



<b>1. CAS/CPS Data</b>		
Country: <b>Moldova</b>		
CAS/CPS Year: FY14	CAS/CPS Period: FY14 – FY17	
CLR Period: FY14 – FY17	Date of this review: July 14, 2017	
<b>2. Ratings</b>		
	<b>CLR Rating</b>	<b>IEG Rating</b>
<b>Development Outcome:</b>	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
<b>WBG Performance:</b>	<i>Good</i>	<i>Fair</i>
<b>3. Executive Summary</b>		
<p>i. Moldova is a small, lower-middle income economy with a GNI per capita of \$2,240 in 2015 (a decline from 2014). In 2015, the economy suffered from an adverse external environment, a summer drought, and a banking crisis, but IMF reports that the economy expanded by 4.1 percent in 2016. After 1999, the country has had a high economic growth and significant progress in reducing poverty and boosting shared prosperity, with 4.8 percent growth in consumption among the bottom 40 percent in 2009-14, compared with 1.3 percent for the entire population. The 2016 Systematic Country Diagnostic (SCD) notes that the national poverty rate shrank from 26 percent in 2007 to 11 percent in 2014. The poverty reduction in Moldova has been driven largely by remittances and pensions. The country ranked 107 out of 188 countries on the 2015 Human Development Index, representing a very modest improvement from 2010. Moldova’s ranking on the Worldwide Governance Indicators (WGI) declined significantly on Control of Corruption (from around 29 in 2011 to 17 in 2015).</p> <p>ii. At the time of the Country Partnership Strategy (CPS) preparation, the country’s longer term development priorities were laid out in the National Development Strategy (NDS) Moldova 2020 that set seven strategic priorities: justice and fight against corruption, tertiary education, social insurance and pensions, business environment, road infrastructure, accessible and inexpensive finance, and energy efficiency. The NDS was being implemented through a consolidated action plan that outlined two major objectives: improving citizens’ living standards, and European integration.</p> <p>iii. The WBG’s CPS through its three focus areas (increasing competitiveness, enhancing human capital and minimizing social risks, and promoting a green, clean and resilient Moldova) and two cross-cutting themes (governance and gender, with the former reflected separately in the results framework) and seven objectives corresponded well to the government’s development objectives, although some aspects of the WBG program (education and environment) went beyond the government’s stated key strategic priorities. The political instability between 2013 and 2015, including three periods without a government, created operational delays, although the various governments did not seem to have sharply different development policy objectives. At the Performance Learning Review (PLR) stage (done in 2016, a little more than one year before the end of the CPS period), there were a number of adjustments to the CPS program including</p>		
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consolidation of the lending pipeline and reduction in the allocation for Development Policy Operations (DPOs) in response to heightened governance and corruption challenges, and modifications on the results framework.

iv. The CPS program expected 11 new lending operations (IDA and IBRD) FY14-17, with an annual Development Policy Financing (DPF) as the centerpiece for addressing policy issues, supplemented by Investment Policy Financings (IPFs). The significant number of planned Analytical and Advisory Activities (AAA) would address important areas and would complement lending activities. The actual lending program was smaller than expected (\$340.5 million compared to an expected \$450 million). IBRD provided \$131.5 million (38.6 percent) and IDA \$209 million (61.4 percent). Two of the operations were DPFs, approved two years apart, rather than the planned annual approvals. The political uncertainties in Moldova and the impact of a major commercial bank corruption issue starting in FY14 were behind the delays for new operations. The Bank's administrative budget constraints also necessitated the dropping of some planned projects in the PLR. The CPS envisaged an annual IFC investment amount of \$30 million for the period. In reality, IFC made only a single investment during the CPS period (in FY15) with a total net commitment of \$10 million. This low level of activity was due primarily to the difficult business environment resulting from political instability and concerns over governance and transparency issues, including in the financial sector. As of March 2017, MIGA had provided two guarantees during the CPS period for a total gross exposure of US\$14.4 million with its financial sector clients.

v. On balance, the overall development outcome rating was **Moderately Unsatisfactory**. Two focus areas, including the cross-cutting Governance theme were Moderately Satisfactory, one was Moderately Unsatisfactory and one was Unsatisfactory. Of the seven objectives, two were Mostly Achieved whereas the other five were Partially Achieved. There were two cross-cutting themes. Governance was addressed in the results framework through a number of indicators, but without specific objectives. The nominal achievement of these indicators may not necessarily translate into actual contribution to the CPS objectives. Gender was the other theme, without a separate section in the results framework, which includes just a few scattered gender-sensitive indicators, probably of modest usefulness.

vi. Overall, IEG rates the WBG performance as **Fair**. The program as designed addressed important areas for Moldova's development, with an appropriate combination of lending and knowledge activities. However, the program design of four annual DPFs with new operations envisaged to be in the form of PforR can be considered overly ambitious given the high risks flagged at the time of the CPS, including a volatile political situation, reform slowdown from state capture, fiduciary risks and capacity risks in the public sector and with private contractors. The Bank demonstrated flexibility under these circumstances in adjusting the program to focus more on IPFs. The program was broad, but with reasonable selectivity at the level of focus areas and objectives. There was, however, limited selectivity at the level of outcomes and indicators as the results framework was excessively detailed and with several instances of weak logic between objectives and the underpinning outcomes and indicators. The inclusion of the cross-cutting governance theme in the results framework was appropriate, but its usefulness was reduced by the absence of one or more objectives. The WBG program in Moldova remained relevant in relation to the country context, as reflected in the 2016 Systematic Country Diagnostic (SCD) for the country.

vii. The PLR came late in the CPS period (a little more than a year before program closing). While there were a number of specific adjustments to the program, including consolidation of the lending pipeline and reduction in the allocation for DPOs, and modifications on the results framework, the changes were within the already established framework. There was synergy between the Bank and IFC, albeit the expected IFC contributions did not fully materialize. The PLR and the CLR indicated that the Bank provided leadership and collaborated well with other development partners, particularly the IMF and EU institutions. At the PLR stage, the number of outcome indicators further increased to 33 outcomes and 56 indicators, notwithstanding the scaling back of the lending volume and implementation challenges due to political uncertainty.



Moldova's portfolio at closing did not fare well with respect to its comparators. The CLR reports a generally good compliance with safeguards and a satisfactory Bank fiduciary oversight.

viii. The CLR identifies as a key lesson that political stability and governance challenges slow the pace of reform and that frequent personnel changes affect portfolio performance. The CLR also provides a number of more project and/or sector specific lessons, of which IEG would like to mention the following: (a) A concern with the widening gap – shown in particular from IFC's investment climate work – between reform legislation and reform implementation; (b) That WBG procurement procedures were a critical safeguard against attempts to interfere in tenders, implying that such fiduciary controls should continue to be used as public procurement reforms proceed; (c) Development partner coordination for budget support is essential for effective influence on key governance issues (although the basis for this conclusion is not fully clear from the CLR); and (d) That risks to implementation are amplified when a large share of a relatively small country portfolio and pipeline is policy-and/or program-for-results-based lending when there is a weaker institutional capacity exacerbated by frequent staff turnover and deficient monitoring and fiduciary systems.

ix. IEG draws two main lessons from this review: First, that caution is called for in moving rapidly to focus on budget support and results based operations under circumstances where there is concern about the quality of systems and controls in financial management and procurement. In the case of Moldova, the program was planned around annual budget support operations of which only two materialized, because of domestic issues of corruption and financial management. Second, that results frameworks would need to be designed with outcome indicators that clearly measure the achievement of the stated objectives, taking into account country context and WBG interventions. In the case of Moldova, the number of indicators was clearly excessive, with several instances of indicators not being well linked with the objectives. This also made difficult effective portfolio management and monitoring and ex-post assessments.

#### 4. Strategic Focus

##### Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Moldova is a small, lower-middle income economy with a GNI per capita of \$2,240 in 2015 (a decline from 2014). In 2015, the economy suffered from an adverse external environment, a summer drought, and a banking crisis, but IMF reports that the economy expanded by 4.1 percent in 2016 and that unemployment remains low (4.2 percent) reflecting low and declining labor force participation and increasing labor migration. After 1999, the country has had high economic growth and significant progress in reducing poverty and boosting shared prosperity, with 4.8 percent growth in consumption among the bottom 40 percent in 2009-14, compared with 1.3 percent for the entire population. The 2016 Systematic Country Diagnostic (SCD) notes that the national poverty rate shrank from 26 percent in 2007 to 11 percent in 2014. The poverty reduction has been driven largely by remittances and pensions. Moldova ranked 107 out of 188 countries on the 2015 Human Development Index, representing a very modest improvement from 2010. Moldova's ranking on the Worldwide Governance Indicators declined significantly on Control of Corruption (from around 29 in 2011 to 17 in 2015).

2. At the time of the CPS preparation, the country's longer term development priorities were laid out in the National Development Strategy (NDS, Moldova 2020), a document that had benefited from broad public debate and that had been adopted as national law. This set seven strategic priorities: justice and fight against corruption, tertiary education, social insurance and pensions, business environment, road infrastructure, accessible and inexpensive finance, and energy efficiency. These priorities did not address poverty directly, nor the droughts coming at increasing frequency. The NDS was being implemented through a consolidated action plan that outlined two major objectives: improving citizens' living standards, and European integration. The WBG's CPS had three focus areas (increasing competitiveness, enhancing human capital and minimizing social risks, and promoting a green, clean and resilient Moldova) with a cross-cutting governance theme with its own indicators. (Gender was also a cross-cutting theme, but without a specific section in the results framework.) This program corresponded well to the government's development objectives, although



some aspects of the WBG program (education and environment) went beyond the government's strategic priorities. The marked political instability between 2013 and 2015, including three periods without a government created operational delays, but it does not seem that the various governments had sharply different development policy objectives.

3. The WBG program was also relevant in relation to country context. While the recent growth had reduced poverty, and promoted shared prosperity, and Moldova had progressed with its economic and political transition, many problems remained. This is a small and open economy with a weak drive for innovation. There had been progress in formal reforms for improved governance, but past enforcement had often been weak. Much remained to be done regarding the business environment, financial intermediation was underdeveloped, agriculture remained a mainstay of the economy but was subject to periodic droughts and was vulnerable to the impact of climate change, the education sector suffered from efficiency challenges, and businesses complained of difficulties in finding skilled workers. The country's extensive social protection system suffered due to inefficiencies and demographic changes – a declining and aging population with large out-migration. The CPS program tried to address all these issues at least to some extent.

4. The above issues remain important for Moldova's future development. Thus, the 2016 Systematic Country Diagnostic (SCD) identified three top priorities for Moldova in order to create jobs and build up and protect the stock of assets of people, with the ultimate goal of reducing poverty and boosting shared prosperity in a sustainable manner: strengthening the rule of law and the accountability of institutions; improving the efficiency of and equity in service delivery; and increasing the quality, equity, and relevance of education and training. The SCD also identified three supporting priorities: reforming the social protection system, particularly pensions; improving the business regulatory framework; and ensuring sound macroeconomic and fiscal management. These six priorities correspond to objectives and activities under this CPS. It should be noted that the SCD finds that Moldova's political and economic development continues to be hampered by high-level systemic corruption, which is by far the biggest obstacle reported by firms, at 24 percent, an indicator that has deteriorated appreciably since 2009.

5. **Relevance of Design.** Overall, the program covered a broad range of objectives that addressed important priorities for the country. Within the focus areas there were seven appropriate objectives (of reasonable clarity and alignment with expected interventions). At the CPS stage, the centerpiece of the lending program was an annual Development Policy Financing (DPF) for addressing various policy issues. The significant number of planned Analytical and Advisory Activities (AAA) could be expected to support and complement well the planned lending operations. The planned dependence on DPFs turned out to be risky, given the country's political instability and its well-known governance and corruption issues. However, the link between the program objectives and the program interventions was weak due to a very complex results framework, which had a large number of outcomes and indicators that do not measure well the program objectives. In the case of the governance cross-cutting theme, there were 13 indicators with no objective to provide the organizing framework for the indicators. At the PLR stage, a little more than just one year prior to the close of the CPS period, some changes were introduced, such as the reformulation of some objectives and modification of the results framework. In substance, the program's focus areas and objectives remained unchanged. The link between objectives and interventions was even weaker by the introduction of more outcome indicators without a corresponding change in lending, which at that time was already scaled back.

#### Selectivity

6. The three focus areas and two cross-cutting themes, and seven program objectives were appropriate given limited WBG lending. The planned lending and AAA programs covered a broad range of important topics, and the objectives were reasonably selective. However, selectivity was not well maintained in the choice of outcomes and indicators. In the original CPS results framework, there were a total of 30 outcomes with associated 52 indicators and targets, and these numbers increased even further at the PLR, to 33 outcomes and 56 indicators. This made for a far too detailed results framework, with a clearly excessive number of indicators, of which some were not



even relevant to measure the program objectives and in effect did not reflect any sense of prioritization. The excessive number of outcomes and indicators made it difficult to monitor and assess program achievements.

#### Alignment

7. The WBG program was well aligned with the twin goals as these are applicable in the Moldovan context, and was also consistent with the priorities now identified in the SCD. The CPS program addressed important issues for Moldova's development and for inclusive growth. One possible question could however be whether there was enough attention provided to rural areas. The SCD points out that poverty in Moldova remains a rural phenomenon, with large remaining spatial disparities. The CPS program had one objective for increased competitiveness in agriculture, and this suggests that more attention is required for the rural areas in order to address poverty more effectively.

### **5. Development Outcome**

#### Overview of Achievement by Objective:

8. Following the shared approach, the assessment of the development outcome is based on the updated results framework at the PLR stage, with the following changes of nomenclature: Focus areas rather than pillars, and below the level of objectives are outcomes with indicators (with targets).

#### **Focus Area 1: Improving Competitiveness**

9. **Objective 1: Improved business environment and access to finance for business operation.** This objective, with six outcomes, was supported primarily by the Second Competitiveness project, the IFC Investment Climate Reform project, Strengthening Auditing and Reporting in Countries of Eastern Partnership, FSAP Update, Trade Study, and IFC advice on financial sector regulation.

