

Joint Integrated Local Development Programme

United Nations Development Fund for Women

and

United Nations Development Programme

in partnership with

State Chancellery of the Government of Republic of Moldova



Drawing upon Moldovan and global expertise in facilitating local self-governance and community-led development, UNDP and UNIFEM propose to implement an Integrated Local Development Programme (ILDPP) that provides knowledge-based policy advice at central and regional levels coupled with a scaled up community-level intervention that aims to integrate local authorities into regional and community level development processes. Not only will ILDPP deepen engagement with current targeted communities and local authorities, ILDPP will seek to lay a foundation for regional and community-led development in selected rayons and communities in target region/regions of Moldova.

At the central level and in targeted region and areas, UNDP and UNIFEM will help to strengthen legal and regulatory frameworks and to streamline local administrative procedures and systems. There will be a particular emphasis on a draft framework for the effective delegation of authority to LPAs, fiscal decentralisation to deliver essential services, and promotion of a greater role for women in decision-making bodies. Secondly, UNDP will build the capacities of targeted LPAs to plan, implement programmes and services and monitor their success, with greater citizen participation. Paired with this, we will support greater community and civil society participation in the development and implementation of local development plans and regional strategies. UNDP will work to develop the capacities of local NGOs to play more influential roles in local and regional development planning, programme implementation and monitoring.

UNEP (Outputs) Indicators:
UNEP (Outputs) Indicator (SI)

Expected (Outputs) Annual Targets:
Expected (Outputs) Indicator (SI)

Implementing partner:
Responsible parties:

Implementing partner:
Responsible parties:

Agreed by (UNEP):

Agreed by (Implementing partner):

Agreed by (Funding entity):

Programme Period:	2007 - 2012
II Phase/Revised:	2009 - 2012
Programme Component:	Joint Integrated Local Development Programme
Program ID:	0045255
Program Duration:	2007 - 2011 2009 - 2012
Management Arrangement:	NEX
Fund management option:	Pass-through modality

Budget	7,928,700.00 USD
General Management Support Fee	500,000.00 USD
Total budget:	7,928,700.00 USD
Allocated resources:	
• Government	
• Regular	
• Other:	
• SIDA (TRC)	6,500,000.00 USD
In kind contributions (LPA)	450,000.00 USD
Unfunded budget:	478,700.00 USD

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

3.1. LPAs operate in a more effective and transparent manner

3.3. Empowered communities and CSOs participate in local development planning, implementation and monitoring

1. National legal, policy and advisory frameworks to support sustainable processes of development at sub-national level developed.

2. Capacities of LPAs in the target regions improved to plan, implement, and monitor in a participatory manner.

3. Communities and CSOs are empowered to participate in local development planning, implementation and monitoring and local actors are able to deliver services and upgrade the basic infrastructure

4. Rural communities and CSOs in Transnistrian region of Moldova, as well as in the Government control area of the Transnistria region, are empowered to participate in local development planning, implementation and monitoring and local actors are able to deliver services and upgrade the basic infrastructure

STATE CHANCELLARY

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I. PROGRAMME BACKGROUND

I.1. INTRODUCTION

While at independence the Republic of Moldova was classified as a middle-income country, now it is the poorest country in Europe with 25.8% of the population living in absolute poverty and 2.8% in extreme poverty (2007). Its Human Development Index ranking in 2007/8 was 111 out of 177 countries with GDP per capita of \$2,100. Although it was reclassified to Lower Middle Income Country in 2008 this masks disparities within the country, in particular the widening gap between poverty levels in the cities and in the rural areas and small towns. 66% of the country's poor live in rural areas.

Moldova is facing a complex set of development challenges. Some of them are of global nature as effects of globalization, including the global financial crises and climate change, but more are triggered by the recent political and economic crises and human rights situation. At the same time, the presence of a frozen conflict in the breakaway Moldovan's Transnistria region continues to be a drag on the Moldovan economy and country stability. As a result of this combination of domestic and external factors, there is huge concern that the current negative trend in economic growth may lead to a reversal on progress achieved to date on MDG 1 (poverty reduction) and the attainment of other MDGs in general.

Following discussions with new government and other counterparts, the UN in Moldova is increasing its role in responding to the emerging challenges the country faces, the latter in effect reflecting the special development situation of the Republic of Moldova and especially addressing the effects of the global economic crisis on local communities and the ability of local public authorities to provide quality public services to their citizens. The main focus will be to strengthening sub-national capacities for achieving the MDGs.

For this purpose, UNDP, UNIFEM and other development partners are initiating the new phase of the Integrated Local Development Program. This is done on the basis of harmonizing development approaches and aligning interventions with national priorities, systems and processes. The Proposal builds and capitalizes further on the ongoing work in: a) the area of local and regional development as well as b) in the area of good governance and gender mainstreaming to ensure the sustainability of results. Both areas of the programme underline the importance of national ownership and strengthening capacities at the local level (including Transnistrian region) to speed up economic recovery, reduce poverty and inequality, and ultimately supporting achieving the MDGs.

UNDP and UNIFEM interventions will apply a rights-based approach and gender mainstreaming to human development, in line with national development priorities and MDG targets for 2015, while responding to the challenges of reform and European Union integration. The proposed programme builds on the priorities of the new Government Programme: European Integration, Freedom, Democracy and Wellbeing, as well as the National Development Strategy (2007-2011) and United Nations Development and Assistance Framework (for 2007-2011), in which the condition of most vulnerable (including elderly, disabled, victims of domestic violence, women at risk and young people) and the need to extend development assistance to the Transnistria region are identified as major concerns.

Impact of the global economic crisis

1. **Restoring the rule of law** in the country with focus on human rights and fundamental freedoms, freedom of media, effective separation of powers, independence of the judiciary, reforming the law enforcement structures according to European standards.

2. **Overcoming the social-economic crisis** and ensuring the economic growth focusing on developing a comprehensive program of combating the economic and financial crisis, poverty reduction, transparent public finance management, liberalization of the economy, restoring the relations with the IFIs.

