

**PROJECT DOCUMENT**  
**Republic of Moldova**



Empowered lives.  
Resilient nations.

**Project Title:** European Union Confidence Building Measures Programme V

**Project Number:** 101999

**Implementing Partner:** UNDP

**Start Date:** 1 January 2019

**End Date:** 31 December 2021

**PAC Meeting date:** 5 December 2018

**Brief Description**

The EU-CBM 5 Programme represents a framework for engaging in development interventions across the security zone on both banks of the Nistru River, in line with agreements reached in the 5+2 negotiation process. The intervention is comprised of a series of activities that will strengthen, regularize and intensify interaction between otherwise divided societies, aiming to establish this interaction as a norm.

The proposed programme primarily aims at improving the living conditions of the population on the both sides of the Nistru river through their cooperation. Special emphasis is on ensuring the continuity and the sustainability of the cross-river connections, facilitated by the previous CBM in the following sectors/fields: economic development and entrepreneurship; community development and cross-river NGOs sectoral platforms; health sector modernization; cultural development and historical heritage; support to media local content development.

Among the programme expected results are:

- Improved living conditions for people from both banks of the Nistru River through increased economic opportunities and created jobs;
- Community development mostly through enhanced capacity building. Support of joint cross-river platforms for cooperation between CSOs from both banks to be further developed, in order to limit disparity;
- To use culture as a driver for development and confidence building in the Transnistria region to further actively involve in Moldovan-wide sectoral initiatives that will facilitate the reintegration while limiting the development gap between both banks;
- Support media from both banks to co-produce local attractive, qualitative and professional content for the good of regional socio-economic development.

The EU-CBM Programme will adopt a multi-disciplinary approach to support confidence building initiatives, since the development challenge itself is cross-sectorial, bringing together issues related to crisis prevention and recovery, poverty reduction, local development and democratic governance practices. Through its activities, UNDP will engage the most vulnerable people in the most remote areas, ensuring they are not excluded from development opportunities.

Contributing Outcome: <b>UNDAF OUTCOME 2: The people of Moldova, especially most vulnerable, have access to enhanced livelihood opportunities, decent work and productive employment, generated by sustainable, inclusive and equitable economic growth.</b> Indicative Output(s) with gender marker <sup>2</sup> : <b>GEN2</b>	<b>Total resources required:</b>	<b>10,693,971 USD</b>	
	<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	n/a
		<b>EU:</b>	<b>10,693,971 USD</b>
		<b>Government:</b>	n/a
		<b>In-Kind:</b>	n/a
	<b>Unfunded:</b>	0.00 USD	

Agreed by (signatures):

UNDP

Daïna GERCHEVA  
UNDP Resident Representative

Date:

**Cris n. 404-319**

**Annex I-Description of the Action**

**European Union Confidence Building Measures Programme**

**2019 – 2022**

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I. EXECUTIVE SUMMARY

Total duration	36 months
Objectives	<p>The <u>overall objective</u> of the programme is to contribute to the facilitation of the settlement of the Transnistrian conflict by supporting the increase of confidence between Chisinau and Tiraspol through joint initiatives involving local authorities, civil society organizations and other stakeholders from both sides of the river.</p> <p><b>Specific objectives (outputs):</b></p> <ul style="list-style-type: none"> <li>▪ To contribute to economic and social development by ensuring a more equal access to the opportunities provided by the Association Agreement (AA) and its Deep and Comprehensive Free Trade Area (DCFTA) and integration between the two banks of the Nistru River;</li> <li>▪ To tackle the growing disparity between the Transnistrian Region and the rest of the country by supporting local development and CSOs;</li> <li>▪ To continue supporting the sectoral rapprochement in pilot sectors (i.e. Culture and others) and to progressively include Transnistria in Moldovan-wide development initiatives in order to facilitate the future reintegration while limiting the development gap between both banks;</li> <li>▪ To support the activities of media on both banks of Nistru river through common media production.</li> </ul> <p>The programme will represent a framework for engaging in development interventions across the security zone on both sides of the Nistru/Dniestr River, in line with agreements reached in the 5+2 negotiation process<sup>1</sup>. As such, it is comprised of a series of activities that will strengthen, regularize and intensify interaction between otherwise divided societies, aiming to establish this interaction as a norm.</p> <p>The proposed programme primarily aims at improving the living conditions of the population on the both sides of the Nistru river through their mutual cooperation. Special emphasis is on ensuring the continuity and the sustainability of the cross-river connections, facilitated by the previous CBM in the following sectors/fields: economic development and entrepreneurship; community development and cross-river NGOs sectoral platforms; health sector modernization; cultural development and historical heritage; support to media local content development.</p> <p>The implementation of the programme is driven by the principle of</p>

<sup>1</sup> The 5+2 format includes representatives of Chisinau and Tiraspol, assisted by three international mediators (OSCE, Russia and Ukraine), and EU and USA as observers. The goal of the 5+2 talks is to work out the parameters of a comprehensive settlement.

	<p>“mirroring”, i.e. working similarly on both banks of the river Nistru, and by the principle of consensus between authorities of both banks for a technical and apolitical work. It looks to deal strategically with barriers to cooperation experienced by all development cooperation actors working in Transnistria region of Moldova by building the trust towards such actions and broadening opportunities for engagement for a wide range of stakeholders.</p>
Partner(s)	<p>The Government of Moldova, the Bureau for Reintegration, de-facto local authorities from the Transnistrian region, business associations from Chisinau and Tiraspol (including Chambers of Commerce on both banks), regional/municipal authorities, community-based organizations, international, national and local NGOs active in the Transnistrian region and the security zone.</p>
Target group(s)	<ul style="list-style-type: none"> <li>• Economic actors including SMEs, Chambers of Commerce, business associations, etc. from both banks of the Nistru/Dniestr River;</li> <li>• Communities and community-based organizations in the Transnistria region and the security zone;</li> <li>• Cultural and media institutions on both banks;</li> <li>• Vulnerable women and men in the target region.</li> </ul>
Final beneficiaries	<p>Denizens in the Republic of Moldova including the Transnistrian region</p>
Estimated results	<ul style="list-style-type: none"> <li>- Improved living conditions on the two sides of the Nistru River through increased economic opportunities and jobs creation;</li> <li>- Community development mostly through capacity building is enhanced; joint existing platforms for cooperation between CSOs from both banks are further developed and supported to limit disparity;</li> <li>- Culture (as a pilot sector) is used as a driver for development and confidence building and the Transnistria region is further and actively involved in Moldovan-wide sectoral initiatives to facilitate the future reintegration while limiting the development gap between both banks;</li> <li>- Media are capable to co-produce locally attractive, qualitative and professional content for the good of both banks' socio-economic development.</li> </ul>
Main activities	<p>The above will be achieved through the following <b>project components</b>:</p> <p style="text-align: center;"><b>1. EU support to Economic Development and Entrepreneurship</b></p> <p>The goal of the component is to create <b>employment opportunities and livelihoods</b> across the Nistru/Dniestr River by <b>stimulating economic activity and increased cross-river cooperation</b>. Business support programs would help both sides to resolve common problems together, because the nature of their economic challenges is similar, as are the risks and structural shortcomings the economies face. At the same time, it will aim to reduce the growing economic development gap between the two banks. It will seek to encourage work in areas with high potential to produce confidence building results, by focusing, in particular, on supporting young entrepreneurs (and especially women) and cross-river business platforms.</p>

Building on the experience of the previous phases, **partnerships with civil society, academia and businesses** will be the main vehicle of the component implementation. Aiming to increase and consolidate the cross-river cooperation, this component will also focus on contributing to enhance employment opportunities, and particularly supporting the creation of **new jobs and livelihoods** for women and men across the river. This component will be coordinated and will interact closely with the other EU support initiatives related to the DCFTA implementation in the Republic of Moldova.

**2. EU assistance for Community Development and cross-river CSO' sectoral platforms**

The goal of the component is to **empower local communities and actors from both sides to participate in collaborative projects which address pressing development needs and ensure the delivery of essential public services**. It will seek to build on the successful work in this field of the previous phases, and further strengthen and expand the established 5 cross-river sectoral platforms (Education, Culture, Sports, Health and Environment), composed of representatives of experts/sector CSO active in their specific domain, as well as managers of institutions that benefitted from infrastructure reconstruction projects. Additionally, it will support 10 infrastructure projects with high confidence building potential implemented on both sides of the river.

**3. EU Cultural and historical heritage support**

The activities under this component will provide a support to the cultural sector with a focus on historical heritage with a view to investing in the country's future and facilitating development and conflict resolution. This component focuses on the conservation-restoration of **two historical monuments** of national importance and on supporting the conservation-restoration of 10 smaller scaled historical heritage sites which are considered to have a national historical interest for both banks (Confidence building measures dimension)

**4. EU support to cooperative media local content development**

This component will focus on providing support to media on both banks to provide better quality audio-visual and new media production, as much as possible in a collaborative and joint manner. This will be done through intensive capacity building, exchange of experience, including with relevant European public multi-cultural TV stations, as well as through a grant programme to support joint work

Total budget	9,400,000 EUR
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## II. SITUATION ANALYSIS

### 2.1. Overall Background

Moldova is a lower middle-income country with a population of 3.55 million (est. 2017)<sup>2</sup>, 48.1% of which are men and 51.9% women, and 42.7% living in urban areas, vs 57.3% living in rural settlements. Moldova ranks 107<sup>th</sup> out of 188 countries on the Human Development Index<sup>3</sup> and remains the poorest country in Europe with a GDP per capita of USD 2,311<sup>4</sup>, and half of the average income per capita in the post-Soviet region<sup>5</sup>. The economy is also distributed unevenly: more than half of the GDP is generated in Chisinau, while the private sector accounts for 56.6% of GDP.

Sustained economic growth and reforms to the social protection system have helped to reduce poverty, but in 2014<sup>6</sup>, around 11% of the population were estimated as living below the absolute poverty line. The average monthly wage is EUR 228 (2017). Absolute and relative poverty is particularly acute amongst the rural population, the elderly living alone and larger (5+) urban households. Despite insignificant difference between men and women on the majority of indicators, there is a substantial disparity in terms of economic power<sup>7</sup>. Moldova scored 1.010 on the Gender Development Index and 0.248 (rank 50<sup>th</sup>) on the Gender Inequality Index.

The economy is dominated by the service sector (63.2% of GDP, 2015) and the manufacturing sector (20.7% of GDP) but remittances are also central, amounting to at least one quarter of GDP. Agriculture accounts for 16.1% of GDP and 27.5% of the active labour population continue to derive their living from primary agriculture. There is a significant trade imbalance (-2,387 million USD estimated end 2017). The fiscal deficit was 3.1% in 2017. Total external debt now stands at 86% of GDP and public and publicly-guaranteed external debt is currently 40.5% of GDP.

Despite a relative low official rate of unemployment (4.2%, 2017, IMF estimated), the country suffers of high levels of underemployment and employment in the shadow economy. Moldova has one of the lowest activity rates in the world: the NBS reports that 35.8% of the population are economically active (1,273,000 persons). Women are most active in food processing and textiles/clothing, while men are more likely to be employed in machinery, metals and chemicals. 33.7% of the population are employed in agriculture, 49.2% in services and the remainder (17.1%) in manufacturing and construction. On average, women earn 14.46% less per month than men.

#### The case of Transnistria

A most salient development challenge affecting Moldova is related to the breakaway region of Transnistria, located in a strip between the Nistru River and the eastern Moldovan border with Ukraine, but also including the city of Bender and several localities on the right river bank. Although officially a part of Moldova, since the end of the armed conflict in 1992, the region is controlled by a

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<sup>2</sup> All data are derived from the National Bureau of Statistics of the Republic of Moldova (<http://recensamant.statistica.md/en>) unless otherwise stated. This figure should be revised in the future taken into account the final results of the Census of 2014. The census' preliminary projection estimates the population to 2.8 million people (without Bender municipality and Transnistria).

<sup>3</sup> Moldova has a HDI of 0.699, according to the 2016 UNDP Human Development Report [http://hdr.undp.org/sites/default/files/2016\\_human\\_development\\_report.pdf](http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf)

<sup>4</sup> World Bank, Economic update for Moldova, May, 2017 - <http://www.worldbank.org/en/country/moldova/brief/moldova-economic-update>

<sup>5</sup> Approx 2,220 USD in 2015, vs CIS average of USD 5,079. IMF Country Report No 17/102 <https://www.imf.org/external/country/mda/index.htm?type=42>

<sup>6</sup> This is the latest date for which reliable poverty data exists.

<sup>7</sup> The number of women entrepreneurs in rural areas is significantly lower than in urban areas (14.9 % compared to 27.5%). Women in rural areas tend to have more children and due to the lack of sufficient social services have to resort to part-time work in the informal economy or unpaid care-work.

non-recognized de facto administration covering all sectors. After the ceasefire agreement in 1992<sup>8</sup>, the official peace process had been comparatively dynamic, including some basic consensus on the broad parameters for negotiations, but is far from being finalized, making it one of the oldest post-soviet unresolved conflicts, and a “silent threat” to long-term stability in this part of Europe.