10. Outcomes: (i) Customs procedures streamlined and made more transparent. *Achieved.* Number of days to prepare export documents reduced from 20 to two, against a target of 16 days. (ii) Regulatory burden on enterprises decreased. *Partially Achieved.* One target was achieved (time spent by managers on regulatory compliance declined to 7.9 percent, compared to the target of eight percent, from the baseline of 10 percent in 2012), one was not achieved (implementation of risk-based inspection methodologies), and one was partially achieved (reduced number of permits and licenses – 110 permits were eliminated but 306 permits remain and are yet to be reviewed and submitted to government and parliament in 2017, against a target of 238). (iii) Increase in business development services to small and medium enterprises (SMEs) with WBG support. *Partially Achieved.* A total of 107 services extended (matching grants and other business development services) against a target of 240. (iv) Improved private enterprises' access to formal sources of finance. *Not Achieved.* The target was for a 15 percent increase in private sector credit as share of GDP (2017 compared to 2013); instead, by end September 2016 the share had dropped marginally (albeit recovering after a large drop in 2015). (v) Capital market continue to be strengthened to facilitate increased access to finance. *Mostly Achieved.* There were four indicators under this outcome. Government bonds listed on the stock exchange was not achieved since trading of government bonds await a fully functional Centralized Securities Depository. Number of known insolvent banks subject to regulatory forbearance was achieved – this number was reduced to zero as targeted – the three identified banks have been placed in liquidation. Number of at-risk banks subject to special diagnostic audits a/o restructuring was achieved – three banks underwent such audits and the implementation of their restructuring plans has been initiated. Better legal framework for timely intervention in distressed banks has been achieved – appropriate legal amendments were passed in 2016. (vi) Greater alignment of corporate financial reporting legislation and practice with EU acquis. *Partially Achieved.* There was progress made in aligning legislation and practice with the *acquis*, but more time is needed to finalize and approve laws. There were four indicators under this outcome: Percent of public interest entities publishing IFRS-based financial systems was partially



achieved since not all are publicly available through public registry at the end of the CPS period. Provisions of an EU directive transposed into draft auditing law and submitted to Parliament – this was mostly achieved since the main provisions of the directive are reflected in the draft auditing law. Provisions of another EU directive likewise transposed and submitted to Parliament – also mostly achieved with the same status. Public registry of financial statements to be fully operational – this was partially achieved as implementation has been delayed. With two process indicators mostly achieved and two targets for results partially achieved, the outcome was partially achieved.

11. Overall, with one indicator *Achieved*, one *Mostly Achieved*, three *Partially Achieved* and one *Not Achieved*, Objective 1 was *Partially Achieved*.

12. **Objective 2: Improved Competitiveness in Agriculture.** This objective had three outcome indicators with associated targets. It was supported primarily by the Agriculture Competitiveness project, the DCFTA Preparation Support in Agriculture TA, and IFC projects.

13. Outcomes: (i) Enhanced competitiveness of agro-food sector by supporting modernization of food safety management system. *Mostly Achieved.* The target was for the completion of 100 percent of targeted food safety actions, against which 90 percent have been completed. (ii) Increased market access for farmers. *Partially Achieved.* The indicator aimed for a 50 percent increase in the sales of high value crops. While comparable figures are not available, the actual increase seems to have been considerably lower. (iii) Stabilized output of apples, plums and grapes among beneficiaries of compensatory grants. *Mostly Achieved.* Progress is not reported in relation to the stabilized output, but the final outcome appears likely to be positive based on a reported value of 90 percent by December 2015.

14. Overall, with two indicators *Mostly Achieved* and one indicator *Partially Achieved*, Objective 2 was *Mostly Achieved*.

15. For Focus Area 1 one objective was *Partially Achieved* and one objective *Mostly Achieved*. Overall, Focus Area 1 was **Moderately Satisfactory**. With both its investments and advisory service (AS), IFC contributed to this Focus Area. Thus, IFC's investment climate reform project contributed toward three indicators of customs procedures streamlined and made more transparent; regulatory burden on enterprises decreased; and improved private enterprises' access to formal sources of finance.

## **Focus Area 2: Enhancing Human Capital and Minimizing Social Risks**

16. **Objective 3: Improved quality of and access to health and education services.** The objective had four outcome indicators with associated targets. It was supported primarily by the Education Reform project, the Quality Education in Rural Areas project, the Health Transformation project, and the Local Roads Improvement project.

17. Outcomes: (i) Strengthened quality of education. *Mostly Achieved.* One indicator was to implement quality assurance standards for 70 percent of hub schools. This was not achieved as the indicator was dropped from the related project at restructuring (and there is no progress on the substituted project indicator for total receiving schools that meet infrastructure requirements under national quality assurance standards). Another indicator was for revised student assessment tests to be administered, including disaggregation of results by socio-economic background. This was achieved. (ii) Improved efficiency of the education sector. *Achieved.* The two indicators under this outcome were both achieved: Implementation of per-capita financing nationwide, and increased student-teacher ratio from 10.85:1 (2011/12) to 11.50:1 (2015/16) – the ratio has now reached 11.89:1. (The need to increase this ratio on efficiency grounds was related to a sharp drop in the number of students in Moldovan schools). While these indicators do not directly measure the actual quality of education, they contribute to the quality of learning outcomes as reflected in the PISA indicators for Moldova in 2015. (iii) Improved access to quality healthcare. *Not Achieved.* There were four indicators under this outcome: (a) Increased coverage of population with mandatory health insurance. This was achieved at 85.9 percent, slightly above the 85 percent target. (The target had also stated as being composed of 44 percent male and 56 percent female, which corresponds to the



actuals as of December 2015.) (b) Reduced out-of-pocket payments as share of total health expenditure. The target of a reduction to 35 percent was not achieved – instead, the percentage increased above the baseline of 45 percent, based on data from a health module produced under the Health Transformation project. The CLR reports that neither indicators (a) and (b) were the result of WBG interventions. (c) Number of family doctor visits per person to increase from 2.9 to 3.2 per annum. This was not achieved and the ratio seems to have dropped below the baseline in 2016. (d) Annual acute care hospital discharges per 100 persons to drop from 17.6 to 16.0. This target was achieved at 15.1 in 2016. (iv) Improved physical access to rural education and health services. *Not Achieved*. There were two indicators under this outcome, both to be supported by the Local Roads Improvement project, which only became effective in August 2016 and hence no progress is as yet reported in the ISR.

18. Overall, with one outcome indicator *Achieved*, one *Mostly Achieved* and two *Not Achieved*, Objective 3 was *Partially Achieved*. It should be noted that several of these indicators do not measure the two dimensions of the program objective: quality and access of health or education services.

19. **Objective 4: Fiscally sustainable and equitable pension and social assistance systems.** This objective, with two outcome indicators, was primarily supported by Programmatic Human Development TA, Pension Reform Advocacy TA, and the Strengthening the Effectiveness of the Social Safety Net results-based financing.

20. Outcomes: (i) Fiscally sustainable pension system. *Not Achieved*. One indicator target was to reduce pension spending below 8 percent of GDP. This was not achieved since pension spending has remained above 8 percent. The other indicator was to improve pension system fairness by maximizing replacement rates within budget envelope. This was not achieved since pension top-ups were introduced in 2013 and did not improve the replacement rates that remained below the baseline number. The lack of sustainable progress on the pension system is unfortunate given the growing pressures on the system from Moldova's demographic development with a rapidly aging population. (ii) Improved equity of social assistance. *Partially Achieved*. There were two indicator targets: (a) The share of population in the poorest quintile receiving Ajutor Social benefits to increase from 14.9 percent to 20 percent. This was partially achieved at 17.6 percent. (b) Spending on consolidated categorical benefits should be reduced by 20 percent from 2012. This was partially achieved with a reduction of 11 percent.

21. Overall, with one outcome (fiscally sustainable) *Not Achieved* and one *Partially Achieved*, Objective 4 was *Partially Achieved*.

22. For Focus Area 2 both objectives were *Partially Achieved*. Overall, Focus Area 2 was **Unsatisfactory**.

### **Focus Area 3: Promoting a Green, Clean and Resilient Moldova**

23. **Objective 5: Greater adaptation and resilience to climate change.** This objective, with one outcome measure (with three indicators) was supported primarily by the Disaster and Risk management project and its additional financing, while the GFDDR – Moldova Disaster and Climate Risk Management Capacity Building - supported the State Hydro-meteorological Agency.

24. Outcome (i): Strengthened State Hydro-met ability to forecast severe weather and country's improved capacity to prepare for and respond to natural disasters. *Mostly Achieved*. There were three indicators: (a) Issuing more accurate and specific forecasts of weather conditions. This was achieved – the scale of forecasting weather conditions has been reduced from 5,000 km<sup>2</sup> to 300 km<sup>2</sup> as targeted. (b) Longer lead time for weather warnings to users. This was partially achieved with the lead-time of weather warnings to users having been expanded to between three and six hours against a target of 12 hours. (c) Strengthened capacity to coordinate emergency responses has been achieved including with a fully operational emergency command center.



25. The objective had two dimensions: greater adaptation and resilience to climate change. However, the indicators deal with forecasting and ability to respond to natural disasters and have therefore not much to do with adaptation and resilience to the longer - term challenges from climate change. In other words, the indicators, while mostly achieved, do not provide sufficient evidence that the objective of adaptation and resilience has been achieved. At best, this objective is *Partially Achieved*.

26. **Objective 6: Improved natural resources management.** This objective, with two outcome indicators, was supported primarily by the Soil Conservation project, the Community Forestry project, the Forest Law and Enforcement and Governance II program (financed by the Bank and the EU, among others), and the Agriculture Competitiveness project.

27. Outcomes: (i) Sequestration of 0.8 million tons of CO2 through forestation of degraded lands. *Achieved*. Total sequestration is estimated at 1.2 million tons. (ii) Enhanced competitiveness of agro-food sector by mainstreaming agro-environmental and sustainable land management practices. *Mostly Achieved*. One target was achieved – increase in on-farm area benefiting from sustainable land management practices (target: 10,000 hectares; achieved: 34,000 hectares). The other target was mostly achieved – increase in area protected by rehabilitated anti-erosion shelter-belts; target was 50,000 hectares and achievement by December 2016 was 45,100 hectares.

28. With one indicator *Achieved* and one *Mostly Achieved*, Objective 6 was *Mostly Achieved*.

29. **Objective 7: Increased energy efficiency and security.** This objective, with three outcome indicators, was supported primarily by the District Heating Improvement project, the Energy Efficiency Transformation in District heating TA and the Electric Power Market Options study.

30. Outcomes: (i) Decreased energy costs, increased quality, and improved affordability of Chisinau heat supply (Through implementation of building metering and temperature controls, with incentives for customers to decrease energy use). *Mostly Achieved*. One target was partially achieved – the number of people with access to more energy-efficient cooking and/or heat generating facilities went up from 27,000 to 45,000 against a target of 63,000. The target was supposed to be 50 percent female but the ISR does not report gender data and presumably the gender distribution of beneficiaries would in any case be determined by population distribution in benefiting areas. The other target was achieved – actual fuel savings reported in November 2016 were 52,759 GCal, as targeted. (ii) District heating company debt restructured by 2017 to improve creditworthiness. *Not Achieved*. There was progress in debt restructuring in 2016 that was submitted to the majority shareholder (Gazprom) which has not yet approved. (iii) Options for diversification of electricity supply identified. *Achieved*. The Bank carried out such a study (and may finance the selected interconnection in FY18).

31. With one indicator *Mostly Achieved*, one indicator *Not Achieved*, and one indicator *Achieved*, Objective 7 was *Partially Achieved*. However, these are process indicators that do not directly measure the achievement of the stated program objective. In sum, there is no evidence on the security dimension of the objective and limited evidence on the efficiency dimension.

32. For Focus Area 3 one objective was *Mostly Achieved* and two were *Partially Achieved*. Overall, Focus Area 3 was **Moderately Unsatisfactory**.

#### **Cross-Cutting Area: Cross-Cutting Theme: Governance**

33. The cross-cutting governance area had 13 indicators. It was useful to have a separate set of indicators for this cross-cutting theme, but it would have been preferable also to have one or more stated objectives to provide the organizing framework and basis for the selection of indicators. The number of indicators was excessive, and many of these indicators were also process-related and/or based directly on project activities, with little program additionality. The theme was supported primarily by the Central Public Administration reform project, the Tax Administration Modernization project, a DFID Good Governance TF and the Governance Reform Scorecard, Advice on Strengthening Public Investment management, the Governance E-Transformation project, and



various other pieces of TA. (There was also a cross-cutting gender theme that was not reflected in the results framework apart from a few gender-sensitive indicators. The purpose of this theme was not clear given – as per the CLR – that gender equality in Moldova is high by global and regional standards and that the country had also progressed substantially in terms of legislation. The CLR also noted that for the CPS period there was increasing gender analysis and monitoring, with about 80 percent of the portfolio considered gender-informed, but that it still faces challenges in terms of making a transformational impact on key gender equality issues.)

34. Indicators: (i) Professionalization of public service through implementation of position of state secretaries. *Mostly Achieved*. Most ministries are now managed by non-political, professional state secretaries (target was for all ministries and central agencies to be so managed). Professional development programs should also be approved and in place, these have been created but the relevant ICR does not report on the number of secretaries that have adopted it. (ii) Improved legislative framework for tax administration. *Partially Achieved*. Working groups have been established. But the revision of the tax code has not yet been carried out. (iii) Strengthened capacity for monitoring implementation of governance reform. *Partially Achieved*. An initial governance scorecard was to be publicly available on-line by April 2017. This publication is reportedly now planned for June 2017. (iv) Government monitors public investment as means of improving strategic decision-making and resource allocation. *Partially Achieved*. A public investment monitoring methodology has been developed, but not yet implemented. (v) Improved accountability of Executive for public investment through access to information. *Partially Achieved*. The target was for program evaluation mechanism to be developed and used, whereas a government resolution has been approved, but implementation is slow and incomplete. (vi) Improved capacity for audit oversight of public expenditure. *Achieved*. Under the target minimum three projects should use national auditing procedures meeting set criteria – this has taken place and the quality of the audits has been satisfactory. (vii) Improved Treasury system business processes through the real-time processing of payment orders. *Achieved*. Payments can now be processed electronically although there have been problems with the full delivery of the new system. (viii) Improved functionality and uptake of electronic procurement system. *Partially Achieved*. Upgraded e-procurement software was rolled out as programmed, but some important functionalities were lacking. (ix) Improved social accountability environment through opening of government data and opportunities and capacity building for broad citizen engagement in service delivery and public expenditure management processes. *Achieved*. Thus, as reported in the CLR, at the closing of the Governance E-Transformation project 937 government data sets were publicly available through the Open Data Portal. (x) More participation in decision-making processes and enhanced quality of public debate. *Mostly Achieved*. Sixty communities (against a target of forty) participating in the GPSA project applied social accountability tools in secondary education, and there were more than a million visits to the government services portal. While this exceeded the project target, the PLR target of 1.45 million was not achieved. (xi) Increased uptake of government e-services, including by females. *Achieved*. The Governance E-Transformation project reached (2016) 617,354 beneficiaries, double the target of 300,000, with 52 percent female beneficiaries (target of 50 percent). (xii) Increased favorable citizen perception of quality of public services. *Achieved*. More than the targeted 60 percent express satisfaction. (xiii) Improved interaction and strengthened understanding of development challenges between representatives of both banks of Nistru river. *Mostly Achieved*. This concerns confidence-building between Moldova and Transnistria – a worthwhile objective that could well have been handled outside of the country program results matrix. The Knowledge Building Program for Confidence Building between Moldova and Transnistria has suffered from slow project implementation, with only one of four pilot sub-projects completed by end of 2015, and it is unlikely, based on information from the country team, that the WBG will be able to achieve these subprojects.

