



GOVERNMENT OF THE REPUBLIC OF MOLDOVA

REPORT

**on the implementation of the Government Activity Program
„European Integration:
Freedom, Democracy, Welfare 2009-2013”
for the period of September 25, 2009 – September 25, 2010**

**Chisinau,
September 28, 2010**

On September 25, 2009, the Parliament of the Republic of Moldova has appointed the Government and has approved its activity program - „European Integration: freedom, democracy, welfare 2009-2013”. The new Government has assumed a difficult mission – to ensure the recovery from the financial and economic crisis, to de-block economic processes in order to ensure the continuous development of the Republic of Moldova, to honor the state’s social commitments, to ensure the normal activity of democratic institutions, to bring the Republic of Moldova the closest possible to the European Union.

This report reflects the results of implementation of the Government’s Activity Program during one year from its approval. The achievements and challenges faced shall be viewed through the prism of certain circumstance which defined the context of our governance:

- The Governance Act has been based on the law, on the Government’s Activity Program, on the Moldova Stabilization and Economic Recovery program for 2009-2013, as well as on the commitments made to the development partners.
- The Actions of the Government have been determined by priority objectives such as: stopping the economic crisis, economic recovery and launching reforms which can be performed in a short term and to which an irreversible development path could be provided.
- The Government has also developed a vision on the country’s development in the medium run – Re-launching Moldova – which has set the Governance act on qualitatively new principles: good governance, innovation, social inclusion, etc.
- The achievement of governance objectives assumed first of all the overcoming of isolation on the external arena and re-building of relationships with the Moldova’s development partners.

Despite the limited time frame available and the lack of a complete mandate, we succeeded to cope with the situation: the effects of the economic crisis have been minimized, an important growth has been achieved in the economic sector, there is a positive trend of the GDP, exports and imports have increased evidencing that the national economy is recovering. As a result of progresses in the real sector we succeeded to gather revenues to the budget above the projected levels, fact which allowed reducing budget deficit and made possible a substantial reorientation towards

the social sector. In such a way, the average salary in the economy has increased with almost 200 lei, social aid has doubled in the number of persons covered and as financial resources allocated, the population has obtained an increased access to health services. The Government has succeeded to normalize its relations with external development partners, which materialized in the financial assistance to the country during this year of governance in an amount 4 times larger than the one obtained during 2008 (785 mln USD).

	2009	2010
Gross Domestic Product , versus the same period of the previous year (6 month)	-7.8%	+5.6%
Exports , versus the same period of the previous year (7 months)	-24.2%	+6,9%
Imports , versus the same period of the previous year (7 months)	-36.9%	+12.9%
Budget deficit (6 months)	-7.5%GDP	-4.12%GDP
Budget revenues , versus the same period of the previous year (7 months)	- 6.9%	+13.7%
Average salary in the economy (7 months)	2694.98	2877.8
Social aid provided , budget resources and beneficiary families	114 mln lei (17 thous families)	270 mln (31 thous families)
Medicines partially and/or entirely compensated , budget resources planned	80 mln lei	112 mln lei
	2008	sept 2009 - sept 2010
Foreign assistance , million US dollars	200 (22.5% grant)	785(25.7% grant)

Further I will present a detailed report covering the results accomplished during the period of September 25, 2009 – September 25, 2010 in the achievement of policy objectives included in the Government Program for 2010-2013. I will describe all chapters in the order in which these are included in the Government Program pointing out the achievements and challenges encountered.

BUILDING THE STATE OF LAW

a. Protection of human rights

Government objectives:

1. Development of the legal and institutional framework in the area of human rights.
2. Remediation of the situation in the area of human rights, considered as being problematic in the Republic of Moldova (eradication of torture and other cruel, inhuman or degrading punishments or treatments; personal freedom and safety; unobstructed access to justice and the right to an equitable process; the liberty of expression and access to information, etc.).
3. Consolidation of human rights protection mechanisms.

Legal and institutional framework

- The Parliament has ratified the UN convention for the rights of disabled persons and the Statutes of the International Criminal Court.
- The Government has approved the national action plan for human rights for the period of 2011-2013.
- The detention conditions in penitentiary institutions have been improved, by rehabilitation of several detention, food and medication blocks. Detention cells for minors in Penitentiary 13-Chisinau have been fully renovated from public budget funds, and disciplinary isolation cells in this institutions have been closed.

Remediation of the situation in priority areas

- 3 judges have been dismissed for breaches and abuses committed in examining the cases connected to the event of April 7, 2009.
- Proposals have been submitted to the Government concerning the assistance to victims of April 2009 events, including to policemen.
- A draft has been developed concerning the amnesty of persons with criminal cases for offences related to freedom of expression and gathering initiated after the events of April 7, 2009.

- The monitoring on behalf of the Council of Europe on certain religious-character cases has been stopped.

Consolidation of protection mechanisms

- A working group has been created for the development of proposals to amend the existing legal framework and thereby remove the deficiencies in the National Torture Prevention Mechanism.
- There are no delays in payment of amounts adjudicated by ECHR.
- Responsible authorities have been constantly informed, and when required, legislation amendment proposals have been developed as feedback to ECHR rulings.
- In all cases information has been submitted to the General Prosecution Office for the initiation of recourse actions against those who are responsible for violation of human rights and for Moldova's conviction by the ECHR.

b. Justice Reform

Government objectives:

1. Building a judiciary system characteristic to a government with European aspirations.
2. Reforming the judiciary system and of the prosecution system in order to ensure an independent, impartial, functional and transparent justice.
3. Increasing the degree of integrity and professionalism among judges.
4. Ensuring a stable and efficient system of justice financing.

An European judiciary system

- The approach and the attitude towards justice have been changed; a clear message has been sent to the society about building of an independent judiciary system.
- We succeeded to exclude government interference into justice activity.
- The access to justice has been guaranteed by limiting the amount of government fees perceived for case submission to court, so that these do not exceed 25 thous lei for individuals and 50 thous lei for legal entities.
- The Centre for Harmonization of Legislation has been consolidated and the monitoring mechanism of the national legislation harmonized with the *acquis communautaire* has been improved.

- Amendments to elections legislation have been developed; these have been positively appreciated by the Venice Commission.

Independent justice

- The independence of judges has been strengthened and amendments to the legislation have been introduced with the objective to exclude interference or eventual pressures upon the judiciary system.

- The judiciary information system is being implemented, ensuring a random distribution of cases, publishing of all court rulings, as well as audio recording of court sittings.

- A series of institutional reforms have been implemented concerning notaries, attorneys and the bailiffs systems.

- The Senior Council of Prosecutors has been formed. However, there is a need for a complete reform of the Prosecution, in order to exclude the interference of politics into justice.

- The concept of Ministry of Interior reform has been developed, focusing on optimization and institutional modernization.

- A new simplified structure of the Ministry of Interior has been adopted.

- The draft law on police activity and policemen status has been adopted, aiming at the reform of the conceptual, organizational and institutional character of traditional activities, aligning them to international standards.

Judges

- A new composition of judiciary self-governance bodies has been ensured, by the election of new members of the Superior Council of Magistrates and the renewal of the composition of the disciplinary Collegium and of the Collegium for the professional qualification and certification of judges.

Efficient justice financing system

- The judiciary system financing concept has been adopted.

- The law on increasing the responsibility of judges has been adopted and the reform of process institutions has been initiated.

c. Consolidation of the national integrity system and fighting corruption

Government objectives:

1. Creation of an efficient institutional system of prevention and fighting corruption in public institutions.
2. Optimization of public procurement system.
3. Creation of a cooperation mechanism between public authorities, civil society and development partners in order to reduce corruption phenomena.

Efficient institutional system

- The Centre for Countering the Economic Crime and Corruption has performed the consolidation of institutional capacities of the central public administration bodies in order to prevent and fight corruption.
- The Centre for Countering the Economic Crime and Corruption has identified and counteracted 1145 offences, of which: 343 acts of corruption and related offences, 455 economic and financial offences and 347 in other categories.
 - Material damages caused in cases submitted to justice were established at 105.32 mln lei, and in order to ensure the repair of damages, seizure of assets in the total value of 141.46 mln lei has been applied.
 - The corruption potential expertise of draft laws and Government regulations has been performed on 281 drafts.
 - Social areas, most affected by corruption phenomena, have been prioritized: education institutions, mayor's offices, judiciary and attorney systems, public health, medicine and pharmaceutical areas, government institutions, and some 140 acts of corruption have been offset in these areas.
 - Monopolistic situations which previously dominated certain branches (particularly meat and fish) have been limited.
 - 19 cases of illegal imports and illegal transport of goods have been identified.
 - The collaboration with the legal bodies of other countries has been extended and strengthened, particularly in counteracting offences in the banking and financial areas, organization of illegal labour migration and abuses connected with it.
 - Fraudulent schemes within Work&Travel program have been annihilated.
 - The Centre has focused its attention upon the verification of authenticity and completeness of personal revenues and assets declarations by government officials, such as judges, prosecutors, public servants and other persons in governance. Out of

1573 declarations submitted by government officials, judges, prosecutors, public servants and some persons in governance, over 30% have been subject to verification, numerous irregularities being identified. The existing legal gaps in the area of criminal responsibility for false declarations have made the object of certain legal amendments initiated by CCCEC and the Ministry of Justice.

Public procurement

- The drafts of a series of regulatory acts have been developed, aiming at the improvement of the existing legal framework in the public procurement area.

Cooperation mechanisms

- In collaboration with the Ministry of Health, as well as with the help of mass media, prevention and response actions against pandemic flu have been undertaken by the Republic of Moldova.

- The correct formation of prices for medicines and para-medicines, bread and cereals was monitored.

e. Consolidation of civil society and cooperation with the public sector

Government objective:

1. Building a legal framework which is adequate for the development of the civil society as a mediator of citizens' interests and a partner of public authorities in the public policy process.
2. Creating conditions for ensuring the financial sustainability of non-government organizations.
3. Creation of an institutional framework for the efficient collaboration between public authorities and civil society.

Legal framework

- The regulatory framework of the Law on transparency in the decision making process has been approved and implemented.

- In 2010 the central and specialized bodies have applied the consultation process for 82% of the draft legal and regulatory acts under the incidence of this law, as compared to 38% in year 2009.

- Communist practices of abuse, when government institutions were used for acting like a policeman against some inconvenient non-government organizations or against some political parties, have been excluded.

Institutional framework for collaboration

- The strategic partnership between public authorities and civil society has been developed by creating the National Participation Council.
- The participation of interested parties in the decision making process is ensured by placing the draft of public document on public authorities' web pages and by organizing public consultations. The public dialog has been facilitated by the creation of <http://www.particip.md> web page.

d. Liberalization of media and guaranteeing the freedom of expression

Government objective:

1. Harmonization of the legal framework regulating mass media with European norms and standards.
2. Ensuring the editorial freedom and increasing the professionalism of the National Public Audio-Visual Institution (IPNA) „Teleradio-Moldova” company. Elimination of interference of politics into the activity of the Supervisory Board of the „Teleradio-Moldova” IPNA.
3. Ensuring the autonomy of the Audio-visual Coordination Board (CCA) in the implementation of their mission of a representative and guarantor of the public interest.
4. Creation of necessary conditions for the development of mass media.
5. Integration of the Republic of Moldova into the European information space.

