



Press release

28 May 2020

Top of the most transparent enterprises with public capital in Moldova: Editorial-Polygraphic Enterprise "Știința", Easy Athletics Management and Radiocommunications, first in the ranking

Editorial-Polygraphic Enterprise "Știința", the state-owned enterprise "Radio-communications" and Easy Athletics Management are the most transparent enterprises with public capital in Moldova. At the opposite pole are the "Confercai", the Central Printing House and the State Station for testing cars. Transparency ranking of publicly owned enterprises in the Republic of Moldova, available on www.companies.viitorul.org, was presented on May 28, during a video conference organized by the Institute for Development and Social Initiatives (IDIS) "Viitorul" and INEKO Slovakia.

"Although the largest and most important enterprises in the Republic of Moldova have been evaluated, their average transparency does not exceed 18%. It is a rather bad indicator for enterprises with public capital, and 18% is insufficient for the stability of democracy in our country. We very much hope that these companies will improve their management and become more efficient in the current context of the economic crisis", stated IDIS "Viitorul" Director, Liubomir Chiriac.

In turn, INEKO Director, Peter Golias said: *"It is a good sign that the average level of transparency has improved slightly and almost half of the companies have relatively stable financial health. However, we can see a great potential for improvement in both areas, especially in terms of transparency ranking, where the average score lags behind companies in Slovakia or Ukraine. Of course, the ranking is only in its second edition, but it is a good start to increase the calls for a more transparent management of publicly owned enterprises in the Republic of Moldova"*.

For the calculation of the level of transparency the activity of 67 state-owned enterprises, municipal-owned enterprises and of whole and majority state-owned or municipal-owned enterprises of the Republic of Moldova in 2019 was monitored. State enterprises were assessed on the basis of six transparency criteria: economic indicators, transparency and access to information, public procurement and property, human resources, ethics and conflict of interest, grants and sponsorship. The maximum score for an enterprise is 100 points. **Thus, the most transparent enterprises are SoE Editorial-Polygraphic Enterprise "Știința" (44 points), the state-owned enterprise "Radio-communications" (43 points) and SoE "Easy Athletics Management" (40 points).** Compared to last year's ranking, there are improvements in the 2020 ranking at S.A. "Energocom" (+43 positions), followed by SoE "Știința" (+28 positions) and JSC "Moldetelecom" (+34 positions), and overall, the score increased in 25 out of 46 companies included in both editions of the ranking.

According to the [second monitoring report on transparency of enterprises with public capital](#), the general average transparency of state enterprises, municipal enterprises and companies with full or majority state or municipal capital in the Republic of Moldova is 17.9%. While state-owned enterprises average 16.9%, municipal enterprises average 21.5%. **In this sense, "Exdrupo" is the municipal enterprise with the highest accumulated score (30.1%) and ranked highest in the ranking (10th place).** Publicly-owned enterprises are best placed in the "Transparency and access to information", "Public procurement" and "Economic indicators" categories.

Thus, 44 companies out of 67 monitored have web pages, but not all of them are functional. Likewise, **only 1 SoE Editorial-Polygraphic Enterprise "Stiinta" JSC "Franzeluța" published on the website the annual reports for 2019.** Unfortunately, of the three annual reports published on the web, only those of the companies "Radio-communications" and S.A. "Franzeluța" has a format that allows the public to search and copy a text from the report. The analysis also shows that 88% of companies do not publish annual public procurement plans on the web, 73% do not publish public procurement announcements, 75% did not communicate information about procurement results and **no company published procurement contracts last year public.**

In terms of human resources, one in three monitored companies publishes job offers on their website and no company published the results of vacancy competitions on the web in 2019. **Only seven monitored companies publicly communicated the administrator's CV ("MoldATSA", "Center of Applied Metrology and Certification", FEZ "Expo Business Chisinau", "Radio-communications", "Apa-Canal Straseni", "Apa –Canal Chisinau "and JSC“ Metalferos ”),** but no company publishes the CVs of the members of the Board of Directors. **Only SoE "Easy Athletics Management", "Science Publishing House" and SoE "Radiocommunications" provided information, but incomplete, on the salary of the manager** and the allowances of the members of the Board of Directors.

