Country Strategy for the Development Cooperation of Estonia and Moldova 2021–2024









CONTENTS

INTRODUCTION	3
I. MOLDOVA'S DEVELOPMENT STRATEGY	4
II. DEVELOPMENT COOPERATION IN MOLDOVA SO FAR	5
III. STRATEGIC OBJECTIVES OF ESTONIAN DEVELOPMENT COOPERATI MOLDOVA IN 2021–2024	
Strategic objective 1: developing democracy and strengthening good governance	9
Strategic objective 2: supporting rural development	9
Strategic objective 3: promoting modern education and lifelong learning	10
IV. ACTION PLAN FOR 2021–2024	10
V. BUDGET	12
ANNEXES	13
ANNEX 1. Framework of Estonian-Moldovan relations	13
ANNEX 2. Overview of development trends in Moldova	15
ANNEX 3. Distribution of Estonian support to Moldova in 2014–2020	18
ANNEX 4. Development cooperation projects 2016–2020	18

INTRODUCTION

This country strategy is based on the objectives of the Estonian Foreign Policy Strategy 2030¹ and has been prepared for the planning of activities to be implemented in the Republic of Moldova (hereinafter 'Moldova') on the basis of the Development Cooperation and Humanitarian Aid Programme 2021–2024² (hereinafter 'Programme').

Moldova has been one of the priority countries of Estonian development cooperation since 2006, and in accordance with the programme it will remain so at least until 2024. The strategic objectives of the development cooperation between Estonia and Moldova are in line with the Moldova–European Union (hereinafter EU) Association Agreement, the preamble to which emphasises the desire to contribute to Moldova's political and socio-economic development through cooperation in various sectors, including good governance, strengthening civil society, poverty reduction, and sustainable development. The country strategy addresses areas of cooperation where Moldova's development priorities and Estonia's opportunities and the capacity of the partners implementing the activities coincide the most.

The country strategy is based on an analysis of the results of previous country strategy action plans and has taken into account a variety of factors influencing cooperation, including existing bilateral agreements and other socio-economic, educational, and cultural links between people, businesses, and the civil society. The country strategy consists of five chapters: Moldova's development strategy, current development cooperation in Moldova, strategic goals of the Estonian development cooperation in Moldova, action plan for 2021–2024, and the budget. The annexes set out the framework for Estonian–Moldovan relations (Annex 1), an overview of Moldova's development trends (Annex 2), the distribution of Estonian aid to Moldova in 2014–2020 (Annex 3), and development cooperation projects in 2016–2020 (Annex 4).

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¹ https://vm.ee/sites/default/files/content-editors/valispoliitika arengukava 08.08.2019.pdf

² https://vm.ee/sites/default/files/content-editors/developmentcooperation/arengukoostoo ja humanitaarabi programm 2021-2024.pdf

I. MOLDOVA'S DEVELOPMENT STRATEGY

The strategy is based on the Moldovan government's national development strategy 'Moldova 2030'³.

The main goals of the strategy are to improve the living standards of the people of Moldova, reduce the emigration of young people from the country, increase the attractiveness of investments, create jobs throughout the country, and promote opportunities for the personal development of young professionals. The 'Moldova 2030' development strategy focuses on the principle of the human life cycle and includes four pillars of sustainable development with ten long-term goals.

1. A sustainable and inclusive economy

- 1.1 Increasing revenues from sustainable sources and reducing economic inequalities
- 1.2 Improving access to physical infrastructure, utilities, and better living conditions
- 1.3 Improving working conditions and reducing the informal workforce
- 2. Reliable human and social capital
 - 2.1 Ensuring quality education for all and promoting lifelong learning
 - 2.2 Ensuring the fundamental right to physical and mental health
 - 2.3 A credible and inclusive social protection system
 - 2.4 Ensuring a work-life balance
- 3. Representative and efficient institutions
 - 3.1 Ensuring effective and inclusive governance and the rule of law
 - 3.2 Promoting a peaceful, safe, and inclusive society

4. Environment

4.1 Ensuring the fundamental right to a healthy and safe environment

In addition to this main document, the following sectoral development strategies of Moldova are primarily related to Estonia's cooperation priorities: 'Moldova's National Action Plan for the Implementation of the AA/DCFTA', 'Rural Services Development Strategy 2012–2022'.

