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2007 Annual Report





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I. Country Context of 2007.

Endowed with rich agricultural land and a temperate climate, Moldova has relied heavily on agriculture throughout its history. Currently, agriculture and agro-processing activities account for roughly 34 percent of the country's GDP, and many people still make their livelihoods in this sector. Over half the population lives in rural areas.

The 2007 developments in Moldova are increasingly mirroring those in other transition economies. There are encouraging signs that the earlier model of consumption-driven growth underpinned by remittances is shifting. While large inflows of remittances continue to support growth, they are increasingly flowing into investments rather than consumption. FDI has also picked up and is projected to reach 12 percent of GDP in 2007, compared with 7 percent in 2006. There also signs of a shift of production and employment into manufacturing, particularly textiles, where Moldova's low labour costs continue to provide a competitive advantage.

High inflation remains the main concern. Good progress by the National Bank of Moldova (NBM) in reducing inflation since late 2006 was set back by the drought, causing a spike in food prices, in line with regional trends. A renewed effort will be needed to ensure inflation is brought down to single digits in 2008.

Timely implementation of the new targeted social assistance system in 2008 will be key factor to reduce poverty. The current system of social assistance based on social categories is poorly targeted. The new, means-tested system, whose methodology was adopted in early October (a slight delay relative to the end-September structural benchmark), promises to considerably improve targeting and should go a long way to mitigate higher energy costs for the poor.

According to the Ministry of Social Protection data per 01.01.2007 in Moldova were registered 621 400 retired elderly. Although pensions are getting higher pensioners became poorer, thus proportion of overage pension to overage salary in 2001 constituted 38%, while in 2007 – just 30%. Social protection for the elderly people includes social services and monetary allocations; however both forms are insufficient in targeting the existing needs.



The family institution in Moldova is supposed to a risk being affected by excessive migration of the population for working abroad. By the result of this excessive migration

the dissipation of families are inevitable, the main functions of a family are supposed to be the risk of disappearing like education of the next generation, reproduction etc. The studies state that 60% of the immigrants are divorcing, and the parents who remain with the children are usually exposed to the risk of falling down morally and socially, losing his hope in a better future. The most affected by the migration are children which have to suffer because of the separation of their parents who have to offer them love and the feeling of security in family. The teenagers need a special attention from both parents, only one of them can't offer the best education and do not have enough time and finances to assure all the needs of a teenager and by the result the child is supposed to be at risk of being affected by different outsider and negative tendencies.



According to the official data published by the Ministry of Education in January 2008 about 28.000 children were living in 2007 without their both parents, and about 68.000 children were living with only one of their parents. A study "Remittances and Migration in Republic of Moldova – 2006" indicated a number of 177 195 children who had their parents left abroad. The most of this children (79,5 %) were from the rural area.

Republic of Moldova remains to be one of the main countries of origin of trafficking in women and girls for the purpose of commercial sexual exploitation, and to a lesser extent, a transit country, and the phenomenon of trafficking corruption continues to exist at all levels throughout the government, as it is stated in the annual US Department of State trafficking in persons report made public recently. In the section about Moldova it is

stated that, even if it makes efforts to counteract this phenomenon, the Government of Chisinau doesn't fully comply with minimum standards for its elimination.

Although, the Government of Moldova seems to be making significant efforts to counteract the phenomenon, until the date of the Report elaboration no concrete proofs have been presented with regard to investigation, prosecution and conviction of senior officials (policemen and border guards), identified as accomplices of some persons from Interpol world, complicit in trafficking in persons. Even if in August 2006 several investigators, prosecutors and senior officials, including the deputy director of the Center to Combat Trafficking in Persons (CCTIP), were dismissed from their positions for protecting a prominent trafficker and his group, the criminal cases against these people have not been open. The Government should start a vigorous investigation and prosecution of all senior officials complicit in trafficking business, and courts should pass verdicts to be executed. In this context, the progress of Chisinau Government is very insignificant, as stated in the Report. In 2006, 466 trafficking cases were

investigated; however, the number of conclusive cases was not made public. It is only known that 71 traffickers were convicted. (386 cases were investigated and 58 traffickers were convicted in 2005.)

Recently, progress was made in the AIDS response. As a result of legalization of harm-reduction programs for injecting drug users, including needle exchange and opiate substitution treatment for injecting drug users both inside and outside prison, there was an increase in the number of people covered - people most likely to be exposed to HIV. A major issue for the country is the shift in the route of HIV transmission from injecting drug use to heterosexual transmission, with increased numbers of women being registered with HIV.

Antiretroviral therapy has been available since 2002 because of Global Fund and World Bank support to cover the needs of women with HIV in preventing mother-to-child transmission. Countrywide services appropriate for young people have been established to serve their needs.

The technical working groups of the National Coordination Council developed in 2007 a gap analysis of weaknesses that will prevent the government from successfully initiating, scaling up and sustaining programs to address HIV disease. The four areas identified as system weaknesses and constraints are: lack of sustainable funding for the AIDS response; lack of capacities of human resources and health and social systems; reduced availability of affordable commodities and low-cost technologies; high levels of stigmatization of and discrimination against people living with HIV.

On May 11, 2007 a new Law on Religious Cults and their Component Parts was adopted. It has been discussed by the Moldavian Parliament more than 6 months. Discussions on this Law were followed by active manifestations from the Moldavian Churches, protesting or supporting different newly introduced articles. The new Law significantly simplifies procedure of the new church registration, however introduced new amendments on property and rights of the Churches and religious organizations. According to the new Law State Department on Cults and Religious became a component part of this Ministry and all newly established churches and religious organizations should be registered at the Ministry of Justice as other NGOs.

II. MCA Partners.

Moldavian Orthodox Church

Moldavian Orthodox Church social centre “AGAPIS” was founded by the Moldavian Orthodox Church in 2004. The Social Centre “AGAPIS” mission is coordination, development and support of the social activities of the Moldavian Orthodox Church, promoting the Christian values and rehabilitating the Christian traditions in providing the support for the needy, eradicating the spiritual and material poverty and social injustice. The Honorary President of the Social Centre is the His Eminence Vladimir, the Metropolitan of Chisinau and the entire Moldova.

Currently Moldavian Orthodox Church social centre “AGAPIS” is the umbrella organization, embracing all social centres of the Moldavian orthodox church across the whole territory of the republic of Moldova.

The activities implemented by Moldavian Orthodox Church social centre “AGAPIS” in 2007 include:

1. Training and education for the Church personnel in the different social phenomena (anti trafficking, drug abuse, domestic violence, etc.)
2. Implementation of the joint projects in homecare, job creation, child protection, children education.
3. Mother and child healthcare education, prevention of the abortion, etc.



Among “AGAPIS” partners are: WCC EEO, UNICEF, IOM, Winrock International, ECPAT, ILO, CordAid, Caritas - Moldova.

Union of Christian Evangelical Baptist Churches from Moldova

Union of Christian Evangelical Baptist Churches from Moldova (UCEBCM) is an association of the independent Evangelical Churches, united on the basis of the common faith and mission. UCEBCM has been functioning in Moldova since 20-ties of the last century, being re-registered by the State Department of Cults on **May 2, 1995**. UCEBCM is a member of the World Baptist Alliance. The UCEBCM activities include

dissemination of the Good Will on Jesus Christ, pastoral care for the believers, activities for youth and children, social service and others.

Currently UCEBCM embraces about **600** churches and groups, including about **22.000** active adult church members. Each Church of UCEBCM is autonomous and bases its activity on the principles of the Holy Book (Bible). The supreme governing body of the each Church is General Assembly of all Church members. Operational management of the Church activities is done by the elected Church Council presided by the elected pastor. Once per 4 years UCEBCM Assembly elects bishop and 2 vice bishops. For the better coordination of the service whole territory of Moldova is divided in 9 districts and there is one elected presbyter for each district.

Social Service:

After the Soviet Union collapse Moldovan society faced a lot of social problems. Most of UCEBCM churches were actively involved in social service following God's commandment to love one's neighbour as yourself. It is worth to mention some of numerous directions of their activities:

- ***Service in orphanages, boarding schools and shelters*** – humanitarian aid distribution, assistance in child adoption, religious education.
- ***Service for people living with HIV*** – visiting sick people in hospitals and at homes, material support, organizing groups of psychological and spiritual support.
- ***Service in penitentiaries*** – visits to penitentiaries, spiritual assistance to people in detention and their relatives, material support and improving living conditions in jails.
- ***Service for families from at risk groups*** – food provision, creation of daily centers for children, vocational orientation for graduates, charitable meals provision.
- ***Service for the victims of trafficking*** – rehabilitation and prevention activities for women from at risk group, assistance for employment, psychological consultations, support for victims family members.
- ***Service for children and adolescents*** – organization of charitable summer camps for the children from poor families.
- ***Service for drags and alcohol addicted people*** – rehabilitation of drag and alcohol addicted people willing to get rid of the dependence in specialized health centers.
- ***Service for elderly*** – running asylum for the elderly people, providing homecare services and daily meals.
- ***Service for terminally ill people*** – providing medicines, psychological and spiritual support for sick children and adults.

