



MONITORING REPORT NO.2

Transparency of public capital enterprises from the Republic of Moldova

*(state-owned enterprises, municipal-owned enterprises and of whole
and majority state-owned or municipal-owned enterprises)*

Viorel PIRVAN



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The report is a product of the 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.

The opinions expressed in this report are those of the authors and do not necessarily reflect the official policy or position of INEKO and SlovakAid.



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SUMMARY

The level of transparency of publicly owned enterprises in the Republic of Moldova was assessed by the Institute for Development and Social Initiatives (IDIS) “Viitorul” with the support of the Institute for Economic and Social Reforms (INEKO), within the initiative “Support for Democracy, Independence and Transparency” key public institutions in the Republic of 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 from 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. The ranking of the most transparent enterprises with public capital is available on www.companies.viitorul.org.

The monitoring process of public enterprises in Moldova started in 2019 and continues until now, having revealed the persistent issues and deficiencies in terms of transparency of their work. This is due to the imperfect legal framework, undertakings’ failure to comply with the current requirements and due to the lack of viable instruments to hold liable those who infringe the law.

Although the largest and the most important undertakings of the country (67 overall) were reviewed, their general average level of transparency barely reaches 18% out of 100. Nevertheless, in comparison with the previous ranking, there is a slight increase of the general average by + 0.53 percentage points. Likewise, it has been noted an increase of the general average of municipal-owned enterprises relative to those owned by the state. This is because of the greater number of municipal-owned enterprises subject to monitoring, but also due to the attainment of certain important transparency indicators by the municipal-owned enterprises located in Chisinau, such as the use of the digital procurement system MTender.

The Moldovan public undertakings worsen their results in terms of economic indicators transparency. Only three undertakings subject to monitoring published the 2019 annual reports and economic and financial reviews on their web page, comprising such indicators as the net profit, sales revenue and other indicators relating to their activity. Probably, these results were affected by the emergency situation declared in the country and across the world, as the undertakings were supposed to publish the aforementioned documents during this period (by the end of April 2020).

The Law on access to information is still interpreted as not applicable to public undertakings. Consequently, circa 1/3 of undertakings subject to monitoring responded to the questionnaire circulated by IDIS “Viitorul”, while the application sent by an individual in this regard was answered only by 5% of undertakings, which provided the requested information.

A series of information about the undertaking instruments of incorporation (3/5), their owners (3/4) is brought to the notice of the public by having posted it on the Public Property Agency website and of Local Public Authorities as their founders. However, the undertakings displayed some shortfalls in

terms of publishing the results of meetings held by the undertakings' managing bodies, as only five of them published some incomplete information to this end.

Public procurement conducted by public undertakings is another area that lacks transparency largely due to the deficient legal framework and the absence of relevant regulations. Circa 3/4 of undertakings subject to monitoring did not publish tender notices on their web page, and no undertaking published any public procurement contracts for the past year. Instead, 1/5 of undertakings subject to monitoring used the digital platforms for public procurement procedures in 2019, but that was accomplished solely due to the intention and decision of undertakings' founders and management rather than by an obligation covered by law.

Public undertakings do not disclose any information regarding the assets (land plots and immovable property) they manage or own. The information about the economic use of real estate is published usually by the undertakings involved in real estate leasing operations.

Circa 1/3 of undertakings subject to monitoring publish the job vacancies on their web page, while no undertaking published on its website the results of selection procedures for filling the employment vacancies in 2019. Only 5% of undertakings disclosed the Administrator's salary and the allowances paid to members of the Management Board. At the same time, none of these undertakings published CVs of the Management Board members.

Following the monitoring, eleven undertakings were identified to develop and publish an Ethics Code for their employees and three undertakings to devise a Corporate Governance Code, and certain anti-corruption programmes were part of those codes.

As for "Grants and sponsorships", the Moldovan public undertakings published no information on their website, and only one undertaking stated in the filled questionnaire the 2019 events supported financially by it.