3. **Decentralization of power and ensuring the local autonomy**

4. **Territorial reintegration of Moldova** by continuing the process of negotiations for Transnistrian settlement involving all parties concerned

5. **European integration of Moldova** and promoting a balanced, consistent and responsible foreign policy through negotiation and signing of the Association Agreement between Moldova and the European Union, while preserving strategic partnerships with the United States, the Russian Federation and the neighbouring Romania and Ukraine.

proposing five main objectives that also served as grounds for the new Government programme:

elections were validated, the non-communist parties have united into the Alliance for European Integration (PLDM), Liberal (PL), Democratic (PD) and Moldova Nostra (AMN) - 53 mandates. Immediately after the of Communists (PCRM) has gained 48 seats while the other 4 right-centre parties, the Liberal Democrat Party for July 29, 2009, as a result of which, 5 parties have passed the threshold to accede into the legislative: Party As the then-elected parliament did not succeed to elect a president from two attempts a new election was called

The political scene in the Republic of Moldova is less stable than in recent years, with two parliamentary elections in row. The Party of Communists (PCRM), which has been in power since 2001, has gained a decisive victory (60 seats out of 101) in the Parliamentary Elections on April 5th, 2009. International observers judged the elections to have been held in line with many international standards, while opposition parties have declared that the elections were fraudulent. Protests against the results turned violent and the police response to the unrest has raised tensions further. Human rights violations were documented by special mission from EU and Council of Europe sent to Moldova; followed by the adoption of EU Parliament of a special resolution on Moldova calling authorities to respect human rights. Until now (September 2009) the authorities did not conduct any official investigation of the events and there is no clarity on who is to bear responsibility and has to stand trial for that.

The lack of an effective public administration system significantly slowed down the transition process in Moldova. Laws were enacted and policies adopted, but enforcement lagged behind. Some of the causes of the existing problems are residing in the lack of strategic vision on functions and obligations of state bodies and their relationships with local governments; the limited capacity of the public service, and first of all the quantity and quality of personnel, their access to training in the country and abroad.

Since gaining independence in 1991, the Republic of Moldova as a young state had to build new state institutions appropriate to manage the country and to build democratic, market-related and social-protection mechanisms. Despite the reforms carried out during the past decade aimed at establishing the rule of law, democratization and market oriented economy, the changes that took place in the public administration were ad-hoc and not following a strategic approach. The population is still dissatisfied with the quality of governance while trust in state institutions is low.

1.2.1. Political and economic context

1.2. PROGRAM RATIONALE

Moldova is, by most measures, the poorest country in Europe. Whilst the level of absolute poverty went down to 25.8% (and that of extreme poverty constituted 2.8%¹ (2007), territorial disparities are persistent, whereby absolute poverty has increased in small towns and rural areas (compared to cities) where over 70% of the population live.

The economy remains vulnerable to higher fuel prices, fluctuating weather conditions, and the skepticism of foreign investors. The country is heavily dependent on agriculture, which contributes to nearly one third of the GDP, employing 43% of the population and comprising 60% of total exports. Also, the country imports almost all of its energy supplies and its domestic demand has been strongly driven by remittances which account for 36% of the GDP.

The impact of the global economic and financial crisis places Moldova at risk of experiencing negative performance in its socio-economic development with an increasing fear of reversal in MDGI in particular. A recent UNDP Study commissioned by Expert Group² acknowledges a widespread belief that Moldova has been in a constant crisis in the last two decades and that the current financial crisis only added some new twists to it. Many analysts believe that the most damaging potential effect of the economic crisis would be from a significant increase in returned labour from recession-affected recipient countries and subsequent reduction in inward remittances.

However, aside from declining remittances, the other channels of crisis transmission will also play an important role, in particular contracting demand for Moldovan export products and reduced demand for imported goods (whereby over 70% of government revenue is dependent on excise and customs duties), falling foreign direct investment (FDI) and subsequent contraction in industrial production. In a country where over 60% of the government budget is directed to social expenditure, this may have serious implications for the social sector. The global crisis is also complicating fiscal policy by contributing to lower fiscal revenue collection while increasing demands on social safety net expenditures. All of these factors underscore the need for consistent macroeconomic policy and a strategic approach to setting short-term and medium-term priorities for development.

Given the unfolding of the global economic crisis, local authorities have been requested by the Ministry of Finance to reduce costs by 20%, decision that made local public officials complain that the reduction will affect the payment of salaries, pensions, and other social indemnities, hard hitting the vulnerable people, majority of whom are women. It has to be noted that some social spending will no longer be available and about 90 percents of local budgets are used for salary-related expenses. IMF representatives believe that the path that Moldova has taken in an attempt to diminish the effects of the crisis by making the country more competitive in the context of a reduction in domestic demand (diminishing imports, salaries, prices, and credit volumes for the economy) is much more painful, both for the economy, and for the population.

It should be mentioned that the most notable characteristic of poverty in Moldova is its concentration in rural areas and small towns. Inequality between urban and rural areas has also recorded a continuous increase. Further deterioration in poverty rates is likely if there is significant return of migrants, with consequent falls in remittances and rising unemployment as those returning enter the labour market. Indeed, given that migration has been principally from rural areas, it is probable that the effects of large numbers of returning migrants would be felt more sharply there. Rural areas are already affected by the downturn and, as in urban areas, if there is significant return of migrants, they will potentially be competing for jobs with those workers who have lost their jobs in domestic industry. If so, there is the prospect of further increases in rural poverty and many of the concerns about rural poverty in Moldova that were apparent before the crisis may now become more acute as the crisis unfolds.

¹ By 1999 over 70% of Moldovans were poor and over 60% extremely poor
² Impact of the global financial crisis on local communities in Moldova, Expert Group, September 2009, undertaken within the UNDP Integrated Local Development Programme, http://undp.moldova/presscentre/2009/ILDP_Report_Crisis/Report_Impact_financial_crisis_eng.pdf

The broad findings of recent studies² are that there are very few institutional structures on which the poor can draw for livelihood support. The most important institutions are the Local Public Authorities (LPA) because they are the mechanism through which documents are accessed, benefits are claimed and information is sought. The assessment of the LPA was that they were slow, inefficient and did not have the contacts and experience to promote local development. The other public institutions, such as the various inspectorates (tax, phyto-sanitary, sanitary) are experienced as controlling agents, often corrupt that have to be paid.