- In the area of liberalization of the media space, the Government has ensured all conditions required for reporters to perform their duties free and unobstructed. There were no cases of exercising pressures upon mass media on behalf of the Government or any other central public administration authority.

- Competition on the local media market has increased significantly, particularly after opening at the beginning of 2010 of two new TV channels, but also in the result of development of other media companies.

- A proposal has been submitted to the Parliament concerning the removal from the Fiscal Code of the provision according to which mass media were required to pay a local advertising fee of 5%.

- Representatives of public authorities, including those at highest level, have become much more accessible to the media.

ECONOMIC AND FINANCIAL POLICIES

a. Business environment

Government objectives:

1. Eliminating the administrative constraints in the business environment.
2. De-monopolization of the internal market and elimination of anti-competitive practices in commercial transactions.
3. Ensuring an increase of trust between the public and private sector and guaranteeing property and private investment rights.
4. Ensuring conditions for financing of businesses at reasonable costs; stimulation of capital market development.

Eliminating administrative constraints

- The process of authorization/licensing of business activities has been simplified.
- The following has been achieved: the compliance evaluation process has been improved, consumer protection improved, market supervision became more efficient, domestic trade was facilitated, certain administrative constraints were eliminated and a significant reduction of operational costs for authorizing trade activities was achieved; a new retail price formation mechanism for medicines was developed.
- Local sugar and sugar products producers were facilitated by the approval of Regulations on tariff contingencies administration for imports of white sugar and sugar products.
- Domestic producers' protection in their economic relations with Ukraine.
- Mandatory certification of goods has been simplified (the list of products has been reduced from 250 groups of goods to 45 groups; technical barriers were eliminated).
- Obligatory marking of domestic products with the „government trade stamp” has been cancelled, leading to an increase in competitiveness on the domestic market and to a decrease of consumer prices on products.

De-monopolization

- The meat and meat products trade has been liberalized and a series of procedures have been simplified, which in turn had the effect of facilitation of trade with socially important goods.
- The trade with scrap metal (ferrous and non-ferrous) has been liberalized.
- An additional financing of 24 million US dollars has been obtained for competitiveness enhancement of domestic enterprises under the Credit agreement concluded between the Republic of Moldova and the Agency for International Development.
- Government shares in 44 joint stock companies and other public property goods have been offered on the Stock Exchange, of which shares in 12 companies and assets in the total value of approx. 27 mln lei have been sold.
- At the end of September the government will offer for privatization state-owned property at an initial price of some 1.1 billion lei.

Trust between public and private sector

- The legal framework has been adjusted in order to facilitate public-private partnership.
- The regulatory impact assessment has been conducted for 110 acts.
- The Soroca Business Incubator, hosting 17 small companies, has been launched.
- The “Multiannual Project of Policy Support for Small and Medium Enterprises in the Republic of Moldova”, of a total value of 600.000 euro, entirely financed by the Dutch Government, has been launched.
- The government has organized such events as the IXth edition of the National Exhibition „Made in Moldova”, the International Forum of Small and Medium Enterprises, the „Moldova Business Week 2010” investment week, with over 1600 representatives, including 478 persons from 28 foreign countries.

Financing of the business environment at reasonable cost

- The “Program of Attracting Remittances into the Economy”, called „PARE 1+1” has been developed, providing for the mobilization of human and financial resources of the Moldovan migrants for the economic development of the Republic of Moldova.

b. Competitiveness policy and development of SMEs

Government objectives:

1. Promoting the technology development of business.
2. Increasing the degree of flexibility of the labour force market and ensuring the development of competent human resources for the economy.
3. Development of support infrastructure for business activity.
4. Ensuring conditions for the development of a knowledge-based economy.

Technology development of the business

- A number of 1111 national standards, identical with the international ones (ISO/CEI), and 1024 national standards identical with the European standards (EN) have been approved.
- The amendment of legislation in order to facilitate the import regime for production means is in process (referring to chemical and biological materials for agriculture, fertilizers, soil treatment products and other imported goods).
- 30 business entities have received equipment in the total value of 48 mln lei within the Program of support and development of the small and medium enterprise sector, implemented with the support of the Japanese Government.

Labour market

- In order to ensure government protection of low-income employees of the real sector of the economy, the minimum guaranteed salary size has been increased from 900 lei to 1100 lei per month, which assumes a salary increase of 7-8%. Following government policies, the average monthly salary of an employee in the national economy in January-July 2010 has increased versus the similar period of the previous year with 6.8 % and has reached 2877.8 lei.
- The national action plan concerning labour force occupation for 2010 has been developed.
- Legal norms have been developed for the adjustment of the unemployment benefits provision mechanism, in order to stimulate the job search.
- During the period of October 2009 – July 2010, 71501 unemployed were registered, of which, after promoting active measures on the labour market, 12719 persons (17,8%) have been employed.

- The unemployment rate in the II quarter of 2010 was 7%, being with 0.9% bigger than in the same period of 2009, but lower with 2.1 % than in the I quarter of this year (9.1%).
- Amendments to the Labour Code have been approved, with the purpose to ensure flexibility of labour legislation and its compliance with the modern requirements of a market economy.
- The International Labour Organization Convention no.187 concerning the health and safety on the job framework has been ratified.

Support infrastructure

- The batch certification of alcoholic beverage products for export purposes and the series certification for enterprises which have their own accredited laboratories have been excluded.
- The process of facilitation of SME access to public services currently provided by local public administration has been launched, by submitting a draft law on community cleaning services.

Knowledge-based economy

- Over 1200 young people have been provided consultations and training and 82 business projects have been financed under the National economic empowerment of youth. The value of credits provided totals to 21.087 mln lei, and the amount of the grant portion was 8.435 mln lei

c. Budget and fiscal policy and public finance management

Government objectives:

1. Stabilization of the national public budget, creation of a predictable budget and fiscal framework and maintaining budget deficit at a reasonable level.
2. Promotion of a budget and fiscal policy oriented towards sustainable and inclusive economic growth, by reducing the share of public consumption and increasing the productive public investment.
3. Ensuring equitable distribution of public finance, reduction of fiscal burden and simplification of the tax system.

Budget stabilization

- The collaboration agreement between the Government and the International Monetary Fund for years 2010-2012 has been approved. Financial assistance which

shall be disbursed according to the program will be equivalent to 369.6 million special drawing right (SDR) (some 574.4 million US dollars).

- The Government succeeded to reduce the budget deficit as of September, from 15% in year 2009 to 6.4 % of Gross Domestic Product at the end of 2009.

- The deficit of the national public budget, as share of GDP, will decrease in 2010 down to 5.4%, the deficit initially projected for this year being of 7% of GDP.

- The expenditure program financing has been unblocked, salaries, pensions, allocations, scholarships and other social benefits have been and continue to be paid; domestic and external debt is being serviced, same as other priority expenditures, due to the financial support received from abroad and to the amendment of years 2009 and 2010 budgets.

- Amendments to the budget and fiscal legislations have been made, and the draft budget for 2010 has been developed.

- For 2010, revenues are projected to exceed the level of year 2008 with 4.4% and of 2009 with 13.3%.

Budget and fiscal policy

- Due to the increasing trend of GDP and of budget revenues, the state budget has been increased with some 1012.4 mln lei on its revenue side, and with 263.7 mln lei on the expenditures side, while budget deficit has been reduced with 748.7 mln lei. Expenditures for the social sector have been prioritized: compensations for winter season, social aid, etc.

- The zero-VAT taxation procedure has been simplified.

- Advanced technologies were applied in customs procedures simplification, the single-window has been launched; activities focused on sector with high risk of delinquency, also, a easier control regime has been applied to business entities enjoying high credibility.

- Illegal imports were counteracted, especially at the European Union border, and as a result customs revenues have increased in 8 months of the current year with 28% versus the same period of year 2009.

- In the fiscal administration area, the range of services provided to taxpayers has been diversified and their quality increased.

- The collection of arrears accumulated during previous years, as well as fighting frauds by promotion of a high quality fiscal control oriented towards high risk sectors, have been deemed as priorities.

- A range of information systems have been implemented in the fiscal administration, aiming at the automation of administrative processes and optimization of fiscal reporting by taxpayers, including individuals, and – particularly – at increasing the interaction level between taxpayers and the Government Fiscal Service.
- Documents covering the verifications performed in the reference period denote that there are still a lot of drawbacks and violations of legislation, which caused damages to the state in a total amount of 53.1 million lei. As a result of activities performed, including those performed during verifications, the amount of damages recovered is 12.6 mln lei.

Equitable distribution of public finance

- At the level of the Ministry of Finance, a working group called „Financial decentralization” has been created, with a mission to develop policies in the area of local public finance.

d. Agro-industrial policies

Government objectives:

- 1.Ensuring the country’s food security, increase of exports of agro-industrial products and balancing the agricultural trade balance by enhancing the competitiveness in the agricultural sector.
- 2.Harmonization of the national system of standards and technical regulations with those of the EU in order to ensure food safety.
- 3.Increasing the efficiency of the agricultural subsidy system and promoting multi-annual programs.
- 4.Re-inclusion of agricultural sector assets into the economic circuits and ensuring the access of investors to those assets.
- 5.Increasing the quality of human capital in agriculture by stimulation of agricultural extension institutions.
- 6.Stopping the degradation of land resources by modernization and expansion of the land improvement system.

Food security and exports

- The government has undertaken actions to eliminate the administrative constraints in the business sector, and the reorganization of the sanitary and veterinary control authority is currently underway in order to ensure the compliance with European requirements in the food safety area.
- The auction which shall determine the work project for the rehabilitation of irrigation systems is being finalized. During 2011 all irrigation systems will be planned, and by the end of 2012 rehabilitation works in the field will start.

- The Government has regulated by law the activity of irrigation water users' associations in order to facilitate the process of efficient utilization of irrigation installations.

- The government has obtained the removal of restrictions for the export of bulk wine and grapes, excluded the application of „state trade stamp” on alcoholic beverages production for export, removed restrictions on the export of distilled wines and divines (brandy) in bulk.

- The final list of fruit and vegetable exporters including 140 companies, selected out of 360 applicants, has been entirely approved by the Russian Ministry of Agriculture.

- The Republic of Moldova is already implementing the new quality indicator required by Russia, concerning the level of *dibutylphthalate* acceptable in Moldovan wines. The respective changes have been introduced into the legislation and an order has been issued concerning the utilization of packaging directly contacting with the product. At the same time, efforts are oriented towards gaining new markets, for products made in Moldova, such as China.