All UCEBCM Churches provide many other services and are open to collaboration with other churches and organizations, willing to join as any concrete project as well the whole movement.

Evangelical Lutheran Church from Moldova

Lutheran Evangelic Church in Moldova has been registered on **July 5, 1999** and embraces 7 communities, most of them are being located in Transnistria. Lutheran Church social department has been developing since yearly 2000. Lutheran Church Social Centre “St. Paul” is an umbrella organization coordinating social activities within Evangelical Lutheran Church in Moldova.

Among activities of 2007 are:

1. In collaboration with Norwegian Lutheran Mission, Church World Service(USA) and Moldavian Christian Aid “St. Paul” has received and distributed 12 tones of humanitarian aid and several wheelchairs to the needy people. Among beneficiaries are : Association of the numerous families from Tiraspol, Grigoriopol, Slobodzea, Dnestrovsk; the rehabilitation Center for handicapped people from Tiraspol; children from secondary schools from Kolosovo, Karmanovo; Social centre in Kamenka; kindergartens for retarded children №49 and №52 from Tiraspol; the patients of the psychoneurologic dispensary for women from Bender; elderly and handicapped people upon their request.

2. A New Social centre of Lutheran Church for children and elderly was open in Kamenka with financial support of “Nordisk Ostmission” Swedish Fund.

3. The “Saint Paul” Lutheran Center implemented the project in 2007: “Reduction of the stigmatization towards the HIV-infected among the church members and in the society”. There were held 11 seminars, 2 round-tables and 1 scientific-practical conference in the frames of the project in Kamenka, Tiraspol and Kolosovo.

4. Summer camps for the children and members of Lutheran communities were organized in partnership with Norwegian Lutheran Mission;

5. 53 children with mental disabilities from the boarding school received gifts and material support for Christmas.



6. Lutheran Centre renovated the Home for babies opened at the prison for women in Tiraspol in 2006. Material support and humanitarian aid were offered by Norwegian Lutheran Mission and “Nordisk Ostmission” Swedish Fund. (on picture)

7. Home care services for 20 sick, elderly people in Tiraspol;

8. Vocational orientation and temporary employment for girls and women in embroidery.

III. MCA Organizational Development in 2007.

WCC EEO Moldova Partnership Program (MPP) represented a platform for inter church cooperation in areas of diaconia & development, both for Moldavian churches and NGOs. It was a common initiative of traditional Moldavian Churches, the World Council of Churches Eastern Europe Office and WCC related agencies. The preliminary agreements on basic principles of inter church cooperation among Moldavian Churches in main priority sectors were set in early 2003. During 2004-2007 about **80** project initiatives of the Moldavian Churches and related organizations have been supported by the international agencies via WCC EEO MPP.

Following the strong recommendation of World Council of Churches Eastern Europe Office and MPP 2007 Annual Meeting decision Moldova Partnership Program has been registered as independent organization under the number 3904 on **June 12, 2007** at the Ministry of Justice. The newly established organization is non governmental, non profit association "**Moldavian Christian Aid**".

All **Moldavian Christian Aid (MCA)** founding members, priests and pastors, have been officially delegated by the respective Church leadership and represent the following churches:

- Moldavian Orthodox Church (Moldavian Metropoly);
- Union of Christian Evangelical Baptist Churches,
- Evangelical Lutheran Church from Moldova.

Moldavian Christian Aid will continue collaboration with social structures of the Moldavian Christian Churches not associated so far and open to consider any suggestions or applications from their side.

MCA Mission:

MCA aims to assist people in need for social justice and human dignity through strengthening & consolidation of capacities, fostering ecumenical cooperation of the partner churches and related organizations on social and development levels.

Vision:

- *Leading interchurch agency in Moldova, working on social and development levels, based on partnership, shared values, professionalism and mutual respect;*
- *Powerful actor of the Moldavian society in selected social and development sectors;*
- *Reliable partner, fostering high performance standards of social & development work;*

- *Efficient tool of the churches and related organizations for the lobby & advocacy for the poor and marginalized;*
- *Open, transparent and learning organization, accountable for its actions and able to meet high standards of the public and stakeholders.*

Starting from July 1, 2007 **Moldavian Christian Aid** took over the responsibility for the projects supported via WCC EEO MPP in Moldova in accordance with the respective contract concluded between MCA and WCC EEO. Starting from July 1, 2007 all employment contracts of MPP staff members in Moldova concluded with WCC EEO were terminated. Following procedures of Moldavian Christian Aid staff recruitment and appointment are of MCA Board competence.

Association “Moldavian Christian Aid” has the following organizational structure:

1. General Assembly
2. Board
3. Censor.
4. President
5. Executive Body.

The supreme governing body is the **General Assembly** of members. After the registration founding members get the same rights as the newly associated. The General Assembly has the following main attributions:

- determinates the main Association’s activity directions;
- decides on Statute adoption, completion or modification;
- examines and approves the annual budget, annual financial balance;
- elects and dismisses the Board members, Censor, President;
- approves the reports of Board and Censor;
- decides about Association’s reorganization or liquidation;
- decides about any other problems concerning the Association’s activity.

The General Assembly ordinary meetings shall be convened as necessary, but not rare than once per year.

The permanent governing body of Association is **Board**. Board members are elected from the members of Association at the General Assembly. The MCA Board competence includes:

- elaborating of development strategies and determination of the main directions of the Association’s activity (with approval of General Assembly);
- ensuring of the General Assembly’s resolutions fulfillment and submitting of reports to General Assembly concerning Association’s activity;

- elaborating the Association's budget, annual financial report and report on Association's activity, submitting them to General Assembly for approval;
- approving internal Association's rules and settles its organizational structure;
- approving of staff lists and proposals for the staff appointment and dismissal, types and sizes of wages and salaries for the Association's employees;
- according to the law determining the financial responsibility of Association's President;
- approving the Association's seal, symbols and documentation forms;
- deciding the Association's filial creation, reorganization and liquidation, their rules approving;
- managing the Association property and its activities on its increasing;
- setting the procedures of donations allocations;
- ensuring the Association's ethics keeping, that are foreseen in non-profit sector;
- deciding on Association property purchase and sale procedures;
- administrating Association economical activity and goods;
- deciding on participation of Association as founder of non-profit organizations and business societies;
- deciding on all matters that do not enter in to exclusive competence of other Association's bodies.

MCA Board is elected by General Assembly for a period of 5 years. The Board Meetings are convened as necessary, but at least once per trimester.

Currently the MCA Board members are: Rev. Octavian Mosin (Moldavian Orthodox Church, Moldavian Metropoly representative; Executive Director of the Social Centre of the Moldavian Orthodox Church "AGAPIS"); Rev. Ion Solonaru (Moldavian Orthodox Church, Moldavian Metropoly representative); Pastor Vladimir Ubeivolc (Union of the Christian Evangelical Baptist Churches representative); Natalia Moser (Evangelical Lutheran Church representative, Executive Director of "St. Paul" Social Centre of the Evangelical Lutheran Church).

The **President** of Association is elected at the General Assembly and has 5 years mandate. President executes the operational management of the Association in the period between Board's Meetings and is competent on following:

- convenes and presides the Board's Meetings;
- takes decisions on every matter concerning Association's activity and which is not on exclusive competence of other bodies;
- represents the Association in juridical instances, in relations with public authorities as well as in relations with other physical and juridical persons;

- administrates operatively the Association's means, conducts transactions and signs agreements, opens bank accounts, signs other financial documents;
- organizes and directs the current Association activity and ensures the resolutions accomplishment, adopted by the Board;
- makes proposals to the Board for staff appointment and dismissal;
- is responsible for secretarial works maintenance;
- ensures the book keeping and statistics evidence according to the Law;
- carries personal responsibility for Association's activity and its property and financial means;
- elaborates proposals to the Board regarding the allocation of the collected donations and participates at humanitarian aid or other kind of aid distribution;
- provides to empowered public authorities the necessary information and reports stated by the Law;
- issues orders, indications, instructions;
- decides about the methods and forms of operational activities, ensures the integrity and rational use of Association property.

Current mandate of the association President belongs to Mrs. Lilia Bulat.