35. For this cross-cutting area five indicators were Achieved, three Mostly Achieved, and five Partially Achieved. Overall, the theme was *Moderately Satisfactory*. However, without an explicit objective it is unclear what nominal achievement of governance indicators means within the broader



context of Bank strategy and country conditions. Therefore, nominal achievement may not necessarily translate into actual contribution to the CPS objectives.

Overall Assessment and Rating

36. In sum, two of the program objectives were *Mostly Achieved* and five were *Partially Achieved*. In addition, the cross-cutting governance theme did not have any objectives (only a large number of indicators and targets). On balance, the overall development outcome rating was **Moderately Unsatisfactory**. Focus Area I (Improving Competitiveness) was Moderately Satisfactory, while Focus Area III (Promoting a Green, Clean and Resilient Moldova) was Moderately Unsatisfactory and Focus Area II (Enhancing Human Capital and Minimizing Social Risks) was Unsatisfactory. Of the seven objectives two were Mostly Achieved (Improved Competitiveness of Agriculture and Improved Natural Resources Management) whereas the other five were Partially Achieved. There were two cross-cutting themes. Governance was addressed in the results framework through a number of indicators, but without specific objectives. The nominal achievement of these indicators may not necessarily translate into actual contribution to the CPS objectives. Gender was the other theme, without a separate section in the results framework, which includes just a few scattered gender-sensitive indicators, probably of modest usefulness. (For instance, a measurement of female beneficiaries among a target of 63,000 people with access to more energy-efficient cooking and/or heat-generating facilities may well be dependent on population distribution around such investments.) However, the CLR states that the design of two-thirds of 15 projects active during FY14-17 incorporated some form of gender analysis.

Objectives	CLR Rating	IEG Rating
<b>Focus Area I: Improving Competitiveness</b>	<b>Moderately Satisfactory</b>	<b>Moderately Satisfactory</b>
<i>Objective 1: Improved business environment and access to finance for business operation</i>		<i>Partially Achieved</i>
<i>Objective 2: Improved competitiveness in agriculture</i>		<i>Mostly Achieved</i>
<b>Focus Area II: Enhancing Human Capital and Minimizing Social Risks</b>	<b>Moderately Unsatisfactory</b>	<b>Unsatisfactory</b>
<i>Objective 3: Improved quality of and access to health and education services</i>		<i>Partially Achieved</i>
<i>Objective 4: Fiscally sustainable and equitable pension and social assistance systems</i>		<i>Partially Achieved</i>
<b>Focus Area III: Promoting a Green, Clean and Resilient Moldova</b>	<b>Moderately Satisfactory</b>	<b>Moderately Unsatisfactory</b>
<i>Objective 5: Greater adaptation and resilience to climate change</i>		<i>Partially Achieved</i>
<i>Objective 6: Improved Natural Resources Management</i>		<i>Mostly Achieved</i>
<i>Objective 7: Increased energy efficiency and security</i>		<i>Partially Achieved</i>
<b>Cross-Cutting Theme: Governance</b>	<b>Moderately Satisfactory</b>	<b>Moderately Satisfactory</b>

**6. WBG Performance**

Lending and Investments

37. At the beginning of the CPS period, the outstanding lending volume was \$184.5 million comprising of ten lending operations, all Investment Project Financing (IPFs) financed by IDA credits. The original CPS program envisaged as its centerpiece four DPFs, one per annum, to be complemented with IPFs and with an aggregate lending amount of \$450 million for 16 operations including three additional financings. However, total new approvals were lower than planned at \$340.5 million for eleven operations, including two additional financings. Of the total lending amount, \$131.5 million (38.6 percent) were IBRD loans and \$209 million (61.4 percent) were IDA credits.



Two of the operations were DPFs – for \$30 million and \$45 million, respectively, approved two years apart as part of a series. In FY14, Moldova also had an early PforR operation (Health Transformation Program – approved May 2014). The original CPS program had also included a large guarantee for energy efficiency improvement that did not materialize due – according to the CLR – to the energy regulator’s slow progress in applying approved tariff methodologies. The actual program deviated from the original plan mainly because of the political uncertainties in Moldova and the impact of a major commercial bank corruption issue starting in FY14. The CLR also mentions that Bank administrative budget constraints necessitated the dropping of planned forestry and public administration reform projects, although related activities were incorporated into other planned operations. The lending program was complemented by 25 grants and trust funds amounting to \$44.8 million, spread over a substantial number of activities of which the largest was for government central public administration reform (\$11.45 million).

38. Moldova’s portfolio at closing did not fare well with respect to its comparators. IEG rated six closed operations during the period, with one operation rated Satisfactory, three Moderately Satisfactory, and two Moderately Unsatisfactory. At the binary scale, these ratings are, however, lower than the averages for ECA and the Bank at 66.7 percent MS or better, by number of projects (ECA at 75.3 percent and the Bank at 74.1 percent), and 74.3 percent Satisfactory, by amount (far below ECA at 94.4 percent and the Bank at 86.4 percent). The risks to development outcomes of these operations were also higher than the ECA average at 50 percent (by number, rated moderate or lower). Moldova’s active portfolio seems to indicate good performance, the average disbursement ratio has been higher than ECA and the Bank, while the average percentage of projects at risk at 11.1 percent is somewhat lower than ECA (13.3 percent) and Bank (15.7 percent). All eight ongoing operations are rated Moderately or better– one Satisfactory and seven Moderately Satisfactory, which would indicate a potential for some downgrading on completion.

39. The CPS indicated an annual IFC investment amount of \$30 million for the CPS period. Contrary to this expectation, IFC made only a single investment during the CPS period (in FY15) with a total net commitment after cancellations of \$10 million with an existing agribusiness client. This low level of activity was due primarily to the difficult business environment with political instability and concerns over governance and transparency issues, including in the financial sector. IFC’s outstanding portfolio stands now at \$73 million. During the review period, IEG validated one Expanded Project Supervision Report (XPSR) of an IFC investment project and assigned a Mostly Successful development outcome rating. IEG validated that the IFC client financial institution made an adequate contribution to the growth of underserved small and medium size companies in Moldova and brought new competitors to the market.

40. As of March 2017, MIGA had provided two guarantees during the CPS period for a total gross exposure of US\$14.4 million with its financial sector clients.

#### Analytic and Advisory Activities and Services (ASAs)

41. The Moldova program was supported by a significant number of ASAs: 12 pieces of economic and sector work (ESW) and 26 of technical assistance (TA), spread reasonably over the CPS period. The ESW work covered a wide range of topics including a poverty assessment (FY16 – two years later than first planned), a Financial Sector Assessment Program (FSAP) and a Public Sector Expenditure Review, and a number of policy notes/study in trade, food security, forestry, power, water and road management and finance. The TA work also covered a broad range of topics that complemented the ESW work in FSAP, PER and energy and beyond including knowledge activities providing relevant support to lending activities. Also, about ten of the trust funded activities supported public sector improvements such as the DFID-funded Good Governance Trust Fund. Several other trust funds provided support for the strengthening of the financial sector, or for environmental activities such as energy conservation.

42. During the review period, IFC approved two new advisory services (AS) projects amounting to \$4.9 million, one for investment climate reform and another for renewable energy. For investment climate reform the AS project contributed in three key areas: improve the investment climate for business operations and exit (e.g. insolvency laws), streamline agribusiness regulations, and



investment policy and promotion. IFC collaborated with public entities and supported the drafting of many legal documents that aimed at streamlining policies and procedures, which have already been implemented and resulted in reducing the compliance costs for private businesses. The renewable energy project was terminated due to a change in IFC's strategy to focus more on supporting existing and prospective investment clients. IEG did not validate any Project Completion Reports (PCR) of AS project during the review period.

#### Results Framework

43. The original CPS results framework reflected the link between the country development goals, issues and obstacles, the CPS outcome indicators and WBG interventions including both lending and AAA. Although the IFC program was small in terms of the number of projects and the amount, IFC's contributions to the WBG program were reasonably well represented in the results framework.

44. The results framework contained a total of 30 outcomes and 52 indicators. This results framework was clearly excessive in its attempted coverage and level of detail, and the large number made difficult any sense of prioritization from the framework. Several of the indicators did not address well all the aspects of the related objectives (for instance, Objectives 3 and 5), and some process indicators were at best of modest usefulness for the program as a whole. There was also uneven distribution of outcome indicators: while some objectives had a large number of indicators (Objective 1 and Governance theme); others did not have a sufficient number of indicators to measure progress adequately. The lack of objectives for the governance indicators call into question their relevance and contribution to the overall program. Finally, the results framework did not fully capture the contribution of the two DPFs to program results, perhaps due in part to the fact that there were no ISRs prepared for these two operations. At the PLR stage, the number of outcome indicators further increased to 33 outcomes and 56 indicators, notwithstanding the scaling back of the lending volume and implementation challenges due to political uncertainty.

#### Partnerships and Development Partner Coordination

45. The PLR and CLR both report that the WBG has provided leadership and significant support to enhance development partner coordination. The documents do not mention any specific formal coordination mechanisms, but refer to a *de facto* division of labor between Moldova's key development partners, with the WBG being the principal voice on energy and governance issues, and playing a leading role regarding transport and health issues. The documents emphasize the common stance with other partners, in particular, the IMF and EU institutions and member countries, that has helped spur key structural reforms such as in the banking system. They also mention that in 2015 the WBG managed the preparation of a briefing book of 28 policy notes that set out the collective recommendations of eight development partners on development policy issues that provided a platform for dialogue with the government.

#### Safeguards and Fiduciary Issues

46. The CLR reports a generally good compliance with safeguards and a satisfactory Bank oversight. Safeguards policies were triggered in two out of six operations that were closed and validated by IEG during the review period, in the Water and the Health sectors. Although compliance is not explicit in the specific interventions, all project ICRs and ICRRs indicated that the applicable instruments were adequately prepared. Project issues and negative impacts are reported to have been properly resolved or mitigated. No Inspection Panel investigation was registered during the CPS period.

47. The Integrity Vice Presidency (INT) reported that during the CPS period a high-ranking official of the Ministry of Finance alleged that bribes had been offered by the agent of a large firm in relation to payments on a contract, that INT was able to find a number of indications that confirmed the allegations, and had referred the case back to the local authorities. In addition, the PLR earlier (2016) noted that INT had received a large number of reports referring to Moldova over the preceding five years, most related to procurement. The PLR stated that to prevent and mitigate these risks, the WB would: (i) continue strong anti-corruption communication efforts; (ii) enhance awareness of how



supervision and control are applied in Bank operations; and (iii) build a record of suspicious cases for further analysis and action. The CLR states that fiduciary compliance has been generally good, and that the Bank's procurement procedures have been a critical protection against attempts to interfere in large tenders.

#### Ownership and Flexibility

48. During much of the CPS period Moldova suffered from prolonged political instability, with seven prime ministers or acting prime ministers and three periods without a government between September 2014 and January 2016. This and the massive banking fraud that resulted in the collapse of three banks in November 2014 affected the government's ability to take and implement timely decisions, demonstrating that political instability and governance challenges will slow the pace of reform, especially when there are also frequent personnel changes. The WBG's program was affected by these issues, both in size and composition – most importantly, the reduced importance of DPFs. However, a degree of government ownership to specific operations seems to have remained throughout the period. The WBG demonstrated flexibility in the face of adverse circumstances, as with the move from DPFs to IPFs, and with maintaining a reasonably sized lending program (albeit less than originally expected) and with reasonably good implementation.

#### WBG Internal Cooperation

49. CPS was a joint strategy with IFC, but the role of the latter turned out to be considerably smaller than expected due to Moldova's internal problems. For the area of investment climate reform, the Bank and IFC had effective collaboration with the Bank's second Competitiveness Enhancement project and IFC's Investment Climate Reform project. As part of the WB DPF team (2012-2013), IFC also contributed to the design and implementation of challenging investment climate reforms.

#### Risk Identification and Mitigation

50. The CPS identified risks from fiduciary and capacity risks, public procurement, slippages in macro-economic and structural reforms, poor governance in the financial sector, and political economy risks from political uncertainty or a change in government. The CPS included appropriate measures to mitigate several of these risks, such as regarding public procurement, and it rightly emphasized that even in a risky environment the WBG needed to be ready to support reforms when opportunities might arise. However, with the benefit of hindsight it is clear that the CPS underestimated the political economy risk, and therefore planned a work program that could not be fully implemented. In particular, the emphasis on a series of four DPFs was optimistic, although the CPS also noted that if structural reforms should stall or macroeconomic risks would materialize, DPFs would not be considered. The PLR some years later took appropriate note of how the risks had evolved, in particular from political instability, but support for policy reforms through DPFs remained the base case. The PLR also noted that the commercial and reputational risks associated with investment in the private sector were generally high, and it was therefore expected that the mix of IFC's activities in the country would shift away from investment and towards advisory services. The PLR also noted that the fiduciary risks had grown and had affected project implementation. The CPS stated that new operations (apart from DPFs) would take the form of PforRs whenever suitable, which seemed premature in relation to the well-known governance issues in the country, and this approach was modified in the PLR.

#### Overall Assessment and Rating

51. Overall, IEG rates the WBG performance as **Fair**.

52. Design. The program as designed addressed important areas for Moldova's development, with an appropriate combination of lending and knowledge activities. The program was broad, but with reasonable selectivity at the level of focus areas and objectives. There was however, limited selectivity at the level of outcomes and indicators as the results framework was excessively detailed and with several instances of weak logic between objectives and the underpinning outcomes and indicators. Some of the indicators were of limited usefulness and relevance and some did not



measure adequately the program objectives. The inclusion of the cross-cutting governance theme in the results framework was appropriate, but its usefulness was reduced by the absence of one or more objectives. Overall, the program was too optimistic given country conditions and the recognized country risks. Thus, the CPS program planned for a series of four DPLs, only two materialized with a delayed approval of the second DPO in FY 17 due to the authorities' delayed response to improper behavior in the banking sector implementation.

53. Implementation. The actual program was smaller than envisaged in the CPS and with a somewhat different composition, most importantly with the reduced role for DPFs. The actual IFC program was also smaller than expected due primarily to country conditions, but IFC contributed nevertheless to several objectives under Focus Area I. There was synergy between the Bank and IFC, albeit the expected IFC contributions did not fully materialize. The PLR and the CLR indicated that the Bank provided leadership and collaborated well with other development partners, particularly the IMF and EU institutions. The PLR came late in the CPS period (a little more than a year before program closing). Although there were at the time a number of specific adjustments to the program including the shift in lending composition and the results framework updated, they were within the already established framework. At the PLR stage, the number of outcome indicators further increased to 33 outcomes and 56 indicators, notwithstanding the scaling back of the lending volume and implementation challenges due to political uncertainty. Moldova's portfolio at closing did not fare well with respect to its comparators. Some indicators suggest good performance of the active portfolio as reflected in the high average disbursement ratio and lower percentage of projects at risk with respect to its comparators. However, the rating of MS or better for the eight active operations would suggest potential downgrading at completion in light of the past average ratings of completed operations. The CLR reports a generally good compliance with safeguards and a satisfactory Bank oversight. It also reports that fiduciary compliance has been generally good, and that the Bank's procurement procedures have been a critical protection against attempts to interfere in large tenders.