- Currently wine deliveries to the Russian market continue, and in eight months wines in a total value of 40 million US dollars have been exported, 38 percent more than during the previous year.

- A new Land Code has been developed and assessed, the draft including provisions concerning the procurement by resident foreign-owned companies of non-productive agricultural land.

Harmonization of standards and regulations

- A number of 47 regulatory acts have been identified as necessary to be harmonized with the provisions of 66 community acts, of which 15 were approved, 3 were submitted to Government for approval, 14 were in the process of promotion and 15 – in the process of development.

Increasing the efficiency of the subsidy system

- The state budget for year 2009 has additionally allocated 250 mln lei for covering all payment liabilities to the agricultural producers. In 2010 for this purpose, after the last amendments, 400 mln lei have been allocated.

- As of September 2 of the current year, 1050 applications were received for participation in the competition, from which contracts were concluded with 729 and 76.7 mln lei has been spent from the agricultural producers subsidy fund.

- Financial resources to support agricultural producers are focused on the promotion of investment aspects, on high value added production potential, as well as

on the creation of a better transparency and a better responsibility of agricultural producers.

Re-inclusion of assets

- The Government in 2010 has increased with 12% the area of land included into the environmental agricultural and food circuit, which counts at present 222 farms. According to projections, by the end of this year the following will be produced: 26.4 thousand tons of cereals and fabaceous (beans); 79.3 thousand tons of technical crops; 16.1 thousand tons of potato, vegetables and melons; 8.6 thousand tons of fruit; 298.7 thousand tons of walnuts and 11.4 thousand tons of berries. The previous years experience shows that some 80 percent of the harvest is exported.

Human capital

- The Ministry of Agriculture and Food Industry has been the co-organizer of 21 training courses, in which a large part of ministry staff has participated.

Stopping the degradation of land resources

- The development of a software application for gradual transition to an electronic alternative organic fertilizer and soil fertility reproduction system has started.
- Preparation activities were finalized for the agricultural land re-parcelling project, and preliminary investments were made in all 40 pilot villages.

e. Infrastructure and transport

Government objectives:

1. Liberalization of transport and communications market.
2. Rehabilitation and modernization of transport infrastructure, particularly of roads, linking to pan-european networks.
3. Increasing the safety of road traffic and reduction of car accident number.
4. Ensuring energy security and promoting energy efficiency in all sectors of the economy.
5. Creation of integrated and efficient infrastructure, oriented towards increasing the competitiveness of the national economy and ensuring the access of all categories of users to services provided by the information society.

Liberalization and development

- The Road Fund Council and Technical and Economic Council in the Road Area were created within the Ministry of Transport and Road Infrastructure, members of which are representatives of civil society and sector professionals.
- The necessary actions were undertaken to ensure the functioning of the Civil Aeronautics Authority.
- The intention to liberalize the transportation market, including air transportation, has been communicated to the EU.

Rehabilitation and modernization

- The capacity of the road fund has been enhanced by: increasing the taxes for road use by vehicles registered in the Republic of Moldova, of which 50% goes to the local public administration, and allocation to the road fund of at least 50%, 65% and 80% of excise taxes on gasoline and diesel fuel in the 2010, 2011 and 2012 budget years respectively (increase of 2.5 times). As a result of changes made, the size of the road fund has increased from 241.35 mln lei in 2009 up to 582.98 mln lei in year 2010 (1% of GDP in 2010).
- In order to ensure the continuity of capital investments in the medium run, three financing agreements were signed by the Republic of Moldova on one side, and IDA (World Bank), EBRD and EIB on the other side. Currently the preparations for signing of another two financing Agreements are underway, with EBRD and EIB. At the same time, the “Compact” agreement has been signed and ratified between the Republic of Moldova and the United States of America, via the “Millenium Challenge Corporation”. Recently the financing agreement has been signed between the Republic of Moldova and the Peoples Republic of China.
- The feasibility study for the rehabilitation of M21 road Chişinău – Dubăsari – Poltava (Ukraine) is being developed, which will allow the subsequent identification if the required financing needs.

Road traffic safety

- In order to ensure the safety of the road traffic, the allocations from the road fund have been increased during the current 2 times versus the previous year amount. These funds were used for applying road marking, installing and maintenance of road signs and protection means.
- Digital tachographs were introduced with the support of public-private partnership.

- During the first seven months of 2010, in 59 existing technical stations were subject to technical tests 241616 vehicles and the amount of 87110076 lei has been accumulated to the road fund.

- The Ministry of Interior has developed an action plan for the improvement of road traffic safety for the period of 2010-2014, which has been approved by the Government. Moreover, Moldova actively participates in the UNO initiative for road safety, implementing a general and detailed audit of the danger level of all roads.

Energy security and efficiency

- Actions were undertaken in order to respond to the challenges posed by the increase of fuel prices, focusing on the reduction of dependence on fuel and energy imports and the limitation of energy sector impact upon the climate change. For this purpose, the draft of the National Program for energy efficiency for years 2010-2020 has been developed.

- A series of regulatory acts has been developed, ensuring the following: regulation in the natural gas sector, electric energy, measurement of electric energy and natural gas for commercial purposes, electric energy delivery and utilization.

- The regulatory authority has been transferred from Government jurisdiction to Parliament, the administration Board has been enlarged to 5 members. The staffing has been initiated, as well as the enhancement of economic analysis capacity, of tariff policy and electric energy market monitoring, given that the Agency also regulates the heating area.

- An electric energy consumer guide has been published and placed on the Agency's web page.

- A revision of the secondary legislation in the energy sector is being made according to the requirements of the new law of the sector and according to EU directives for the energy sector.

- A new Methodology for determining, approving and applying of the new tariffs for electric energy transportation services has been developed. The draft Regulation on procedures and rules of adjustment and approval of tariffs regulated by the Agency has been developed.

- There is an enlargement of the cooperation and participation spectrum in energy sector events taking place in the European and international space.

- The Program of rehabilitation of multi-storey apartment blocks in years 2011-2030 has been developed and is ready and it assumes an improvement in peoples' living conditions as well as extends the exploitation term of the multi-storey apartment blocks, including by their thermal rehabilitation.

Communications infrastructure

- The penetration of information and communication technologies has sharply increased, the share of ICT sector in GDP representing approx. 10%.
- The following have been developed in consultation with ministries, development partners and private sector: the ICT sector strategy for years 2010-2013 and action plan, the wide-band internet access development program for years 2010-2013, the strategy of transition from the analogue landlines television to digital landlines television in the Republic of Moldova. The latter has a major importance in reducing the “information gap” between the rural and urban areas by providing rural population with a much larger access to information sources.
- The best international practices have been accumulated concerning the implementation and application of ICT in the areas of e-government, e-education, e-health, as well as in the provision of public services via electronic means (e-services) during the "Moldova e-Gov Summit 2010" in May, 2010.
- The analysis of the situation in the area of mass implementation of the electronic signature was performed, and it resulted into proposals of amendment of various legal acts.
- Initiatives were formulated concerning the adjustment of fiscal policies in the area of ICT products and services.
- The communication infrastructure at the state border of the Republic of Moldova has been improved.
- A number of 20 public internet access points based in post offices were created in 20 villages, provided with all necessary equipment in order to offer to rural population access to internet and to a wide range of services available in this context. The experience will be replicated in another 20 villages in the nearest future.
- Activities for the implementation of the National Single System of emergency Calls using the single European emergency number „112” have been launched.
- The „ITyouth – the future begins with you” contest has been performed in order to promote youth in the area of information technologies; 200 projects were submitted to the contest.

A RESPONSIBLE AND EFFICIENT ADMINISTRATION

a. Central public administration reform

Government objectives:

1. Deep restructuring of the central public administration in order to create an efficient, functional and sustainable institutional framework, committed to the governance of law and to the provision of high quality public services to population.
2. Ensuring a transparent, equitable, effective and efficient process.
3. Modernization of public services by reducing bureaucracy, improving the efficiency and quality of services with maximum positive impact on citizens.
4. Development of a merit-based public service, made of public servants recruited, evaluated and promoted based on their professional qualities and performance in the performance of their duties.
5. Decentralization of public services and re-establishing Government territorial offices.

Restructuring

- The following ministries were established: Ministry of Labour, Ministry of Social Protection and Family, Ministry of Construction and Regional Development, Ministry of Transportation and Road Infrastructure.
- The Customs Service, chamber of Licensing, “Apele Moldovei” Agency and Public Procurement Agency have been subordinated to ministries.
- The Chamber of State Registration and Civil Status Service have been re-subordinated to the Ministry of Justice.
- The State Chancellery has been established by transforming the Government Office, and some public policies coordination tasks were undertaken from a number of ministries.
- 23 (out of 24) central special bodies were reorganized.
- The process of reorganization of public institutions reporting to central specialized bodies has been started: the Agency for Interventions and Payment to Agriculture has been created under the Ministry of Agriculture and Food Industry; the Transplantation Agency has been formed under the Ministry of Health. The State Depository of Valuables, reporting to the Ministry of Finance, is in the process of

liquidation, the public institution „State Guard Service” is in the process of reorganization into a state-owned enterprise.

- The electronic Government Centre (E-Government) has been created and discussions with development partners have started concerning the re-launching of the e-government building process. As a result, an Agreement of Understanding has been signed between the State Chancellery, MICT and USAID Fast Assistance for Good Governance Program. Moldova is also a pioneer of the recent global initiative of the World Bank in the area of e-Government.

Transparency

- The activity of the inter-ministry Committee for Strategic Planning has been reanimated and the Methodology of development of institutional development plans for central public administration authorities has been revised.

- The system of reporting, monitoring and evaluation has been simplified by the development of a common activity Plan of the Government for year 2010, which contains actions of the country’s strategic documents, commitment to IMF and other development partners.

- The pilot implementation of the Methodological guide for ex-ante evaluation of public policy impact has been performed in five ministries, and five public policies were developed. As a result, an updated version of the Methodological guide has been developed, ministries have initiated the development of public policies using the new methodological norms.

Modernization of public services

- Under the state order for year 2010 concerning the professional upgrading of public administration staff, over 100 trainings and workshops were coordinated and organized for some 1500 public servants, including English language training for some 400 public servants.

- For the first time in the public service of the Republic of Moldova, the individual performance for year 2009 of public servants working in central and local public administration has been evaluated, and individual objectives for year 2010 were set.

- For the first time was started the accumulation and generalization of data concerning the implementation of the new legal framework of the public service and public functions in central public administration authorities. Reports were presented to the government and placed on <http://www.rapc.gov.md>.

- The process of development of the automated information system “Register of public functions and public servants” has been launched.

Merit-based public service

- Legislation proposals were submitted concerning the separation of political and public functions in the public service, in such a way supplementing the legislation void currently existing in respect of some 60% of the public governance functions.

- The functions of the deputy-chairman of the rayon, deputy-mayor of the village or municipality, sector or town were excluded from the category of public management functions, being included into the category of public governance functions.

- Obtaining “unsatisfactory” qualification during the professional performance evaluation by a public servant will result into the dismissal of this person from the public function.

