



United Nations Development Programme  
Country: Republic of Moldova  
Project Document

UNDAF Outcome(s): By 2011, vulnerable groups in poor rural and urban areas take advantage of sustainable socio-economic development opportunities through adequate regional and local policies implemented by LPA and partners.

Expected CP Outcome(s): 3.3. Empowered communities and civil society organizations (CSOs) participate in local development planning  
*(Those that are linked to the project and extracted from the CPAP)*

Expected CPAP Output(s): 3.3.2. Capacities of local NGOs in targeted areas are strengthened to influence local decision making, and implement and monitor development activities  
*(Those that will result from the project and extracted from the CPAP)*

Implementing partner: UNDP

The overall objective of the project is to address the needs of most vulnerable communities, with a specific focus on Transnistrian region of Moldova, including the security zone, by increasing their access to basic social and economic services, as well as to objective and diversified sources of information. The project intends to promote action at the local level through a community-based approach bringing together organizations from the Transnistrian region and the rest of Moldova to work on development opportunities of common interest.

Project specific objectives:

- Support initiatives that foster development of civil society in the Transnistrian region by solving pressing community needs and helping citizens solve their problems through common work and participation;
- Support/promote contacts between two sides of the Nistru River, improving the flow on information and increasing the information space.
- Empower communities to participate in local development planning, implementation and monitoring and to enable local actors to deliver services and upgrade the basic infrastructure.

Estimated Results:

- Partnerships are established and confidence is built between NGOs, media and experts from the two banks of Nistru River.
- Around 10 projects supporting confidence-building measures implemented.
- 20 Community development projects implemented in remote localities of the five districts (rayons) of the Transnistrian region of Moldova

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|---------------------------|---|
| Programme Period:         | 2007 - 2011   |
| CPAP Programme Component: | <u>Local&amp;Regional Development</u>   |
| Project Title:            | Working with communities and civil society organizations in Transnistria region |
| Atlas Award ID:           | 000   |
| Project ID:               | 000   |

|                              |                  |
|------------------------------|------------------|
| Estimated annualized budget: |                  |
| Total resources required     | 3,500,000.00 USD |
| Total allocated resources:   | 2,270,000.00 USD |
| • Regular                    | 0.00 USD         |
| • Other:                     |                  |
| o EC                         | 2,270,000.00 USD |
| Unfunded budget:             | 1,230,000.00 USD |

Agreed by UNDP:

Kaarina Immonen  
Resident Representative

Agreed by Ministry of Reintegration:

Vasilii Sova  
Minister

## I. SITUATION ANALYSIS

### Background and problem statement

After gaining independence in 1991 Moldova has witnessed signs of political instability and de facto territorial disintegration of the country, whereby the breakaway region of Transnistria declared its independence from Moldova in 1990 but is not recognised by any member of the international community. The problems associated with Transnistria represent a major obstacle to stability and development, the conflict remaining unresolved for over seventeen years. Efforts to identify a political solution to the conflict have been undermined by vested interests in the status quo and by the asymmetry in the engagement of external actors in the region.

Relationships between Chisinau and Tiraspol remain strained. Since March 1993 an OSCE Mission established in Moldova, joined later on by the Russian Federation and Ukraine have been involved as mediators in discussing a possible settlement of the Transnistrian conflict in the so called "five-sided format".

In recent years, Moldova has repeatedly called for greater involvement by the European Union and the USA in the resolution of the conflict in Transnistria. In March 2005, the European Union appointed a Special Representative for Moldova with a mandate, *inter alia*, to contribute to a peaceful settlement. In September 2005, the parties in the 'five-sided' talks invited the European Union and the USA to join in negotiations as observers, forming the so-called "5+2 format". While formal settlement talks have been suspended since February 2006, informal consultations of the "5+2 format" participants continued, without making any real progress.