## **7. Assessment of CLR Completion Report**

54. The CLR is concise and well prepared, and it covers most important aspects. It could however have discussed the changed circumstances for DPFs against the optimistic expectations in the CPS, provided some information about the results of the first DPF, and assessed the justification for delivering the second DPF in FY17. It could also have flagged the early PforR operation – the first for Moldova, and commented on the CPS expectation of moving (apparently quite rapidly) into more PforRs in lieu of IPFs – an expectation that so far has not materialized.

## **8. Findings and Lessons**

55. The CLR sees as a key lesson that political stability and governance challenges slow the pace of reform and that frequent personnel changes affect portfolio performance. The CLR also provides a number of more project and/or sector specific lessons, of which IEG would like to mention the following: (a) A concern with the widening gap – shown in particular from IFC's investment climate work – between reform legislation and reform implementation; (b) That WBG procurement procedures were a critical safeguard against attempts to interfere in tenders, implying that such fiduciary controls should continue to be used as public procurement reforms proceed; (c) Development partner coordination for budget support is essential for effective influence on key governance issues (although the basis for this conclusion is not fully clear from the CLR); and (d) That risks to implementation are amplified when a large share of a relatively small country portfolio and pipeline is policy-and/or program-for-results-based lending when there is a weaker institutional capacity exacerbated by frequent staff turnover and deficient monitoring and fiduciary systems.

56. IEG draws two main lessons: First, that caution is called for in moving rapidly to focus on budget support and results based operations under circumstances where there is concern about the quality of systems and controls regarding finances and procurement. In the case of Moldova, the program was planned around annual budget support operations of which only two materialized, several years apart, because of domestic issues of corruption and financial management. Second,



that results frameworks would need to be designed with outcome indicators that clearly measure the achievement of the stated objectives, taking into account country context and WBG interventions. In the case of Moldova, the number of indicators was clearly excessive, with several instances of indicators not being well linked with the objectives. This also made difficult effective portfolio management and monitoring and ex-post assessments.



**Annex Table 1: Summary of Achievements of CPS Objectives – Moldova**

**Annex Table 2: Moldova Planned and Actual Lending, FY14-FY17**

**Annex Table 3: Analytical and Advisory Work for Moldova, FY14-FY17**

**Annex Table 4: Moldova Grants and Trust Funds Active in FY14-17**

**Annex Table 5: IEG Project Ratings for Moldova, FY14-17**

**Annex Table 6: IEG Project Ratings for Moldova and Comparators, FY14-17**

**Annex Table 7: Portfolio Status for Moldova and Comparators, FY14-17**

**Annex Table 8: Disbursement Ratio for Moldova, FY14-17**

**Annex Table 9: Net Disbursement and Charges for Moldova, FY14-17**

**Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid**

**Annex Table 11: Economic and Social Indicators for Moldova, 2014 – 2016**

**Annex Table 12: List of IFC Investments in Moldova**

**Annex Table 13: List of IFC Advisory Services in Moldova**

**Annex Table 14: IFC net commitment activity in Moldova, FY14 - FY17**

**Annex Table 15: List of MIGA Activities in Moldova, 2014-2017**



**Annex Table 1: Summary of Achievements of CPS Objectives – Moldova**

	CPS FY14-FY17 – Focus Area 1: Improving Competitiveness	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<b>Objective 1: Improved business environment and access to finance for business operation</b>		
	<p><b>Outcome (i): Customs procedures streamlined and made more transparent</b></p> <p>Indicator: Number of days to prepare export documents (Trading Across Borders indicator of Doing Business) Baseline: 20 (2012) Target: 16 (2017)</p>	<p>Following the introduction of e-filing procedures, the number of days to prepare export documents was reduced to 2 and that the time for border compliance was reduced to 3h in 2017, according to the 2017 Doing Business <a href="#">report</a>. In addition, information from the <a href="#">2015 Cost of Doing Business Survey</a> – which is based on interviews with business companies and measures the business community’s perception of certain regulations/procedures – indicates that waiting time to get documents needed for trade took 14 days in 2015.</p> <p>The Trade Study ASA (P148369, delivered in FY16, see overview <a href="#">report</a>) analyzed Moldova’s foreign trade and value chains of exports and IFC Investment Climate Reform (project 576047, FY12) supported the reduction in the number of inspections (completion report: MU). <b>Achieved.</b></p>	
	<p><b>Outcome (ii): Regulatory burden on enterprises decreased</b></p> <p>Indicator A: Managers spend less time on regulatory compliance (Cost of Doing Business survey) Baseline: 10 % (2012) Target: 8 % (2017)</p> <p>Indicator B: # Implementation of risk-based inspection methodologies based on</p>	<p>The 2<sup>nd</sup> Competitiveness Enhancement project (P144103, FY15) and the IFC Investment Climate Reform project (576047) supported this indicator. The First (P143283, FY14, see <a href="#">Program Document</a>) and Second (P149555, FY17, <a href="#">Program Document</a>) Development Policy Operations (DPOs) supported measures to facilitate competition and reduce regulatory and compliance costs. However, no ISR or ICR was available to verify progress. <b>Partially Achieved</b></p> <p>Indicator A: According to the 2016 Cost of Doing Business <a href="#">study</a>, the time spent by managers on regulatory compliance declined to 7.9% in 2016, compared to 10% in 2012 and 2013. The last <a href="#">ISR: MS</a> of project P144103 (November 2016) also reports a reduction in management time spent meeting regulatory requirements. <b>Achieved.</b></p> <p>Indicator B: this target was not achieved since that, based on the 2016 Legal and Institutional Review of Inspection Functions, “most inspectorates still do not use risk criteria to</p>	

	<b>CPS FY14-FY17 – Focus Area 1: Improving Competitiveness</b>	<b>Actual Results</b>	<b>IEG Comments</b>
	<p>clear criteria and approved inspection plan Baseline: 0 % (2012) Target: 40 % (2017) # Reduction in <i>ad-hoc</i> inspections from 100 % (2012) to 7 % (2017), using clear criteria for unplanned inspections. # 100 % of planned inspections published on e-Government Center's website.</p> <p>Indicator C: Reduced number of permits and licenses Baseline: 416 (2015) Target: 238 (2017)</p>	<p>target inspections, due partly to inadequate information systems and data reporting". However, the completion report of the IFC Investment Climate Reform project indicates that the inspections reform was initiated, which introduced a risk-based approach in inspections and accomplished almost 50% reduction of inspection bodies entitled to initiate inspections (reduced from 64 to 33). <b>Not Achieved.</b></p> <p>Indicator C: The CLR reports that following the changes to the law in July 2016, 110 permits were eliminated and the remaining 306 permits are to be reviewed and submitted to government and the parliament in 2017. <b>Partially Achieved.</b></p>	
	<p><b>Outcome (iii): Increase in business development services to small and medium enterprises (SMEs) with WBG support</b></p> <p>Baseline: 0 (2013) Target: 240 (2017)</p>	<p>The CLR reports that the 2<sup>nd</sup> Competitiveness Enhancement project (P144103, FY15) supported this indicator and that, by end-2016, 522 business development services were approved, of which 99 were fully delivered. The last <a href="#">ISR: MS</a> (November 2016) reports that, as of October 2016, 43 SMEs received matching grants, 6 were under evaluation and 25 in the pipeline and that 64 business development services had been provided to SMEs. <b>Partially Achieved.</b></p>	
	<p><b>Outcome (iv): Improved private enterprises' access to formal sources of finance</b></p> <p>Indicator: By 2017, 15% increase in private sector credit as share of GDP compared to 2013</p>	<p>The CLR reports that the target was not achieved by end-September 2016, with private sector credit at 41.4%, compared to 42.4% in 2013 (after falling to 35% in 2015). The CLR reports that the 2<sup>nd</sup> Competitiveness Enhancement project (P144103, FY15) and the IFC advice on financial sector regulation supported this indicator. It also reports that IFC investments in financial institutions (through projects 518335-MAIB, 629306 PC Bank Moldova and 631849 Eximbank Moldova) helped increase their outreach to SMEs; in 2014, IFC clients provided loans to about 3,300 SMEs and had an outstanding loan portfolio of about USD 260 million. In addition, the First (P143283, FY14, see <a href="#">Program Document</a>) and Second (P149555, FY17, <a href="#">Program Document</a>) DPOs supported measures to ease conditions for access to</p>	

	CPS FY14-FY17 – Focus Area 1: Improving Competitiveness	Actual Results	IEG Comments
		<p>finance. However, no ISR or ICR was available to verify progress. <b>Not Achieved.</b></p>	
	<p><b>Outcome (v): Capital market continues to be strengthened to facilitate increased access to finance</b></p> <p><b>Indicator A:</b> Government bonds listed on stock exchange Baseline: 0 (2012) Target: by 2017, government bonds with &gt; 1-year maturity traded on stock exchange</p> <p><b>Indicator B:</b> Number of known insolvent banks subject to regulatory forbearance Baseline: 3 insolvent banks still operating Target: 0 (these banks' licenses with-drawn and liquidation initiated)</p> <p><b>Indicator C:</b> Number of at-risk banks subject to special diagnostic audits and/or restructuring Baseline: 0 Target: 3 banks' audits and time-bound restructuring plans adopted and initiated</p>	<p>The Financial Sector Monitoring TA (P147063, FY14) and the Moldova FSAP Update (P146486, FY16) supported the preparation of a 2014 <a href="#">Technical Note</a> and a <a href="#">2016 note</a> on Financial Market Infrastructure and Risk Assessment of Central Securities Depositories. This indicator was also supported by the activities prepared under the Financial Sector Advisory Center (FinSAC) and the DPO-2 (P149555, FY17) conditionality supported: license withdrawal from defrauded banks (Prior Action 5); special audits in three largest banks (Prior Action 6); and legal amendments to eliminate the Ministry of Justice's powers to approve the National Bank of Moldova (NBM) regulations and grant legal immunity to NBM staff carrying out their duties in good faith (Prior Action 4). However, no ISR or ICR was available for the Second (P149555, FY17, <a href="#">Program Document</a>) DPO to verify progress. <b>Mostly Achieved.</b></p> <p><b>Indicator A:</b> the CLR reports that the target was not achieved since the Centralized Securities Depository (CSD) was created through the drafting of a new law and the trading of government bonds will only begin when the CSD is fully functional. The TA on the Legal Framework for Securities Settlement Systems and Central Securities Depositories (FY13) supported this indicator. <b>Not Achieved.</b></p> <p><b>Indicator B:</b> as of October 2015, 3 banks (BEM, Unibank, and Banca Sociala) were placed into liquidation (see national <a href="#">information</a> reporting the liquidation and the <a href="#">PID</a> for project P149555). <b>Achieved.</b></p> <p><b>Indicator C:</b> three banks (Victoria Bank, Moldincombank, and Moldova Agroindbank) underwent special audits, as planned by the WBG (see WBG <a href="#">information</a>) and that restructuring plans were adopted and initiated in all three. <b>Achieved.</b></p>	

	CPS FY14-FY17 – Focus Area 1: Improving Competitiveness	Actual Results	IEG Comments
	<p><u>Indicator D</u>: Better legal framework for timely intervention in distressed banks Baseline: NBM regulations delayed by MoJ approval process and NBM staff lack immunity for duties carried out in good faith Target: Legal changes (i) eliminate MoJ power to delay registration of NBM regulations, and (ii) confer immunity to NBM staff for duties carried out in good faith</p>	<p><u>Indicator D</u>: the CLR reports that the target was achieved, since the legal amendments passed in 2016 removed the MOJ's power to approve the NBM's regulations and gave NBM staff immunity for duties carried out in good faith. This indicator has been supported by activities prepared under the FinSAC (see 2015 <a href="#">activities report</a>). <b>Achieved.</b></p>	
	<p><u>Outcome (vi)</u>: <b>Greater alignment of Corporate Financial Reporting (CFR) legislation and practice with EU <i>acquis</i>.</b></p> <p><u>Indicator A</u>: Not less than 80 % of Public Interest Entities (PIEs) file and publish IFRS-based financial statements</p> <p><u>Indicator B</u>: Provisions of Directive 2006/43/EU transposed in draft Auditing Law and submitted to Parliament for adoption</p> <p><u>Indicator C</u>: Provisions of Directive 2013/34/EU transposed in draft Accounting Law and submitted to Parliament for adoption</p> <p><u>Indicator D</u>: Public Registry of financial statements fully</p>	<p>The CLR reports that the target is partially achieved, with progress made in aligning the CFR legislation and practice with the EU <i>acquis</i> but that more time is needed to finalize and approve laws, due to a change in government in early 2016.</p> <p>The Strengthening Auditing and Reporting in the Countries of the Eastern Partnership (STAREP) TA (P133467, FY13) supported this indicator. The <a href="#">Snapshot of Financial Reporting work in STAREP countries</a>, for February 2017 indicates that transposition tables to benchmark accounting and auditing legislation to the requirements of the EU <i>acquis communautaire</i> have been published on the Minister of Finance's <a href="#">website</a>. <b>Partially Achieved.</b></p> <p><u>Indicator A</u>: the CLR reports that the PIEs are preparing IFRS-based financial statements (see <a href="#">information</a> on the IFRS system), but not all are publicly available through Public Registry. <b>Partially Achieved.</b></p> <p><u>Indicator B</u>: the CLR reports that the main provisions of the Directive 2006/43/EU are reflected in the draft Auditing Law (see <a href="#">Draft</a>), expected to be adopted by the [parliament in 2017]. <b>Mostly Achieved.</b></p> <p><u>Indicator C</u>: the CLR reports that the target is mostly achieved since the main provisions of the Directive 2013/34/EU are reflected in the draft Accounting (see <a href="#">Draft</a>) Law, expected to be adopted by the Parliament in 2017. <b>Mostly Achieved.</b></p> <p><u>Indicator D</u>: the CLR reports that technical specifications for Public Registry were</p>	