1.2.2. Local governance reform, decentralization and service delivery

Following the basic principles set up in the Moldovan Constitution which guarantee equal human rights throughout the country, access to quality education, health and social services, as well as the access to clean water, environment and basic infrastructure; it is clear that there is no alternative to implementing the local governance reform, financial autonomy and fiscal decentralization; that may clarify roles and functions, and provide sufficient financial resources to meet those development and societal objectives. The continuous delay of these improvements, as well as maintenance of the current level of inequalities have a great impact on human rights in Moldova and will only deepen if no concrete steps are taken to overcome this.

One of the five priorities of the new Government, as outlined in the programme European Integration: Freedom, Democracy and Wellbeing is to advance decentralization (both administrative and fiscal) and ensure real local autonomy. However, in addition to political will, making these changes will depend on a number of factors such as, the economic situation, numerous stakeholders' vested interests (central vs. local authorities); slow economic development in the rural areas, and small fiscal base. In addition to these factors, shall also be considered the low capacity and lack of training at the local level to implement new policies of decentralization; attitude of people's expectations of the central and local governments and the lack of pro-active attitude by civil society's institutions.

Local governments in Moldova account for a significant share of the public sector. They play a major role in the provision of social services--in 2006, local spending on education accounted for 65% of total government spending on education--and bear primary responsibility for urban housekeeping functions, including water supply, street construction and maintenance and district heating. As such, they have an important role in human capital development and in the productivity of Moldova's increasingly urbanized economy, and as mentioned before they are the main institutions on which the poor can draw for livelihood support.

The division of a country's area into administrative and territorial units should ensure the principles of local autonomy, decentralization of public services, election of local public administration bodies, access of the population to administration with them on the main issues of local importance.

The evolution of LPA role and performance was marked by territorial-administrative reforms in 1999 and 2003. However, services provided at local level are still largely inadequate and of poor quality. In particular, local public authorities are responsible for providing general education services, ensuring rural infrastructure and partially, health services. Despite the fact that the share of expenditures for education and health is relatively high in the local budget, the problem of quality and inequitable access to these services still persists. In case of rural infrastructure, because resources allocated for maintenance and repairs were limited, it resulted in significant deterioration of rural infrastructure

The last local administration reform established 32 raions (districts) instead of 11 judet (counties) in 1998. One major reason given for this reform was to move public services geographically closer to the citizens. The opposing opinion was that the judet, being larger than the raion, was more preferable from economic and financial aspects, as it could provide more of its own revenues to finance these services.

² Moldova Regional Livelihood Study. Part Baumann, Ludmila Malocci, Lisa Paglietti. The study was undertaken within the "Moldova: Co-operation in the Regional Development" Project supported by SIDA and DFID

The Moldovan Constitution provides for two tiers of elected local government. The upper tier (following reorganization in 2003) consists of 32 *rayons* (excluding trans-Dniestra). These are in divided into *primarias*, which may consist of a single town (such as the seat of the rayon) or a district containing several villages. The cities of Chisinau and Balti are considered upper tier governments, as is the Special Administrative District of Gagauzia. The electoral code (as amended through 2002) provides for the direct election of mayors and councils at both levels, on the basis of universal, equal, direct, and secret vote, for four year terms. Seats on local government councils are awarded on the basis of proportional representation (i.e., according to the percentage of the votes won by each party). There are a total of 896 lower tier local governments. The average size of lower tier governments (in terms of population) is about 4,300.

According to the legislation, Moldovan local governments perform several distinct categories of functions. While the social sectors consume the largest share of local budgets, local autonomy in this area is limited. Most of local government discretionary spending is devoted to various urban 'housekeeping' functions, and administrative costs.

Education is by far the largest single item of local expenditure, accounting for half the total in 2007. Local governments are responsible for managing and financing individual schools, including paying the costs of teachers salaries, heating, lighting, school lunches and building maintenance. Education policy, however, remains highly centralized. Central authorities control the number of teaching positions in the rayon and decisions over the opening or closing of new schools. Salary scales for teachers are set at the national level.

The vast majority of *social assistance* is financed and managed by agencies of the central government. Local governments are responsible only for the costs of targeted subsidies for public transport and other municipal services and the salaries of certain social workers. In total, social assistance consumed eight percent of local government expenditures in 2007.

Local governments have virtually no financial role in the provision of *health care*. Although upper tier local governments (rayons, Chisinau and Balti) are the legal owners of most primary and secondary health facilities (i.e., rayon hospitals and their affiliated family doctor centers) virtually all funding for such facilities now comes from the national Health Insurance Institute (HII).

According to the current decentralization law (as amended through March 2007) lower tier local governments are responsible, *inter alia*, for urban solid waste collection and management, construction and maintenance of drinking water systems, sewerage systems and waste water treatment facilities, district heating, construction, maintenance, and lighting of streets and local public roads and local public transportation. Upper tier local governments are responsible for the construction and maintenance of rayon-level roads, the organization of inter-urban transport (including the management of bus terminals of rayon interest' and 'other public projects of rayon interest'. These functions are largely carried out by local-government-owned enterprises and to varying degrees, are financed through tariffs. Spending on transportation (including roads and public transport) consumed four percent of local government expenditure in 2007. Some of it is spent on housing. Although Moldova's housing stock is largely privatized, housing repair still makes a significant claim on local government budgets.

The Law on Local Public Administration grants responsibility to local authorities to elaborate, approve and execute local budgets⁴. They can establish local taxes and duties in compliance with the Law on Local Public Finance and other legislative acts. The executive authorities of villages, communes and towns elaborate local budgets and submit them to local councils for approval, which are subsequently submitted to the district councils. Based on the local councils' budgets, the district budget is formulated and submitted to the MoF for review and approval. After the approval of the State Budget by the Parliament the local budgets are adjusted, if necessary, and approved in the final version.

⁴ For the purpose of this document, "local budgets" means the budgets of territorial administrative units

⁵ The situation is more dramatic if the budget of Chisinau municipality is excluded – 71% of the total spending

According to the law, the second type of transfers (destination transfers) includes allocations for additional functions delegated by the Government or compensations for loss of revenues due to changes in legislation or in the territorial administrative structure. In reality, these transfers usually finance investment projects. In 2008, these transfers accounted for 15% of the total. The share of these funds in the total transfers received by the local budgets varied from 58% for Balti municipality to 5% for Sangerei. Their allocation is seen by the

There are two types of transfers to the local budgets. The most important one is from the Financial Support Fund: in 2008 these transfers represented 81% of the total transfers. The Financial Support Fund is formed of State Budget allocations and allocations from the local budgets whose budgetary revenues exceed by at least 20% the average expenditures per capita. The amount of Financial Support Fund transfers is determined as the difference between the average per capita spending (which is calculated for each article of expenses) and the per capita revenue multiplied by the total number of people. Thus, the existing transfer system ensures a similar expenditure level across the districts regardless of the revenue generation capacity. Also, the financial support transfers are calculated based on normative elaborated by the MoF. In reality, the regulations do not account for the exact demographic figures (for ex. number of children in schools or kindergartens) and allow some villages to “save” some funds which they can use next year.

