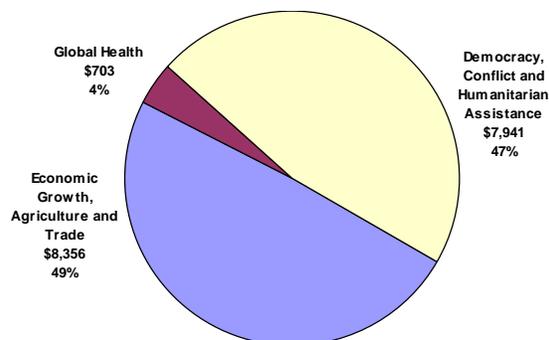
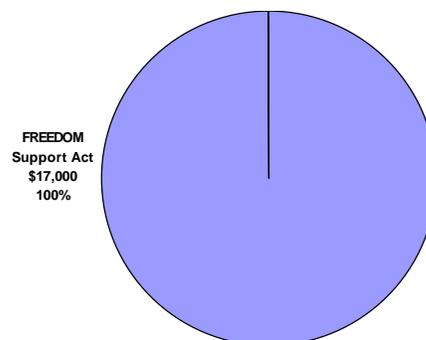


# Moldova

**FY 2006 Assistance by Sector**



**FY 2006 Assistance by Account**



## Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Private Enterprise Development	117-0131	12,728	6,231	6,656
Democratic Transition	117-0230	2,320	5,582	5,314
Social Transition	117-0340	3,929	2,722	1,690
Transfers		3,566	2,815	3,340
<b>Total (in thousands of dollars)</b>		<b>22,543</b>	<b>17,350</b>	<b>17,000</b>

## Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation			
USDH Salaries & Benefits	213		
Program Funds	484	484	484
<b>Total (in thousands of dollars)</b>	<b>697</b>	<b>484</b>	<b>484</b>

**FY 2006 Workforce**



**Mission Director:** Chris Crowley

**The Development Challenge:** The dismal economic condition of Moldova inherited from the former Soviet Union worsened with the loss of traditional markets in the East and a painful economic transition during the 1990s. The reform process, which proceeded slowly throughout the 1990s, has imposed hardships on the Moldovan people, and there is a general perception that the process was tainted with corruption and has unjustly benefited a well-positioned elite. After the 2001 parliamentary election, the reform process saw some setbacks and some progress. At that time, members of the Communist Party of Moldova (CPM) were elected to office in what most observers considered to be a reasonably free and fair process. The election of the CPM resulted from the perception that the previous “reform” government was corrupt, unaccountable, and not proactive in helping improve the economic and social conditions within the country.

Nearly 50% of Moldovan gross domestic product (GDP), 40% of employment, and 65% of exports are related to agriculture (agribusiness included). More than half the country’s population lives in rural areas and makes its living from agricultural activities. According to the European Bank for Reconstruction and Development (EBRD), GDP per capita is \$448. According to a 2002 household survey, more than 40% of Moldovans live in absolute poverty. More than 70% of the poor live in rural areas, and 8% in large cities. According to the Moldovan Security Service, between 600,000 and 1,000,000 Moldovan citizens (approximately 25% of the population) work abroad, many illegally. In some villages, half the population has migrated. Some of those who seek legitimate employment abroad do succeed in finding it. Others, primarily young women, are not as lucky and are lured into forced prostitution. The International Organization for Migration (IOM) estimates that every year approximately 10,000 women go abroad in search of work. Although no official statistics exist, IOM estimates that the majority of women trafficked come from rural areas.

Although the GOM has not denounced the pro-democratic, economic and social reform initiatives that were introduced during the 1990s, they have been selective in their support of some reform measures and have worked hard to reverse or derail others. USAID and the U.S. Embassy have worked to maintain a strong working relationship with the GOM, despite initial concerns about Communist Party rhetoric, and a number of anti-reform measures taken by it. However, for the past two years, the GOM’s commitment to economic and market reforms has been questionable. The International Monetary Fund (IMF) does not have an active program in Moldova. The World Bank (WB) program is proceeding extremely cautiously. Though the GOM continues to issue statements about its commitment to the reform process, its actions often speak otherwise.