	<b>CPS FY14-FY17 – Focus Area 1: Improving Competitiveness</b>	<b>Actual Results</b>	<b>IEG Comments</b>
	operational, <i>i.e.</i> enabling collection and availability of financial statements online	developed, but that their implementation has been delayed, due to the pending government decision on its subordination under National Bureau of Statistics. The <a href="#">Snapshot of Financial Reporting work in STAREP countries</a> , for February 2017 indicates that a draft concept on improving the functionality of the public register of financial statements was developed. <b>Partially Achieved.</b>	
<b>Objective 2: Improved competitiveness in agriculture</b>			
	<p><b>Outcome (i): Enhanced competitiveness of agro-food sector by supporting modernization of food safety management system</b></p> <p>Indicator: Completion of targeted food safety actions for approximation to EU Sanitary and Phytosanitary (SPS) requirements Baseline: 20 % (2013) Target: 100 % (2017)</p>	<p>The WBG supported Moldova in updating its agri-food sector agenda in the negotiations of the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU through the DCFTA Preparation Support in Agriculture TA (P132866, FY13). The Moldova Agriculture Competitiveness project (P118518, FY12) and its additional financing (P157765, FY17) also supported this indicator. As reported in the last <a href="#">ISR: S</a> (December 2016) almost 90% of targeted food safety actions for approximation with EU SPS norms completed.</p> <p>In addition, the First (P143283, FY14, see <a href="#">Program Document</a>) and Second (P149555, FY17, <a href="#">Program Document</a>) DPOs supported measures to make investments subsidies in agriculture more efficient and equitable. However, no ISR or ICR was available to verify progress. <b>Mostly Achieved.</b></p>	
	<p><b>Outcome (ii): Increased market access for farmers</b></p> <p>Indicator: Increased sales (domestic and exports) of high value crops by targeted partnerships receiving investment support grants Baseline: 0 % (2013) Target: 50 % (2017)</p>	<p>As reported in the last <a href="#">ISR: S</a> (December 2016) for project P118518, sales (domestic and exports) of high value crops by targeted partnerships that receive investment support grants have increased by 15%. IFC financing –IFC Transoil project (704725) and Bostavan project (613340) – reached from 13,000 to 17,000 farmers by year in the 2013-15 period, which helped the farmers get increase linkages to key value chains and markets. These IFC agribusiness clients also increased their purchases from domestic suppliers from USD 164 to USD 246 million in 2015, and sustained about 2,400 jobs by year in the 2013-2015. <b>Partially achieved</b></p>	

	CPS FY14-FY17 – Focus Area 1: Improving Competitiveness	Actual Results	IEG Comments
	<p><b>Outcome (iii): Stabilized output of apples, plums and grapes among beneficiaries of compensatory grants</b></p> <p>Indicator: Baseline: 100 % (2014—average output for 2012-14 for apples, plums and grapes) Target: 85 % (2016—average over 2015-17)</p>	<p>The last <a href="#">ISR: S</a> (December 2016) for project P118518 does not report progress in relation to the stabilized output of production of apples, plums and grapes among beneficiaries of compensatory grants since the month of December 2015, for which the reported value is 90%. <b>Mostly Achieved.</b></p>	
	CPS FY14-FY17 –Focus Area 2: Enhancing Human Capital and Minimizing Social Risks	Actual Results	IEG Comments
<p><b>Major Outcome Measures</b></p>	<p><b>Objective 3: Improved quality of and access to health and education services</b></p>		
	<p><b>Outcome (i): Strengthened quality of education.</b></p> <p><u>Indicator A:</u> Implementation of quality assurance standards for hub schools initiated and scaled up (% of hub schools) Baseline: 0 % (2013) Target: 70 % (2017)</p> <p><u>Indicator B:</u> Improved student assessment system: revised tests administered and baseline for grades 4 and 9 tests established in 2015, including disaggregation by socio-economic background</p>	<p><b>Partially Achieved.</b></p> <p><u>Indicator A:</u> the Moldova Education Reform project (P127388, FY13) was to support this indicator but the project's outcome indicator was dropped at <a href="#">project restructuring</a> (February 2017). The revised PDO incorporated an indicator related to the "total receiving schools that meet infrastructure requirements under national quality assurance standards" (end target: 15 for June 2019). The last <a href="#">ISR: MS</a> (February 2017) reports no progress on the revised indicator. <b>Not Achieved.</b></p> <p><u>Indicator B:</u> project P127388 supports this indicator. As reported in the CLR, national student assessment tests for 4<sup>th</sup> and 9<sup>th</sup> grades were updated in 2014 and applied in June 2015 and 2016 (see <a href="#">project restructuring</a>). The last <a href="#">ISR: MS</a> (February 2017) reports that, as of March 2016, the administration of the revised national testing of all 4<sup>th</sup> and 9<sup>th</sup> grades students were completed. <b>Achieved.</b></p>	
	<p><b>Outcome (ii): Improved efficiency of education sector.</b></p> <p><u>Indicator A:</u> Implementation of <i>per-capita</i> financing nationwide (2013)</p>	<p><b>Achieved.</b></p> <p><u>Indicator A:</u> the Quality Education in Rural Areas of Moldova project (P090340, FY06, closed November 2013) and its additional financing (P129552, FY12) supported this indicator. As reported in the CLR, the target</p>	

	CPS FY14-FY17 –Focus Area 2: Enhancing Human Capital and Minimizing Social Risks	Actual Results	IEG Comments
	<p><u>Indicator B</u>: Increased student-teacher ratio Baseline: 10.85:1 (2011-12) Target: 11.50:1 (2015/16)</p>	<p>was achieved since per-capita financing was implemented in all primary and general secondary schools according to the per student formula methodology as of October 2013 (see <a href="#">Management: MU</a> and <a href="#">IEG: MU</a>). <b>Achieved.</b></p> <p><u>Indicator B</u>: the Moldova Education Reform project (P127388, FY13) supports this indicator. As indicated in the CLR, the baseline and target were revised at <a href="#">project restructuring</a> (February 2017) – the target was set at 11.85:1. The last <a href="#">ISR: MS</a> (February 2017) reports that, as of February 2017, the student-teacher ratio for Grades 1-12 of primary and general secondary education was 11:89:1, exceeding the target. <b>Achieved.</b></p>	
	<p><b>Outcome (iii): Improved access to quality health-care.</b></p> <p><u>Indicator A</u>: Increased coverage of population with mandatory health insurance Baseline: 81 % (2013) Target: 85 % (2017) (of which 44% male and circa 56% female)</p> <p><u>Indicator B</u>: Reduced out-of-pocket payments (formal and informal) as share of total health expenditure Baseline: 45 % (2013) Target: 35 % (2017)</p>	<p><b>Partially Achieved.</b></p> <p><u>Indicator A</u>: <a href="#">IEG: MS</a> for the Health Services and Social Assistance project (P095250, FY08) reports that the share of the population covered with mandatory health insurance increased from 76.7% in 2007 to 85% as of December 2014 (the ICRR and ICR do not report gender disaggregated information). The CLR indicates that this indicator was not the result of WBG activities and that in 2010, the WB jointly with WHO conducted a study to review free mandatory health insurance and proposed measures to increase coverage. based on the recommendations of the study adopted by the Government, the coverage increased and exceeded the target. The data on a coverage rate of 85.9% (in 2016) that the CLR reports comes from administrative and/or regular statistical data collected by the Ministry of Health. <b>Not Achieved.</b></p> <p><u>Indicator B</u>: the CLR reports that out of pocket (OOP) payments increased to 46.6% of total health expenditure in 2015 and that “the health module of the household budget survey conducted in 2016 revealed that average monthly healthcare-related expenses (...) increased by 37% compared to 2012 and by 57% compared to 2008”. This data comes from a health module produced from a WBG TA under the health Transformation Project (P144892, FY14).</p>	<p>The IFC Moldova Health project (27578, FY10), supported the Ministry of Health in conducting a competitive bidding process, negotiating and signing the PPP agreement with the selected winning bidder for the operation of a diagnostic imaging center and a new radiotherapy center in Chisinau (completion report: MS).</p>



	<b>CPS FY14-FY17 –Focus Area 2: Enhancing Human Capital and Minimizing Social Risks</b>	<b>Actual Results</b>	<b>IEG Comments</b>
	<p><u>Indicator C</u>: Number of family doctor visits per person Baseline: 2.9 (2014) Target: 3.2 (2017)</p> <p><u>Indicator D</u>: Annual acute care hospital discharges per 100 persons Baseline: 17.6 (2011) Target: 16.0 (2017)</p>	<p>However, as reported in the, this indicator was not the result of WBG activities <b>Not Achieved.</b></p> <p><u>Indicator C</u>: the CLR reports that the target is not achieved, since the number of family doctor visits reached 3/person in 2015 and declined to only 2.8 in 2016, as per official data available on the website of the National Health Insurance Company. <b>Not Achieved.</b></p> <p><u>Indicator D</u>: the last <a href="#">ISR: MS</a> of the Moldova Health Transformation Project (P144892, FY14) indicates that annual acute care hospital discharges decreased to 15.10/100 persons, as of June 2016 (and that annual data for 2016 will be available by end March 2017). <b>Achieved.</b></p>	
	<p><b>Outcome (iv): Improved physical access to rural education and health services</b></p> <p><u>Indicator A</u>: Number of schools connected by rehabilitated/upgraded local road corridors Baseline: 0 (2015) Target: 10 (2017)</p> <p><u>Indicator B</u>: Number of health facilities connected by rehabilitated/upgraded local road corridors Baseline: 0 (2015) Target: 9 (2017)</p>	<p>The Local Roads Improvement project (P150357, FY16) supports this indicator. According to the last <a href="#">ISR: MS</a> (December 2016), the project became effective in August 2016 and the Moldova State Roads Administration was still undertaking procurement activities. Hence, no progress is reported in the ISR on the number of schools and health facilities connected by rehabilitated/upgraded local road corridors. <b>Not Achieved.</b></p>	
	<b>Objective 4: Fiscally sustainable and equitable pension and social assistance systems</b>		
	<p><b>Outcome (i): Fiscally sustainable pension system</b></p> <p><u>Indicator A</u>: Pension spending below 8 % of GDP Baseline: 8 % (2013) Target: &lt;8 % (2017)</p>	<p>The WBG supported analytical work and advisory activities for the reform of the pension system through the Programmatic HD (P143613, FY15, see <a href="#">overview of activities</a>), the Pension Reform Advocacy TA (P157759 , FY15, see <a href="#">list</a> of advocacy products produced) and the Pension Reform (P152247, FY15, see <a href="#">final report</a> on Policy Options for Urgent Parametric Changes). <b>Not Achieved.</b></p> <p><u>Indicator A</u>: the CLR reports that the target was not achieved, since pension spending has remained above 8% of GDP in 2013-15. <b>Not Achieved.</b></p>	



	<b>CPS FY14-FY17 –Focus Area 2: Enhancing Human Capital and Minimizing Social Risks</b>	<b>Actual Results</b>	<b>IEG Comments</b>
	<p><u>Indicator B:</u> Pension system fairness improved by maximized replacement rates within budget envelope Baseline: 28 % (2013) Target: 30 % (2017)</p>	<p><u>Indicator B:</u> the CLR reports that the target was not achieved since pension top-ups were introduced in 2013 and did not improve replacement rate “which continued to decline, remaining at 25.8% for old-age pensions and 25.3% for all pensions in 2015”. <b>Not Achieved.</b></p>	
	<p><u>Outcome (ii): Improved equity of social assistance.</u></p> <p><u>Indicator A:</u> Share of population in poorest quintile receiving <i>Ajutor Social</i> benefits (gender data provided by adult recipients) Baseline: 14.9 % (2011) Target: 20.0 % (2017)</p> <p><u>Indicator B:</u> Spending on consolidated categorical benefits further reduced by 20 % Baseline: 7 % (2012) Target: 30 % (2017)</p>	<p>The Strengthening the Effectiveness of the Social Safety Net Results-based Financing project (P120913, FY11) supported this indicator. The First (P143283, FY14, see <a href="#">Program Document</a>) and Second (P149555, FY17, <a href="#">Program Document</a>) DPOs supported measures to improve the coverage of targeted social assistance programs. However, no ISR or ICR was available to verify progress. <b>Partially Achieved.</b></p> <p><u>Indicator A:</u> the last <a href="#">ISR: MS</a> (December 2016) of project P120913 indicates that the <i>Ajutor Social</i> program has maintained above 50,000 beneficiary households and that coverage of the bottom quintile increased from 12.2% in 2014 to 17.6% in December 2015 for this program. It also reports that 56.4% of the beneficiaries of the Safety Nets programs are female, in December 2015 (121,943 women beneficiaries out of 216,215 beneficiaries). <b>Partially Achieved.</b></p> <p><u>Indicator B:</u> the last <a href="#">ISR: MS</a> (December 2016) of project P120913 indicates that, as of March 2016, the spending on consolidated categorical benefits was reduced by 11%, compared to the 2010 level of spending. <b>Partially Achieved.</b></p>	

	<b>CPS FY14-FY17 – Focus Area 3: Promoting a Green, Clean and Resilient Moldova</b>	<b>Actual Results</b>	<b>IEG Comments</b>
<b>Major Outcome Measures</b>	<p><b>Objective 5: Greater adaptation and resilience to climate change</b></p> <p><u>Outcome (i): Strengthened State Hydro-met ability to forecast severe weather and country’s improved capacity to prepare for and respond to natural disasters.</u></p>	<p>The Disaster and Climate Risk Management project (P115634, FY11) and its additional financing (P148125, FY15) supported this indicator. The GFDRR - Moldova Disaster and Climate Risk Management Capacity Building supported the State Hydro-Meteorological Agency (see <a href="#">presentation</a>). <b>Mostly Achieved</b></p>	

CPS FY14-FY17 – Focus Area 3: Promoting a Green, Clean and Resilient Moldova	Actual Results	IEG Comments
<p><u>Indicator A:</u> Issuing more accurate and specific forecasts of weather conditions Baseline: Scale of weather forecasts at 5000 km<sup>2</sup> (2013) Target: Scale of weather forecasts reduced to 300 km<sup>2</sup> (2017)</p> <p><u>Indicator B:</u> Longer lead-time for weather warnings to users Baseline: Severe weather warnings— 10 minutes to 1 hour (2013) Target: Severe weather warnings— 12 hours (2017)</p> <p><u>Indicator C:</u> Strengthened capacity to coordinate emergency responses Baseline: No Emergency Command Center to coordinate response (2013) Target: Emergency Command response shows improvement compared to baseline and recent test of system (2017)</p>	<p><u>Indicator A:</u> as reported in <a href="#">Management: MS</a> for project P148125, the forecasting of weather conditions is more specific, with the scale of weather forecasts reduced from 5000 km<sup>2</sup> to 300 km<sup>2</sup> as of September 2016. <b>Achieved</b></p> <p><u>Indicator B:</u> as reported in <a href="#">Management: MS</a> for project P148125, lead-time of weather warnings to users has been expanded to 3-6 hours, as of June 2016. <b>Partially Achieved.</b></p> <p><u>Indicator C:</u> as reported in <a href="#">Management: MS for project P148125</a>, the capacity to coordinate response to emergencies has been strengthened, with emergency response drill showing capacity improvement as compared to the baseline (two emergency drills have been conducted and an emergency command center has been created during the project and is fully operational). <b>Achieved</b></p>	<p>The project target has been revised from 12h to 3-6 hours but the indicator target in the CPS has not been revised consequently. As reported in <a href="#">Management: MS</a> for project P148125: “The numerical changes in the targets mostly affected the second PDO indicator where the lead time for severe weather warnings was changed from 12 to 3-6 hours”.</p>
<b>Objective 6: Improved Natural Resources Management</b>		
<p><b>Outcome (i): Sequestration of 0.8 million tons of CO<sub>2</sub> through forestation of degraded lands (2014-17)</b></p>	<p>The Soil Conservation Project (P077763, FY04) and the Community Forestry Project (P109459, FY09) supported carbon sequestration and the reduction in greenhouse gas (GHG). The CLR reports that the total CO<sub>2</sub> sequestration under both operations is estimated at over 1.2 million tons for the 2014-2017 through the afforestation of degraded lands, according to data submitted by the Forestry Agency which is the implementing agency for these two operations. The Forest Law and Enforcement and Governance II Program (2013-2016), financed by the WBG and the EU, among other donors, also supported capacity-building to the main governmental institution responsible for forestry on improved forest management and the implementation of the national afforestation plan (see <a href="#">program information</a> and <a href="#">activities</a>). <b>Achieved.</b></p>	