As compared to the State Budget, local budgets are very limited in their ability to mobilize revenues. This is due to the depressed economic activity in most of the districts, but also to the deficient system of distributing revenues from taxes between the central and the local budgets. The local authorities' budgets depend heavily on the transfers from the State Budget and this dependence has been growing over time. In 2008, more than 50% of the total administrative territorial units' expenditures were financed by State Budget transfers, which is 10 percentage points more than in 2005. As a share of total public expenditures, local spending has been decreasing. In 2009, local budgets' expenditures were planned at about 34% of the State Budget expenditures, compared to 46% in 2006.

Districts play an administrative and regulatory role in financial relations between the State Budget and local councils. Their main functions include distributing transfers from the State Budget to local councils, executing certain local authorities' functions at the district level, aggregating local councils' budget execution data reported to them by the local councils and reporting these aggregated data to the MoF. Despite the last years' discussion about the need to increase local authorities' administrative and financial independence, in reality, the district authorities have little autonomy in fiscal-policy decision making and they end up executing central authorities' orders. The accountability continues to remain hierarchical and vertical, rather than to the local constituency.

Local budgets of first level are responsible for financing general education, housing and communal services, transport subsidies, some social safety net (financial aid for vulnerable people), payment of salaries to local public servants, municipal police and support to local enterprises. *The district budgets* finance the construction and maintenance of roads and public assets (including medical institutions), provide public goods (fire brigade), education (lyceums, boarding schools, vocational schools, music schools), culture and social assistance.

Local governments derive the vast majority of their revenues—virtually all revenues other those generated from local charges and fees—from a system of shared taxes and intergovernmental transfers. The system consists of two major stages. The first is the calculation of financial allocations to each upper tier local government—each rayon (including funding for the *primarias* within it), Chisinau, Balti, and Gagauzia. This calculation is essentially based on the gap between the estimated revenues and expenditures of each upper tier jurisdiction.

beneficiaries as less transparent, with priorities identified at the local level being ignored in many cases by the Government and replaced with projects which are considered to be politically motivated.

Districts (rayons) are free to allocate revenues from shared taxes and transfers to lower-tier local governments as they please. While the procedure again follows a gap-filling approach, the degree of transparency and equity in this process varies. It is reportedly common for the mayors of primarias to press for low tax revenue estimates in order to maximize the level of transfers they receive.⁶ Rayons, in turn, are free to adopt their own norms in calculating the expenditures of primarias. Allocation rules in other rayons are reportedly considerably less transparent.

Under the Law on the Basis of the Fiscal System and the Fiscal Code, local governments are assigned a land tax, building tax, and various minor fees, such as a tax on natural resources. Revenues from these sources (excluding tariff revenues, retained by municipal enterprises) are fairly minor. In 2007, the land tax represented only three percent of total local government revenue. The building tax—half of which was collected in Chisinau—contributed only one percent

The most conspicuous weakness in the current system of local finance is the arbitrariness of transfers from upper tier governments—the rayons—to the lower tier governments—the primarias. While the distribution of transfers from the central government to rayons is relatively mechanical, the distribution of transfers from rayons to primarias is excessively political. A recent World Bank's report on local service delivery notes⁷ that the 'current system for intergovernmental transfers opens space for discretionary and arbitrary decision from district levels of government'. It goes on to quote one local official: 'If the person (in the rayon office) is from the same party as me, I might get some help.' These concerns are reiterated, with considerable statistical evidence, in the recent policy brief on local finance by the Institute for Development and Social Initiatives.⁸

To address this problem, the Government is under pressure to implement the administrative decentralization legislation and is debating a major reform in the system of transfers and local finance, aimed at reducing the arbitrariness of the transfer system and reducing its vulnerability to political manipulation.

For the purpose of studying, promoting and monitoring the administrative and financial decentralization process, the Party Commission for Decentralization (PCD) chaired by the former Minister for Local Public Administration was established. The PCD is composed of representatives of different ministries and other central administrative authorities, of level one and two local public authorities, as well as representatives of non-governmental organizations that are active in the field.

According to the new structure of the government, the Ministry of Local Public Administration was liquidated, with its responsibilities being transferred to the State Chancellery (decentralization, local self-governance) and to the Ministry of Construction and Regional Development (coordination of regional development aspects). A final structure and clear division of responsibilities are expected by the end of the year.

The ministries and other central administrative authorities, in collaboration with the State Chancellery, Ministry of Construction and Regional Development and the associated structures of local public authorities should assess the opportunity for decentralization by sectors, as well as the impact of the suggested solutions regarding the decentralization of certain competences.

However, the key ministries, lack capacity to lead the process. Conflicting agenda of different institutions, limited involvement of LPA in the process is also an issue which should be addressed.

⁶ This practice is encouraged by current rules on budget execution. If actual tax revenues exceed projected revenues, the primaria is allowed to keep the difference. If actual revenues are below projected revenues, the primaria is not compensated.

