



# 2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

MOLDOVA  
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For Moldova

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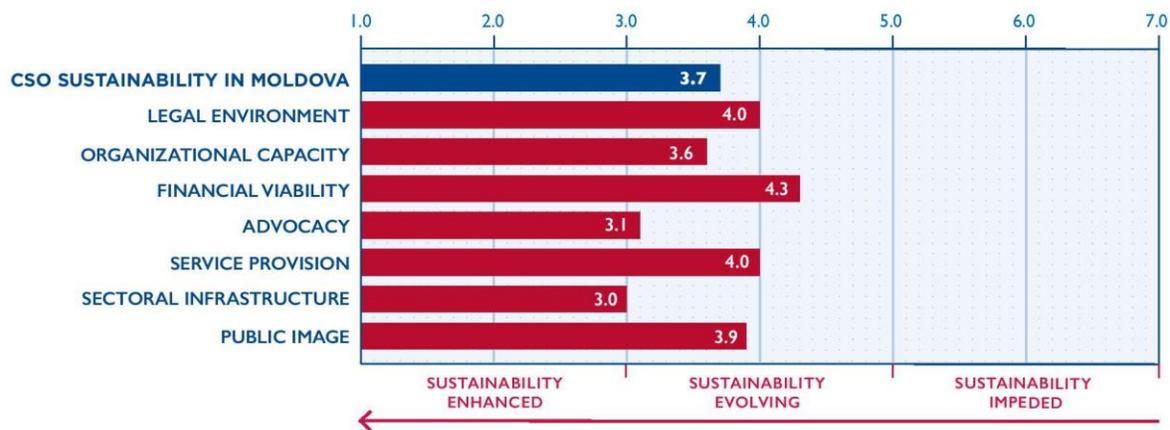
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## OVERALL CSO SUSTAINABILITY: 3.7



Two events shaped the operating environment for civil society in the Republic of Moldova in 2021: the COVID-19 pandemic and snap parliamentary elections.

The COVID-19 pandemic continued to affect Moldova’s economy and society. In 2021, over 230,000 new cases were confirmed and over 7,000 people died. In response to the ongoing risks, the National Extraordinary Public Health Commission (NEPHC) limited the size of meetings to fifty people, restricted assembly venues and, in some cases, prohibited assemblies altogether. The restrictions were lifted starting in May and were not imposed again until the end of the year. While the restrictions were in place, CSOs continued to conduct most of their activities remotely. However, CSOs’ increased use of online tools allowed them to operate without major disruption.

Following the resignation of Prime Minister Ion Chicu in December 2020, the key political parties in the parliament proved unable to form a new government. After the Constitutional Court confirmed that the constitutionally-mandated period for forming a new government had passed, President Maia Sandu dissolved the parliament in April 2021. Snap parliamentary elections were then held on July 11. The pro-western *Partidul Actiune si Solidaritate* (Party for Action and Solidarity – PAS) achieved a parliamentary majority of 63 out of 101 seats. CSOs actively monitored the elections through exit polls, the use of election observers, and regular monitoring reports. Promo-Lex, a CSO focused on democracy and civic space, organized 881 short-term election observers who recorded 450 incidents (i.e., violations of electoral rules) at polling stations in the country and abroad. The Civic Coalition for Free and Fair Elections (CALC), a platform of thirty-four Moldovan CSOs, declared the elections “partially free and partially fair,” noting concerns over the use of hate speech (some of which was directed at CSOs), improper use of administrative resources, failure to consider electoral appeals, and biased media coverage of electoral candidates.

A new government led by Prime Minister Natalia Gavrilita was sworn in on August 6, 2021. The new administration’s priorities included addressing the pandemic, pursuing justice reform, and unblocking foreign funding tied to the implementation of reforms by the previous government. Despite CSOs’ advocacy, the government failed to prioritize the needs of civil society in its action plan. Nevertheless, the new parliament and government are much more open towards cooperation with CSOs and have created opportunities for collaboration to address persistent challenges related to access to information and CSO participation in policy-making processes.