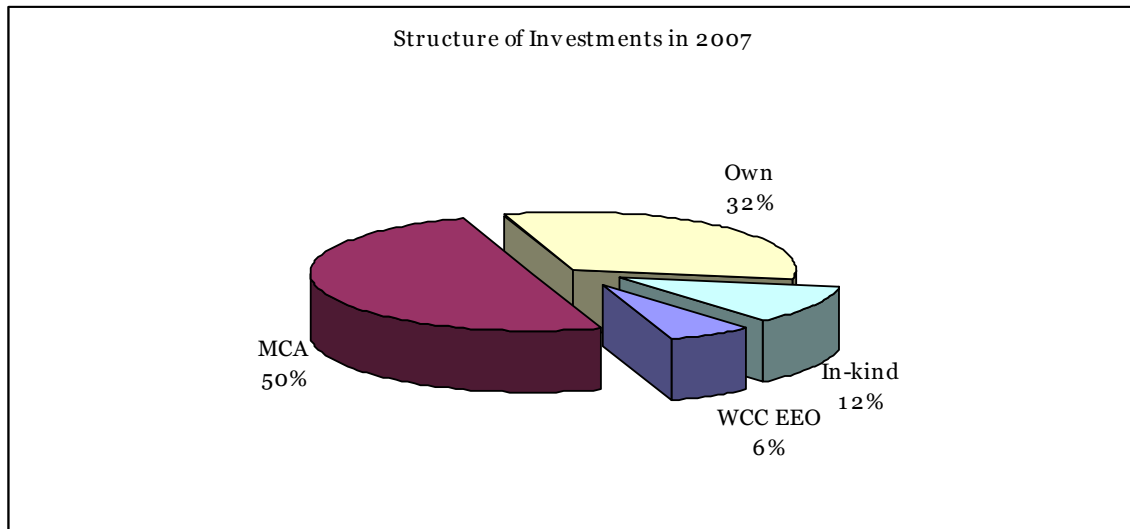
The control of economical/financial activity of Association is done by the **Censor**, elected by General Assembly for a period of 5 years. The Board members can not be a part of Censor. Rev. Pavel Vuluta got the first mandate of Association Censor.

IV. Programs & Activities in 2007.

Social Support

8 projects of the local partners under the “Social protection” priority were financed in 2007. Total cost of the projects is of 64 425 EUR, including 4086 EUR paid by WCC EEO, 33 840 EUR paid by MCA, 21 738 EUR local partners own contribution and 7761 EUR of in-kind contribution. Figure 1 represents structural share of investments of the projects supported under “Social Support” in 2007:

Figure 1.



In addition to the traditional for these direction types of activities projects, such as social canteens and homecare services in 2007 were implemented first three projects on distribution of blankets and Humanitarian Aid offered by Church World Service. Churches and related organizations are prevalent among partners implementing initiatives under this direction (about 70 % of projects). The overage project duration is one year. Poor elderly people constituted the main focus group of the social support projects.

Daily Center for children

Within the **MO 065 “Social center for children and young people”** project an alternative social service for children was initiated, which was the first initiative of this kind in Ruseni commune. It was oriented towards the necessities and difficulties of the most vulnerable children and young people of the commune: 108 social orphans and children from single-parent families.

The main objectives achieved at the end of 2007 are: the center building was practically renovated with the help of 71 volunteers, 44 children from Ruseni have access to the

centre services, 3 members from the team board have been instructed to perform social services, 14 orphans from local school were helped to perform their school situation and 11 teenagers were trained in sewing and embroidery art.

Currently, daily centre provides following services:

- Daily meals for most needy children;
- Hygiene services: shower, laundry and clothes repairing, oriented on developing of beneficiaries household skills;
- Health services and psychological consultation offered by partners from The Friendly Center of Young People "SALVE!" from Edinet;
- Vocational orientation for children;
- Civic education / developing skills of involving in civil activities and developing skills of volunteer support and help/;
- Individual development, based on developing certain abilities, psychological processes and physical capacities: reading room, playing room, musical group /teaching piano and chorus activities for singing at church service, table tennis, computer and internet skills/.



Home Care services

The precarious economical condition is placing the elderly and disabled people in the situation of facing many problems like:



- material impossibility to afford expenses for medicines and hospitalization;
- impossibility to have access to the needy care;
- lack of any chance to recover;
- loneliness and isolation.

The projects aimed to provide medical and social assistance at home for the population from the Costesti and Ialoveni villages. The main aim of the project was to improve living standards of beneficiaries by ameliorating their health,

morale and spiritual state, as well as by increasing the accessibility of primary medical help in the society.

Within the **MO 067 home care project of “Sf. Nicolae” orthodox parish from Costesti** were served 50 elderly, 70 disabled children and 200 children from vulnerable families. The project ensured medical assistance of a qualified nurse, distribution of necessary medicines, home delivery of hot meals and food packages for elderly, social assistance provided by volunteers and specialized help for disabled children, also provided by volunteers who have been trained by “Compasiune” organization (specialized organization working with disabled children).

In the same period, within **MO 076 project “Alternative”** association has assisted 120 elderly persons, who visited the Social Canteen and benefited of volunteer’s social services. 60 food packages have been distributed to home dependent poor elderly.

Social support for the young solitary mothers from at risk group

As a direct result of perestroika and institutionalized neglect of the social and healthcare sectors, Moldova is facing an unprecedented population crisis. A generation of low birth rates has combined with a shorter average life span to create an accelerating population decline. Conversely, the number of children born to unwed mothers between the ages of 15 and 19, has continued to grow more rapidly than any other maternal age group. The statistics of the divorces in Chisinau shows about 60 % from 100 % of the marriages (data of 2005) and 24% of children are born by single-mothers. In 2004 just in Moldova were registered 17965 acts of abortion (47 to 100 born children). These under-aged, single mothers, together with single elderly women, are now the highest risk population groups for "stagnant and exceptional poverty - the poorest among the poor."



Organization “Beginning of life” initiated the project **MO 068 “Social adaptation of the young mothers from the risqué group”** aiming to aware the teenagers from the high schools of Chisinau, about the family values and human personality from the Christian point of view.

Organization “Beginning of life” has been working in partnership with the Clinical Municipal Hospital Nr.1 and local churches to initiate a program of direct assistance to teenaged mothers including motherhood education, pregnancy prevention education, counseling, social work, mentoring and community partnerships utilizing new and existing community resources. The main program components were:

1. “Responsible Motherhood” educational program for 112 teenage females;
2. Social adaptation services after delivering for 20 young mother (providing free medical services and medicines, as well as humanitarian aid packages)
3. Education on prevention of early sexual relations, abortions and teenage pregnancy for 1490 teenagers;
4. Counseling for abortion prevention for about 53 women (unfortunately only 7 from them decided to keep the baby);

Blankets production and distribution

With financial support from Church World Service given blanket initiative was successfully piloted in 2007. The project aimed to improving the living conditions of **450** vulnerable children and elderly by providing necessary blankets and bed linen.

According to the implementation plan described within the proposal in May 2007 were contracted 3 social sewing workshops run by the church related structures as follows:



1. Project agreement **MO 070** for the project “Producing bed linen and blankets for the needy people” was concluded with sewing workshop in Rosu village, run by “Diaconia”, social mission of the Romanian Orthodox Church.
2. Project agreement **MO 071** for the project “Producing bed linen and blankets for the needy people” was concluded with sewing workshop in Mereni village, run by “St. Mihail and Gavriil” orthodox parish.
3. Project agreement **MO 072** for the project “Producing bed linen and blankets for the needy people” was concluded with sewing workshop in Serpeni village, run by “Association of Orthodox Students”, organization related to the Moldavian Orthodox Church.



Each workshop was granted with 1450 USD to produce 100 bed linen and 50 blankets, therefore total number of goods is 300 bed linen sets and 150 blankets. The overage cost of one bed linen set is of 10 USD, while overage cost of one blanket is of 9 USD, that is 20-25 % less in compare to prices at the local

markets for the similar goods. Within summer months all goods produced were transferred for the further distribution to MCA partner Churches.

In addition to those 450 needy people benefited from blankets and bed linen from the project activities benefited also **23** women, employed at the sewing workshops from Serpeni (Anenii Noi district), Mereni (Anenii Noi district) and Rosu (Cahul district) communities. It is worth to mention that social sewing workshops were created to provide job opportunities to the vulnerable women, having poor financial and social statute. Placement of blanket orders to such workshops created an additional opportunity to increase incomes of women from at risk group. As blanket funds orders were placed within these 3 workshops for the production of 300 bed linen sets and 150 blankets they have benefited from the surpluses of 20 USD paid in addition to their overage salaries.

Humanitarian Aid distribution

MO 063 project aimed to support about 5000 poor children and elderly from the rural areas of Moldova and Transnistria by providing them humanitarian aid kits. According to the preliminary agreement among Church World Service and Moldavian Christian Aid Humanitarian Aid receipt and distribution was performed by the local partner association “Homecare”, received necessary authorization from the National Agency of State Acquisitions on June 5, 2007. Shipment was received on October 6, 2007. Shipment content completely corresponded to the amount indicated in the Act of Donation and Commercial Invoice.



