benefit system (new social support law with better targeting approved by Government, due to begin in September 2008).
Amount:
Government of Moldova – USD1 million
IDA – USD7.5 million credit and USD7.5 million grant
Sida – USD5.76 million
Local sources of borrowing country – USD4.22 million

Objectives
The Project is the second phase of a two-phase Rural Investment and Services Program. The Program objective, which remains unchanged, is to provide long-term support to accelerate agricultural recovery and growth so that Moldova’s agricultural and rural sectors can play their full role in providing the underpinnings for future income growth and poverty reduction.

Results to date:
- Lending to agricultural and rural sectors in the portfolios of financial intermediaries grew from MDL2,140 to MDL2,390 million;
- 149 loans were disbursed from the credit facility, bringing investments totalling MDL151.37 million into the rural areas of Moldova;
- Development agencies are working with 225 micro-enterprises, 194 of which are already operational, representing USD5.3 million of rural investments and some 658 new jobs created;
- To date, 194 businesses were created with support from development agencies and have already commenced their operations, while 31 are in the run-up to begin their operations;
- 260,000 beneficiaries of rural advisory services;
- Six villages were selected for land parcelling pilots after a rigorous process: Baimaclia, Busauca, Bolduresti, Calmatui, Opaci, and Sadova.
## WORLD BANK-ADMINISTRED PROJECTS (Trust Funds and Grants)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Project Cost (USD mln)</th>
<th>TF Funding (USD mln)</th>
<th>Source of Funding</th>
<th>Date of Effectiveness</th>
<th>Expected Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Renewable Energy from Ag. Waste</td>
<td>2.63</td>
<td>0.97</td>
<td>GEF</td>
<td>7/7/2005</td>
<td>5/31/2008</td>
</tr>
<tr>
<td>4</td>
<td>Sustainbl. POPs Stockpile Mgmt.</td>
<td>12.60</td>
<td>6.35</td>
<td>GEF</td>
<td>3/9/2006</td>
<td>5/31/2010</td>
</tr>
<tr>
<td>5</td>
<td>Agricultural Pollution Control</td>
<td>10.74</td>
<td>4.95</td>
<td>GEF</td>
<td>3/22/2004</td>
<td>12/31/2009</td>
</tr>
<tr>
<td>7</td>
<td>Soil Conservation Follow-up</td>
<td>5.28</td>
<td>2.48</td>
<td>CF</td>
<td>6/16/2006</td>
<td>12/31/2015</td>
</tr>
<tr>
<td>8</td>
<td>Energy Cons. &amp; Emiss. Reduct.</td>
<td>0.48</td>
<td>0.48</td>
<td>CDCF</td>
<td>2/24/2006</td>
<td>12/31/2008</td>
</tr>
<tr>
<td>9</td>
<td>Capac. Bldg. in MD Public Sector Acctg</td>
<td>0.16</td>
<td>0.16</td>
<td>IDF</td>
<td>8/1/2007</td>
<td>8/15/2010</td>
</tr>
<tr>
<td>11</td>
<td>Reforming Courts IDF</td>
<td>0.38</td>
<td>0.38</td>
<td>IDF</td>
<td>5/2/2006</td>
<td>5/1/2009</td>
</tr>
<tr>
<td>12</td>
<td>Strategic Dev’t of the Court of Accts</td>
<td>2.79</td>
<td>2.79</td>
<td>MDTF</td>
<td>4/23/2007</td>
<td>12/31/2009</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>71.42</strong></td>
<td><strong>40.34</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Renewable Energy from Agricultural Wastes

Objectives

The main Project development objective is to overcome barriers to the update of biomass technology by providing examples of best practice in the use of biomass-fuelled energy systems as a viable alternative to gas, oil and coal and as a sustainable means of addressing the energy supply problems that rural communities and agro-enterprises face.

Results to date:

- A total of 7 high-capacity biomass-fueled heat generators were transported to and installed in schools in Chiscareni village, Singerei raion; Antonesti village, Stefan Voda raion; Taraclia village, Causeni raion and Viisoara village, Glodeni raion; Viisoara village, Edinet raion; Boghenii Noi village, Ungheni raion and Burlanesti village, Edinet raion.

- 4 biomass-fueled boilers were commissioned in Chiscareni village, Singerei raion; Antonesti village, Stefan Voda raion; Taraclia village, Causeni raion and Viisoara village, Glodeni raion. There is a total of 4 operating boilers with a capacity between 300-600 kW. The other 3 boilers will be operational in 2008.