Consequently, the monitoring results of the current year reveal major issues in terms of public undertakings' transparency level, having identified deficiencies regarding all transparency indicators subject to monitoring. This is due to the imperfect legal framework, which fails to govern a number of important matters in the activity of public undertakings, the lack of viable instruments to hold accountable those who infringe the law and fail to comply with the current regulations/rules.

Ultimately, the recommendations formulated in this report are, on the one hand, referred to public authorities responsible for developing, improving and implementing public policy, monitoring and ensuring proper operation of public undertakings, and, on the other hand, to public undertakings themselves so that they comply with the transparency legal requirements and make public the relevant information.

I. Research goal and methodology

IDIS “Viitorul”, having taking up the Slovak experience, continued to monitor the Moldovan state-owned, municipal-owned enterprises, as well as publicly/municipally owned or controlled commercial companies (hereinafter referred to as public undertakings) to **determine the level of transparency** in their activity throughout 2019.

The research covered 67 public undertakings, of which 53 are state-owned enterprises and publicly owned or controlled commercial companies, while 14 are municipal-owned enterprises and municipally owned or controlled commercial companies, ten of them being located in Chisinau Municipality. The undertakings have been selected on the basis of certain economic indicators, depending on the size of assets, the scale of the field of activity of those enterprises, having included also the undertakings established by Local Public Authorities (LPAs). As for the commercial companies with state or municipal capital, only those entities were selected where the state or the administrative and territorial unit share exceeded 51%. Some exceptions were made for the companies, where the state or the administrative and territorial unit share was lower, but they represent important fields of activity with a great impact on the society.

The selection process was conducted in compliance with the information published by the Public Property Agency, which holds the registers of state-owned/municipal-owned enterprises and the registers of joint-stock companies where the state or the administrative and territorial units (ATUs) hold shares. The updated 2019 data were retrieved from those registers.

The 2020 ranking has been supplemented with some new undertakings established as a result of reorganising/privatising several enterprises included in the previous ranking; the process of reorganisation/privatisation is still ongoing.

The undertakings’ transparency level was assessed during January – May 2020, using a quantitative approach based on the following instruments:

- questionnaires sent out to Moldovan undertakings subject to monitoring, via which a series of public data was required;
- third parties’ requests sent out to Moldovan undertakings subject to monitoring, by which they solicited public information in compliance with the Law on access to information;
- information identified on the websites of Moldovan undertakings subject to monitoring;
- information from the public authorities web portals: (www.app.gov.md, www.declaratii.ani.md, www.chisinau.md, www.balti.md, www.primariacahul.md, www.primsoroca.md, www.straseni.md);
- information from the web portals touching upon the activity and transparency of undertakings subject to monitoring (www.emitent-msi.market.md, www.amac.md);
- information from the public procurement web portals (www.mtender.gov.md, www.achizitii.md, www.e-licitatie.md).

| | Areas (Transparency criteria) | Share, % |
|-----|--|----------|
| I | Economic indicators | 19 |
| II | Transparency and access to information | 24 |
| III | Public procurement and property | 23 |
| IV | Human resources | 14 |
| V | Ethics and conflict of interests | 13 |
| VI | Grants and sponsorships | 7 |

The undertakings were assessed and assigned to six areas (transparency criteria), comprising 42 indicators. The assessed areas covered the most important dimensions of organisation and operation of companies of public interest, as well as those considered important for the company transparent management, such as ethics or the conflict of interests. The outcomes are based on the data available to the public, which are easy to measure and verify. The maximum score for an enterprise, including all areas, amounted to 100 points.

The overall ranking score of an enterprise may vary from 0% (the weakest) to 100% (the best). The undertakings were classified also according to a gradual scale (from A+ to F).

The ranking of the most transparent undertakings has been established following the conducted monitoring. **The ranking is available on the web page: www.companies.viitorul.org.** The previous ranking can be accessed on the same website in order to compare its data with the 2020 ranking results.