In 2004, the Parliament passed a law on production cooperatives to facilitate the return to the old style Soviet collective farms. The GOM also established a requirement that grain transactions be registered with the Universal Commodity Exchange, and set export prices for grains with the apparent intention of hindering grain exports and maintaining artificially low bread prices. Bureaucratic restrictions continue to impede the import of U.S. poultry in an apparent attempt to promote the establishment of state-affiliated poultry operations. On a more positive note, the GOM has established a national working group (with private sector participation) to promote regulatory reform in business activity.

Currently, the GOM’s commitment to reform is uncertain, being influenced by politics surrounding the March 2005 elections, and the breakdown in negotiations over a new federal constitution, which would reintegrate the breakaway republic of Transnistria with Moldova. The limited polling conducted in Moldova points to another win for the Moldovan Communist Party in the upcoming elections. President Voronin remains the single most popular political personality in Moldova.

Important foreign investors have left the country, while others have faced substantial levels of intervention from the authorities. Corruption remains a serious problem. Other factors that have adversely affected the situation in Moldova include the reduction in trade with its historically largest trading partner, Russia, and the economic dislocations caused by the breakaway of the Transnistria region, which has the majority of Moldova’s heavy industry.

The key challenge to achieving economic growth, accountable government, and improved social conditions is the GOM’s apparent lack of commitment to reform. The Parliament has not acted on many

of the laws that have been recommended by USAID and other donors. The GOM's heavy handed approach to privatization and lack of transparency in the energy sector has resulted in setbacks in energy privatization. The environment for investment was soured by the GOM harassment of Union Fenosa, a foreign investor in the energy sector. The energy regulatory agency is not an independent agency inasmuch as it is constantly under pressure from the highest levels of government not to increase tariffs and not to investigate questionable transactions. During FY 2004, all USAID energy sector activities (with the exception of a few minor activities managed by USAID in Washington) were phased out. This early phase-out from the energy sector sent a strong message to the GOM with regard to its lack of commitment to the reform process.

The CPM is trying to reassert control at the national and local levels. The international community observed procedural irregularities and expressed concern about the GOM's abuse of power. The GOM intimidated key political opposition members with a series of investigations and arrests on questionable charges, reversed local government reform intended to devolve power from the central authorities; and increased manipulation of the media. The competing interests of the Parliament and the Presidency have resulted in weak governmental institutions.

**The USAID Program:** The principal beneficiaries of the USAID strategic assistance for Moldova are the unemployed and the working poor, who constitute the majority of the population, particularly in rural areas. USAID's strategy concentrates on job creation, income generation, and economic opportunity in rural areas. USAID encourages growth through investment in agribusiness and improving the environment for private enterprise. It also focuses on developing effective, responsive and accountable democratic institutions by strengthening local government autonomy, and civil society; and helping to assist Moldova's most vulnerable citizens.

**Other Program Elements:** The Farmer-to Farmer Agribusiness Volunteer Program (Citizens Network for Foreign Affairs) is managed by the USAID Bureau for Europe and Eurasia. This program fielded 18 volunteers during FY 2004, who assisted farmers' cooperatives and associations and provided technical advice to milk receiving stations, credit associations, farm service centers, and farm stores.

The USAID Bureau for Economic Growth, Agriculture, and Trade manages the Micro and Small Enterprise Development (MSED) and Development Credit Authority (DCA) Loan Portfolio Guarantee (LPG) Projects. Through these projects, USAID helped the Moldovan banking sector to increase its lending activity with SMEs and agriculture entrepreneurs. Seven banking and non-bank financial institutions are participating. Over 1,000 beneficiaries have received loans totaling more than \$13 million. Agroindbank's new program targeting start-up SMEs and agriculture businesses is an example of the new interest of banking institutions to these sectors in Moldova.

**Other Donors:** Donor coordination is maintained through frequent meetings with all bilateral and multilateral donors. Until recently, the U.S. was the only major bilateral donor. However, Sweden is now the largest bilateral donor. Germany, the Netherlands, Japan, and Great Britain also have bilateral programs. The Soros Foundation and private organizations run development programs in Moldova. In addition to U.S. bilateral assistance, there are multilateral donors: the IMF (economic policy); the World Bank (economic policy, social investment fund, micro-projects at the village level and energy); the EU Technical Assistance to the Commonwealth of Independent States (agricultural sector); and the International Fund for Agriculture Development (agriculture sector). The United Nations Development Program also provides support.