EU engagement with Moldova and the conflict in Transnistria has grown over the past years, including through the implementation of the EU-Moldova Action Plan, which calls for "shared responsibility in conflict prevention and conflict resolution". As Moldova benefits from its participation in the European Neighbourhood Policy - assistance for political and economic reforms, visa facilitation, trade preferences, participation in educational, scientific and cultural community programmes, etc. - Transnistrian residents remain unaware of these benefits and hence unable to use them. At the same time, these benefits can potentially serve as incentives for reintegration, as has been the case of Transnistrian businesses, which have registered with the Moldovan *de jure* authorities in order to access European trade preferences under the GSP+ scheme, and the more recent Autonomous Trade Preferences. As of April 2009, 548 Transnistrian enterprises were registered under the Joint Declaration (366 temporary and 182 permanent registrations). Informing and educating Transnistrian residents about the EU and the opportunities available to Moldovan citizens will enable actual participation along with counterparts from the right bank. This in turn will reduce the isolation of the region, generate positive attitudes and render Europe an attractive choice to residents of Transnistria.

### Impact of the economic crisis

The global economic crisis has already begun to have an important impact on Moldova's fiscal accounts. The slowdown in domestic economic activity as well as in imports has constrained the growth in fiscal revenues. Authorities of Transnistrian region were signaling that the region is severely affected by the economic crisis much earlier. According to formal statistics from the Transnistrian region, external trade of Transnistria was worth 425 million dollars in the first three months of 2009, which is by 30 percent less than in the similar period of 2008. The export has dropped by 43 percent, down to 124 million dollars. Collections to the public budget covered only 78.5 percent of the plan in the period concerned and just 37.9 percent in April. Approximately half or 25 million dollars of the budgetary expenses go to salaries. The average wage in the Transnistrian region has decreased by one fifth in the first quarter of 2009, down to 217 dollars, compared with 245 dollars in 2008. The average wage of budgetary workers is 119 dollars, compared with 136 dollars in 2008. The average pension in the region amounts to 70 dollars due to the humanitarian support of Russia, which adds 15 dollars to the pension. The number of beneficiaries of Russian pension and social subsidies was increased and, according to press reports, on 16 April the Russian Foreign Minister stated that the Russian Federation "will continue to render economic assistance to the residents of Transnistria." The number of jobseekers has almost doubled this year, up to 6,062 people, compared with 3,432 in 2008.

Export earnings for the first quarter of 2009 totaled \$91 million, less than half the figure for the same period in 2008. According to press reports, for the first three months of the year the Transnistrian budget received only 78% of its planned revenues and the real income of the population is said to have fallen for the first time in eight years. In April the economically important Ribnita cement factory resumed work after a four-month shutdown, though it is operating at only 30% of capacity. Ribnita is reportedly the hardest hit of the Transnistrian districts. A total of 23 enterprises, including the large Electromash Company, remain closed and unemployment has almost doubled in the last three months. The Transnistrian authorities have warned that the second quarter of 2009 will be even more difficult because of further decreases in budget revenues.

On 29 April the Supreme Soviet approved anti-crisis measures proposed by the Transnistrian leadership reallocating US\$ 44.4 million, providing emergency support for big companies. These include support to the agricultural and industrial sectors, low interest loans to the construction industry, interest free loans to help young people in the state and agricultural sectors build or buy homes, subsidies for young families, and the introduction of further public works programmes.

### **Civil society development**

Since independence in 1991 Moldova has developed a civil society that shows a certain degree of self-organization. A range of functioning non-governmental organisations (NGOs) and civil society actors exist now. NGOs are generally grouped along territorial lines and per field of activity. Overall, Moldovan legislation provides a relatively favourable environment for the development of civil society. Nevertheless there is insufficient co-ordination and co-operation among civil society organizations and their overall effectiveness is still limited. The interaction between NGOs and authorities is not systematised.

Civil society in Transnistria<sup>1</sup> is small, underdeveloped and overall, weaker than in the rest of Moldova. Even if in the catalogue mentioned above are listed more than 1000 organisations, only a few dozens of them are properly functioning NGOs working with support from foreign donors on such issues as youth, civic education, environment, community development. The internal development of the third sector registers one resource center (at the moment World Window is playing the role of a resource center) in Tiraspol and few regional ecological resource centers created and supported through a program of the Regional Environmental Center. Even if they were made some attempt to carry out analytical activity (the survey of the Independent Center for Analytical Research "New Age", the sociological study of the NGO "Vibor molodih" (Choice of Youth) and some others) capacities in the area still have to be developed.