All Humanitarian Aid kits were received by “Homecare” association, transmitted them for further distribution to the beneficiaries to:

1. “Agapis” – social centre of the Moldavian Orthodox Church;
2. “Diaconia” – social centre of the Romanian Orthodox Church;
3. “Inceputul Vietii” NGO representing Union of Evangelical Baptist Churches;
4. “St. Paul” – social centre of Evangelical Lutheran Church.

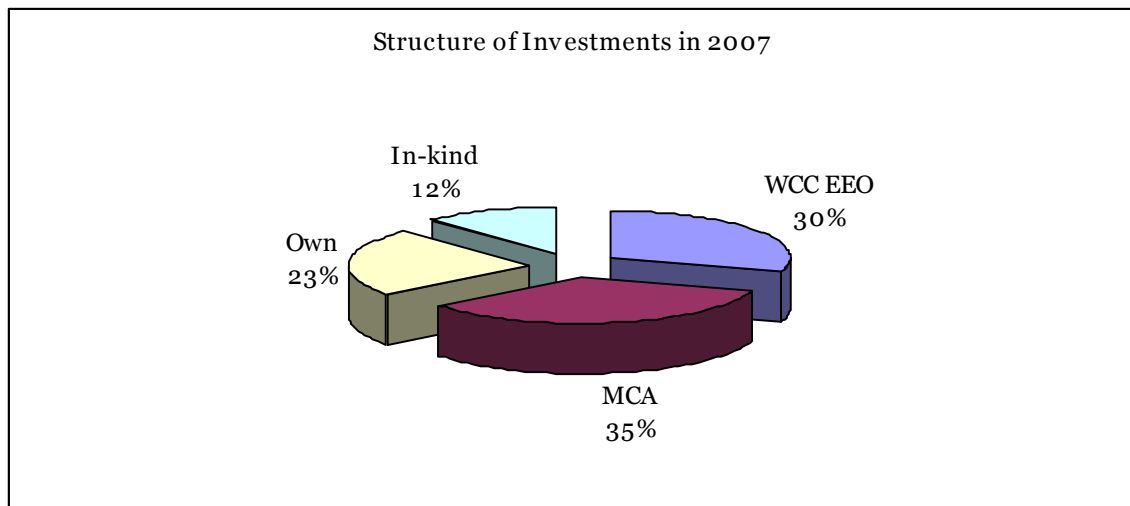
The above listed partners covered Humanitarian Aid transportation, loading and storage costs as well as other distribution related costs in Moldova and Transnistria.

Human Development & Capacity Building

MCA works to strengthen the capacity of national partners to manage their own development effectively. This means empowering people and giving those tools to chart their own course and working to establish the larger institutional frameworks that will help to transform societies. Many of our interventions are pilot exercises, designed to increase capacity in ways that may be replicable on a larger scale elsewhere.

7 projects under “Capacity Building” direction were supported within 2007. Total cost of the projects is of 39 509 EUR, including: 11 790 EUR paid by WCC EEO , 13 573 EUR paid by MCA, 9235 EUR own contribution, 4759 EUR in kind contribution and 152 EUR balance of MO 052 from 2006. The structure of projects investments is presented below.

Figure 2.



MCA has undertaken numerous capacity-building and training assignments within 2007. These range from participation in international conferences, workshops, exposure visits and courses for decision makers, senior managers and policy-makers, to hands-on support to communities and technical operatives. Among capacity building initiatives supported within 2007 are those focusing at non-profit management, counter trafficking, HIV AIDS prevention, basic business education and vocational skills development.

MPP/MCA CB initiatives of 2007



Within **MO 073 “Providing PCM/LFA trainings”** project implemented in 2007 were organized 3 training courses focused on development of the managerial skills of the social projects implementing partners from Moldavian Orthodox Church, Baptist Union and Evangelical Lutheran Church from Moldova.

20 participants – pastors, church social workers representing the Union of Christian Evangelical Baptist Churches have been trained in the frameworks of the

PCM/LFA training hold on June 12-15, 2007 in Chisinau.

Second PCM/LFA training took place on June 17-18, 2007 in Costesti. 24 persons, representatives of Lutheran Evangelical Church communities from Chisinau, Tirapol, Camenca and Cotovsc have participated in.

Third training course on PCM/LFA was organised by MCA in partnership with IOM for 40 representatives of Moldavian Orthodox Church in Vadu-lui –Voda on July 23-28, 2007.

Each participant benefited from a supporting materials set, which contained the following essential subjects: PCM Planning and Management Tools (the analysis and planning phases), Using the Logical Framework to Develop Activity and Resource Schedules, Using the LFA to Asses Project Proposals, Project Review and Evaluation, examples, key studies, Project Cycles schema, Problem Tree schema, Objective Tree schema, Logical Framework table, MPP Priority Directions and Objectives list, MPP Project Proposal form, etc,. The participants have acquired knowledge and developed skills that are used according to the necessities of the organization and projects they are involved in.

Local partners CB initiatives

MO 064 Agapis CB anti trafficking program

The overall purpose of the project is to involve the Church in solving the social problems from the rural and suburban area, especially the problem of the trafficking in human beings.



Within this project about 470 clergymen staff has been trained during 25 seminars (period of activity April 1- December 31, 2007). At the end of these seminars the clergymen (the priests, the leaders of the religious communities, assistants of clergymen) have obtained following abilities:

- to prevent trafficking and identify the victims and potential victims of trafficking in human beings;
- to develop abilities of counseling for priests when they communicate with the victims and potential victims of trafficking in human beings, as well as with the persons in at risk situation;
- To attract the attention of the public opinion towards the phenomenon of trafficking in human beings, using the following methods: the sermon discussions based on subjects, Sunday schools, confessions, community meetings, lessons of moral-spiritual education;
- To diminish the phenomenon of stigmatization of people who became victims of trafficking in human beings.

These actions, motivated by the fact that the Church represents an authority for the citizens, will contribute to the diminution of the problem of trafficking in human beings.

MO 074 Diaconia, OrthoNet

OrthoNet project aimed to strengthen the social network of Social Centers, parishes and socially active Orthodox Fraternities of the Basarabia Metropolitan Orthodox Church.

Within the given initiative by Diaconia were undertaken the following activities:

- Updated and translated the web page into 2 foreign languages in order to promote the activity of the network and increase the fundraising capacity.
- Promoted in both the webpage and the printed materials the newest trends in assisting groups of vulnerable persons (addicted to alcohol, drugs, tobacco, persons from risk groups or affected by trafficking in persons, HIV/AIDS, single mothers, abandoned children and others). Information was provided to all partners in order to implement new efficient models in different communities.
- Organized network activities, presentations, training and informing seminars with the participation of the most active Centers and parishes, which stimulated and involved the rest of the network.
- Involved youth in volunteering activities, for supporting the parishes in assisting vulnerable persons from the communities: children, teenagers, aged people.

As a result, OrthoNet project had increased the number of web page visitors, had organized 14 presentations and 2 training seminars in different regions, had elaborated 3 trimester publications distributed in 120 parishes and had organized 3 summer camps in 2007.

MO 075 Creating an informational-methodical center for supporting social structures at the "St. Dumitru" church, Chisinau

Creation of the **Center** was directed towards the development of informational-methodical support centre for social initiatives of the Orthodox parishes from Botanica district in Chisinau.

The target group of the project embraced:

- 60 people – general education teachers from the schools in the district of Botanica
- 10 people – graduates from the spiritual schools of Moldova
- 10 people – journalists from sources of mass communication
- Around 2000 students from 10 schools and 2 orphanages.
- Around 3000 people who attend the “Sf. Dumitru” church
- 60 children from the social center “Sf. Dumitru”.

Implemented activities included elaboration and dissemination of the 10 000 exemplars of counter trafficking brochures, booklets, calendars which hold information about fighting AIDS, human trafficking, alcoholism and abortion; 200 methodical materials for the priest leading social activities for youth and children; organized 30 seminars in schools and social centers for adolescents. Project activities will continue in 2008.



CB initiatives of MCA partners within DW Program

MO 052.2 Basic business trainings

This project was intended to provide larger access to the rural population to the basic business education in order to equip them with necessary skills to access micro credits available. As a result of this project significant opportunities were placed in front of those who had the abilities and were eager to work hard to start and develop micro enterprises and contribute to poverty and unemployment reduction. **252** people attended trainings and seminars on basic business skills and professional areas organised by „Invest-Credit” in 2007. Many of those who attended the trainings were really amazed of things that were so simple, but never practiced by them before. Financial planning, elaborating and monitoring the family budgets, planning savings were the most popular topics of discussions held.