## Moldova PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
FREEDOM Support Act	30,150	22,543	17,350	17,000
<b>Total Program Funds</b>	<b>30,150</b>	<b>22,543</b>	<b>17,350</b>	<b>17,000</b>

STRATEGIC OBJECTIVE SUMMARY				
117-0131 Private Enterprise Development				
FSA	14,525	12,728	6,231	6,656
117-0230 Democratic Transition				
FSA	3,658	2,320	5,582	5,314
117-0340 Social Transition				
FSA	4,283	3,929	2,722	1,690
TRANSFER				
FSA	7,684	3,566	2,815	3,340

Mission Director,  
Chris Crowley

### Data Sheet

<b>USAID Mission:</b>	Moldova
<b>Program Title:</b>	Private Enterprise Development
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	117-0131
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$6,231,000 FSA
<b>Prior Year Unobligated:</b>	\$3,537,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$6,656,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** The USAID Private Enterprise Development program in Moldova consists of technical assistance to private farmers and businesses.

**Inputs, Outputs, Activities:**

**FY 2005 Program:** Enhance Participation in Global Trade and Investment (\$6,231,000 FSA, \$2,243,000 FSA carryover). Moldova's Agribusiness Development Project (ADP) will increase rural incomes and employment opportunities by improving the international competitiveness of Moldova's high-value

agriculture sector, and boosting its export potential and trade capacity. ADP will: 1) ensure wide access to market information necessary to penetrate new export markets, diversify product lines, and better meet customer demand; 2) establish and strengthen competitive agribusinesses, particularly export-oriented value adding enterprises; 3) improve farmer capacity to supply agriculture products of appropriate volume and quality to sustain competitive exports; and 4) establish producer and industry associations to facilitate cooperation along the entire production chain. Principal contractor: Citizen's Network for Foreign Affairs (CNFA) (prime).

The Land Privatization Support Project (LPSP) will assist Moldovan economic growth through the development of a land market, and increase investments by small, medium, and large landholders in private sector agriculture. LPSP will help consolidate land holdings through market-driven mechanisms, advance gains made in land privatization, and assist in the development of private property rights. LPSP will provide the necessary technical assistance to promote a mortgage law and support its implementation at the national level. Principal contractor: Development Alternatives, Inc. (DAI) (prime).

Moldova's Credit Enhancement Project (CEP) will continue to facilitate access to credit for small and medium enterprises (SMEs) and farmers throughout Moldova by providing loan portfolio guarantees for up to 50% of the risk of a broadly defined category of partner financial institution loans for SME development. In FY 2005, two new Development Credit Authority (DCA) agreements with Moldova Agroindbank and Victoria Bank will become operational. A new DCA agreement providing a portable guarantee to ProCredit, a non-bank financial institution, will be in place to increase its capacity to make SME loans. \$400,000 has been allocated to cover the subsidy cost for this activity. There is no prime contractor under the DCA program.

Improve Agricultural Productivity (\$1,294,000 FSA carryover). During FY 2005, The Private Farmer Assistance Program (PFAP) will complete its technical, logistical, and financial support to 15 Agricultural Producers' Associations, their network of 28 Business Centers, and the Republican Union of Agricultural Producers' Associations. Principal contractors: East-West Management Institute, DAI (all prime).

**FY 2006 Program:** Enhance Participation in Global Trade and Investment (\$6,656,000 FSA). ADP will provide a variety of assistance to agribusiness SMEs and private farmers with a focus on increasing the quality and quantities of goods produced. ADP will focus on: 1) export market penetration and diversification; 2) establishing and strengthening value-adding agribusiness enterprises for the export market; 3) increasing the supply and quality of agricultural products at the farm level to improve export opportunities; and 4) organizational development. Principal contractor: CNFA.

A new Competitiveness Enhancement and Enterprise Development (CEED) will be a second generation SME support project involving the development of business and industry clusters, financial and investment intermediation, and continued enhancement of Moldova's regulatory framework for SME development. CEED will stimulate economic growth and improve employment opportunities for Moldovan citizens by increasing the competitiveness of Moldovan products on international markets and creating a business environment and investment climate that stimulates, supports, and rewards competitive enterprise performance. A DCA mechanism may also be implemented under CEED.