- Contracts between CAPMU (Consolidated Agricultural Project Monitoring Unit), as the project implementing agency on behalf of Moldova, and 7 private companies for the provision of a 25% subsidy (for 5 companies) for the purchase of baling equipment, as well as to cover the cost of one year supply of raw material (baled straw) for village halls where heat generators were installed, have been concluded.

2. Environmental Infrastructure Project

Objectives

The key development objectives of the Project are to: (i) improve the quality of sanitation services in Soroca; (ii) reduce the discharge of pollutants, including nutrients, from Soroca municipal sources that flow into the Nistru River and subsequently into the Black Sea; and (iii) demonstrate viable nutrient reduction strategies and technologies from municipal sources for the benefit of Moldova and Black Sea region.

Expected results:

- 100% of wastewater treated;
- 90% treatment efficiency of Biological Oxygen Demand (BOD);
- 50% treatment efficiency of removal of Total Nitrogen;
- 50% treatment efficiency of removal of Phosphorus;
- >1 treatment efficiency of constructed wetlands.
3. Public Heating Biomass in Rural Communities

Amount:
Prototype Carbon Fund – USD1.49 million
SIF, communities

Objectives
The central idea of the Project is to use carbon values as the catalyst for clean technology and renewable energy (biomass)-fuelled systems to be made widely available and on affordable terms to poor rural communities to heat public service buildings. The present Project will generate an added value to Moldova Social Investment Fund (SIF) II Project, under implementation in Moldova, through gained greenhouse gas emissions (GHG) reduction benefits, directed towards SIF project participants, thus creating incentives for further implementation of GHG mitigation measures.

Results to date:
■ The Project includes 120 Project Activities (PAs) aiming to reduce the greenhouse gas emissions after renovating the heat plants used for buildings in rural localities of the Republic of Moldova.
■ The energy conservation measures included production, distribution and consumption of heat and hot water in a number of public institutions (kindergartens, schools and lyceums) in the rural localities of the Republic of Moldova (from the following districts: Briceni, Calarasi, Cimislia, Drochia, Dubasari, Edinet, Floresti, Hincesti, Leova, Rezina, Riscani, Singerei, Soldanesti, Stefan Voda, Telenesti, Ungheni, Comrat, Cidir-Lunga and others).
■ Before renewing the heating systems, the majority of buildings were heated with coal, other buildings were heated with natural gas. After restoration they are heated with gas and coal.
“Something is happening today, which we thought was unbelievable till some time ago. We didn’t think we would ever get rid of these “ticking bombs” - unusable and forbidden stocks of pesticides, gathered from all around Telenesti and deposited for already three years in Ratus. These stocks generate a permanent state of tension in the community, which is concerned by the danger posed by these stocks and doesn’t always understand that this type of issues can’t be solved immediately. Now, when the works have started and the pesticides will be evacuated, we are very pleased.” Raisa Pavlov, Mayor of Ratus village, district of Telenesti.

4. Sustainable POPs Stockpile Management

**Amount:**
- Government of Moldova – USD3.72 million
- GEF – USD6.35 million
- Netherlands – USD0.93 million
- bilateral agencies – USD1.6 million

**Objectives**
The main development objective of the Project is sustainable Persistent Organic Pollutants’ stockpiles management and disposal for their future final destruction and ensuring that the POPs pollution will not recur in the future. The global Project objective is to prevent the POPs pollution of the environment and to protect the human health by the environmentally safe packaging and storage of obsolete pesticides and PCBs; by improving the overall management of POPs; and by creating national capacities for the implementation of the Stockholm Convention requirements, and of those stipulated under other relevant international Conventions and Protocols ratified by Moldova.