⁷ World Bank, 2007. *Changing the Way our Services are Governed*
⁸ Institute for Development and Social Initiatives. May 2007. *Policy Brief: Local Finances Decentralization*

The major identified issues related to decentralization are:

- The existing system of local budget formation is keeping local authorities in a high dependence on the State budget transfers. As opposed to the stated objective of fiscal decentralization, the dependence of local budgets has been growing in the last few years. This has considerably limited the local authorities' possibilities to ensure economic development and react to the crisis.
- The current transfer system does not motivate the local authorities to collect and rely more on local revenues. As a result, there is no motivation to further facilitate the development of local businesses. The financial support transfers are more transparent than those with special destination, but their allocation is based on inaccurate local data (mostly demographic), allowing for some localities to make savings while the others incur losses. The transfers with special destination are considered to be less transparent with the priorities identified at the local level being often modified by the central authorities.
- The Government short-sighted policy not to recognize the approaching economic decline led to overly optimistic budget projections at the central and local level. A more accurate macroeconomic forecast would have prepared the local authorities and would have made the reduction in expenditures less painful.
- The increase in wages in the first quarter of 2009, which almost coincided with the requested cut in expenditures does not make much sense in the absence of funding and is putting more pressure on local budgets.
- The collection of own revenues by local budgets have been largely good in the first quarter of 2009, but is expected to drop in the months to come due to the reduction in the number of employees and wage level in the private sector. Since the reduction in transfers has not been approved officially, the Government has been accumulating arrears on transfers to the local budgets.
- The reduction in transfers is not applied uniformly across local budgets. In the case of budgets with a higher share of local revenues, the impact is smaller. Also, budgets with positive balance at the beginning of the year have more resources to cope with the reduction in spending.
- The local authorities' response to the reduction in expenditures is limited to savings on small expenses for investment projects and some logistic expenses (travel, transport). To cope with the needed cut while preserving salary expenses, local authorities will need to reduce by 50–60% payments for communal services. These include heating and electricity for public institutions, food for children in kindergartens and schools, etc. Since it is not possible to completely eliminate these payments, local authorities believe that they will start accumulating arrears on salaries as well.
- The Government response to the crisis has been delayed and fragmented. The indication to the local budgets to reduce expenses has not been considered together with other central public authorities, which could adopt policies that can have effects on the efficiency and effectiveness of spending at the local level.
- The Government should consider the redistribution of revenues from taxes between central and local budgets. The increase in the financial autonomy will make it possible for the local authorities to respond to demands for higher spending or adjust to sudden downturns in revenues without having to go hat in hand to the Government.

- The Government should consider changing the transfer distribution mechanism with the objective to increase the motivation of local authorities to mobilize local revenues. The transfers with special destinations do not seem to fit the definition stated in the law and should be revised as to allow the local authorities to identify their priorities.

- The Government should speed up the implementation of serious structural reforms in education and health with the objective to rationalize expenditures in the midterm and improve the quality of public services in the mid to long term.

In addition to the general problems related to policy, legal framework and central authorities capacity to promote and implement decentralization, as well as the overall capacities of local public authorities to honor their functions and obligations, recent analyses have identified a range of problems related to the management and provision of public services at the local level.

Development and management of local public services, especially of those related to water, gas, sanitation, management of public property face difficulties and problems that require involvement and problem solving at national, district and local level⁹:

- The development of Local Public Services was mainly fragmented, without a coherent policy in that respect. Thus, the connection between national development strategies, district ones and local development strategic plans regarding local public services is insufficiently developed, while the legal framework require improvement and development.
- The level of coverage with gas and water services for households and economic agents is relatively low. This is mainly caused by the high cost to be paid for the connection to the system and the high costs of the services for the most vulnerable. Families with many children, lonely elderly, families with one worker, and people with disabilities are the groups most limited in accessing these services. Considering budget deficits, mayoralities do not have financial resources to support vulnerable groups in accessing services.
- The level local public authorities' and service providers' knowledge related to the management of local public services (legislation, management mechanisms, monitoring and evaluation tools) is quite low. At the same time, a mechanism for training and continuous improvement of LPA and service providers in the management of local public services (including water, gas, sanitation, management of public property) is lacking in the country.
- The culture of regulation of the relations between services beneficiaries and services providers is underdeveloped. The majority of the population does not know the rights of the services' beneficiaries; is low or not at all informed about the existence and content of regulations for the organization and functioning of the services, their quality standards, as well as the modality of tariff calculations; does not possess contracts for services provision (especially related to water and sanitation services); is not aware about the strategies for the development of the local public services.
- A unified policy for the calculation of tariffs for water and sanitation services is lacking in the country. As a result, in the majority of the communities, tariffs include only direct expenses, without the costs for service development.
- Lack of quality standards in the area of sanitation and water services, and of a unified system of monitoring and evaluation of their quality represents an obstacle in the development of qualitative local public services that would respond to the needs of the beneficiaries.
- There are several positive experiences regarding the management of local public services. However, until now, a mechanism to exchange experiences, good practices and lessons learnt in the area of management of water, gas, sanitation and public property services is lacking.

Almost the same issues, related to decentralisation and local service delivery were identified in the National Development Strategy (2008-2011). The strategy clearly states that the previous experience with national

⁹ Study 'Management of local public service', UNDP Moldova

development programs demonstrated that insufficient involvement of local public administration (LPA) in the process of policy development and implementation, contributed to increase of territorial gaps in social-economic development of the country. To this effect, "enhancing the role of local public administration implies both improving its competencies by increasing the degree of decentralization, and capacity building in policy implementation and public services provision"¹⁰.

Increasing the role and strengthening the capacities of local public administration shall be accomplished in the context of regional development strategy implementation. To this effect, during the NDS implementation, the following objectives will be pursued:

- Improving the institutional framework and incorporation of sustainable development principles in local policies;
- More clear delimitation of functions and responsibilities between central and local public authorities and increasing the autonomy of the latter;
- Accomplishing actual fiscal decentralization and improving inter-budgetary relations;
- Capacity building of local authorities in planning, budgeting, monitoring and participatory assessment of activities at the local level;
- Implementation of the National Strategy of public servants and locally elected authorities training and providing conditions for improving human resource management.

Given the said objectives, it is required to enhance the self-governance and the capacity of the local public administrations, especially of the first level, in ensuring mayoralities with own revenues, efficient resources management and to investigate the development of economic potential of the mayoralities. In the context of administrative decentralization, it is necessary to work out an action plan that would set distinct implementation stages for the administrative decentralization process in the Republic of Moldova. This will permit avoiding ambiguities and overlaps in delegating competencies, clarifying the transfer of financial and material resources, addressing, at the same time, the correlation between the transfer of competencies and the necessary resources. After the legislation on the local public administration and on administrative decentralization is passed, the revision of legislation on local public finance will follow, setting a clear and simple formula of estimating interbudgetary transfers.

In the view of strengthening the capacities of public servants, the Government will ensure the implementation of the National strategy for training civil servants and local elected persons, worked out in line with the recommendations of the Council of Europe. This strategy sets out the grounds for a continuous training of civil servants and local elected persons from the local public administration with a view to increasing their competence, performance and competitiveness.