The protracted divide is further creating obstacles for cooperation on pressing policy and development issues. During recent years, while Moldovan authorities have declared their intent to pursue reforms along the EU vector, the de facto administration on the left-bank consistently asserted their desire to “harmonize” with the Russian Federation regulatory framework. In the absence of a political resolution, the societies and political structures on the two sides are drifting further apart making future negotiations even more complex. The Transnistrian region remains isolated, leading to a steady decrease in living standards. Heavily affected by migration, a worsening economic and currency crisis<sup>9</sup>, political uncertainty and a degrading quality of basic services, the decline in the region leads to a gradual erosion of social cohesion and local capacities for reconciliation and development, thus negatively affecting prospects for a high-level political compromise between the sides.

The development gap<sup>10</sup> is compounded by the fact that people in Transnistria are not fully benefitting from the opportunities provided by the assistance offered to Moldova due to status issues. Likewise, the growth opportunities offered by the Association Agreement, signed between Chisinau and the EU, as well as its DCFTA arrangements, are significantly out of reach for the region’s economy.

The conflict is not characterised by personal animosity between people living across the river, but the protracted division of the two societies led to the emergence of parallel systems that put both practical and psychological barriers to interaction, cooperation and collaboration across the divide. While direct access across the administrative border that divides the two territories is not blocked, it can be unpredictable, and depending on circumstances, crossing can become restricted on an ad hoc basis. For residents of the left bank, interaction with people from the right bank or participation in cross-river initiatives is not formally prohibited, but it can be strongly discouraged, and such activities may also be met with impromptu impediments. Most recently, however, after changes in the Tiraspol leadership in December 2016, cross-river interaction and communication with local administration became noticeably easier, and in increased interest in development cooperation on their behalf has been observed. In this context, continuing the implementation of confidence building partnership projects, with a focus on creating more opportunities for interaction, networking, and people to people contacts is critical.

### The post-conflict settlement efforts

Currently, three processes are in place, guiding efforts to reach a settlement of the Transnistria conflict and support post-conflict recovery:

1. At political level, Chisinau and Tiraspol, assisted by three international mediators (the OSCE<sup>11</sup>, Russia and Ukraine), and EU and USA as observers<sup>12</sup> have been discussing a possible settlement within the so-called “5+2 format”. Under the German OSCE Chairmanship in Office, the “5+2” met in June 2016, after a long pause in official meetings. The last 5+2 meetings took place in November 2017, under the Austrian OSCE Chairmanship and in May 2018 under the Italian

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<sup>8</sup> The Russia – Moldova ceasefire agreement (1992); Organisation for Security and Cooperation in Europe (OSCE): CSCE Report No 13:

<sup>9</sup> <http://www.expert-grup.org/en/biblioteca/item/1300-rer-transnistria-iulie-2016&category=186>

<sup>10</sup> European Joint Analysis, May 2016, p. 130,

<sup>11</sup> Organization for Security and Co-operation in Europe

<sup>12</sup> Since autumn 2005



OSCE Chairmanship; periodic meetings between chief negotiators from Chisinau and Tiraspol also take place in the so called "1+1" format.

2. At the technical level, discussions related to post-conflict settlement and reconstruction is taking place in the framework of so-called expert Working Groups, aimed to help in restarting the dialogue and in finding concrete solutions for improving the life of people affected by the situation on both banks<sup>13</sup>
3. At a non-political, development level, with the support of the EU and other members of the international community, sectoral confidence building measures have been implemented, contributing to cross-river cooperation on the ground and, in turn, to the dialogue processes described above.

The Government of Moldova, as well as all the international partners in the settlement process (OSCE, Russia, Ukraine, EU and USA), have consistently maintained that the Transnistrian region remains an integral part of the country. In 2015 and in 2016, the Moldovan Government re-announced reintegration as one of its top priorities. This reintegration should contribute to foster economic development and increase the living standards of the Transnistrian population by creating supportive conditions for private sector development and through upgrading social services and the technical and social infrastructure.

In 2017, Transnistria's de facto administration, through the Coordinating Council on technical assistance, developed its first pluri-annual and comprehensive programme for implementation of priority projects and social-economic development of Transnistrian region for the period 2018-2020. This is the first time the local administration undertook such exercise, establishing its development needs and priorities based on a basic analysis of the socio-economic situation and a short needs-assessment for investments in human resources, in particular in education and health, as a basis for long-term development. This comprehensive programme also includes a few flagship project(s) (e.g. restoration of the Bender Fortress; restoration of Chisinau's historical Circus arena).

Despite the fact that contact has become more regular and constructive over the past years, paving the way for progress in confidence building through significant breakthroughs in 2017 and 2018<sup>14</sup>, meaningful progress towards formal conflict resolution yet remains to be attained. A certain extent of politicization of economic, social and educational matters by both sides tends to complicate matters when it comes to delivering positive results in the confidence-building process and settlement of issues in these areas. There are still salient challenges and issues that provide disincentives for donors, businesses, chambers of commerce, civil society organizations, etc. to participate in joint activities. However, EU has progressed a great deal in establishing a solid ground for future progress in advancing confidence-building and development on both banks of the Nistru river, that needs to be further consolidated and built on.

### Economic development

The Transnistria region has historically been the most economically advanced part of Moldova, accounting in 1989 for one third of the country's total industrial production and almost the entire energy production. However, in recent years, economic conditions in the region have been affected by the downturn of the global economy and regional instability. The impact of external factors, combined with the constraints of internal challenges, had a destabilizing effect, resulting in lower revenues to the local budget and, coupled with imprudent spending of public funds, a negative impact on indicators in the social sphere. Real wages of workers (including in small businesses, but not in security forces and customs) decreased by 4.4%. In the Transnistrian region, as in the whole

<sup>13</sup> Details about the Working groups - <https://gov.md/en/advanced-page-type/grupurile-de-lucru>

<sup>14</sup> Association Implementation Report on Moldova, April 2018  
[https://eeas.europa.eu/sites/eeas/files/association\\_implementation\\_report\\_on\\_moldova.pdf](https://eeas.europa.eu/sites/eeas/files/association_implementation_report_on_moldova.pdf)

Republic of Moldova, the demographic situation is critical, with a low birth rate, high migration and an aging population, leading to a sharp workforce decline<sup>15</sup>.

The overall regional outlook has worsened since 2014 following the outbreak of the conflict in neighboring Ukraine, combined with a significant decrease in Russian subsidies to the region. Considerable migration and a degrading quality of basic services led to a growing development disparity between both banks. The widening gap is also due to people in Transnistria not fully benefitting from the opportunities provided by donors' assistance to institutions and citizens living in the territory controlled by Chisinau, due to administrative obstacles and to issues related to the unsettled status. This recent situation has impacted negatively on the process of building favorable conditions for moving forward on the rapprochement.

At the same time, despite political divergences, over the last eight to ten years the economy of the Transnistria region has become more closely integrated with EU economies. Recent statistics from the region show that exports to the EU (45% in Q1 of 2018) are already four times as high as exports to Russia (11%)<sup>16</sup>. The territory has benefited from the EU's autonomous trade preferences, which have made products from Transnistria (exported to the EU as Moldovan products) more competitive on European markets. With the onset of the DCFTA, the exports increased even more, although the extent to which local authorities are able or willing to implement DCFTA-related conditions, as well as help SMEs benefit from its provisions might still hamper mid-term growth.

Notwithstanding decades of separation and several key differences<sup>17</sup>, the two territories share considerable similarities in terms of structural barriers to economic development. Practically all exporting companies from the Transnistria region are permanently or temporarily registered companies with Moldovan national authorities, benefitting from the opportunities provided by DCFTA. At the same time, the business environment is characterized on both banks by challenges related to regulatory uncertainty, restricted competition, consistent application of legislation and regulations, excessive regulation and controls which lead to high transaction costs, that reduce possibilities for Foreign Direct Investments. This situation undermines the performance of exporting enterprises and hampers the badly needed growth in capital investments.

While the economic environment of Transnistria is considered to be more restrictive and inflexible, characterised by high political influence of larger businesses, there are signs of change. A long-discussed tax reform to introduce VAT to the territory for the first time could be implemented, which would allow the authorities to remove import duties (as required by the DCFTA) while maintaining income for the regional budget. The authorities appear to have seen the potential of SMEs to contribute to job creation and economic growth, with registration of small businesses seeing a boom. Several high-profile events organized by the local administration (a visit of EU Ambassadors in June 2018, an investment economic forum in October 2018) show an unprecedented willingness to foster improvements in the field. Access to credit, however, is limited, due to the limitations of the post-conflict situation affecting cross-river banking transactions and small size of the local market, leading to very large interest rates, reduced competition and lack of access to foreign finance. Thus, the environment does not provide as many stimuli as it could to promote entrepreneurship<sup>18</sup>. Youth, in particular, have difficulty finding employment opportunities.

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<sup>15</sup> See The Coordinating Council on the technical assistance for Transnistria, Program summary for the implementation of priority projects and socio-economic development of Transnistria for the period 2018-2020 (practical part №2), Tiraspol, 2017, 67 p.

<sup>16</sup> EU now top destination for Transnistria's fast-growing exports, April 2018 <http://www.intellinews.com/eu-now-top-destination-for-transnistria-s-fast-growing-exports-140111/>

<sup>17</sup> The economy of right-bank Moldova is largely rural, with a majority of the population residing in small towns and villages while on the left bank the economy focuses on industry and the population is largely urban.

<sup>18</sup> See the Market Survey of the Microfinance Sector in the Transnistrian Region of Moldova carried within the CBM Programme 3 [http://www.md.undp.org/content/dam/moldova/docs/Publications/UNDP\\_MD\\_%20Microfinance%20\\_study\\_CBM.pdf](http://www.md.undp.org/content/dam/moldova/docs/Publications/UNDP_MD_%20Microfinance%20_study_CBM.pdf)

In this context, the EU and its international development partners have agreed to step up efforts to support integration of Transnistrian residents and companies in the country's development process and hence reduce the development gap. This requires political dialogue, technical cooperation, development of investment projects in new sectors with good export potential, and the improvement of business climate. All this is supposed to contribute to more economic opportunities and new jobs.

### Social, cultural affairs and media

The two banks of the Nistru River also have diverging paths of development in the field of social protection and associated services, culture and mass-media. The Transnistrian region has benefited of only a modicum of the comprehensive assistance programs provided to Moldova by international donors in these fields, and is more affected by a deteriorated infrastructure, and obsolete policies, which contribute to the falling quality of life in general. Official figures from the de facto authorities suggested that there is one pensioner<sup>19</sup> in Transnistria for every working person (and two pensioners for every person employed in the real sector of the economy). Migration rates, both temporary and permanent, are even higher than on the right bank Moldova<sup>20</sup>, and the situation is similar related to the natural increase rate<sup>21</sup> indicating tremendous pressure on public expenditures and poor prospects for improvement of social service without external support. While most inhabitants from the left bank, due to having Moldovan citizenship, have the right to access right-bank support systems, they cannot always benefit from them locally. This is particularly problematic in the case of emergencies or services for vulnerable groups, which cannot afford to travel. Despite improvements in their accessibility, proven by increased number of beneficiaries of medical services on the right bank from left bank inhabitants, more needs to be done in this regard.

At the same time, **community empowerment and cross-river sectoral platforms** already supported under previous iterations of the EU CBM program demonstrated a positive synergetic effect. The small infrastructure projects, as well as the small grants provided to help their inter-connectivity, brought much needed assistance to vulnerable communities and second, due to their reliance on joint efforts, contributed to rebuilding communication and cooperation channels at community level, creating an atmosphere conducive to reconciliation. Such a shared approach to development issues, delivering tangible benefits on both banks, builds on previous important achievements, establishing a positive cooperative dynamic between the two sides. Support to cooperation platforms should thus continue in parallel with the promotion of community development through direct support to local development initiatives which foster cross-river cooperation, such as the Small Grants Programme.

During a visit of UN Human Rights Expert Thomas Hammarberg<sup>22</sup> in 2018, as a follow up to his 2013 report on the human rights situation in the Transnistria region, he noted a growing human rights awareness locally, in areas such as people with disabilities, people living with HIV/TB, as well as domestic violence. At the same time, he called for urgent action in a multitude of areas, and, in particular, for widening and strengthening the space for NGO work. While the de facto authorities' early engagement with the 2013 Hammarberg report focused on seeking investment in infrastructural upgrades and modernisation of equipment, there are signs of a growing understanding of the importance of introducing modern practices, improving the qualifications of

<sup>19</sup> Expert Grup, Regional Economic Review: Transnistrian region, Published 18 July 2014, <http://www.expert-grup.org/en/biblioteca/item/989-rer-trn&category=186>, TN Dialogues

<sup>20</sup> Extended Migration Profile of Transnistria, 2017  
<https://www.iom.md/sites/default/files/publications/docs/Extended%20Migration%20Profile%20of%20Transnistria.pdf>

<sup>21</sup> <http://newspmr.com/novosti-pmr/obshhestvo/3412> and <http://www.vspmr.org/legislation/bills/vi-soziv/1040.html?&note=1>

<sup>22</sup> <http://md.one.un.org/content/unct/moldova/en/home/presscenter/press-releases/statement-by-senior-un-human-rights-expert-thomas-hammarberg-on-.html>

professionals, or ensuring effective accessibility of services, including to more vulnerable social groups. Strengthening the knowledge and skills of practitioners in the social sectors on the left bank, by knowledge transfer from the left bank has been a well-established confidence building approach that builds longer term cooperation between professionals.