**Results to date:**
- Over 900 tons of Polychlorinated Biphenyls (PCB)-containing and contaminated capacitors dismantled and transported for final disposal (including 70 tons of excavated PCBs containing and contaminated capacitors and polluted soil);
- About 350 tons of obsolete pesticides transported for final disposal;
- National PCB inventory in energy equipment will be done after the approval of the relevant regulatory framework starting 2008;
- Feasibility study for cleaning of PCB contamination at the Vulcanesti 400 kV substation started and it is expected to be finalized by the end of 2007;
- Strengthening of Inspectorates for enforcement of POPs regulations and prevention of POPs stockpiles accumulation has started and will be completed by the end of 2008;
- POPs awareness and educational activities are implemented by 5 locally contracted environmental NGOs.

www.moldovapops.md
5. Agricultural Pollution Control Project (APCP)

Amount:
Government of Moldova – USD1.04 million
GEF – USD4.95 million
local communities – USD0.72 million
local governments – USD0.1 million
Associated IDA fund (GEF) – USD3.93 million

Objectives
The overall Project development objective is to significantly increase the use of environmentally friendly agricultural practices by farmers and agro-industry and thereby reduce nutrient discharge from agricultural sources in Moldova to the Danube River and Black Sea. In support of this objective, the Project will assist the Government of Moldova to:

(i) promote the adoption of mitigating measures by farmers and agro-industry for reducing the nutrient loads entering the water bodies;
(ii) strengthen national policy, regulatory enforcement and institutional capacity for agricultural nutrient pollution control and organic farming; and
(iii) promote a public awareness campaign and replication strategy.

The Project provides a mix of investments and policy related activities to mainstream environmental concerns in the agriculture sector. It is implemented in close association with the IDA-funded Rural Investment and Services Project (RISP) and harnesses synergies between the two projects, assisting farmer and agro-industry beneficiaries of RISP to put in place the mitigating measures necessary to reduce nutrient discharge.

Results to date:
- Under the APCP/RISP synergy, 93 GEF grants were provided for the implementation of environment pollution mitigation practices; the total amount of the grants is estimated to be approximately USD2.4 million;
- 3 community and 450 individual manure storage in three communities in Hincesti raion were built as part of the Manure Management Component; these 3 manure management systems are provided with all the necessary equipment: tractor with carrying front body, shredder, vacuum tanker and manure spreader (for compost);
- As part of the environmentally friendly agricultural practices program, 12 demonstration plots were established in the pilot area of Lapusnita for the following practices: strip cropping, contour ploughing, crop rotation, grassed water ways, buffer strips, inter-cropping, cover crops etc; at national level, in cooperation with individual farmers, 3 demonstration farms were established and as a result 7,200 farmers have replicated at least one environmental friendly agricultural practice;
- As a part of tree and bush planting programs for the rehabilitation of wetlands in the pilot area of Lapusnita, 95.5 ha of forest belts were planted and forest regeneration works were carried out on a surface area of 100 ha; access ways (roads, bridges, overpasses) were rehabilitated and bog vegetation was regenerated in the wetland area: this contributed to the rehabilitation of the biodiversity of the wetland area of Tochile-Raducani;
- As part of Strengthening National Policy and Regulatory Capacity Component, the Code of Good Agricultural Practices was published and a study for the promotion of organic farming in the Republic of Moldova was conducted; the latter fostered the adoption of the legal framework in this area and the establishment of organic products’ certification and control bodies;
- The water quality monitoring program defines the changes in the quality of the water of Lapusnita river as a result of implementing good agricultural practices at the level of hydrographic basin, and the Public Awareness program informs farmers and decision makers about these improvements and the importance of replicating these practices at country level.
6. Soil Conservation Project

**Amount:**
- Borrower – USD8.32 million
- Prototype Carbon Fund – USD5.18 million
- Government of Japan (PHRD) – USD0.92 million
- State Forestry Agency “Moldsilva” and local authorities – in kind

The Project will also generate revenues from the sale of timber from thinning and harvesting, as well as from non-wood forest products.

**Objectives**

The Project proposes to afforest 14,500 ha of degraded lands and thus increase the country’s forests cover and protect the most valuable national resources – soils. The Project will also achieve carbon sequestration and mitigation of greenhouse gases concentration, as well as will enable Moldova to benefit from the carbon market.

**Results planned and achieved to date:**

- 4.3 million tons of CO2 sequestered by 2017;
- 7,000-8,000 ha planted annually during 2002-2007 (compared to 500-600 ha during 1991-2000);
- Environmental benefits: prevention of soil erosion, restoration of the degraded lands and improvement of their productivity;
- Biodiversity benefits: restoration of habitats of several endangered flora and fauna;
- Social benefits: creation of local employment for both men and women through planting, weeding, tending, thinning, protection, and harvesting of tree species;
- Newly forested area will also produce fuel wood, timber and non timber products to meet the needs of rural communities;
- The Project is the first fully implemented carbon sequestration project in the world under the framework of the Kyoto Protocol Clean Development Mechanism and has served as a pilot project in this area for many other countries.