CPS FY14-FY17 – Focus Area 3: Promoting a Green, Clean and Resilient Moldova	Actual Results	IEG Comments
<p><b>Outcome (ii): Enhanced competitiveness of agro-food sector by mainstreaming agro-environmental and sustainable land management practices</b></p> <p><u>Indicator A:</u> Increase in on-farm area benefitting from sustainable land management practices Baseline: 0 hectares (2013) Target: 10,000 hectares (2017)</p> <p><u>Indicator B:</u> Increase in area protected by rehabilitated anti-erosion shelter-belts Baseline: 0 hectares (2013) Target: 50,000 hectares (2017)</p>	<p>The Moldova Agriculture Competitiveness project (P118518, FY12) and its additional financing (P157765, FY17) supported this indicator. <b>Mostly Achieved.</b></p> <p><u>Indicator A:</u> as reported in the last <a href="#">ISR: S</a> (December 2016), the on-farm area benefitting from sustainable land management practices increased by 34,000 hectares, as of December 2016. <b>Achieved.</b></p> <p><u>Indicator B:</u> as reported in the last <a href="#">ISR: S</a> (December 2016), the area protected by rehabilitated anti-erosion shelter-belts increased by 45,100 hectares, as of December 2016. <b>Mostly Achieved.</b></p>	
<b>Objective 7: Increased energy efficiency and security</b>		
<p><b>Outcome (i): Decreased energy costs, increased quality, and improved affordability of Chisinau heat supply. Implementation of building metering and temperature controls, with incentives for customers to decrease energy use.</b></p> <p><u>Indicator A:</u> People with access to more energy-efficient cooking and/or heat-generating facilities Baseline: 27,000 (2015) Target: 63,000 (2017) of which 50% female</p> <p><u>Indicator B:</u> Actual fuel savings (GCal) Baseline: 0 GCal (2015) Target: 52,759 GCal (2017)</p>	<p>The District Heating Efficiency Improvement Project (P132443, FY15), supported this indicator.</p> <p>IFC investment in UF Moldova (project 52835) supported power distribution to about 867,000 customers, as of 2015. <b>Mostly Achieved.</b></p> <p><u>Indicator A:</u> the <a href="#">last ISR: MS</a> (February 2017) for project P132443 reports that the number of people who gained access to more energy-efficient cooking and/or heat-generating facilities improved from 27,000 to 45,000 as of November 2016 (the project target is 109,000) –the ISR does not report gender data. <b>Partially Achieved.</b></p> <p><u>Indicator B:</u> the <a href="#">last ISR: MS</a> (February 2017) for project P132443 reports 52,759 GCal of actual fuel savings, as of November 2016 (the project target is 79,138 GCal). <b>Achieved.</b></p>	
<p><b>Outcome (ii): District Heating Company debt restructured by 2017 to improve creditworthiness.</b></p>	<p>The Energy Efficiency Transformation in District Heaty TA (P157735, FY15) supports capacity-building of Termoelectrica and has supported the preparation of debt restructuring scenarios (see the October 2015 Implementation and Preparation Support Visit</p>	

	<b>CPS FY14-FY17 – Focus Area 3: Promoting a Green, Clean and Resilient Moldova</b>	<b>Actual Results</b>	<b>IEG Comments</b>
	Indicator: Debt Restructuring Plan signed with Moldovagaz	<a href="#">Aide Memoire</a> ). In addition, the District Heating and Electricity Tariff and Affordability Analysis (P151113, FY16) informed policy dialogue on sector reforms. The CLR reports that the target was not achieved despite important progress in debt restructuring in 2016. It reports that Termoelectrica, Moldovagaz (MG), and the Ministry of Economy signed a Memorandum of Understanding outlining an agreement on the amount of debt and main terms for its restructuring, which was submitted for review to Gazprom (the majority shareholder of MG) but due to regional geopolitical environment and internal re-organization, Gazprom has not yet reacted. <b>Not Achieved.</b>	

	<b>CPS FY14-FY17 – Cross-cutting Theme: Governance</b>	<b>Actual Results</b>	<b>IEG Comments</b>
<b>Major Outcome Measures</b>	<p><b>Outcome (i): Professionalization of public service through implementation of position of state secretaries</b></p> <p><u>Indicator A:</u> Baseline: All ministries and central agencies managed by political appointees (2013) Target: All ministries and central agencies managed by professional state secretaries (2017)</p> <p><u>Indicator B:</u> Baseline: Number of professional development programs for senior executive officials, including state secretaries (2013) Target: Professional development programs based on defined competencies and performance requirements approved and in place; and share of program-covered state secretaries (90 %).</p>	<p>The Central Public Administration Reform – CPAR - project (P105602, FY07, <a href="#">IEG:S</a>) supported this indicator. <b>Not verified.</b></p> <p><u>Indicator A:</u> the CLR reports that the target is mostly achieved, since most ministries – 13 of 16, or 80% (according to legal <a href="#">data</a> from the State Chancellery on appointment decisions)- are managed by non-political, professional state secretaries. <a href="#">Management: S</a> for the CPAR reports that the State Secretary position for each ministry was introduced (through the Government Statutory Act 155, February 2014) as the top civil service position to strengthen the ministries' organizational management and implementation capacity. <b>Mostly Achieved.</b></p> <p><u>Indicator B:</u> the CLR reports that the target is mostly achieved since "professional development program comprising six modules approved and in place; all 13 state secretaries have completed at least one module" (see <a href="#">data</a> from the Government and the <a href="#">EU</a> on these trainings). <a href="#">Management: S</a> for the CPAR reports that annual planning professional development program has been created but it does not report on the number of secretaries that have adopted it. <b>Mostly Achieved.</b></p>	As reported by the country team, there was no specific indicator in the CPAR result framework, but the state secretary positions were introduced during CPAR implementation to achieve CPAR PDO.

	CPS FY14-FY17 – Cross-cutting Theme: Governance	Actual Results	IEG Comments
	<p><b>Outcome (ii): Improved legislative framework for tax administration.</b></p> <p><u>Indicator:</u> Adoption of revised Tax Code in line with requirements of EU-Moldova Association Agreement.</p>	<p>The Tax Administration Modernization project (P127734, FY16) and the DFID Good Governance TF that includes Moldova, among various ECA countries (see DFID <a href="#">information</a>), as well as the Tax Legislation Revision TA (P158228, FY16) supported this indicator. According to the <a href="#">PAD</a> for project P127734, the revision of the Tax Legislation is to be carried under the DFID TF. The CLR reports that the target is partially achieved, with eight working groups that are currently finalizing revisions to the Tax Code and that the revisions are expected to be approved during 2017 (the country team provided <a href="#">the link</a> to the latest Aide Memoire – February 2016 - for project P158228, which details progress but the link led to an email, not to the report itself). <b>Partially Achieved.</b></p>	
	<p><b>Outcome (iii): Strengthened capacity for monitoring implementation of governance reform</b></p> <p><u>Indicator:</u> Initial Governance Scorecard publicly available on-line (April 2017)</p>	<p>The DFID Good Governance TF and the Governance Reform Scorecard (P158221, FY17) support capacity-building to the State Chancellery to develop and make publicly available a Governance Scorecard. The CLR reports that initial Governance Scorecard covering three dimensions –public administration reform, cost of doing business, and social assistance– were developed and approved on December 1, 2016 and that their publication is planned for June 2017 (see latest <a href="#">Aide Memoire</a>, reporting progress for project P158221). <b>Partially Achieved.</b></p>	
	<p><b>Outcome (iv): Government monitors public investment as means of improving strategic decision-making and resource allocation.</b></p> <p><u>Indicator:</u> Mechanism for monitoring public investment projects Baseline: No mechanism (2014) Target: Mechanism developed and used. Existing public investment project databases developed, with update possibilities (2017)</p>	<p>The Advice on Strengthening Public Investment Management (P130304, FY15) supported this indicator. <b>Partially Achieved.</b></p> <p><u>Indicator:</u> a public investment monitoring (PIM) methodology was developed, including the related legal framework and the Ministry of Finance completed a database for existing and proposed public investment projects for 2015 and 2016 state budgets but that the updated methodologies are not yet implemented (see <a href="#">output description</a>).</p>	
	<p><b>Outcome (v): Improved accountability of Executive for</b></p>	<p>The Advice on Strengthening Public Investment Management (P130304, FY15) supported this indicator (see <a href="#">output</a></p>	

	CPS FY14-FY17 – Cross-cutting Theme: Governance	Actual Results	IEG Comments
	<p><b>public investment through access to information.</b></p> <p><u>Indicator:</u> Baseline: No publicly available information on public investment Target: Program evaluation mechanism developed and used, and at least 3 programs evaluated for targeting, effectiveness and efficiency of outcomes and impact</p>	<p><a href="#">description</a>). The CLR reports that the Government Resolution 1029 (dated 12/19/2013) on public capital investments (approved in October 2016, see <a href="#">communiqué</a>) established a project evaluation mechanism and that the <i>Guidelines for Public Investment Project Preparation and Appraisal</i> were adopted by the Ministry of Finance Order No. 185 (they support line ministry staff in project preparation appraisal, and evaluation, see legislative <a href="#">information</a>). The CLR also reports that implementation is slow and incomplete (as reported in an <a href="#">EU report</a>), partly due to limited budget resources and that the Ministry of Finance’s webpage is not updated regularly. <b>Partially Achieved.</b></p>	
	<p><b>Outcome (vi): Improved capacity for audit over-sight of public expenditure</b></p> <p><u>Indicator:</u> Minimum 3 projects use national auditing procedures meeting following criteria: (a) audit performed in accordance with generally accepted auditing practices; (b) audit carried out by staff with professional qualifications and experience; (c) audit performed under constitutional or legal provisions designed to assure independence. (Baseline: 0)</p>	<p>The WBG supported Global Partnership for Social Accountability’s activities for Moldova, the Public Financial Management TA (P082916, FY05) and the Strengthening the Capacity of the Court of Accounts of Moldova TA (P133554, FY13) supported this indicator. As reported in <a href="#">IEG: MU</a> for project P082916, a modern audit methodology was developed, improving transparency and in line with the new EU framework. The CLR reports that three projects are audited exclusively by the Moldovan Supreme Audit Institution, the Courts of Accounts (COA): the Strengthening Effectiveness of Social Safety Net project (P120913, FY11, see the 2015 auditing <a href="#">report</a>), the Education Reform project (P127388, FY13) (see the 2015 auditing <a href="#">report</a>), and the Health Transformation project (see the January 2017 <a href="#">auditing report</a>) and that the quality of audits is assessed as satisfactory and audits are in accordance with international standards. <b>Achieved.</b></p>	
	<p><b>Outcome (vii): Improved Treasury system business processes</b></p> <p><u>Indicator:</u> Baseline: Manual processing of payment orders Target: Real-time processing of payment orders</p>	<p>The CLR reports that the target was achieved since, beginning January 1 2016, an improved Treasury system business processes allows payments prepared by the Program Implementation Units to be processed electronically. The Public Financial Management TA (P082916, FY05) supported the introduction of a single treasury account</p>	

	CPS FY14-FY17 – Cross-cutting Theme: Governance	Actual Results	IEG Comments
		<p>(in 2007) and of a Financial Management Information System.</p> <p>Additional information from the country team indicates that the supplier failed to deliver a fully functioning system (the major problem was with the budget execution module which assumed also the improvement of the Treasury business processes) but that it provided the Ministry of Finance with certain blueprints for Budget Execution Module, and necessary ICT infrastructure which allowed the Ministry of Finance to complete the system with its own resources after the project closure in December 2013. Targeted financial management training and capacity building activities (in 2014 and 2015) were organized for the Ministry of Finance and PIUs' FM staff by the WB financial management team aiming to explain the WB requirements in disbursement and financial management procedures, and to facilitate the process of development of the Treasury - Client system</p> <p><b>Achieved.</b></p>	
	<p><b>Outcome (viii): Improved functionality and uptake of electronic procurement system.</b></p> <p><u>Indicator:</u> Baseline: Paper-based public procurement procedures (2011) Target: Upgraded e-procurement software rolled out for use by all central line ministries and agencies (2015)</p>	<p>The Strengthening Public Procurement IDF Grant (P129112, FY12) supported this indicator.</p> <p>The CLR reports that the roll-out of e-procurement system to all central contracting authorities was partially achieved due to the missing electronic bid submission functionality. It also reports that not all standard bidding documents were developed. The last available <a href="#">ISR: S</a> (April 2015) reports that, as of April 2015, all Ministries (16) and 133 additional contracting agencies used the e-tending system. The project's Implementation Completion and Results <a href="#">Memorandum</a> (February 2016) reported that, as of October 2014, "149 GOM contracting authorities were using the new eProcurement System, including all central and local public authorities and institutions subordinated to them" and that the access was extended to all contracting authorities but that the electronic bid submission was not achieved.</p> <p><b>Partially Achieved.</b></p>	
	<p><b>Outcome (ix): Improved social accountability environment</b></p>	<p>The last <a href="#">ISR: S</a> of the Governance E-Transformation Project (P121231, FY11)</p>	