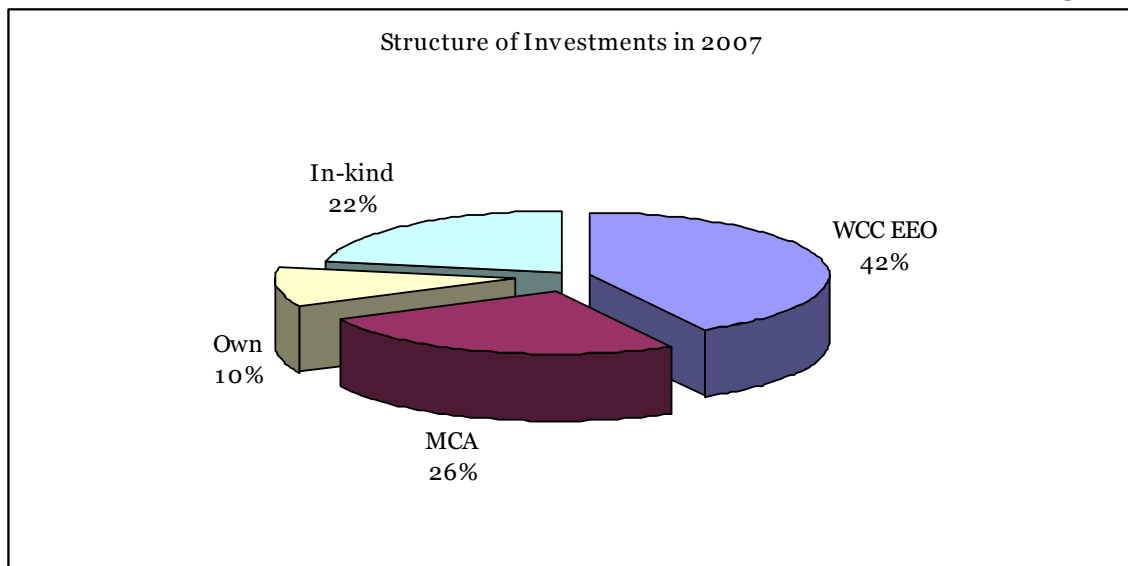
Information & Advocacy

We involve ourselves in advocacy as we recognize there are social, economic and political structures that need changing if we are to accomplish our task of fostering human development. Through our advocacy we seek effective ways to work for social change and provide avenues for social action engagement by the many supporters of MCA. We aim to reflect the concerns of our partners in all the work that we do. In this way our advocacy is firmly rooted in the communities that we speak both on behalf of and how we speak for them. At the country level we assist our partners to address matters that are particular to their local situation, for example, educating and advertising about HIV/AIDS and human trafficking.

Trafficking in human beings, especially women and children, is a growing problem that stems mainly from poverty and the lack of political, social, and economic stability in many countries throughout the world. The MCA recognized the urgent need to take action to counter trafficking and forced migration, and has committed itself to supporting a range of activities to assist and protect trafficked people, increase awareness, engage in advocacy and prevention, and cooperate with organizations pursuing similar objectives.

10 projects of the local partners were financed under “Information and Advocacy” priority in 2007. Projects total cost is of 43 288 EUR, including 18 200 EUR paid by WCC EEO, 11 125 EUR paid by MCA, 4313 EUR of local partners’ own contribution and 9650 EUR of in-kind contribution. Structure of projects investments is represented in

Figure 3:



Note: It is worth to mention that 7 of 10 projects implemented within “Information and Advocacy” direction were small initiatives on counter trafficking prevention at the community level supported within the “Inter confessional Coalition against trafficking” Program realizing in partnership with International Organization for Migration Mission to Moldova”. According to MCA- IOM agreement all projects supporting within this program receive 85 % of requested funds from IOM directly and 15 % from MCA. Figure 3 does not include IOM granted amounts.

Inter confessional Coalition against Trafficking in 2007

The overall objective of the project is prevention of trafficking in persons by raising awareness among clergymen of Churches and religious institutions with the aim of empowering religious personnel to implement themselves awareness-raising and other preventative interventions in their respective communities. The capacity building activities will equip participants with tools and information they need to refer victims to sources of help in Moldova. This drive to raise awareness should also assist in decreasing the stigmatization that victims can experience upon their return home. Finally, this prevention strategy will contribute to closer cooperation between churches, church related organizations, secular NGOs, international organizations, local and state authorities directly involved in anti-trafficking activities.



The program components include the development of an inter-church counter-trafficking advocacy platform, capacity building services to church-related bodies active in the social domain, and implementation of prevention outreach activities implemented by the personnel of churches and faith-based organizations.

In the framework of above mentioned program within 2007 MCA have strongly engaged in combating human trafficking by supporting a network of several projects in different regions of Moldova, such as:

1. MO 083 “The week of orthodox youth” informational campaign;
2. MO 084 “Second Chance for Youth” informational campaign;
3. MO 085 Trafficking Prevention campaign;
4. MO 086 “Toward Independence” social apartments for girls from at risk group;
5. MO 087 Mobile Center for the prevention of trafficking in human beings in the north of the Republic of Moldova;
6. MO 088 “Orthodox Church for a protected nation” informational campaign;
7. MO 089 “The Kind Samaritan” informational campaign.

MCA have allocated funds in 2007 for activities focused on multi-denominational awareness-raising/advocacy issues, like:

- Awareness campaigns;

- Training, conferences, seminars on human trafficking prevention for church personnel, as well as teachers in general schools, mass media representatives, NGO's representatives etc.
- Publication of Sermons on preventing trafficking in human beings;
- Printed materials on human trafficking and migration, like brochures, training manuals, audio-video tapes, CDs.
- Creation and development of social services, activities of prevention of the trafficking in human beings, for teenagers from the risqué group;
- Psychological, moral, spiritual and material support for the people from the risqué group.

During the period March – July 2007, the International Organization for Migration (IOM), Mission to the Republic of Moldova in partnership with Moldavian Christian Aid, the Moldovan Orthodox Church - Moldovan Mitropolia, Russian Patriarchate), and the Moldovan Orthodox Church - Bessarabian Mitropolia, Romanian Patriarchate, the Union of Christian Evangelical Baptist Churches, and the Evangelical Lutheran Church of the Republic of Moldova carried out 25 informative seminars for clergymen and employees of the social organizations affiliated to the churches.

Over 470 priests and clergymen (including monks and deacons) have involved themselves in trafficking prevention activities. Informative seminars have been held in several parts of the country including Anenii Noi, Balti, Briceni, Cahul, Camenca, Chisinsu, Ciadir Lunga, Criuleni, Donduseni, Drochia, Falesti, Floresti, Glodeni, Edinet, Ocnita, Singerei, Soroca, Orhei, Stefan Voda, Tiraspol, and Ungheni.

These sessions were aimed at informing and sensitizing priests and clergymen about the risks of human trafficking, encouraging a tolerant attitude towards the victims from the lay and religious communities, and involving the clergy in promoting and working towards the prevention of human trafficking within communities. A Training

Manual for the clergy was elaborated and disseminated to all confessional partners.



On 2nd of December 2007, the **National Prayer Day** was organized, a publication of sermons on the human trafficking theme and a joint statement calling on the public and the authorities to be aware of the trafficking phenomenon, to be compassionate towards the victims, and to intensify the country's efforts to combat trafficking. Every member of the Coalition have hold services in all of their churches throughout the Republic for every Moldovan citizen who was willing to pray for those affected by migration; those planning to go abroad, those with family and friends living far away, and anyone affected by the crime of human trafficking. National Prayer Day was supported by the Common **Declaration** against trafficking signed by the partnering

Churches leaders. Prior to the action each confession had elaborated thematic sermons, which have been compiled within the Sermons Collection Book.

A counter trafficking resource centre established within **MO 053** Project by “St. Kneaz Vladimir ”Monastery in Cahul in 2006 continue its activities. Within year 2007 following 8 training courses were organized for 30 priests and social workers from Cahul district in the field of human trafficking and migration prevention.

FinnChurch Aid Pilot Program on HIV AIDS Activities in 2007

Unfortunately, no one Moldavian Church was actively involved in the fight against HIV AIDS. There is no concept of the Church role in the process of the HIV AIDS developed as well. Church personnel have no or quite limited information about the phenomena, including knowledge on the way of transmission, risk groups, disease types and treatment as well as have no guidance on the providing the church rituals for the people infected and their family members.

However the Moldavian monasteries and convents report the increased number of the needy, HIVAIDS infected or members of their families, who are looking for the spiritual support and healing. In order to provide the relevant assistance to the PLHIV Church personnel need to get the reliable information about, as well as to have the better understanding of the Church approach. Awareness raising campaign will help to create the premises for the consolidation of the Church related organizations for the HIV AIDS prevention as well as for the promoting of the tolerance and nondiscrimination of the society as a whole.

HIV/AIDS has a devastating impact on those who live with the virus as well as their families. One of the main hurdles in the fight against HIV/AIDS is the stigma and discrimination suffered by those who live with HIV. Fear of rejection often prevents people from seeking medical help, social services and spiritual support.