From the perspective of **culture**, both banks of the river are very similar in both the structure of cultural institutions, as well as their chronic underfinancing and the challenges they face. The registry of monuments currently includes 2,913 buildings from both banks of the river and, despite significant deterioration, the pace of destruction of protected buildings is slowing down due to an increased awareness by the population, economic actors, local and national stakeholders. However, much remains to be done to transform cultural institutions from being perceived as mere financial liabilities into important contributors to economic development and cross-river cooperation. A support to the cultural sector, with a focus on maintaining the historical common heritage, can provide an essential investment in the country's future and can serve as, if done in a conflict-sensitive manner, as a pre-condition to development and to conflict resolution.

As regards **mass-media**, a truly independent and objective mass-media is lacking on both banks of the Nistru. The environment of the media sector remains challenging on many issues: transparency of ownership, fair competition, advertising revenues, and supervision. The legal framework for the activity of journalists on the left bank is more limited than the one on the right bank. Finally, little media content is produced locally despite needs and competences available. Local audio-visual production is mainly limited to cheap, low quality, production with standardized information and limited creative material. The obligations for channels to participate in the production of local audio-visual works are very limited. The media need to be closer to the everyday reality of people, to become a vector of openness, trust and more democratic society. Production of local media content should be a good instrument for creating working and social synergy with multiplier effects on both banks.

## 2.2. EU engagement

EU engagement with Moldova and the Transnistria conflict has grown considerably during the last 10 years. The EU is committed to Moldova's territorial integrity and sovereignty and continues to work towards a peaceful resolution of the conflict<sup>23</sup>. As a participant in the "5+2" format, the EU continues its high-level engagement to improve the overall political atmosphere for dialogue and cooperation between Chisinau and Tiraspol. The EU is also keen to ensure as much as possible that the implementation of the Association Agreement applies equally to both sides of the river. The Association Agenda between the European Union and the Republic of Moldova identifies the following medium-term priorities regarding Transnistrian conflict:

- Maintain functionality of all existing dialogue platforms and negotiation formats, aimed at identifying viable solutions to the problems that people face on both banks of Nistru river and to comprehensively and peacefully settle the Transnistrian conflict based on the sovereignty and territorial integrity of the Republic of Moldova within its internationally recognized borders with a special legal status for the Transnistrian region;
- Develop a vision on the Transnistrian conflict settlement as a basis for the engagement with the Transnistrian side;
- Maintain effective cooperation between the EU and the Republic of Moldova on settling the Transnistria conflict, and promoting confidence building measures, within agreed formats, including consultations on post-settlement arrangements;

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<sup>23</sup> Association Agreement: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22014A0830\(01\)&from=DE](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22014A0830(01)&from=DE)

- Strengthen dialogue, with the aim of explaining the benefits of the Association Agreement and ensuring its applicability in the entire territory of the Republic of Moldova, while taking measures to legalize the activity of economic operators from the left bank of the Nistru river;
- Continue constructive dialogue related to the situation at the central (Transnistrian) segment of the Republic of Moldova-Ukraine border with all relevant counterparts;
- Develop platforms of dialogue between representatives of civil society and media outlets from the right and left banks of the Nistru river.

The “Single Support Framework for EU support to Moldova (2017-2020)” reflects these priorities, notably under the sector *“Strengthening institutions and good governance, including the Rule of Law and Security”* and its specific objective 5 *“to promote confidence-building initiatives in Moldova”* which stipulates as expected results *“Economic, social and sectoral rapprochement between the two banks of the Nistru River is ensured with a positive impact on the Transnistria settlement process”*.

The EU has provided and continues to provide financial and technical assistance in support of these goals. This was underlined in the EU Joint analysis on Programming from September 2016 and the European Joint Development Cooperation Strategy (Joint Programming Document) for the Republic of Moldova published in February 2018.

As part of an agreement on the implementation of Integrated Border Management, Moldova and Ukraine have established during the summer 2017 a joint Moldovan-Ukrainian customs and border crossing point in Kuchurhan on the central segment of their border, which was controlled by the *de facto* administration. In November 2017, the bridge across the Nistru on M-14 highway (so-called Gura Bicului Bridge), which is a part of the 9th Pan-European Transport Corridor, was re-opened to traffic for the first time since 1992. During the first “5+2” meeting organised at the end of November 2017 in Vienna, both sides signed additional protocols on apostille provision for educational documents issued in the region, telecommunications, ensuring the functioning of the Moldova-administered Latin Script Schools, and the use of farmlands in Dubasari region. Those agreements concern issues that have been under discussion between the parties for years. It is regarded as a step forward even if the full implementation of these 5 protocols is still pending.

Since 2009, the EU and other donors have been running Confidence Building Measures (CBM) programmes and projects aiming at building ties and partnerships between communities, CSOs, businesses from both banks of Nistru river, and support infrastructural development in the region (mainly the Security Zone). The EU launched a “Support for Confidence Building Measures (CBM)” programme in 2009, with an overall budget of EUR 1.7 M. EUR 6 M were allocated for the CBM II Programme, and EUR 13 million for CBM III (2012-2015). Thus, the European Union is the largest donor investing in work in the Transnistria region and the UNDP-implemented CBM project has been the largest initiative on the left bank and Security Zone for the last six years, taking a multi-dimensional approach on supporting business links and entrepreneurship, social infrastructure, civil society development, health care and environmental protection. Since 2009, SCBM implemented more than 170 common initiatives/projects, engaging communities, local authorities, civil society and companies from both banks in collaborative work, benefitting directly and indirectly more than half of a million of people. The overall committed budget for the Transnistria region under CBM IV (2015-2018) was EUR 23 million. More than EUR 19 million were spent to promote confidence-building initiatives with Transnistria for the period 2015-2018, including, inter alia, on other projects, that included technical assistance to the Bureau for Reintegration, and support through a EU High Level Advisor

Another important EU initiative, EUBAM, was launched on 30 November 2005 following a request made jointly by the Presidents of the Republic of Moldova and Ukraine. The Mission’s mandate has

been extended several times since, with the current mandate extended in December 2017 and expiring in November 2020. Promoting confidence building and contributing to the peaceful settlement of the Transnistrian conflict is one of the main Mission's objectives.

The new CBM Programme will expand and build upon the achievements, experience and knowledge gained over this period, to provide immediate, visible and tangible outcomes. The preliminary allocation for the whole Programme (EU CBM V, 2019 – 2022) is EUR 10,6 M, out of which components 1,2,3 and 5 amounting to 9,4 M EUR are to be implemented by UNDP, as presented in this specific contract with the EU, aiming to further support on confidence-building initiatives in the Moldova between both banks of the Nistru. Another component, of 1,2 M EUR (1,1 M provided by the EU), implemented by the German development agency, GIZ, and Czech corresponding entity, CzDA, will focus on health modernization.

### **2.3. Stakeholder Analysis, Donor Coordination and other actors**

The following actors are directly or indirectly involved in the area of intervention:

Bureau for Reintegration of the Republic of Moldova: The mandate of the Bureau is to promote the Government's policy of territorial, political, economic and social reintegration of the Republic of Moldova, under the leadership of a Deputy Prime-minister for Reintegration, who is also representing Chisinau as chief negotiator. The bureau, as the main institution in charge with reintegration policies, is conducting consultations and negotiations to resolve the Transnistrian conflict, to develop the legislative framework and provides the necessary assistance to the Deputy Prime Minister. Additionally, it deals with social, economic and other policies and projects in the localities on the left bank and the Security Zone, and manages a budget for projects in the area of approx. 15 MMDL (approx. 0,75 MEUR) annually

Ministry of Education, Culture and Research: The Ministry is the only national authority responsible for state policy in the field of cultural heritage. It has 2 executive agencies dealing with cultural heritage: (i) National Agency for Archaeology to implement national policy in the field of protection and promotion of the archaeological heritage; (ii) The Agency for Inspection and Restoration of Monuments (AIRM) to focus on the protection of architectural heritage. The Ministry is also in charge of the audio-visual and is part of the EU cultural and audio-visual programme "Creative Europe". It is also the main entity dealing with drafting and implementing educational policy, including in the areas affected by the Transnistria conflict.

Other line-Ministries: Ministries of each of the relevant sectors of intervention are stakeholders or potential stakeholders, and more specifically the Ministry of Economy and Infrastructure, the Ministry of Health, Labour and Social Protection, Ministry of Agriculture and Environment. All ministries have also a state secretary in charge, inter alia, with aspects related to the Transnistrian issue in their sector, and delegate, depending on the situation, experts in the relevant working groups

Working groups: The thematic working groups within the negotiations aim to stimulate the settlement process and create additional momentum, which would allow the easing of tensions between the conflicting parties. Several working groups were established, starting in October 2007, to strengthen confidence and security between the two banks of the river Nistru, and generate solutions to technical issues at the level of experts from both banks.

De facto authorities in Tiraspol: The de facto authorities in Tiraspol are dealing with the implementation of public policies and de facto govern the region. Regular consultations and political dialogue are held with the de facto leadership in Tiraspol.

Coordination Council for Humanitarian and Technical Assistance: or equivalent (Tiraspol): In 2017, the de facto authorities in Tiraspol have institutionalized their aid coordination structure via the so-called Coordination Council for Humanitarian and Technical Assistance, directly under the authority

of the de facto Prime Minister. The two objectives of this Council are: (i) to attract the greatest number of donors willing to provide funds for the implementation of socio-economic and infrastructure projects; and (ii) to coordinate activities between donors and aid recipients in the region. For the first time ever, it oversaw the formulation of the regional development priorities, based on the identified needs in social, economic and other sectors.

Municipalities and local administration: Local authorities/municipalities will benefit from the activities of the action and are regular partners for some activities related to local community development. The Congress of Local Authorities from Moldova (CALM) is an NGO which represents local authorities and can also be a partner to municipalities on both banks.

Civil Society, including business community and academia: Civil society is an important stakeholder, for example, represented by members of the platforms which are composed of experts/sectorial NGO, as well as by other relevant organizations/structures. Academia would also be involved, to the extent possible when relevant; Business associations, including chambers of commerce, as well as businesses from both banks, will have an important role in the development and implementation of the activities in the economic sector. Social partners will also be involved and are potential beneficiaries.

Audio-visual Media: Existing public and private audio-visual media and audio-visual companies and professionals are potential stakeholders. Also, new media has some potential in this regard too. The concentration of media outlets has weakened independent media despite their unique potential of innovation and creativity, which is key for a real media market to emerge.

Donors and implementers of initiatives in the Transnistria region and Security Zone meet in the format of the Transnistria donors' coordination group twice a year, which facilitates an exchange of information on projects, developments in the region and potential for collaboration or synergy. The coordination group is currently chaired and supported by the EU Delegation who is the biggest player in the field. EU and Switzerland's donor coordination has also been strengthened through the first-ever in the country joint programming exercise, including the EU Joint analysis on Programming of September 2016 and the European Joint Development Cooperation Strategy (Joint Programming Document) for the Republic of Moldova published in February 2018. Administration on both banks have showed interest in coordination/communication with regards to confidence-building and cross-river development activities, and the mechanism of their involvement remains to be determined in consultation with relevant stakeholders

The main donors currently active in this sector are the EU as main donor with its main implementing partners (UNDP and other UN agencies), the World Bank, the Council of Europe, USAID, as well as some EU Member States Embassies or agencies (Czech Republic, Finland, Hungary, Swedish development agency SIDA, Germany, United Kingdom, France). The majority of the implemented projects focus on civil society support, social infrastructures, people to people contacts as well as economic and rural development. The approach generally pursued by development partners is to address existing challenges and needs across the country and, to the extent possible, implement nationwide programmes in the Transnistrian region as well. Thus, most of the development partners have (or have had) implemented projects in the region; starting with smaller support to NGOs, dialogues, people to people contacts, to bigger development interventions<sup>24</sup>.

The UK government has been a long-term stakeholder in peacebuilding work in Transnistria, managing projects directly. It organized the first "Transnistria Dialogues" Track 2 process in 2007-2010, summer/winter schools for young leaders from both banks, and business support activities.

The Swedish government offers core support to NGOs in Moldova for mission-driven development, including at least one NGO in Transnistria, Resonance, for institutional capacity building. The

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<sup>24</sup> Although the number of development partners addressing in a complex way development issues from Transnistrian region is very limited.

Embassy also supports work in the human rights field in the region, via several UN agencies, along the recommendations of the 2013 Hammarberg report. It is currently exploring the possibility of working to support exports and access of local SMEs to the opportunities provided by Moldova's foreign trade arrangements, including the DCFTA.