The Transnistrian civil society lacks capacity to push for reforms. They have been mostly created in recent years with support from international donors and Moldovan counterparts. NGO activity is centred in the main cities (Tiraspol, Bender and Dubasari) and is very limited in rural areas. Nevertheless, there have been some positive signs of NGO co-operation over recent years. In March 2006, a decree of the leader of the Transnistrian administration banned external funding of NGOs in the region. However, a coalition of civic groups was successful in suspending the prohibition for non-political organizations.

There are also examples of successful co-operation between CSOs and local authorities in tackling community issues. A large number of civil society organizations (CSOs) registered in Transnistria exist on paper or else are Soviet style organisations dealing with trade union activities, pensioners, etc. The number of CSOs focusing on youth issues, environment and community issues is small and those organizations which do exist have poor resources and limited capacities. The most representative NGOs working with youth could be mentioned: Shag na Vstrechiu (Step Forward) NGO; Vibor Molododih (Choice of Youth) NGO; Stels-Terra NGO, Vzaimodeistvie (Interaction) NGO, and Okno v Mir (World Window) NGO from Tiraspol; Stanovlenie (Becoming)

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<sup>1</sup> *Catalogue of Non-Governmental Organizations in Transnistria-2007*, a survey conducted by the NGO Centre for Support and Development of Civic Initiatives "Resonance", financed by OSCE.

NGO from Dubasari and others. The environmental field is also quite well represented in the spectre of Transnistrian NGOs more relevant could be Eikumena and Ekospektr NGO from Bender, DjiP NGO, Ribnita, EDEM NGO, Dubasari. NGOs that are working in the social area are as well quite active and we would mention here again Interaction NGO from Tiraspol, Tiraspol Association of Children with Disabilities, Association of Large Families and many others. The space of meaningful interaction between Moldovan and Transnistrian civil society needs to be broadened and European values and standards can serve as a mutually acceptable and stimulating framework for such interaction.

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The **main goal of the project** is to address the needs of most vulnerable communities, with a specific focus on Transnistrian region of Moldova, including the security zone, by increasing their access to basic social and economic services, as well as to objective and diversified sources of information. This objective will be achieved by supporting NGOs activities on both banks of the Nistru River and by promoting grass-roots action on a local level through a community-based approach bringing together organisations from Transnistrian region and the rest of Moldova working to address the needs of the Transnistrian communities.

The above will be tackled through the following project components:

**1. CSO Component** - Provision of grants to CSOs/NGOs focusing on practical improvements in areas relevant to the population, on information-sharing and on capacity building/development. Grants will be provided for NGOs to implement activities on both banks of the Nistru River. The sub-projects could range from small infrastructure projects to resource mobilization and project management skills development.

**2. Communities Development Component-** will be implemented at the local level supporting development opportunities of common interest. The project will contribute to the achievement of development goals by addressing community needs and helping citizens solve their problems through common work and participation. Given the unfolding of the economic crisis, support will be provided to most vulnerable groups through training and assistance in business formation and development, as well as in other income-generating activities.

### **International assistance and donor coordination**

To-date, most assistance to the Transnistrian region has been provided for humanitarian aid, social and civil society development projects. Only a small number of donors are working with Transnistrian civil society, focusing primarily in the following areas: support to NGOs and independent media, support to civil initiatives and assistance with legal rights, increased contact between Transnistrians and both the rest of Moldova and the outside world.

A number of UN agencies are working in Transnistria. The United Nations Development Programme (UNDP) administered the "Relief and Technical Assistance Response to the Drought in Moldova" (thanks to the generous financial contributions of the European Commission through ECHO, SIDA, ADA, Austrian Ministry of Agriculture Forestry, Environment and Water Management, the Governments of the Netherlands, Norway, Italy, Finland, as well as UNDP and UNFPA) that provided relief aid following the severe drought from the summer of 2007. The support included, inter alia, a labour intensive work scheme based on supporting a variety of public community works within the social, public, economic, ecologic scope, and other works that the local public administrations of the most disadvantaged villages from the most affected region. The community public works are executed directly by the local community people, mainly farmers, aiming to give them a chance to increase their earnings. It was for the first time that an intervention of such a scale was implemented in the Transnistria region, the total number of beneficiaries from the region reaching 17,126 persons.

In November 2008, UNDP, IOM, UNFPA and OSCE launched the "Protection and Empowerment of Victims of Human Trafficking and Domestic Violence in Moldova" project, that will specifically

target the Transnistrian region supporting civil society capacity to provide protection and assistance to victims of human trafficking and domestic violence.

