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Swiss Agency for Development and Cooperation SDC

### SWISS COOPERATION PROGRAMME IN THE REPUBLIC OF MOLDOVA 2025-2028



# Background

Despite undeniable progress, the Republic of Moldova remains one of Europe's poorest countries. For many people from Moldova, outmigration continues to be the preferred solution to improve their quality of life. As a result, Moldova faces 'brain drain' and a reduction of its workforce On the other hand, the Moldovan diaspora abroad remains in many instances engaged in Moldova's social and political life, often investing in businesses and property back home and sending remittances. The unresolved territorial conflict between the two banks of the Dniester River and divergent visions of the country's future contribute to social tensions and internal divisions

Moldova has experienced several shocks in recent years. The global COVID-19 pandemic has slowed down development gains, while Russia's military aggression against Ukraine has plunged the region back into insecurity and instability. This has led to a significant influx of refugees from Ukraine and triggered inflation, a massive increase in energy prices, an economic slowdown and the disruption of trade routes. Most of these challenges have now been partially mitigated and the country has returned to a path of economic growth. However, the overall environment remains challenging and threats to national security persist.

While managing these multiple challenges, the Republic of Moldova has recently taken decisive steps towards its objective of integration into the European Union, which requires the realisation of a large number of reforms as well as far-reaching adjustments of the legal framework and their subsequent implementation.

It is against this backdrop of regional instability and divisions, but also aspirations for a promising future, that Switzerland operates in Moldova, with the intention of bringing its added value aimed at promoting sustainable development, prosperity and stability.

"Investing in Moldova's governance. sustainable economic development and legal reforms towards European integration is a contribution to prosperity and security on the European continent. Even more so since Moldova is confronted with an influx of refugees from Ukraine."

#### Patricia Danzi SDC Director General

Following Moldova's independence and the establishment of diplomatic relations in 1992, Switzerland's support to Moldova has evolved, focusing over the last decades on water and sanitation, migration and development, health, local governance, and economic development and employment. For the period 2025-28, Switzerland's engagement will further evolve in response to the new opportunities and challenges that Moldova is facing.





## **Results and lessons learned 2018–2024**

With its previous cooperation programme, Switzerland provided long-term development cooperation in three main areas, while also offering humanitarian assistance to respond to the multiple shocks faced by Moldova.

### Health

In the health sector, Switzerland contributed to improving mother and child health services and to reducing premature mortality from non-communicable diseases. Youth-friendly health centres, mental health centres and state-of-the-art stroke centres have been established across the country. Improved financing and governance reduced out-of-pocket expenditures and ensured broader health coverage. Switzerland has supported Moldova's efforts in responding to the COVID-19 pandemic and in ensuring access to health services for refugees from Ukraine.

### **Local Governance**

Switzerland has assisted Moldova in

improving public services with a focus on rural areas. Over 560 000 people, including households hosting refugees from Ukraine, have gained access to clean water, ecofriendly sanitation, and better solid waste management services. Swiss-funded initiatives empowered citizens to influence policy- and decision-making processes through various platforms, such as the more than 200 'Home Town Associations' that connect the Moldovan diaspora with local communities and raise funds for projects.

### Economic Development and Employment

Switzerland has supported deregulation reforms, resulting in considerable savings for companies (over 40 million Swiss Francs per year). It has also assisted the authorities in attracting foreign direct investments and in promoting the dual vocational education and training system, which improves the employability of graduates. In addition, Switzerland has helped Moldova respond to the consequences of Russia's military aggression against Ukraine by enabling refugees' economic integration, supporting farmers and helping 160 000 vulnerable people to bear the increased energy costs.

### The 'Swiss Small Grants Programme' has sponsored major cultural events and multiple initiatives of civil society organisations and media, promoting democracy, human rights, social inclusion and cohesion.

### **Lessons learned**

Switzerland will make use of the window of opportunity provided by the EU integration process by supporting reforms in areas where it has added value and by working on broader governance issues. Activities aimed at alleviating the consequences on Moldova of the war in Ukraine will consistently be included, ensuring better interlinkages and complementarity between development, humanitarian, and social cohesion instruments ('triple nexus' approach).

## Switzerland's commitment – focus areas for 2025–2028

Switzerland's Cooperation Programme in Moldova for the period 2025–28 aims at responding to the consequences of Russia's military aggression against Ukraine, while supporting Moldova's reforms on its trajectory towards European integration.