Left bank NGOs also receive support thorough the small-grants scheme run by the Embassy of Poland. The Austrian Development Agency also worked through local NGOs on environment and social issues and supported the Council of Europe Confidence Building Measures programme and is exploring the possibility to work on VET education. Additionally, the Council of Europe has worked in the sectors of journalism, social rights and protection of cultural heritage, looking to establish relations between professionals. Also working in the area of culture is the Alliance Francaise in Moldova, which has had a branch open in Tiraspol University for many years.

The Government of Germany has provided assistance, via its development agency, GIZ, to carry out feasibility studies related to water projects in the region, as well as support to dialogue related to the political process, as well as relevant economic analysis and advice via the Berlin Economics team. Committed to further support the process of modernization and regionalization of the perinatal system in the country, from 2013 Swiss Development Cooperation Office SDC has expanded its programme to the Transnistrian region, thus addressing reforms of the perinatal system on both banks of the Nistru/Dniestr River, and is currently exploring the possibility to work, along with GIZ, in the to promote dual education.

In addition to its work on monitoring the Security Zone and chairing the 5+2 talks, the OSCE runs a civil society platform that seeks to introduce new ideas for building confidence between the two banks.

In the area of economic development, the USAID-funded Competitiveness Enhancement and Enterprise Development II (CEED II) project, carries out work both on the left and right bank, and looks to broaden the range of opportunities for producers, looking to both eastern and western markets. The World Bank, through the Moldovan Social Investment Fund (MSIF), a semi-governmental organization, has supported community development projects in the region. More recently, potential to cooperate in the field of statistics is considered, in particular relating to the Household Budget Survey, focusing on economic data.

Communication and close coordination with key development partners will be considered, in order to maximize impact and synergies, while avoiding duplication. While overall information sharing will be done during bi-monthly Transnistria donors' coordination meetings, closer coordination will be ensured with key actors through the programme advisory committee.

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### III. JUSTIFICATION FOR UNDP ENGAGEMENT AND INTERVENTION RATIONALE

UNDP has been implementing development initiatives in the Transnistria region since 2007, following the delivery of a major drought-related humanitarian intervention across Moldova, that included the Transnistrian region for the first time.

With the launch of the first EU-funded Confidence Building Measures (CBM) Programme in 2009, the EU-UNDP partnership led to important achievements with more than half a million women and men benefiting directly. As the political gap between the two banks widened, economic and social ties on different levels took a central role in maintaining the connections between the populations on both sides, an approach exclusively enhanced by the CBM Programme.

The Programme produced already excellent development outcomes, with over 100 social infrastructure projects supported across the river, more than 60 civil society initiatives implemented by cross-river partnerships, 500 companies benefitting from business support, and more than 1,600



jobs created on both banks. An independent impact evaluation for the CBM Programme, carried out by the EU Delegation to Moldova in September 2015, concluded that the CBM approach produced significant development results and “was effective in increasing cross-river partnerships in economic, social and cultural sectors. (...) As a result, there is greater confidence between institutions and professional groups, and more trust between individuals”.

The number of cross river partnerships, joint projects and engagement has multiplied significantly in the last years, establishing a firm foundation in building up the knowledge base and capacity of local actors, including civil society groups, creating platforms for communication and exchange of best practices in areas of business, various civil society driven interventions (from social protection, human rights, environment issues, media and research to art, sports and cultural activities); as well as contributing to increased living conditions as a result of the community infrastructure works. These partnerships are gradually becoming institutionalized, as a result of the establishment of at least 10 cross-river platforms, offering multidisciplinary spaces for interaction, exchange and generation of new common ideas.

Considering UNDP’s extensive experience in supporting local development in all of Moldova, having worked in 2/3 of all the communities in the country, including the Transnistria region, it is best positioned to continue delivering impactful results in this regard. The neutral/impartial role of UNDP was considered by the Assessment of Development Results in Moldova as a key element for gaining access in the region, where other international organizations faced difficulties. As underlined in an independent EC evaluation, “channelling funding through the UN(DP) opened doors which would otherwise have remained closed or nearly closed... particularly in politically sensitive situations”<sup>25</sup>. Through its impartiality and commitment to the principle of long term engagement, UNDP helped facilitate transition activities and is able to achieve sustainable results on the ground.

UNDPs track record of delivering quality results through effective project management is well recognized. According to the most recent Results-Oriented Monitoring report on a similar EU-Funded and UNDP implemented intervention (SARD), its logistical and management capacities are among its strongest assets. UNDP’s legal framework and capabilities in place in Moldova allows it to provide significantly more value for money, due to savings produced by efficient procurement mechanisms, low overhead costs, as well as tax exemption (e.g. on the 20%VAT) for development activities.

Another success factor has been the EU-UNDP multi-disciplinary approach to confidence building, since the development challenge itself is cross-sectorial, bringing together issues related to crisis prevention and recovery, poverty reduction, local development and democratic governance practices. Through its activities, UNDP engaged the most vulnerable people in the most remote areas, ensuring they are not excluded from development opportunities, promising social progress and better standards of life.

### **Lessons learnt:**

Drawing upon the experience and the impact assessments of the previous and on-going Confidence Building Measures (CBM) packages, the main lessons learnt are as follows:

- to avoid a top-down approach and ensure that the decision makers on both banks continue to be fully-engaged in the design and implementation of the assistance;

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<sup>25</sup> See Evaluation of Commission's external cooperation with partner countries through the organisations of the UN family, 2008; [http://ec.europa.eu/europeaid/how/evaluation/evaluation\\_reports/reports/2008/1252\\_vol2a\\_en.pdf](http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/reports/2008/1252_vol2a_en.pdf) ; also- The efficiency and effectiveness of EU contributions channelled through United Nations Organisations in conflict-affected countries, 2011.

- to ensure that the assistance is demand-driven, i.e. building on shared needs and priorities with ideas and projects not imposed but initiated, developed and coordinated jointly by both sides;
- to make sure projects' needs are very practical, not theoretical. The applied nature of these projects is a crucial ingredient of success, since stakeholders are more interested in practical and useful activities. The idea is to support the sides in the identification of their development priorities and, then, suggest and offer creative implementation scenarios that would stay away from difficult political issues leading to deadlocks;
- In the same context, it is important to keep a clear line of separation between development initiatives and technical cooperation, and the political processes related to the official negotiations, to avoid spill over effects of the latter on the former.
- to build sound and open working relationships, based on trust, with both sides independently of the political discussion/issues and to maintain continuous effective communication;
- to develop and maintain a functional and sustainable coordination mechanism(s) with major stakeholders;
- to follow a "step by step" approach by ensuring that the assistance focuses primarily on non-politically sensitive topics, while progressively opening new fields for cooperation –including through EU major mainstream programmes for which the Republic of Moldova is eligible;
- to continue building the capacity of civil society organizations (CSOs), fostering cooperation and establishing sustainable partnerships between organizations as well as Media on both banks.

### Intervention rationale

The lessons learnt from previous phases have been duly considered and used in shaping the new, fifth phase of the programme: it is beneficiary driven and based on extensive prior consultations and agreement; it seeks to provide a critical mass of support to make sure it provides visible and tangible results; and its activities build on previous successes while targeting new areas of intervention.

The implementation of the programme will be driven by four main principles:

1. The principle of **mirroring**, i.e. working similarly on both banks of the river Nistru;
2. The principle of **consensus** – seeking to ensure a common view and understanding on the supported interventions between authorities of both banks and other stakeholders, for a technical and apolitical work;
3. The principle of **achieving better mutual understanding** – all activities will seek to promote, to the maximum extent possible, joint work, communication, exchange of best practices and experience, and cooperation;
4. The principle of **flexibility** - should one of the components or activities fail due to the volatile political context and /or other political reason(s) or equivalent, the funds can be reallocated to the other components and/or activities

The EU CBM programme will focus on four specific fields: promoting business development; support to community development and cross-river platforms of cooperation; preserving cultural and historical heritage, and assistance to media development and cooperation. The respective fields have been identified in discussions with stakeholders on both sides and focus on some of the most urgent issues affecting the population across the Nistru. The Theory of Change of the intervention strategy relies on the assumption that, as previous CBM experience shows, cross-river initiatives of this type have a synergetic positive effect. First, they bring enabling assistance to vulnerable groups and second, due to their reliance on joint efforts, they contribute to rebuilding channels for communication and cooperation between the sides, creating an atmosphere conducive to social cohesion and reconciliation. Such a shared approach to development issues, delivering tangible benefits to the public on both banks, builds on previous important achievements, establishing a positive cooperative dynamic between communities on both sides.

This approach corresponds to the priorities established by the Moldovan Government, which announced, in 2015 and 2016, the reintegration of the country as one of its top concerns, that should contribute to economic development and to improving the population's living standards by facilitating private sector activity and by upgrading the social services and infrastructure.<sup>26</sup> It also fits the priorities of the de facto administration, expressed in the regional development strategy mentioned supra.

It also corresponds to the aims established by the "Single Support Framework for EU support to Moldova (2017-2020)" under the sector "Strengthening institutions and good governance, including the Rule of Law and Security" and its specific objective 5 "to promote confidence-building initiatives in Moldova", that calls that "Economic, social and sectoral rapprochement between the two banks of the Nistru River is ensured with a positive impact on the Transnistria settlement process".<sup>27</sup>

Similarly, these directions are aligned with the United Nations Development Assistance Framework (UNDAF) agreed with the Moldovan Government. for 2018-2022<sup>28</sup>, as well as the UNDP 2018-2022 Country Programme Document (CPD)<sup>29</sup>. In particular, UNDAF calls to ensure that *"the people of Moldova, in particular the most vulnerable, have access to enhanced livelihood opportunities, decent work and productive employment, generated by sustainable, inclusive and equitable economic growth"* and *"the people of Moldova, in particular the most vulnerable, demand and benefit from gender-sensitive and human rights - based, inclusive, effective and equitable quality education, health and social policies and services."* UNDP CPD aims to ensure that *"women, youth and people from regions with special status benefit from better skills, access to resources and sustainable jobs and livelihoods"* and *"Improved local public services and upgraded infrastructure to enhance accessibility to and boost resilient local economic development, including in regions with special status and across the conflict divide"*.

This programme is also relevant for the Sustainable Development Agenda 2030. It contributes primarily to the progressive achievement of the following Sustainable Development Goals (SDGs):

- Goal 8.: Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all;
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels;

This programme also promotes progress towards the following additional goal(s): SDG 1: End poverty in all its forms everywhere; SDG 3: Ensure healthy lives and promote wellbeing for all at all ages ;SDG 5: Achieve gender equality and empower all women and girls; SDG 6: Ensure availability and sustainable management of water and sanitation for all; SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation; SDG 10: Reduce inequality within and among countries.

Therefore, the Programme aims to build on and multiply the successes achieved in the previous phases, in particular related to urgent needs on both banks related to business development, community empowerment and social services, further consolidate and expand the established cross-river cooperation links and platforms, e.g. in the area of culture, as well as support cooperation and

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<sup>26</sup> 2015-2018 Government Activity Program <https://gov.md/sites/default/files/document/attachments/program-guvernare-strelet-2015-2018.pdf> and 2016-2018 Action Plan <http://lex.justice.md/md/365929/>

<sup>27</sup> [https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/single\\_support\\_framework\\_2017-2020.pdf](https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/single_support_framework_2017-2020.pdf)

<sup>28</sup> UNDAF 2017-2020, Priority Areas 2 and 4 <http://md.one.un.org/content/dam/unct/moldova/docs/pub/strateg/UNDAF%20Moldova%20EN.pdf>

<sup>29</sup> UNDP CPD 2018-2022, Outputs 2.2. and 2.3 <http://www.md.undp.org/content/dam/moldova/docs/Legal%20Framework/CPD%202018-2022.pdf>

develop mass-media on both sides of the Nistru, that would contribute to better understanding on both sides of the benefits for joint work and a common vision for the future.

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#### IV. STRATEGY (DESCRIPTION OF THE ACTION)

##### 4.1. Programme Objectives

The **overall objective** of the programme is to contribute to the facilitation of the settlement of the Transnistrian conflict by supporting the increase of confidence between Chisinau and Tiraspol through joint initiatives involving local authorities, civil society organizations and other stakeholders from both sides of the river.

The specific objectives identified are the following:

- To contribute to economic and social development by ensuring a more equal access to the opportunities provided by the AA and its DCFTA and integration between the two banks of the Nistru River;
- To tackle the growing disparity between the Transnistrian Region and the rest of the country by supporting local development and CSOs;
- To continue supporting the sectoral rapprochement in pilot sectors (i.e. Culture and others) and to progressively include Transnistria in Moldovan-wide development initiatives in order to facilitate the future reintegration while limiting the development gap between both banks;
- To support the activities of media on both banks of Nistru river through common media production.

The programme will represent a framework for engaging in development interventions across the security zone on both sides of the Nistru/Dniestr River, in line with agreements reached in the 5+2 negotiation process. As such, it is comprised of a series of activities that will strengthen, regularize and intensify interaction between otherwise divided societies, aiming to establish this interaction as a norm. It looks to deal strategically with barriers to cooperation experienced by all development cooperation actors working in Transnistria by building the trust towards such actions and broadening opportunities for engagement for a wide range of actors. Special focus will be given to balancing the actual support of the programme to communities on both banks of the Nistru/Dniestr River.