In this context, overall CSO sustainability did not change in 2021, although service provision, sectoral infrastructure, and public image all improved slightly. Service provision advanced as CSOs demonstrated increased capacity to provide services related to the COVID-19 pandemic, increased the amount of income they generated from the provision of services, and benefited from an improved legal framework for the contracting of social and home-based care services. The increased availability of capacity-building opportunities spurred an improvement in sectoral infrastructure, while the sector’s public image improved as public trust increased, the business sector had a more positive perception of CSOs, and CSOs demonstrated improved public relations capacities.

According to the State Register of Nonprofit Organizations (SRNO), there were 14,939 non-commercial organizations registered in Moldova as of December 2021. Approximately 13,746 of these organizations can be considered CSOs; the rest are public institutions, political parties, and other socio-political groups that do not correspond to the definition of CSOs used by the CSO Sustainability Index. About 78 percent (10,681) of registered CSOs are public associations, non-commercial organizations founded by two or more individuals or legal entities to achieve non-commercial purposes. The other 22 percent include religious organizations, foundations, private institutions, trade unions, water users' associations, employers' associations, non-commercial periodicals, and others. In 2021, 438 new CSOs were registered, including 388 public associations, 17 foundations, and 11 private institutions. According to data presented by the National Bureau of Statistics (NBS), only about 30 percent of registered organizations filed reports with NBS in 2021, approximately 80 percent of which are based in Chisinau. As all CSOs are required to submit annual financial statements to NBS, this is often considered a better indicator of the number of active organizations in the country.

The situation of CSOs in the Transnistrian region—a breakaway territory in the eastern part of Moldova—did not change substantially in 2021. They continue to work under difficult conditions and experience frequent harassment and repression from the local authorities. CSOs in the region that receive foreign funding cannot engage in so-called “political activities,” including protests, criticism of local governments, and advocacy activities aimed at changing or impacting government policy. Representatives of these CSOs often register similar organizations on the right bank of the Nistru River to benefit from the Republic of Moldova’s enabling legal framework. However, CSOs from the Transnistrian region encounter various challenges in registering and opening bank accounts in Moldova due to restrictive provisions in the Law on Preventing and Combating Money Laundering that banks use to refuse to open bank accounts for CSOs that have members or persons in their governing bodies that are from or reside in the Transnistrian region. According to the Register of Public Associations and Political Parties of the Transnistrian region, as of December 2021 there were 617 registered CSOs, of which 13 were registered in 2021.

## LEGAL ENVIRONMENT: 4.0



The legal environment governing the CSO sector did not change significantly in 2021.

The Law on Non-Commercial Organizations (hereinafter referred to as the NCO Law), which was adopted in 2020, establishes an enabling framework for public associations, foundations, and private institutions. The law provides clear requirements regarding CSOs’ internal governance, segregation of managerial and executive functions, reporting obligations, and other issues. Any individual or legal entity, with the exception of public authorities and institutions or state and municipal enterprises, may be a member of a public association. To become legally registered, a CSO must submit a predefined list of documents set in the law. CSO registration can take up to fifteen days, which is longer

than the registration of commercial entities, which is often completed within twenty-four hours, or in four hours in urgent situations.

Although the NCO Law provides that registration is free of charge for most forms of organizations, the Public Service Agency (PSA) charges fees to register some types of organizations, as well as for various registration-related services such as checking the name of the organization, issuing confirmations from the Register of Legal Entities, and expediting registration. CSOs deem the cost of these services—which range from USD 25 for various confirmations to USD 68 for registering trade unions and water users’ associations—to be excessive. The NCO Law also provides that CSOs must amend their bylaws by August 27, 2022, if their internal statutes do not align with the current legal framework. Non-compliance may result in an organization’s forced liquidation. According to the European Center for Not-for-Profit Law’s CSO Meter, around 3,000 NCOs re-registered in 2021; the overall number of CSOs subject to this requirement is unknown.

In April 2021, parliament passed Law 50/2021 on Local Action Groups (LAGs). LAGs are partnerships that include nonprofit organizations, local public authorities, and commercial entities as members. Under the new law, LAGs can register and obtain official legal recognition, allowing them to have their own bank accounts and sign legal documents, which will facilitate their development. In October 2021, the Ministry of Agriculture and Food Industry (MAFI) published a guide for LAGs that explains how to establish and register a LAG.