2 pilot initiatives on HIV/AIDS stigmatization reducing among church personnel supported by **FinnChurch Aid** were implemented by Moldavian Orthodox Church social centre “AGAPIS” and St. Paul Lutheran centre in Transnistria (**MO 061 Agapis** HIV AIDS campaign and **MO 062 St. Paul** Lutheran centre HIV AIDS campaign).

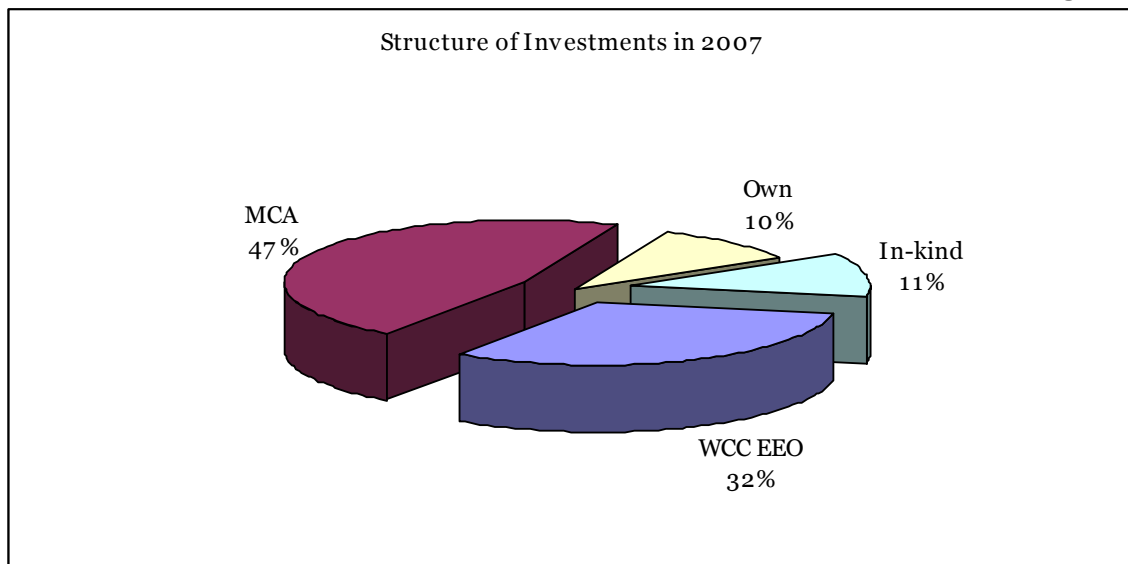
Both projects activities included training and workshops organised for the clergymen and church volunteers, open round tables with stakeholders from Moldova and Transnistria as well as media campaigns (TV, radio programs, articles in newspapers etc.) As a result, about 1500 orthodox church personnel and 100 orthodox students in Moldova and 300 Lutheran church personnel and 170 community members in Transnistria benefited from the projects activities. The trainings provided gave them the tools and skills needed to have a significant impact within their communities and help bring about a change in attitudes towards the HIV AIDS epidemic. Those were first of church projects which need to be implemented closely with governments to develop national capacities to halt the spread of HIV/AIDS.

Community Development

Nearly 60% of people in Moldova live on less than \$100 a month. This kind of grinding poverty – incomprehensible to most people in developed countries – often reduces life to a daily struggle for survival. The basics of food, water, and shelter are in chronic short supply, and health care and education can be unattainable luxuries. Life in rural areas, where two-thirds of the poorest live, can be particularly punishing. Many rural families farm small plots of land and depend on often meager harvests for food and income. These rural people are proportionately burdened by malnutrition and illness, and they have limited access to hospitals, schools, sanitation systems, and clean water. Opportunities to escape this kind of poverty are elusive. The poorest people lack access to banking services that would help them manage life’s risks and take advantage of life’s opportunities. Less than 10 percent of Moldova population has access to financial services today. These services - savings accounts, loans, insurance, and money transfers - can help poor people manage life’s risks and take advantage of life’s opportunities. Part of the problem is that banks are few and far between in many regions of Moldova, and since poor people tend to make very small transactions and are interested in micro-loans with less bank interest, it simply hasn’t been cost-effective for commercial banks to serve them.

11 projects were financed under “Community Development” direction in 2007. Total cost of the projects is of 134 487 EUR, including 42 960 EUR paid by WCC EEO, 62 743 EUR paid by MCA, 13 594 EUR own contribution, 15 190 EUR in kind contribution (see structural share indicated in Figure 4)

Figure 4.



The major investments in to the “Community Development” projects were done within the Program implemented with financial support from Diakonisches Werk (about 52437

EUR). About 46 320 EUR were offered by Church of Sweden to the water supply project and 24 136 USD were granted by Church World Service.

Diakonisches Werk Program Activities in 2007

2007 became the second consecutive year of the “Support for the Job Creation in Rural Areas” Program implementation. Financial support for this program is offered by Diakonisches Werk/ Germany. Program aims at improving the living conditions of disadvantaged groups of people living in rural areas of Moldova by providing employment opportunities via development of activities alternative to agricultural production in rural areas within rural and regional development strategies.

The 2007 Program activities have been implementing in four main program sectors:

- I. Training centres and workshops in the rural communities
- II. Development of the marketing and trade system for produced goods and services
- III. Small business education and micro-credits scheme
- IV. Capacity building and networking of project partners within the Programme

3 new workshops were contracted within 2007 in addition to the 3 workshops established within the previous reporting period:

MO 069 “Job creation within sewing workshop in Straseni”;

MO 077 “Creation of the job places via vocational education at the ceramic workshop”;

MO 078 “Creation of the job places via vocational education at the tourist guides workshop”;



During the reported period, 35 persons have been trained in the field of tourism management, 28 job places have been created, 1800 consultancy hours in management and marketing have been provided for beneficiaries, 35 marketing plans, 35 economical analyses and 35 business plans have been elaborated, there have been organized 2 study visits to the tourist and agro tourist pensions.

Following the opening of tourist guides and ceramics workshops in Rezina establishment of new 2 booths were contracted within

second half of 2007(MO 080 Marketing and promotion support for the social workshop in Rezina district). One will be established at Saharna monastery and the

second one at Tipova monastery. Both monasteries represent historical heritage, and visited by a lot believers and tourists around the year. Proiect implementing parter Agency for Regional Development "Habitat" have created a web page www.nistru.md, have published a Tourist Guide, about turist services and goods from region, with an edition of 1500 copies and have assisted 50 beneficiaries in marketing logistics and promotion of services and products offered to the tourists and visitors. An other booth for selling clothes, embroideries, souvenirs and other goods produced was installed in Mereni (MO 082 "Marketing and promotion support for the workshop in Mereni").

Over the January -December 2007 period 74 loans (116 clients) of 1076700 MDL or 64862 EUR (figures include also amounts coming from loan reimbursement) were given (80% to population in rural areas) in order to start new micro enterprises or to develop enterprises already running within MO 052 project "Providing access to Micro credits" implementing by Invest Credit. About 218 job places were created due to support offered. All loan beneficiaries are inhabitants of villages or small towns. Most of them run micro-enterprises: from providing various services like transportation, agricultural machinery services, retail, beekeeping, selling products grown in greenhouses, etc. The loan allows them to invest necessary amount of money at a time for a specific purpose: to build a greenhouse, to buy more cows, to acquire more goods for season sales, etc.

In the frameworks of the loan distribution project implemented by "Invest-Credit" 8 trainings on business plan development were conducted within the 2007. Training courses were focused on the following topics: "Small business development training"; "Sales and marketing training", "Farming related trainings", etc. The trainings' participants applied practically acquired knowledge and skills and elaborated business plans to start their small enterprises, 252 people have benefited from those training courses.

Within the second half of the 2007 a coordination centre church informational network-desk (MO 090 "Agapis" marketing system) was contracted. Coordination desk will be operated by the social centre of Moldavian Orthodox Church "Agapis" to secure good cooperation and prevent competition within the network.

In order to increase the financial management skills of the local partners the "Financial management & reporting" workshop was organized on December 20-21, 2007 for 20 participants, representing project initiatives contracted within the program. During the seminar various aspects of financial management and reporting were presented and analyzed. A separate session was focused on assets and liabilities balance sheet elaboration. The training was intended for the MCA partners with a special focus on the partners implementing projects within Job Creation Program.

Church World Service Program Activities in 2007

The majority of women in developing countries are in informal employment. In developed countries, part-time work and self-employment are a more important source of income for women than for men. Moreover, women generally earn less than men; have less access to quality jobs, and fewer opportunities for the education that could help them find better, safer means of income.