- The conditions of tenders for occupying vacant public functions will not be published in the Official Monitor of the Republic of Moldova, but in a periodic publication.

- The normative framework for professional performance evaluation of public servants has been developed.

- For the first time in central public administration authorities the State chancellery has developed and approved the staff schedule for year 2010. As a result, 15 (out of 16) ministries and 7 (out of 8) central public administration authorities, as well as some 90% of institutions subordinated to them have staff schedules approved by the State Chancellery.

- Job descriptions for public functions were revised.

- The tender-based occupation of vacant public functions has been intensively promoted in hiring public servants. Currently 37.8% of persons hired pass a tender procedure, an indicator significantly exceeding the use of this practice during 2007-2009. Also, public functions become more attractive: 3.2 persons on average have applied for a vacant public function offered for tender.

- The degree of renewal of public servants has reached 12.2% in central specialized bodies’ staff, much more than in the previous years.

- At the same time, the Government will receive a significant external assistance in this area. In such a way, a series of central public administration institutions currently receive high level consulting from European Union specialists, and in short time European specialists will also enhance the specialized bodies of

force. The government has finalized negotiations and has launched other major projects in a cumulative amount of approx. 6 mln USD which envisage attracting into the public sector hundreds of young people who studied abroad. Also, in order to reform the key institutions in the European integration process, scholarships, trainings and master degree programs will be provided in the best universities of Europe and USA for public officials, as well as bonus performance for public servants.

Decentralization of public services

- The territorial offices of the Government were re-established

b. Decentralization and local autonomy

Government objectives:

1. Development of legal, regulatory and institutional framework, corresponding to the local autonomy and decentralization principles.
2. Ensuring the transfer of competencies to local public administration authorities and enhancing their administrative capacity.
3. Enhancing local public administration's financial and patrimonial autonomy.

Development of legal framework

- The policy framework concerning the Government's vision on decentralization priorities has been extended, defined in the document „Relansăm Moldova - Rethink Moldova”.

- The Government has initiated the process of improving the legal framework for the activity of the Decentralization Commission.

- A number of tasks have been decentralized and allocated to local public administration authorities, including in the area of construction.

Transfer of competence

- The national decentralization strategy has been developed, to be presented already in October 2010. The draft of the decentralization strategy provides for actions to be taken in the immediate term, medium term (4-5 years) and long term, specifying the reasonable time frame for the implementation of specific and continuous actions, according to the preliminary estimations.

Enhancing financial and patrimonial autonomy

- The evaluation of capacities of local public administration authorities are performed in order to identify dysfunctions in their activity, advantages and development risks, as well as in order to establish some priorities and consolidate the institutional capacities of mayors and local, rayon and municipal councils.

- The revision of responsibilities attributed to local and sub-national public administrations is planned, based on the criteria of exclusive, common or delegated functions, compatible with the criteria of efficiency in allocation process.
- The re-development of local public administration revenue system has been started: allocated revenues (own revenues) and transfers (shared revenues, levelling subsidies, special purpose subsidies).
- The support of Moldova's external development partners has been ensured within the Joint Program for Local Integrated Development (JPLID), financially supported by SIDA, UNDP and UNIFEM. The Project will ensure the integration of the human rights and gender equality approach. The US Government contribution through the Agreement of assistance for the local public administration support project is equally important, as it will cause an improvement in the quality of services provided by local public administration and in the development of their financial autonomy.
- By its pro-active measures, the Government of the Republic of Moldova has ensured assistance from external development partners such as EC, UNDP, SIDA, USAID in a total value of over 20 mln USD for the support of the decentralization process.
- The State Chancellery has launched the official electronic web page www.descentralizare.gov.md, which has the goal of ensuring transparency in the decision making process and of facilitating the access to information for all interested parties regarding the decentralization priorities as set by the Government in its program of activity.

c. Balanced local and regional development

Government objectives:

1. Encouraging initiatives on local/regional level and promoting a culture of cooperation between central and local public administration.
2. Reducing the regional development misbalances by implementation of investment projects and stimulation of growth in poor regions.
3. Balanced regional development by ensuring consequence between national sector policies and local development policies.

Reducing regional misbalances

- During the period of May 10 – June 10, 2010 the pilot call for regional development project proposals has been announced, in order for them to be financed

from the National Regional Development Fund. A number of 135 project proposals have been received. A total of 56 projects were selected for financing.

Balanced regional development

- At the end of 2009 the Government has created regional development agencies for North, Centre and South, which are non-commercial public institutions reporting to the Ministry of Construction and Regional Development. They are located in cities of Bălți, Ialoveni and Cimișlia respectively. In February this year, based on the tender announced, their staff has been fully recruited. The staff has followed detailed training courses.

- On March 4 this year (Gov. Decision no.158) the national regional development strategy has been approved, being the main regional development planning document and reflecting the national policy in this area. It introduces the national mechanisms of this development. Subsequently, regional development councils have approved the regional development strategies for North, Centre and South respectively.

- The Operations Manual for the utilization of National Regional Development Fund has been approved.

- The financing of agencies, during the current year, is performed at 44% from the Regional Development Fund, and the rest of 56% is covered by the DFID project “Moldova: Cooperation in regional development”.

COUNTRY REINTEGRATION

Government objectives:

1. Identification of a viable and sustainable solution to the transnistrian conflict based on the respect for sovereignty, territorial integrity and unitary character of the state of the Republic of Moldova.
2. Creating conditions for real reintegration of the transnistrian region in the economic, political, social and cultural space of the Republic of Moldova.

Identification of a solution

- Informal meetings in the „5+2” format have taken place, with the participation of transnistrian representatives, in Vienna and Tiraspol. At the same time, it was agreed that „5+2” format meetings will be given a regular and frequent character – one each quarter, as well as that formal negotiations shall start this year.

- The contacts and dialog between Chisinau and Tiraspol have been re-established at the level of political representatives, by organizing monthly meetings in

order to identify some practical ways of solving the problems actually faced by the people on the both sides of Nistru River.

- In order to enhance trust, working group meetings have taken place to discuss issues of health and social protection, humanitarian assistance, development of road and railway infrastructure, agriculture and environment, economy and trade, fighting criminality.

Creating conditions for reintegration

- The Reintegration bureau within the State Chancellery has been created, headed by a deputy-prime minister.

- The Government has promoted measures for the enhancement of trust and support to the population. In particular, the procedures for declaration of goods by business entities located in the region were extended for an indefinite period of time. Also, inhabitants of eastern rayons of the country receive personal ID documents free of charge. As of August 31, 2010, 662 business entities from the transnistrian region were registered in the legal field of the Republic of Moldova.

- After consultations with external partners, the term of suspending the circulations restrictions of Tiraspol leaders has been extended.

- At present, the re-launching of international railway routes via the transnistrian territory are at an advanced stage of discussion.

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EXTERNAL POLICY

Government objectives:

1. Promoting a consistent, dynamic and coherent external policy, in order to ensure the national interests of the Republic of Moldova and create a good image for the country.
2. Intensification of dialogue with EU and its member countries and promoting political, economic, social and legal reforms required for getting closer to European standards and obtaining the candidate country status for European Union membership.
3. Giving impetus to the bilateral and multilateral relations, promoting good neighbourhood relationships and building strategic partnerships with EU, Romania, Ukraine, Russian Federation and USA.
4. Promoting an active economic diplomacy in order to overcome the consequences of the economic and financial crisis and create conditions for the sustainable economic development of the country.

5. Protecting the rights and interests of the Moldovan citizens abroad.
6. Reformation of the institutional framework necessary for the effective promotion of European integration, external policy and economic diplomacy.
7. Consolidation of national security according to the country's fundamental interests.

Consistent, dynamic and coherent external policy

- The Government of the Republic of Moldova, immediately after appointment, in September 2010, has completely revised the cooperation strategy between Moldova and the European Community in order to get really closer to the European Union.

Dialogue with EU

- Negotiations have been launched concerning the Association Agreement between the Republic of Moldova and EU (January 12, 2010, Chisinau). Until present, three round of negotiation have been held and the fourth round has been planned for October this year. After negotiations, parties have temporarily closed an important number of chapters of the association Agreement, the implementation of which has the purpose of political association and economic integration of the Republic of Moldova and EU.

- The dialogue between the Republic of Moldova and EU concerning the visa regime liberalization has been started (Luxemburg, June 15, 2010). Being a complex and multidimensional process, this will allow the opportunity for Moldovan citizens to travel free to the European territory.

- The initiative has been launched and 2 negotiation rounds were held within the informal European Action Group of the Republic of Moldova, made of ministries of foreign affairs of 15 EU countries.

- The support provided to the Republic of Moldova has been confirmed during the meeting of the Consultative Group of Donors on March 24, 2010, during which the assistance provided to Moldova has been reiterated: 2.6 billion dollars, of which 52% are grants. During the meeting the National Indicative Program for Moldova for 2011-2013 has been signed, via which EU has allocated to our country 273.14 mln Euro.

Giving impetus to bilateral and multilateral relations

- Moldova ha actively participated in the development of EU Strategy for Danube region, has maintained a constructive dialogue with the members states of the Central European Initiative, south-East Europe Cooperation Process, Black Sea Economic Cooperation Organization, ODDE-GUAM.

- 88 international agreements were signed concerning various areas, of which 62 bilateral and 26 multilateral. With Romania 18 agreements were signed, including the Small Border Traffic Agreement, and 6 agreements were concluded with Ukraine.
- The full financing agreement from Millenium Challenge Corporation (Compact) has been signed, in an amount of 262 mln USD, for projects in high-performance agriculture and road network rehabilitation.
- Another 2 agreements with USA have been signed in a cumulative value of 22.1 mln USD which foresee a support to economic growth and to local public administration authorities and decentralization reform.
- The agreement concerning the facilitation of visa regime has been concluded between Moldova and USA (in force since June 4, 2010).
- A significant achievement of the Moldovan-German dialogue is the placement of the transnistrian conflict into the centre of the Merkel-Medvedev initiative for frozen conflicts.
- The relationships with the main European capitals such as Paris, Rome, Brussels, Stockholm and Warsaw have been consolidated.
- In conditions of an austere budget, new diplomatic and consular missions were open in European countries like Spain (embassy level), and a new Consulate in Iași.
- The Government succeeded to give significant impetus to cooperation with the main economies of the world, such as China and Japan, which has opened new horizons for collaboration and has facilitated multiple new assistance projects for Moldova.
- Relations with Romania have been brought to normal: visa regime for Romanian citizens has been eliminated, the small border traffic implementation process has begun, the Rădăuți-Lipcani bridge has been launched, the credit of 100 million Euro for Moldova has been unblocked, 7 million of which were orientated for the procurement of building materials for re-building houses for flood-victims, Romanian consulates were open in Bălți and Cahul.
- Relations with Ukraine were intensified, and the Government succeeded to deepen economic and trade collaboration, to exclude barriers to bilateral trade and free circulation of citizens, to regulate the problems of property recognition, to finalize the process of Moldova-Ukraine state border marking.
- In its relations with the Russian Federation, the Government of Moldova has opted for more dynamism, transparency and pragmatism, for obtaining Russia's

support in the process of regulation of the transnistrian conflict, ensuring the conditions necessary for the access to the Russian market of Moldovan goods, intensification of bilateral trade and economic exchanges and obtaining of a more active implication of Russian authorities in solving the problems faced by the Moldovan citizens temporarily living in Russia.

