



This action is funded by the European Union

**ANNEX 2**

of the Commission Implementing Decision on the Annual Action Programme 2015 in favour of the Republic of Moldova

**Action Document for Support to Police Reform**

**INFORMATION FOR POTENTIAL GRANT APPLICANTS**

**WORK PROGRAMME FOR GRANTS**

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.4.1 Grants: call for proposals 'Ensuring the monitoring, contribution and oversight of the implementation of the programme related reforms and activities, with a special focus on the respect of human rights' (direct management) and 5.4.2 Grants: call for proposal for Twinning project 'Reform of the initial and continuous training of the Police system' (direct management) has been used.

<b>1. Title/basic act/ CRIS number</b>	Support to Police Reform  CRIS number: ENI/2015/038-144  financed under European Neighbourhood Instrument
<b>2. Zone benefiting from the action/location</b>	Republic of Moldova  The action shall be carried out at the following location: the whole territory of the Republic of Moldova.
<b>3. Programming document</b>	Single Support Framework (SSF) for EU support to the Republic of Moldova (2014-2017)
<b>4. Sector of concentration/ thematic area</b>	Police reform and border management
<b>5. Amounts concerned</b>	Total estimated cost: EUR 57.2 million  Total amount of EU budget contribution is EUR 57 million, of which: - EUR 51 million for budget support, and

	- EUR 6 million for complementary support			
	This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 0.2 million			
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Direct management – Budget Support: Sector Reform Contract; procurement of services; grants – calls for proposals (including Twinning).			
<b>7. DAC code(s)</b>	15130 – Legal and judicial development			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	Not applicable			

Sho cooperation between the Republic of Moldova and the European Union (EU) is guided by the Association Agreement (AA) signed on 27 June 2014. The AA highlights the need for key priority reforms in democracy, the rule of law, human rights and fundamental freedoms, good governance, a functioning market economy and sustainable development.

EU financial assistance to Moldova is synchronised with the priorities and objectives set out in the new Agreement and it is framed in the Single Support Framework (SSF) 2014-2017 focusing support in the fields of public administration reform, agriculture and rural development, police and border management.

Police reform is coordinated by the Ministry of Internal Affairs of the Republic of Moldova (MIA) and its subordinated units and is carried out in the wider framework of the reform of the justice and law enforcement authorities in the Republic of Moldova (justice sector reform, reform of National Anti-corruption Centre, security and border management reform).

The proposed action for a Sector Reform Contract (SRC) "Support to Police Reform" is in line with the SSF and its overall objective is to assist the Government of the Republic of

Moldova in ensuring the rule of law, enhancement of public order and security and protection of human rights through development of an accessible, accountable, efficient, transparent and professional police force.

The SRC will consist of a budget support component for the implementation of the Police reform, a technical assistance project accompanying the budget support programme and institutional capacity building activities, communication and visibility activities. It will be complemented by a Twinning project - with a Member State Institution - focused on the reform of the initial and continuous training of the Police system and by grants for Non-Governmental Organisations (NGOs) to support the external monitoring and oversight of the Police reform.

## **1 CONTEXT**

### **1.1 Sector/Country/Regional context/Thematic area**

The Republic of Moldova, a landlocked country with borders to Romania and Ukraine, has a resident population of 3.5 million. It is the poorest country in Europe with a Gross Domestic Product (GDP) per capita of USD 2,233 in 2014. Its territorial administration consists of 32 districts (rayon), 66 cities (towns), of which five with municipality status, and with 898 local communities.

Following November 2014 parliamentary elections, a minority government was formed in February 2015, after intense negotiations. The appointment of a new government, composed of PLDM (Liberal-Democratic Party) and PDM (Democratic Party), had temporarily restored fragile stability after a prolonged period of political uncertainty. However, after the resignation of the Prime Minister in June 2015, a new executive was formed in July, including in the majority coalition the Liberal Party. Local elections took place in 2015 and an election of a new President is expected in 2016. The elections of November 2014 have shown there is a deep polarization in society. The PSRM (Socialist Party) has emerged as the largest party, obtaining a quarter of seats in Parliament.

Some steps were made on the Transnistrian conflict. In 2014, only two rounds of negotiations in the '5+2' format took place and several rounds were postponed. The overall situation in the security zone remained tense, but stable.

Moldova's economy faced a difficult situation in 2014 linked to several factors. Economic growth rates reduced from a 8.9% in 2013 to 4.6% in 2014. Some projections foresee that the economic growth of Moldova could be negative in 2015.

Serious problems in Moldova's financial sector pose a risk to stable economic development. Shortcomings in the supervision of the banking and insurance sectors came to the fore at the end of 2014 with two consecutive decisions by the National Bank of Moldova to place three major commercial banks under special administration, representing about 30% of total banking assets. A new agreement with the International Monetary Fund (IMF) is pending after the end of the previous IMF programme in April 2014.

### **1.1.1 Public Policy Assessment and EU Policy Framework**

The country's reform agenda is set out in strategic documents adopted by the Government of Moldova: the Government's Programme of Activity 2015-2018; the *National Development Strategy (Moldova 2020)*; the *National Action Plan on implementation of the EU-Republic of Moldova AA 2014-2016*.

The first strategic reform documents in the police sector adopted by the Government of Moldova include *the Concept of reform of Ministry of Interior (MIA) and its subordinated and decentralized institutions*, adopted in 2010, and *the Action Plan of implementation of the Concept*, approved in 2011. This important institutional reform has been divided into three distinct phases: the legislative phase, the implementation phase and the monitoring phase. The legislative phase of the reform ended in 2013 when the fulfilment of the Action Plan on implementation of the Concept of reform of MIA and its subordinated and decentralised institutions was finalized. As a result of the legislative phase outcomes, the next phase of the reform entered into implementation with a new institutional set-up of MIA and its units, including Police, and was based on a new type of strategic reform documents, *Strategic Development Programmes (SDP)*. The MIA has drafted and approved a systemic SDP of the Ministry 2014–2016 that also included the overall vision of the strategic development of its units (including Police and Carabineer Troops). Moreover, in order to ensure an in-depth implementation of the reform, the units subordinated to MIA have drafted and approved autonomous institutional SDP's 2014–2016 aligned to the provisions of the general MIA programme. Thus, the specific issues related to the profile, functions, objectives and planned activities of the subordinated authorities were developed and detailed in their own strategic documents derived from the general MIA SDP.

Taking into consideration the importance of the Police reform for the internal agenda of the Government, as well as for further progress of EU-Moldova bilateral relations and cooperation, the Moldovan authorities have launched in 2015 the process of drafting a comprehensive Strategy on Police reform 2016-2020. The aim is to put in place a framework document encompassing and coordinating all sectorial policies related to police reform, including the reorganisation of carabineer troops, into a consolidated national strategy. Such a framework document should avoid discrepancies and overlapping of strategic objectives, roles and competences between different institutions as well as within the same institution - Ministry of Interior Affairs-Central Apparatus (MIA-CA) and Subordinate Institutions (MI-SI). Its extended timespan is expected to guarantee the sustainability of the Security Sector Reform (SSR) reform in the long period. The draft Strategy on Police reform will be accompanied by an Action Plan for its implementation with costs and budgetary means planned and integrated. The Government of Moldova is committed to finalise the drafting process and to approve the Strategy on Police reform until the end of 2015.

The new Strategy on Police reform 2016-2020 will have to be aligned and take stock of the results of the following sector strategic documents, ensuring policy coherence with other government policies at national, sector and local levels addressing critical reform priorities:

- SDP of the MIA (2012-2014) and SDPs of the Police and the Carabineers troops (2014-2016);

- National Annotated Agenda on implementation of the EU-Moldova Visa Liberalisation Action Plan (VLAP) 2012-2014 and Government's Decision on the approval of the Financing Agreement between the EU and the Republic of Moldova to support the implementation of the VLAP 2014–2017;
- National Strategy on prevention and combatting organized crime 2011–2016;
- National Anti-drug Strategy 2011–2018;
- Joint Action Plan on prevention and combatting cybercrime 2013–2015;
- National Action Plan on prevention and combatting of trafficking in human beings 2014–2016;
- National Strategy on Integrated Border Management 2014-2017;
- National Strategy on Migration and Asylum (2011-2020) and its implementation Action Plan (2011-2015).