	CPS FY14-FY17 – Cross-cutting Theme: Governance	Actual Results	IEG Comments
	<p>through opening of government data and opportunities and capacity building for broad citizen engagement in service delivery and public expenditure management processes</p>	<p>reports that the project achieved 100% of the indicators. The project “reached more than 600,000 citizens of which more than 50% were women who benefited from access to e-services through public service portal or mobile access” and “2500 people were trained under the project in the use and application of information and communication technologies”. As reported in the CLR, at project closing, 937 government data sets, including on public expenditure are publicly available through the Open Data Portal. <b>Achieved.</b></p>	
	<p><b>Outcome (x): More participation in decision-making processes and enhanced quality of public debate</b></p> <p><u>Indicator A:</u> Number of WB-supported communities applying social accountability tools in education sector Baseline: 0 (2013) Target: 40 (2016)</p> <p><u>Indicator B:</u> Number of government data sets’ downloads from Open Data Portal Baseline: 0 (2013) Target: 1,450,000 (2016)</p>	<p>The WBG supported Global Partnership for Social Accountability (GPSA) activities in the education sector through the Improving the Quality of Education from Primary to Upper Secondary Schools (<a href="#">see website</a>) and the Empowered Citizens Enhancing Accountability of Education Reform and Quality Project (P147607, FY14) supported this indicator. <b>Achieved.</b></p> <p><u>Indicator A:</u> 60 communities participating in GPSA project (2016) applied social accountability tools in secondary education and 11 schools applied selected social accountability tools without formal participation in project activities (see last <a href="#">ISR: S</a>, April 2016, of project P147607. <b>Achieved.</b></p> <p><u>Indicator B:</u> the Governance E-Transformation Project (P121231, FY11) supported this indicator. The last <a href="#">ISR: S</a> reports that the number of visits to the government services portal (about 1.07 million) exceeded the project target (400,000) and that 937 government data sets were made public, as of November 2016. No other indicator reports on the number of downloaded datasets. Information provided by the country team, from the GET Agency monthly barometer confirms this data (see <a href="#">webpage</a>). <b>Achieved.</b></p>	
	<p><b>Outcome (xi): Increased uptake of government e-services, including by females</b></p> <p><u>Indicator:</u> % of direct project beneficiaries (including female)</p>	<p>The Governance E-Transformation Project (P121231, FY11) supported this indicator. The last <a href="#">ISR: S</a> reports that the project reached 617,354 beneficiaries, of which 52% were women. <b>Achieved.</b></p>	

	CPS FY14-FY17 – Cross-cutting Theme: Governance	Actual Results	IEG Comments
	Baseline: 20,000 (40 % female) (2013) Target: 300,000 (50 % female) (2017)		
	<p><b>Outcome (xii): Increased favorable citizen perception of quality of public service</b></p> <p><u>Indicator:</u> Share of satisfied citizens accessing Government Services Portal            Baseline: 45 % (2013)            Target: 60 % (2017)</p>	<p>The Governance E-Transformation Project (P121231, FY11) supported this indicator. The last <a href="#">ISR: S</a> reports that 66% of the users were satisfied with the overall quality of transaction processing for the main public services (citizen's portal).  <b>Achieved.</b></p>	
	<p><b>Outcome (xiii): Improved interaction and strengthened understanding of development challenges between representatives of both banks of Nistru river.</b></p> <p><u>Indicator A:</u> Introduction to WBG instruments            Baseline: 32 (2015)            Target: 40 Transnistrian and 15 right bank representatives (2015)</p> <p><u>Indicator B:</u> Training in international procurement and best practices            Baseline: 0 (2013)            Target: 20 Transnistrian representatives</p> <p><u>Indicator C:</u> Training in public-private partnerships (PPP)            Baseline: 0 (2013)            Target: 20 Transnistrian representatives (2015)</p>	<p>The Knowledge Building Program for Confidence Building between Moldova and Transnistria (P151996, FY17) supports this indicator. The CLR reports that project implementation has been slow, with only one of four pilot sub-projects completed by the end of 2015. Additional Information provided by the country team reports that it is unlikely that the WBG is going to achieve these sub-projects. <b>Mostly Achieved.</b></p> <p><u>Indicator A:</u> the CLR reports that the target was achieved. The November 2015 <a href="#">Aide Memoire</a> reports that the WBG team introduced the program and activities conducted up to this date, during a visit to Tiraspol, in which 9 people participated. <b>Partially Achieved.</b></p> <p><u>Indicator B:</u> the November 2015 <a href="#">Aide Memoire</a> reports that a training of International Procurement Rules and Best Practices was undertaken for 21 participants. <b>Achieved.</b></p> <p><u>Indicator C:</u> the November 2015 <a href="#">Aide Memoire</a> reports that a training on PPP was undertaken for 21 participants. <b>Achieved.</b></p>	

Annex Table 2: Moldova Planned and Actual Lending, FY14-FY17

Project ID	Project Name	Proposed FY	Approved FY	Closing FY	Proposed Amount (CPS)	Proposed Amount (PLR)	Approved IBRD Amount	Approved IDA Amount	Outcome Rating
<b>Project Planned Under CPS/PLR 2014-2017</b>									
P143283	Development Policy Operation	2014	2014	2015	30.0	30.0	9.0	21.0	
P132443	Moldova DH Efficiency Improvement	2014	2015	2020	20.0	40.5	40.5	0.0	LIR: MS
DROPPED	Moldova DH Efficiency Improvement Guarantee	2014			80.0	80.0			
P144892	Health Transformation	2014	2014	2019	30.0	30.8	0.0	30.8	LIR: MS
DROPPED	DPO	2015			30.0				
P144103	Second Competitiveness Enhancement Proj	2015	2015	2020	45.0	45.0	30.0	15.0	LIR: MS
DROPPED	Public Administration Reforms Project	2015			20.0				
P127734	Strengthening PFM and Tax Administration	2015	2016	2022	20.0	20.0	12.6	7.4	LIR: MS
P149555	DPO-2	2016	2017	2018	30.0	45.0	27.0	18.0	
P150357	Lifeline Roads	2016	2016	2021	30.0	80.0	0.0	80.0	LIR: MS
DROPPED	Forest and Sustainable Land Management	2016			20.0				
DROPPED	AF GeT/Competitiveness	2016			10.0				
DROPPED	DPO	2017			30.0	30.0			
P155968	Adaptation and Resilience to Climate change	2017	2017	2024	20.0	20.0	12.4	12.8	
P157765	AF Agriculture Competitiveness	2017	2017		20.0	10.0	0.0	10.0	
DROPPED	AF Moldova Education Reform Project	2017			15.0	15.0			
DROPPED	Modernization of Government Services	2016				20.0			
<b>Total Planned</b>					<b>450.0</b>	<b>466.3</b>	<b>131.5</b>	<b>195.0</b>	
<b>Project Unplanned Under CPS/PLR 2014-2017</b>									
P148125	DCRMP Additional Financing		2015			2.0		2.0	
P154238	MACP Additional Financing		2015			12.0		12.0	
<b>Total Unplanned</b>					<b>0.0</b>	<b>14.0</b>	<b>0.0</b>	<b>14.0</b>	
<b>On-Going Project during the CPS/PLR 2014-2017</b>									
P082916	PUB FIN MGMT TA		2005	2014				8.5	IEG: MU
P090340	QUAL EDUC IN RUR AREAS OF MD		2006	2014				10.0	IEG: MU
P095250	HEALTH SERVICES AND SOCIAL ASSISTANCE		2007	2015				17.0	IEG: MS
P107612	NATIONAL WATER SUPPLY & SANITATION		2008	2014				14.0	IEG: MS
P115634	DISASTER & CLIMATE RISK MGT		2011	2017				10.0	LIR: MS
P118518	AGRICULTURE COMPETITIVENESS PROJ. (GEF)		2012	2019				18.0	LIR: S
P120913	Strengthen SSN - Results		2011	2017				37.0	LIR: MS



Project ID	Project Name	Proposed FY	Approved FY	Closing FY	Proposed Amount (CPS)	Proposed Amount (PLR)	Approved IBRD Amount	Approved IDA Amount	Outcome Rating
P121231	MOLDOVA eTRANSFORMATION		2011	2017				20.0	LIR: S
P127388	EDUCATION REFORM		2013	2019				40.0	LIR: MS
P143202	EMERGENCY AG SUPPORT		2013	2015				10.0	IEG: S
P105602	MDTF FOR PUBLIC ADMIN REFORM		2007	2014				0.0	IEG: S
<b>Total On-Going</b>					<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>184.5</b>	

Source: Moldova CPS and PLR, WB Business Intelligence Table 2b.1, 2a.4 and 2a.7 as of 4/17/17

LIR: Latest internal rating. MU: Moderately Unsatisfactory. MS: Moderately Satisfactory. S: Satisfactory. HS: Highly Satisfactory.

\* P105602 is under Trust Fund

**Annex Table 3: Analytical and Advisory Work for Moldova, FY14-FY17**

Proj ID	Economic and Sector Work	Fiscal year	Output Type
P124627	MD Food Security Notes	FY15	Sector or Thematic Study/Note
P133219	Water Sector Regionalization Review	FY14	Sector or Thematic Study/Note
P146401	Electric Power Market Options	FY15	Sector or Thematic Study/Note
P146476	Moldova Forest Policy Note	FY15	Sector or Thematic Study/Note
P146486	Moldova FSAP Update	FY15	Financial Sector Assessment Program (FSAP)
P147451	Local Road Management and Finance	FY14	Sector or Thematic Study/Note
P148369	Trade Study	FY16	Sector or Thematic Study/Note
P148765	Moldova - ICR ROSC	FY15	Insolvency Assessment (ROSC)
P151113	District Heating and Electricity Tariff	FY16	Sector or Thematic Study/Note
P151472	Moldova poverty assessment	FY16	Poverty Assessment (PA)
P157689	Moldova PFR2016	FY17	Public Expenditure Review (PER)
P159050	Power System Interconnection Analysis	FY17	Sector or Thematic Study/Note
Proj ID	Technical Assistance	Fiscal year	Output Type
P130155	Moldova #10151 Improv Access to Credit	FY15	Technical Assistance
P130304	Advice on Strengthening Public Invnt. Mgm	FY16	Technical Assistance
P132485	LGAF TF Supervision	FY14	Technical Assistance
P143560	Accountancy curricula improvement MD	FY14	Technical Assistance
P145214	Social accountability in Forestry	FY14	Technical Assistance
P146628	Moldova PER 2014	FY14	Technical Assistance
P146769	Knowledge for Confidence Building: MD/TN	FY14	Technical Assistance
P151413	Open Contracting in Moldova	FY17	Technical Assistance
P151612	Moldova PER 2015	FY15	Technical Assistance
P152247	Pension reform	FY15	Technical Assistance
P152248	Health financing	FY15	Technical Assistance
P152249	Jobs and skills	FY15	Technical Assistance
P152911	Labor TA Moldova	FY16	Technical Assistance
P154652	Moldova Climate TA	FY17	Technical Assistance
P156336	Village Development Scoping Study	FY16	Technical Assistance
P157735	Energy Efficiency Transformation in DH	FY17	Technical Assistance
P157759	Advocacy for Pension Reform	FY16	Technical Assistance
P158221	Moldova: Governance Reform Scorecard	FY17	Technical Assistance
P158569	Transnistria: Knowledge Building Program	FY17	Technical Assistance
P159026	Fin sec regulator enforcement powers	FY16	Technical Assistance
P159027	State owned bank restructuring /governance	FY16	Technical Assistance
P159028	Securities registration reform	FY16	Technical Assistance
P159029	Assistance to Posta Moldova	FY16	Technical Assistance
P159030	FSAP Follow-up technical assistance	FY16	Technical Assistance
P159031	FS Monitoring	FY16	Technical Assistance
P160373	Moldova Country Gender Action Plan	FY17	Technical Assistance

Source: WB Business Intelligence 04/17/17



**Annex Table 4: Moldova Grants and Trust Funds Active in FY14-17**

Countries	Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount	Outcome Rating
Moldova	P127734	Tax Administration Modernization Project	TF 17415	2014	2016	300,000	
Moldova	P154573	Moldova Skills Data Capacity Building	TF A2984	2016	2019	300,000	
Moldova	P155968	Climate Adaptation Project	TF A2544	2017	2018	350,000	
Moldova	P150357	Local Roads Improvement Project	TF A0151	2015	2016	400,000	
Moldova	P148537	Modernization of Government Services in the Republic of Moldova	TF A2299	2016	2017	247,000	
Moldova	P154541	Strengthening capacity - EMIS	TF 19354	2016	2018	365,000	
Moldova	P150873	Implement participatory social accountability for better health in Moldova	TF 18162	2015	2020	730,000	
Moldova	P144103	MD Second Competitiveness Enhancement Project	TF 16060	2014	2015	495,500	
Moldova	P079303	Energy Conservation & Emissions Reduction Project (Community Development Carbon Fund)	TF 15873	2014	2017	170,000	
Moldova	P144618	Integration of Children with Disabilities into Mainstream Schools	TF 14855	2014	2018	2,860,000	
Moldova	P133554	Strengthening the Capacity of the Court of Accounts of Moldova (CoA)	TF 14332	2014	2016	1,000,000	
Moldova	P147607	Empowered citizens enhancing accountability of Edu reform and quality	TF 15859	2014	2019	696,955	
Moldova	P079303	Energy Conservation & Emissions Reduction Project (Community Development Carbon Fund)	TF 12845	2013	2014	50,000	
Moldova	P127125	MOLDOVA AGRICULTURE COMPETITIVENESS PROJECT (GEF)	TF 12145	2012	2017	4,435,500	
Moldova	P118518	MOLDOVA AGRICULTURE COMPETITIVENESS PROJECT (GEF)	TF 14946	2014	2016	2,820,287	
Moldova	P131020	Strategic Planning of Health Information Management Reform in Moldova IDF	TF 12263	2013	2016	278,000	
Moldova	P129112	Strengthening Public Procurement	TF 12004	2012	2015	493,000	
Moldova	P128468	Moldova EFA FTI 3 Grant	TF 11810	2012	2015	4,400,000	
Moldova	P120702	BIOGAS GENERATION FROM ANIMAL MANURE PILOT	TF 99602	2011	2015	980,000	
Moldova	P125137	Moldova: Sida Trust Fund on Financing Energy Sector Reform and Efficiency Improvements	TF 99139	2011	2015	2,551,063	
Moldova	P109459	Moldova Community Forestry Project	TF 93088	2009	2014	975,900	
Moldova	P105602	GOVERNMENT'S CENTRAL PUBLIC ADMINISTRATION REFORM (CPAR)	TF 56601	2007	2014	11,450,000	IEG: S
Moldova	P092516	Public Heating Biomass Systems in Moldovan Rural Communities (Community Development Carbon Fund Facility)	TF 56111	2006	2017	1,969,036	
Moldova	P079314	Social Investment Fund 2 Project	TF 93407	2009	2014	1,950,000	
Moldova	P077763	Soil Conservation Project	TF 53065	2004	2014	4,550,000	
<b>Total</b>						<b>44,817,242</b>	

Source: Client Connection as of 04/17/17

\*\* IEG Validates RETF that are 5M and above



**Annex Table 5: IEG Project Ratings for Moldova, FY14-17**

Exit FY	Country	Proj ID	Project name	Total Evaluated (\$M)	IEG Outcome	IEG Risk to DO
2014	Moldova	P082916	PUB FIN MGMT TA	4.7	MODERATELY UNSATISFACTORY	SIGNIFICANT
2014	Moldova	P090340	QUAL EDUC IN RUR AREAS OF MD	11.9	MODERATELY UNSATISFACTORY	NEGLIGIBLE TO LOW
2014	Moldova	P105602	MDTF FOR PUBLIC ADMIN REFORM	0.0	SATISFACTORY	SIGNIFICANT
2014	Moldova	P107612	NATIONAL WATER SUPPLY & SANITATION	13.1	MODERATELY SATISFACTORY	SIGNIFICANT
2015	Moldova	P095250	HEALTH SERVICES AND SOCIAL ASSISTANCE	27.5	MODERATELY SATISFACTORY	MODERATE
2015	Moldova	P143202	EMERGENCY AG SUPPORT	7.5	MODERATELY SATISFACTORY	MODERATE
<b>Total</b>				<b>64.7</b>		

Source: AO Key IEG Ratings as of 04/14/17

**Annex Table 6: IEG Project Ratings for Moldova and Comparators, FY14-17**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Moldova	64.7	6	74.3	66.7	72.5	50.0
ECA	9,527.6	81	94.4	75.3	62.0	49.4
World	50,931.6	582	86.4	74.1	57.1	43.9

Source: WB AO as of 04/14/17

\* With IEG new methodology for evaluating projects, institutional development impact and sustainability are no longer rated separately.