1.2.3. Exposure and vulnerability: how the crisis proliferates at local level

In view of the economic crisis and resulting fall in remittances, falling wages, increased unemployment combined with fewer job opportunities, the most vulnerable groups of society are expected to suffer disproportionately. These include, for instance, elderly people, victims of human trafficking, victims of domestic violence, disabled people and their caregivers, children, especially in rural areas, unemployed women and men, migrants and their families:

Unemployed: The economic crisis has severely impacted the employment situation in the Republic of Moldova, with a high probability of resulting into a labour market crisis. The unemployment rate in the first trimester of 2009 reached 7.7 percent (90,900 unemployed individuals), its highest level in the last three years, up from 3.9 percent in the last trimester of 2008¹¹. In overall, working age persons represent 71% of female

¹⁰ National Development Strategy

¹¹ Compared to 67,400 in the same period of last year and 48,300 in the last trimester of 2008. About 20,000 Moldovans lost their jobs from the beginning of the recession. On the other hand, there are 44,000 fewer new jobs (according to National Confederation of Unions).

and 73 of male population. Share of working age population in urban area (77% of the total) is by 8 percentage points higher than in rural area. The suicide rate amongst Moldovan men aged between 45 and 59 in Moldova is amongst the highest in the world; this is largely attributed to the lack of employment opportunities for this age group both in country and overseas, as they are the product of soviet industrial systems. Young unemployed men are more vulnerable to participation in poor health practices (e.g. alcoholism and drug taking), or mental ill health, or unacceptable and violent social behaviour.

12 Youth: Most recent data¹² indicate that one third of the current unemployed people (30,100 out of the 90,900 unemployed) are in the age group 15-29 years (46% for the 15-34 age group). Over 50% are from rural areas and over 60% are male unemployed. At the same time, significant representation of young people in the migrant community¹³ and given their rural origins, significant return would probably lead to detrimental effects on unemployment of young people (in both the 15-24 and 25-34 age segments) in rural areas and, in turn, to further worsening of rural poverty.

14 Migrants: Whilst trends in the return of migrants are not yet clear, this is possibly due to a probable lagged response to the crisis (resulting from adherence to places to migration and the use of coping strategies in order to remain overseas) and may take time to emerge. Analysts predict that some 100,000 to 150,000 people will return to Moldova in the very near future. Given the current unemployment situation in the country, combined with continued contraction of industries (in particular the construction sector), this could potentially lead to a labour market crisis. With over half of all migrants working in the construction sector and 20% in services (with other sectors, such as mining, transport industry and trade playing only a minor role), the resulting contraction in the construction sector in host countries (in particular in Russia whereby the proportion of migrants working in construction is much higher than in other destinations) implies a potential influx of return migrants with low or medium skills in a sector which is already shrinking in Moldova¹⁴.

Children of migrants: Children are often brought up in poor households, either in the city or more usually in rural areas. Although these households may benefit from remittances sent by the migrating parents, these may be irregular or not sufficient to cover all costs, in particular recently increased fuel charges. These children may be less likely to attend school beyond primary level, thereby perpetuating the cycle of poverty; they may also be more vulnerable to abuse if they are living with relatives who put the needs of their own children first, or they may be placed in residential care if the parents are away for many years without relatives to care for them (UNDP, 2007).

Elderly people: According to official data, the country is facing a rapid aging. The coefficient of population aging is 13.7%, with the highest coefficient for aging women in the rural localities (18 women of over 60 years old per 100 compared to 12 men of the same age). In overall, due to women's higher life expectancy (7.5 years more than men) share of women among aged population is increasing. Most elderly people are vulnerable to poverty and poverty amongst the elderly arises due to: a. their dependence on the low state pension as their only source of income, the lack of opportunities for them to earn a living to supplement that pension, and their inability to work their land, and b. they are often the main carers of children whose parents have migrated for work either to the cities or abroad. Although elderly people living in rural areas are particularly vulnerable to poverty by virtue of the lower living standards associated with rural areas, elderly people living in cities are also vulnerable as they too are unlikely to have any source of income other than their pension, and the sight of elderly people begging in Chisinau is all too common.

Disabled people and their carers, the majority of whom are women who have either had to give up work to care for a disabled family member, or who have reached pension age. A recent survey in one district showed that over 90% of these households with a disabled adult of working age were poor. At the same time, it is

¹² National Bureau of Statistics, 1st quarter 2009 figures (ILO)

¹³ The average age of migrants in 2006 was nearly 35 years, with over 37% aged below 30

¹⁴ Construction levels fell by 41.3 percent in the first trimester of 2009 compared to the same period last year (National Bureau of Statistics)..

attested that the primary disability is prevailing in rural area with 58.8 percents. People with disabilities are benefiting from the public system of state social insurances. Even though the average quantum of disability pensions increased four times during last 7 years, it continues to be very small and not enough to ensure a decent living (651 MDL in 2009).

Victims of domestic violence: Moldova has one of the highest rates of domestic violence in the world with various surveys suggesting around half of all women have experienced physical abuse at some time in their lives, nearly 70% of that abuse being delivered by their spouses or partners (IOM, 2005). It has been suggested that as many as 90% of women who participate in human trafficking do so in order to avoid domestic violence (IOM, 2005). According to IOM data, roughly 70% of female trafficking victims repatriated to Moldova between 2001-4 were aged between 18-25 years, and that 70% of these were from families described as "poor" or "very poor". The UN Special Rapporteur on Violence Against Women has observed, "Whereas gender equality is ensured and promoted by law, in practice, women experience high levels of unemployment or are concentrated in low paid sex-type jobs, and encounter strong patriarchal attitudes and deep-rooted stereotypes that perpetuate the subordinate position of women in the family and in society. Violence against women, within the family and in formal institutions, is said to be a widespread phenomenon. Domestic violence ... is, by and large, accepted as a normal aspect of private life by men and women alike and not considered as a problem warranting legal intervention."¹⁵

Victims of human trafficking: in particular those whose families and communities may not accept them back, or who are so traumatised by their experience that they are unable to work or participate in normal social relations. This is particularly the case with women and girls who have been forced to work in the sex industry.