Moreover, the future steps of the reform should also contribute to the implementation of the Agreement between the EU and the Republic of Moldova establishing a framework for the participation of the Republic of Moldova in EU crisis management operations (entered into force 2013), as well as of the draft Law on participation to the EU crisis management operations (to be adopted by Parliament).

Furthermore, the envisaged reform will be aligned to general and specific related provisions of the following strategic documents: Strategy on the reform of the Justice sector 2011–2016; National Anti-corruption Strategy 2011–2015; and National Strategy on prevention and combatting money laundering and financing of terrorism 2013–2017. Particular attention should be also paid to synergy and coordinated implementation of the Police reform and the planned reform of the Prosecutor's Office (draft law under Parliament's examination).

### ***1.1.2 Stakeholder analysis***

The key-stakeholders of the programme are the Police and Carabineer Troops as special and decentralised units subordinated to the MIA of the Republic of Moldova. The structure of the Police (as of 2013) consists of: General Police Inspectorate (GPI), which includes the management represented by the Chief of GPI and Deputy Head of GPI and nine functional departments; nine special services, including National Patrolling Inspectorate, National Investigations Inspectorate, Forensics and Judicial Expertise Centre, Judicial Police, Centre for International Police Cooperation, Rapid Reaction Brigade "Fulger"; and 42 territorial units of Police Inspectorates, including Chisinau Police (with five Inspectorates) and Gagauzia Police (with three Inspectorates). The total manpower of the Police is 8,269 officers, including 721 officers in management posts. As regards gender perspective, the sex disaggregated composition is 7,231 men and 1,038 women in total and only 51 women in management posts. The Head of Police is appointed by the Government's Decision following the proposal of the Minister of Interior for a term of five years.

The Carabineer Troops represent an autonomous Department subordinated to the MIA. The Department has a special military status and is formed of contract officers and conscripts. An attempt of professionalization of the Carabineer Troops was carried out in past and as a result the last conscripts will be incorporated in 2016 and as of 2017 the institution will be formed only on basis of contract officers. At the moment, the total number of contract officers of the Department is 630 persons, including 224 in management posts (529 men and 101 women in

total and only 18 women in management posts). The number of conscripts every year varies from 150 to 200 persons for one year term.

The process of reform and reorganisation of the Carabineer Troops is a politically sensitive issue. A new draft Law on Carabineer Troops was essentially modified several times and finally submitted in 2014 for legal and anti-corruption expertise in accordance with the national legislation. The following step will be the adoption by the Parliament. However, there is still need of a strong political will in order to complete this legislative initiative and carry out the planned integration within the Police system: the leadership and management of the Carabineer Troops is unwilling to lose their special autonomous status and be downgraded as a result of their integration within the Police forces.

The key role of MIA as the main stakeholder of the programme comes out of the status of Police and Carabineer Troops as its subordinated units. The MIA apparatus was demilitarised in 2013. Its employees were transformed into civil servants and their special status was abolished. The MIA Central Apparatus retained only the policy making functions in the field of home affairs, a clear delimitation of the policy making functions from those of the implementation (operative) being ensured. Moreover, the budgets of its subordinated units and of the Police were separated from that of the MIA.

The MIA leadership and the cooperation of the Police with the Service for Internal Protection and Anticorruption of the MIA will be very important in the implementation of the reform process because of the internal resistances to reform and to effectively prevent and fight against corruption in the law enforcement forces.

Other stakeholders of the police reform programme include: the Government of Moldova and the main Central Public Authorities (CPA) with policy-related links (State Chancellery (SC), Ministry of Finance (MoF), Ministry of Foreign Affairs and European Integration (MFAEI), National Anti-corruption Centre (NAC), Prosecutor General's Office (PGO)); the Parliament; the President of the Republic; the Judiciary; the Local Public Authorities (LPA) (for all aspects related to community policing and decentralization of policing tasks); the Non-State Actors (and Civil Society Organisations (CSOs) involved in policy-making, consultation, monitoring and communication of the Police reform).

The final beneficiaries of this SRC will be the Moldovan people who will benefit of a professional police force closer to best international standards.

### ***1.1.3 Priority areas for support/problem analysis***

In line with Title II "Political dialogue and Reform, Cooperation in the Foreign and Security Policy" and Title III "Justice, Freedom and Security" of the Association Agreement (AA), as well as with the EU Single Support Framework 2014-2017, the priority areas for support will be:

1. Modernisation of the police in line with EU and international standards and best practices.
2. Alignment of the pre-trial investigative phase to EU and international best standards.
3. Reorganisation of Carabineer Troops and decentralization of tasks and duties within the Police system.

4. Enhancement of capacities to fight against organised crime, human trafficking, cybercrime, drugs and armament smuggling, counterfeiting and money laundering.
5. Combatting of corruption within the Police system.
6. Institutionalisation of the human rights based approach as an integral part of policing.

The 2014 ENP Progress Report has drawn attention to the fact that greater efforts are required to strengthen law enforcement capacities. In addition, Moldova will have to focus on sustaining over time the achievements of the Visa Liberalisation Action Plan.

## **1.2 Other areas of assessment**

### ***1.2.1 Fundamental values***

The Republic of Moldova has ratified most of the international Human Rights instruments such as Children's Rights, Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), Protection of National Minorities, all ILO fundamental Conventions (forced labour, freedom of associations, collective bargaining, child labour and discrimination in employment). The Constitution protects the fundamental rights, freedoms and duties and includes statements on devotion to overall human values.

The Republic of Moldova is well engaged on its European path. The EU-Moldova Association Agreement clearly underlines the importance that both sides attach to fundamental values, democracy and the rule of law. The Moldovan Parliament undertook the responsibility to comply with all the recommendations formulated by the European Parliament and the Parliamentary Assembly of the Council of Europe to improve the electoral legislation and to initiate the process of direct application of the EU legislation.

However, the Republic of Moldova has not yet ratified the Protocol No. 12 to the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) concerning anti-discrimination. Besides this, the European Commission against Racism and Intolerance (ECRI) raised also concerns about cases of police reluctance to register complaints of racism and racial discrimination, cases of non-registration of ethnic minorities by municipalities, non-use of their power by parliamentary advocates to apply to a court to protect the interest of alleged victims of discrimination.

Overall, the 2014 European Neighbourhood Policy (ENP) Progress Report indicates that the Republic of Moldova made some progress on deep and sustainable democracy and on the respect of human rights and fundamental freedoms.

### ***1.2.2 Macroeconomic policy***

With a small developing economy, the Republic of Moldova undertook important economic, fiscal, social and governance reforms over the past decade. These include sound fiscal and monetary policies supported by structural reforms and were able to unleash supply-side dynamics and positively impacted on economic growth. Moldova maintained macroeconomic stability and recovered from the economic and financial crisis since 2008. Political and economic reforms did not improve however living conditions of the poor to the desired extent and poverty remains particularly high in rural areas.

Moldova's economy faced a difficult situation in 2014 linked to several factors. The economic outlook in 2014 shows that growth rates reduced from a 8.9% growth rate in 2013 to 4.6% in 2014, which would bring the nominal GDP for 2014 to a level of Moldovan lei (MDL) 111,5 billion. In its April 2015 projections, the World Bank foresaw that the economic growth of Moldova will be negative (-2%) in 2015.

Inflation in 2014 is registered at 4.7% (average Consumer Price Index) - around the same level observed for the two previous years and, according to the National Bank of Moldova (NBM) forecasts, it is expected to rise to 5.8% in 2015. Tax collection announced for 2014 of MDL 23.410 billion by the State Tax administration is slightly exceeding expectations by 0.7%. According to the newly adopted Law on State Budget, the tax collection for 2015 will raise up to MDL 25.145 billion. Notwithstanding the above, the fiscal pressures from the expenditure side and a reduced GDP level would raise the budget deficit – over 5% (without considering grants) against an earlier expectation of the overall balance of 2.6% compared to GDP.