In the fall of 2007 within “Livelihood Opportunities for Rural Women in Moldova” supported by Church world Service were supported 3 projects:

- MO 058 Straseni sewing workshop extending;
- MO 059 Mereni sewing workshop extending;
- MO 060 ASCO sewing workshop extending.

Promoting women’s empowerment through a network of 3 regional sewing workshops MCA continued its efforts to strengthen women’s economic security. The project’s target group embraced about 120 women from rural communities that include women with low levels of education, unskilled workers, single-parent or head of household families, landless, the elderly and unemployed, which are in extreme poverty.

The projects aimed to expand 3 existing workshops by providing advanced equipment, which will be used to train women, such as 10 sewing machines; 3 embroidery machines; 3 computers for embroidery machines, which were purchased as part of this initiative.

Initial training (TOT) of the workshop personnel on new high performance equipment (embroidery machines with computer) were provided by the equipment supply company personnel in accordance to the contracts to be concluded (contracts between the Church related organizations running the workshop and the equipment supply company).

Further vocational training will be provided by the workshop employers to the women from the community. Each workshop started vocational training for the first group of women. Size of the group of trainees differs from one workshop to another; total number of the first group trainees per all three workshops is 24. The rationale of including small business development training within this project is to provide women with the opportunity to chose whether they would like to work for the private companies or start a small business in their community (family business or in association with other trainees coming from the same community), therefore activities foreseen to be implemented under this particular objective will start at the vocational training completion stage.

The projects end period is October 2008, therefore next reporting period activities include further vocational and business training for women as well as facilitation of their job placement in the community.

Church of Sweden Program Activities in 2007

A quality water supply and an efficient system of wastewater treatment affect the quality of life and the population's healthcare. Over the past ten years the water supply and sewerage sectors in Moldova have increasingly degraded. Currently, over 50% of the water used by population does not comply with sanitary norms due to water depletion and worsening quality of water resources, the absence or unsatisfactory condition of water treatment systems.



Lack of the potable water and sanitation is one of the most important problems of the Costesti community, which is located 25km far from Chisinau, with a population of 13000 inhabitants. About 2400 householders are supplied from 8 artesian wells and 256 self-dig wells, but the existing number of the wells is not sufficient to supply with water all population of Costesti community living on the area of about 350 ha. There were no wells in some parts of the community and inhabitants were reluctant to carry water from 400 – 500 m distance in buckets from wells, which get dry during summertime.

During the summer time about 58% of 256 wells dry up. The hygiene- sanitarian conditions of the existing wells are poor. The State Ecologic Inspection decision of January 18, 2005 states that water quality indicators of 54-57% from the 256 wells do not correspond to the minimal standards. Over 75% of wells have poor nitrates indicators and about 80-81% high concentration of chemical elements.

The MO 057 “Water supply in Costesti” project was focused on extending the existing water supply system and development supplementary instalments to provide access to water pipeline for 350 families and improve sanitation of the social and medical establishments in the Costesti village. Project total cost is of 49320 EUR, including 46 320 EUR offered by Church of Sweden.



Within 2007 year by the implementing partner in Costesti village were implemented the following activities:

- 5 local construction companies participated on May 22, 2007 tender announced by the implementing partner. Contract for the 2 artesian wells construction works was signed with „Smirnova” company;
- Water reservoir-storage rehabilitation works were done by „Bonata Com” construction company;
- were rehabilitated of 2 artesian wells (260 m and 210 m) with 2 water pumps installed, supplying with potable water 25 % of Costesti inhabitants or about 850 families including about 3000 family members and 11 public institutions and local church. Project importance was recognised by the local inhabitants and public institutions, who have contributed financially to the project: Costesti Mayoralty offered 12 940 MDL, Compasiune – 7280 MDL, aqueduct beneficiaries – 160 000 MDL. About 40 local inhabitant participated in aqueduct extension construction works as volunteers. Further aqueduct extension with 450 meters will allow to more 1500 inhabitants benefit of potable water;
- 2 school for 1500 children and 4 kindergartens for 600 children were connected to the water supply and sanitation facilities;
- A Daily centre for disabled children ‘Curaj’, which serves about 120 children was connected water supply and sanitation facilities;
- Community health centre and medical centre “Avante” for 2000 young people were connected to the aqueduct;
- “St Nicolae” parish social centre for 200 children and 20 householders situated nearby were connected to the water supply facilities;
- The cow farm was connected to the aqueduct by water pipeline extended with 120 m and there was installed the electrical system, for this about 30 pillars were and about 500 meters of electrical cable were installed;
- On May 11, 2007 was registered Water Users Association, which will be responsible for the artesian wells and aqueduct functioning. Association president Mr. Vasile Borta is also responsible for the contracts with new aqueduct beneficiaries. Currently Water Users Association staff list includes 4 positions: manager, engineer, accountant and cashier. All aqueduct and association running costs are covered from monthly contributions of Water Users Association members;
- A round table with 160 community stakeholders was organised on September 23, 2007 in Costesti. Discussions were focused on the results and perspective of the project implemented as well as lessons learned.

V. Financial Report for 2007.

Specific of the 2007 financial year was conditioned by the MPP registration and then followed transition period. Thus within January 1- June 30, 2007 period all activities in Moldova were financed via WCC EEO, while within the second half of the year (July 1- December 31,2007 period) all program running responsibilities were taken over by the newly registered organization Moldavian Christian Aid (MCA). According to WCC EEO MCA Collaboration Agreement balance of the earmarked finances of 92 970,35 EUR was transferred by WCC EEO to MCA in October-December 2007. Apart of funds transferred by WCC EEO, within July-December period MCA received about 53 228,42 EUR according to the grant contracts concluded with international partners directly.

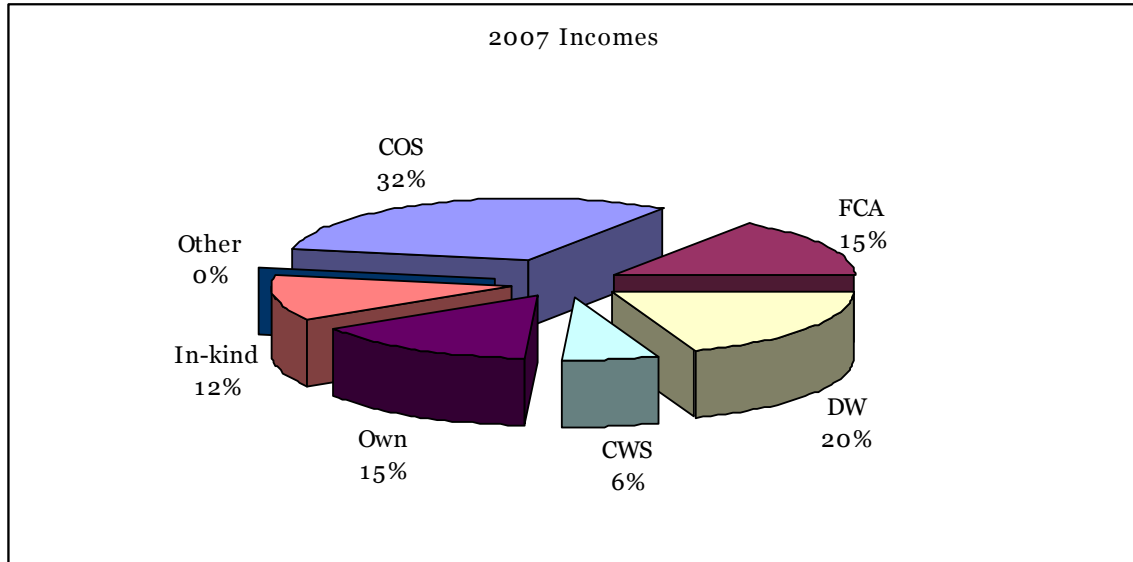
Consolidated MPP & MCA Cash Flow Statement for 2007

			EUR
A	Opening balance		10 773,75
A1	Projects		2 200,00
A2	WCC EEO MPP		8 573,75
A3	MCA		0,00
B	Incomes		322 619,39
B1	Church of Sweden		102 136,86
B2	FinnChurch Aid		49 812,02
B3	Diakonisches Werk		62 876,51
B4	Church World Service		20 651,70
B5	WCC EEO		857,93
B6	Own		48880,37
B7	In-kind		37 360,00
B8	other		44,00
C	Expenditures		304 288,65
C1	Projects		268 107,00
C2	Administration		35 610,71
C3	Difference of exchange rates		570,94
D	Closing balance		29 104,49
D1	Projects		23 650,00
D2	WCC EEO MPP		0,00
D3	MCA		5454,49

Note: Church of Sweden funds in SEK and Church World Service funds in USD are reflected in EUR equivalents.