4

³ http://extwprlegs1.fao.org/docs/pdf/mol191490.pdf

The operational programme⁴ for the EU–Moldova European Neighbourhood Policy (ENP) Action Plan and its annual progress reports⁵ are also important for the country strategy for development cooperation.

Moldova is an immediate neighbour to the EU, and helping the country on a path of development bringing it closer to the EU is a long-term strategic goal of both the EU and Estonia. The majority of the Moldovan population, as opinion polls have shown over the years⁶, is overwhelmingly in favour of systemic reforms in the country. Comprehensive reforms are also provided for in the Moldova–European Union Association Agreement and the Deep and Comprehensive Free Trade Agreement (DCFTA). Estonia supports the consensus in the EU that the most effective policy that supports the wishes and interests of the Moldovan people as well as the implementation of bilateral agreements concluded between the EU and Moldova is the principle of strict conditionality in assisting Moldova. Consistent conditionality, based on Moldova's progress in meeting its contractual obligations and carrying out reforms, in particular the reform of the judiciary, will deliver the best long-term results in the context of Moldova's volatile domestic political development. At the same time, conditionality has not and will not preclude a rapid response to new, often unexpected, needs, as demonstrated by the EU's rapid and substantial assistance to Moldova in the context of the COVID-19 pandemic.

II. DEVELOPMENT COOPERATION IN MOLDOVA SO FAR

In support of Moldova's development goals, the main form of Estonian–Moldovan bilateral development cooperation is capacity building projects, which transfer technical expertise based on the experience gained from Estonia's governmental, educational, and administrative reforms.

The Estonian public and private sectors and civic associations have developed sustainable cooperation relations with Moldovan partners. The implementation of the projects has taken

http://extwprlegs1.fao.org/docs/pdf/mol191490.pdf

es/eeas/files/joint_response_moldova_february_2018_0_0.pdf"

https://eeas.europa.eu/sites/eeas/files/joint_response_moldova_february_2018_0_0.pdf

⁵ https://ec.europa.eu/neighbourhood-enlargement/neighbourhood/countries/moldova_en

⁶ https://www.iri.org/country/moldova

into account Moldova's needs, development priorities, and progress. Estonia's opportunities and ability to cooperate with Moldova's project partners on site and other international donors on site have also been decisive. In total, Estonia has supported the development of Moldova with more than 9 million euros, of which more than 5 million euros were contributed in 2014–2020 (see Annex 3).

The priority areas for action have remained broadly the same in the previous country strategies (2014–2015, 2016–2018, 2019–2020), and the focus has been adjusted on the basis of developments. So far, the main focus has been on three priority areas:

- promoting democracy,
- supporting health sector reforms,
- supporting rural development.

Since April 2014, Estonia has had a diplomatic representative in Chisinau as part of the Estonian Embassy in Bucharest and a contact person for development cooperation hired locally. Such a combination ensures the best implementation of the goals of the Estonian development cooperation policy. It is important to coordinate the activities of international donors on site in Moldova, including joint EU programme work with the government.

In terms of Estonian partners, the e-Governance Academy, the Estonian Centre of Eastern Partnership, the Health Insurance Fund, the Peipsi Centre for Transboundary Cooperation, the University of Tartu, Garage48, the Estonian Sexual Health Association, and the Police and Border Guard Board have worked more consistently with Moldova. Cooperation has taken place with other international donors, such as the United Nations Development Programme, the United Nations World Tourism Organisation, and the European Bank for Reconstruction and Development⁷.

 $^{^7\,} UNDP-United\, Nations\, Development\, Programme;\, UNWTO-United\, Nations\, World\, Tourism\, Organization;\, EBRD\, And the Control of Control of$

⁻ European Bank for Reconstruction and Development

The impact of Estonian development cooperation projects can generally be assessed as positive. Worth highlighting are projects that have supported Moldova's health sector, the digital transition, and rural development.

One of the long-term partnerships that effectively combines Moldova's needs and Estonia's experience is the cooperation between the Estonian Health Insurance Fund and the Moldova Health Insurance System, in the course of which the Moldova health insurance system has been built and developed in stages. The cooperation started already in 2013 and the last activities were implemented in 2019. As a result of the project, the structure of the Moldovan health insurance system has been changed; the composition of the medicines commission has been reformed and the transparency of decisions has been increased; the aim is now to finance health services in such a way that there is a clear distinction between primary care and medical care; a well-functioning family physician counselling helpline and a child helpline, which are also used elsewhere in Europe, have been set up; and a process has been launched, as a result of which family physicians will start working in independent practices instead of polyclinics. The aim of the reform is to make family physician care more accessible to people and the distribution of services and staff in the country more optimal.