From 2014 to beginning of 2015 the depreciation of the MDL in correlation to EUR and USD went up by 12% and 24% against an appreciation of 39.2% in correlation to Russian Rubble. It started in September 2014 and reached its peak in February 2015, when the Moldovan Leu (MDL) lost about 14% of its value against the USD.

In 2015, the Moldovan economy remains, highly exposed to the latest negative developments in the region, such as:

- The economic situation in Russia, which will reduce the transfer of remittances (by 10-20%) – according to the latest data presented by the National Bank of Moldova, the total amount of the remittances in 2015 (January–March), amount to USD 267.84 million, which is by 14.7% less than in the same period of 2014;
- The crisis in Ukraine that will affect the foreign trade – in 2014 the EU-28 remained the main trading partner of Moldova with a trade weight of 53.2% in total exports and 48.2% of total Moldovan imports;
- The Russian trade restrictions on "sensitive" to the economy of Moldova products: wine, canned products, fruits and vegetables – the Moldovan companies are adjusting to the requirements of the DCFTA, signed in June 2014.

The macroeconomic context is also affected by the weakened banking sector. Bad management, large-scale money laundering, fraudulent lending practices and poor regulatory oversight have led to huge losses at three Moldovan banks: Banca de Economii (BeM), Banca Sociala and Unibank. Under these circumstances, three days before the Parliamentary elections, on 27 November 2014, the National Bank of Moldova decided to put under special administration the three banks. In February 2015 Kroll Audit Company was contracted to initiate a scoping mission, which might be followed by a full-fledged investigation. The Kroll report, which was made publicly available, indicates that at least MDL 7.2 billion (EUR 360 million) are unaccounted for.

In this context, the resolution of the banking sector crisis will be crucial in order to finalize a new memorandum with the International Monetary Fund (IMF). In April 2015 the Moldovan



Government opted for starting negotiations on a new operation programme with the IMF by submitting a formal request. A special mission of the International Monetary Fund to Moldova will have to define the main conditions for a new agreement.

While on paper the macro-economic policy of the Moldova seems adequately stability-oriented, implementation has been well below expectations, as evidenced by the fraud in the banking sector that was revealed in the fall of 2014 and which the authorities proved unable (or even unwilling) to avert.

The likelihood of fulfilling the macroeconomic policy eligibility criteria for continued budget support in the future is based on the assumption that the IMF programme and a plan for the resolution of the banking crisis are agreed and put into place without undue delay. Thus, implementation of a credible stability-oriented macroeconomic policy should be monitored as a precondition for disbursement of each tranche of budget support assistance.

### ***1.2.3 Public Financial Management (PFM)***

A Strategy for the development of Public Finance Management (PFM) 2013-2020 has been adopted in August 2013. The PFM Strategy is accompanied by an Action Plan, including performance monitoring provisions to follow the successful implementation of the reform Agenda. Its implementation is also being supported by an EU funded programme adopted in 2014 - "Support to Public Finance Policy Reforms in Moldova (PFPR)".

The overall objective of the Strategy is to “ensure efficient and effective allocation of public funds towards activities that contribute to economic growth and development of Moldova and maintain effective management of the use of public funds in all areas and sectors of government”. The PFM Strategy also addresses weaknesses in the area of transparency, oversight and accountability. The Strategy follows broadly the thematic configuration of the Public Expenditure and Financial Accountability (PEFA) framework, and builds on the previously existing strategies and action plans and the wealth of technical reports produced by development partners and international financial institutions.

Progress achieved in terms of result oriented budgeting has been observed through performance information included in budget documentation for more than 70% of state budget institutions, enrooted practice of Medium Term Expenditure Frameworks improving gradually strategic resource allocation overall and for sectors, modernised treasury payment system and for commitment control and enhancement of the procurement functions of Public Internal Financial Control (PIFC) and roll out of internal audit practice. A new PEFA assessment for 2012-2014 is planned in 2015.

The Government’s PFM reform programme is critical, especially in view of current financial context, as it covers all areas of PFM and clearly focuses on addressing major weaknesses, including the sub-national level and challenges for Local Governments finance. The Ministry of Finance re-confirmed its commitment to reforms by approving in June 2014 the methodology for calculation and distribution of transfers from central to local public administrations, in the context of newly approved amendment to the Law on Local Public Finances.

The PFM programme targets an improved management of the capital budget, characterised by under-spending, further recurrence to risk assessments including corruption risks in public procurement processes. In this context, amendments to the Law on Public Procurement, which foresee the setup of an Independent Review Complaints Body, were submitted to the Parliament in June 2014 but have not been adopted yet in final reading. These aim at diminishing significantly corruption and bringing Moldovan Public Procurement system closer to the WTO General Procurement Agreement and to the EU Standards. The PFM reform also foresees actions for a more effective payroll management and significant measures to enhance managerial accountability within Financial Management and Control reforms (FMC), next to financial inspection, fraud investigation and consolidation of internal audit reforms.

Overall, in 2014, the Government was committed to PFM reforms and progress in terms of quantifiable output was visible. The summary of the main progresses in the period January – December 2014 in the various PFM clusters, comprises the following:

- Increased implementation of the Court of Accounts findings;
- Approval of the Law nr. 181/2014 on Public Finances and Accountability, (entered into force on 1 January 2015);
- Approval by the Government of Moldova the amendment to the Law on Local Public Finances;
- Successful implementation in four Moldovan pilot rayons of the amended Law on Local Public Finances nr. 397-XV/2003 on fiscal decentralisation, with application to all local authorities starting from January 2015;
- Introduction of Unified Chart of Accounts, compliant with IMF's Government Finance Statistics requirements;
- Introduction of programme-based budgeting;
- Further development of PIFC system;
- Approval of the Medium Term Budgetary Framework for 2015–2017.

The Association Agreement between the EU and the Republic of Moldova signed in June 2014 is expected to give a further impulse for substantial developments of PFM reforms. The country faces new and old challenges in 2015, such as: approval of the amended Law on Public Procurement, weak banking sector, fragile national currency and implementation of the revised Law on Local Public Finances.

Progresses - registered in 2014 - in reforming PFM was overall satisfactory. The direction of change is positive, even though most of the progress observed is based on activities that commenced in 2013, whilst a slowdown of reform process has been registered thereafter.

#### ***1.2.4 Transparency and oversight of the budget***

The draft and enacted budgets of the Republic of Moldova are published in the Moldovan Official Journal and are available on the website of the Ministry of Finance. The latest published Medium Term Budget-Framework (MTBF) 2015-2017, was approved by the Inter-Ministerial Committee for Strategic planning by decision nr.2505-06 in July 2014. It follows a well-established methodology and practice to orient resource allocations against medium and long term strategic objectives of the country and contains amongst others programs for targeting specific development objectives and reforms of sectors. Coherence is established between the annual fiscal data and base year of the MTBF.

By the end of 2014, the Law on State Budget for 2015 was not approved nor published on the official authorities' websites, even though according to the legal framework in force, the Law must have already been approved both by the Government and the Parliament of Moldova by 5 December 2014. The main reasons for the delay were the Parliamentary elections held in November 2014 and the late approval of a new Government. Taking into account the legal framework of Moldova, starting from January 2015 a provisional budget based on the Law on State Budget for 2014 was applied until the new Law was published in the Official Journal of Republic of Moldova.

After the approval of the new Government in February 2015, following the Parliamentary elections in November 2014, the draft Law on State Budget for 2015 was published on the website of the Ministry of Finance on 1 April 2015 and on the 3 of April 2015 was approved by the Government of Moldova. According to the legal framework of Republic of Moldova, the Law should have been approved by the Parliament after its submission by the Government and finally to be published in the Official Journal of the country.

Notwithstanding the above, the Government of Moldova has taken the responsibility for approval of this Law. According to the Constitution of Republic of Moldova, article 106 "Assumption of responsibility by the Government", the Government can assume responsibility before Parliament upon a draft law. If within the timeframe of three days, following the submission of the draft law the Government is not dismissed by a motion of censure, the lodged draft law is considered adopted.