Either during the registration process or when changing its legal representative, a CSO must submit a statement regarding its beneficial owner, which is required by the Law on Preventing and Combating Money Laundering. Several CSOs have criticized this requirement because the administrators and leaders of NCOs cannot be considered beneficial owners of their activities and projects. In one case, the bank accounts of Amnesty International Moldova Association were frozen in 2021 because the organization failed to declare a beneficial owner.

CSOs are subject to less frequent financial inspections than commercial entities. According to the CSO Meter, the government conducted inspections of 7.9 percent of registered commercial entities in the first nine months of 2021, as compared to 1.9 percent of nonprofit organizations. CSOs do not report widespread or frequent government harassment. However, there continue to be abuses regarding the interpretation of the legal provision on CSO registration by PSA employees, with CSO representatives reporting cases where PSA employees refuse to register changes to their bylaws unless certain information is displayed exactly as written on the bylaws template provided on the PSA website.

The law allows public associations, foundations, and private institutions to carry out any activities that are legal in the country; however, the Tax Code exempts income only for those activities deriving directly from the purposes described in an organization's bylaws. For other activities, CSOs must pay a 12 percent income tax.

As in previous years, individuals may direct 2 percent of their taxable income to an accredited CSO. According to the Law on Philanthropy and Sponsorship, corporate taxpayers have the right to make tax-deductible donations (monetary and non-monetary) for philanthropic and sponsorship purposes, but their value may not exceed 5 percent of the companies' taxable income during the fiscal year.

Some progress was achieved in 2021 with respect to CSO funding and access to resources. Following an October 2021 Constitutional Court decision, the parliament amended the NCO Law to eliminate restrictions on CSOs providing paid services to political parties and social-political organizations during elections, thereby broadening CSOs' potential sources of income. Additionally, in March 2021, the Council for the Prevention and Elimination of Discrimination and Ensuring Equality considered a complaint brought by the Alternative Media Association against the Ministry of Finance and the State Tax Service. The complaint argued that the exclusion of CSOs from certain subsidies for loan interest was discriminatory, as commercial entities enjoyed access to these subsidies. The Council agreed with the complainant and recommended that the authorities ensure immediate equal treatment of CSOs and grant them access to the relevant subsidies.

Since the NCO Law came into force, CSOs have frequently sought legal support to update their bylaws and registration with the PSA. Organizations such as CONTACT Center, Center for Organizational Consultancy and Training (CICO), and Legal Resources Center from Moldova (LRCM) provide legal services to CSOs. In 2021, for example, CONTACT Center provided free legal, financial, and accounting support to sixty CSOs from both the Transnistrian region and the entire territory of the Republic of Moldova.

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## **ORGANIZATIONAL CAPACITY: 3.6**

The organizational capacity of CSOs remained largely unchanged in 2021. While CSOs did make some progress in digitalization and mobilization in response to the COVID-19 pandemic, these positive developments were offset by the negative effects of the pandemic on organizational capacity.

According to a survey of forty-six CSOs conducted by People in Need Moldova in February 2021, one-third of responding organizations reported that their work was severely affected by the pandemic, while the remaining two-thirds indicated that they were moderately affected. Also due to the pandemic, a third of CSOs had to resort to staff layoffs. CSOs also reported reduced pay, increased stress levels, and higher workloads as a result of conditions during the pandemic. At the same time, however, according to a questionnaire, some CSOs were able to improve their capacities as a result of a capacity-building program implemented by the CONTACT Center.

CSOs also enhanced their capacity to identify and build relations with potential constituents and beneficiaries. The number of taxpayers who utilized the 2 percent assignment mechanism increased from 28,506 people in 2020 to 34,805 people in 2021, suggesting improved CSO capacity to interact with constituents. At the same time, CSOs used online tools such as Zoom, Google Meet, and Microsoft Teams to interact with a greater number of people from various regions. Some CSOs redirected their efforts towards combating the effects of the COVID-19 pandemic and providing support to vulnerable people, including people with disabilities. However, limited access to information and communication technology, especially among elderly people, poor families, and people with disabilities, continued to pose an obstacle to constituent interaction for CSOs that work with these populations.