Of the projects for developing the reliability and security of the digital society, projects of the e-Governance Academy on the implementation of information and cyber security requirements and the reduction of corruption deserve the most mention. The e-Governance Academy has been partnered by the e-Government Centre under the Prime Minister of Moldova, and as a result of successful cooperation, among other things, the National Cyber Security Strategy of Moldova was developed.

Efforts have been made to promote rural development in particular through projects to empower women entrepreneurs and diversify the rural economy. The non-profit association Peipsi Centre for Transboundary Cooperation has helped women in the Calaras region, known for their rich cultural heritage and handicraft traditions, to organise workshops and market products that characterise the region. Within the framework of the project, they have also introduced their products at the largest handicraft event in Estonia, Mardilaat.

In addition to bilateral cooperation, support for destination countries through international organisations and other international donors has also become an important form of cooperation.

For example, in 2019–2020, Estonia has carried out joint cooperation projects with the United Nations Development Programme to improve Moldova's community capacity and preparedness to respond to disasters and to establish rescue and fire-fighting units with modern training and equipment. In the spring of 2020, the Moldovan government was supported, in cooperation with the United Nations Development Programme, to strengthen local capabilities in the fight against COVID-19 in a decentralised manner.

III. STRATEGIC OBJECTIVES OF ESTONIAN DEVELOPMENT COOPERATION IN MOLDOVA IN 2021–2024

In order to reduce the fragmentation of development cooperation, Estonia relies more on longterm sectoral goals in the strategic planning of its activities. The objectives are based on the needs of the partner country, and the activities ensure greater ownership and responsibility of the partner country.

The COVID-19 crisis has increased the global impact of Estonian development cooperation based on Estonia's strong e-governance image. Against the background of the crisis caused by the pandemic, the provision of public services provided through physical contact has come under pressure, and therefore societies with a higher degree of digitisation are more resilient in a situation of restrictions. Developing countries are currently characterised by low implementation of digital solutions in the public sector. Thus, in the new situation, Estonia's unique e-governance competence and digital solutions in the private sector have proved to be especially valuable.

Due to the educational reform carried out in Moldova in recent years and the goal of bringing young people closer to the European value area, it is necessary to pay more attention to the field of education. Estonia has to offer specific added value here based on a good international image in the field of education.

Given Estonia's declining interest and ability to reform Moldova's health sector, support for such projects will be needs-based, based on, among other things, the development of the COVID-19 situation and requests for assistance from the international community.

Thus, in view of Moldova's development needs, Estonia's capabilities, and specific expertise, the sectoral priorities of the country strategy for 2021–2024 are as follows:

STRATEGIC OBJECTIVE 1: DEVELOPING DEMOCRACY AND STRENGTHENING GOOD GOVERNANCE

- activities contributing to the implementation of the EU Association Agreement and the implementation of the reform agenda, including strengthening administrative capacity and strengthening state institutions through e-governance, cyber capabilities, and information and communication technologies (ICT);
- involving civil society in governance and the shaping of reform processes, improving participatory democracy and the capacity to participate in good governance; promoting EU communication;
- combating corruption and promoting the principles of a state governed by the rule of law;
- increasing the capacity of local government;
- media independence and strategic communication;

Activities: exchange of knowledge and experience through projects strengthening and developing the public sector.

<u>Results:</u> the projects support the strengthening of the administrative capacity of the public sector at the local level and important state reforms. The result is more efficient and citizen-friendly public services, compliance with legal provisions, the promotion of media independence, the reduction of corruption, and the further development of the state governed by the rule of law.

STRATEGIC OBJECTIVE 2: SUPPORTING RURAL DEVELOPMENT

- supporting rural development by strengthening the capacity of local governments and promoting community policies;
- supporting small businesses, including the introduction of start-up principles;
- involving women and young people in entrepreneurship;

Activities: exchange of knowledge and experience through regional development and cooperation projects. Entrepreneurship promotion.