UNDP has, as well, implemented a small grants programme on environment and sustainable management of natural resources which covers the Transnistrian region together with the rest of Moldova. The UN Population Fund (UNFPA) has set up a reproductive health centre in the Transnistrian town of Camenca and has reported successful co-operation from local and Tiraspol authorities. The International Office for Migration (IOM) has extended part of its Moldova programmes to the Transnistrian region, working mainly through a local sub-contracted NGO, providing small grants and building NGOs capacity in the region.

Support for civil society development projects has been provided by the US Embassy, Soros Moldova Foundation, Swiss Development Cooperation, Embassy of the Czech Republic, National Endowment for Democracy, Norwegian Embassy to Bucharest, as well as other donors. DFID has administered a three-year peace building initiative focusing on the media and civil society until March 2007. Follow-up projects were launched in September 2007 to build "bridges" among journalists and organise "Transnistrian dialogues" between young leaders from the two banks of Nistru River. These initiatives have reported a number of successes and achievements, and have plentifully demonstrated the peace building value of donor engagement with the region's civil society and the media. Swedish International Development and Cooperation Agency has emphasized that supporting Transnistria region represents a top priority for them, assistance being channelled through IOM, Soros Foundation, as well as UNDP programmes. USAID has extended its activities in the TN region, two projects being currently implemented by IREX: Citizen Participation Programme, that has started being implemented in Moldova, and gradually extended to cover TN region; focusing on Community Based Development, public works and small infrastructure and Media Programme focusing mainly on access to information; including through grants for NGOs, support to media, etc. Also, represents an extension of the activities covering the entire Moldova.

International Nongovernmental Organizations, like Medecins sans Frontieres achieved notable results by opening in August 2007 the first HIV/AIDS clinic in Transnistria and managing all their activities being based in Tiraspol. Another prolific example, would be that of Hilfswerk Austria implementing a range of activities in Tiraspol (support of the Neuropsychological Internat of Boys, the home of 50 boys with mental and physical disabilities), the Women Centre, promoting gender empowerment, in Dubasari (support for a day care centre for children with disabilities), as well as ongoing educational activities aiming to determine the educational policy to strengthen democracy in Moldova and form young people's European democratic values. In terms of donor coordination, in 2007 the British Embassy in Chisinau has re-launched donor coordination meetings on Transnistria, which includes the participation of UN agencies and EU Member States.

### **Lesson learnt**

A number of donor-supported initiatives, some of which are mentioned above, prove that it is possible to make a significant contribution in the complex Transnistrian context. To achieve that it is important to take into account the sensibilities of local authorities, ensure a balanced and conflict sensitive approach and avoid any over political content. Lower implementation risks relate to projects implemented as informal links between organisations and individuals on the level of local communities, ensuring contact and dialogue between both sides of the river, providing information about what is happening on the other side, and contributing to the establishment of links between citizens and local authorities. Likewise, given the low development stage of civil society in Transnistria region, due considerations should be made as regards their absorption capacity.

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## **II. SCOPE AND STRATEGY**

The **overall objective** of the project is to address the needs of most vulnerable communities, with a specific focus on Transnistrian region of Moldova, including the security zone, by increasing their access to basic social and economic services, as well as to objective and diversified sources of information. The project intends to promote action at the local level through a community-based

approach bringing together organizations from the Transnistrian region and the rest of Moldova to work on development opportunities of common interest.

The UNDP-Government of Moldova 2007-2011 Country Programme Action Plan foresees development interventions aimed at empowering communities and CSOs to participate in local development, planning, implementation and monitoring. More specifically, the project directly contributes to the following Country Programme output: *Capacities of local NGOs in targeted areas are strengthened to influence local decision-making, and implement and monitor development activities.*

The proposed project is also in line with the mid-term development priorities, as reflected in the National Development Strategy for 2008-2011, - Settlement of the Transnistrian Conflict and Reintegration of the Country, and namely the objective of *Democratization and development of a civil society based on European values and international norms and standards.*

### **Strategic Approach**

The project will factor in the experience of former and current relevant programmes and will coordinate work with on-going initiatives in order to ensure synergy and avoid overlaps. Given the evidence of multiple donor funded civil society initiatives in Transnistria, including civic information and education centres, it can be assumed that a certain level of local capacities for delivery of the proposed project are already in place. However, the level of financial commitment and operational involvement of the proposed project will require additional efforts at building the capacity of the local beneficiaries. It will equally require close monitoring and supervision by the UNDP along with an on-going analysis of the social and political situation in Transnistria to identify and prevent potential risks.