**ORGANIZATIONAL CAPACITY IN MOLDOVA**



Most CSOs in Moldova do not have strategic plans and do not consider the development of such plans a priority. Only well-developed CSOs conduct regular strategic planning activities, while other CSOs rely on project-based planning. According to a survey conducted at the beginning of 2022 by CONTACT Center among organizations that benefited from its institutional support, fewer than half (45 percent) had strategic plans in 2021. Similarly, an assessment conducted by CICO in December 2021 of US Embassy-funded CSOs found that only 30 percent had strategic plans. Despite these challenges, capacity-building support from resource centers and funding organizations enabled more CSOs to develop strategic plans in 2021. For instance, National LEADER Network and Solidarity Fund PL in Moldova, the Moldovan branch of a Polish organization, helped twenty-two LAGs to update and improve their local development strategies, and ERIM Moldova – IREX Europe provided support to five CSOs to develop strategic plans.

The new NCO Law does not oblige CSOs to have permanent governing and audit bodies, but it does require them to have general oversight bodies called the founder (for private institutions), general assembly (for public associations), and council (for foundations). CSOs are also obliged to have administrators (i.e., an executive body). Although the law further stipulates that organizations that do not meet these criteria and do not comply with the law can be liquidated starting from August 27, 2022, a large percentage of existing CSOs have not adjusted their bylaws to comply with these provisions. Governing bodies often exist only on paper and their members have limited involvement in the governance of their organizations.

Typically, only well-established CSOs with access to long-term financing employ permanent staff, while smaller CSOs hire personnel on a contract basis to work on specific projects. Given the lack of stable resources, CSOs that are able to hire staff usually have small executive teams limited to “core” functions within the organization, such as accountants and project coordinators. For example, the CONTACT Center survey found that 78 percent of responding CSOs had fewer than five employees. Many CSOs also lack adequate human resource policies and procedures. The CICO assessment of US Embassy-funded CSOs found that only one-third had human resource policies and procedures.

Besides hired staff, many CSOs recruit volunteers to participate in their work. According to the Charities Aid Foundation (CAF) *World Giving Index 2022*, which reports on developments in 2021, 13 percent of the adult population in Moldova had participated in volunteer activities in the previous month, compared to 16 percent in 2020. The CICO assessment of US-Embassy funded CSOs found that around two-thirds of surveyed CSOs engaged volunteers, although fewer than 20 percent had written frameworks on volunteer management or were accredited as volunteer host institutions. According to the Register of Host Institutions for Volunteering Activities published by the Ministry of Education and Research, only eighty-five organizations were accredited as volunteer host institutions as of December 2021, of which only forty-six were CSOs.

CSOs adopted a wide range of digital tools in 2020 and 2021 in response to the pandemic. As most employees and volunteers worked remotely, the use of videoconferencing grew substantially. As a result, online conferences, training, and activities replaced traditional face-to-face events. Throughout the year, CSOs used Zoom and other online platforms to a significant extent in their work. CSOs’ presence and promotion on social media, particularly

Facebook, grew as well. Most CSOs seem to have successfully adapted to the new reality, although there is no official data or analysis on how these changes affected their impact and effectiveness.

## FINANCIAL VIABILITY: 4.3



According to data received from NBS, Moldovan CSOs received USD 233 million in revenue in 2021, 7 percent less than in 2020, but 18 percent more than in 2019. This slight decrease, however, did not influence the overall financial viability of the CSO sector in Moldova. CSOs outside the capital city continue to encounter significant funding challenges due to a lack of qualified finance staff and limited access to funding sources.

CSOs continue to depend heavily on foreign funding. According to various studies and surveys carried out over the last few years, about 70 percent of CSOs' annual revenues come from foreign grants. This dependence on foreign funding limits civil society's sustainability and resilience.

The European Union (EU) is the largest donor to civil society in the Republic of Moldova. As of the end of 2021, CSOs were implementing twenty-two EU-funded projects with a total budget of approximately EUR 22 million. USAID continues to support Moldovan CSOs based on the 2020-2025 Country Development Cooperation Strategy; according to [foreignassistance.gov](https://foreignassistance.gov), USAID provided USD 2.4 million for democratic participation and civil society in 2021. Sweden actively supports civil society and in 2021 provided USD 3.56 million to domestic and international CSOs to implement projects in Moldova, USD 878,000 of which was directed to domestic CSOs. The German Agency for International Cooperation (GIZ) provided grants to local CSOs through the Citizens' Empowerment in the Republic of Moldova project. In 2020 and 2021, more than 100 local CSOs obtained funding under this program. LAGs and their members benefited from funding opportunities in 2021 such as the LEADER-EU Rural Development Fund, financed by USAID and PolishAID with more than USD 1.1 million.