The position assigned to an undertaking in the ranking should reveal its transparency level. Therefore, the higher the position of an undertaking – the narrower the possibility for corruption and non-transparency. However, one cannot consider that an extremely open undertaking is corruption-free, and vice-versa. As a rule, an appropriate compliance with the legal requirements leads to a lower level of corruption, but they do not secure its complete eradication.

Essentially, this ranking represents an instrument for the assessment of undertakings' transparency, identification of the major issues, obstacles and shortcomings in this area, having provided the competent public authorities and the undertakings themselves with the support to boost the level of transparency.

Moreover, **recommendations have been laid down aiming to improve transparency and ensure the supply of public information to citizens.**

More detailed information regarding the transparency criteria, indicators and questions referred to undertakings is available in the ranking headings at: www.companies.viitorul.org.

II. Transparency areas assessment results

1. General and comparative matters relating to undertakings' transparency

The general transparency average of 67 state-owned enterprises, including municipal-owned enterprises and publicly/municipally owned or controlled commercial companies of the Republic of Moldova slightly increased from 17.4% in 2018 to 17.9% in 2020.

The most transparent undertakings subject to monitoring gathered less than 50% out of 100%. Hence, SoE “Editura Stiinta” has a score of 44.3%, being assigned to category “C-”; SoE “Radiocomunicatii” has a score of 42.5% (category “C-”), while SoE “Manejul de Atletica Usoara” has a score of 39.5% (category “D+”). At the same time, circa 1/3 of undertakings subject to monitoring accumulated less than 10% of the maximum score.

Depending on the enterprise type (its owner), municipal-owned enterprises displayed a better situation, with an average of 21.5% in comparison with the state-owned enterprises (16.9%). The average score of municipal-owned enterprises substantially increased (+8.3% relative to the 2019 ranking), while ten out of 14 municipal-owned enterprises (71.0%) are above the ranking middle level, having corroborated the fact that smaller undertakings can be transparent. MoE “Exdrupo” is a municipal enterprise with the highest score (30.1%) and position in the ranking (the tenth place).

General comparative average

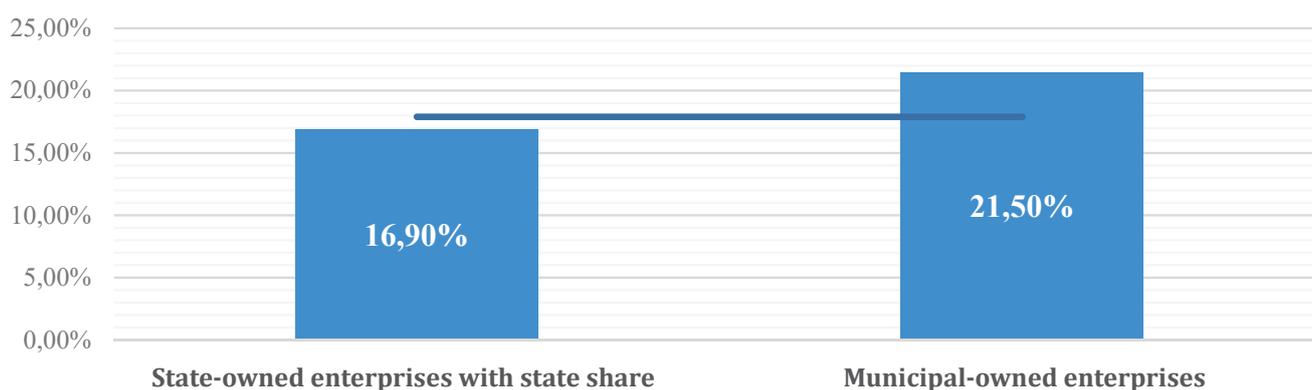


Diagram 1. General transparency average of undertakings depending on their owner

The municipal-owned enterprises obtained a higher score for a number of transparency indicators in comparison with the SoEs. For instance, they used the digital platforms for public procurement procedures more often; implicitly, disclosed more information about the concluded public procurement contracts to the public, and published the contact data of the Administrator and responsible persons, enabling the citizens to solicit information/send requests to the enterprise. Moreover, the municipal-owned enterprises have a better average in terms of answers to the questions comprised by the questionnaires circulated by IDIS “Viitorul” and responses to the request for access to information submitted by a “mysterious complainant”.

