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Decent Work Country Programme

Moldova

DECENT
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COUNTRY
PROGRAMME



MOLDOVA
DECENT WORK COUNTRY PROGRAMME DOCUMENT
2008 – 2011

Introduction

The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Decent Work Country Programmes (DWCPs) promote decent work as a key component of development policies and at the same time as a national policy objective of governments and social partners. The present country programme is informed by international development agendas such as the Millennium Development Goals, as well as the United Nations Development Assistance Framework (UNDAF) and it is based on the national development objectives. The present DWCP supports the National Development Strategy (NDS) that was approved by the Moldovan Parliament in December 2007. It also takes account of the priorities of the ILO constituents, as expressed in consultations held with them. The programme details the policies, strategies and results required to realise progress towards decent work for all. This document reflects the strategic planning of ILO cooperation activities with Moldova for the period 2008-2011. Reflecting the constituents' as well as the ILO's assessment of past cooperation (DWCP 2006-2007), the programme aims at ensuring greater synergies and stronger coherence of ILO's support to Moldova and thus contributes to achieving impact and sustainable outcomes.

The programme has been developed through a participatory process with the involvement of tripartite constituents. The DWCP consists of a narrative part outlining the national context, the lessons learned, the strategy of interventions and a logical model that details the interventions.

I. The current situation from a Decent Work perspective

Socio-economic context

During the last two years, the socio-economic situation of the Republic of Moldova registered remarkable signs of improvement, suggesting that the country is entering a new phase of renewal after a period of more than ten years of decline. Real GDP increased by 5.9 per cent each year on average during 2000-2007, with a cumulative growth of 49.5 per cent since 1999¹. Over the past two years, the Moldovan economy has begun to converge to that of other transition countries of Eastern Europe. Between 2006 and 2007, Foreign Direct Investment (FDI) increased from 7 to 12 per cent of the GDP. The economy is estimated to grow at a rate of eight per cent in 2008. Both public finance and external trade indicators have been improving during the past biennium, although inflation persists and is being highly influenced by external factors like food, gas and energy price increase. The indicators related to industrial goods and agricultural production, volume of investments in fixed capital, retail sales volume, services volume etc., register continuous growth as well starting in the year 2000.

However, despite the obvious achievements the economic recovery of Moldova in the last five years has not been translated into employment creation. Employment paid the highest price in the transition to a market economy and many working age people remain at risk of labour market exclusion. Structural un(der)employment, long-term unemployment and discouragement, combined with few decent job opportunities and with high numbers of workers engaged in

¹ National Burro of Statistics data

informal work caused widespread poverty and increasing emigration flows, which hit the younger cohort particularly hard. Another consequence is the raise of child labour cases, since poor families depend on the contribution that a working child makes to the household's income, and place more importance on that than on education. Very often child labour replaces the housework of migrant parents, thus according to the data provided by the Ministry of Education, Youth and Sports, on September 1, 2005, the number of school-age children with both parents abroad reached 35,000. At the same time about 75,000 children lived with only one parent because of migration. Various data show that Moldova remains one of the most important source and transit countries from SE Europe for labour migrants who want to find employment abroad. Estimates on the total number of Moldovans working abroad range from 600,000 to 1 million thus Moldova's dependence on remittances being the second highest in the world. Over 80 percent of Moldova's migrants remit funds and over 70 percent of these remit over half of their earnings. Moreover, estimates confirm that remittances continue to grow, and suggest that transfers from permanent migrants may be growing even further in importance. Work remittances increased from 13.8 per cent of GDP in 2000 to 35 per cent in 2007. The majority of these flows are used to fund basic household consumption, consumer durables, purchases of housing and debt repayment; very little of these flows, less than 7 percent, are being used to finance business investment and as little as 5 percent are saved in a bank account. Even if the situation on the internal labour market is improving, the unattractive working conditions and low wages are still the main push factors that determine Moldovans to migrate for employment. As of mid 2006 approximately one quarter of the economically active Moldovan population was working abroad.

Employment policies reviews conducted in Moldova by both ILO and country's development partners have proved their disconnection from other economic and social policies and programmes, their limitation both in time, magnitude and scope. The lack of coordination between vocational education and labour market requirements are putting Moldova at risk of losing most of the benefits of strong growth. Policy coherence across economic, employment and social policies as well as institutional capacity are needed to mitigate unemployment and inactivity traps, to make work pay and to ease mismatches between labour demand and supply. In many instances, ALMPs are not offered as comprehensive packages of employment and training services and focus on those unemployed who are "better off", rather than targeting those who are "hard to place". This is particularly the case of young people who are at the highest risks of poverty and social exclusion. Lack of monitoring of measures can create distortions and it does not allow for adequate assessment of the effectiveness and efficiency of employment programmes. The capacity of labour market institutions to design, monitor and evaluate employment policies is rather weak and needs to be enhanced too.

The share of informal employment within entire working population proves to be high. In 2006, the share of workers in the informal economy accounted for 35.1 per cent of total employment. Very often, informal working relations include child labour, which rarely appears in statistics, is mostly invisible and escapes the perusal of institutions. Furthermore, and notwithstanding the high incidence of the informal economy in Moldova, there is no significant analysis and data collection that give some indication of the conditions of work and impact the lack of social protection imposes on those trapped in.