CEP will continue its operations with all participating financial institutions. With the completion of the BIZPRO/Moldova program, an SME support activity, the monitoring function will be transferred to either CEED or ADP. \$400,000 has been allocated to cover the subsidy cost for this activity.

**Performance and Results:** Despite anti-reform maneuvers by the Communist Party of Moldova (CPM), USAID partners have achieved many successes in developing policies, laws, and regulations in favor of private enterprise development. PFAP has created a growing network of Agriculture Producer Associations that reach the entire country and represent nearly 50% of all farm lands in Moldova. Total membership increased by about 100% during FY 2004 to 21,692, with women representing more than 30% of the members.

The Private Farmer Commercialization Program (PFCP) has also made a significant contribution to

Moldova's economic growth and stability by establishing value chain linkages between hundreds of thousands of newly landed farmers, suppliers of credit and inputs, food processors, storage operators and distributors, and cash markets. As planned, 85 community-level farm stores have been developed, with turnover of over \$13 million. PFCP developed 10 commercially viable agribusiness partnerships, which introduced three new value-adding agribusiness technologies to Moldova, expanding the country's capacity to produce high value fresh and processed products that can compete in world markets. As a result of PFCP activities, the profitability, competitiveness, and export capacity of Moldova's food-processing sector has expanded, and private farmer incomes have increased.

LPSP is having substantial impact on land tenure security. By program completion, Moldovan landowners will have the capacity, resources, and knowledge to defend their property rights.

Moldova has made tangible progress in its transition to a market economy. Nevertheless, government interference in private sector development still needs to be reduced in order to attract local and international investment. BIZPRO/Moldova is working closely with the Moldovan Ministry of Economy to create national and regional working groups on regulatory reform to streamline the regulatory environment for SMEs in Moldova. The project has identified barriers to business including regulations, paid services, control mechanisms, and other discriminatory legal and administrative practices that had been hampering the business climate. Activities to eliminate all the barriers identified are currently underway, including simplification of the registration and liquidation procedures for enterprises, streamlining the business licensing process, the introduction of a "guillotine approach" to the optimization of business regulations, and the introduction of the concept of one-stop shops for business enterprise registration, regulation, licensure, and liquidation.

## US Financing in Thousands of Dollars

**Moldova**

117-0131 Private Enterprise Development	<b>FSA</b>
<b>Through September 30, 2003</b>	
Obligations	2,145
Expenditures	1,763
Unliquidated	382
<b>Fiscal Year 2004</b>	
Obligations	250
Expenditures	609
<b>Through September 30, 2004</b>	
Obligations	2,395
Expenditures	2,372
Unliquidated	23
<b>Prior Year Unobligated Funds</b>	
Obligations	3,537
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	6,231
<b>Total Planned Fiscal Year 2005</b>	
Obligations	9,768
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	6,656
Future Obligations	0
Est. Total Cost	18,819

## Data Sheet

<b>USAID Mission:</b>	Moldova
<b>Program Title:</b>	Democratic Transition
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	117-0230
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$5,582,000 FSA
<b>Prior Year Unobligated:</b>	\$1,548,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$5,314,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** USAID's democracy program in Moldova includes technical assistance to local governments, legal reform to promote the rule of law, small grants to support citizen participation and social capital development, and a political activism development program.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Support for Democratic Local Government and Decentralization (\$2,188,000 FSA, \$85,000 FSA carryover, \$100,000 FSA prior year recoveries). The Local Government Reform Project (LGRP) will expand its training to additional communities. It will introduce new models of service improvement by providing financial support for pilot demonstration projects, which address community priority needs as identified in the community's strategic plan. LGRP will continue to promote transparency and citizens' participation, better local financial management practices, improved reliability and quality of municipal services, and initiation of local economic development. The project will increase the capacity of local governments to advocate on their own and their communities' interests, and to be more effective and responsive to constituent needs and priorities. Principal contractor/grantee: Urban Institute (prime).