Those 67 undertakings subject to monitoring obtained the highest scores for “Transparency and access to information” (SoE – 38% and MoE – 37%), “Public procurement and property” (14%) and “Economic indicators” (SoE – 15.7% and MoE – 11.9%). The average for the other areas does not exceed 10%. “Grants and sponsorships” is the most problematic area of transparency for all undertakings, which average does not exceed 1%. For five transparency indicators out of 43 subject to assessment (12%), both the state-owned enterprises, including those with state share, and the municipal-owned enterprises have gathered zero points.

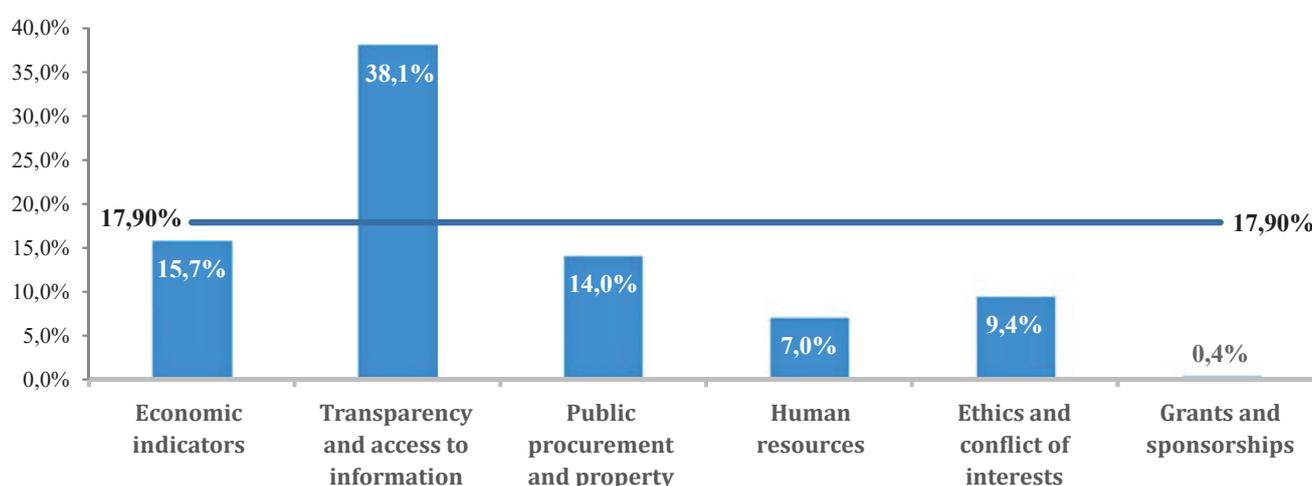


Diagram 2. Average level for each area of transparency

In comparison with the previous ranking, **certain improvements have been noticed in the 2020 ranking for JSC “Energocom” (+43 positions and +28.5 percentage points), followed by SoE “Editura Stiinta” (+28 positions and +26.3%) and JSC “Moldetelecom” (+34 positions and +20.5%).** Overall, 25 out of 46 undertakings included in both rankings improved their score. At the opposite pole, 16 enterprises regressed, among the most affected being SoE “Detasamentul de paza paramilitara” (-23 positions and -21%), JSC “Gara Nord” (-38 positions and -16.5%) and SoE “Garile si statiile auto” (-25 positions and -16.0%).