In order to overcome the accrued deficiencies on the labour market the government has developed a long-term Employment Strategy for 2007-2015 genuinely following the European Employment Strategy in format. The strategy has passed the ILO expertise encompassing the recommendations targeting its improvement. It endeavors to secure the genuine coherence of economic and social policies in the country with social protection of vulnerable people as targeted outcome.

The social protection system in Moldova is a combination of social insurance and social assistance benefits and facilities. The stated aim of social assistance, as non-contributory benefits, is to assist the poor and the vulnerable. They are provided to persons that find themselves at risk or are unable

to make a living helping them to develop their own capacities and competencies for a relevant social functioning. Yet, the practice of social assistance continues to be biased in favour of selected categories of beneficiaries irrespective of wealth status and, to date, none of the benefits are really means tested. The government of Moldova had plans to experiment with means-tested benefits and a few categorical benefits were complemented with means-tests but - de facto - all social assistance benefits continued to be granted according to categorical criteria thus diminishing the beneficial impact upon those in need and upon alleviation of poverty as such.

Social insurance in Moldova relates to the world of work and benefits are granted based on contributions. In this respect the distortions on the labour market fully reflect the challenges the social insurance passes through – ageing of population, reduced management of migration, increased illegal migration and large informal economy. The credibility of this highly distributive system is greatly affected by low level of benefits, law replacement rates and increased dependency ratio.

The ILO assistance in monitoring the country's economic and social policies with strong focus on labour market institutions enhancement through social dialogue and labour administration consolidation has been officially highlighted by constituents with vary occasions.

In this regard it is worth mentioning that Moldova has made significant efforts over the last 10 years to set up conditions for a viable social dialogue and to bring its systems of industrial relations and labour administration closer to the practices prevailing in EU countries. Appropriate institutions of Labour Inspection and Public Employment have been put in place. Also social dialogue has been shaped during the last years due to its institutional mainstreaming as a result of National Commission for Consultation and Collective Bargaining (NCCCB) set up. The ILO assisted the process by providing expertise to the draft law on NCCCB. The commission has a broader mandate and is expected to fulfil a double function: as a consultative and a negotiating body, thus facilitating the dialogue and partnership at the national level. This tripartite forum's objective is to discuss and promote issues related to economic growth, participate in economic decision making through consensus-building, conclude collective conventions pertaining to social and economic policy and consider labour legislation related to market policies before their implementation or submission to Parliament.

Despite the above positive steps plenty of problems still remain unresolved so far deriving from the 1/lack of a secretariat to organize and underpin the work of the NCCCB and follow up on its members' deliberations; 2/ lack of resources committed by government to support bipartite collective bargaining through trainings, technical and legal advice to social partners and 3/ reduced skills of the members of the NCCCB in social dialogue practice and procedures. The existence of a comprehensive legal framework for bipartite social dialogue has not unfortunately led so far to a breakthrough in the development of collective bargaining. Also, the non-existence of a conciliation and mediation system unable social partners to settle amicably their disputes and improve their relationships.

The social partners in the country are represented by the National Confederation of Employers and the National Confederation of Trade Unions currently dealing with their structural consolidation.

The *National Confederation of Employers* is building up its membership based on legislative insertion of deductibility issue in 2006. It represents a great majority of employers in Moldova and its association members play a very strong role in tripartite discussions. Lack of extended “image promotion” of the employers' organisations alongside with underdeveloped “employer culture” in the society leads to the perceptions of employers as a “weak link” in the Social Dialogue channel. The lack of local employers' organizations still remains the major concern of the National Employers Confederation which founds itself in the process of identifying the appropriate leverages of structural building at the local level. *The National Confederation of Trade Unions* is a newly established body that resulted from the merging process of the National Confederation of Trade Unions and the Free Trade Unions Confederation that ends up after around ten years of a very tense relationship. The confederation endeavours to generate a consolidated trade union movement in the country but still faces range of issues that need to be addressed as for instance the great number of small branch unions that act

parallel in certain industrial sectors as a result of merge. Caught up in internal and external competition they negatively impact the smooth unification process.

The Moldovan authorities show awareness of the above mentioned problems and the decision to overcome them is clearly expressed within recently approved National Development Strategy (NDS) for 2008-2011. The paper represents the continuation of the Economic Growth and Poverty Reduction Strategy Paper, fully integrates MDGs, and builds on the accomplishments of the EU-Moldova Action Plan due to expire at the end of 2008. The NDS is the *main domestic medium-term strategic planning paper*, which defines the objectives for the development of the Republic of Moldova by the year 2011 and identifies the priority measures and actions to achieve these objectives. The NDS serves as a unified tool for the integration of the current strategic framework, for the alignment to the budgeting process (MTEF) and for the assimilation of external technical and financial assistance. It includes actions and commitments agreed upon with the international development partners; UNDAF being a relevant example. The NDS envisages macroeconomic stability and public administration reform as pre-conditions of economic growth.

In the framework of its assistance, the ILO has supported Moldova through a number of dedicated projects on employment, social dialogue, migration, remittances and eliminating child labour with the DWCP for 2006-2007 as most appropriate framework for the ILO contribution to the country's development. Based on the constituents' priorities and national development objectives DWCP promoted decent work as a key component of development policies and, in line with this, as a national policy objective of government and the social partners. The ILO targeted interventions encompassed the four pillars of the decent work: namely: employment promotion, social dialogue, social protection and fundamental rights at work, genially derived from the ILO values and standards. Moldova has ratified 38 Conventions including all 8 under the Declaration on Fundamental Principles and Rights, alongside with the most relevant European treaties that promote principles of decent work (*Revised European Social Charter of the Council of Europe, UN Convention on Elimination of All Forms of Discrimination against Women, (CEDAW), UN Convention on the Rights of Persons with Disabilities*).