Results: the projects contribute to Moldova's regional development by supporting agencies of local governments, civil society organizations, and entrepreneurs. The readiness of local governments to implement new e-services will improve; the capacity of regional civil society organisations to provide advocacy work at the local level will increase; the capacity of regional development organisations to implement development projects will grow. Small enterprises and competitiveness in rural areas will strengthen. More favourable conditions will be created for sustainable growth, improved productivity, wage opportunities, and job creation; more democratic and effective public policies will be pursued at the regional and local level; cooperation between civil society and the public sector will improve; migration of people from rural areas and Moldova will slow down.

STRATEGIC OBJECTIVE 3: PROMOTING MODERN EDUCATION AND LIFELONG LEARNING

- adapting the education system to Moldova's current needs; adapting existing and new curricula to the needs of the labour market;
- promoting lifelong learning;
- adapting the vocational education system to the needs of the labour market, improving the quality of education, and popularising vocational training;
- promoting cooperation between students, teachers, researchers, and educational institutions;
- improving the quality of teaching in general education schools, introducing modern teaching methods;
- better organisation of digital and distance learning.

<u>Activities</u>: exchange of knowledge and experience through practical study projects; adapting the education system to today's needs; exchange of knowledge and experience with Estonian vocational education institutions; promoting lifelong learning; advising on the reform of general education school curricula, and introducing modern teaching methods based on the examples of Estonia.

Results: the projects will support the further training of staff, the improvement of the quality of curricula and teaching materials, and the development of the capacity of Moldovan educators to perform their tasks effectively; the matching of vocational education with the needs of the labour market and job creation increases the popularity of vocational education; and scholarships give participants (students, teachers, researchers, etc.) the opportunity to acquire knowledge and skills in an international learning environment. The result is an improvement in people's skills and knowledge, which has a positive effect on employment and provides better wage prospects.

IV. ACTION PLAN FOR 2021-2024

From this year, Moldova will implement joint EU programme work aimed at coordinating development cooperation between the EU and its Member States, taking into account the development needs of the partner country and national priorities. As a small donor country, such coordination is important for Estonia because it helps make a more meaningful contribution to development cooperation and enables transferring expertise that is specific to Estonia, as well as finding new cooperation projects with other donors. In 2021, the mapping

and programming of EU D4D (Digital for Development) projects will be extended to the Eastern Partnership countries, including Moldova. Estonia is one of the founders of the D4D initiative and actively participates in its work.

In addition, the participation of Estonian public sector institutions and institutions with public sector participation in twinning competitions implemented in Moldova and their involvement in the activities of the Technical Assistance and Information Exchange Program (TAIEX) must be further promoted. Through twinning projects, institutions share their best practices to achieve the transposition and enforcement of certain pieces of EU legislation in specific sectors in the beneficiary country (country of destination). TAIEX offers the country of destination shorter-term cooperation and the sharing of knowledge and experience. With the help of the programme, institutions can organise workshops, expert missions, study visits, and webinars. Both twinning and TAIEX are integral parts of the EU's enlargement strategy.

The following activities are planned for the years 2021–2024:

- Continue to implement the three sectoral strategic objectives mentioned above. Involve
 more innovative solutions of the Estonian private sector in the implementation of
 projects in order to create modern added value and achieve the goals of sustainable
 development faster.
- Actively participate in the joint EU programme work, based on the areas of priority for Estonia.
- Identify, in cooperation with the EU representation, the digital projects to be implemented under the EU Digital for Development (D4D) initiative with EU funding.
- Identify opportunities for cooperation in the education sector, involving other international donors where possible.
- Increase the participation of the Estonian public sector in twinning and TAIEX projects.
- Identify green transition projects in which Estonia could participate.

- Establish and strengthen cooperation with development cooperation organisations in other EU Member States (in particular SIDA, GIZ)⁸, the United States Agency for International Development (USAID), the United Kingdom, and UN specialised agencies (in particular UNDP, UNICEF). Find opportunities for joint projects and thus increase the impact of all development cooperation in the partner country.
- Enhance communication on Estonian and Moldovan development cooperation projects in both Moldova and Estonia. Develop, in cooperation with the embassy, a communication plan and a communication strategy aimed at involving more cooperation partners and journalists in the communication.
- Start testing, as soon as possible, a comprehensive impact assessment system developed in 2021, which will allow a clearer and more accurate assessment of the impact of the implemented projects.