Strengthening confidence and security, as well as social protection measures for the Transnistrian population are under the constant eye of the Government. The implementation of initiatives launched to this extent by the President of the Republic of Moldova will contribute to additionally building the foundation for the settlement of the conflict. Support for the reintegration policy from the part of the civil society plays a key role.

The project will support activities in the following areas:

- 1. Civil Society Development and Confidence building measures**
- 2. Community Based Development**

**OUTPUT 1: Improved capacities of civil society organizations in the Transnistrian region of Moldova and improved cooperation between the both banks of Nistru River as a result of CBM implementation**

### **Indicative activities**

- CSOs Capacity Development (including trainings and study visits)
- Support confidence building measures (CBM) and actions (agreed with the EC Delegation to Moldova) that foster development of civil society in the Transnistrian region responding to pressing community needs and helping citizens solve their problems through common work and participation;
- Support/promote contacts between two sides of the Nistru River, improving the flow of information and increasing the information space;

The activities will aim at developing the Transnistrian civil society organisations; responding to pressing citizens needs, reinforcing links between communities and CSO; improving relationships between local authorities and CSOs and empowering local communities. A broad range of civil society actors on both sides of the Nistru River will be involved in project activities.

Support will be provided for identified CBM projects oriented towards facilitation of the settlement and post-settlement period. Assistance could take various forms and cover areas like health, social, educational, environment, energy and many others. Grants will be provided to CSOs/NGOs focusing on practical improvements in areas relevant to the population, on information-sharing and on capacity building. The sub-projects could range from small infrastructure projects to resource mobilization and project management skills development.

**OUTPUT 2: Empowered communities and increased citizen action in the Transnistrian region of Moldova.**

The objective of this component is to empower the communities in Transnistrian region of Moldova, as well as in the Government control area of the Transnistria region, to participate in local development planning, implementation and monitoring and to enable local actors to deliver services and upgrade the basic infrastructure.

***Indicative activities:***

- empower communities to participate in local development planning, implementation and monitoring and to enable local actors to deliver services and upgrade the basic infrastructure
- provide support to diminish the impact of the global economic crisis on most vulnerable groups

Basic social services and infrastructure facilities will be ensured through the implementation of a community-based approach at the local level, bringing together organizations from the Transnistrian region and the rest of Moldova to work on development opportunities of common interest. A special focus shall be addressed to communities in the **security zone** where the activity derives from the common approaches, experience and best practices of UNDP interventions at community level in Moldova.

The activity derives from the common approaches, experience and best practices of UNDP interventions at community level in Moldova, where communities are assisted in social mobilisation, formation and support of community organisation mechanisms, provision of technical and financial support to community-led development projects. Capacities among community members are developed for sustainable local development processes such as identifying and prioritizing community development needs, developing strategies for addressing identified problems, mobilising resources to implement community development projects and managing and sustaining the outputs.

While working in communities, human rights based approach, including gender aspects, shall be used. Further attention will be paid to the collection of gender-disaggregated data indicators when implementing the project's activities. During project's inception phase, a detailed baseline analysis shall be ensured, including gender-disaggregated data, to be further used in project monitoring and evaluation.

Each target community identifies its own development priorities and its own strategies in response to the priorities identified. To support implementation of community development projects, small-grant funding is provided. Certain criteria, described below, must be met in order to secure funding:

Small-grant support to local development projects is provided on the basis of competition, transparent selection procedures and subject to proper technical appraisal. Furthermore, projects must:

- Serve as a pilot/demonstration project that can be replicated by other communities;
- Contribute to strengthening of participatory governance;
- Financed primarily through public-private partnership, a cost-sharing arrangement between beneficiaries, partner community/municipality/raion, and other public and private sponsors;

- Feasible (i.e. technically, socially, economically, environmentally);
- Benefit an entire community;
- Foreseeable improve local living conditions;
- Sustainable, in that the beneficiaries can and will maintain the project's continuation;
- Address the actual needs of community (i.e. basic human needs are given priority)

Through the implementation of the outlined activities, this component will:

- Encourage good governance and participatory decision-making through local development strategy formulation;
- Enhance social cohesion through community mobilization; and

In addition to community empowerment, a set of activities aimed at diminishing the impact of the economic crisis on poverty at the rural level shall be considered. The interventions will build on UNDP's experience in supporting most vulnerable groups by providing training and assistance in business formation and development and in other income-generating activities.