The 2008-2011 DWCP for Moldova is the outcome of a broad discussion with local partners that started with the evaluation of the past DWCP (2006-2007) and ended up with the definition of the content of the future programme with government authorities and representatives of the social partners. This process gives to the forthcoming programme a national character, a decisive factor in achieving the jointly set outcomes and targets.

Gender equality aspects

In 2007, the employment-to-population ratio of women was 40.5 per cent in 2007, while that of men was 45.5 per cent. Although the unemployment rate of women was more than 3 percentage points lower than that of men (5.7 and 8.9 per cent, respectively), women make up for a large share of the inactive population. During the same year, female labour force participation was seven percentage points lower than that of men (43 and 50 per cent, respectively). The labour market is also characterized by severe wage inequalities between men and women, with male wage earners registering salaries on average 24 percentage points higher than women. Finally, employed women are over-represented in service and agriculture, the sectors particularly affected by informal employment.

Moldova has ratified the UN Convention on the Elimination of All Forms of Discrimination against Women / CEDAW in 1998, alongside with pertinent ILO conventions on gender equality, and as such, is legally bound to enforce the ratified provisions at the national level. In this respect, the Law on Ensuring Equal Opportunities for Women and Men was adopted in February 2006. It sets up the legal frame for the institutional mechanisms (national gender equality machinery) at all levels in

charge for implementation of the National Action Plan² on Gender Equality 2006-2009, adopted in August 2006³.

In August 2006 the Government of Moldova presented the second and third combined CEDAW Reports for 2000- 2004 in New York. The national NGOs active in gender area presented a shadow report on implementation of the Convention. Nevertheless, it is widely recognized that implementation of the CEDAW commitments and National Action Plans on GE has been lagging behind, and the results achieved proved to be less sustainable. Among reasons behind are lack of gender awareness and lack of clear understanding of the concepts of gender equality and gender mainstreaming as by governmental officials, politicians, as overall by the civil society. Thus promoting gender equality is not placed among key development priorities for the country. Weak political will, rigid institutional mechanisms, increased civil servants' turnover and lack of financing generate the main obstacles to effectively implement the commitments made by the state in achieving the goal of gender equality. In underpinning the constituents' efforts to bridge the gaps in gender equality promotion the ILO intention is to build their capacity to develop integrated policies and programmes to advance gender equality in the world of work as advocated by the ILO relevant standards and values. This will be a cross-cutting issue within the main pillars in the new DWCP for 2008-2011.

II. Lessons learned from previous cooperation

In January 2008 the ILO commissioned a participatory evaluation exercise (Biennial Country Programme Review - BCPR) of the 2006-07 DWCP led by an independent consultant. The purpose of the Moldova country programme review was to provide a joint assessment of progress made towards expected results and to identify lessons learned in order to appropriately design further steps to DW strategy development.

The 2006-07 DWCP was unanimously recognized as relevant and well harmonized to the country's main strategies and policies. It was successful in focusing the attention of national stakeholders and international donors on the importance of employment and decent work issues in the context of national policies and programmes. The participatory approach increased the trust in the ILO and enhanced communication and dialogue among stakeholders.

The review also found that the capacity building of constituents to access national and donors' resources for the new DWCP cycle (2008-2011) has to be reinforced. At the same time, the high turn over of staff in government institutions often results in incoherence and affects the sustainability of the desired results.

One of the findings of the review was that there is a need to establish a tripartite DWCP advisory committee to further strengthen ownership, monitor the implementation of the DWCP and strive for sustainable results. There is a need for greater and more even involvement of constituents and an increased degree of flexibility towards country's development policies' adjustments. Further discussions with constituents are necessary to establish indicators that could measure the decent work deficit and to determine targets and indicators for the DWCP themselves.

Some of the main achievements of the previous DWCP were the following:

- Development of a Long-term National Employment Strategy and its Plan of Action
- Proposals for the consolidation of the National Employment Agency have been developed based on the audit carried out by the ILO

² Starting from 1998 several National Action Plans on GE have been adopted.

³The primary objectives are to eliminate gender discrimination on the labor market, increase public awareness of gender issues, educate society about gender equality issues, and develop national institutional mechanisms to promote gender equality, protect women's health and combat violence against women, men and children. In the area of gender equality the Government of Moldova established a Governmental Committee on Gender Equality.

- National Reference System was enlarged and completed by giving professional services to human victims of trafficking
- National Office for Social Insurance (NOSI) holds evidence of social security tax payers and thus fights attempts of contribution payment evasion
- A team of national experts on agreements on employment, readmission and social security of Moldovan citizens has been created.
- A system of Child Labour Monitoring Systems has been set up in 5 ILO piloted areas.
- A Child Labour Monitoring Unit has been established within the Labour Inspectorate
- Trade unions have been trained in OSH issues.
- The deductibility of membership fees paid to EOs has been introduced, that will enable development and provision of new services to members.

With regard to the alignment of the programme with other UN agencies, at the time the first DWCP was negotiated and drafted UNDAF had already been prepared without properly addressing labour market and social issues. Therefore, the DWCP was drafted in support of relevant national development programmes and to complement and strengthen, to the extent possible, the UNDAF in the fields of ILO concern. The UNDAF annual review process undertaken at the end of 2007 provided a good opportunity for appropriate adjustments of both the UNDAF and the DWCP to strengthen their complementary in order to “deliver as one”.