As noted above, individuals may direct 2 percent of their taxable income to an accredited CSO. In 2021, there were 665 CSOs registered as potential beneficiaries of this mechanism, an increase of 131 from 2020. Accredited organizations collected about USD 551,694 in 2021, an increase of approximately 68 percent from 2020, when there was a 27 percent decrease compared to 2019 due to COVID-19. A 2021 NGO Council assessment concluded that the mechanism could be improved by increasing the transparency of beneficiary organizations, preventing abuse of the mechanism by public institutions that direct money towards affiliated CSOs, and establishing a clearer procedure to report how funds are used.

Companies that offer donations to CSOs officially benefit from tax benefits according to the Law on Philanthropy and Sponsorship. However, the existing law does not encourage companies to engage in philanthropic activities due to the bureaucratic procedures involved in fiscal reporting. In addition, corporate social responsibility is still uncommon in Moldova and many companies do not have a vision on how they would support CSOs or other social initiatives.

Despite an enabling legal framework, the majority of CSOs do not conduct economic activities. According to the CONTACT Center survey, fewer than one-third of respondent CSOs conducted economic activities or developed social entrepreneurship initiatives in 2021. However, according to data from NBS, CSOs earned USD 49.4 million through economic activities in 2021, an increase of about USD 8.7 million compared to 2020 and USD 11.6 million compared to 2019. This was the only category in which CSOs recorded increased revenue in 2021. Social entrepreneurship is still underdeveloped, and there were still just four accredited social enterprises in 2021, three of which employ people with disabilities.

Crowdfunding has enabled CSOs to diversify their funding streams in recent years. Three major crowdfunding platforms—particip.md, sprijina.md, and caritate.md—continued to be active in 2021, while a fourth platform, www.guvern24.md, resumed operating after being discontinued in 2018.

Government ministries channel public funding to CSOs through direct grants (in such fields as culture, youth, or environment) and by contracting for the provision of social services. The Ministry of Education awarded grants to thirty youth CSOs in 2021 totaling USD 367,467, approximately USD 100,000 more than it awarded in 2020. However, the Ministry had allocated USD 452,488 for this purpose; not all allocated funds were expended due to the pandemic, as many activities took place in an online or hybrid format, reducing their costs. The Ministry also allocated USD 56,560 to co-fund youth CSOs, with local public authorities allocating the same amount.

The majority of CSOs, particularly local ones, do not have financial management systems in place and perform financial management only on a project basis. Similarly, few organizations develop consolidated annual budgets or publish annual financial statements. Despite the legal obligation to do so, fewer than one-third of all CSOs submit financial reports to the authorities. External audits are usually conducted only for large projects funded by foreign donors.

## ADVOCACY: 3.1

CSO advocacy did not change significantly in 2021. The advocacy environment improved after the July parliamentary election and the appointment of a new government, which has expressed increased openness towards CSOs and their initiatives. The new government participated in meetings with civil society representatives and many key members of the government came from the civil sector. Although some CSO advocacy initiatives were successful, several draft laws and initiatives were postponed or suspended due to the political crisis, COVID-19 pandemic, and the transfer of power.

The authorities cooperate with CSOs via various mechanisms. The Law on Decision-Making Transparency provides that authorities should consult citizens and CSOs when making decisions and developing public policies by organizing debates, hearings, or referendums, or by establishing standing or ad hoc working groups.

While the implementation period for the 2018-2020 Civil Society Development Strategy (CSDS) ended in 2020, the authorities have not yet developed a new strategy. According to the 2021 Report of the State Chancellery on CSDS implementation, only 50 percent of the ninety-four planned and monitored activities were implemented in full, 20.2 percent were implemented partially, and 29.8 percent were not implemented at all.