V. BUDGET

The estimated budget volume of development cooperation between Estonia and Moldova in the period 2021–2024 is approximately 3.3 million euros.

The proposed budget is managed by the Ministry of Foreign Affairs. The exact volume and distribution of the budget among the priority areas depends on the funds allocated for development cooperation in the state budget, as well as on the development of cooperation relations between the various cooperation partners of Estonia and Moldova. In addition to these funds, Estonian development cooperation activities in Moldova can be financed from the budgets of other public sector institutions. The indicative multi-annual framework and the distribution of allocations between the three cooperation priorities, as well as microfinance projects for small-scale development projects, are presented in Table 1.

Table 1. Indicative budget of Estonian development cooperation (with Moldova) for 2021–2024 (€)

2021	2022	2023	2024	TOTAL
750,000	800,000	850,000	900,000	3,300,000

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⁸ SIDA – Swedish International Development Cooperation Agency; GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit

The Ministry of Foreign Affairs is responsible for the strategic planning, implementation, monitoring, and coordination of Estonian development cooperation activities. Development cooperation activities are carried out by other ministries and their sub-agencies, other constitutional agencies, local governments, non-profit associations, and companies.

The monitoring, reporting, auditing, and control of progress are carried out in accordance with legislation⁹ and the instructions of the Ministry of Foreign Affairs. Every year, the Minister of Foreign Affairs submits to the Government of the Republic an overview of the fulfilment of priorities in development cooperation and humanitarian aid activities in the previous calendar year. The country strategy is updated under the leadership of the Ministry of Foreign Affairs in cooperation with other ministries, cooperation partners, and non-governmental organisations, taking into account the development of Moldova.

ANNEXES

ANNEX 1. Framework of Estonian-Moldovan relations

Diplomatic relations between the Republic of Estonia and the Republic of Moldova were established in November 1992. Since then, relations have developed steadily, with the conclusion of several intergovernmental bilateral cooperation agreements and memoranda of understanding. In 2006, Moldova opened an embassy in Tallinn. Estonia is represented in Moldova by the Estonian embassy in Bucharest. There has been a diplomat in Chişinău since April 2014. Estonia is also represented by an active honorary consul in Moldova.

Main bilateral agreements between the Republic of Estonia and the Republic of Moldova

Trade and economic cooperation agreement

31

October

1995

⁹ Regulation No. 8 of 21 January 2010 of the Government of the Republic 'Conditions and Procedure for Granting Development and Humanitarian Aid'

13

Agreement on the international carriage of passengers and goods by road	18
	December
	1997
Agreement for the avoidance of double taxation and the prevention of fiscal	21 July
evasion with respect to taxes on income and on capital	1998
Agreement on cooperation in the fight against crime	28
	December
	2000
Agreement on cultural cooperation	21 August
	2008
Cooperation agreement between the Ministry of the Interior of the Republic of	13
Estonia and the Ministry of Local Authorities of the Republic of Moldova	February
	2009
Protocol between the Government of the Republic of Estonia and the	
Government of the Republic of Moldova on the implementation of the	
Agreement between the European Community and the Republic of Moldova on	10 May
the readmission of persons residing without authorisation (Implementing	
	•
Protocol)	2010
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the	2010 16 August
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the	2010
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the	2010 16 August
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the	2010 16 August
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of	2010 16 August
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture	2010 16 August 2010
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture Bilateral cooperation agreement between the Tax and Customs Board of the	2010 16 August 2010
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture Bilateral cooperation agreement between the Tax and Customs Board of the	201016 August201010November
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture Bilateral cooperation agreement between the Tax and Customs Board of the Republic of Estonia and the Tax Inspectorate of the Republic of Moldova	2010 16 August 2010 10 November 2010
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture Bilateral cooperation agreement between the Tax and Customs Board of the Republic of Estonia and the Tax Inspectorate of the Republic of Moldova Cooperation agreement between the Border Guard Department of the Police and	2010 16 August 2010 10 November 2010 21
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture Bilateral cooperation agreement between the Tax and Customs Board of the Republic of Estonia and the Tax Inspectorate of the Republic of Moldova Cooperation agreement between the Border Guard Department of the Police and Border Guard Board of the Republic of Estonia and the Border Police of the Republic of Moldova	2010 16 August 2010 10 November 2010 21 December
Protocol) Memorandum of Understanding between the Ministry of Agriculture of the Republic of Estonia and the Ministry of Agriculture and Food Industry of the Republic of Moldova for research and economic cooperation in the field of agriculture Bilateral cooperation agreement between the Tax and Customs Board of the Republic of Estonia and the Tax Inspectorate of the Republic of Moldova Cooperation agreement between the Border Guard Department of the Police and Border Guard Board of the Republic of Estonia and the Border Police of the	2010 16 August 2010 10 November 2010 21 December