III. Priority areas of cooperation

The present DWCP aims to assist the country in the implementation of the National Development Strategy for 2008-2011, the most important national medium term strategy and the country’s aspiration to achieve closer integration with the EU. The present DWCP is well harmonised with the priorities of the National Development Strategy i.e. 1/improved governance on the labour market; 2/human resources development; 3/mainstreamed social protection and 4/consolidated local public-private partnership.

Within the overarching theme of “Decent Work for All” the ILO will concentrate on three country programme priorities in Moldova in the period 2008-11, which should be seen as long-term goals:

- I.** Strengthening capacity of government institutions and the social partners to improve the governance of the labour market.
- II.** Improving the design, monitoring and evaluation of employment policy, through more effective labour administration as well as measures targeting workers in the informal economy and those exposed to migration.
- III.** Improving the effectiveness of social protection, with special focus on vulnerable groups.

The ILO has a comparative advantage in developing programmes, plans and in delivering technical cooperation for attaining the above-mentioned goals. More specifically, the ILO’s Secretariat has long-standing experience and technical expertise in the areas of labour standards, employment promotion, social protection and social dialogue. The ILO has also been implementing a number of projects in Central and Eastern Europe to the full satisfaction of donors and governments of the countries covered.

Priority 1: Strengthening capacity of government institutions and the social partners to improve the governance of the labour market

Strengthening of the administrative capacity and strengthening the capacity of social partners is high on the agenda. The engagement of the social partners in mobilizing support and action on employment as well as in giving voice and representation to the most vulnerable segments of the

population fares poorly on many accounts. The participation of employers' and workers' organizations in both policy development and implementation is often missing or confined to formal consultation.

Outcome 1: *Improved functioning of the NCCCB with a wider mandate to address the social and economic issues (MDA 101)*

The NCCCB was established in 2006 to replace the Republican Commission for collective bargaining. It has consultative and negotiating competencies. The NCCCB members adopted its internal regulation as well as its work plan in November 2006. Since then the NCCCB had several meetings during which it examined several draft acts and policy documents introduced by the government. However, because of the lack of an efficient secretariat to support the work of this body there is no real follow up on the deliberations of its members. Also the latter lacks support to prepare effectively for the plenary meetings. At the same time, the NCCCB work is not well known by the general public due to the lack of any communication strategy and logistics.

NCCCB has got some new members that are not well acquainted with best social dialogue practices and need to be exposed to innovative practices of SD in Europe.

While the Law on the National Commission for Consultation and Collective Bargaining has provided for the establishment of tripartite commissions at territorial and branch levels, very few bodies have actually been created at this level. The absence of an institutional framework for SD at these two levels is preventing tripartite actors from consultations on sector and region specific development challenges.

The ILO will continue to provide technical assistance to strengthen the functioning of the National, Territorial and Branch tripartite commission for consultation and collective bargaining, through:

- capacity building activities targeting the members of NCCCB: twinning exercises with similar institutions in EU countries; training on SD techniques and procedures; training on how to use medias to cover the work of the NCCCB;
- advocacy and technical support to enhance the capacities of the secretariat of the NCCCB;
- conduct of two pilot experiences in two selected territory/branch to strengthen the territorial and branch tripartite commissions.

Needs assessment of CNPN and other EO(s) carried out.

Training on

- a) identified EO management needs and elaboration of action plan.
- b) specific issues relating to social dialogue, including gender issues.

Study tour.

Outcome Indicators:

- The permanent secretariat of the NCCCB is operational and its staff members are trained on SD issues
- NCCCB secretariat provides support (information, analysis on strategic economic and social issues) to its members
- Creation of a web site to publicise the NCCCB work
- Measures are taken to implement the work plan on the enhancement of the NCCCB functioning and authority
- The government allocates more resources including staff to the secretariat of the NCCCB
- One tripartite commission starts functioning effectively in one territory and approves a territorial strategy for development
- One tripartite commission starts functioning in a branch and approves a strategy for development.
- NCCCB minutes indicate active CNPM involvement.
- CNPM reports on bipartite social dialogue forums and outcomes to members and Board.
- Needs assessment report and action plan developed and implemented.

- Increase in number of women members of EO(s) and at NCCCB.
- The CNPM is fully involved in implementing changes in policy.

Outcome 2: *Efficient labour administration including the establishment of an effective dispute settlement mechanism (MDA 102)*

Convention No. 150 ratified by Moldova in 2006 came into force in November 2007. A well functioning labour administration is key for an effective formulation and implementation of a national labour policy. The ILO supported the legislative process during the previous DWCP by providing technical advice on C.150 and Recommendation 158.

This convention requires from ratifying countries to secure an effective implementation of labour administration functions and bodies. According to the same convention, the labour administration must service social partners in their bipartite relationships with the view to promoting a sound system of industrial relations.

To advance the above-mentioned objectives, the ILO will provide:

- a) A technical assistance to the ministry of labour to implement C 150 on labour administration.
- b) A technical assistance to tripartite constituents to promote the establishment of an alternative system of labour disputes, as follows:
 - a. participation of a tripartite delegation from Moldova in a regional conference on LDS targeting Western Balkans countries and Moldova;
 - b. advisory mission to Chisinau by an ILO expert to advice on LDS
 - c. training of a team of conciliators and mediators on modern mediation techniques and procedures.
 - d. training on prevention and settlement of labour disputes at the work place targeting a group of trainers from employers and workers.