7. Soil Conservation Follow up Project

**Amount:**
- Carbon Fund – USD2.48 million

**Objectives**

Follow-up to the Soil Conservation Project.
8. Energy Conservation and Emissions Reduction

**Amount:**
USD 2.184 million — by improving the quality and efficiency in selected priority public buildings and by strengthening the electricity transmission system’s security and reliability, it is estimated that in 14 years the Energy II Project would generate CO₂ reduction at approximately 364,000 tons and would be cofinanced by the Community Development Carbon Fund.

**Objectives**
The main objective of the Project is to improve the quality and efficiency of heating in selected priority public buildings and thus reduce energy consumption and greenhouse gas emissions. This will also enable Moldova to benefit from the carbon market.

**Results to date:**
- The energy conservation activities included: production, distribution and consumption of heat and hot water in a number of buildings and public institutions (27 public institutions: kindergartens, schools, lyceums, vocational schools, district hospitals) in 9 urban localities of the Republic of Moldova (Cantemir, Falesti, Floresti, Hincesti, Ialoveni, Leova, Nisporeni, Straseni, Ungheni);
- Through the investments made, new heating systems: heat plants, equipped with modern boilers that operate on natural gas with up to 2 MW power/unit and with an efficiency of more than 90%, have been installed. Presently, the annual heat consumption goes up by 5% every year at these plants.

Mr. Valeriu Jardan, Director of the Medical College of Ungheni, communicated to us the following: “The Medical College of Ungheni currently gets heating from the Heating Plant located on 6, Vasile Lupu St., which has been rehabilitated through the Bank-financed Energy II Project and further included in the Energy Conservation and Emissions Reduction Project.”
9. Capacity Building in Moldova Public Sector Accounting

**Amount:**
USD0.16 million

**Objectives**
Building on the success of the first IDF\(^1\) grant for Stage I of the Building Capacity in Public Accounting Project in developing a regional training program for public accountants and institutionalizing training and certification in Albania, Croatia and Slovenia and incorporating the lessons learned in its implementation, a second IDF grant is being proposed to respond to the requests received from the Government of Moldova and Kosovo to expand coverage of public sector accounting training and certification to their public sector accountants.

---

1 The Institutional Development Fund (IDF) was created in FY93 to provide “quick response” funding for small, action-oriented capacity-building programs identified in the Bank’s country assistance strategy and policy dialogue. IDF grants are used to strengthen institutions when specific Bank-financed projects are not anticipated and other donor resources are not available. In FY02, the IDF was reoriented to focus on good governance by supporting: (a) public expenditures and financial accountability to help governments better manage their resources, including improvements to public expenditure, procurement, financial management systems and results-driven monitoring and evaluation and (b) systemic legal/judicial reform to support the rule of law. IDF grants are made to governments and may, with the approval and supervision of the government, be implemented by nongovernmental organizations or regional institutions.

---

10. Education for All, Fast Track Initiative Catalytic Fund for Moldova

**Amount:**
USD4.4 million

**Objectives**
EFA/FTI Catalytic TF Grant activities are aimed at increasing the rate of enrollment of children in preschool programs, including children from vulnerable groups and children at risk, increasing the quality of education programs, providing training on early childhood development for teaching and administrative staff in pre-school educational institutions, and consolidating social partnerships and local community involvement in early childhood development programs. The EFA FTI Year I Grant became effective in 2006.

**Results to date:**
- The grant is steadily advancing towards the completion of rehabilitation interventions in 33 kindergartens and 15 alternative community based centers;
- Training activities were completed for 2,600 managers and pre-school teachers, as planned;
- Teaching and learning materials, equipment are to be delivered in early 2008;
- A nationwide communication campaign was successfully initiated.
11. Reforming Courts (IDF Grant)

**Amount:**
USD0.38 million IDF grant

**Objectives**
The development objective is to enhance court performance with a special focus on the commercial jurisdiction. The objective will be achieved through improved court organization, more strategic and results-focused management; and more streamlined commercial decision-making procedures. Better performing courts will have a positive influence on the business environment and investment climate in Moldova. The successful implementation of the grant is likely to improve governance and reduce corruption.