21 April

Agreement between the Government of the Republic of Estonia and the	10
Government of the Republic of Moldova on cooperation in education, culture,	December
youth, and sports	2011
Agreement on cooperation in environmental protection between the Ministry of the Environment of the Republic of Estonia and the Ministry of the Environment of the Republic of Moldova	12 January
Agreement between the Ministry of Social Affairs of the Republic of Estonia	2012
and the Ministry of Health of the Republic of Moldova on health care and medical science	17 July 2014
Social security agreement	

1 August 2012

Cooperation agreement between the Estonian Health Insurance Fund and the 9

Moldovan Health Insurance System November 2012

In addition, a number of bilateral cooperation agreements have been concluded between the agencies.

ANNEX 2. Overview of development trends in Moldova

Moldova is located in Eastern Europe, between Ukraine and Romania. The country, which does not have a sea border, covers an area of 33,843 km² and has a population of about 2.6 million, most of whom (75%) are ethnic Romanians. The smaller ethnic groups are Ukrainians, Russians, Gagauz, Bulgarians, Poles, and Roma. Moldova is linguistically and culturally close to Romania, to which it belonged until the annexation of the USSR in June 1940, resulting from

the MRP¹⁰. Today, 45.6% of the territory of the historic Moldavia is Romania, 31.7% Moldova, and 22.7% Ukraine. Most Moldovans have the right to apply for Romanian citizenship on the basis of the principle of legal succession.

Moldova is one of the poorest countries in the Eastern Partnership: according to the 2018 IMF World Economic Outlook¹¹ database, Moldova's gross domestic product (GDP) per capita is 5,459 US dollars, and it is classified as a lower-middle-income country¹². In the UN Human Development Report, Moldova ranked 107th among the countries in the world ¹³.

Moldova's domestic political instability and frequent changes of government have in the past hampered the realisation of Moldova's development potential and the raising of the very low standard of living on a European scale. The stalemate in many systemic reforms (including legal reforms identified as a priority by the EU) has hampered the positive development of the business environment and the inflow of foreign investment. Low salaries have negatively affected the administrative capacity of the civil service. Emigration has become an increasing problem, especially among young people and highly skilled workers.

The EU supports Moldova in the framework of the Eastern Partnership programme, where Moldova's development was considered a success story until 2015. The EU and Moldova concluded negotiations on the Deep and Comprehensive Free Trade Areas (AA/DCFTA) in June 2013, and the agreement was initialled in Vilnius at the end of November of the same year and signed on 27 June 2014. The Moldovan Parliament ratified the agreement on 2 July. On 1 September 2014, they started implementing the agreement unilaterally. Riigikogu ratified the

¹⁰ Molotov-Ribbentrop Pact

 $^{^{11}\}underline{\text{https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weorept.aspx?sy=2014\&ey=2021\&scsm=1\&ss}\\ \underline{\text{d=1\&sort=country\&ds=.\&br=1\&pr1.x=81\&pr1.y=3\&c=921\&s=NGDP}}\\ \underline{\text{RPCH\%2CPPPGDP\%2CNGDPRPPPPCPCH\&grp=0\&a=}}$

¹² List of countries receiving official development assistance (ODA) from the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)https://www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf

¹³ http://www.hdr.undp.org/en/countries/profiles/MDA

Association Agreement on 4 November 2014. Visa liberalisation with the EU entered into force in 2014.

Like with many other countries that became independent after the collapse of the USSR in 1991, there are still bottlenecks and shortcomings in Moldova's development. The analysis of the international think tank Freedom House presents the development trends of Moldova in several areas concerning democratic governance (on a four-point scale))¹⁴. Corruption issues need to be mentioned separately. According to the 2019 data of the international anti-corruption network Transparency International, Moldova ranks 120th out of 180 countries surveyed in accordance with the corruption index¹⁵. Reducing corruption and stepping up the fight against corruption is one of Moldova's biggest challenges. Although a number of anti-corruption laws have been adopted, their implementation has been difficult.