Training for EOs on dispute resolution at enterprise level.

Outcome Indicators:

- Under a)
 - the Ministry of labour starts implementing the action plan to strengthen the labour administration including the labour inspection in consultation with social partners;
- Under b)
 - An action plan is approved on a tripartite basis to create an alternative system of settlement of labour disputes.
 - The group of trained employers and workers on the settlement and prevention of labour disputes at the work place replicates the training in two regions.
- CNPM receives reports on number of disputes resolved at enterprise level.

Outcome 3: *Increased value of employers and workers organizations to existing and potential membership through the provision of new and better services (MDA 103)*

To play a more effective role at NLC deliberations, the workers' and employers' organizations need to be widely representative of their respective constituents - workers and employers. They therefore need to build their membership numbers. This is most effectively done through the provision of new or better services.

Capacity building of trade unions will be related to strengthening sectoral social dialogue and restructuring of the branch structure (training seminars, technical assistance, workshops). Participation in the tripartite mission to Ireland will be organised in order to learn more about the

Irish Social Model and in direct contact with Irish trade unions to exchange experience in the trade union practices. In the area of occupational safety and health follow up of the training will be held for the confederation's and big Moldavian companies trade union OSH experts

Capacity building of Employers' Organisations will focus on training to enable them to identify, develop and deliver new services for members and thus attract more members and become more representative as well as training in developing position papers to better contribute to development of policies affecting employers.

As part of technical assistance the ILO will organise a three day study tour by President and Secretary General of CNPM as part of a tripartite delegation to Ireland on effective social dialogue to implement change.

Meeting with IBEC is foreseen to learn their role in policy development and what services are offered.

Workshop on identifying, analysing and implementing options for a range of services that could be offered to members

Outcome Indicators:

- New trade union practices implemented in the CNSM work
- Draft branch agreement prepared incl. gender equality.
- Working conditions improved.
- Report on employers' organisations members' needs and interests analysed.
- Programme of services of employers' organisations developed.
- Costing and pricing schedule developed.
- Calendar of events published.

Outcome 4: *Labour statistics improved (MDA 104)*

Comprehensive, reliable and timely labour statistics represent an essential tool that can be used for the evidence-based formulation, monitoring and evaluation of policies for decent work. Since 2002, the ILO has provided technical advice to the National Bureau of Statistics (NBS) in order to enhance the quantity and quality of the labour force statistics produced. As the assistance provided by the ILO was embedded in existing other projects, the European Union and DFID contributed to its funding. The fruitful cooperation between the NBS and the ILO will be continued during the biennium 2008-2009. Synergies with the UNPP, UNIFEM, UNFPA and Government joint project on 'Strengthening the National Statistical System' (2007-2010) will be explored.

It is planned to undertake the following activities:

- Evaluation of the statistics currently collected by the NBS on indicators of decent work, and the possible development/testing of new indicators;
- Enhancement of the capacity of policy-makers and social partners to analyse and use the data collected by the NBS;
- Assistance in the ratification of ILO Convention 160 (Labour Statistics Convention) and in its application;
- Assistance for the organisation and launch of the following surveys:
 - Labour Migration;
 - Entry of young people into the labour market;
 - Child labour;
- Evaluation of the labour statistics currently collected by the NBS on indicators relating to gender issues.

Outcome Indicators:

- Consolidated set of indicators of decent work developed and in use.

- Statistics produced by the NBS more widely used.
- C 160 ratified.
- Labour migration survey, child labour survey and survey on entry of young people into labour market launched.
- Gender issues incorporated in labour statistics

Priority 2: Improving the design, monitoring and evaluation of employment policy, through more effective labour administration as well as measures targeting workers in the informal economy and those exposed to migration.

The capacity of the Ministry of Economy and Trade (MET) in formulating employment and labour market policies, and the capacity of the National Employment Agency in implementing these policies needs to be strengthened, especially with respect to Active Labour Market Policies (ALMPs). This adds to the need to better coordinate among different ministries, so as to better link employment with other economic and social policies. The ILO will provide advisory services to assess the employment impact of past and current investment policies. In parallel, it will provide technical assistance to improve the employment policy-making as well as the implementation of employment measures and services.

Outcome 1: The government and the social partners implement employment policy through national action plans and gender-sensitive employment measures and improve targeting of programmes to disadvantaged persons, including workers in the informal economy (MDA 126)

This outcome builds on the work of the government of Moldova that was undertaken during the previous years with the support of the ILO. Based on the commitment taken by the Ministers in charge of employment of South-East European countries that took place in Bucharest in 2003, Moldova had its employment policy reviewed by the ILO and the Council of Europe. The recommendations of the Country Review of Employment Policy (CREP) of Moldova prepared in 2004 were endorsed by a National Tripartite Conference.

The MET will review the functioning of labour administration and implement reforms to strengthen the capacity to formulate and implement national action plans on employment (NAPE). In parallel, the NEA will develop a long-term internal strategy and a staff development programme to cover the core functions of a modern employment service, as well as strengthen the design, monitoring and evaluation of gender-sensitive active labour market programmes (ALMPs) targeting disadvantaged persons.

The above-mentioned outcome will be achieved through the provision of a combination of technical assistance and advisory services, including capacity-building programmes for the management and staff of the above-mentioned institutions and the social partners, one-to-one and group coaching, and development of policy guidelines and tools.