**Expected results:**
Its principle outcome for the primary target groups – judges and other justice sector officials – is:
- More consolidated and flexible court organization (measured against criteria such as workload; productivity; number of judges (staff) and need for their specialization; operating costs of the courts; population; economy (projects, concentration of specific activities); transportation infrastructure; administrative organization; and the historical significance of a particular court.
- The court management system capable of monitoring and evaluating efficiency of the courts and judges (using a set of basic performance monitoring criteria, such as trial date certainness; costs per cases; case backlog, on-time case processing, and case load clearance).
- Integrated and Strategic HRM (Human Resource Management) systems designed and minimal capacity to operate the system in key institutions.
- More efficient commercial procedural design in case management for commercial cases (measured by the number of days, steps and costs necessary to process commercial cases).

12. Strategic Development of the Court of Accounts

**Amount:**
USD2.79 million

**Financing:**
Dutch Ministry of Economic Development – USD1.8 million, UK DFID - GBP0.73 million

**Objectives**
The development objective of this Technical Assistance is to strengthen the institutional capacity of the Court of Accounts to conduct more effective audits of public finances, including audits of the performance of the Government in implementing its programs.

**Results to date:**
- The IT System Development Strategy was approved; 70 employees attended computer training courses;
- The decision to establish the Internal Audit Service was adopted; The draft Law on the CoA entitles the Parliament to decide on the independent external audit of the CoA;
- The entity register was established and updated; an executor to design the IT program of the register was selected;
- Two employees acquired skills to carry out financial audit during the visit to Latvian SAI; Two audits with elements of performance audit have been carried out (Tax Service and Customs Service);
- The staff involved in the pilot audits acquired new abilities; The entities carried out recommendations, including on improving the legal framework.
Amount:
USD6.15 million grant
Participants – DFID, Sida, the Dutch Government

Objectives
The main development objective is to assist the Government of Moldova in the implementation of the Government’s Central Public Administration Reform (CPAR) program by strengthening the institutional capacity of the public administration system for better development and implementation of government policies, and more strategic use of public resources. The objective is expected to be achieved through provision of technical assistance for institutional reorganization, strengthening Government’s policy-making capacity, creating the legal and institutional basis for merit-based professional civil service, support for the reform management, information and communication.

Results to date:
- Government-wide horizontal functional review completed, selected recommendations on reorganization of the Government bodies resulting from the review implemented;
- Central Policy Coordination Unit established in the Government Apparatus through the Government decision, leadership appointed in the fall of 2007;
- New Law on Civil Service approved by the Government and submitted to the Parliament in November 2007 (introduces merit-based competitive recruitment and promotion of civil servants);
- Practical professional training program for civil servants employed by the central public administration bodies launched through the Academy of Public Administration.
PROJECTS UNDER PREPARATION

WORLD BANK-FINANCED PROJECTS (IDA Credits and Grants)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Project Cost (USD mln)</th>
<th>IDA Proposed Commitment (USD mln)</th>
<th>Date of Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Poverty Reduction Support Credit II</td>
<td>10.00</td>
<td>10.00</td>
<td>5/13/2008</td>
</tr>
<tr>
<td>2</td>
<td>RISP 2 Additional Financing</td>
<td>6.00</td>
<td>6.00</td>
<td>6/17/2008</td>
</tr>
<tr>
<td>3</td>
<td>National Water Supply and Sanitation Program</td>
<td>14.00</td>
<td>14.00</td>
<td>5/13/2008</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>30.00</strong></td>
<td><strong>30.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

1. Poverty Reduction Support Credit II

**Amount:**
IDA – USD10 million
DFID and the Dutch Government will co-finance this operation

**Objectives**
The proposed PRSC for the Republic of Moldova follows an intensification of the Government’s reform efforts over the past several years and is intended to boost and deepen those efforts. More specifically, it aims to enhance the Government’s ability to accelerate economic growth and improve the efficiency of its social programs and public administration – key elements in poverty reduction. To this end, the proposed PRSC will support selective areas of the Government’s reform agenda. The PRSC will support the EGPRSP objectives of: improving the investment climate, improving the efficiency and management of public resources, strengthening pension and social assistance systems.

2. RISP 2 Additional Financing

**Amount:**
IDA – USD6 million

**Objectives**
The proposed additional financing would focus on two main themes: (i) providing advisory services to farmers on agronomic adaptation techniques for drought, including on conservation of water; and (ii) providing instruments for small on-farm irrigation equipment. The additional financing would also fund the incremental costs related to the management of proposed activities.