##### 4.2. Key Results

The expected results from the programme are:

- Improved living conditions on the two sides of the Nistru River through increased economic opportunities and jobs creation;
- Community development mostly through capacity building is enhanced; joint existing platforms for cooperation between CSOs from both banks are further developed and supported to limit disparity;
- Culture (as a pilot sector) is used as a driver for development and confidence building; The Transnistria region is further and actively involved in Moldovan-wide sectoral initiatives to facilitate the future reintegration while limiting the development gap between both banks;
- Media are capable to co-produce locally attractive, qualitative and professional content for the good of both banks' socio-economic development.

### 4.3. Implementation Approach and Indicative Activities

The proposed intervention seeks to comprehensively address the issues described in the background analysis, by focusing efforts in four directions. The estimated timeframe for their implementation is 36 months.

#### Component 1: EU support to Economic development and entrepreneurship

The goal of the component is to create **employment opportunities and livelihoods** across the Nistru/Dniestr River by **stimulating economic activity and increased cross-river cooperation**. Business support programs would help both sides to resolve common problems together, because the nature of their economic challenges is similar, as are the risks and structural shortcomings the economies face. At the same time, it will aim to reduce the growing economic development gap between the two banks. It will seek to encourage work in areas with high potential to produce confidence building results, by focusing, in particular, on supporting young entrepreneurs (and especially women) and cross-river business platforms.

Building on the experience of the previous phases, **partnerships with civil society, academia and businesses** will be the main vehicle of the component implementation. Aiming to increase and consolidate the cross-river cooperation, this component will also focus on contributing to enhance employment opportunities, and particularly supporting the creation of **new jobs and livelihoods** for women and men across the river. This component will be coordinated and will interact closely with the other EU support initiatives related to the DCFTA implementation in the Republic of Moldova.

This component will include the following tentative directions of action:

#### A. EU support to Economic Development and Entrepreneurship

The culture of entrepreneurship in Transnistria remains underdeveloped, with a rather negative attitude to entrepreneurs, and few positive role models. The economy is concentrated within a few large enterprises, thus requiring a shift in social perceptions and abilities of local, especially young, entrepreneurs in generating employment, income and indeed wealth, as well as introducing entrepreneurial skills and mind-sets among young people.

The following activities are tentatively proposed for implementation:

##### A.1. Fostering Business Development Services (BDS) and cooperation spaces for youth:

- Provide capacity building support to BDS providers from both banks and business education services (e.g. business schools, or the 10 business associations supported during previous interventions) that work with young entrepreneurs;
- Support youth-oriented business support infrastructure (Business incubator/ business laboratory/co-working spaces). The project would explore either the option of supporting existing institutions, be it NGOs providing already support to youth, or business support organisations, enabling them to provide services focused on youth, or indeed build/support the establishment of new infrastructure. The decision would be taken, following a thorough study of the situation and consulting stakeholders on the both bank, by the Project Board;
- Promote cross-river exchanges/networking between young entrepreneurs (forums, summer and winter camps, business trips, study visits, etc.). The number of events would be further detailed upon project inception, depending on concrete activities, and included in the (Multi) Annual Work Plan, which would be approved by the Project Board

##### A.2. Support for young entrepreneurs:

- Business Support for youth: provide a comprehensive start-up programme for at least 20 young people (at least 50% women), on both banks, including business support & training, long-term coaching, a grants scheme of up to 10,000 EUR each.

## **B. Support Cross-River Business Cooperation Platforms to promote economic growth and exports**

The new phase of the CBM programme would build on the achievements of the previous interventions, and further consolidate existing, as well as newly established cross-river business cooperation platforms. This will be done through capacity building activities and a grants' scheme (at least 4 grants of up to 25,000 EUR each) provided to cross-river initiatives that promote economic cooperation and job creation, as well as assistance to key activities, such as joint export promotion through enterprise participation in international fairs and B2B events. Another aim would be to support business platforms that allow for the inclusion of left bank companies and associations in right bank sectoral development initiatives.

As learned during the previous phases of the CBM Programme, sustainable and regular business-to-business activity can only be insured through a permanent, mutually advantageous relationship between business representation institutions, such as chambers of commerce and other associations. This subcomponent will seek to build on the goodwill formed already in the previous phases of the CBM programme. Additionally, it will build on another lesson learned – that the best relations of cooperation are built while beneficiaries are involved in finding joint solutions to common problems

Consequently, the following activities are anticipated:

### **B.1 Support to business cooperation networks and platforms**

- Provide support, via grants, to cross-river platforms and initiatives, to carry out joint initiatives promoting job creation, improved business services and cooperation, networking opportunities and export promotion;
- Organize at least 3 thematic events (conferences, roundtables), including on DCFTA specific issues;
- Carry out joint studies/research on the development needs of the business environment on both banks;
- Provide grants/contract to companies specialized in providing business support services, organize joint visits (cross-river and abroad), economic missions to study best business practices as well as look at business cooperation in post-conflict environments. The study visits should result in the production of jointly-designed reports with concrete recommendations on improving business practices and cooperation based on the lessons learned from these trips.

### **Component 2: EU assistance for Community Development and cross-river CSO' sectoral platforms**

The goal of the component is to **empower local communities and actors from both sides to participate in collaborative projects which address pressing development needs and ensure the delivery of essential public services.** It will seek to build on the successful work in this field of the previous phases, and further strengthen and expand the established 5 cross-river sectoral platforms (Education, Culture, Sports, Health and Environment), composed of representatives of experts/sector CSO active in their specific domain, as well as managers of institutions that benefitted from infrastructure reconstruction projects. The activities within this component will also seek to support the implementation of solutions developed by the platforms within the fourth phase of the programme.

#### **A. Support to cross-river sectoral platforms**

Community development will be supported mainly via development projects initiated at the local level by CSO in order to develop rural areas/more vulnerable areas and to create jobs. Strengthening civil society will contribute greatly to better citizen participation in social and economic development of both banks. The projects should be bottom-up, inclusive, trans-sectoral and promote cross river community synergy and interaction. In close coordination, existing cooperation platforms will be

supported and further developed. Small grants will be provided and small projects (including infrastructural ones) will be supported, with, inter alia, the aim to (i) improve Civil society capacities; (ii) support the platform members in their collaboration; (iii) implement joint initiatives of benefit to local communities on both banks and when relevant to support projects related to conflict resolution settlement related to success in negotiations (e.g. renovation of the Gura Bicului Bicioc bridge). Supported activities will also aim at improving the livelihoods of local communities.

The ambition of this sub-component is to build on the previous interventions and to contribute to the **creation/strengthening of communication channels between communities**, especially those that have benefited from previous stages of the program. A special attention will be given to confidence building activities between target communities from both banks consisting in joint events and activities, study visits and exchange of experience. These activities will improve the capacity of the communities to better plan and operate further community development.

Following activities are anticipated:

#### **A.1. Provision of capacity building activities to the cross-river sectoral platforms**

- Strengthen existing platforms, to provide representation, advocacy and networking support to stakeholders across the river, etc. via training, study visits, other forms of technical assistance;
- Support the establishment of new sectoral platforms, if needed (e.g. Social Services, etc.)
- Assist in the organization of thematic events (conferences, roundtables), for the thematic platforms, joint study visits, etc;
- Carry out joint studies/research on the development needs of the thematic sectors of the platforms on both banks, involving partners from both banks of the Nistru river;

#### **A.2. Support of cross river collaboration and confidence building activities, implemented under the auspices of the platforms**

- Carry out 2 calls and award at least 15 small grants of up to 20,000 EUR each, in support of the most relevant confidence building collaboration initiatives, to be implemented under the auspices of the relevant sectoral platforms. The final size and number of the grants and awarding criteria would be determined based on consultations with platform representatives and approved by the Programme Steering Committee and would be based on the experience of the previous Small Grants Programme<sup>30</sup>.

### **B. Social infrastructure support**

The infrastructure component has proved to be efficient and sustainable from the viewpoint of confidence-building, generating community involvement and fostering closer links between the banks. Focusing on the security zone from both banks of the Nistru /Dniestr River and on issues with a confidence building potential, projects will contribute to increased living conditions improving the delivery of essential public services. Around 10 small infrastructure projects, of approx. 100,000 EUR each, from both banks of the Nistru River will be supported in a balanced manner as decided by the Steering Committee

Each project will aim at promoting people-to-people contacts and cross-river exchanges, in view of building confidence among the population from both sides including by engaging organisations and experts from one bank to assist communities on the other bank identify, design and implement development projects.

Projects will be selected based on competition, and priority will be accorded to interventions in which communities from both banks work in a partnership. The selection will be done based on clear rules, through a competitive, transparent procedure organized by UNDP, subject to proper technical appraisal and Steering Committee approval. UNDP will be responsible and fully accountable for the implementation of the whole action, including for the selection of projects. UNDP will carry out itself

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<sup>30</sup> <http://www.undp.md/tenders/tnddetails2/1637/>

all budget implementation tasks foreseen in the Description of Action, including all procurement and grant award procedures and subsequent payments. All contracts awarded by the UNDP (including the ones awarded to local authorities or CSOs) will comply with the standards, templates and rules of the UN, which have been positively assessed during the four-pillar assessment of the UN.

Draft criteria for projects selection are enclosed in Annex B.

The first selection phase will consist of collecting the expressions of interest (EoI) from the eligible communities. The proposals will be screened by the project team based on the eligibility criteria, outlined in detail (Annex B.1); and consisting mostly of a) compliance to the proposed thematic areas of work and b) budgetary limits. For the second phase, the Selection Committee will review the screened proposals/communities based on the evaluation criteria outlined in detail (Annex B.2) and recommend the qualified proposals to be provided with guidance and support from the project team, as well as specialised expertise, including community facilitators, in developing full-fledged proposals.

During the final phase the full-fledged proposals, accompanied with necessary comments and recommendations will be provided to Steering Committee for final approval.

In order to ensure a tangible impact, the program will provide support to medium-sized infrastructural projects. It is expected that the average budget of the community infrastructure projects would vary around (100,000 EUR), and thus around 10 community infrastructure development projects identified. The selected projects will improve the lives of women and men while contributing to increased cooperation between people across the river will be supported. Where feasible, priority will be given to projects out of which several municipalities could benefit at a time.

Projects are expected to respond to pressing community needs and improve their living conditions. They will focus on the rehabilitation of key social institutions, such as education, social protection and health facilities, and improvements to critical physical infrastructure, such as water supply, sewage networks and waste management. Additionally, relevant environment infrastructure projects will be supported which provide an opportunity for development of joint solutions in addressing common environmental concerns, building on successful cooperation between authorities, civil society organizations, specialists and communities. Ideas with evident and strong confidence building potential will be advantaged. Under the umbrella of community infrastructure activities, sensitive issues will be tackled, building confidence and tolerance among people on both banks of the Nistru.

Based on the lessons from previous phases, a mixed implementation approach will be followed, including, depending on the situation, direct implementation by UNDP of the actual infrastructure works through procurement of services from construction companies<sup>31</sup>. Based on previous experience this may include: streets lighting, roads, procurement of equipment (especially for TN region) etc.; or provision of grants to local communities and beneficiary institutions.

The decision is made based on technical complexity of the infrastructure project, level of project preparedness and availability of technical documentation, capacity of the beneficiary, possibility of combining the infrastructure works (leading to increased efficiency) and thus conducting one bigger tender for several infrastructure works.

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<sup>31</sup> The standard UNDP Procurement Rules and Regulations apply regardless of the type of goods, services or works to be procured. Depending on the amount and the category of the goods or services to be procured, an appropriate procurement method is applied, employing open international competition as the standard approach in soliciting offers.



The provision of grants will be preferred in cases of: strong preconditions for better cross-river cooperation, and thus increased confidence building potential; - evidence for opportunities to transfer experience and engage in capacity development activities; - appropriate capacity of the implementing partner related to the technical complexity of the projects; and timing implications. Decision will be made after careful consideration of all these and other related factors at the finalization of the selection process. The Evaluation/Selection Committee (including at least EU Delegation and UNDP representatives (not directly involved in the project management) will make final recommendation about the implementation approach to be followed.

**Partnership with civil society organizations** will be sought to enable and empower people from both banks to jointly participate in tackling community development needs, particularly the rehabilitation of social institutions and basic infrastructure, ranging from renovation of schools, kindergartens, or health centres. Consequently, the following **activities** are anticipated:

**B.1. Review and approval of eligibility and selection criteria for social infrastructure projects**

- Review previously elaborated eligibility and evaluation criteria considering the changes in the context;
- Organize at least one meeting on each bank to discuss the criteria with project stakeholders and decision-makers from different levels, districts, and partners from both banks of the Nistru/Dniestr River to discuss and update the reviewed criteria (including de-facto local authorities from the Transnistrian region). Ensure gender and HRBA sensitive approaches;
- Approve the eligibility and selection criteria by the Project Steering Committee.