Similar provisions are foreseen in countries like France, Italy and Romania. In such cases there are clear provisions for which specific laws and in which cases the assumption of responsibility is applicable. The article 106 of the Moldovan Constitution does not exactly specify the laws, thus being applicable in any conditions. Since the country obtained its independence over 20 laws were approved based on this article of the constitution. However there was no precedent of approving the Law on State Budget in such a manner. Neither the Parliament, nor the Civil Society Organisations were consulted in regards to the Law on State Budget for 2015.

Taking into account that the Government of the country was not dismissed within the following three days of assuming this responsibility, the President of the country has ratified by decree the Law on State Budget for 2015. It was published in the Official Journal of Republic of Moldova Nr. 102-104 on 28 April 2015, Year XXII (5144-5146). Following a complaint introduced by one opposition party in Parliament, the Constitutional Court of Moldova further confirmed the legitimacy of the Government's decision on the approval of the 2015 budget law.

**2 RISKS AND ASSUMPTIONS**

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Geopolitical tensions and poor economic performance hamper political stability and	M	Intensified policy dialogue with the Government and local stakeholders following (and within) the framework of

Governments actions		the Association Agreement
<p>Weak political culture, endemic and high-level corruption, and vested interests of competing groups in all branches of power hinders the legislative and oversight functions of the state and prevent the proper separation of powers.</p> <p>Internal resistance to reform, especially within the Carabineers troops</p>	H	Diplomatic engagement and policy dialogue, including via EU budget support operation
<p>High macroeconomic volatility and vulnerability of the open Moldovan economy to exogenous shocks</p> <p>Weakened banking sector due to lack of resolution in the banking crises</p> <p>Lack of solid financial security</p>	H	<p>Negotiation of a new Memorandum between IMF and Moldova</p> <p>Consolidation and strengthening of the National Bank of Moldova (NBM) and National Commission for Financial Markets (NCFM) independence and regulatory capacities</p> <p>Increase accountability of the top management in the financial institutions</p>
<p>Fiscal discipline and transparency of authorities is low</p> <p>Considerable increase of budget deficit, and public debt</p> <p>Insufficient scrutiny of public funds</p> <p>Slowdown of tax collection</p>	M	<p>Full implementation of the Law on Public Finance and Fiscal Responsibility as to increase fiscal and budgetary discipline</p> <p>Enhanced follow-up to the findings and recommendations provided by the Court of Auditors (CoA)</p> <p>Broaden the tax basis and enhance the efforts in combating tax evasion</p>
<p>The Government of Moldova might not be able to deliver on reforms and provide qualitative public services to citizens</p>	H	<p>Address good governance and effectiveness issue in EU budget support operations</p> <p>Use the EU-funded Comprehensive Institutions Building Programme to address deficiencies identified</p> <p>Better use of Technical Assistance components in budget support operations addressing sector governance issues</p>
<p>Delayed/hampered anti-corruption reforms affect the overall performance towards preventing and fighting this phenomenon</p>	H	<p>Continuous political and policy dialogue on anti-corruption reforms is needed. Actions to increase the Government of Moldova's transparency and accountability to the public on anti-corruption policies implementation should be closely monitored by EU and kept as top priority issue on political agenda between EU and MD</p> <p>Enhanced and focused policy dialogue in</p>

		<p>the framework of EU-funded budget support programmes, including specific conditionality, and technical assistance is a must</p> <p>Involvement of civil society in monitoring and evaluation of anti-corruption measures taken by the Government of Moldova, through thematically supported assistance, is also an option to consider</p>
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>• The constituent parts of Moldova’s establishment: Parliament, Government, and Judiciary remain committed to the extensive reform of the justice and law enforcement sector as a whole, and within the timeframe envisaged.</li> <li>• The Government of Moldova remains committed and able to allocate sufficient resources to support development and implementation of the strategy and its coordination.</li> <li>• There is willingness on the part of Civil Society Organisations to participate in the policy dialogue and to become involved in the delivery of advisory and support services to victims and offenders.</li> </ul>		

**3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES**

**3.1 Lessons learnt**

Reviews of on-going and former programmes to assist the Moldovan Government funded by the EU as well as by other donors have led to the following general conclusions:

- Budget support programmes must include a few, clearly defined conditions for disbursement and responsibility/accountability structures for the institutions responsible for the fulfilment of the variable tranche indicators.
- Technical assistance complementary to budget support is essential in assisting the Government to meet its reform objectives.
- Visibility and publication of reform achievements is a critical factor.
- The desirability of pursuing a joint programming approach with EU Member States and ensuring synergy with bilateral and multilateral donors, IFIs and International Organisations.

As regards sector related lessons learnt, it is to be noted that the Minister of Internal Affairs (MIA) of the Republic of Moldova successfully managed the reform of MIA and its subordinated units since its launch in 2010 in areas like demilitarisation of MIA, delimitation of Police from MIA, reorganisation and demilitarisation of Border Police and provided an essential contribution to the achievement of visa-free regime with EU. Furthermore, the MIA successfully implemented most of the commitments undertaken in the framework of the EU budget support programme for the implementation of Visa Liberalisation Action Plan (VLAP), approved in 2013.

### **3.2 Complementary, synergy and donor coordination**

Several complementary actions are being implemented in the security and law enforcement sectors.

Under the Annual Action Programmes 2011 and 2012 a total of EUR 70 million was committed to support the implementation of the Justice Sector Strategy and, in 2013 a total of EUR 21 million was committed to support the implementation of VLAP through budget support and technical assistance. The support planned under this action will also contribute to Moldova's efforts to sustain over time the achievements of the Visa Liberalisation Action Plan, and will in particular strengthen the links with the assistance provided in the area of border management, including through the EU Border Assistance Mission to the Republic of Moldova and Ukraine (EUBAM).

Assistance to the MIA is provided through advisors to the Minister, to the Head of General Police Inspectorate and to the Head of Bureau of Migration and Asylum as part of the EU funded High Level Policy Advice Mission (EUHLPAM) to the Republic of Moldova. The MIA is indeed one of the main beneficiaries within the EU funded Comprehensive Institution Building (CIB) programme. Part of CIB 2011 funds, up to EUR 4.4 million to finance a supply project for the enhancement of the forensic laboratories and within CIB 2012, up to EUR 2 million will be allocated for a Twinning project and complementary supplies for development and implementation of the Intelligence Led Police concept.

A Technical Assistance project on reform of the pre-trial investigation and prosecution set-up in Moldova was launched in October 2014 with a total budget of EUR 2.1 million. It has the Prosecutor's General Office and the Police as main beneficiaries.

At regional level, the Republic of Moldova participates to the Eastern Partnership (EaP) Euro-East Police Programme (2014-2018) implemented by the Polish Cooperation Fund Foundation together with a consortium gathering some EU Member States institutions in the field of security (from Poland, Finland, France, Germany, Lithuania and Sweden). Its overall objective is to increase police cooperation on issues related to cross-border crime between the EU and EaP countries and among the Eastern European countries themselves. It also aims at enhancing skills of EaP countries' police staff on management issues and operations against cross border crime. The project consists of two components:

1. Partnerships are established between police authorities of each EaP country with EU Member States police agencies, focussing among others on operational meetings for joint investigations.
2. The second component consists of regional seminars to combat specific type of cross-border crime or to provide assistance in police management issues.

Besides EU's support, the United States (US) Embassy represents the most important non-EU donor partner of the MIA. The US Embassy funded and supported the implementation of projects having MIA and its subordinated units as beneficiaries in such areas as community policing, support to the forensic capacities, combatting organised crime and trafficking in human beings, border management and building capacities of border police, building capacities of the Emergency Situations Service (firefighters), domestic violence.

Amongst EU Member States, Romania, Germany, Sweden and Austria are providing support through a series of training and capacity building activities for MIA and its subordinated units (mainly Police, Border Police and Bureau of Migration and Asylum). In this context, special attention will be granted to ensure complementarity and synergy between this new SRC action and existing EU and other donor's initiatives.