The share of affirmative responses (best practices) dropped for 13 out of 43 transparency indicators subject to monitoring. The most significant decline has been noticed in terms of publishing the economic and financial indicators on the website and assessing the enterprise economic and financial outcomes in light of the evolution of the main indicators (net profit, sales revenue and other indicators relating to specific work conditions of each enterprise). If in the 2019 ranking 42.6% of undertakings subject to monitoring published such reviews, then in the current ranking only 4.5% of them can represent examples of best practices to this end. The same applies to the reviews of economic and financial indicators for the last three years (2017 – 2019), which showed a downward trend from 30.9% in 2018

to 4.5% in 2020, and to annual reports of undertakings posted on their web page (from 29.4% in 2018 to 4.5% in 2020).

At the same time, the share of affirmative responses increased in 17 out of 43 transparency indicators (best practices). The most significant increase (by more than + 20%) has been noticed for the following three indicators: publishing the enterprise charter (from 13.2% in 2018 to 59.7% in 2020); availability of information about the enterprise founders/owners/shareholders and about their shares/holdings (from 38.2% in 2018 to 76.1% in 2020); the use of digital platforms for procurement procedures (from 0% in 2018 to 23.4% in 2020).

2. Economic indicators

The performance indices of undertakings shall be determined on the basis of economic and financial outcomes, having described the profits, losses and other indicators adjacent to the enterprise activity. The transparency of economic indicators is important to appraise the undertaking's efficiency.

Pursuant to Article 18 of the Law on state and municipal-owned enterprises (No. 246/2017), the undertaking shall be required to post more information on its official website and on the founder's official web page, including its annual report. According to the legislation, the enterprise's annual report shall be placed on the web page within four months after the end of each reporting period and comprise at least financial information, financial commitments, data about its personnel and management, their salary and income, management report, other information.

The monitoring results show that **only three public undertakings out of 67 published their 2019 Annual Reports on the web page (SoE "Editura Stiinta", SoE "Radiocomunicatii" and JSC "Franzeluta")**, while four undertakings published their reports for the first half of 2019. Also, JSC "Franzeluta", SoE "Editura Stiinta" and SoE "Radiocomunicatii" published their annual reports for three years (2017 – 2019). Instead, 19 undertakings published at least one annual report for the previous years (i.e. for 2017 and 2018). As for the quality of annual reports, according to the best international and national practices, the report shall be better structured, comprise information and detailed description of the main activities and areas of the enterprise (only SoE "Radiocomunicatii" managed to reach such a level).

Three undertakings (SoE "Manejul de Atletica Usoara", SoE "Radiocomunicatii" and JSC "Franzeluta) published the 2019 review of economic and financial indicators and assessment of economic and financial outcomes of the undertaking in light of the positive development of the main indicators (net profit, sales revenue and other indicators relating to specific business conditions of each undertaking). At the same time, six undertakings subject to monitoring published the corresponding information only for the first half of 2019. Such reviews were published for three years in a row (2017 – 2019) also by three enterprises, while at least one review was identified for 49 undertakings (73%) for 2017 – 2018. The large majority of such reviews (annual financial statements) is posted on the Public Property Agency website. By Government Decision No. 806 dated 01.08.2018, in the context of the reorganisation reform of the Central Public Administration, the Public Property Agency has become the founder of these state-owned enterprises and publicly owned or controlled commercial companies. **It is important that the Public Property Agency**

updates and publishes all relevant information about the state-owned enterprises and publicly owned or controlled commercial companies in Moldova on its website. At the same time, the Agency could also systematise and bring to the public's notice the information about municipal-owned enterprises.