Also, only 11 companies developed and published a Code of Ethics for the company's employees in 2019. **Only JSC "Franzeluța", "Energocom" and JSC "Metalferos" have developed a Code (standards) of corporate governance.** Only seven publicly traded companies monitored and set up on the web about the existence of a mechanism for reporting unethical behavior and corruption (telephone line, e-mail).

"Enterprises remain in arrears on all indicators of transparency, both legal and those that represent good standards of transparency and corporate governance. The results highlight major transparency issues for publicly owned enterprises, with shortcomings in all monitored transparency indicators. This is due both to the imperfect legal framework, which does not regulate a number of important issues in the activity of enterprises, the lack of viable tools to hold accountable those who violate the law and non-compliance by companies with existing rules", believes Viorel Pîrvan, author of the monitoring report on transparency of public capital enterprises.

The most problematic area of transparency for all businesses is "Grants and charity", with an average of no more than 1%. Therefore, no company has published on the web information on donations and sponsorships from the previous year, it is shown on www.companies.viitorul.org.

In this context, the lawyer Viorel Pîrvan recommends to the authorities, but also to the monitored enterprises a series of measures that would ensure the opening and efficiency of the enterprises with public capital. These include the Amendment to the Law on access to information to include publicly owned enterprises as information providers; regulating the obligation of publicly owned enterprises to carry out public procurement procedures through the MTender System; publication by companies of annual reports, information and economic and financial results, etc.

Also, during the event, economist Mihail Manoli highlighted the most transparent companies taking into account their financial sustainability. According to him, companies with public capital lack transparency and efficient management, complemented by the influence of the political factor. [The results of the analysis](#) for the years 2015-2018 demonstrate a lack of evolution in terms of financial health of enterprises. The analysis of the indicators of financial sustainability of enterprises with public capital for the period 2015-2018 also shows that only two enterprises in the top five by size of assets, sales and profit are at the top of the ranking, namely JSC "Metalferos" and SoE "National Center for Radio Frequencies". *"The state is not the best asset manager. Thus, there is no serious reasoning for maintaining assets with high economic potential owned by the state. The best solution is the privatization of these enterprises, the adjustment of the legislation to the international standards and the promotion in the normative acts of the corporate governance principles",* says Mihai Manoli.

And Transparency International's expert from Slovakia, Michal Pisko, shared his experience on ranking the transparency of state and municipal companies in his country. Thus, the over 100 evaluated companies obtained only 47% of the entire ranking, a low level, according to the expert. According to him, the heating company Tepláreň Košice obtained

89% and is the only one with an A + rating in the Slovak ranking. On the [company's website](#) we find the annual action plans, managers' CVs, information about their salaries and all the details about the decision-making process.

According to the State Register, on 1 January 2019, 1 552 state and municipal enterprises and 4,416 joint stock companies were active in Moldova.

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Top of the most transparent state-owned enterprises in the Republic of Moldova can be found on the open data portal www.companies.viitorul.org.

The event is held within the initiative initiative "[Supporting democracy, independence and transparency of key public institutions in Moldova](#)". The initiative is implemented by the Institute for Development and Social Initiatives (IDIS) "Viitorul", in partnership with the Institute for Economic and Social Reforms in Slovakia (INEKO) and is financially supported by the Official Development Assistance Program of the Slovak Republic (SlovakAid). The initiative aims to inform the public about the development of democracy and the independence of key state institutions, as well as to improve the transparency and financial stability of local public authorities and state-owned enterprises in the Republic of Moldova.

For details, contact Ana – Maria Veverita: ana.veverita@viitorul.org or at phone number (0 22) 221844