In terms of national donor coordination, the State Chancellery of the Republic of Moldova is responsible to ensure coordination activities with all the donors and partners active in the country. At the sector level, donor coordination is led by MIA. On a regular basis (twice a year), donor coordination meetings with all donors active in the sector are being held. Under the umbrella of these meetings, the MIA is representing also all the subordinated units (including Police and Carabineer Troops).

In addition, there are regular informal donor coordination meetings of the EU Delegation to the Republic of Moldova with EU Member States, US Embassy, United Nations Agencies and the Organization for Security and Co-operation in Europe (OSCE) that includes regular consultations with stakeholders and a joint policy dialogue in the justice and law enforcement areas. In the first quarter of 2015, the EU Delegation to the Republic of Moldova led the process of drafting and presenting a Briefing Book of Policy Notes to the new Government carried out under the umbrella of the international donor community in the Republic of Moldova in such areas as Police reform, Justice Sector reform, and Anti-corruption policies. In this context, on 1 May 2015 the EU Delegation was in the lead of a "retreat event" between the members of the Cabinet of Ministers and Development Partners where issues of governance were discussed. As a result, the Government committed to develop a roadmap for implementation of the Policy Briefing Book presented by the donor community.

The EU Delegation is also a member of the Advisory Council (civil society, EU and US representatives) set within MIA as supervision, consultation and approval mechanisms of the implementation of the Police reform.

### **3.3 Cross-cutting issues**

- (I) Gender equality - The present action will adapt the interventions to different needs of the sexes with particular focus on equal gender mainstreaming. Gender issues will be considered within the reform of human resources (HR) and strategic management of Police, training curricula and tools, tailor-made equipment and logistics aspects.
- (II) Rights based approach - The planned action will be focusing on mainstreaming and raising awareness about human rights implications in police activities. The present SRC integrates the fulfilment of rights as an essential condition to achieving development. The SRC action will support human rights through all its activities in accordance with domestic and international law which state that public authorities responsible for providing a public service or acting in the public interest shall act in accordance with the principles of equality, impartiality, proportionality, legal certainty and transparency.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

The overall objective of the Sector Reform Contract (SRC) “Support to Police Reform” is to assist the Government of the Republic of Moldova in ensuring the rule of law, enhancement of public order and security, combatting organised crime and protection of human rights through development of an accessible, accountable, efficient, transparent and professional police force.

The specific objectives (SO) of the programme are:

1. To strengthen the accountability, efficiency, transparency and professionalism of the police force in line with best EU and international standards and practices.
2. To ensure the fair, efficient and effective enforcement of the law through the application of a rights-based approach to policing.
3. To strengthen the capacities of police to participate in the fight against organised crime, trafficking of human beings, smuggling of people, cybercrime, violence, including gender-based crimes, drugs and armament smuggling, counterfeiting, money laundering and financial crimes, including the search, seizure, management and confiscation of the proceeds from crime.
4. To develop and implement the concept of community policing in line with best EU and international standards and practices.
5. To promote and implement the principle of zero-tolerance to corruption, discrimination and ill-treatment in the police force.

The expected results of the programme are:

## **SO 1**

### **Expected result 1: Police force is well-trained and equipped, accountable, efficient, transparent and professional, notably with respect to:**

- improved human resources management system of the police in place through development of regulations and procedures for personnel merit-based recruitment, remuneration, evaluation and promotion, including at regional level and taking into consideration the gender disparities of access, especially to senior management posts;
- operational Joint Law Enforcement Training Centre established applying a training curricula in line with EU and international standards and best practices (with emphasis on application of fundamental human rights, modern management techniques, facilitated access of women);
- enhanced investment in physical infrastructure, logistics and supply needs for all police units (special and territorial) at central, regional and local levels and ensuring an equal, fair and tailor-made access of women officers to facilities and equipment;
- increased access of citizens at central, regional and local levels to police services and public information regarding activity, budget and expenditures of Police.

### **Expected result 2: Reorganisation and demilitarisation of Carabineer Troops within the Police and clear delimitation of tasks and duties within the Police force is completed, notably with respect to:**

- increased capabilities to ensure public order and security by complete professionalisation of carabinieri and avoiding overlapping in police competences;
- enhanced capacities of Moldovan Police to participate in international civilian missions and EU crisis management operations.



## **SO 2**

**Expected result 3: The process of pre-trial investigation and prosecution is streamlined, notably with respect to:**

- improved cooperation between Police and prosecutors;
- improved quality of evidence gathering leading to increased rate of finalised investigations, arrests and cases sent to the Court.

**Expected result 4: Human rights-based approach to policing applied in line with United Nations (UN) human rights standards and practices for the police, notably with respect to:**

- ensuring the respect of international human rights standards during arrests and other operative measures, including fair and tailor-made approaches to children and gender issues;
- reduction of all kind of ill-treatment and abuse measures and practices, including discriminatory actions against any kind of minorities or people with special needs;
- improved conditions of temporary detention premises and interrogation rooms in line with the Council of Europe (CoE) Convention on Prevention of Torture standards.

## **SO 3**

**Expected result 5: The level of organised crime, trafficking of human beings, smuggling of people, cybercrime, violence, including gender-based crimes, drugs and armament smuggling, counterfeiting, money laundering and financial crimes is reduced, notably with respect to:**

- improved police capabilities in the fight against crime, including by improved ability to use of intelligence-led policing tools (strategic threat analysis);
- improved investigation and forensic capacities at central, regional and local levels;
- upgraded electronic registry of weapons respecting the personal data protection standards, including by introduction of a mechanism for marking weapons;
- improved inter-institutional and operational cooperation between Police and National Anti-corruption Centre on preventing and combating financial crimes, money laundering and financing of terrorism, and on the search, seizure, management and confiscation of the proceeds from crime;
- enhanced operative and investigative rapid-reaction and intervention capacities of Police in emergency situations.

## **SO 4**

**Expected result 6: Community policing concept developed and implemented, notably with respect to:**

- improved access to Police services at district level in municipalities and towns and at local level in villages through implementation of community policing, especially with regard to gender and minors-related issues;
- enhanced police prevention capacities through development and implementation of community joint action plans on public awareness campaigns;
- enhanced capacities of Police in dealing with traffic safety and security (with an emphasis put on enhancing the communications skills), including the documentation and investigation of traffic accidents, substantially increasing the integrity of traffic police and rooting-out corruption.

## **SO 5**

**Expected result 7: Corruption in the Police force significantly reduced, notably with respect to:**

- enhanced capacities of corruption prevention and combating activities within the Police;
- combating corruption within public procurement and misuse of budgetary and extra-budgetary funds by improving the control mechanisms and accountability for use of Police resources;
- improved cooperation at intra- (between Police and the Service for Internal Protection and Anticorruption of MIA) and inter-institutional level (with the National Anticorruption Centre and Prosecutor’s General Office) on corruption prevention and combatting within the Police system.

**4.2 Main activities**

Main activities to implement this assistance programme are budget support dialogue and policy dialogue, financial transfer, performance assessment, reporting and capacity development and will include:

- continued policy dialogue with the Government with a particular focus on areas reflected in the programme's objectives;
- regular monitoring of budget support eligibility criteria of macro-economic and Public Financial Management (PFM) developments, budget transparency and oversight, as well as progress in implementation of the public policy;
- transfer of funds to State Budget against the achieved results;
- continued effort to reinforce Government's capacities in the area of PFM in the context of existing programmes;
- continued dialogue between the EU and other donors to coordinate and further align our development cooperation with a view to avoiding duplication of activities and relieving the Government from multiple reporting duties.

**4.2.1 Budget support**

Main activities to be carried out within the framework of the Budget Support component of this SRC will include:

- Engagement in dialogue around conditions and Government reform priorities;
- Verification of conditions and the payment of budget support against the results achieved.

**4.2.2 Complementary support**

Main activities to be carried out will include:

- Technical Assistance (TA) for strengthening the institutional capacities of police and accompanying the Budget Support programme;
- External monitoring, contribution and oversight to the implementation of the programme related reforms and activities by civil society organisations, with a special focus on the respect of human rights and management of public expenditures;
- Twinning project on reform of the initial and continuous training of the police system.

- Review missions assessing the fulfilment of budget support conditions for disbursement;
- Communication and visibility activities.