Strengthen Civil Society (\$2,385,000 FSA, \$732,000 FSA carryover). The Citizen Participation Program (CPP) will strengthen local communities, build social capital at the community level, and complement other USAID activities that contribute to the development of new jobs and economic opportunities in rural Moldova. The project will engage local governments, citizen groups, local businesses, and NGOs in community and economic development activities designed to demonstrate tangible benefit from democratic political reform and civic activism. Principal contractor/grantee: International Research and Exchanges Board (IREX) (prime).

Support Democratic Political Parties (\$909,000 FSA). The Strengthening Democratic Political Activism (SDPA) program promotes development of responsible/responsive political power, democratic initiatives and leadership skills at the grassroots level, and political party transparency and organizational development at the national level. The objectives of the program are: to create the conditions necessary for local political leadership to evolve in communities; to empower political activists and encourage them to become involved local political structures; and to build democratic practices from the bottom up. Principal contractors/grantees: International Republican Institute (IRI) (prime), National Democratic Institute (NDI) (prime).

Improve Justice Sector/legal Framework (\$600,000 FSA carryover). The Rule of Law program will deliver training and technical assistance in three main areas: advocacy on behalf of human rights, legal association building, and institutional capacity building. This program increases citizen confidence and develops a better understanding of the legal system through consultations on human rights, freedom of speech and association, minority rights, property rights, labor law, family law and privatization. Principal contractor/grantee: American Bar Association Central Europe and Eurasia Law Initiative (ABA/CEELI) (prime).

Promote and Support Free and Fair Elections (\$100,000 FSA, \$31,000 FSA carryover). The Eurasia Foundation, in cooperation other international donors, is providing funding and technical support for the

non-governmental organization (NGO) Coalition for Free and Fair Elections, an NGO umbrella that is coordinating citizen initiatives to promote a free and fair election process in the upcoming 2005 Moldova Parliamentary elections. In FY 2005, six grants totaling more than \$400,000 will be awarded to local civic organizations engaged in the electoral process, media monitoring and long and short-term domestic election observation. Principal grantee: Eurasia Foundation (prime).

**FY 2006 Program:** Support for Democratic Local Government and Decentralization (\$1,900,000 FSA). LGRP will continue to provide training and technical assistance to help local governments achieve greater fiscal autonomy, efficiency, responsiveness, accountability, and transparency. By FY 2007, LGRP training and technical assistance will be extended to a total of 100 local governments throughout Moldova. The project will also implement approximately 150 demonstration projects that address priorities established in community strategic plans, and reinforce lessons learned in LGRP training. Principal contractor/grantee: Urban Institute (prime).

Strengthen Civil Society (\$2,395,000 FSA). Moldova's Citizen Participation Program (CPP) will mobilize citizens and community groups to address community needs through a collaborative process, identifying and prioritizing local needs and resources, and developing and implementing projects that engage a broad cross-section of the community. The Community Exchanges/ Connections program will provide professional exchanges and business internships in the United States for Moldovan professionals, and business men and women who support professional development, share American values, and encourage mutual understanding and an exchange of cultures. The Peace Corps Small Projects Assistance program will provide small grants to communities working in collaboration with Peace Corps volunteers on community projects. Principal contractor/grantee: IREX (prime).

Support Democratic Political Parties: (\$400,000 FSA). This program will continue to address the issues of political power, democratic initiatives, leadership skills at the grass-roots level, political party transparency, and organizational development at the national level. The program will create the conditions necessary for local political leadership to evolve in communities, empower political activists, and encourage them to become involved local political structures, and build democratic practices from the bottom up. Principal contractors/grantees: IRI (prime), NDI (prime).

Improve Justice Sector/legal Framework (\$619,000 FSA). The Rule of Law Program will continue to strengthen the quality and awareness of legal education and legal reforms, public awareness of the legal profession in a democratic society and judicial reform, and will include an increased focus on anti-corruption and anti-trafficking activities. Principal contractor: ABA/CEELI (prime).

**Performance and Results:** USAID contributed significantly to advancing the rule of law by informing citizens of their legal rights and responsibilities, providing free legal consultations and representation, and increasing the knowledge of judges, lawyers and other legal professionals. USAID expanded pro bono legal services in targeted regions and provided legal assistance and advice to over 4,150 new clients. Public outreach and education projects, which promote public awareness of legal rights, took place in 246 Moldovan villages, providing advice to 4,367 citizens on how to handle various issues including human rights, social benefits, labor, and environment.