**B. 2. Mobilize and empower the eligible target communities for development of relevant proposals:**

- Organize at least one site visit to eligible communities, disseminate information to potential applicants
- Organize round tables and pre-competitions conferences

**B.3. Identify and evaluate relevant infrastructural projects**

- Establish and approve the Selection Committee
- Launch and conduct open competitions
- Assessment of the eligible proposals by the Selection Committee based on the evaluation criteria.
- Preparing the recommendations and approval of the selected proposals by Program Steering Committee

**B.4. Provide support for the implementation of at least 10 community infrastructure projects**

- Organize tenders for selection of companies to carry out structural-design of the selected infrastructural projects
- Conduct structural designs of the selected infrastructural projects
- Organise biddings for selection of construction companies
- Conduct reconstruction works of the selected infrastructural projects

**B.5. Technical monitoring and evaluation of the infrastructural projects**

- Systematic monitoring site visits and periodic spot-checks carried out by project engineers
- Internal financial audit in accordance with the applicable regulations and rules of UNDP
- Preliminary and final conditioning of each infrastructural project

**Component 3: EU Cultural and historical heritage support**

Culture is essential for the development of any society. Culture may have a strong dynamic and transformative force for social transformation on both banks. The activities under this component will provide a support to the cultural sector with a focus on historical heritage with a view to investing in the country's future and facilitating development and conflict resolution. The cultural

heritage sectors on which the activities will focus on (but not exclusively) are the Built Environment, i.e. Buildings, Townscapes, and Archaeological remains.

This component focuses on the conservation-restoration of historical monuments of national importance and on the conservation-restoration of smaller scaled historical heritage endangered which are considered to have a national historical interest for both banks (Confidence building measures dimension):

#### **A. Restoration-conservation of two flagship cultural and historical complexes**

Based on prior consultations, this subcomponent will focus on the conservation-restoration of two major cultural/historical complex, of importance to the communities on both banks, with a view to provide improved services as well as increase the touristic attractiveness. Tentative projects include, in the Transnistria region, the conservation-restoration of the historical part of the Bender fortress, with focus on restoring/preserving the 16<sup>th</sup> century old part of the fortress, based on specialised technical assessments, including the reports developed within the EU-funded TWINNING project on Cultural Heritage. In Chisinau, the conservation-restoration of the main arena of the Circus of Chisinau in view to transform it into a national multi-modal show arena is envisaged. In both cases, initial technical expertise will be conducted, and scope of works will be approved by the Project Board. In case of operational deadlocks, the flagship conservation-restoration projects can be amended to ensure successful implementation of this component.

The construction process will take place, like the smaller infrastructure projects in component 2, under full responsibility of UNDP. Additionally, it will include capacity building activities related to the preparations of the respective projects, including trainings, technical assistance from EU experts in the field of conservation-restoration, study visits to similar projects implemented by EU-UNDP partnerships, for example in Cyprus or Kosovo.

The expertise available within the EU-funded TWINNING Project will be used in the implementation of this activity. The Moldovan national authorities in charge of cultural heritage will be consulted in order to ensure compliance with international but also national requirements.

#### **B. Establishment of the EU fund for conservation-restoration of cultural heritage**

The project will establish and run an open-end call for the identification and implementation of cultural heritage projects on both banks consisting of small conservation-restoration, research, etc of tangible, intangible and natural cultural heritage<sup>32</sup> on both banks, to be implemented in partnership with local CSOs and community-based organisations. The criteria and rules of the functioning of the fund will be approved by the Steering Committee of the Programme at its first meeting upon programme inception. An important condition would be that public authorities should officially commit that the to-be-renovated public buildings will not be privatized before the start of any works and will stay in the public sphere after renovation/restoration. At least 10 such small projects are foreseen to be realized.

#### **Component 4: EU support to cooperative media local content development**

Media will be supported to develop local qualitative content for various mass media (“traditional” media – TV, radio and “new” media – websites, social media, blogs, etc.). The main activity will be to support the local production (mainly by financial support to media production and diffusion through at least 20 grants varying between 1,000 EUR and 60,000 EUR maximum.) of audio-visual work focusing on TV production demonstrating high creative value, and to increase the co-production and circulation of high-profile audio-visual local production while developing cooperation between operators from both banks. The media need to be closer to the daily reality of the people to be a

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<sup>32</sup> <http://www.unesco.org/new/en/culture/themes/illegal-trafficking-of-cultural-property/unesco-database-of-national-cultural-heritage-laws/frequently-asked-questions/definition-of-the-cultural-heritage/>

vector of trust, confidence and a more democratic society. This component should be apolitical and focus on achieving a common understanding between both banks of the river Nistru.

Funding will be made available under the form of small grants for the production by local actors of audio-visual material. Audio-visual material will be mainly for TV, but other audio-visual supports may be supported (Web, social-media, radio, Cinema/movies). It would cover the whole panel: studio broadcasts, coverages, fictions, discovery films, journalist investigations (list not exhaustive). In addition, technical support to production will be provided by active TV professionals used to collaborate with European public multicultural TV(s) to secure technical qualitative support (mainly in the realisation and production phase) and ensure the confidence building dimension of the products developed. A roster of international experts will be set-up to ensure access of local media to the best quality international expertise.

The following **activities** are anticipated:

- Provide, following a needs assessment, capacity building and training to existing and potentially newly established media associations and journalists from both banks, selected through an open call, to improve the quality of their work, as well as establish cross-river cooperation mechanisms, including via study visits and exchanges with European public multi-cultural TVs.
- Run an open-end call program to award small grants to support cross-river co-production of relevant audio-visual materials, infotainment, and other demonstrating high creative value. The regulation and selection criteria for the grants program will be established upon project inception and approved by the Steering Committee. A total number of 20 projects varying between 1,000 EUR and 60,000 EUR is proposed. It is envisaged to open it to private commercial entities under a selection mechanism to be agreed at a later stage of the preparation of the grant scheme.

#### **4.4. Guiding principles and cross-cutting issues in the implementation approach**

Besides the key principles listed in the Intervention Rationale section, the following guiding principles for programming will be followed: ownership, transparency, continuity, flexibility, responsiveness and a conflict-sensitive and win-win approach. Projects will have the buy-in of key actors on both sides from the earliest stages (**ownership and transparency**). Projects will build on the momentum and entry points created by in previous phases of programming (**continuity**). Projects will be implemented during a time when political developments may affect implementation or the environment in which implementation is occurring. Therefore, projects will be designed in a way to take advantage of breakthroughs in relations between Chisinau and Tiraspol and to protect against setbacks. When planned activities for joint cooperation cannot be implemented, then other collaborative opportunities will be explored (**responsiveness and flexibility**).

Although activities will tend to focus on reducing the isolation of Transnistria, they will serve to balance the benefits received (or perceived) by both sides, so as not to generate resentment or exacerbate tensions on either side (**win-win and conflict-sensitive approach**). In their design and implementation, projects will also take into consideration the unique and sensitive operating environment of the Transnistria region.

The **capacity development** activities foresee at least the following two techniques:

- **Mobilization, Empowerment & Consolidation** of the local community groups, bringing together women and men, including from most vulnerable groups, around basic gender and human rights concerns;
- **Community profile** assessment of target localities and their inhabitants with disaggregation by gender and vulnerability criteria (such as age, disability, ethnic origin, religious affiliation, etc) along major gender and human rights concerns (rights to water, education, health care,

employment, participation, etc.), as well as LPA current organizational and functional capacities (where feasible) to perform their duties and provide quality and accessible services.

The **confidence building potential** will be emphasized throughout the whole programme. Dialogue and information sharing mechanisms will be established to help connect institutions across the river, and support creation of platforms for communication and exchange of practices. Support will be provided for joint events and participation of mixed groups to national and international events, facilitating peer-to-peer learning and review; connecting communities across the river etc. Grants awarded within the programme will be selected in a participatory manner by dedicated Selection Committees, which will involve representatives of the Steering Committee, including EU Delegation, UNDP and other donor agencies active in the Transnistrian region. The project proposals will be checked against clear criteria, including but not limited to:

- Address the actual needs of communities (i.e. basic human needs are given priority);
- Enhance social cohesion through community mobilization;
- Serve as a pilot/demonstration project that can be replicated by other beneficiary groups;
- Contribute to enhancing citizen participation in the life of the communities;
- Include a confidence-building component and joint activities between the two banks;
- Sustainable, where the beneficiaries can and will maintain the project's continuation.

Projects facilitating **direct people-to-people contacts will be prioritized**. However, **opportunities will be also sought to support the enhancement of an enabling environment within the divided communities**. A particular focus will be maintained on projects that help to promote culture of tolerance, facilitate dialogue within and between the divided communities including civil society-government contacts, address security and safety concerns of marginalized communities, contribute to good local governance, and strengthen community capacities including **empowerment of women** to play a more prominent role.

Projects should pay particular attention to engaging with and supporting local stakeholders and activities. They should also seek to reach out to wider society (including grass roots organizations, local government and academia), official and unofficial opinion formers and public figures.

The project will encourage **transferability of positive practice and skills** across the river and from elsewhere. Capacity-building of CSOs, LPAs, companies, and other relevant actors is a key approach of the project. Only by building sustainable capacities, actors in the region will be able to effect change.

The intervention would also follow the **Human Rights Based Approach**. Guided by the United Nations General Assembly Resolution 48/141, which is about protection of all human rights for all, the project will work with the de facto authorities (duty bearers) in the Transnistrian region to reach out to people in need. The action will emphasize the responsibility of the duty bearers to respect, protect and fulfil human rights and cooperate with international human rights mechanisms. An equally important consideration will be given to ensuring that rights-holders are capacitated to know and claim their rights. It would also seek to **advance gender equality**, by **mainstreaming gender concerns** within the project, targeting specifically women beneficiaries, collecting and monitoring sex-disaggregated data, etc. It would also seek to promote environmental sustainability within its activities, as well as within beneficiary companies and organisations. The project will pass the **Environmental and Social Screening Procedure** standard for UNDP projects, and be implemented in conformity with UNDP policies to ensure **environmental sustainability**, as well as ensure that there is a minimal negative impact on the environment.

V. RISK LOG

Description of risk	Type and Category	Risk management actions
Volatile political and security environment, subject to unforeseen and sudden changes	Political/ High	<p>The programme 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, focusing primarily on non-political issues</p> <p>In case of significant changes in the context, and impossibility of implementation of projects on the left bank, interventions will focus on the right bank Security Zone.</p>
Activities may be delayed due to the regional context, and perception towards confidence building approach	Operational /Medium	<p>The programme 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. Formalization of the participation of Transnistrian organizations should be kept to a minimum in order to avoid potential problems and remain non-contentious.</p> <p>Importance of confidence building approach will be explained and all activities will be planned and implemented in an impartial manner, focusing on concrete improvements in people's lives.</p>
Lack of engagement and/or opposition from local stakeholders.	Operational/ Medium	<p>Prior consultations were in place to guarantee a buy-in on behalf of TN beneficiaries. Continuous engagement with key stakeholders was and will be ensured, as well as mobilisation of local resources to promote the local ownership of the results of the implemented action.</p>
Limited interest from de facto authorities to implement joint confidence building activities	Operational / High	<p>When planned joint activities cannot be implemented, then other collaborative opportunities will be explored, in full accordance with principles of responsiveness and flexibility.</p>
Parliamentary and local elections leading to change in priorities	Political /Medium	<p>The implementation team will manage this risk through continuous communication with relevant stakeholders, supporting projects that are responding to pressing needs and/or that are selected in a participatory manner.</p> <p>In case of leadership changes, meetings will be set up early in order to present programme priorities, activities and intended results.</p>
Different legal and financial systems in the Transnistrian region	Operational / Medium	<p>Different funding channels will be considered and proper dispositions agreed upon with the</p>

		local administrations on a case by case basis. UNDP will continue to further explore the issue of higher incurred costs for transfers and currency exchanges.
Different regulation systems in the field of constructions on both sides of the Nistru/Dniestr river	Operational / Medium	Due consideration will be provided to the most suitable and relevant implementation mechanisms. UNDP will consider using the granting modality, whereby local social institutions will be responsible for the construction standards.
Low capacity of CSOs and local actors in Transnistria to implement and absorb the assistance.	Operational /High	Mixed approach towards implementation of activities including different capacity development activities and transfer of know-how.
<b>Assumptions</b> - Continued willingness of both banks to work to achieve a peaceful settlement of the Transnistrian conflict; - Special attention is given to choose appropriate implementation modalities and to ensure coordination between the two sides; - Cooperation is based on trust and mutual respect of the different stakeholders, taking into account specificities of each partner;		

## VI. MANAGEMENT ARRANGEMENTS

UNDP Country Office in Moldova (UNDP CO) will be the Implementing Partner of this programme and will be responsible for producing outputs and use of resources. As such, it will bear the overall accountability for delivering the programme in accordance with Article 2.1 of the GCs and its applicable regulations, rules, policies and procedures. The EU Delegation to Moldova will be closely associated and consulted as regard to any major decisions taken in the framework of the programme.