### **4.3 Intervention logic**

The reform of police continues to be a priority of the Government of the Republic of Moldova as foreseen in the Government's Programme of Activity 2015-2018. Moreover, in the context of the recent developments, namely liberalisation of the visa regime with EU and provisional application of the EU-Moldova Association Agreement, the increase of money-laundering and financial crimes, as well as considering the unstable regional security context, the Moldovan authorities acknowledge the importance to maintain the speed and dynamics of the reform and continue implementation of the existing commitments and planned activities.

The whole spectrum of activities foreseen by this SRC should take stock of the achievements of Visa Liberalisation Action Plan (VLAP) in the area of public order and security and focus on supporting the implementation of the envisaged Strategy on Police reform 2016-2020. The achievement of the specific objectives, expected results and main activities listed in the sections 4.1 and 4.2 will contribute to the successful implementation of the sector reform strategy and accomplishment of the overall objective of the programme ensuring the rule of law, enhancement of public order and security and protection of human rights through development of an accessible, accountable, efficient, representative, transparent and professional police force in the Republic of Moldova.

In the same respect, the complementary support activities listed in section 4.2.2 will contribute to and facilitate the implementation of the budget support programme. A technical assistance project will be contracted in order to strengthen the institutional capacities of Police and support the Moldovan authorities in implementation of the SRC. In parallel, a Twinning project will be launched in order to support the institutional establishment and development of the Joint Law Enforcement Training Centre and modernisation of the Moldovan Police Academy in line with EU and international standards and best practices.

Another important aspect for the successful implementation of the SRC is external monitoring and oversight through civil society involvement. In this regard, a Call for proposals for participation of NGO's will be launched as complementary part to the budget support component and indicatively two grant contracts will be concluded with the aim to supervise the respect of human rights within the process of implementation of the sector reform strategy.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2) (b) of Regulation (EU, Euratom) No 966/2012.

## **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

## **5.3 Implementation of the budget support component**

### ***5.3.1 Rationale for the amounts allocated to budget support***

The total amount of the EU contribution allocated for the budget support component of this SRC is EUR 51 million, and for complementary support is EUR 6 million. The rationale for this amount is based on a broad qualitative assessment that took into consideration an analysis of the following elements:

- Financing needs of the Republic of Moldova in the targeted areas;
- Commitment of the Republic of Moldova to allocate national budget resources (including EU budget support) in line with national strategy and objectives and to follow standard national budget procedures;
- Track record and institutional and absorption capacity of the Republic of Moldova in the targeted areas.

This amount is based on the identification of needs to implement the Police reform within the broader reforms of justice and law enforcement sectors, including in the framework of efficient implementation of EU-Moldova Association Agreement and the visa-free regime with EU. In a comprehensive information gathering phase, several stakeholders were involved to identify these needs and to agree on a list of priorities, which included improvements to the legal and regulatory framework, necessities to reorganise structures, to define clearly the missions of the Police, to enhance their capacities and abilities in order to create citizens' oriented services, to provide conditions meeting international human rights standards and increase the trust of the population in state institutions and its personnel.

As regards budgetary resource allocations for reform of MIA and its subordinated units (including Police and Carabineer Troops), these are mentioned under the heading "Public order and national security" which have the following total estimation according to latest medium-term budgetary frameworks (MTBF): 2016 – MDL 2653.40 million (approx. EUR 133.13 million); and 2017 – MDL 2706.00 million (approx. EUR 135.76 million).

In 2014, the amount allocated for MIA and its units was budgeted at MDL 1919.1 million (approx. EUR 104 million) and 46.2% out of it have been allocated and spent on Police, Carabineer Troops and reform needs (approx. EUR 47 million). In 2015, the amount for MIA and its units was budgeted at 2444.4 million MDL (approx. EUR 120 million) and 48.4% out

of it have been allocated for Police, Carabineer Troops and reform needs (approx. EUR 58.1 million).

### **5.3.2 Criteria for disbursement of budget support**

a) The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the Police reform strategy, its Action Plan and established targets and indicators and continued credibility and relevance thereof;
- Implementation of a credible stability-oriented macroeconomic policy;
- Satisfactory progress in the implementation of the Strategy for Development of Public Finance Management (2013-2020);
- Satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information.

b) The specific conditions for disbursement that may be used for variable tranches are covering the following five components:

1. Accountability, efficiency, transparency and professionalism of the Police force strengthened in line with best EU and international standards and practices.
2. Fair, efficient and effective enforcement of the law through the application of a rights-based approach to policing ensured.
3. Capacities of Police to participate in the fight against organised crime, trafficking of human beings, smuggling of people, cybercrime, violence, including gender-based crimes, drugs and armament smuggling, counterfeiting, money laundering and financial crimes strengthened.
4. The concept of community policing developed and implemented in line with best EU and international standards and practices.
5. Principle of zero-tolerance to corruption, discrimination and ill-treatment in the Police force implemented.

The chosen performance targets and indicators to be used for disbursements will apply for the duration of the programme. However, in duly justified circumstances, the Government of Moldova may submit a request to the Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

In case of a significant deterioration of fundamental values, budget support disbursements may be formally suspended, temporarily suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

### **5.3.3 Budget support details**

Budget support is provided as direct untargeted budget support to the national Treasury. The crediting of the euro transfers disbursed into Moldovan lei (MDL) will be undertaken at the appropriate exchanges rates in line with the relevant provisions of the financing agreement.

The indicative schedule of disbursements is summarised in the table below (all figures in EUR millions) based on fiscal year of the partner country.

Country fiscal year	2017				2018				2019				2020				
Type of tranche	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total
Base tranche																	
Variable tranche		11				14				14				12			51
<b>Total</b>		<b>11</b>				<b>14</b>				<b>14</b>				<b>12</b>			<b>51</b>

## 5.4 Implementation modalities for complementary support

### 5.4.1 Grants: call for proposals "Ensuring the monitoring, contribution and oversight of the implementation of the programme related reforms and activities, with a special focus on the respect of human rights" (direct management)

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

Objectives:

- To monitor and supervise the implementation of the programme related reforms and activities.
- To contribute to the application of the rights-based approach to policing and monitor the respect of human rights in the framework of the programme.
- To ensure transparency and enhance the accountability of the implementation of the programme related activities through external oversight of management of public expenditures.
- Fields of intervention:
- External monitoring and oversight of the implementation of the programme related reforms and activities, including management of public funds.
- Application of the rights-based approach to policing and related activities.
- Intensifying relations with civil society and citizens by public campaigns and other citizen oriented activities.

Priorities of the grants:

1. External contribution, monitoring and assessment of the implementation of the rights-based approach to policing.
2. External oversight and evaluation of the implementation of the programme related reforms and activities, including in the area of management of public expenditures.

Expected results:

- Better informed society about the activities, mission, and problems of the implementation of the programme related reforms and activities.
- Increased transparency and accountability.
- Rights-based approach to policing better applied.

(b) Eligibility conditions

In order to be eligible for a grant, the applicants must be non-governmental organisations.

Subject to information to be published in the call for proposals, the indicative amount of the EU contribution per grant is maximum EUR 400.000 (the indicative number of grant contracts will be two) and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (coordinator and co-beneficiaries). The indicative duration of the grant (its implementation period) is 36 months.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 80%. In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call

Second trimester of 2016.

**5.4.2 Grants: call for proposal for Twinning project "Reform of the initial and continuous training of the Police system" (direct management)**

Under the present programme, it is expected to conclude one Twinning grant contract.

(a) Objectives of the grants, fields of intervention, priorities of the year and expected results

Objectives:

- To support the institutional capacity building and modernisation of the Police Academy in line with EU and international standards and best practices.
- To provide EU expertise in designing modern curricula focusing on practical aspects, for both Police Academy and Joint Law Enforcement Training Centre.
- To support the development of capacities of the Joint Law Enforcement Training Centre.
- To facilitate and monitor overall reform of the initial and continuous training of Police.

Fields of intervention:

- Institutional capacity building and modernisation of the Police Academy "Stefan cel Mare" of the MIA of the Republic of Moldova.
- Contribution to enhancement of capacities of the Joint Law Enforcement Training Centre.