Persons Vulnerable as a Result of Stigma, including Racial or other Discrimination: International and European monitoring bodies have identified a number of issues concerning vulnerability arising as a result of discrimination based on ethnicity or perceived race, religion or for related reasons.¹⁶ Particular concern has been expressed about the situation of and exclusion threats facing the Romani minority. A recent UNDP study indicated that Roma face a two times higher risk of poverty than non-Roma in Moldova, and that five out of ten Roma live in extreme poverty.¹⁷ Surveys carried out in particular localities indicate extreme in exclusion, including problems such as dramatically lower funding going to schools with predominantly Romani student bodies.¹⁸ The diversity of local situations in Moldova indicates that various ethnic and religious individuals or groups may face exclusion at local level, with Roma facing vulnerability throughout the country.

Many of the above forms of vulnerability are manifestations of gender inequality, or are magnified or aggravated by gender discrimination. It is further aggravated by the fact that local authorities do not have resources and capacities to address at the local level these pressing social problems.

Transnistria region: The problems associated with the Transnistrian region represent a major obstacle to stability and development, the conflict remaining unresolved for over seventeen years. Efforts to identify a political solution to the conflict have been undermined by vested interests in the status quo and by the asymmetry in the engagement of external actors in the region.

¹⁵ United Nations Press Release, "UN Experts on Torture and Violence Against Women Conclude Joint Visit to Moldova", 11 July 2008. The full report of the Special Rapporteur is forthcoming.

¹⁶ See for example United Nations Committee on the Elimination of Racial Discrimination, "Concluding Observations of the Committee on the Elimination of Racial Discrimination: Moldova", CERD/C/MDA/CO/7, 16 May 2008; Council of Europe's European Commission Against Racism and Intolerance, "Third Report on Moldova", Adopted on 14 December 2007, CRI(2008)23.

¹⁷ United Nations Development Program, *Roma in the Republic of Moldova*, UNDP Moldova, 2007, p.10.

¹⁸ Moldovan Helsinki Committee, Resource Centre for Human Rights "Report on Human Rights Concerns of Roma Rural Communities", 2003, p.26.

¹⁹ The International Covenant on Civil and Political Rights (ICCPR); the International Covenant on Economic, Social and Cultural Rights (ICESCR); the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD); the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW); the Convention Against Torture (CAT); and the Convention on the Rights of the Child (CRC).
²⁰ Lanford, Malcolm, "Human Rights and the Millennium Development Goals in Practice: A Review of Country Strategies and Reporting", United Nations Office of the High Commissioner for Human Rights, UNICEF Division of Policy and Practice, Norwegian Centre for Human Rights, 2008, p.4.

Human rights approaches to development at local level are closely allied with development efforts at poverty alleviation, particularly in the context of the Millennium Development Goals (MDGs). A 2004 study by the UN

A non-exhaustive list of rights arising from Moldova's international law commitments and at issue in local development and governance includes rights to freedom of opinion, expression and association, and the rights to peaceful assembly and freedom from fear and intimidation, as well as independent judicial procedures, and protection from all forms of discrimination. In the context of the Millennium Development Goals, rights to life, health, work, food, adequate housing, education, and an adequate standard of living (including water and sanitation), among others, have been described as engaged.²⁰

There are positive obligations on the Moldovan state – including on local authorities – flowing from nearly every corner of Moldova's international law and related commitments. Moldova has ratified six of the nine core human rights treaties.¹⁹ The Constitution of the Republic of Moldova sets out that international law prevails over domestic law in cases where these may conflict.

1.2.4. Human Rights and Gender Mainstreaming at Local Level in the Moldovan Context

It is important to note that there are very few institutional structures on which the poor can draw for livelihood support. The most important institutions are the Local Public Authorities (LPA) because they are the mechanism through which documents are accessed, benefits are claimed, information is sought and other services provided. The assessment of the LPAs shows that they were slow, inefficient and did not have the contacts and experience to promote local development due to the lack of capacity and enabling framework. The other public institutions, such as the various inspectorates (tax, phyto-sanitary, sanitary) are experienced as controlling agents, often corrupt that have to be paid.

Taking into consideration that the most vulnerable are living in rural areas and small towns, there is the prospect of further increases in rural poverty and many of the concerns about rural poverty in Moldova that were apparent before the crisis may now become more acute as the crisis unfolds.

The number of jobseekers has almost doubled this year, with a total of 23 enterprises, including the large Electromash Company, remain closed. The Transnistrian authorities have warned that the second quarter of 2009 will be even more difficult because of further decreases in budget revenues. On 29 April the Supreme Soviet (local legislature body) approved anti-crisis measures proposed by the Transnistrian leadership reallocating US\$ 44.4 million, providing emergency support for big companies.

Authorities of Transnistrian region were signalling that the region is severely affected by the economic crisis much earlier than the Moldovan Government. External trade of the region for the first three months of 2009 was by 30% less than in the similar period of 2008; the export has dropped by 43%, down to 124 million dollars; collections to the public budget covered only 78.5% of the plan in the period concerned and just 37.9% in April.

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February 2006 following the introduction of the New Customs Regime between Moldova and Ukraine. European Union and the USA to join in negotiations as observers. Settlement talks are however blocked since *alla*, to contribute to a peaceful settlement. In September 2005, the parties in the 'five-sided' talks invited the in Transnistria. In March 2005, the EU appointed a Special Representative for Moldova with a mandate, *inter* repeatedly called for greater involvement by the European Union and the USA in the resolution of the conflict Relationships between Moldova and the Transnistrian region remain strained. In recent years, Moldova has

Office of the High Commissioner for Human Rights identifies the following principles as key features of a human rights approach to poverty reduction: overriding concern with human freedom and dignity; participation; non-discrimination and equality; empowering the poor; accountability; recognition of national and international human rights normative framework; obligations of progressive realization; (minimum) core obligations; obligations of international assistance and cooperation.²¹

Of the above, several items have elaborated and technical meanings. In Europe, for example, non-discrimination has been extensively elaborated to include bans on direct and indirect discrimination (meaning a neutral rule or policy having a disproportionate impact on a particular group); harassment based on ethnicity; gender or other grounds; instruction to discriminate; and retaliation for complaints of discrimination.²²