**A Programme Action Steering Committee (PASC)** will be established at the larger level for the whole EU CBM Action and will be chaired by the Delegation of the European Union to the Republic of Moldova, which can decide to have co-chairmanship. The secretariat of the Action Programme Steering Committee will be ensured by UNDP in close coordination with the EU and GIZ/CzDA. The PASC will involve, as members, the relevant stakeholders of the programme, including the main counterparts of this action, will be the Government of the Republic of Moldova (e.g. the Bureau of Reintegration, the State Chancellery, the representatives of Line Ministries as the Ministry of Education Culture and Research, Ministry of Economy and infrastructure), a representation of the de facto authorities, local authorities, civil society.

The PASC will supervise the implementation of the projects at programme level. It shall review and guide the work of the action programme and shall supervise its overall implementation. The Steering Committee shall meet at least twice a year or more frequently if needed and/or decided.

### Steering Committee at contract level

This EU CBM Programme will be managed by a Steering Committee. The Steering Committee composition will be decided during the Local Project Appraisal Committee that should be participatory and include as many relevant stakeholders. At least representatives of the EU Delegation, UNDP, and the Bureau for Reintegration should be represented in the Steering

Committee. Thus, the Steering Committee would include representatives of main donor agencies interested in the field, representatives of the Bureau for Reintegration, as well as civil society delegates. Given that the project target groups are also civil society organizations, the conflict of interest shall be avoided. Based on the successful previous experience, a representative from NGO representative bodies (e.g. EaP Civil Society Platform or EU-MD Civil society platform) will be invited to the Steering Committee meeting, in view of avoiding the conflict of interest. Formal minutes shall be prepared and adopted for each meeting of the Steering Committee, detailing any proposals made and decisions taken. In addition to the regular consultations held with the Tiraspol de facto leadership, the action will be coordinated as well with the responsible counterparts on the left bank, in a format to be decided upon the inception of the Action.

The Steering Committee will meet no less than three times a year in order to ensure the efficient monitoring and evaluation of project results and maintain continuous cooperation between all project' partners at all stages of project implementation.

The Steering Committee will be responsible for approving quarterly and annual work plans, assessing progress, discussing lessons learned, and taking decisions on proposals and recommendations put before it by any of its members. It shall discuss and decide upon specific Programme implementation issues, ensuring optimal transformation of activities into outputs through appropriate monitoring and evaluation actions pertaining to the relevance, performance, and progress towards each outcome, facilitating cooperation between relevant partners and stakeholders (public and private), and ensuring continuous and effective communication and coordination between the Programme and its beneficiaries. The Steering Committee will also provide a forum for sharing the key results of the Programme, as well as discussing changes or challenges in the sector and proposing solutions.

#### **Specific Responsibilities of the Steering Committee:**

- ◆ Provide overall guidance and direction to the Programme, ensuring it remains within any specified constraints;
- ◆ Address issues as raised by the Programme Manager;
- ◆ Provide guidance and agree on possible countermeasures/management actions to address specific risks;
- ◆ Agree on Programme Manager's tolerances as required;
- ◆ Review the Programme Progress Report and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- ◆ Appraise the Programme Annual Review Report, make recommendations for the next AWP;
- ◆ Provide ad-hoc direction and advice for exception situations when Programme manager's tolerances (agreed operational deviations for time and budget) are exceeded;
- ◆ Assess and decide on Programme changes through revisions.
- ◆ Decide on Selection Committees composition and selection criteria. Approve the list of communities and projects to be supported.

**Selection Committees:** As the Programme envisages grant components, the Steering Committee will decide on the composition of the relevant Selection Committee and criteria for locations and projects selection. The responsibility of the Selection Committees will be to evaluate projects proposals against the selection criteria and make recommendations to the Steering Committee for financing.

The programme will use a flexible mechanism for identification of communities and projects: ongoing collection of expression of interest, identification of projects by partners and/or assign experts and Call for Proposals. All mechanisms will be approved by the Steering Committee. The

relevant Selection Committees will evaluate all proposals and make recommendations to the Steering Committee. The Steering Committee will make the final decision.

**Project Assurance** is a key element of the PRINCE2 project management method, upon which the Programme Management Arrangements are based. 'Assurance' is essentially an independent audit function, whereby the Steering Committee is able to monitor progress against agreed work plans. On behalf of UNDP, the function is delegated to the UNDP Portfolio Manager. The Portfolio Manager is responsible for quality assurance of the project implementation and will be charged through direct project costs for the time spent directly attributable to the implementation of the Action, not exceeding 20% of the working time. The Programme Associate ensures project support and quality assurance for reporting and monitoring and will be charged through direct project costs for the time spent directly attributable to the implementation of the Action, not exceeding 10% of the working time.

Specific 'Assurance' tasks are to:

- ◆ Ensure that funds are made available to the programme;
- ◆ Ensure that risks and issues are properly managed and monitored, and that the logs are regularly updated;
- ◆ Ensure that Programme Progress/Financial Reports are prepared and submitted on time, and according to standards in terms of format and content quality and submitted to the Steering Committee and the EU;

### **Management Structure**

UNDP Moldova will be responsible for project administration including: organising implementation of project activities, procurement of goods and services, recruitment of project personnel and national and international consultants, connecting to national and international expertise and knowledge networks etc., in order to ensure the timely and expedient implementation of project activities, including the provision of continuous feedback and information sharing among stakeholders.

The management of the project will be performed through a project office by a dedicated **Programme Manager** who will be assisted by a team, structured based on the lessons from previous phases, and the requirements related to working in such a complex environment. The Programme Manager will be responsible for the management and coordination of all Programme activities and will be charged 100% to the project budget.

The Project Office will include staff carrying out various forms of tasks including technical assistance, administration and management. The tasks listed in the Description of the Action, undertaken by staff assigned to the project office are directly attributable to the implementation of the Action. The Project Office will comprise of full-time dedicated project staff and part-time specialized project staff to technically contribute to various project components and activities. The part-time specialized project staff will be charged through direct project costs for the time spent directly attributable to the implementation of the Action.

The team would include the following staff:

- **Infrastructure Component Manager**, responsible for effective and efficient coordination of Component 2 and Component 3, through a range of actions contributing to the design, planning, management and monitoring of project activities. The Infrastructure Component Manager will be charged 100% to the project budget;
- **Capacity Development Project Officer**, responsible for the implementation of activities related to Component 2 and 3, in particular related to supporting cooperation platforms,



- capacity building and community mobilisation activities. The Capacity Development Project Officer will be charged 100% to the project budget;
- **Business Development Officer**, responsible for the implementation of activities related to Component 1, in particular related to supporting business cooperation platforms, creation of business development and employment opportunities. The Business Development Officer will be charged 100% to the project budget;
  - **Media Support Officer**, responsible for the coordination of activities related to Component 4, in particular related to capacity building and exchange of experience between media representatives. The Media Support Officer will be charged 100% to the project budget;
  - **Communications officer**, responsible for ensuring the fulfilment of the communication and visibility activities related to the project and for preparation, implementation and oversight of the Communication and Visibility plan of the project and assuring that all activities including the outreach and awareness-raising activities adhere to and are fully aligned with the visibility needs and interests of the EU. The Communication officer will be charged 100% to the project budget;
  - **Two engineers/Infrastructure and Cultural heritage projects coordinators**, will ensure an effective and efficient implementation of Component 2 and Component 3 and will assume the responsibility for the practical coordination of infrastructure rehabilitation project activities and resources (human, financial, physical / material assets, etc) in order to meet expected results. The two engineers will be charged 100% to the project budget;
  - **Administrative and Finance Associate**, responsible for performing financial and administrative duties related to the implementation of the project activities. The Administrative and Finance Associate will be charged 100% to the project budget;
  - **Procurement and Contracts Associate**, responsible for performing procurement and contracting duties related to the implementation of the project activities. The Procurement and Contracts Associate will be charged 100% to the project budget.
  - **Programme Assistant**, responsible for assisting in organization of administrative processes for project needs and providing support to office maintenance. The Programme Assistant will be charged 100% to the project budget.
  - **2 Office Clerks/Drivers**, assists in the effective and efficient management of the project through a range of actions, including driving and administrative support management. Drivers will be charged 100% to the project budget.

Service Contracts of the project staff from the fourth CBM phase with good performance and whose job description and level doesn't change will be extended for the new phase.

Quality assurance is required for all UNDP programme and projects, regardless of their budget, size, location, duration, characteristics, context or circumstances.

The UNDP Internal Control Framework (ICF) covers key control factors such as planning, monitoring, communication, policies, procedures, segregation of duties, individual authorities and accountabilities that combined, inter alia:

- Safeguard assets from inappropriate use and loss from fraud and error,
- Help ensure the quality of internal and external reporting, through the maintenance of proper records and information flows; and
- Facilitate compliance with applicable laws, regulations and policies.

Segregation of duties and control ensure that risks are mitigated and managed and provides clear accountability and appropriate management arrangements.

Services provided by the UNDP Moldova Country Office (CO) staff for the implementation of the Action include specific tasks related to activities under the Action that require higher levels of quality assurance, monitoring and control in processing for finance, procurement, human resources, administration, travel, assets management, etc.

The following CO staff support is envisaged, to enable implementation of project activities and is reflected in Heading 1 of the Budget of the Action:

- **Procurement Analyst**, responsible for providing support in identification of procurement modalities, facilitating quality, transparent, effective and fast procurement processes; supporting the project in the launch and publicity of procurement processes; advising in project procurement/tender evaluation processes; supporting in negotiations with potential contractors (as needed); assisting in the process of contracting, monitoring of contracts. The Procurement Analyst will be charged through direct project costs for the time spent directly attributable to the implementation of the Action, not exceeding 20.25% of the working time.

- **Human Resources Associate**, responsible for providing support, advising and verifying human resources processes for the needs of the project, including staff selection and recruitment processes, staff human resources benefits administration and management, recurrent personnel management services: staff payroll and banking administration and management, etc. The Human Resources Associate will be charged through direct project costs for the time spent directly attributable to the implementation of the Action, not exceeding 11.25% of the working time.

- **Finance Associate**, responsible for providing support related to accounting matters, including creation and application of deposits, management of bank accounts and of bank cards issued for the project personnel, verifying and validate the payroll results for the project staff, timely payment of salaries, processing payments (disbursement), travel management, etc. The Finance Associate will be charged through direct project costs for the time spent directly attributable to the implementation of the Action, not exceeding 13,81 % of the working time.

- **Programme Finance Analyst**, responsible for providing guidance and support in monitoring and evaluation, ensuring effective and transparent utilization of resources and integrity of financial transactions, revenue management and complex financial analysis, for the needs of the project, in line with UNDP rules and regulations, as well as donor requirements. The Programme Finance Analyst will be charged through direct project costs for the time spent directly attributable to the implementation of the Action, not exceeding 7.09 % of the working time.

Expertise of international and national consultants (short and long term) will be sought to advice and support the implementation, as required.

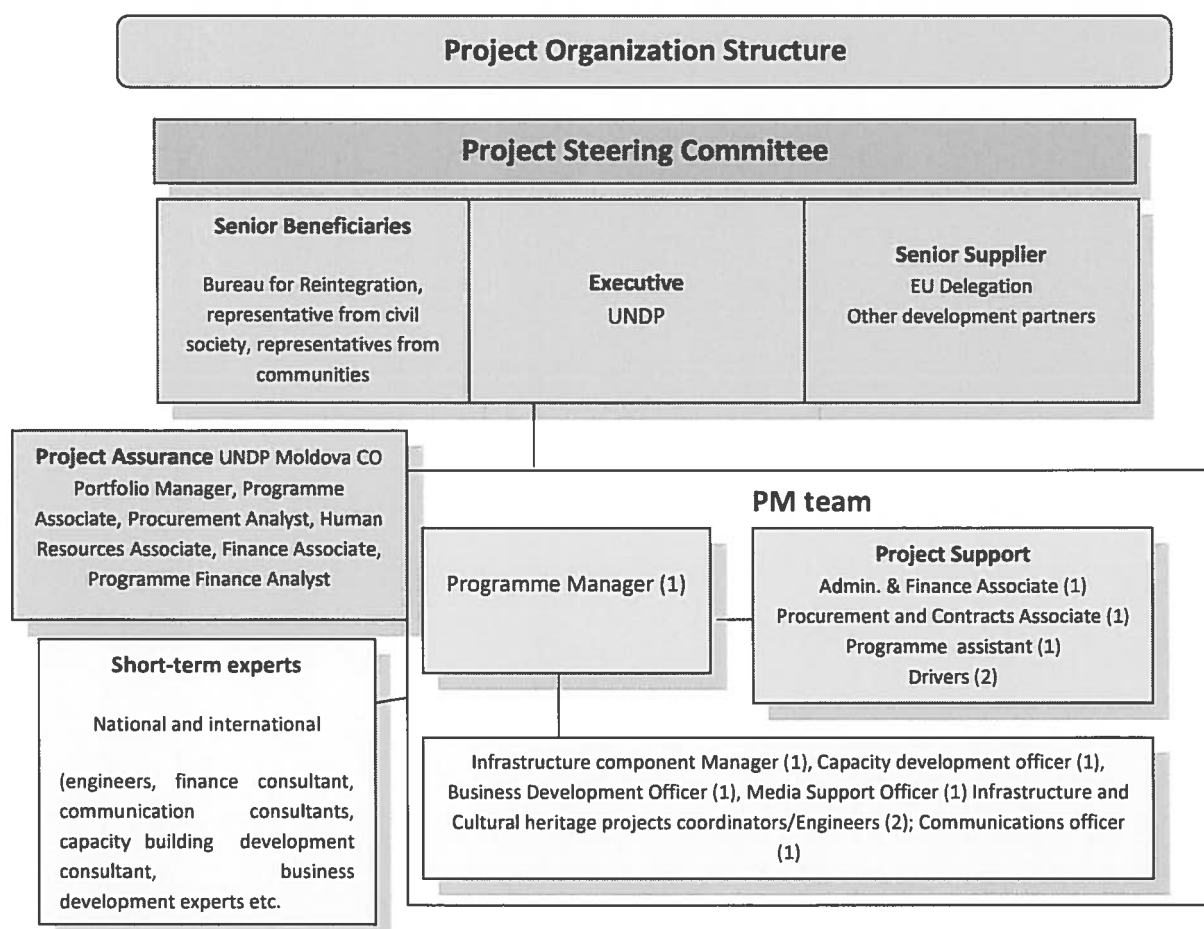
During the project implementation, synergies and linkages with other ongoing projects, in particular in the areas of confidence building, local development, rural development and promotion of green economy implemented by UNDP and UN agencies will be maintained and strengthened

The project management team will ensure results-based project management and successful implementation of the project within the 36 months programme period, close monitoring and evaluation of project progress, observance of procedures, transparency and efficient use of funds, quality of works, and involvement of local and regional stakeholders and beneficiary communities in the decision-making processes.