- These topics were approached between the executives of the two countries at various levels, including at the prime-ministers level during the main bilateral meetings: on November 20, 2009 (Yalta), and May 21, 2010 (Sankt-Peterburg). An important impulse to bilateral cooperation has been provided by the Chişinău meeting of the Mixed Commission for economic cooperation with Russia, as well as by the Chisinau visit of Mr. Igor Shuvalov, first deputy chairman of the Russian Government.

- The dialogue with international structures concerning the transnistrian problem has continued. The active interaction with the Kazakh-chairmanship of OSCE has allowed to transform the "5+2" consultations format into a systematic one, and the agenda of these meetings included specific topics concerning the freedom of circulation on both sides of Nistru river, the situation of schools with which are using Latin alphabet, the reintegration of national infrastructure systems, etc.

- The significant rapprochement with UNO has envisaged an important financial assistance, the implementation of the Moldova's mandate as a member of the UNO Economic and Social Council for the period of 2008-2010, as well as obtaining by the Republic of Moldova the membership of UNO Council for Human Rights (CHR).

- A significant support has been obtained for the consolidation of democracy in the country from the Council of Europe and Venice Commission.

Active economic diplomacy

- All preparations were made for starting the negotiations with the European Commission in order to sign a Detailed and Comprehensive Free Trade Agreement with the EU.

- The Government of the Republic of Moldova has obtained a series of positive opinions concerning the increase of the Moldovan wine share which can be exported to EU without customs duties under the autonomous Trade Preferences offered to our country by the EU.

- Multiple international collaborations were concluded at the level of central public administration institutions.

Protecting the rights and interests of citizens abroad

- The government succeeded to intensify the dialogue with the countries in which important diasporas of Moldovan citizens exist.
- The government has ensured the right to vote for citizens of the Republic of Moldova outside the embassies and consular offices of the Republic of Moldova, by opening additional voting stations.
- The integrated information system CONSUL has been implemented (online registration, offering consular services, etc.)
- Starting with March 31, 2010, citizens can apply for issuing them passports directly to the diplomatic missions and consular offices of the Republic of Moldova.
- Negotiations were initiated concerning social protection of migrant workers with such countries as Italy, Austria and Hungary.

Reforming the institutional framework

- The internal structure of the Ministry of Exterior and European Integration, as well as the structure of the diplomatic body has been amended using merit-based criteria.
- The creation of a specialized agency with competencies and capacities to maintain and amplify the relations with the Moldovan diasporas is in the process of design.
- The European Commission signs on May 15 this year the Memorandum on launching the Comprehensive Program of Consolidation of Institutional Capacities, for a total value of 41 mln EURO. The objective is preparing Moldovan state institutions for the negotiation and implementation of the Association Agreement, as well as preparing the future comprehensive free trade zone with EU.

NATIONAL SECURITY AND DEFENCE

- The National Security Strategy has been developed and actions for the formulation of the National Military strategy were started, including the evaluation of military character threats for the national security.
- The Strategic Analysis of Defence has been re-launched, which concluded the following: the obtained results were revalidated, the Document concerning the evaluation of threats (threats, risks) for the national security has been developed; the composition of the ASA State Commission has been changed (CS ASA) by including civil society representatives (Public Policy Institute); the Action Plan for the ASA III stage has been prepared.

- The Code concerning the military duty and military service has been developed, together with a range of regulatory acts, ensuring the transparency of the process.

- During the reporting period, 7 international treaties were signed, transmitted for storage, ratified, approved or transmitted for adhering.

- NATO has committed to support generally the development of the military education and training, and in particular, to modernize the Military Institute of the Armed Forces. Currently a NATO project for three years term is being implemented in the area of preparing cadets, young officers and some categories of senior officers. Areas of interest refer to such aspects as defence planning, civil-military relations, ethics and management. The participant countries include: USA, Holland, Switzerland and Romania.

- The National Army has finalized the legal framework for human resource management, and until 2011 the promotion of the document shall be finalized. Also, the number of civil servants employed in the process of security policies development has increased.

- In the context of the on-going Project for the liquidation of pesticides and dangerous products in Moldova, the Government has procured laboratory equipment, reactive materials, medicines and vitamins necessary for investigations and prophylactic treatment of militaries involved in pesticides-related works.

- The negotiations with the OSCE mission in the Republic of Moldova have continued concerning the potential financial support for building new munitions deposits on the National Army's Bulboaca site.

- The training of Battalion 22 and Special Purpose Battalion were set as priority. These actions include 3 steps and shall be finalized by 2014. At the end of this period, these units will be compatible with NATO structures and modern European armies, organized, trained and equipped accordingly, in order to be able to face the enlargement of the of the range of conventional risks and the diversification of crises and conflicts typology.

- The execution of missions in the eastern rayons of the country (within Mixed Peacekeeping Forces) continues to represent one of the basic tasks of the National Army. In order to further improve the training process of troupes assigned for participation in the Mixed Peacekeeping Forces, the training of these militaries has been centralized at Motorized Infantry Bg.1.

- Restrictions were eliminated and the formation of military staff will be undertaken again in military education institutions of Romania and Greek Republic;

also, the number of upgrading training courses for National Army militaries will be performed abroad.

- The collaboration relations with international partners were intensified, in order to launch and implement the modernization and reforming of the national military education system (Military Institute of the Armed Forces „Alexandru cel Bun”). For this purpose, the adjusted education curricula is being finalized and since 2011 license and master studies will be provided; this will allow to prepare military staff according to the requirements of the national military education system aligned with the experience and practices of euro-Atlantic countries.

- Professional re-conversion courses for militaries performing contract-based military service and militaries in reserve were re-launched.

EDUCATION AND RESEARCH

a. Pre-university education

Government objectives:

1. Improving the legal framework in the area according to the requirements of the modern society, international legislation and European norms.
2. Improving the quality of education by gradual transition of the pre-university education from academic principles to principles of preparing children for life.
3. Extending early education (pre-school institutions) in each community of the country and ensuring the access to early education for all children.
4. Promoting an inclusive education, so that no child be excluded from the education process, including children with disabilities.
5. Promoting extra-curricular education.

Legal framework

- According to Government commitments, starting with September 1, 2009 salaries have been increased (divided into 3 stages) for the teaching staff of the pre-university education institutions with 24% on average, and for the professorial staff in higher education institutions – with 55%. As a result, the average monthly salary of pre-university teaching staff for 7 months of 2010 has reached 3180 lei or with 302 lei more than the average salary in the national economy (2878 lei). Respectively, the average monthly salary of persons in the university professorial staff has reached 4683 lei.

- A New Education Code has been developed. Adopting the Education Code will catalyze the adoption of the Consolidated Education System Development

Strategy of Moldova which shall plan the development of education in Moldova for a period of at least 15 years.

- The methodology of examination sessions for 2010 has been modernized and publicly debated.

- Starting with 2010-2011, the teaching schedule of primary and gymnasium education institutions will include Religion which will be taught on optional basis, based on parents' or legal tutors' written applications.

Education quality

- School infrastructure optimization reform has been initiated. Generally for the country, based on proposals from local public administration authorities, a number of 108 institutions were reorganized, 7 have been closed and 11 were merged.

- During the pilot phase, in Riscani and Causeni rayons 11 circumscription schools were initiated, a new financing formula has been developed, the reconstruction of roads and bus stations was started, 10 school busses were purchased and put on routes. Additionally, from the state budget 15 school busses were purchased for villages in the country in which the access of children to school is difficult due to long distances.

- In the context of school curricula modernization, the evaluation and modernization of curricula has been performed by 24 working groups with some 160 pre-university and university professors.

- The drafts of education standards and modernized curricula were subject to public debates in January 2010, with the participation of national experts, school professors, parents and interested students. Their expertise was performed, and these documents will be reviewed during the April meeting of the National Council for Curricula.

- Manuals for I, V-th, IX-th and XII-th forms were revised according to the requirements of the modernized curricula and re-edited. During the current year, a total of 46 titles were edited of a total value of 35 mln lei, allocated from the Ministry of Education budget.

- Annually, some 400 students participate in long-term academic mobility programs under collaboration protocols with other countries. During the academic year 2010-2011 their number has considerably increased as a result of signing the collaboration Protocol in the education area with Romania, which offered 950 scholarships for lyceums, 1100 scholarships for higher education, the offer being subsequently supplemented with 2800 places.

- In order to consolidate and adjust the professional education system to the requirements of the national and international labour market, the National Centre of Professional Education Development has been created.

Extending early education

- 10 kindergartens were re-opened (did not function during the last 10 years) under the project implemented in the pre-school education system „Education for everybody – Fast Action Initiative”. 170 pre-school institutions were equipped with didactic materials, furniture, games, etc. in a total value of 1.5 mln USD.

- In the pre-school education system, didactic materials were developed, university professors were trained, training needs were identified and training were organized for the didactic staff.

Promoting inclusive education

- In order to promote inclusive education, the placement of children into residential education institutions has been stopped and these were redirected towards alternative child care services.

Promoting extra-curricular education

- During summer 2010, 525 permanent and daytime camps have functioned, and some 888 thousand children have enjoyed leisure and health-building activities.

b. Higher education and research

Government objectives:

1. Modernization of national legislation according to the requirements of modern society.
2. Ensuring the quality of the teaching and research process in higher education institutions through adequate financing, promotion of essential structural reforms, and observing the universities' autonomy.
3. Reorientation of academic policies in scientific and innovation areas towards increasing the competitiveness of the research and innovation system based on technology transfer and according to the knowledge-based economic concept.

National legislation

- This academic year - 2010-2011, 22486 new student places have been offered in higher education, including 6985 financed by the budget and some 15501 for contract. The age limit, stipulating a 35 years old limit for higher education candidates, has been cancelled.

The quality of teaching and research process

- A higher education database has been developed for all education institutions (students, teaching staff, etc.) and the draft of Admission Plans for 2010 for higher education institutions has been developed (cycles I, II).

- Also, framework recommendations have been developed for the institutional regulations on the evaluation of learning activity of students and the scoring scale applicable in the Moldova's higher education.

- Activities for the development of the National Framework for Qualifications by areas of professional training in higher education have continued. In order to develop educational services, the catalogue of initial and professional formation programs has been developed for teaching and managerial staff.

- Special admission quotas were provided for young people originating from disadvantaged families, this year the quota was 15 % of the total number of admissions, including hostel places, allocations and social scholarships.