Given that a large proportion of any returning migrants are likely to go to rural areas, and given that more than half the migrants work in construction, there is the prospect of rural Moldova experiencing significant numbers of unemployed construction workers. To note, that most of the migrants from the Transnistrian region go to Russia or CIS countries, working in construction, therefore their vulnerability in the context of the crisis is much higher. As a result, there is the likelihood of an immediate worsening of rural poverty. Temporary safety nets are therefore required as a way of cushioning both the return of migrants and those newly-unemployed domestically.

Vulnerable groups in under-served regions will be supported to enjoy greater access to social protection services, thus diminishing the vulnerability of certain social categories in respect of such negative social phenomena like: domestic violence and physical abuses, unemployment, delinquency and drug consumption. Programmatic interventions, facilitating jobs creation for vulnerable groups, identifying existing job vacancies and providing vocational trainings, are very relevant considering the unfolding of the global economic crisis.

Considering the likely disproportionate effects of the crisis on rural Moldova, if progress in rural poverty is not further to worsen, there is a need for increased employment in the non-farm rural economy. Ways to support rural non-farm economy in the Transnistrian region through SME development could be identified.

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### **III. MANAGEMENT ARRANGEMENTS**

The project will be under the Direct Execution modality (DEX) in accordance with UNDP rules and regulations. Under the close supervision and guidance of a UNDP Programme Officer, the daily running of the project will be exercised by a local personnel contracted by UNDP. UNDP follows in the implementation of project and programmes internationally recognized standards (<http://content.undp.org/go/userguide/results>).

UNDP will establish a project office in Chisinau, staffed with Project Manager, Grants Coordinator and Administrative/Finance Officer. The Project Manager will be the official liaison between the UNDP CO and will be responsible for day-to-day management of the project. Experts will be engaged to provide technical advice and assistance in designing and implementing of the project, as needed, including civil engineer, communications and others. The office in Chisinau will be equipped with the necessary IT equipment, furniture and one vehicle.

#### **Management Structures**



**Project Board (Steering Committee):** The focal point for project management architecture is the Project Board. The Board is the overall authority for the project and is responsible for its initiation, direction, review and eventual closure. Within the confines of the current project, the Board is the highest authority.

The Project Board consisting of senior representatives of, for instance, UNDP, the EC Delegation; Office of the EUSR, OSCE, the Ministry of Reintegration, and other relevant stakeholders will meet on a quarterly basis to approve annual work plans, assess progress, discuss lessons learned, and take decisions whenever required. Board members will be senior managers (Head of Department level) and will have authority and responsibility for the commitment of resources to the project, such as personnel, cash and equipment in close coordination with the EC Delegation. The Project Board will 'manage by exception', meaning Board members will be regularly informed of the project progress but will only be asked for joint decision making at key points in implementation.

The Project Board approves all major plans and authorizes any major deviation from agreed project work plans. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and any parties beyond the scope of the project.

Local committees involving local stakeholders will meet at regular intervals to plan and coordinate relevant activities.

The **Project Manager** will have the responsibility to plan, oversee and ensure that the Project is producing the expected outputs at the right time, to the right standards of quality and within the allotted budget. The main tasks of the Project Manager will include:

- Overall planning for the whole project
- Supervision of the project activities
- Liaison with EC and UNDP Programme Management
- Fund management, allocation, coordination
- Project quality management

**Project Assurance** is a key element of the PRINCE2 project management method, upon which the Project Management Arrangements are based. 'Assurance' is essentially an independent audit function, whereby the Project Board is able to monitor progress against agreed work plans. On behalf of UNDP, the function is delegated to a UNDP Portfolio Manager.

#### **Duration**

The project duration is of three (3) years. The project may be extended within the existing scope and provided funding is available.

#### **Funding**

The European Commission is contributing with 1,700,000.00 EUR to the implementation of the first component of the project. The budget breakdown is provided in the Annex 1 "Budget".