Outcome Indicators:

- The Ministry of Economy and Trade formulates and implement National Action Plans on Employment (NAPE) on a regular basis;
- A comprehensive internal strategy developed, approved and applied on a regular basis for the National Employment Agency, in order to improve its performance and cover the core functions of a modern public employment service.
- The National Employment Agency puts in place a package of gender-sensitive employment programmes and services to improve impact on employment and earnings of disadvantaged groups.

Outcome 2: The institutional and regulatory framework is improved and links remittances to employment-generation measures (MDA 127)

The MET will develop a National Remittances Programme, in close cooperation with other relevant ministries (Ministry of Finance in particular), National Bank of Moldova, National Agency for Small and Medium-sized Enterprises and financial institutions in Moldova, in order to increase the medium to long-term impact of remittances. This implies improving the formal channels and uses of remittances through better information system and financial awareness given to migrant workers and their families, through more appropriate services provided by the financial institutions and improved environment for the investment of the remittances into income-generating activities. The ILO has been providing technical assistance on remittances since 2007 in partnership with IOM.

The above-mentioned outcome will be achieved through the provision of technical assistance and advisory services, including capacity building for staff of employment services, National Agency for SME and the MET as well as capacity building for financial institutions. Support will as well be provided through development of training methodology and policy guidelines.

Outcome Indicators:

- The Ministry of Economy and Trade formulates and implements a National Remittances Programme and related action plan;
- The Employment Agency, through its local offices, provides self-employment services to its clients;
- Youth entrepreneurship training is provided by vocational training institutions;
- A national referral system on SME, under the MET, is in place to ensure better support to SME development at regional and local level;
- Better information on remittances is provided to remittances recipients and senders, through the development of information materials and financial education.

Outcome 3: Improved policy and regulatory framework in place and the institutions capacity to effectively manage labour migration and prevent labour exploitation of migrant workers increased (MDA 128)

The Government of Moldova is addressing the problem of labour migration, by developing policies and creating new institutional structures. However, the legal framework needs to be constantly adjusted to the changing patterns of migration. It is important to note that provisions regarding migration have been introduced in major policies and strategic documents of the country, such as: Joint Declaration on a Mobility Partnership between the European Union and the Republic of Moldova; National Programme on Migration and Asylum; National Employment Strategy; National Human Rights Action Plan; National Plan to Combat Trafficking in Human Beings; National Plan to Protect Moldovan Citizens Abroad; National Plan to stimulate the return of migrants.

Also, the new draft law on labour migration was passed by the Parliament. However experts state that the migration policies do not fully reflect the socio-development policies of the country. The implementation of existing policies needs strong coordination instruments due to multidisciplinary character of the phenomenon and the number of stakeholders involved at national and regional level. As migration will continue and affect Moldovan society the Government should in particular focus on the following: to ensure adequate protection to all migrant workers in order to prevent human trafficking and labour exploitation, to facilitate the economical integration of migrants who returned, to improve the management framework for migration and to strengthen the dialogue with the destination countries. Measures to be undertaken include:

- Consultation meeting with parliament, government, NGOs and social partners on the development of a comprehensive anti-trafficking legislation with focus on forced labour exploitation.
- Development and testing of a methodology for data gathering on scale and trends of labour migration and integration into national statistical programmes.
- Pre-migration trainings with PES and PrEA and in co-operation with existing Migrant Information Centres.
- Develop, publish and disseminate a series of country guides for migrant workers providing relevant pre-departure information.
- Training seminars with officials in charge of licensing and labour inspectors in pilot regions.
- Pilot training with chief prosecutors, labour inspectors, police and other relevant government authorities on identification and prosecution of trafficking for forced labour cases.

Outcome Indicators:

- Capacities and knowledge of officials and social partners to better manage migration strengthened
- Improved policy and legal frameworks to promote legal migration and combat trafficking in persons for sexual and labour exploitation in place in Moldova.
- Government officials will be able to draft, negotiate and implementing bi- and multilateral migration agreements
- Law enforcement officials are better trained on monitoring recruitment activities and detect and prosecute criminal recruitment and trafficking for sexual and labour exploitation
- PES provide potential migrants and trafficking victims with adequate information about migration for employment abroad; potential migrants and trafficking victims make more informed decisions about migration for employment abroad.
- Increased number of trafficking victims given assistance, including opportunities for compensation and socio economic reintegration
- Methodology for data gathering on scale and trends of labour migration, in particular irregular migration and trafficking for sexual and labour exploitation developed and tested.

Priority 3: *Improving the effectiveness of social protection, with special focus on vulnerable groups.*

The ILO promotes open social dialogue as the basis for formulating reforms, taking account of international and European social protection standards. Our aim is to work to strengthen the human capacities and technical systems needed for more effective delivery of all types of social protection.

Outcome 1: Improved effectiveness of social security schemes through technical assistance and capacity building of the tripartite constituents (MDA 151)

In Moldova, social security and social assistance have been the core systems to provide income security and poverty reduction for the elderly, disabled and survivors. The social security system, however, are facing new challenges such as pension reform to ensure the long-term sustainability and policy coordination for ensuring the right to social security for growing migrant workers. ILO's technical assistance will focus on building capacity of the government, social security institutions and social partners to appreciate the key problems and issues in social security and to develop sound policies based on social dialogue process.