Priorities of the grant:

- Modernisation and consolidation of the initial and continuous training of Police in line with EU and international standards and best practices.

Expected results:

- Modern curricula and training methodologies developed and implemented.
- Officers trained and prepared to deal with citizens in a professional modern manner.
- The Moldovan Police Academy is modernised in line with EU and international standards and best practices.
- The capacities of the Joint Law Enforcement Training Centre are enhanced.

#### (b) Eligibility conditions

In line with Article 4(10)(b) of Regulation (EU) No 236/2014 participation in Twinning calls for proposals is limited to public administrations of the EU Member States, being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies with a public service mission under their control provided they act for the account and under the responsibility of that Member State.

#### (c) Essential selection and award criteria

The essential selection criterion is the operational capacity of the applicant.

The essential award criteria are the technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.

#### (d) Maximum rate of co-financing

The rate of co-financing for eligible costs for Twinning grant contracts is 100%<sup>1</sup>.

#### (e) Indicative timing to launch the call

First trimester of 2017.

#### (f) Use of lump sums/flat rates/unit costs

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual, for the reimbursement of the public sector expertise provided by the selected Member States administrations. The use of this system of unit costs and flat rate financing, which exceeds the amount of EUR 60 000 per beneficiary of a Twinning contract, is subject to the adoption of a separate, horizontal Commission decision.

### 5.4.2 Procurement (direct management)

Subject	Type (works,	Indicative number of	Indicative trimester of launch of the
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<sup>1</sup> As provided for in the Twinning Manual.



	supplies, services)	contracts	procedure
Technical assistance	Services	1	Third trimester 2016
Communication and visibility	Services	1	Third trimester 2016
Review missions, evaluation and audit	Services	4	Third trimester 2016 Third trimester 2018 First Trimester 2020 Fourth trimester 2019

## 5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.6 Indicative budget

<b>Implementation modalities</b>	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
<b>5.3 - Budget support Sector Reform Contract</b>	<b>51 000 000</b>	<b>N/A</b>
<b>5.4 – Complementary support composed of</b>	<b>6 000 000</b>	<b>200 000</b>
5.4.1 Call for Proposals "Ensuring the monitoring, contribution and oversight of the implementation of the programme related reforms and activities, with a special focus on the respect of human rights" (direct management)	800 000	200 000
5.4.2 Twinning on "Reform of the initial and continuous training of the Police system" (direct management)	2 000 000	N/A
5.4.2 Procurement (direct management): Technical Assistance and compliance with budget support conditions reviews (direct management)	2 850 000	N/A
5.9, 5.10 – Evaluation and Audit	100 000	N/A
5.11 – Communication and visibility	250 000	N/A
<b>Total</b>	<b>57 000 000</b>	<b>200 000</b>

## **5.7 Organisational set-up and responsibilities**

A coordination team will be consolidated within the MIA, at the Central Apparatus level, to manage the activities to be performed under the action and to prepare regular progress reports. It will be managed by the General Department for International Relations and European Integration, dealing also with donor coordination and projects management and reporting directly to the Minister. The coordination team will also have the responsibility to provide guidelines for the implementation of the SRC objectives. The Police and other related MIA units will have the direct responsibility to implement the planned activities.

Programme Steering Committee meetings will be held under the auspices of MIA at least twice a year for reviewing and assessment of overall performance in achieving the SRC's reform objectives and indicators. The EU Delegation will co-chair all Steering Committee meetings. At these meetings, corrective measures, if so required, will also be discussed and agreed upon.

At the top level, the overall strategic guidance of the implementation of this Sector Reform Contract will be carried out by Governmental Commission for European Integration, chaired by the Prime Minister.

## **5.8 Performance monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Review missions assessing the fulfilment of budget support conditions for disbursement, contracted by the Commission, will take place at the end of the financial year to review the progress of the reform.

The baseline reviews and discussions on evaluation reports will also consider involvement of civil society, especially sector relevant NGOs.

On-going technical and financial monitoring of the implementation of this Sector Reform Contract is the responsibility of the MIA. The results of both the technical and financial

monitoring will be reported at least twice a year to the Steering Committee and will form the basis for the assessment of the sector reform performance.

## **5.9 Evaluation**

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that the Police reform is still in process and results will depend on the regional and national security situation and the political circumstances from the country.

The Commission shall inform the implementing partner at least two months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

## **5.10 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

## **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated by a contractor on basis of a separate service contract at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The Communication and Visibility activities will be implemented through procurement of services and will be conducted in accordance with the Communication and Visibility Manual.

The Government of the Republic of Moldova will ensure that the visibility of the EU contribution to the SRC is given appropriate coverage in the various publicity media. The accompanying TA and communication and visibility service contracts will endeavour to further enhance the positive image of the EU in the context of its work in the Republic of Moldova and specific provision for this purpose will be included in these contracts. At appropriate milestones during the SRC duration and after appropriate events, press releases will be issued, by MIA in co-operation with the EU Delegation to Moldova. In all these actions, the EU visibility guidelines will be strictly adhered to.

**APPENDIX - INDICATIVE LIST OF RESULT INDICATORS (FOR BUDGET SUPPORT)**

The inputs, the expected direct and induced outputs and all the indicators, targets and baselines included in the list of result indicators are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The table with the indicative list of result indicators will evolve during the lifetime of the action: new columns will be added for intermediary targets (milestones), when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	<b>Intervention logic</b>	<b>Indicators</b>	<b>Baselines (incl. reference year)</b>	<b>Targets (incl. reference year)</b>	<b>Sources and means of verification</b>
<b>Overall objective: Impact</b>	Rule of law ensured by enhancement of public order and security and protection of human rights through the development of an accessible, accountable, efficient, transparent and professional police force.	Level of trust in police is improved and maintained (% of people who trust police is gradually increased).	Cumulative trust in Police of 31% in April 2014.	Cumulative trust in Police of at least 41% by 2019.	Annual statistical data from National Bureau of Statistics. Yearly progress reports on implementation of Strategy on Police reform 2016-2019. Barometer of Public Opinion.