POPULATION HEALTH

Government objectives:

1. Ensuring the access of all citizens of the Republic of Moldova to high quality medical and pharmaceutical services.
2. Increasing the quality and safety of medical services by modernizing the technical and asset base of medical and sanitary institutions, enhancement of infrastructure, adequate provision with equipment and medicines.
3. Improving the mechanism of preparation, motivation and employment of medical and pharmaceutical staff.
4. Increasing the level of responsibility of citizens for their own health by propagation and cultivation of a healthy way of life, by consequent fighting of smoking and alcoholism.
5. Large participation of all partners in the process of population health improvement process.
6. Modernization and improvement of financial resource spending in the health area.
7. Creating conditions for access of private companies to the provision of medical services.

Access for all citizens

- The reduction of the premium size for mandatory medical insurance has been promoted - 50%, for a significant period of time. Additionally, a reduction of 75% has been provided for medical insurance of agricultural land owners.

- In year 2009, the amount of financial resources allocated to the health system was 3,846.8 million lei, with 453.9 million lei more as compared to year 2008 (consumer price index in 2009 was 100%). In year 2010, an amount of 4,040.9 million lei has been approved for health care (consumer price index is planned at 109,3%), and from year 2011 the size of health care allocations is planned at 4,256.5 million lei (the projected inflation rate is 6%).

- For year 2010, the list of partially compensated medicines has been extended, and the allocations for partially and/or entirely compensated medicines have increased with 51.2% (or with 37,944.7 thousand lei) versus year 2009, representing an amount of 112,000.0 thousand lei. The list of compensated medicines has been extended from 53 international commercial names in 2009 (473 commercial names) to 84 (608 commercial names) in year 2010.

Increasing quality

- An institutional quality management system for medical assistance has been created, by forming a Quality Council in all medical and sanitary institutions of the country. The implementation of anti-flu program in the Republic of Moldova is considered in the region as a very successful practice.

- During the period of September 25, 2009 – September 1, 2010 a number of 22 autonomous health centres (HC), including one private centre.

- During the reference period, specific actions were taken in order to prevent the spreading of pandemic flu and of the new flu virus A (H1N1).

- The monitoring of the implementation of medical audit system has been organized in 9 territories and in 33 public medical and sanitary institutions.

- A number of 82 clinical protocols for various specializations have been developed.

- The Automated Information system MEDEX 2.0 has been developed, to be used by the primary medicine, and its implementation in the entire country has been approved.

- A World Bank project is being actively implemented, providing for the rehabilitation of 65 health centres.

- The practice of Confidential Questionnaire in cases of maternal death and proximity to maternal death has been territorially extended.

Medical staff

- 436 doctors, professorial staff, resident doctors and medical assistants have received training in medical assistance quality management.

- With the support of the International Organization for Migration, software for the creation of the „health system human resource database” has been developed, and the necessary equipment has been purchased.

- A curriculum for family doctors and medical assistants has been developed and approved, implemented by the USMF „Nicolae Testemițanu” and by the National College of Medicine and Pharmaceutics.

Responsibility of citizens

- For purposes of identification of risk factors causing cardio-vascular diseases, a number of 2000 family doctors have been trained until present and a total of 24,000 persons will be subject to screening on the entire territory of Moldova.

- Informational anti-vice campaigns are being implemented, such as the information campaign "If you want to be healthy, contribute to this every day!" and the campaign „A house without dangers for your child”.

Partners’ participation

- A Coordination Council for foreign assistance and the working group for human rights in the health system have been created within the Ministry of Health, meant to ensure the focusing of external assistance on the most priority areas of health care.

- The Ministry of Health implements a series of infrastructure and capacity building projects in health care sector, with assistance from external partners.

Health care financial management

- For purposes of regulation and control of medicines prices, a price registration bureau has been formed within the Ministry of Health, and the Ministry is in the process of developing the respective Regulations of activity.

Access of private companies

- The Strategy for eliminating the barriers in the provision of private health care services and integrated operation of public and private services in Moldova has been developed.

- A range of regulatory provisions has been operated with the purpose to open the medical services market to private companies.

SOCIAL POLICIES

a. Social Assistance

Government objectives:

1. Reduction of poverty, inequality and inequity within the society.

2. Orientation of social assistance programs towards supporting vulnerable groups and low income population.
3. Reducing and eliminating of inefficiencies in the social protection system.
4. Ensuring the access of population to high quality social services.
5. Increasing the quality of life of families in least favored environment and observing the minimum quality standards in all special services provided to persons in difficulty.

Poverty reduction

- In 2010 the guaranteed minimum monthly revenue of a family has been increased from 430 lei (in 2009) to 530 lei. If during 2009 social aid was provided to only 17 thousand families, in 2010 this form of assistance is provided to 31 thousand of least favoured families. Expenditures for social aid to least favoured families have increased from 114 mln lei in 2009 to 270 mln lei in 2010.

- Also, some 96 mln lei have been used from the National fund and local social support funds during the reference period; financial aid has been provided in 253 thousand cases to poor people (including to veterans, persons with disabilities, orphan children, etc.). The average size of this aid has increased 6 percent versus year 2009.

Supporting vulnerable groups

- In order to provide a support for the cold period of year 2010, vulnerable families, retired, and state budget employees with minimum salary have received social compensations of 130 lei per month; the number of beneficiaries was approx. 260 thousand persons, and the amount allocated for these purposes was 110 mln lei. Moreover, taking into account that during 2010 the heating and energy prices as well as consumer prices have increased, additional aid has been approved to persons in vulnerable or difficult situations, for the cold period of 2010 year-end. For this purpose, on September 27, 2010 the Government has committed before the Parliament for the draft law concerning the amendment of the state budget law, assuming an additional allocation of 112.8 mln lei for social compensations; their size will be of 130 lei per month for the period of November-December 2010 for persons receiving pensions or allocation not exceeding 900 lei with no age limit. These compensations will be paid to some 521 thousand retired (75% of the total number of retired) and to 30 thousand vulnerable families.

- Parentless children protection actions were intensified in case of children who remained without parent care due to migration, are victims of human beings trafficking, illegal migrants trafficking, as well as unaccompanied children.

- The state budget law for year 2010 has provided funds in an amount of 16.9 million lei for the procurement of summer leisure camp tickets for summer 2010 season (16 267 tickets were purchased).

Reducing inefficiencies

- The legal framework of the social assistance system has been adjusted to ensure the focusing of assistance on the most vulnerable people.

- The evaluation and control methodology has been developed for the calculation and implementation/distribution of social payments. Monitoring visits have been made to more than a half of rayons, and these shall continue.

- A mobile evaluation team has been created within the ministry, performing unannounced verifications within the social assistance system.

Access to high quality services

- A general framework has been established for the creation and functioning of the integrated social services system; it determines the tasks and responsibilities of central and local public authorities and of other legal persons empowered to ensure and provide social services, as well as refers to the protection of social services beneficiaries' rights.

Quality of life and special services

- Despite the severe budget situation at the beginning of this mandate, the one-time allocation for birth has been increased with 300 lei, the monthly allocation for child care up to 1.5 year has increased from 150 to 250 lei, the increase of monthly allocations for child care up to three years (for some 32 thousand insured mothers) has increased from 25% (2009) to 30% of the calculation basis. In 2010 the average value of allocations for insured mothers is 656.74 lei versus 478.92 lei in 2009.

- The total reform of the disability area has been started. In such a way, the Strategy for Social Inclusion of persons with disabilities has been approved. In order to implement this reform, the Government will attract and co-finance projects of over 300 mln lei in the following 3 years. In 2010 – 2011 the process of creating of over 50 social inclusion services for persons with disabilities will be initiated.

b. Social Insurance

Government objectives:

1. Increasing the social protection level of insured persons.
2. Ensuring the financial sustainability of the public social insurance system.
3. Eliminating inequities in the public social insurance system and unjustified privileges for some categories of retired.

4. Ensuring the conditions for the development of additional pension systems.

Raising the level of social protection

- Since April 1, an indexation of 4.3% of social insurance payments and of some state social payments was performed, and as a result, the average size of pensions provided for age retirement is 835.26 lei for some 458 thousand beneficiaries.

- The Government has approved the Regulations concerning the public social insurance system services focused on disease prevention and labour capacity recovery by spa treatment of the insured persons.

Financial sustainability

- In order to increase the efficiency of BASS and BS expenditures, the change of financing sources has been approved for the pensions and monthly allocations paid to judges and prosecutors. In such a way, starting with January 1, 2010, expenditures for payment of pensions and monthly allocations to these categories of persons are paid from the following sources: 50% of their size – from the state social insurance budget, and 50% - from the state budget.

c. Migration and employment

Government objectives:

1. Continuous creation of new jobs and increasing the degree of mobility on the labour market.
2. Development of a professional training system, oriented towards the current needs of the labour market.
3. Support and protection of rights of citizens working abroad.
4. Reducing unemployment and job integration for citizens returning from abroad.

Mobility on the labour market

- The Government implements a Moldova-EU Mobility Partnership, under which a series of initiatives are being implemented in order to facilitate the employment in circular migration programs, “brain drain” reversal programs, assistance to future migrants, etc.

Adequate professional training

- The analysis of results has been performed in case of Admission Plans of secondary professional and secondary specialized education institutions for year

2009. A database has been created to include students by year of study and specialist, teaching staff, technical and assets basis of institutions for the academic year 2009-2010.

- The draft of the admission plan for students to secondary professional education institutions and secondary specialized education institutions for year 2010 has been developed.

- The Ministry of Education has performed the re-grouping of professions, excluding some and adding other related professions, demanded on the labour market.

- The infrastructure optimization reform in professional education has started, 5 institutions being in the process of reorganization.

Protecting the rights of citizens working abroad

- In order to create a framework for the protection of rights of Moldovan citizens working abroad, the Government has ratified social security agreements with Portugal, Luxemburg and Romania. Negotiations have been initiated on similar agreements with the Russian Federation, Italy, Poland and Austria.

Reintegration of migrants

- With the support of the International Organization for Migration and other development partners, the Government contributes via some special programs to the reintegration and/or economic empowerment of migrants returning to our country.

d. Gender policies

Government objectives:

1. Promoting an active participation of women in decision making processes of public bodies and reducing the discrimination of any nature.
2. Ensuring equal chances in the social and economic area.

Women participation

- In august this year, the gender units of ministries and other central administration authorities were trained in the reporting criteria based on UNO Convention for elimination of all forms of women discrimination (CEDAW).

- During the period of November 25 – December 10, 2009 the “16 actions days against gender-based violence” Campaign has been performed, the motto of which was „A Healthy family is a family without violence”.

Ensuring equal chances

- In the area of gender policies, the Government has approved the Program of ensuring equal chances for years 2010-2015, being the main policy document of this

sector. The activity of the National Commission for Men and women Equality has been reanimated. This will ensure the coordination of actions by various actors in the government and non-government sector in the implementation of the National Program.