**Amount:**
IDA – USD14 million

**Objectives**
The project development objective is to improve the coverage, quality, efficiency, and financial sustainability of water and sanitation services in selected urban and rural communities.
PROJECTS UNDER PREPARATION

WORLD BANK-ADMINISTERED PROJECTS (Trust Fund and Grants)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Name</th>
<th>Project Cost (USD mln)</th>
<th>TF Funding (USD mln)</th>
<th>Source of Funding</th>
<th>Expected Date of Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Moldova Community Forestry</td>
<td>10.00</td>
<td>2.0</td>
<td>CF</td>
<td>7/30/2008</td>
</tr>
<tr>
<td>2</td>
<td>Moldova Financial Sector Reform</td>
<td>5.27</td>
<td>3.27</td>
<td>MDTF</td>
<td>4/18/2008</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>15.27</strong></td>
<td><strong>5.27</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Moldova Community Forestry Project

**Amount:** Carbon Fund – USD2 million

**Objectives**

Afforest about 8,000 ha of degraded agricultural lands, which would contribute to emission reductions of about 600,000 tons of CO2 for the next 10 years. The Project will provide to the local communities a series of benefits. Among the main environmental benefits are prevention of soil erosion, restoration of degraded lands and improvement of their productivity. Several biodiversity benefits are coming from the restoration of habitats of several endangered flora and fauna. The newly forested area will also produce fuel wood, timber and non timber products to meet the needs of rural communities. Additional social benefits include the creation of local employment for both men and women through planting, weeding, tending, thinning, protection, and harvesting of tree species.

2. Moldova Financial Sector Reform

**Amount:** Borrower – USD2 million

USD3.27 million grant

**Objectives**

The Grant will support the Government of Moldova’s efforts to improve the legal and institutional framework for financial sector operations by: (i) establishing the integrated supervision of non-bank financial institutions (NBFIs); and (ii) modernizing the regulatory regime for NBFIs to ensure the efficient and prudent functioning of financial markets.
## COMPLETED PROJECTS