Several important mechanisms for government-CSO cooperation remained inactive in 2021. For example, neither the National Participation Council, the Civil Society Council under the President, nor the Advisory Platform under the Parliament were revived in 2021. Similarly, the State Chancellery's Human Rights and Social Dialogue Coordination Division, which includes a CSO cooperation focal point, did not operate in 2021. On a positive note, certain local and regional authorities actively collaborated with CSOs. In Soroca, Cahul, and Causeni districts, for example, CSOs worked with the local public authorities via District Councils for Participation to enhance citizen access to information about policymaking and improve local governance.

CSO networks including the National NGO Council and the National Platform of the Eastern Partnership Civil Society Forum (NPEPCSF) continued to engage with state institutions to advocate for civil society interests and initiatives. In 2021, the NGO Council sent several requests to the PSA, presidency, and parliament asking them to appoint new members to the committee responsible for awarding public utility status to CSOs so that it could relaunch its work. Also, the NGO Council submitted a series of requests to the public authorities, asking them to publish information on the funds received through the taxable income allocation mechanism. NPEPCSF published a list of policy priorities for the new government and launched several public calls and statements on environmental



protection, support for the business community, and other pieces of legislation. The Platform for the Promotion and Development of Philanthropy (PPDP) submitted several proposals to the authorities to amend the legal framework on philanthropy and sponsorship, focused on more clearly defining terms, expanding the list of areas considered to be philanthropic activities, and clarifying the rules on how to use and record donations. No action had been taken as a result of these proposals by the end of 2021, although discussions continued in 2022.

Although the new government and parliament expressed openness towards civil society, transparency in government decision making still remains a challenge. For example, parliament considered and voted on draft legislation and amendments to laws governing the Prosecutor’s Office, National Integrity Authority, and National Anticorruption Center without consulting the public. In response, LRCM and thirteen CSOs filed an appeal requesting that parliament organize genuine public consultations and refrain from examining draft laws as a matter of urgency without plausible justification. The Government Action Program that was adopted in October 2021 failed to include any priorities related to civil society, and CSOs’ advocacy to incorporate these priorities was unsuccessful.

Despite these challenges, there are several positive examples of efficient government-CSO collaboration. For instance, the National LEADER Network and Solidarity Fund PL Foundation in Moldova cooperated with MAFI to draft the concept of the Law on Local Action Groups, which was passed in April 2021. In October 2021, parliament ratified the Istanbul Convention on preventing and combating violence against women and domestic violence, following the sustained involvement and advocacy of civil society and development partners. During 2021, a civil society representative from Promo-Lex Association and two human rights experts were included in the NEPHC, enhancing the ability of civil society to ensure that the Commission’s decisions on COVID-19 are in line with a human rights-based approach.

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## SERVICE PROVISION: 4.0



CSO service provision slightly improved in 2021 due to CSOs’ increased capacity to provide services related to the COVID-19 pandemic. In addition, CSOs benefited from an improved legal framework for contracting home-based medical and social care services.

The legal framework allows CSOs to provide services directly or by establishing for-profit entities, including social enterprises. The range of services provided by CSOs did not change significantly in 2021. The primary areas in which CSOs provide services are education, legal support, entrepreneurship, institutional development, and at-home health care. Organizations such as the Life Without Violence Coalition provided financial and legal support, as well as psychological services, to domestic violence survivors.

In 2021, CSOs continued to provide pandemic-related services, including the distribution of food packages to vulnerable people, protective equipment, and medicine. According to a Ministry of Health report on internal donations provided to the government and medical institution for combating the COVID-19 pandemic, about 30 percent of these domestic donors in 2021 were CSOs.

The services provided by CSOs generally correspond to the needs of their beneficiaries and are provided without any discrimination. Most CSOs provide goods and services to individuals beyond their own members. In order to understand the range of services demanded by constituents, CSOs develop studies, conduct research, or use questionnaires. For example, in May 2021, the Coalition Life Without Domestic Violence distributed a questionnaire to its member organizations to identify their needs and priorities. In addition, as in previous years, CSOs have access to other studies that assess community needs. For example, in 2021, the Keystone Moldova Association published a study on access to health services during the pandemic. However, in many cases, CSOs provide services in response to donors’ needs, which do not always meet constituents’ needs or expectations.