- In order to regulate the activity of rehabilitation centres for family violence victims, the framework regulations for these centres were approved.
- The process of development of an integrated information system of monitoring the cases of family violence has been started, as part of the generic social protection system.
- The Government provides support for the operation of family violence victims assistance centres, and soon will support for the first time a rehabilitation centre for aggressors.
- On July 9, 2010 the Parliament has adopted the legal framework for the harmonization of the national legislation to the provisions of the Law on preventing and fighting family violence. This will increase the access of victims to legal protection forms and will contribute to the reduction of violence cases.
- In order to implement the National Reference Strategy (SNR) for the protection and assistance to victims and potential victims of human beings trafficking (TFU) and the Action plan for years 2009-2011, a series of actions meant to consolidate the capacities of national specialists in the area of protection and assistance to victims and potential victims of human beings trafficking.

HARMONISATION OF RELATIONS WITH NATIONAL MINORITIES

Government objectives:

1. Maintaining and consolidation of national cultural and linguistic heritage of the national minorities living on the territory of the Republic of Moldova.
2. Promoting a coherent and multidimensional state policy towards national minorities.
3. Improving the legal framework in order to ensure the integration of national minorities into the social, administrative cultural, political and economic processes in the Republic of Moldova.

Maintaining the heritage of minorities

- 163 activities were performed during the year: seminars, round tables, conferences, plastic arts and artisanal exhibitions, national customs and traditions promotion events, festivals. Of particular interest are the following: round table „Multi-ethnic Moldova”, children art exhibition „The young plastic artist -2009”,

round table „Linguistic diversity a san opportunity for dialogue in the Republic of Moldova”, multi-ethnic festival of children „New Year and Christmas customs and traditions”, national holidays, etc.

- The activity of Moldovan diaspora associations was supported, by organizing national cultural events performed by the Moldovan diaspora in countries of residence („Mărțișor 2010” festival, Moldovan culture days, anniversaries of diaspora associations and other events), by ensuring information concerning the outstanding dates (160 years birthday of Mihai Eminescu, 75 years birthday of Grigore Vieru, etc.).

- The Inter-Ethnic Relations Bureau registers and keeps collaboration relations with 50 civil society organizations of the Moldovan diaspora associations officially registered in countries like Latvia, Lithuania, Estonia, Germany, Greece, Israel, Italy, Portugal, Ireland, Ukraine, Russian Federation, Belarus, Azerbaijan, Kyrgyzstan, etc.

- Organizational activities for the performance of the IV Congress of Moldovan diaspora during October 12-14, 2010, are being prepared.

- In August, 2010 the www.diaspora.md web site has been launched, with the purpose of testing of an interactive information bridge between Moldova and its diaspora, as well as for contributing to a greater collaboration between the representatives of the Moldovan diaspora.

A coherent state policy concerning minorities

- The inter-ministry Technical working group has been created, which will develop a new Action Pan for Roma people support in the Republic of Moldova during years 2011-2015

Integrating minorities

- The process of development of the State Program for ensuring the necessary conditions for studying and application of the official language of Moldova by people speaking others languages, including public servants and local electives, has started.

- Community development projects have been launched, with specific purpose of linguistic, social, cultural and professional integration of persons speaking other languages.

CULTURE, YOUTH AND SPORTS

a. Culture and arts

Government objectives:

1. Ensuring a wide access of people to cultural life and to the National cultural

Heritage.

2. Promoting culture as a main factor of maintaining and development of the national identity.
3. Ensuring the framework for the development and expression of the cultural diversity in order to build an open and multi-cultural society.
4. Preserving and development of the National Cultural Heritage, promotion of values as an integral part of the European and international cultural space.
5. Development of contemporary art as means of affirming national culture.

Wide access to cultural life

- 576 shows, of which 201 in territories, were organized and performed.
- More than 10 cultural events of national and international importance were performed, such as the Mărțișor International Music Festival, Eminesciana-2010, National Theater Festival, Două Inimi Gemene Festival, Steaua Chișinăului Festival, G.Vieru commemoration events, „Aria” documentary film premiere, etc.
- The following were organized: the International Festival of Opera and Ballet stars „Invită Maria Bieșu” and the International Gala of puppet theaters „Licurici”.
- In order to use the full value of heritage funds, 18 exhibitions were organized in museums.

Promoting culture

- 1385 public libraries provided services to 851.5 thousand users. Cultural centres in territories (1232) have organized the performance of some 55 thousand cultural events.
- On May 4, 2010 the launching by the National Library of the first digital library in Moldova has taken place – BND MOLDAVICA (www.moldavica.bnrm.md), as an integral part of the Digital European Library (The European Library).
- International book salons were organized, with over 300 printing houses participating.
- The list of editions proposed for subsidy from the state budget in 2010 has been developed and approved. The state budget has financed the publishing of 8 book titles with a total number of 9000 copies.
- During the reporting period, over 1500 book titles were edited in the country, in a total number of 1mln 437 thousand copies.

The framework for development and expression of cultural diversity

- 15 culture departments in territories have developed the rayon's cultural strategies. Some culture departments are at the state of consultations and public debates for the development of cultural strategies.
- For specialists of artistic amateurs bands training internships were organized, involving some 1200 participants.
- In year 2009, two projects from the Republic of Moldova have been selected for co-financing under the third call for participation of third countries. The first project is „Piano as a reflection of European culture”, implemented by the Ministry of culture, Music, theatre and Plastic Arts Academy, the French Alliance in Moldova, the Concours Europeen de Piano Association, in which young pianists from Austria, France, Italy, Macedonia, Moldova, Sweden and Poland participated. The second project is „The port of cultures” project, implemented by Trigon (Moldova) and International Traditional Culture Centre (Georgia).
- The Ministry of Culture develops the Register of intangible cultural heritage of the Republic of Moldova.

Promoting values

- Projecting works have been performed for purposes of restoring of 11 buildings, of which 7 buildings with the status of protected monument; restoring works are on-going in the Organ Hall, in the Moldovan National Arts Museum, at the office of Monuments Inspection and Restoring Agency which is part of the Buildings Quarter of the National Museum of Ethnography and Natural History.
- With the support of US Embassy, the engineering project for the execution of conservation and restoring works at Medieval Baths Complex of the “Orheiul Vechi” cultural and natural Reservation has been drafted.

Development of contemporary arts

- In order to revitalize and ensure the tracking of activities related to film production and film classification, the Collegium of the Ministry of culture has approved on February 23, 2010 the set of documents required for the re-starting of the Cinematographic Register (state enterprise).
- Planning actions are performed in two major directions: improving the efficiency of artistic education institutions reporting to the Ministry, and the development of the artistic education Strategy.
- In order to preserve the value of literary, dramatic and original musical creations, 8 dramaturgical creations and 19 local composers' creations were purchased.

- In order to develop the contemporary theatre art and to stimulate the laureates of international contests and festivals, the Ministry has provided 7 financial prizes in the total value of 55 thousand lei. The prize for theatre arts has been offered to Valeriu Cupcea.

- The Ministry of Culture has organized, in collaboration with the Moldovan Plastic Artists Union and specialized institutions, 41 contemporary arts exhibitions, of which Moldovan Salons Exhibition-contest, International Decorative Art Biennale.

a. Youth policies

Government objectives:

1. Creating conditions for the full expression of young people potential in the political, economic, social and cultural life of the country.
2. Promotion and development of social protection policies for youth and young families;
3. Creating conditions for the social and economic integration of vulnerable and socially excluded youth.
4. Reducing the forced exodus and creating conditions for youth to return to the country.

Full expression of young peoples' potential

- Adopting a law on volunteering and the development of the draft Youth Law.
- Performing 2 seminars with specialists in the area of youth / sports within II level local public administrations and with representatives of the most active youth resource centres in the country.
- Performing the Youth Prize awarding event within the Youth Days for literature and arts.
- Participation in the Council of Europe Conference for youth social mobility has been ensured, at European Youth Centre, Strasbourg, June 30 – July 1, 2010.
- In the context of the International Year of Youth (August 12, 2010 – August 12, 2011) declared by the United National Organization, the Republic of Moldova has been represented at the Vth world Youth Congress called „*The 5th Youth Congress- Turkiye 2010*” (Istanbul, July 31 – August 13, 2010) and at the *Global Conference for Youth* (Leon, Guanajuato, 23 - 27 August 2010).

Social protection of youth

- Mortgage programs for young families have been developed and the activity of state programs for stimulation of young specialists employment in rural areas has continued.

Social and economic integration of youth

- National Programs for Youth have been launched, such as „Youth Fund” and “Grants Program”.
- Young entrepreneurs ‘capacity building trainings have been organized under the Youth Social and Economic Empowerment Project (PASET) and jobs fare for youth has been organized.

c. Development of physical cultural and sports

Government objectives:

1. Priority promotion of a healthy way of life.
2. Rehabilitation of sports infrastructure.
3. Supporting performance sports.

Priority promotion of a healthy way of life.

- The “Government’s football Cup” has been organized and performed, in which 20 thousand juniors born in 1995-1996 participated.
- The social inclusion Decade for persons with disabilities has been organized. During the period of November 23 – December 3, 2009, 10 sports competitions were performed for blind, visually impaired and deaf sportsmen, for persons with movement or mental disabilities, in which 375 persons participated.
- The Festival of friendship, creativity and Olympic spirit “Clipa Siderală” (the XXth edition) has been organized, in which 16 student teams from boarding schools and lyceums have participated. The Festival took place in Vadul-lui-Vodă and Chişinău cities during May18-20, 2010.

Rehabilitation of sports infrastructure.

- The Concept of the Automated ”State Sports Register” Information System has been developed.
- With the support from external donations, the capital repair of the boxing hall has been performed in the National Teams Training Sport Centre. This was done in order to ensure the physical training of performance box sportsmen.

Supporting performance sports.

- National Championships have been organized in 10 sports, involving approximately 1000 sportsmen from all communities of the country.

- 275 performance sportsmen of the national teams were delegated to 65 official international competitions in 25 sports (tournaments, European championships, world championships).
- The composition of the National anti-doping Commission has been established. Currently the draft is in the process of pre-approval by the responsible authorities and in short time will be submitted to Government for review and approval.
- The documents necessary for joining the Enlarged Partial Agreement on Sport, EPAS of the Council of Europe, approved by the Ministries Committee, Resolution CM/Res (2007)8, on Mai 11, 2007, session 117, have been developed.
- The draft of the Sportsmen Preparation Program of the Republic of Moldova for participation in the XXX-th edition of the Olympic Games and in the XIV-th edition of summer Paralympics Games of 2012, in London, Great Britain, has been prepared.
- Numerous sports competitions, tournaments, etc. have been organized on national and international level.

ENVIRONMENT PROTECTION

Government objectives:

1. Ensuring an adequate framework for environment protection and for the sustainable use of natural resources.
2. Reducing the negative impact of economic activities upon the environment, natural resources and population health.
3. Increasing the degree of protection against natural calamities.
4. Increasing the level of citizens' environmental culture.