**Annex Table 7: Portfolio Status for Moldova and Comparators, FY14-17**

Fiscal year	2014	2015	2016	2017	Ave FY14-17
<b>Moldova</b>					
# Proj	14	12	15	14	14
# Proj At Risk	2	2	2		2
% Proj At Risk	14.3	16.7	13.3	-	11.1
Net Comm Amt	236.6	265.0	364.7	342.7	302
Comm At Risk	57.0	67.8	41.2		55
% Commit at Risk	24.1	25.6	11.3	-	15.2
<b>ECA</b>					
# Proj	280	290	279	298	287
# Proj At Risk	33	34	44	41	38
% Proj At Risk	11.8	11.7	15.8	13.8	13.3
Net Comm Amt	26,927.9	26,544.5	27,637.3	27,282.5	27,098
Comm At Risk	2,635.4	3,533.8	4,350.5	5,288.3	3,952
% Commit at Risk	9.8	13.3	15.7	19.4	14.6
<b>World</b>					
# Proj	2,048	2,022	1,975	2,100	2,036
# Proj At Risk	306	349	313	311	320
% Proj At Risk	14.9	17.3	15.8	14.8	15.7
Net Comm Amt	192,610.1	201,045.2	220,331.5	230,542.3	211,132
Comm At Risk	40,933.5	45,987.7	44,244.9	48,103.3	44,817
% Commit at Risk	21.3	22.9	20.1	20.9	21.3

Source: WB BI as of 05/18/17



**Annex Table 8: Disbursement Ratio for Moldova, FY14-17**

Fiscal Year	2014	2015	2016	2017	Overall Result
<b>Moldova</b>					
Disbursement Ratio (%)	30.2	27.0	30.5	15.9	24.7
Inv Disb in FY	38.5	20.4	46.8	31.9	137.6
Inv Tot Undisb Begin FY	127.5	75.7	153.5	201.3	558.0
<b>ECA</b>					
Disbursement Ratio (%)	22.8	23.5	17.5	15.5	19.5
Inv Disb in FY	2,612.0	2,664.4	2,275.6	2,271.3	9,823.3
Inv Tot Undisb Begin FY	11,467.5	11,342.1	13,028.9	14,631.8	50,470.2
<b>World</b>					
Disbursement Ratio (%)	20.8	21.8	19.5	14.0	18.9
Inv Disb in FY	20,757.7	21,853.7	21,152.9	15,121.0	78,885.3
Inv Tot Undisb Begin FY	99,854.3	100,344.9	108,600.3	108,055.9	416,855.4

\* Calculated as IBRD/IDA Disbursements in FY / Opening Undisbursed Amount at FY. Restricted to Lending Instrument Type = Investment.  
AO disbursement ratio table as of 04/17/17

**Annex Table 9: Net Disbursement and Charges for Moldova, FY14-17**

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
FY14	65,352,081.6	22,684,154.2	42,667,927.5	888,514.5	3,950,984.1	37,828,429.0
FY15	18,405,952.2	20,157,894.7	(1,751,942.4)	1,122,019.9	3,982,679.3	(6,856,641.7)
FY16	56,629,160.0	14,483,384.2	42,145,775.8	1,423,810.5	4,173,780.8	36,548,184.5
FY17	78,164,822.3	8,353,886.8	69,810,935.4	1,609,262.1	3,262,941.8	64,938,731.6
<b>Report Total</b>	<b>218,552,016.1</b>	<b>65,679,319.8</b>	<b>152,872,696.3</b>	<b>5,043,607.0</b>	<b>15,370,386.0</b>	<b>132,458,703.4</b>

World Bank Client Connection 04/17/17

**Annex Table 10: Total Net Disbursements of Official Development Assistance and Official Aid**

Development Partners	2014	2015
Austria	4.04	6.78
Belgium	0.01	0.01
Canada	0.04	0.51
Czech Republic	4.26	4.07
Denmark	5.43	5.53
Finland	1.13	1.39
France	5.1	4.46
Germany	13.82	10.36
Greece	0.47	0.44
Hungary	0.06	0.1
Ireland	0.04	..
Italy	0.22	0.23
Japan	23.46	37.01
Korea	0.45	0.48
Luxembourg	0.22	0.1
Netherlands	0.43	0.33
Norway	6.72	5.64
Poland	2.68	2.46
Portugal	0.01	0
Slovak Republic	0.58	0.85
Slovenia	0.42	0.15
Spain	0.02	0.02
Sweden	14.23	11.61



<b>Development Partners</b>	<b>2014</b>	<b>2015</b>
Switzerland	13.14	15.45
United Kingdom	2.25	1.97
United States	124.66	88.8
<b>DAC Countries, Total</b>	<b>223.88</b>	<b>198.75</b>
EU Institutions	153.08	70.29
International Monetary Fund, Total	-24.1	-30.22
IMF (Concessional Trust Funds)	-24.1	-30.22
Regional Development Banks, Total	3.09	2.31
Council of Europe Development Bank [CEB]	3.09	2.31
United Nations, Total	4.05	5.89
International Atomic Energy Agency [IAEA]	0.21	0.07
IFAD	1.4	2.99
International Labour Organisation [ILO]	0.07	0.33
UNAIDS	0.04	0.06
UNDP	0.58	0.36
UNFPA	0.45	0.42
UNICEF	0.91	0.97
World Health Organisation [WHO]	0.38	0.7
World Bank Group	30.94	30.21
World Bank, Total	30.94	30.21
International Development Association [IDA]	30.94	30.21
<b>Multilateral, Total</b>	<b>180.19</b>	<b>90.58</b>
Global Alliance for Vaccines and Immunization [GAVI]	0.82	1.18
Global Environment Facility [GEF]	2.62	2.84
Global Fund	7.56	5.98
OSCE	2.13	2.11
<b>Other Multilateral, Total</b>	<b>13.13</b>	<b>12.11</b>
Bulgaria	..	0.31
Estonia	1	0.99
Israel	0.93	0.79
Kuwait (KFAED)	-0.26	..
Latvia	0.16	0.12
Lithuania	0.07	0.07
Romania	56	18.44
Russia	..	0.68
Turkey	3.53	1.83
Memo: Private Donors, Total	3.58	2.97
Bill & Melinda Gates Foundation	3.58	2.97
<b>Non-DAC Countries, Total</b>	<b>61.44</b>	<b>23.24</b>
<b>Development Partners Total</b>	<b>465.51</b>	<b>312.56</b>

Source: OECD Stat, [DAC2a] as of 04/17/17

\* No data available after 2015



**Annex Table 11: Economic and Social Indicators for Moldova, 2014 – 2016**

Series Name				Moldova	ECS	World
	2014	2015	2016	Average 2014-2016		
<b>Growth and Inflation</b>						
GDP growth (annual %)	4.8	(0.5)	..	2.1	1.7	2.7
GDP per capita growth (annual %)	4.9	(0.4)	..	2.2	1.2	1.5
GNI per capita, PPP (current international \$)	5,540.0	5,400.0	..	5,470.0	29,886.0	15,440.1
GNI per capita, Atlas method (current US\$) (Millions)	2,560.0	2,240.0	..	2,400.0	24,958.1	10,726.9
Inflation, consumer prices (annual %)	5.1	9.7	..	7.4	0.5	2.0
<b>Composition of GDP (%)</b>						
Agriculture, value added (% of GDP)	15.5	14.4	..	14.9	2.2	3.9
Industry, value added (% of GDP)	17.2	14.4	..	15.8	25.5	27.6
Services, etc., value added (% of GDP)	67.3	71.2	..	69.2	72.3	68.5
Gross fixed capital formation (% of GDP)	24.7	24.2	..	24.5	19.8	23.4
Gross domestic savings (% of GDP)	(10.9)	(8.2)	..	-9.6	23.4	24.8
<b>External Accounts</b>						
Exports of goods and services (% of GDP)	41.5	43.3	..	42.4	41.9	29.9
Imports of goods and services (% of GDP)	78.5	74.2	..	76.4	38.7	29.2
Current account balance (% of GDP)	(7.1)	(6.3)	..	-6.7		
External debt stocks (% of GNI)	74.5	91.1	..	82.8		
Total debt service (% of GNI)	6.7	6.1	..	6.4		
Total reserves in months of imports	4.2	4.4	..	4.3	6.8	12.9
<b>Fiscal Accounts <sup>1</sup></b>						
General government revenue (% of GDP)	37.6	37.4	37.3	37.4		
General government total expenditure (% of GDP)	38.9	38.6	38.3	38.6		
General government net lending/borrowing (% of GDP)	(1.3)	(1.1)	(1.0)	-1.2		
General government gross debt (% of GDP)	20.8	19.3	17.8	19.3		
<b>Health</b>						
Life expectancy at birth, total (years)	71.5	71.6	..	71.5	77.2	71.6
Immunization, DPT (% of children ages 12-23 months)	90.0	87.0	..	88.5	93.3	85.6
Improved sanitation facilities (% of population with access)	76.4	76.4	..	76.4	93.1	67.3
Improved water source (% of population with access)	81.4	81.4	..	81.4	96.1	84.3
Mortality rate, infant (per 1,000 live births)	13.9	13.6	..	13.8	9.9	32.2
<b>Education</b>						
School enrollment, preprimary (% gross)	83.8	83.9	..	83.8	74.6	44.0
School enrollment, primary (% gross)	93.1	92.4	..	92.7	103.3	104.6



Series Name				Moldova	ECS	World
	2014	2015	2016	Average 2014-2016		
School enrollment, secondary (% gross)	87.3	86.1	..		106.0	75.1
<b>Population</b>						
Population, total	3,556,397	3,554,108	..	3,555,253	905,730,844	7,303,698,844
Population growth (annual %)	(0.1)	(0.1)	..	-0.1	0.5	1.2
Urban population (% of total)	44.9	45.0	..	45.0	70.8	53.6

Source: DDP as of 06/17/17

\*International Monetary Fund, World Economic Outlook Database, November 2016

\*\* No data available for Moldova after 2015

**Annex Table 12: List of IFC Investments in Moldova**  
**Investments Committed in FY14-FY17**

Project ID	Cmt FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
34474	2015	Active	Finance & Insurance	G	155,000	30,000	-	30,000	20,000	-	10,000	-	10,000
<b>Sub-Total</b>					<b>155,000</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>20,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

**Investments Committed pre-FY14 but active during FY14-17**

Project ID	CMT FY	Project Status	Primary Sector Name	Greenfield Code	Project Size	Original Loan	Original Equity	Original CMT	Loan Cancel	Equity Cancel	Net Loan	Net Equity	Net Comm
31432	2013	Active	Food & Beverages	G	95,000	30,000	0	30,000	-	-	30,000	0	30,000
33927	2013	Active	Agriculture and Forestry	E	252	-	252	252	-	-	252	252	252
29444	2012	Active	Nonmetallic Mineral Product Manufacturing	G	29,300	10,000	-	10,000	-	-	10,000	-	10,000
31689	2012	Active	Electric Power	E	3,000	3,000	-	3,000	-	-	3,000	-	3,000
29484	2011	Active	Public Administration	E	10,000	10,000	-	10,000	-	-	10,000	-	10,000
28636	2010	Active	Electric Power	G	40,000	15,000	-	15,000	-	-	15,000	-	15,000
26297	2008	Active	Food & Beverages	E	22,100	5,000	5,000	10,000	-	-	10,000	5,000	10,000
25282	2007	Active	Finance & Insurance	E	1,000	53	-	53	-	-	53	-	53
10533	2001	Active	Information	E	125	-	125	125	-	-	125	125	125
10898	2001	Active	Information	E	175	-	175	175	-	-	175	175	175
10128	2000	Active	Information	E	73	-	73	73	-	-	73	73	73
9272	1999	Active	Information	G	41,250	15,000	1,250	16,250	1,286	-	14,965	1,250	14,965
<b>Sub-Total</b>					<b>242,275</b>	<b>88,053</b>	<b>6,875</b>	<b>94,928</b>	<b>1,286</b>	<b>-</b>	<b>93,642</b>	<b>6,875</b>	<b>93,642</b>
<b>TOTAL</b>					<b>397,275</b>	<b>118,053</b>	<b>6,875</b>	<b>124,928</b>	<b>21,286</b>	<b>-</b>	<b>103,642</b>	<b>6,875</b>	<b>103,642</b>

Source: IFC-MIS Extract as of 1/31/17

**Annex Table 13: List of IFC Advisory Services in Moldova  
 Advisory Services Approved in FY14-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
600467	MD ICR	2016	2019	ACTIVE	TAC	3,200,000
599133	Resource Efficiency (REF) for SMEs	2015	2017	TERMINATED	CAS	1,742,000
<b>Sub-Total</b>						<b>4,942,000</b>

**Advisory Services Approved pre-FY14 but active during FY14-17**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, US\$
597547	Balkans and Caucasus Financial Infrastructure Program	2013	2018	HOLD	FAM	1,086,945
576047	Investment Climate Reform Moldova	2012	2016	ACTIVE	TAC	3,499,265
27578	Moldova Health	2011	2016	CLOSED	CAS	1,083,361
<b>Sub-Total</b>						<b>5,669,571</b>
<b>TOTAL</b>						<b>10,611,571</b>

Source: IFC AS Data as of 3-28-17

**Annex Table 14: IFC net commitment activity in Moldova, FY14 - FY17**

	2014	2015	2016	2017	Total
MAS Industry Group		10,000,000			10,000,000

Source: IFC MIS as of 5/5/17

**Annex Table 15: List of MIGA Activities in Moldova, 2014-2017**

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
9985	ProCredit Group Central Bank Mandatory Reserves Coverage, Moldova	2015	Active	Banking	Germany	8
7552	I.C.S. Raiffeisen Leasing S.R.L. (RLMD)	2014	Active	Leasing	Romania	7
10253	I.C.S. Raiffeisen Leasing S.R.L.	2013	Active	Leasing	Romania	6
10253	I.C.S. Raiffeisen Leasing S.R.L.	2012	Active	Leasing	Romania	7
9985	ProCredit Group Central Bank Mandatory Reserves Coverage	2011	Active	Banking	Germany	4
<b>Total</b>						<b>31</b>

Source: MIGA 5-4-17