LGRP has introduced community strategic planning, improved financial management, expanded and improved municipal services, and increased transparency and citizen participation. During FY 2004, LGRP began to expand its training and technical assistance to new partner communities. Fifty-four LGRP partner communities received financial management training and adopted strategic plans. As communities become more efficient in the management of scarce local financial resources, they increase their capacity to meet citizen needs and address priorities as established in community strategic plans.

## US Financing in Thousands of Dollars

**Moldova**

117-0230 Democratic Transition	<b>FSA</b>
<b>Through September 30, 2003</b>	
Obligations	9,919
Expenditures	5,444
Unliquidated	4,475
<b>Fiscal Year 2004</b>	
Obligations	4,927
Expenditures	3,243
<b>Through September 30, 2004</b>	
Obligations	14,846
Expenditures	8,687
Unliquidated	6,159
<b>Prior Year Unobligated Funds</b>	
Obligations	1,548
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	5,582
<b>Total Planned Fiscal Year 2005</b>	
Obligations	7,130
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	5,314
Future Obligations	0
Est. Total Cost	27,290

## Data Sheet

<b>USAID Mission:</b>	Moldova
<b>Program Title:</b>	Social Transition
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	117-0340
<b>Status:</b>	Continuing
<b>Planned FY 2005 Obligation:</b>	\$2,722,000 FSA
<b>Prior Year Unobligated:</b>	\$4,253,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$1,690,000 FSA
<b>Year of Initial Obligation:</b>	2001
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** The portion of USAID/Moldova's Social Transition Program funded with Freedom Support Act resources includes three components: strengthening tuberculosis control, preventing transmission of infectious diseases (HIV/AIDS and Hepatitis B&C), and combating trafficking in persons (TIP).

### Inputs, Outputs, Activities:

**FY 2005 Program:** Reduce Trafficking in Persons (\$500,000 FSA, \$655,000 FSA carryover, \$88,000 FSA prior year recoveries). Moldova is a major source country for women trafficked from the Western NIS. In August 2004, USAID began a four-year, \$4 million Moldova Anti-Trafficking Initiative program titled New Perspectives for Women (New Perspectives). New Perspectives will focus on prevention through public awareness and information campaigns, the identification and recognition of risk factors, and assistance to potential and actual victims of trafficking through legal consultations, crisis prevention services, psychological rehabilitation, training programs in job skills, and entrepreneurship. It will focus heavily on greater rural outreach and coordinate with ongoing USAID-funded activities for small and medium enterprises (SMEs), agribusiness development, primary health care centers and legal clinics. The activity will also establish linkages with the new citizen participation program. The objective of this project is to prevent trafficking in persons by offering economic solutions to an economic problem. The program will identify client needs and match them with existing training and services wherever possible. It will target primarily rural populations and youth, and cover different audiences including rural women, adolescent girls, university graduates who are seeking employment, or women developing entrepreneurial ideas. Principal contractor/grantee: Winrock International (prime).

Reduce Transmission and Impact of HIV/AIDS (\$1,323,000 FSA, \$30,000 FSA carryover, \$1,200,000 FSA prior year recoveries). Ranking high on Moldova's list of most serious health problems is its very substantial rate of morbidity and mortality due to acute and chronic viral hepatitis and liver cirrhosis. During FY 2005 USAID will expand assistance for the prevention of both HIV/AIDS and Hepatitis B and C. The prevalence of HIV is increasing rapidly among injecting drug users and sexually promiscuous populations, and threatens to pass on from high-risk groups into the general populations. During FY 2005, USAID will implement a new Combating HIV/AIDS and Hepatitis B and C Initiative. The program will improve the health status of the Moldovan population through comprehensive and cost-effective preventive measures to retard the spread of blood-transmittable diseases, primarily HIV/AIDS, hepatitis B and C, and other sexually transmitted infections (STIs). To achieve its goals, the activity will focus on providing management support to the Ministry of Health, non-governmental organizations (NGOs), and health services providers to implement voluntary counseling and testing services that meet international standards, primarily for HIV/AIDS but also for viral hepatitis B and C. The technical assistance will focus on: behavior change communications (BCC) to prevent the transmission of HIV/AIDS and hepatitis B & C as well as to reduce stigma and discrimination associated with HIV/AIDS; ensure safe blood transfusions; develop protocols for standardized hepatitis laboratory practices based on WHO guidelines; provide technical and direct assistance for the upgrading of a hepatitis reference laboratory to diagnose chronic cases of hepatitis, and serve as a quality monitoring/assurance mechanism; improve the capacity of the reference laboratory to perform epidemiological surveillance; develop guidelines and update safe medical practices to reduce cross-contamination with HIV and viral hepatitis in health care facilities. Principal contractor/grantee: to be determined (TBD).