Government Decision No 948/2020 came into force in January 2021 and provides a new methodology to estimate the cost of at-home social and medical services. This will make it easier for CSOs to estimate the costs of their services and receive contracts from local public authorities.

As noted in the financial viability section, CSOs earned more income in 2021 through paid services than in previous years. However, CSOs' ability to charge for services is limited by beneficiaries' ability to pay. According to a 2017 study conducted by the Ministry of Health, Labor and Social Protection in partnership with the Network of NCO Providers of Community-Based Care Services, around 21.8 percent of beneficiaries responded that they were able to pay partially for services, while only around 1 percent were able to pay in full. In some cases, CSOs do not know that they are authorized to provide paid services or prefer to apply for funding within grant programs instead of allocating scarce resources to develop paid services.

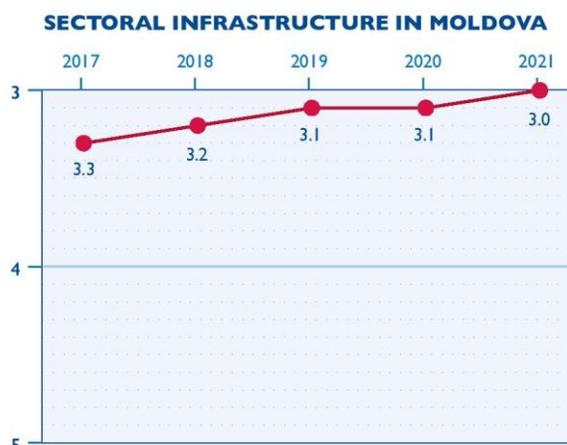
Government support and appreciation of CSO services was mixed in 2021. On the one hand, local and central authorities acknowledged the positive role of CSOs as service providers in the unprecedented circumstances of the COVID-19 pandemic. Further, a new regulation was enacted to provide fiscal benefits to organizations that employ people with disabilities. On the other hand, in 2021 nearly forty CSOs lost their public utility status, which strips them of access to related benefits (fiscal benefits, free or preferential use of public property, non-reimbursable funding, and contracting services), as the committee responsible for issuing or renewing such status stopped operating in 2020. Due to the committee's inactivity over the past two years, around thirty-four CSO applications for public utility status were pending at the end of 2021.

## SECTORAL INFRASTRUCTURE: 3.0

The infrastructure supporting the CSO sector improved slightly in 2021 due to the increased availability of capacity-building opportunities and programs.

During 2021, intermediary support organizations and resource centers continued to provide technical assistance and support to CSOs from Chisinau and the regions. CONTACT Center and CICO provided CSOs with training, consultancy, and mentoring activities under various support programs funded by foreign donors. At the regional level, CONTACT Cahul and ProEuropa Center provided support to CSOs from the southern part of the country and the Autonomous Territorial Unit (ATU) Gagauzia. CASMED, Pro Cooperare Regionala (ProCoRe), and Dacia Youth Resource Center, among other organizations, provided support to CSOs in the northern region. In addition, during the year the National LEADER Network in partnership with Solidarity Fund PL in Moldova supported the creation and strategic planning processes of eight new LAGs. In total, twenty-two LAGs received help in updating their local development strategies. The National LEADER Network and Solidarity Fund PL in Moldova also collaborated with CICO to develop policies and standard procedures for thirty LAGs through the Sustainable Territorial Partnerships for the Rural Economic Development of Moldova initiative. This project also provided training on fundraising, financial management, and good governance to LAG staff. However, most of these activities were conducted online due to the COVID-19 pandemic, and many believe that online training and consultancy events have been less effective than face-to-face events.