Other project office costs that will be incurred as part of the Direct Management and Implementation of the Project and can be traced and attributed directly to the management of the project, are foreseen as follows:

- Travel and subsistence costs for staff and other persons directly assigned to the operations of the project office are included in Heading 2 of Annex III- Budget of the Action;

- Depreciation costs, rental costs or lease of equipment and assets, costs of IT equipment, computers, copying, scanning and printing equipment, network equipment, IT spare parts and supplies, etc., composing the project office are envisaged in Heading 3 of the Budget (Annex III);
- Costs for the local office are reflected in Heading 4 of the Budget of the Action, including vehicle costs (2x vehicles: lubricants, filters, fuel, insurance, winter tyres, etc.), office rent, consumables - office supplies, other services (tel/fax, internet, electricity/maintenance/repairs etc.), etc.;
- Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and Directives of the UNDP and the budget allocated for this audit is identified in Heading 5; also in Heading 5 of the Budget are envisaged: publications costs (procurement of services of design, editing and printing), evaluation costs; translation and interpretation costs, costs of conferences/seminars; visibility actions, etc.;
- Annex III- Budget of the Action, also includes a General Management Support (GMS) charge that covers the costs for UNDP that are not directly attributable to specific projects or services, but are necessary to fund the corporate structures, management and oversight costs of UNDP. The GMS is applied to all projects funded by Development Partners that are implemented by UNDP around the world. The GMS amount between UNDP and EU is globally set at 7% (seven percent) of the total funds provided for this project by the EU to UNDP.



### **Duration**

The programme duration is of 36 months commencing as per the date indicated in Article 2.2 of the SCs.

### **Funding**

The programme is funded by the European Commission. The budget breakdown is provided in the Annex III "Budget of the Action"

### **Communication and Visibility**

All programme activities will adhere to the European Union's requirements for visibility on EU funded activities, as described in the Article 8 of the General conditions and by referring to the Joint Visibility Guidelines for EC UN Actions in the field please see, for guidance [https://ec.europa.eu/europeaid/sites/devco/files/guidelines-joint-visibility-eu-un\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/guidelines-joint-visibility-eu-un_en.pdf)

The communication activities foreseen are described in Annex VI-Communication and Visibility Plan of the contract.

A specific website will be dedicated to the EU CBM Programme for all components. Media coverage on both sides shall be ensured.

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## **VII. MONITORING AND EVALUATION**

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plan. The Plan would be updated upon project inception and, if needed, during the implementation phase, through the approval of the Project Steering Committee. As provided for by General Conditions, representatives of the European Commission shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action. The results of such missions shall be reported to the European Commission.

### **Monitoring Plan**

<b>Monitoring Activity</b>	<b>Purpose</b>	<b>Frequency</b>	<b>Expected Action</b>
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.
<b>Monitor and Manage Risk</b>	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into	At least annually	Relevant lessons are captured by the project team and used to inform

	the project.		management decisions.
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
<b>Review and Make Course Corrections</b>	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
<b>Project Summary</b>	<p>A progress summary will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.</p> <p>Annual progress reports and a final report will be submitted to the EU in line with Article 3 of the GCs.</p>	Annually, and at the end of the project (final report)	
<b>Project Review (Steering Committee)</b>	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	At least three times a year	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

- Based on the initial risk analysis submitted, a risk log will be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.

- Based on the above information recorded in Atlas, a Project Progress Summary shall be submitted by the Project Manager to the Project Steering Committee through Project Assurance, using the standard report format available in the Executive Snapshot.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

### Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager and shared with the Project Steering Committee. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format covering the whole year with updated information as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Steering Committee and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Progress reports and a final report will be submitted to the EU in line with Article 3 of the GCs

**Evaluation:** A final programme review will be commissioned by the UNDP at the end of programme implementation. This will focus on relevance, efficiency, non-contentiousness and appropriateness of delivered activities. In addition to that, evaluation will be conducted for the sub-projects implemented. Lessons learned, and the experience gained throughout the implementation of the programme will be disseminated and shared as widely as possible with the donor community. The preparation of the Terms of Reference for the CBM programme evaluation will be consulted with the EUD Project Manager.

Financial transactions and financial statements may be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of UNDP.

### **Involvement/monitoring of the contracting authority**

Pursuant to the General Conditions of the contract, “the Organisation and the Contracting Authority (CA) shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action”. Those common activities and the level of involvement of the CA will be decided upon the inception period between the Contracting Authority and UNDP.

In relation to the EU CBM programme, the political dialogue is the sole liability of the Contracting authority.

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## VIII. REPORTING

Detailed narrative and financial reporting will be provided based on the agreed schedule in the Special Conditions and in accordance with provisions from art.3 of the General Conditions. Every report will provide a complete account of all aspects of implementation for the period covered, while the level of detail will match the one from the DoA and the Budget of the Action.

Additionally, progress updates will be presented as part of the Project Steering Committee meetings, using the update of the Work Plan as per information recorded in Atlas.

In addition to the above-mentioned reports, UNDP will ensure that progress and situation reports, publications, press releases and updates, relevant to the Action, are communicated to the EU Delegation as and when they are issued.

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## IX. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the project funds 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/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

5. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
  - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such

responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:

- 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;
  - assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. 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 the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
- d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
- e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.



Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

**Annex A Results Resource Framework**

INTENDED OUTPUTS	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
<p><b>Output 1: EU Economic Development and Entrepreneurship</b></p> <ul style="list-style-type: none"> <li>New jobs created and opening of new economic opportunities and support of new sectors and export potential achieved;</li> </ul>	<ul style="list-style-type: none"> <li>Number of full time equivalent jobs created for men and women</li> <li>Number of business created as a result of the action activities</li> </ul>	<ul style="list-style-type: none"> <li>0 jobs</li> <li>0 businesses created</li> </ul>	<ul style="list-style-type: none"> <li>200 jobs (at least 40% for women and 50% on the left bank)</li> <li>20 new businesses additionally created</li> </ul>	<ul style="list-style-type: none"> <li>Projects narrative reports</li> <li>External evaluation</li> <li>Projects and activities attendance lists</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate Implementation modalities are chosen.</li> <li>Capacity development activities and transfer of know-how is foreseen.</li> </ul>
<p><b>Output 2: EU Community development and cross-river CSO' sectoral platforms</b></p> <ul style="list-style-type: none"> <li>Local communities from both banks have created development partnerships;</li> </ul>	<ul style="list-style-type: none"> <li>Number of local communities benefiting from new small infrastructure projects supported by the programme</li> <li>Number of local actors with improved capacity for implementing development projects</li> <li>Number of new joint collaborative infrastructure projects implemented</li> </ul>	<ul style="list-style-type: none"> <li>55 local communities benefiting from small infrastructure projects supported by CBM since 2009</li> <li>To be specified after the completion of the CBM IV</li> <li>To be specified after the completion of the CBM IV</li> </ul>	<ul style="list-style-type: none"> <li>10 new local communities benefiting from small infrastructure projects</li> <li>To be specified after the completion of the CBM IV</li> <li>To be specified after the completion of the CBM IV</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics</li> <li>Films produced</li> <li>Audience rating</li> <li>All other relevant means of verification.</li> </ul>	<ul style="list-style-type: none"> <li>Political agenda/discussion does not interfere into the programme implementation.</li> <li>Special attention is given to coordination with both sides.</li> <li>Cooperation is based on trust and confidence taken into account specificities of each partners.</li> <li>Funds are fungible to overtake political blockage and avoid any unnecessary de-commitment.</li> </ul>

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<p><b>Output 3: EU Cultural and historical heritage support</b></p> <ul style="list-style-type: none"> <li>▪ Culture and other sectors are pioneers in developing technical direct and sustainable cooperation between both banks;</li> </ul>	<ul style="list-style-type: none"> <li>- Number of common cultural public events held in or related to historical cultural monuments renovated.</li> <li>- Number of individuals in the public for those common cultural events</li> <li>-Number of historical cultural heritage related projects realized under the EU cultural heritage funds</li> </ul>	<p>- 0 public event</p> <p>- 0 individuals</p> <p>- 0 project</p>	<p>- 5 public events</p> <p>- 4000 individuals (disaggregated by gender)</p> <p>- 10 projects</p>	
<p><b>Output 4: EU support to cooperative media local content development</b></p> <ul style="list-style-type: none"> <li>▪ Media are capable to co-produce locally attractive, qualitative and professional content.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of co-productions produced</li> <li>-Number of co-productions broadcasted on prime time</li> <li>- % of the average total audience</li> </ul>	<p>- 0 co-production produced (2014-2018)</p> <p>- 0 co-productions/common media projects broadcasted</p> <p>- 0 diffusions on prime time of some supported media content</p>	<p>- 20 co-productions produced (2019-2021)</p> <p>- 10 co-productions /common media projects broadcasted</p> <p>- 8 diffusions on prime time of some supported media contents with at least 4 in Transnistria</p>	

**Annex B Example of selection criteria for community infrastructure projects (the criteria for CBM V will be formally approved at the first Project Board meeting)**

#	CRITERIA	POINTS
1.	<p><b>Relevance</b></p> <p>Is the addressed problem described clearly?                      Does the problem respond to pressing community needs?                      Is there a local development strategy/strategic plan available in the community? If yes, is the current problem reflected?                      Will the solutions proposed solve the problem identified?                      Are the needs of the most vulnerable women and men properly reflected in the proposal?</p>	25
2.	<p><b>Results and Impact</b></p> <p>Direct and quick impact on the socially vulnerable population groups - children, women, older people; breadth of impact in relation to potential beneficiaries - coverage of larger group of beneficiaries; an opportunity to pilot or replicate projects in neighbouring communities, especially between communities from both banks of the Nistru River; impact in relation to confidence building between communities from both banks of the Nistru River                      Are results formulated in a SMART manner (specific, measurable, achievable, realistic, set in time)?                      Are there means to measure impact?                      Is the project idea replicable to other communities from both banks of the Nistru River?</p>	35
3.	<p><b>Feasibility degree</b></p> <p>Is the project feasible from technical, financial, economic, social, environmental and confidence building point of view?</p>	25
4.	<p><b>The weight of the confidence building element</b></p> <p>To what extent the activities performed by the project will help sustain and strengthen trust between communities on both banks of the Nistru River?                      Assess if the project has a demonstrable impact on confidence building (initiates or enhances direct people-to-people contacts across conflict divides or enhances an enabling environment within divided communities)                      Do no harm/ Potential negative effect of project intervention - if high, project to be excluded</p>	50
5.	<p><b>The degree of incorporation of local development principles based on transparency, inclusion and participative approach in implementation</b></p>	25

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	<p>To what extent the project is based on transparent, inclusive and participatory implementation mechanism, monitoring and evaluation, which will insure internalization of the project by the whole community?</p> <p>To what extent the project provides equal or advanced / preferential impact to all community members, including vulnerable groups?</p> <p>To what extent the project will have a positive effect of incorporating the gender approach?</p>	
6.	<p><b>Sustainability</b></p> <p>Are there issues of sustainability / continuity after completion of CBM Program financial support?</p> <p>Will there be local "ownership" of outcomes?</p> <p>Is there a community contribution to the project proposal?</p>	40
	<b>TOTAL</b>	200

*PHS*