Specific objective(s): Outcome(s)	<p>SO 1. Accountability, efficiency, transparency and professionalism of the Police force strengthened.</p> <p>SO 2. Fair, efficient and effective enforcement of the law through the application of a rights-based approach to policing ensured.</p> <p>SO 3. Capacities of Police to participate in the fight against organised crime, trafficking of human beings, smuggling of people, cybercrime, violence, including gender-based crimes, drugs and armament smuggling, counterfeiting, money laundering and financial crimes strengthened.</p> <p>SO 4. Modern police service in line with best EU and international standards and practices able to proactively respond in an equal manner to the needs of citizens and society as a whole established.</p> <p>SO 5. Principle of zero-tolerance to corruption in the Police force implemented.</p>	<p>Police force well-trained and equipped, accountable, efficient, transparent and professional.</p> <p>Reorganisation and demilitarisation of Carabineer Troops within the Police and delimitation of tasks and duties within the Police force completed.</p> <p>Process of pre-trial investigation and prosecution enhanced.</p> <p>Human rights-based approach to policing applied in line with UN human rights standards and practices for the police</p> <p>Level of organised crime, trafficking of human beings, smuggling of people, cybercrime, violence, including gender-based crimes, drugs and armament smuggling, counterfeiting, money laundering and financial crimes reduced.</p> <p>Community policing developed and implemented.</p> <p>Corruption in the Police force significantly reduced.</p>	<p>Intervention time of 42 minutes in 2015.</p> <p>Convictions and complaints statistics (women and men) from 2015.</p> <p>Crime, traffic and public order incident statistics from 2015.</p> <p>% of citizens (women and men) who believe Government is committed to tackling corruption of 11% in April 2015.</p>	<p>Intervention time reduced to 15 minutes by 2019.</p> <p>Ratio of redress close to 35% by 2019 and ratio of investigations sent to court resulting in convictions close to 75% by 2019.</p> <p>Rate of criminality reduced with at least 2% every year by 2019.</p> <p>% of citizens (women and men) who believe Government is committed to tackling corruption increased to at least 30% by 2019.</p>	<p>EU Progress Reports (including reports from EU Member States).</p> <p>MIA reports and web-site.</p> <p>CSO monitoring reports.</p> <p>Court Reports.</p> <p>Reports from Superior Council of Prosecutors and Magistrates.</p> <p>Bar Association Reports.</p> <p>Ombudsman's Reports.</p> <p>ECHR Reports.</p> <p>ICC Reports.</p> <p>Corruption Perception Index.</p> <p>Barometer of Public Opinion.</p> <p>Annual statistical data from National Bureau of Statistics.</p>
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<b>Induced outputs</b>	<p>1. Improved human resources management system of the Police through development of regulations and procedures for personnel merit-based recruitment, remuneration, evaluation and promotion, including at regional level and taking into consideration the gender disparities of access, especially to senior management posts.</p> <p>2. Increased access of citizens at central, regional and local levels to police services and public information regarding activity, budget and expenditures of Police.</p> <p>3. Increased capabilities to ensure public order and security by complete professionalization of carabinieri and avoiding overlapping in police competences.</p> <p>4. Improved cooperation between Police and prosecutors.</p> <p>5. Ensuring the respect of international human rights standards during arrests and other operative measures, including fair and tailor-made approaches to children and gender issues.</p> <p>6. Reduction of all kind of ill-treatment and abuse measures and practices, including discriminatory actions against any kind of minorities or people with special needs.</p> <p>7. Improved police capabilities in the fight against crime, including by improved ability to use of intelligence-led policing tools (strategic threat analysis).</p> <p>8. Improved access to Police services at district level in municipalities and towns and at local level in villages through implementation of community policing, especially with regard to gender and minors-related issues.</p> <p>9. Improved cooperation at intra- (with the Service for Internal Protection and Anticorruption of MIA) and inter-institutional level (with the National Anticorruption Centre and Prosecutor's General Office) on corruption prevention and combatting within the Police system.</p>	<p>Internal regulations and decisions adopted to reflect demilitarisation of the police and merit-based practices in human resources management.</p> <p>No. of women serving in Police, including in senior management posts.</p> <p>No. of reports with qualitative and quantitative data on police forces activities made publically available on MIA web-site.</p> <p>No. of complaints from citizens received through all channels, and ratio of redress.</p> <p>Average length of time taken to prepare case by prosecution.</p> <p>No. of complaints officially recorded.</p> <p>No. of investigations concluded on human rights violation cases.</p> <p>No. and level of persons charged and sentenced with organised crime offences.</p> <p>Value of counterfeit goods, drugs, arms etc. seized.</p> <p>No. of convictions for trafficking, organised crime, smuggling and counterfeiting offences.</p> <p>Inter-institutional coordination system on transfer of data between the Police and other law enforcement authorities established.</p>	<p>Convictions and complaints statistics from 2015.</p> <p>Crime, traffic and public order incident statistics from 2015.</p> <p>Police organigram and HR chart from 2015.</p> <p>Police legal and regulatory framework from 2015.</p>	<p>Ratio of redress close to 35% by 2019 and ratio of investigations sent to court resulting in convictions close to 75% by 2019.</p> <p>Rate of criminality reduced with at least 2% every year by 2019.</p> <p>Number of women in Police force increased to 25% by 2019, including an increase of 50% of women in management posts.</p> <p>Police HR legal and regulatory framework fully reviewed in line with EU best practices by 2019.</p>	<p>EU Progress Reports (including reports from EU Member States).</p> <p>MIA reports and web-site.</p> <p>CSO monitoring reports.</p> <p>Court Reports.</p> <p>Reports from Superior Council of Prosecutors and Magistrates.</p> <p>Bar Association Reports.</p> <p>Ombudsman's Reports.</p> <p>ECHR Reports.</p> <p>ICC Reports.</p> <p>Corruption Perception Index.</p> <p>Barometer of Public Opinion.</p> <p>Annual statistical data from National Bureau of Statistics.</p>
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<b>Direct outputs</b>	<ol style="list-style-type: none"> <li>1. Operational Joint Law Enforcement Training Centre applying training curricula in line with EU and international standards and best practices (with emphasis on application of fundamental human rights, modern management techniques, and facilitated access of women).</li> <li>2. Enhanced investment in physical infrastructure, logistics and supply needs for all police units (special and territorial) at central, regional and local levels and ensuring an equal, fair and tailor-made access of women officers to facilities and equipment.</li> <li>3. Enhanced capacities of Moldovan Police to participate in international missions and EU crisis management operations.</li> <li>4. Increased rate of investigations and arrests leading to convictions.</li> <li>5. Improved conditions of temporary detention premises and interrogation rooms according to the international human rights standards, including access to recognition procedure.</li> <li>6. Improved investigation and forensic capacities at central, regional and local levels.</li> <li>7. Upgraded electronic registry of weapons respecting the personal data protection standards, including by introduction of a mechanism for marking weapons.</li> <li>8. Improving the inter-institutional cooperation between Police and National Anti-corruption Centre on preventing and combating financial crimes, money laundering and financing of terrorism.</li> <li>9. Enhanced operative and investigative rapid-reaction and intervention capacities of Police in emergency situations.</li> <li>10. Enhanced capacities of Police in dealing with traffic safety and security (with an emphasis put on enhancing the communications skills), including the documentation and investigation of traffic accidents.</li> <li>11. Enhanced police prevention capacities through development and implementation of community joint action plans on public awareness campaigns.</li> <li>12. Enhanced capacities of corruption prevention and combating activities within the Police, especially for ensuring the professional integrity of public officials with police status and combating corruption within public procurement and misuse of budgetary and extra-budgetary funds.</li> </ol>	<p>No. of policemen trained, including female officers. Criminal database for police investigations established according to EU standards.</p> <p>No. of criminal laboratories equipped according to EU reference standards at central, regional and local levels.</p> <p>No. of central, regional and local police inspectorates and units equipped and functioning according to EU best practices.</p> <p>No. and % of arrests leading to convictions.</p> <p>No. of temporary detention premises and interrogation rooms in line with the CoE Convention on Prevention of Torture standards.</p> <p>Level of electronic registration and marking of weapons.</p> <p>No. of joint anti-corruption and anti-money laundering investigations and operations between Police and National Anti-corruption Centre.</p> <p>Reduced time for documentation and investigation of traffic incidents.</p> <p>No. of cases initiated thanks to or through strategic or intelligence analysis (intelligence-led policing).</p> <p>No. of joint action plans and events aiming raising awareness on prevention.</p> <p>No. and level of members of the police (all units included) charged and sentenced for offences linked to corrupt behaviour or ill treatment cases.</p>	<p>Data on policemen trained, including female officers in 2015.</p> <p>State of Carabineer Troops in 2015.</p> <p>Convictions and complaints statistics from 2015.</p> <p>Crime, traffic, corruption and public order incident statistics from 2015.</p> <p>State of Police premises and facilities at central, regional and local level from 2015.</p>	<p>Joint Law Enforcement Training Centre fully functional by 2017.</p> <p>All Police staff trained and equipped in line with best EU practices by 2019.</p> <p>Carabineers fully integrated, trained and professionalised within Police by 2019.</p> <p>Ratio of redress close to 35% by 2019 and ratio of investigations sent to court resulting in convictions close to 75% by 2019.</p> <p>Rate of criminality reduced with at least 2% every year by 2019.</p> <p>All Police premises and facilities at central, regional and local level renovated and equipped in line with best EU standards by 2019, including gender specific needs.</p>	<p>EU Progress Reports (including reports from EU Member States).</p> <p>MIA reports and web-site.</p> <p>CSO monitoring reports.</p> <p>Court Reports.</p> <p>Reports from Superior Council of Prosecutors and Magistrates.</p> <p>Bar Association Reports.</p> <p>Ombudsman's Reports.</p> <p>ECHR Reports.</p> <p>ICC Reports.</p> <p>Corruption Perception Index.</p> <p>Barometer of Public Opinion.</p> <p>Annual statistical data from National Bureau of Statistics.</p>
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