Outcome Indicators:

- Direction of pensions and social assistance reform developed based on comprehensive analysis and agreed based on tripartite consultation.

- Improved performance of social security institution in respect of law compliance, contribution collections, and management by tripartite Board.
- Bilateral agreements on social security negotiated and concluded.

Outcome 2: The ILO constituents adopt and implement OSH and HIV/AIDS workplace policies and programmes in partnership with national multi-sectoral bodies (MDA 152)

ILO's strategy on OSH in Moldova will aim at the creation of safety culture for all workers and employers. On the basis of the achievement in DWCP 2006-07, the ILO will continue assist the tripartite constituents in developing the National OSH Plans and conduct capacity building in specific sector such as agriculture. In addition, the ILO will provide technical assistance to constituents to develop, improve and implement HIV/AIDS workplace policies and programmes.

ILO constituents participate to the main multisectoral bodies on HIV/AIDS at national level and mobilize additional resources to implement world of work activities on HIV/AIDS.

Moldova is classified as a concentrated/low prevalence country with an HIV epidemics concentrated in populations at risk with signs of spread into the general population. In the last 8 years there has been a stable increase in the number of newly reported HIV cases, with more than 4131 official registered cases of people living with HIV in 2007. Out of 731 newly reported HIV cases in 2007, about 63.2% of cases have had the sexual route of transmission, women representing the majority of newly reported HIV cases with this route of transmission (2007 – 62.2%, 2006 – 57.2%). Moldova's National Programme on Prevention and Control of HIV/AIDS/STIs for 2006-2010 includes activities oriented towards creation of a national framework for prevention of HIV in the world of work. Thus, HIV/AIDS workplace policies and programmes would support national efforts in formulating a response to HIV and AIDS and extend Universal Action to treatment, care and prevention through the workplace.

Follow-up to the 2003 ILC resolution on OSH (trainings and technical assistance to TU).

EOs: Launching of WIND and ToT workshop with the Agricultural Association.

Adaptation of existing OSH materials for use by employers in different sectors.

Outcome Indicators:

- National OSH plan developed and agreed by tripartite constituents
- Reduction of occupational accidents and diseases in overall numbers and in fatal cases
- ILO Convention No. 187 is promoted and a step is taken for its ratification
- HIV/AIDS workplace policies and programmes developed and implemented.
- TU experts use ILO tools.
- Studies of OSH improvement at enterprises developed and published.
- WISE and WISCON adapted for Moldovan employers' use.

Outcome 3: Trafficking and other Worst Forms of Child Labour is curbed in the country (MDA 153)

ILO, through its IPEC project "Trafficking and other Worst Forms of Child Labour in Central and Eastern Europe (Phase II)" will both prevent and withdraw children from trafficking and other hazardous child labour. The backbone of the project interventions will continue to be a multi-disciplinary Child Labour Monitoring System to identify, withdraw, refer and track children involved in WFCL, and to generate data to support informed policy changes. The CLMS proposed will focus on the unconditional worst forms of child labour and the hazardous child labour, as presented in the national List of of works prohibited to children, approved on July 3, 2007. Another feature will be the preparation of exit strategy with the government and social partners.

The strategy will revolve around the following three key principles:

- Provide direct services to children at risk / victims of trafficking and WFCL in sectors / areas that have not been (or insufficiently) targeted by ILO (agriculture, street work, trafficking);
- Finalize, upscale and institutionalize models of intervention previously tested under phase one, so that they are implemented on countrywide basis, with resources allocated by the Government (in line with adopted policies), employers, and donors.
- Strengthen the knowledge management component of the project through a/continued learning from direct actions in the field, b/additional capacity building efforts towards relevant partners, c/knowledge sharing exercises.
- Technical assistance provided to employers organisations in agricultural- and other sectors.

Outcome Indicators:

- A policy decision on mainstreaming the CLMS and youth employment models into relevant documents and structures is issued by relevant institutions-members of the National Steering Committee.
- At the end of the project, the relevant governmental, non-governmental and workers' and employers' organizations have sufficient resources to upscale the CLMS and youth employment models.
- Children at risk and victims of WFCL, including trafficking are identified and successfully tracked by the CLMS, due to efficient coordination and knowledge management at the local level.
- Children are withdrawn or prevented from agriculture, street work or trafficking in children through education and non-education services.
- The Code of Conduct developed by agricultural employer's organisations promulgated throughout the agricultural sector.
- The Labour Inspection reports a reduced number of children involved in the worst forms of child labour in agriculture.
- Number of projects in which IPEC model on CLMS and youth employment (including working and information tools) will be used by partner institutions for the elimination of child labour, without IPEC financial support.
- The amount of national resources and donor funds (except IPEC) to projects that expressly include the elimination of trafficking and other WFCL as part of objectives, outputs or indicators.
- Number of EU documents (policy document / bilateral agreements / projects) directly related to resource allocation that includes the elimination of child labour as a component.
- Number of children withdrawn from / prevented from entering trafficking, street work or hazardous child labour as a result of the educational and non-educational services provided.
- Number of GPs on withdrawal/ prevention from entering trafficking, street work or hazardous child labour documented.

IV. Management and implementation

The cooperation programme will be managed through a network among SRO Budapest, the National Coordinator in Chisinau, EUROPE and technical units at headquarters in Geneva. The National Coordinator will play a coordination role together with SRO Budapest. The ILO will continue its cooperation with major stakeholders in the country such as the UN under the framework of the UNDAF, the World Bank and the EC Delegation.