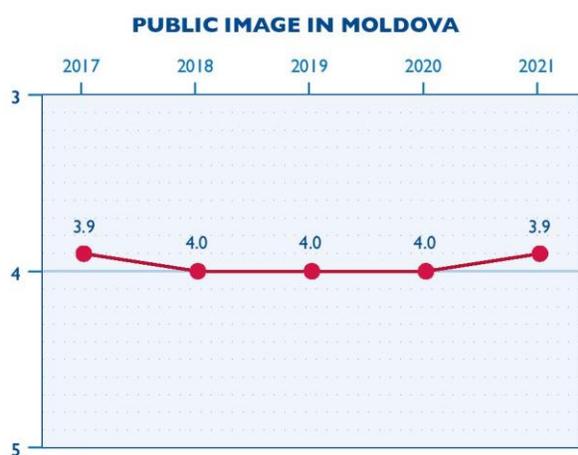
Sub-granting capacity grew in 2021, consistent with trends in recent years. The Konrad Adenauer Foundation continued to provide funding to CSOs in the regions through the EU-supported Development of Civil Society at the Local Level in the Republic of Moldova program. With funding from USAID and Polish Aid, Solidarity Fund PL in Moldova and the National LEADER Network provide grants to LAGs. UNDP and UNICEF manage an EU-funded grant program with a budget of EUR 80,000 for CSO projects focused on increasing the access of vulnerable groups to public services in the Cahul and Ungheni regions.



Existing CSO platforms and networks such as the NGO Council, NPEPCSF, and the Alliance of Organizations for People with Disabilities (AOPD) continued to function and several new ones were established in 2021. For example, in July more than forty CSOs established the North Regional Network to enhance CSO-citizen collaboration and address environmental and infrastructure challenges in the Northern region.

Cooperation between CSOs and public authorities at the national level stagnated in 2021 due to the authorities' predominant focus on the pandemic and the parliamentary election. At the same time, cooperation between CSOs and local authorities, as well as with businesses, progressed due to the increased activity of LAGs, which bring together the public, entrepreneurial, and civic sectors. Fifteen new LAGs were established in 2021, bringing the total in the country to forty-seven.

## PUBLIC IMAGE: 3.9



The public image of the CSO sector improved slightly in 2021, driven by an increase in public trust, the improved perception of the sector by businesses, and CSOs' improved public relations capacities.

However, 2021 was also marked by a series of attacks and smear campaigns directed against CSOs and media organizations. Several users of social networks, as well as politicians, launched defamatory accusations against journalists from the Association of Alternative Media and other media institutions. At the same time, at a press conference in October 2021, Prosecutor General Alexandr Stoianoglo accused several CSOs, independent media, and some development partners of discrediting him. In response to the allegations, thirteen CSOs signed a public address condemning the Prosecutor General's

statements against CSOs.

Despite such attacks, available data suggests that the population's trust of CSOs increased slightly. According to the June 2021 Public Opinion Barometer, 29.8 percent of survey respondents reported that they trust NGOs, as compared with only 23.1 percent in October 2020. The reason for the improved image and trust among the population may be due to the decrease in attacks by the authorities following the elections, the active involvement of CSOs in promoting several draft laws, and the support provided by CSOs during the pandemic, including their role in raising awareness about the COVID-19 vaccination. The appointment of many civil society representatives to key government positions may have also been a contributing factor.

Media affiliated with the Socialist Party of the Republic of Moldova criticized CSOs focused on freedom of expression and the rule of law but did not attack affiliated organizations such as Molodaya Gvardiya (Young Guard), the Socialist Party youth organization. In contrast, independent media provided objective coverage of CSO initiatives such as the Stop Fake campaign (Association of Independent Press), Stop Bullying campaign (Terre des hommes Moldova), and Promo-Lex's campaign against hate speech and discrimination.

Business attitudes towards CSOs also improved slightly in 2021 due to joint initiatives implemented during the pandemic and through LAGs. Nonetheless, many members of the business community have a limited understanding of the CSO sector and only larger companies such as Orange and Moldcell routinely support corporate social responsibility activities or charitable projects.

CSOs improved their public relations capacity and social media skills during the pandemic. Due to the restrictions in place for much of the year, the majority of CSO activities were held online, where CSOs were more present and active. CSOs focused their efforts on promoting their activities and communicating with their constituents through Facebook and Instagram, which are the most popular social media platforms in the country.

The sector's capacity for self-regulation did not change significantly in 2021. Only well-established CSOs consistently update their internal policies and procedures and publish financial reports or statements. Although the new NCO Law requires CSOs to publish annual activity reports, many CSOs fail to comply with this requirement.

Further, when CSOs do publish annual reports, they often lack details on the organization's activities and financial operations.

**Disclaimer:** *The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.*

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