Another important task for Moldova is to improve the country's economic situation. Both the World Bank and the International Monetary Fund have highlighted in their reports the need to pursue structural reforms to improve the investment climate, increase investment productivity through external assistance and loans (estimated at one third of the GDP), complete the privatisation of larger state-owned enterprises, and improve the quality and efficiency of public services.

Migration also influences development. According to the latest figures from the International Organisation for Migration (IOM)¹⁶, around 800,000 Moldovans live in other countries¹⁷. However, the actual Moldovan diaspora is significantly larger, as the majority of Moldovans living or working in the EU use Romanian passports. The main drivers of migration are economic reasons. Emigration does not only mean the departure of able-bodied people, but also other problems such as human trafficking, family breakdown, and other long-term social and

Source: Freedom House, Moldova Nations in Transit report https://freedomhouse.org/country/moldova/freedom-world/2020

¹⁵ https://www.transparency.org/en/cpi/2019/results/table

¹⁶ International Organization for Migration

¹⁷https://moldova.iom.int/migration-profile-republic-moldova

economic effects. Improving the country's economic situation is the surest way to slow down and stop emigration.

Political dialogue on Transnistria has taken place in the format of a 5 + 2 group comprising Moldova, Transnistria, Ukraine, Russia, and the Organisation for Security and Cooperation in Europe (OSCE), and the EU and the United States. Technical dialogues have been held in 1 + 1 format, which has also led to progress in some areas. Russia is using the situation in Transnistria to influence Moldova. A number of influential Moldovan business communities have run illegal businesses in Transnistria, including smuggling into the EU, which has cost the EU almost 500 million euros since early 2020.

ANNEX 3. Distribution of Estonian support to Moldova in 2014-2020

The contribution of the Ministry of Foreign Affairs since 2006 is over 9 million euros, of which more than 5 million euros allocated in 2014–2020.

Estonia's contribution in 2014–2020 by year (in euros):

	2014	2015	2016	2017	2018	2019	2020
Bilateral	823,962	747,178	934,003	802,987	1,349,025	1,009,668	395,559
Multilateral						21,872 ¹⁸	
Scholarships () ¹⁹	12,100 (3)	17,970 (6)	30,745 (5)	18,666 (7)	21,012 (6)	10,050 (2)	4,000 (1)

ANNEX 4. Development cooperation projects 2016-2020

ac ac	Implementer	Project	Amount
Den ocra			in euros

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¹⁸ OSCF mission

¹⁹ Number of students who studied in Estonia by years

Estonian Lawyers Union	Experiences of Estonian lawyers in ensuring the availability of legal services, including e-law services, to the population	54,591
AS Andmevara	Partial digitisation of the paper archives of the State Archives of the Republic of Moldova, fund F211, and introduction of a search system for the digitised material	90,201
Non-profit association Transparency International Estonia	Improving the anti-corruption capacity of Moldovan non-governmental organisations	28,397
Archimedes Foundation	Development of a training methodology and carrying out training for evaluation experts of the Moldovan National Agency for Quality Assurance in Professional Education (ANACIP)	22,846
Non-profit association Euroopa Küberjulgeoleku Initsiatiiv	A strategic digital society governance exercise, a digital society strategy, and a roadmap for improving the legal framework	87,326
Reaalsüsteemid AS	Strengthening the border guard of the Republic of Moldova to prevent corruption and cross-border crime through special software	60,200
Estonian Lawyers Union	Experiences of Estonian lawyers in ensuring the availability of legal services, including e-law services, to the population	65,731
Peegel ja Partnerid OÜ	Building the media monitoring capacity of the Moldovan central government by supporting reforms and fighting the spread of misinformation and corruption	42,245
Police and Border Guard Board	Capacity building of the Moldovan police and support for the improvement of traffic culture Support	69,574
e-Governance Academy	Educate. Engage. Empower: community platform against corruption in Moldova	175,000
Estonian Academy of Security Sciences	Increasing the response and life-saving capacity of Moldova's rescue services	77,192
e-Governance Academy	Developing the credibility and security of the Moldovan digital society	150,000
Estonian Centre of Eastern Partnership	Introducing democratic governance based on the values and transparent governance of the European	130,000