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## **IV. MONITORING FRAMEWORK AND EVALUATION**

Monitoring is a continuous function that aims primarily to provide the main stakeholders of this project with early indications of the quality, quantity and timeliness of progress towards delivering intended results. Therefore, all project activities will be subject to continuous monitoring by project implementers and beneficiaries against the indicators determined in the project Monitoring Plan, which will be developed during the project inception phase. Effective monitoring requires assessment of project progress against the plan and management of any exceptions. The Project Document and any detailed work plans prepared by the Implementing Partner provide a basis for progress assessment. In carrying out such monitoring activities, the following tools are set up and should be regularly updated in different timeframes:

*Within the annual cycle:*

Quality Log: Progress and quality of the deliverables being produced will be assessed based on the quality criteria established in the indicators and deliverable Description and planned schedule and recorded in the Quality Log. If changes are required, the Deliverable Description and/or schedule will be updated.

Issues Log: Any project issues will be recorded in the Issues Log to facilitate tracking and resolution.

Risks Log: The Risks Log will be updated by reviewing the external environment that effects the project implementation, and associated risk management plans.

Project Quarterly Progress Report: Quarterly monitoring progress reports will be submitted by the Project Manager to Project Assurance and to the Project Board.

Lessons Learnt Log: Project lessons learned should be actively captured to ensure ongoing learning and adaptation within the organisation.

*Annually:*

Annual Review: An annual project review will be conducted by UNDP during the fourth quarter of year as a basis for assessing the performance of each project. Such review is done in the context of the UNDAF Annual Review. This review will involve all key project stakeholders and the Implementing Partner, and focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes. All evaluations of the project, or related outcomes should be considered, along with their respective management responses and action plans. Findings from these should inform the review. The review will be structured by a set of common standards, and will be subject to spot external quality assurance assessments. This review should update output targets and results achieved.

**Evaluation:** A final project review will be commissioned by the UNDP at the end of project implementation. This will focus on relevance, efficiency, non-contentiousness and appropriateness of delivered activities. Lessons from the first phase will be fed into subsequent undertaking geared to support civil society development in Transnistria. In addition to that, evaluation and auditing will be conducted for the sub-projects implemented. Lessons learned and the experience gained throughout the implementation of the project will be disseminated and shared as widely as possible with the donor community.

## V. RISK LOG AND RISK MANAGEMENT

Risks have been identified as part of the formulation process and captured in the risk log below. The project Risk Log is maintained throughout the project implementation to capture potential risks to the project and associated measures to mitigate risk. The Project Manager is the main role player who maintains and updates the Risk Log, and ensures that risks are identified, communicated, and managed effectively.

### Risk Log

| Description of risk  | Type and Category    | Risk management actions   |
|--|----------------------|---|
| Volatile political and security empowerment, subject to unforeseen and sudden changes  | Political/ High      | <p>The project will take into account the specific political setting that will exist in the region at the moment of implementation.</p> <p>The implementation of the activities will be planned and approached with caution, including the timing, visibility and presentation issues. The project team will work under the close guidance of UNDP Moldova, and other important stakeholders like EU Special Representative office, British Embassy and OSCE will be consulted.</p> |
| Activities may be delayed due to the regional context and potential tensions between the Chisinau and Tiraspol authorities   | Operational / Medium | <p>The project team will ensure that the local administration is informed on an on-going basis about the aims and the activities planned, including inviting them to the events. All activities have to remain non-political</p> <p>Formalization of the participation of Transnistrian organizations should be kept to a minimum in order to avoid potential problems and non-contentious.</p>   |
| Local capacities for delivery and financial operations. Recruiting and retaining skilled staff with a good knowledge of the EU and mastery of English will be another challenge. | Operational / Medium | <p>The UNDP will address these risks by providing on-going training, coaching and mentoring to the sub-contracted organisation</p>  |
| Different financial systems in the Transnistrian region may result in delayed disbursement and/or may cause additional project costs for closer monitoring.                      | Operational / Medium | <p>The UNDP will consider pros and cons of working through a Moldovan or a Transnistrian bank.</p>  |

## VI. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the Standard Basic Assistance Agreement between the Government of the Republic of Moldova and the United Nations Development Programme, signed by the parties on October 2, 1992 and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document".