The programme intends to improve the well-being of Moldova's population and the cohesion of its society, with a special focus on the inclusion of disadvantaged groups. It essentially builds on existing successful projects and expands into selected areas not covered by other development partners, with a focus on Swiss added value. A greater emphasis will be placed on addressing climate change and on adapting to extreme weather events.

The programme has three priority areas:

### **Governance and Social Cohesion**

Swiss-funded interventions support democracy and a peaceful, inclusive society by promoting the rule of law, civic engagement and social cohesion. Switzerland supports national authorities in improving governance in the areas of law-making, decentralisation, anti-corruption measures and the protection and integration of refugees and migrants. The programme also helps local authorities to better fulfil their mandates by focusing on the main needs of their constituencies. It empowers in particular women and young people to engage in local development and civic activities. Finally. Swiss-funded interventions foster dialogue across societal divides and contribute to inclusive nation-building.

### Economic Development and Resilience

Supported projects foster economic development and resilience by enhancing skills and promoting employment and income opportunities. Switzerland collaborates with ministries and private sector representatives to promote the framework conditions and skills relevant to the labour market and the development of small and medium-sized enterprises (SMEs). Further areas of engagement include improving access to finance and helping smallholder farmers and SMEs cope with the consequences of the war in Ukraine. Special emphasis is placed on the economic empowerment of women and the integration of refugees from Ukraine into the Moldovan labour market

### **Health and Local Public Services**

Switzerland promotes the quality and accessibility of basic services for the population of Moldova and refugees from Ukraine with a focus on health and local public services. The programme engages with central and local public authorities, civil society organisations and communities to improve the efficiency and transparent provision of essential public services – such as water supply and solid waste management - and of health services, including health promotion and disease prevention. Switzerland also supports Moldova in strengthening the capacity of the health system to better respond to future crises, with a particular focus on primary healthcare, emergency care and rehabilitation services

#### **Cross-cutting themes**

Swiss-supported interventions promote good governance and gender equality. The programme applies the 'leave no one behind' approach of the 2030 Agenda for Sustainable Development. Swiss interventions specifically target rural populations and vulnerable women and men, including refugees from Ukraine and the population of Moldova affected by the consequences of the war in Ukraine. Switzerland also continues to support grass-roots organisations and the cultural sector, through the 'Small Grants Programme'. The following graph shows the links between the **Focus Areas** of the Swiss Cooperation Programme in the Republic of Moldova 2025–2028 and the **Sustainable Development Goals** of the 2030 Agenda for Sustainable Development of the United Nations:





## **Approach and partners**

The Swiss Cooperation Programme 2025-28 relies on close collaboration with national and local authorities, civil society organisations, the private sector and other development partners. Where possible, interventions are promoted to leverage Swiss expertise in areas such as SME development, social cohesion, local governance, and the promotion of reforms in the health sector. Project implementation arrangements rely on international and local partner organisations, multilateral organisations, and private sector actors. Partners are chosen on the basis of their capacities and value added. Key aspects of the programme are agility, empowerment of local players, alignment with the country's priorities and the use of synergies and complementarities between development, humanitarian and social cohesion instruments ('triple nexus' approach).

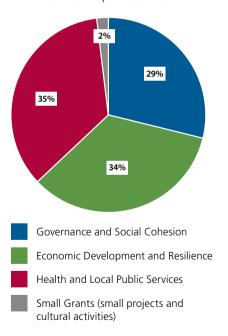
The cooperation programme is funded by three Swiss government agencies: the Swiss Agency for Development and Cooperation (SDC), the State Secretariat for Economic Affairs (SECO) and the State Secretariat for Migration (SEM). The Swiss Parliamentary Services are involved in a project aimed at strengthening the capacities of the Moldovan parliamentary administration.

The annual budget of the Swiss Cooperation Programme for 2025-28 is expected to be more than twice as high as before Russia's full-scale invasion in Ukraine. The total budget for the implementation of the cooperation programme is planned to amount to 104 million Swiss Francs, with an annual budget of around 26 million Swiss Francs. The financial volume may vary depending on contextual changes and the availability of financial means.



#### Cooperation Programme 2025–2028

Indicative total budget: CHF 104 000 000 Breakdown per focus area





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