The objectives of the programme will be pursued through technical cooperation projects, advisory missions, and seminars for information dissemination and capacity building. Extra-budgetary

resources and the ILO's regular budget resources will be used to finance the implementation of this Country Programme. The ILO network mentioned will continue to mobilize further resources for the follow-up to the results achieved, bearing in mind priority concerns of the constituents. The government and the social partners will facilitate their respective expert staff and premises and provide logistic support, as appropriate. They are committed to implementing the follow-up steps necessary to achieve the expected results. These will be further explained in the DWCP work plan)

IV Performance monitoring and evaluation arrangements

The implementation of the Decent Work Country Programme will be reviewed on a regular basis with the constituents by the establishment of a DWCP Overview Board. The selection of the Board members will be formalised during the launching ceremony of the DWCP.

The task of the National Overview Board is to promote the DWCP goals and monitor the implementation of the DWCP, ensure the active participation of all parties involved and the fulfilment of their commitments to achieve the jointly agreed outcomes.

The Board will meet twice a year to assess progress made. This occasion will also be used to review the DWCP workplan with the National Coordinator. Adjustments will be made to adapt to changing circumstances, if necessary, with a view to guaranteeing the achievement of the expected results, including redefinition of some of the country programme activities. The SRO Director will assess the programme achievements with the constituents in Moldova towards the end of each biennium.



INTERNATIONAL LABOUR ORGANIZATION
SUB-REGIONAL OFFICE OF BUDAPEST



MINISTRY OF ECONOMY AND TRADE
OF MOLDOVA

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
MINISTRY OF ECONOMY AND TRADE OF MOLDOVA
AND
THE CONSTITUENT SOCIAL PARTNERS
AND
THE INTERNATIONAL LABOUR ORGANIZATION
ON THE
DECENT WORK COUNTRY PROGRAMME FOR 2008-2011

The Parliament of Moldova approved a National Development Strategy (NDS) in December 2007. It represents the continuation of the Economic Growth and Poverty Reduction Strategy Paper, fully integrates MDGs, and builds on the accomplishments of the EU-Moldova Action Plan due to expire in the spring of 2008. The NDS defines the objectives for the development of the Republic of Moldova by the year 2011 and identifies the priority measures and actions to achieve these objectives. It includes actions and commitments agreed upon with the international development partners and UNDAF is a relevant example in this sense.

The NDS envisages macroeconomic stability and public administration reform as pre-conditions of economic growth and highlights main development priorities for 2008- 2011. The mid-term priorities identified include strengthen democracy based on the rule of law and respect for human rights and principles; settle the Transnistrian conflict and re-integrate the country; raise the national economy's competitiveness; develop human resources, rise the employment level, and promote social inclusion; regional development. Ensuring macroeconomic stability and consolidating the capacity of local and central public administration are prerequisites for achieving the five established priorities.

In this context, the basic aim of the Programme of Cooperation between Moldova and the International Labour Organisation for 2008-2011 is to promote decent work both as a productivity factor and an essential element for the development of the social and labour sphere in Moldova. The programme defines the main objectives and expected outcomes of the joint activities to be conducted by the ILO and its tripartite partners in Moldova.

The proposed Decent Work Country Programme is structured around three priorities aimed at strengthening the capacity of government institutions and the Social Partners to improve the governance of the labour market; improving the

design, monitoring and evaluation of employment policy, through more effective labour administration as well as measures targeting workers in the informal economy and those exposed to migration and improving the effectiveness of social protection, with special focus on vulnerable groups. They are complementary and combine various aspects of Decent Work.

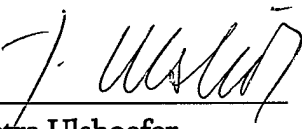
The Decent Work Country Programme document - to be finalised within the following weeks - will be the result of a wide range of consultations with the Ministry of Economy and Trade and the Social Partners and based on a common agreement. A tripartite DWCP Board will be established to promote the DWCP goals and monitor implementation, ensure the active participation of all parties involved and the fulfilment of their commitments to achieve the jointly agreed outcomes.

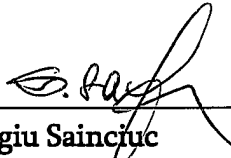
The Decent Work Country Programme will be implemented jointly. The ILO will provide the technical expertise and assistance to facilitate the achievement of the expected outcomes to which the constituents are committed.


The signatory parties commit themselves to implement this programme, which is part of this Memorandum and also continue the previous successful cooperation between Moldova and the International Labour Organisation, built upon achievements and lessons learned.

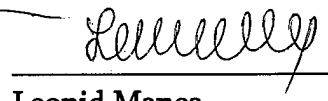
The proposed outcomes for 2008-2011 are achievable in the four year period. The ILO, the Ministry of Economy and Trade and the Social Partners will review the programme implementation periodically through the DWCP Board, in order to assess progress made, while maintaining the necessary flexibility to adapt to emerging changes in the national context.

SIGNED by the parties in Geneva, Switzerland this 9 day of June 2008


 Petra Ulshoefer
 Director of EUROPE Regional Office
 International Labour Organisation


 Sergiu Sainciuc
 Deputy Minister of Economy and Trade
 Republic of Moldova


 Leonid Cerescu
 President of the National Confederation
 of Employers of
 Republic of Moldova


 Leonid Manea
 President of the National Confederation
 of Trade Unions of Moldova