		Union: application of Estonia's reform experience in empowering Moldovan local governments	
	United Nations Development Programme	Strengthened community-based resilience and preparedness capacities to disasters	100,000
	Tartu University Hospital Foundation	Improving the quality of medical care	49,145
	Estonian Sexual Health Association	Strengthening the capacity of the Moldovan network of youth counselling centres for sexual and reproductive health counselling and sexual education for young people	123,083
	Estonian Health Insurance Fund	Supporting the development of the Moldovan health insurance system	85,750
v	University of Tartu	Cooperation between Estonia and Moldova for the modernisation of the specialty of rehabilitation and sports medicine	10,900
form	MTÜ ProDia	Development of prevention in health care	43,779
pporting health care sector reforms	Praxis Centre for Policy Studies Foundation	Piloting and implementation plan of an e- consultation supporting Moldovan family physicians	100,167
nealth ca	Estonian Sexual Health Association	Raising awareness of sexual violence and changing harmful attitudes in Moldova	149,113
Supporting h	University of Tartu	Cooperation between Estonia and Moldova to improve the quality of rehabilitation and sports medicine health care services in accordance with European standards: follow-up project	28,025
	Estonian Health Insurance Fund	Supporting and developing Moldova's health insurance system	96,648
	Estonian Sexual Health Association	Improving access to sex education through the development and implementation of a multifunctional online platform-based training in Moldova	143,412
	Tartu University Hospital Foundation	Improving the quality of health care in Moldova	169,658
	United Nations Development Programme	Supporting General Inspectorate for Emergency Situations in COVID-19 Response	50,000

		University of Tartu	Cooperation between Estonia and Moldova for the modernisation of coaches' vocational training	14,500
		University of Tartu	Increasing the competitiveness of rural tourism in Moldova through service design and co-creation methods	32,949
		Tartu County Development Association	Introduction and implementation of community-led local development principles in Moldova	49,335
		Estonian University of Life Sciences	Textbook series for rural entrepreneurs in Moldova: booklet I 'Analysis of economics and economic activity performance' and booklet II 'Diversification of rural business'	56,973
		Valga County government	Promoting entrepreneurship to support rural development	37,070
g	support for entrepreneurship	Civitta Eesti AS	Creation of the first accelerator programme in Moldova and development of the startup environment	102,856
ment an		Eassalu-Neitsi Külaselts	Craft connects and creates jobs (Käsitöö ühendab ja annab tööd)	17,762
Rural development and		MTÜ BPW Estonia	Ensuring equal opportunities for Moldovan women in working life	56,963
Rural		Garage48 Foundation	Organising Garage48 development weekends in Moldova to increase the activity of young people in the startup community	44,280
		University of Tartu	Involving women and young people in rural entrepreneurship by developing their skills and knowledge in the field of hospitality and event tourism product design	42,894
		Creativity Lab OÜ	Youth entrepreneurship development programme DESIGN_YOUR_BUSINESS in Moldova	76,230
		Estonian University of Life Sciences	Textbook series for female entrepreneurs and young people in rural Moldova — III textbook 'Product Development and Marketing'	48,955
		Non-profit association Peipsi Centre for Transboundary Cooperation	Development of women's entrepreneurship and crafts in the Calaras region	34,602

OÜ Snille	Introduction and implementation of EU food safety requirements and principles in the Moldovan dairy	52,430
Garage48 Foundation	Organisation of Garage48 development weekend and YEP!Moldova incubation programme for the popularisation of entrepreneurship among Moldovan youth	58,695
Valga County Development Agency Foundation	Diversifying the rural economy in the Nisporen district and increasing the role of women in business	39,145
Tartu County Development Association	Rural development in Moldova using the LEADER/CLLD approach	205,905
Estonian Women's Studies and Resource Centre	Estonian–Moldovan cooperation platform for female rural entrepreneurs	28,025
Garage48 Foundation	Building a local mentoring community in Moldova and promoting entrepreneurship among Moldovan youth with Garage48 and the Moldovan Yep!	52,262
Non-profit association Peipsi Centre for Transboundary Cooperation	Protection and restoration of the biodiversity of the La Nihalcea water system and increasing the potential of ecotourism	22,400