### WORLD BANK-FINANCED PROJECTS (IBRD & IDA Loans, Credits, Grants)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Title</th>
<th>Project Cost (US$ M)</th>
<th>WB Commitment (US$ M)</th>
<th>Source of Funding</th>
<th>Date of Approval</th>
<th>Date of Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Rehabilitation Loan</td>
<td>62.0</td>
<td>60.0</td>
<td>(IBRD)</td>
<td>10/21/1993</td>
<td>03/31/1995</td>
</tr>
<tr>
<td>2</td>
<td>Struct. Adjustment Loan I</td>
<td>63.0</td>
<td>60.0</td>
<td>(IBRD)</td>
<td>12/08/1994</td>
<td>06/30/1996</td>
</tr>
<tr>
<td>3</td>
<td>Struct. Adjustment Loan II</td>
<td>100.0</td>
<td>100.0</td>
<td>(IBRD/IDA)</td>
<td>09/09/1997</td>
<td>12/31/2000</td>
</tr>
<tr>
<td>4</td>
<td>Struct. Adjustment Credit + Splmt</td>
<td>45.0</td>
<td>45.0</td>
<td>(IBRD/IDA)</td>
<td>06/24/1999</td>
<td>12/31/2001</td>
</tr>
<tr>
<td>5</td>
<td>Struct. Adjustment Credit III</td>
<td>30.0</td>
<td>30.0</td>
<td>(IDA)</td>
<td>06/20/2002</td>
<td>09/30/2003</td>
</tr>
<tr>
<td>6</td>
<td>Poverty Reduction Support Credit</td>
<td>10.0</td>
<td>10.0</td>
<td>(IDA)</td>
<td>10/19/2006</td>
<td>10/31/2007</td>
</tr>
<tr>
<td></td>
<td><strong>Sub total</strong></td>
<td><strong>310.0</strong></td>
<td><strong>305.0</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Emergency Drought Recovery</td>
<td>26.0</td>
<td>26.0</td>
<td>(IBRD)</td>
<td>03/11/1993</td>
<td>03/31/1994</td>
</tr>
<tr>
<td>8</td>
<td>Energy I</td>
<td>11.9</td>
<td>10.0</td>
<td>(IBRD)</td>
<td>05/23/1996</td>
<td>12/31/2001</td>
</tr>
<tr>
<td>9</td>
<td>Agriculture I</td>
<td>18.5</td>
<td>10.0</td>
<td>(IBRD)</td>
<td>05/07/1996</td>
<td>12/31/2001</td>
</tr>
<tr>
<td>10</td>
<td>Rural Finance</td>
<td>6.1</td>
<td>5.0</td>
<td>(IDA)</td>
<td>01/13/1998</td>
<td>06/30/2001</td>
</tr>
<tr>
<td>11</td>
<td>Private Sector Development I</td>
<td>49.0</td>
<td>35.0</td>
<td>(IBRD)</td>
<td>02/08/1996</td>
<td>06/30/2002</td>
</tr>
<tr>
<td>12</td>
<td>Social Investment Fund</td>
<td>23.9</td>
<td>15.0</td>
<td>(IDA)</td>
<td>02/16/1999</td>
<td>11/30/2004</td>
</tr>
<tr>
<td>13</td>
<td>General Education + Splmt</td>
<td>25.0</td>
<td>21.8</td>
<td>(IBRD/IDA)</td>
<td>04/22/1997</td>
<td>08/31/2004</td>
</tr>
<tr>
<td>14</td>
<td>Private Sector Development II</td>
<td>14.0</td>
<td>9.0</td>
<td>(IDA)</td>
<td>06/10/1997</td>
<td>03/30/2005</td>
</tr>
<tr>
<td>15</td>
<td>Rural Investment and Services+Splmt</td>
<td>24.7</td>
<td>15.5</td>
<td>(IDA)</td>
<td>06/20/2002</td>
<td>08/31/2006</td>
</tr>
<tr>
<td>16</td>
<td>Health Investment Fund</td>
<td>20.0</td>
<td>10.0</td>
<td>(IDA)</td>
<td>08/22/2000</td>
<td>12/30/2006</td>
</tr>
<tr>
<td></td>
<td><strong>Sub total</strong></td>
<td><strong>271.9</strong></td>
<td><strong>194.5</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total Lending</strong></td>
<td><strong>581.9</strong></td>
<td><strong>499.5</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## WORLD BANK-ADMINISTRED PROJECTS (Trust Fund and Grants)