Adequate environment protection framework

- „Apele Moldovei” Agency has been transferred into the subordination of the Ministry of Environment.
- The institutional potential of the Ministry of Environment has been consolidated by increasing its staff from 33 to 51 positions, without involving additional expenditures for the state budget.

- The activity of the “Environment infrastructure: construction of water treatment plant in Soroca town” project has been de-blocked. The project is financed in an amount of 4.562 mln US dollars by the Global Environment Fund (GEF) and by the National Water and Sewage Systems Project financed by the World Bank in a total amount of 14.0 mln US dollars.

- At the beginning of 2010, under the European Neighbourhood Policy Instrument (ENP) the regional project „Waste Management in East European countries in ENP”, financed by the EU, has been launched. It has a purpose to improve waste management in the countries of the region.

- Project proposals have been developed and submitted to the Global environment Fund concerning the following: Reducing the emissions of greenhouse gas by improving the energy efficiency in residential buildings; consolidation of the fiscal reform referring to environment for the improvement of the national and global environment management; integrated and sustainable use of soils (MDS) by community-level approach; adaptation to climate change and sustainable land management; Small Grants Program for supporting local environment NGOs.

- Negotiations have been initiated concerning the draft Loan Agreements between the Government of the Republic of Moldova and EBRD and the draft Loan Agreement between the Government of the Republic of Moldova and the European Investment Bank concerning the offer of credits in a total amount of 20 mln Euro for the implementation of the Drinking Water Supply Development Program.

Reducing the negative impact of the economic activities

- Activities for the rehabilitation of soils contaminated with pesticides included into the persistent organic pollutants (POPs) were performed on former pesticide deposits sites.

- The stocktaking of some 1400 pesticide-contaminated sites has been performed (abandoned pesticide deposits and other similar sites of the former agricultural farms).

- The organization and execution of plantation works and community cleaning works were monitored by local public administration authorities, institutions, organizations and population.

- Forest plants were planted in the forestry fund on a surface of 163 ha and natural regeneration support activities were performed on a surface of 1290 ha.

- Land plots with forestry vegetation were extended to a surface of 259 ha.

- 322.3 thousand trees and bushes of different varieties were planted in squares, parks, territories near houses, schools, kindergartens and along the streets in cities and villages. 21,465 trees were planted in protection forest strips along the roads.
- A stocktaking of all solid household waste sites has been performed.
- Out of 3,743 spontaneous waste sites identified, 2,814 spontaneous waste sites were liquidated, the rest are in process of liquidation.
- 1,000 km of roads were cleaned and 7,623 well and springs were improved during this period.
- Specialized cleaning services were created in 81 villages.

Protection against natural calamities

- A cooperation agreement for the protection and sustainable use of Prut and Danube river waters has been signed between the Government of the Republic of Moldova and the Government of Romania.
- The Credit Agreement between the Republic of Moldova and the World Bank has been negotiated for the “Natural disasters and Climate Risk Management” Project. The project’s objective is to consolidate the inter-institutional potential of prevention and mitigation of the impact of natural disasters upon the national economy and population, particularly by improving the technological and methodological capacities of the State Hidrometeo Service in preventing dangerous hydro-meteorological phenomena. Within the collaboration with the Czech Republic Government, a pilot project for installing 11 automated hydrometric stations on the Prut river starting with autumn 2010 has been initiated.
- Starting with August 16, 2010 the system of warning about dangerous hydro-meteorological phenomena using 4 colours code (green, yellow, orange and red) has been introduced, a process implemented by adjusting international systems to country conditions.
- The development of an action plan containing technical and organizational measures of protection against the destructive effects of water has been launched, which shall include some urgent actions referring to the rehabilitation of dams infrastructure.

Environmental culture of citizens

- The Ministry of Environment, together with subordinated institutions, has organized cleaning and tree planting campaigns (“A tree for our future” campaign).
- An order of the Minister of Environment has declared year 2010 a Year of Biodiversity, and for this purpose an action plan has been developed, containing

actions to be performed for purposes of protection and conservation of biodiversity in the country. In the same context, a national conference „Year 2010 – The International Year of Biodiversity” has been organized.

- The Ministry of Environment has organized a press conference each month in order to inform the wide public about the main problems in the area.
- The Ministry of Environment has developed and has made public the detailed data concerning the national environmental fund.

LIQUIDATING THE CONSEQUENCES OF JULY 2010 FLOODS

- The Government has immediately reacted to the floods which in July 2010 have affected mostly the rayons of Hîncești, Cantemir and Ungheni.
- A total number of 3,114 persons have been evacuated, including 614 children for whom temporary housing and nourishment solutions were found.
- A working group led by the State Minister has been formed to work in a 24-hour regime in the area most affected by floods (Hîncești rayon and later Cantemir rayon).
- A total of 2,500 persons were mobilized in the Civil Protection and emergency Situations Service, Ministry of Interior, National Army, Ministry of Transportation and Road Infrastructure, Border Guard Service, local public administration authorities, including foreign experts. Emergency medical assistance units were also dislocated, which worked in a 24-hour regime.
- The actions aiming at the liquidation of consequences of floods included the construction of new dams and consolidation of old ones with a total length of 39 km, for which some 260 thousand sand or lime sands were used. As a result, were protected some 200 houses and roads which were vital for the access of forces and humanitarian aid to villages of Sărăteni, Obileni, Nemțeni and Cotul Morii.
- The Nirnova dam has been deforested. In the Cantemir rayon, due to the constructed protection dams, some 300 households were saved from floods in the villages of Stoianovca, Ghioltosu and Țiganca. Reserve access roads were built and vital engineering constructions were consolidated.
- The Nemteni protection dam has been repaired. For its repair, 1 km of the dam has been deforested (which, according to the standards, should not have been planted with forest). Deforestation has involved over 20 units of heavy machinery, 100 workers.

- The Governmental working group dislocated in the territory has provided assistance for setting up the humanitarian aid distribution mechanism. The process of accounting and distribution of humanitarian aid has been permanently monitored by a specialized subdivision of the Ministry of Interior (frauds investigation unit).

- Based on the Government decision, the Government Reserve provided goods for the liquidation of flood consequences – fuel, food preserves, building materials in a total value of 1.8 mln lei. The State Mobilization Reserve has allocated to flood victims, to the Ministry of Interior forces and to construction workers located in the flooded areas a range of household goods, tools and equipment in a total value of 830 thousand lei.

- A total amount of 34.6 mln lei (as of September 22, 2010) have been accumulated on the bank accounts open by the Government for the accumulation of funds from voluntary transfers for the liquidation of flood consequences. Until present, 10 mln lei have been used in order to provide direct monetary aid to flood victims. Over 1 mln lei have been allocated with the support of UNICEF to 1,184 children who directly or indirectly suffered from the floods in July 2010.

- During the floods of this year, a total of 450 tons of humanitarian aid has been received and distributed (private donations from within the country).

- At the Government's call for aid, the total value of contributions offered by international partners has been approximately 39 mln US dollars, of which approximately 32 mln represent the contribution of the Romanian Government.

- The National Commission for liquidating the consequences of floods and evaluation of damages caused by July 2010 floods, and the Commission for the development of the water reserves management and flood protection have been created. These mechanisms have the purpose to overcome the consequences and to reduce the risks of any future disasters.

- A working group has been created in order to establish the damages caused to houses, the list of families which accept the construction of houses on the allocated plots and the list of families which accept the purchase of houses in other villages. Until present, 1.85 mln lei were allocated for the purchase of 10 houses. The purchase process for another 62 families will be finalized before the end of November.

- For the construction of houses in villages Cotul Morii, Sărăteni and Nemțeni, 11 construction companies were selected and contracted, and they will build 338 houses comprising 2 rooms and 193 houses comprising 3 rooms. Georgia will finance construction and engineering works for Obileni village. Companies have been selected and intra-village access roads have been practically finalized.

- We need to note that besides companies contracted by the Ministry of Construction and Regional Development, on the Nemțeni construction site additionally works “Concordia. Social Projects” NGO with its own resources (78 houses comprising 3 rooms and 2 houses comprising 4 rooms) and the “Help the needed” Committee (Germany) (one house comprising 4 rooms). The Committee will additionally build 3 houses comprising 2 rooms in Cotul Morii village.

- As of today, 1,023 persons work on construction sites. A total of 703 houses are being built, 681 foundations were dug. For 408 buildings, foundations have been half-laid. For 326 houses, foundations are 100% ready. Walls without ceilings were raised in 115, and the resistance structures with ceilings are ready in 29 cases. The access road to Cotul Morii (from base quarter to construction site) has been finished. Roads inside quarters are finished in the proportion of 70-80%. On Nemțeni site, the access road is ready, and the roads inside quarters are ready at 85-90%. In Obileni, the access road is ready, and the roads inside quarters are at 50% of completion.

- According to estimates performed by the Government with the assistance of development partners (World Bank, United Nations and European Commission), damages and losses of 41.9 mln US dollars were caused. Floods will have a negative effect on the projected GDP growth. The initial projection of GDP growth has been of 3.4%, while floods will cause this to reduce to 0.15%. In human dimension terms, floods have affected some 13 thousand persons. In such a way, the final total value of short term needs for rehabilitation is of 77.5 mln US dollars.

- The Government has set a short term objective to provide housing to all victims of July 2010 floods.

- The medium and long term objectives will include the implementation of actions aiming to prevent the risks of new floods. The Government has proven its capacity to promptly interfere in the liquidation of floods consequences, and I am sure, will prove that it can perform actions to prevent this kind of disasters.

CONCLUSIONS

A year ago, we have received the country in a deep economic crisis, isolated externally, with a divided society and with a dysfunctional democracy. The Republic of Moldova was on the edge of default. This situation has required urgent and firm actions from the Cabinet of Ministers which I manage. In conditions of political instability, economic crisis and under the pressure of elections factor (determined by the constitutional crisis), the Government has succeeded to redress the situation from different sides, and to bring the country on a normal development road.

The Republic of Moldova has overcome the recession and has registered a real economic growth of 5.6% during the first half of the year. We have remediated the relationships with neighbouring countries, developed relationships with the countries with which we would like to have strategic partnerships, we are open as never before and have historical perspectives in our relations with the European Union. The firm actions of the Government of the Republic of Moldova have led, according to Mrs. Helen Clark, the Representative of the United Nations Development Program, to “placing Moldova on the world map”.

We have started important structural reforms, but also radical reforms in the social sector. We have laid the bases for the reform of justice and internal affairs system. We have ensured normal working conditions for the activity of democratic institutions. These are specific actions, which result into specific outcomes.

The year that passes was not an easy year, but today we can firmly say that we have ensured the survival of the country and have laid the bases for its future development. This year could be the most important during the last period. During this year we have ensured the foundation for recovery, for a normal democratic development. Now it's important to ensure the continuity and finality of processes that we've started. Only in such a way the country will become democratic, prosperous and integrated into the European Union.