In an economic, social and cultural rights context, concepts such as (minimum) core obligations have also been extensively elaborated.²³ The United Nations Committee on Economic, Social and Cultural Rights and others working in this area have elaborated a conceptual frame for states' obligations including: (1) general legal obligations, usually involving the specific immediate obligations of non-discrimination and the requirement to take deliberate, concrete and targeted steps toward the realization of any given right; (2) specific legal obligations, in particular obligations to respect, protect and fulfill the specific rights at issue; (3) obligations to redress violations arising from acts of commission or omission.²⁴ Relevant actions first-order by government include: (1) laws, policies and strategies; (2) the development of indicators and benchmarks; (3) providing remedies and accountability, including (a) opportunity for genuine consultation with those affected; (b) timely and full disclosure of information on the proposed measures; (c) reasonable notice of proposed actions; (d) legal recourse and remedies for those affected; and (e) legal assistance for obtaining legal remedies.²⁵

In particular as a result of their aim at equality of outcomes, human rights based approaches to development have been closely affiliated with policy approaches aiming at gender mainstreaming. Gender mainstreaming has been defined as follows: "Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality."²⁶

There is heightened attention also to "intersectionality",²⁷ in particular the situation of women and girls belonging to potentially excluded or vulnerable groups.

Central Authorities, Local Authorities, Decentralization and Reform in the Republic of Moldova

Certain groups have been repeatedly identified by international law review bodies by as vulnerable in Moldova. These include but are not limited to women (particularly those belonging to vulnerable groups such as rural women, single women heads of households, women belonging to ethnic groups, in particular Roma women, disabled women and elderly women),²⁸ ethnic minorities and in particular Roma and others regarded as

²¹ OHCHR, 2004. *Human Rights and Poverty Reduction: A Conceptual Framework* (New

York and Geneva, United Nations, 2004), <http://www.unhcr.org/english/issues/poverty/docs/povertyE.pdf>.

²² For a useful summary of law binding on Moldova, see European Court of Human Rights, Grand Chamber decision in *D.H. and Others v. Czech Republic*, 13 November 2007.

²³ A useful recent iteration appears in United Nations Committee on Economic, Social and Cultural Rights, General Comment 15 on the Right to Water.

²⁴ *Ibid.*

²⁵ ECOSOC agreed conclusions 1997/2.

²⁶ See for example United Nations Committee on the Elimination of Racial Discrimination, "General Comment 25: Gender-Related Dimensions of

Racial Discrimination", 20 March 2000.

²⁷ United Nations Committee on the Elimination of Discrimination Against Women, "Concluding Comments of the Committee on the Elimination of Discrimination against Women: Republic of Moldova", 25 August 2006.

²⁹ UNDP, *Roma in the Republic of Moldova*, UNDP Moldova, 2007; United Nations Committee on the Elimination of Racial Discrimination, "Concluding Observations on the Elimination of Racial Discrimination: Moldova", CERD/C/MDA/CO/7, 16 May 2008. Council of Europe's European Commission Against Racism and Intolerance (ECRI), "Third Report on Moldova", Adopted on 14 December 2007, CR(2008)23. CERD Op. cit.; ECRI, Op. cit.

³⁰ UNHRC, "List of Issues to be Taken Up in Connection with the Second Periodic Report of the Republic of Moldova", 20 May 2009.

³¹ United Nations Committee on the Rights of the Child, "Concluding Observations: Republic of Moldova", 30 January 2009.

³² Report of the United Nations Special Rapporteur on torture and other cruel, inhuman or degrading treatment or punishment, Manfred Nowak, Mission to the Republic of Moldova, 12 February 2009.

³⁴ See for example European Committee of Social Rights, Decision on the Merits, *Autism Europe v. France*, Collective Complaint 13/2002. On the situation of persons with disability in institutional care in Moldova, see Moldovan Helsinki Committee for Human Rights, "General Report on Documentary Visits in Psycho-Neurological Boarding Houses of the Republic of Moldova", 2006.

³⁵ Lundberg, Paul, "Decentralized Governance and a Human Rights Based Approach to Development", p.7.

³⁶ UNDP Capacity Development Group Bureau for Development Policy, "Applying a Human Rights Based Approach to Development Cooperation and Programming: A UNDP Capacity-Development Resource" September 2006, p.41.

In general, in rendering these measures tangible, as noted above, legal measures, as well as specific policies and policy actions are needed, including but not limited to measures to foster improved involvement in local

- Any assessment of a reform of intergovernmental fiscal relations should include an analysis of its likely impact on the poorest and most vulnerable groups, as well as on inter-regional disparities.³⁶
- Special consideration should be given to the human rights implications of fiscal decentralization reforms, in terms of analyzing whether public services are improved and rights better protected.
- Assignment of responsibilities to local governments without the corresponding provision of adequate financial resources should be avoided since this would limit the capacity of local governments to meet their obligations.
- Clear assignment of functional (expenditure) responsibilities across different levels of central and local government is fundamental to the identification of duty bearers and their respective obligations.

As a component of decentralization, fiscal decentralization offers particular opportunities apply human rights based approaches. UNDP has translated human rights based approaches to development as including, in the context of fiscal decentralization, the following main points:

The decentralization process places particular obligations on authorities to ensure that the legal and policy framework includes procedural and other elements to ensure that fundamental rights can be effectively realized. Experience from other countries of the region has shown that, while decentralization in principle heightens inclusion and facilitates new access by the public to participate in governance, new powers and/or individuals, particularly if adequate accountability mechanisms are not provided. As a result, although there is no dispute that human rights law also binds local authorities, "it is important that a country's international obligations under international human rights law are made explicit in the context of decentralization and local governance to the extent that the actions of those below the central government who will exert power, dispose of resources and shoulder responsibilities are also guided by the country's human rights obligations."³⁵

"Gypsies",²⁹ religious minorities,³⁰ sexual minorities,³¹ children (children from socially disadvantaged families, children with disabilities, children with HIV/AIDS or children belonging to a different ethnic group or holding different religious views), as well as children in institutions,³² trafficked persons, persons at risk of trafficking and persons threatened with domestic violence.³³ Persons belonging to these protected categories must of necessity be the subject of special scrutiny and special measures in a local development context. In addition, other categories of persons have been repeatedly identified as exposed to vulnerability in countries similarly situated to Moldova and can be presumed to be classed as persons who may be at risk of vulnerability, where there is also compelling empirical data to suggest vulnerability. These would include but not necessarily be limited to the mentally and physically disabled,³⁴ as well as others.