<table>
<thead>
<tr>
<th>No.</th>
<th>Project Title</th>
<th>Project Cost (US$ M)</th>
<th>TF Funding (US$ M)</th>
<th>Source of Funding</th>
<th>Date of Approval</th>
<th>Date of Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Energy Sector Reform</td>
<td>1.47</td>
<td>1.47</td>
<td>IDF</td>
<td>03/31/1995</td>
<td>11/04/1997</td>
</tr>
<tr>
<td>2</td>
<td>Support to the Health Sector Reform</td>
<td>0.05</td>
<td>0.05</td>
<td>IDF</td>
<td>03/20/1996</td>
<td>12/31/1998</td>
</tr>
<tr>
<td>3</td>
<td>Assist. to Design of Real Estate Strategy</td>
<td>1.33</td>
<td>1.33</td>
<td>IDF</td>
<td>01/18/1996</td>
<td>N/A</td>
</tr>
<tr>
<td>4</td>
<td>Environment Compliance and Enforcement Capacity Building</td>
<td>0.36</td>
<td>0.36</td>
<td>IDF</td>
<td>11/27/2000</td>
<td>09/30/2003</td>
</tr>
<tr>
<td>5</td>
<td>ECANet</td>
<td>0.29</td>
<td>0.29</td>
<td>IDF</td>
<td>01/28/2000</td>
<td>10/30/2003</td>
</tr>
<tr>
<td>6</td>
<td>Accounting Reform for Private and State-owned Enterprises</td>
<td>0.47</td>
<td>0.47</td>
<td>IDF</td>
<td>09/26/1995</td>
<td>10/01/1997</td>
</tr>
<tr>
<td>7</td>
<td>Agricultural Statistics System</td>
<td>0.2</td>
<td>0.2</td>
<td>IDF</td>
<td>06/03/1997</td>
<td>N/A</td>
</tr>
<tr>
<td>8</td>
<td>Strengthening Moldovan Statistics</td>
<td>0.05</td>
<td>0.05</td>
<td>IDF</td>
<td>1/18/1999</td>
<td>03/26/2002</td>
</tr>
<tr>
<td>9</td>
<td>Social Expenditure Reform</td>
<td>0.05</td>
<td>0.05</td>
<td>IDF</td>
<td>10/19/1998</td>
<td>10/14/2000</td>
</tr>
<tr>
<td>10</td>
<td>Accounting Reform</td>
<td>0.05</td>
<td>0.05</td>
<td>IDF</td>
<td>07/27/1995</td>
<td>N/A</td>
</tr>
<tr>
<td>11</td>
<td>Preparation of Draft Public Procurement Legislation</td>
<td>0.09</td>
<td>0.09</td>
<td>IDF</td>
<td>04/12/1994</td>
<td>05/01/1997</td>
</tr>
<tr>
<td>12</td>
<td>Statistical Capacity Building Technical Assistance Partnership</td>
<td>0.22</td>
<td>0.22</td>
<td>IDF</td>
<td>02/12/2003</td>
<td>12/31/2005</td>
</tr>
<tr>
<td>13</td>
<td>Biodiversity Conservation in the Lower Nistru</td>
<td>1.67</td>
<td>0.98</td>
<td>GEF</td>
<td>03/28/2002</td>
<td>04/03/2005</td>
</tr>
<tr>
<td>14</td>
<td>Biodiversity Strategy Project</td>
<td>0.13</td>
<td>0.13</td>
<td>GEF</td>
<td>04/20/2001</td>
<td>04/30/2001</td>
</tr>
<tr>
<td>15</td>
<td>Moldova Phase II Biodiversity Enabling Activity</td>
<td>0.3</td>
<td>0.3</td>
<td>GEF</td>
<td>03/12/2001</td>
<td>12/31/2003</td>
</tr>
<tr>
<td>16</td>
<td>Reconciliation through Secondary Education in Transnistria</td>
<td>0.8</td>
<td>0.8</td>
<td>JSDF</td>
<td>09/27/2001</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Total Grants</td>
<td>7.51</td>
<td>6.82</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Changing the Way Our Services Are Governed?, 2007
3. Rural Productivity in Moldova - Managing Natural Vulnerability, 2007
5. Improving Public Expenditure Efficiency for Growth and Poverty Reduction, 2007
7. The impact of energy price changes in Moldova, 2006
8. Poverty update, 2006
10. Financial Sector Assessment, 2005
12. Review of Experience of Family Medicine in Europe and Central Asia: Moldova Case Study, 2005
13. Education policy note: Analysis in Support of Improvements in Quality, Equity and Efficiency in the Education Sector, 2005
14. Family Medicine in Moldova, 2005
15. Opportunities for accelerated growth - a Country Economic Memorandum for Moldova, 2005
17. Report on the Observance of Standards and Codes (ROSC) - corporate governance country assessment, 2004
18. Moldova investment climate assessment, 2004
19. Firms, jobs, and employment in Moldova, 2004
20. Trade diagnostic study, 2004
22. Poverty Reduction Strategy Paper and Joint IDA-IMF Staff Advisory Note of the PRSP, 2004
23. Moldova - Country Assistance Evaluation, 2004
24. Country assistance strategy, 2004
25. Recession, recovery and poverty in Moldova, 2004
26. Sharing power: lessons learned from the reform and privatization of Moldova’s electricity sector, 2004
27. Vulnerability in consumption, education, and health - evidence from Moldova during the Russian crisis, 2003
32. Structural adjustment in the transition - case studies from Albania, Azerbaijan, Kyrgyz Republic, and Moldova, 2002
33. Country assistance strategy progress report (CASP), 2002
34. Moldova: Transport Strategy Update With Emphasis on the Road Sector, 2002
35. Moldova Banking Sector Note, 1999
36. Country assistance strategy, 1999
37. Poverty assessment, 1999
38. Poverty assessment technical papers, 1999
39. Land reform and farm restructuring in Moldova - progress and prospects, 1998
40. Social assessment guides policies on rural land reform in Moldova, 1998
41. Economic review of Transnistria Region, 1998
42. Agriculture policy update, 1996
43. Public expenditure review, 1996
44. Transport sector review (Vol. 1, 2, 3), 1995
45. Agriculture sector review, 1995
46. A pre-export guarantee facility in Moldova : mitigating political risk in transition, 1995
47. Moldova - Moving to a market economy, 1994
48. Between east and west : a review of the foreign trade and exchange regime, 1994