Prevent and Control Infectious Diseases and Injuries (\$899,000 FSA, \$1,392,000 FSA carryover, \$888,000 FSA prior year recoveries). Tuberculosis (TB) is a major public health danger in Moldova. The TB epidemic is being driven by declining social and economic conditions, growing unemployment and subsequent poverty, as well as by inefficient anti-TB practices. USAID will combat the tuberculosis epidemic in Moldova by enhancing the implementation of the cost-effective World Health Organization (WHO)-recommended Directly Observed Treatment Short Course (DOTS) strategy for TB diagnosis, treatment, and care procedures. At the end of the project, the following results will be achieved: 1) improved laboratory capacity to diagnose infectious pulmonary tuberculosis, including the establishment of a National TB Laboratory Network; 2) strengthened institutional capacity of Moldova's primary health care system to initially detect TB infected individuals and provide post-hospitalization anti-tuberculosis treatment; 3) an established up-to-date TB surveillance system; 4) increased knowledge of TB signs, symptoms, referral, and treatment in the general population attained through public outreach campaigns; and 5) establishment of a facility to monitor multi-drug resistant (MDR) TB, and to provide DOTS Plus (+) treatment for TB patients with confirmed drug resistance. Principal contractor/grantee: American International Health Alliance (AIHA) (prime).

**FY 2006 Program:** Reduce Trafficking in Persons (\$1,051,000 FSA). The Moldova Anti-Trafficking program will continue to deliver prevention and assistance services through a network of established regional centers. The referral and linkages system will provide for an integrated approach involving not only USAID implementing partners, but also local authorities and institutions, and other international donors. Principal contractor/grantee: Winrock International.

Reduce Transmission and Impact of HIV/AIDS (\$345,000 FSA). Activities to prevent HIV/AIDS in Moldova will continue to focus on the key project components for developing effective measures to stop the spread of blood and sexually transmittable diseases. Principal contractor/grantee: TBD.

Prevent and Control Infectious Diseases and Injuries (\$294,000 FSA). USAID will continue its activities to prevent Hepatitis B & C by implementing the key project components, focusing on effective measures to stop the spread of blood and sexually transmittable diseases. Strengthening the Diagnosis and Treatment of TB in Moldova will continue to work on key project components, such as improved laboratory capacity; TB surveillance system; public outreach campaigns on TB; and the establishment of a facility to monitor MDR TB. Principal contractors/grantees: AIHA, TBD.

**Performance and Results:** During FY 2004, the CHAP completed its work to ensure the sustainability of humanitarian activities; develop and solidify community relationships; and build the local capacity of indigenous non-governmental organizations (NGOs) to provide social services. CHAP also focused on assisting people most affected by the economic transition. The combined assistance to these organizations served a total population of approximately 55,400 people throughout Moldova. Combating TB as a part of Moldova/Romania cross-border activity is continuing to improve the organization and management of TB laboratory services and drug management in the two countries.

## US Financing in Thousands of Dollars

**Moldova**

117-0340 Social Transition	CSH	FSA
<b>Through September 30, 2003</b>		
Obligations	0	21,240
Expenditures	0	18,513
Unliquidated	0	2,727
<b>Fiscal Year 2004</b>		
Obligations	2,000	4,018
Expenditures	0	2,207
<b>Through September 30, 2004</b>		
Obligations	2,000	25,258
Expenditures	0	20,720
Unliquidated	2,000	4,538
<b>Prior Year Unobligated Funds</b>		
Obligations	0	4,253
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	0	2,722
<b>Total Planned Fiscal Year 2005</b>		
Obligations	0	6,975
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	0	1,690
Future Obligations	0	0
Est. Total Cost	2,000	33,923