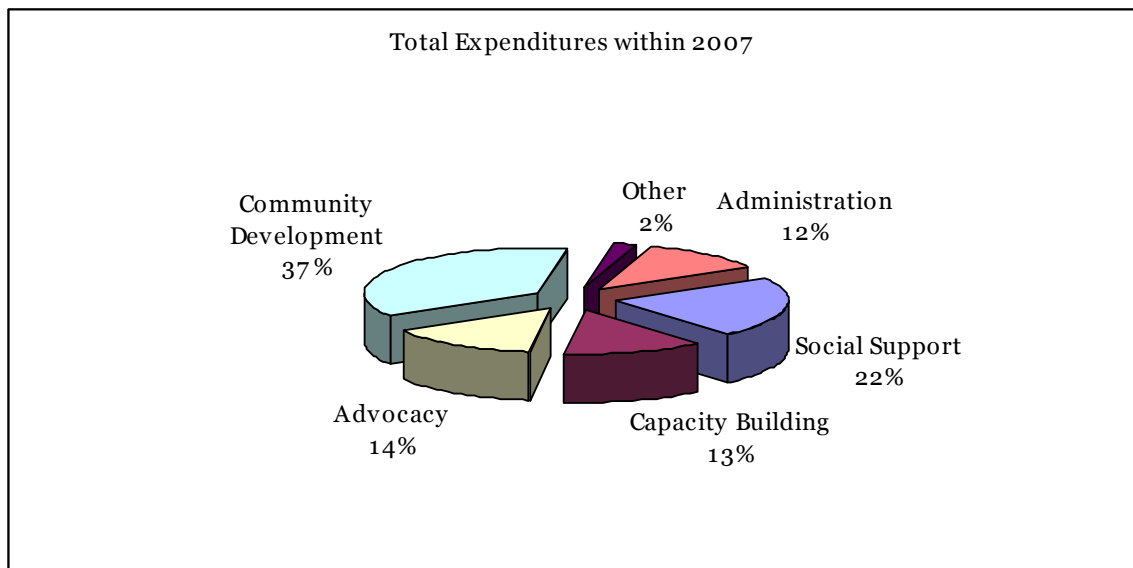
More detailed data on 2007 Projects incomes and expenditures as well as MCA cash flow statement are reflected within 2007 Program Audit report enclosed, while information on WCC EEO administration costs related to the program management could be obtained from WCC EEO directly.

Figure 5. Structure of MPP/ MCA incomes in 2007 (consolidated data).



According to the structure presented by Figure 5 the biggest share to the MPP/MCA programs contribution in 2007 belongs to Church of Sweden, whose investments were spread among all four MPP/MCA priority directions. The MO 057 water supply project of 2007 became the biggest one ever supported within MPP, which together with job creation projects conditioned prevalence of Community Development (see Figure 6).

Figure 6. Structure of MPP/ MCA expenditures in 2007 (consolidated data).

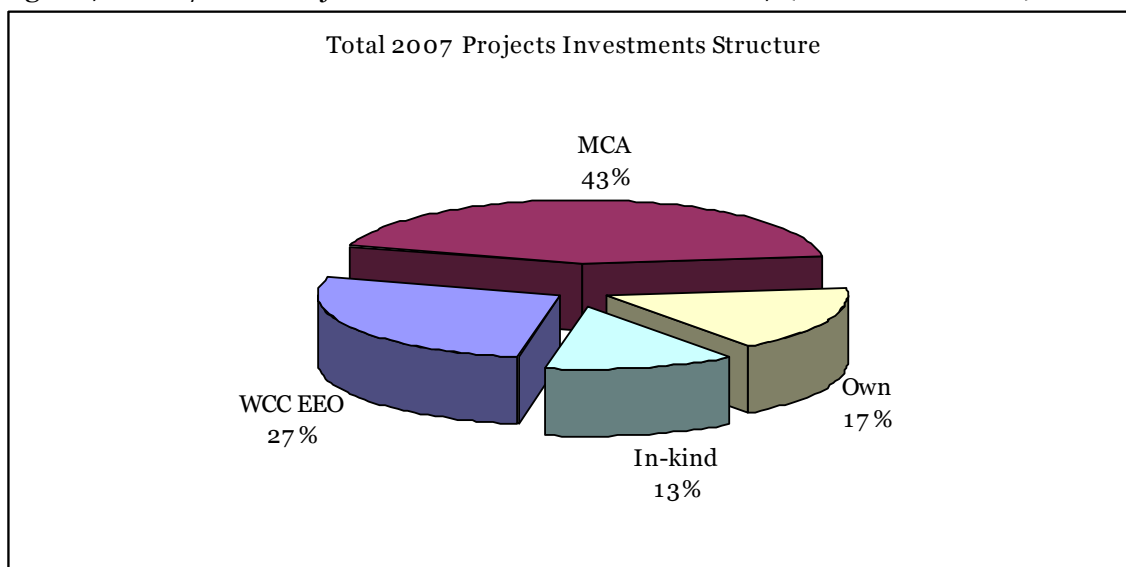


Thus, total MPP/MCA Expenditures within 2007 were of 304288 EUR, including:

- Social Support, 67425 EUR or about 22 % out of total
- Capacity Building, 39509 EUR or about 13 % of total
- Advocacy, 43852 EUR or 14 % of total
- Community Development, 110837 EUR or 37 % of total
- Other, 7055 EUR or 2 % of total
- Administration , 35610 EUR or 12 % of total

Structure of the project investments in 2007 reports a slightly decrease of local partners own financial contributions compare with 2006 (19 % in 2006 to 17 % in 2007 - see Figure 7 and increased share of the in-kind contributions).

Figure 7. MPP/MCA Projects investments structure in 2007 (consolidated data)



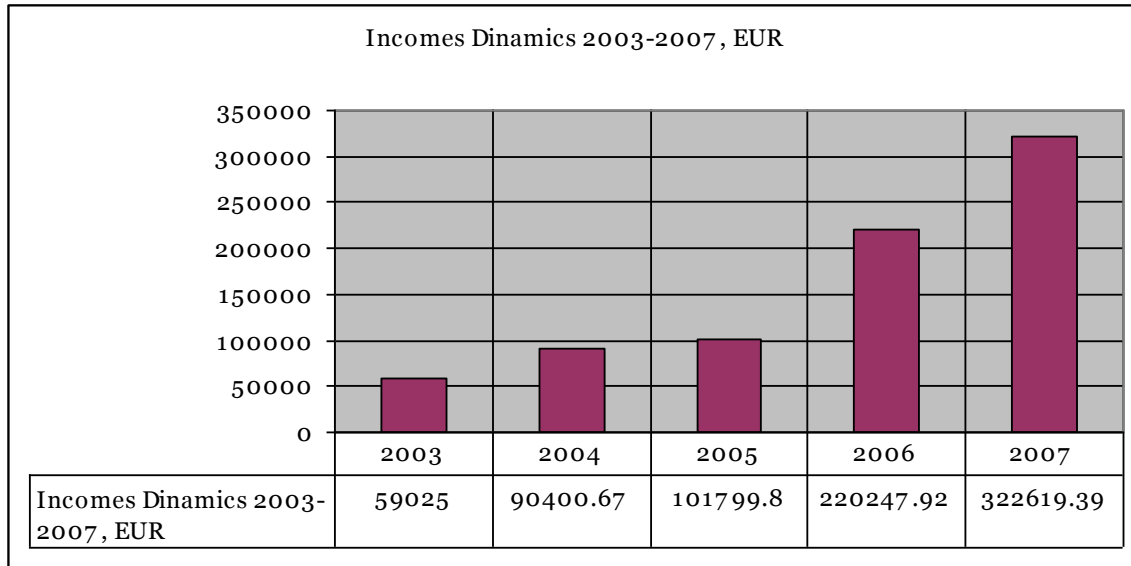
As a result of change in the official status of the organization, the following actions were taken to improve financial transparency and accountability:

- All MCA staff members were officially employed and registered according to the Labor Code requirements, all employed people were offered a possibility to benefit from the complete social package (social insurance, medical insurance etc.);
- All state taxes and charges according to the Fiscal Code are paid by MCA;
- All Bookkeeping registers were transferred to the specialized software (1C) and accounting is done by the experienced bookkeeper familiar with Moldavian accounting standards and fiscal legislation;
- All relevant reports are regularly submitted to the National Statistics Bureau, Fiscal Office, Medical Insurance Company, Social Insurance Company and other local authorities;

- Separate bank accounts were opened for each donating partner, that significantly simplify budget execution monitoring and budgets administration;
- Legal registration made possible contractual relationship with other organizations, partners and suppliers working in Moldova and abroad.

Despite of MPP/MCA transition period difficulties the overall tendencies of the program support have positive dynamics (see Figure 8).

Figure 8. MPP/MCA Incomes Dinamics within 2003-2007.



2008 year financial prognoses are promising approximate level of incomes as for 2007. Further fundraising priorities and strategies will be elaborated within the Strategic planning process of 2008.