Annual reports and economic and financial outcomes

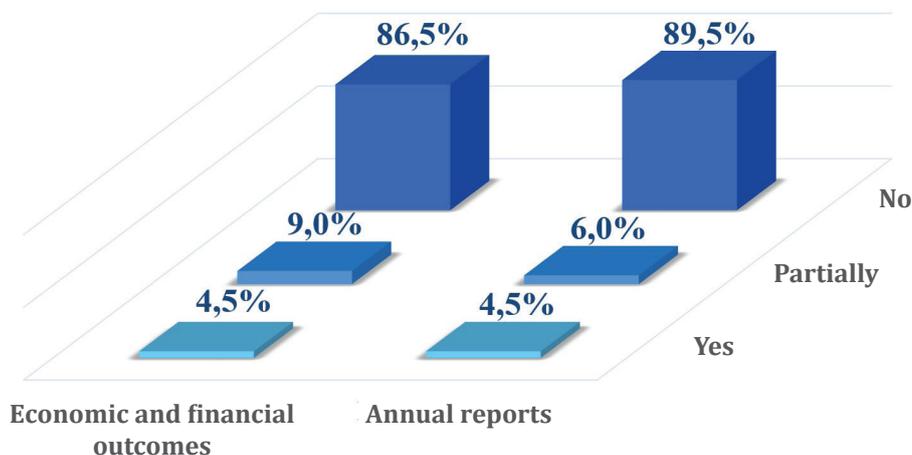


Diagram 3. Transparency of annual reports and of economic and financial outcomes posted by Moldovan public undertakings.

Law No. 246/2017 sets forth the obligation to place the auditor's report of the state-/municipal-owned enterprise and the results of conducted inspections by the controlling bodies on the enterprise website, as well as on the Public Property Agency web page. **None of the public undertakings subject to monitoring has made public the results of inspections and economic and financial audits conducted in 2019.** Some undertakings published the 2019 audit reports, but they are related to the operations carried out by the undertakings during 2018. At the same time, there is no document on the Public Property Agency website to cover the activity of undertakings during the past year.

Circa 3/5 of undertakings subject to monitoring published the information on share capital on their web page (or on the Public Property Agency website), but failed to update it. Only 11 undertakings (16%) have published updated information for 2019. The monitoring found that the undertakings did not publish the information on loans/credits contracted in 2019 on their web page. As a rule, such information shall be disclosed in annual reports, including the annual financial statements, but such information was not made public. **Only SoE "Manejul de Atletica Usoara" indicated in its 2019 financial statement that it did not contract any loans/credits, while JSC "Termoelectrica" displayed its financial debts for the first half of 2019,** composed of historical debts of the gas provider and the loans intended to implement different projects (making up 58.9% of the enterprise liabilities). It shall be noted that the information about debts was displayed as summary figures. Law No. 246/2017 stipulates that annual reports shall comprise the information about any financial assistance enjoyed by the undertaking, guarantees offered by the Government/LPAs/Executive Committee of Gagauzia, financial commitments and obligations undertaken by the enterprise.

3. Transparency and access to information

The Review paid particular attention to the extent to which the undertakings subject to monitoring complied with the legislation on access to information. According to the provisions of Law No. 982/2000 on access to information, any natural and legal person shall have the right to solicit, upon lodging an application in writing, any information, save the data mentioned by the legislation, held by information providers, while the latter have the obligation to provide the requested information to the applicants.

IDIS “Viitorul” sent out questionnaires to the enterprises subject to monitoring, requiring a series of public information. As a result, **circa 1/3 of undertakings filled in the questionnaire**, answered the questions and sent it back to IDIS “Viitorul”.

At the same time, upon IDIS “Viitorul” initiative, an individual sent out requests to undertakings, soliciting certain public information, namely “the total amount of money paid by the undertaking for the purchase of A4 paper for printers and Xerox machines during 2019”. In this manner the undertaking reaction to information requests submitted by individuals was checked. Consequently, **four public undertakings responded to that individual and provided the requested information: SoE “MoldATSA”, SoE “Radiocomunicatii”, MoE “Parcul Urban de Autobuze” and MoE “Asociatia de gospodărire a spatiilor verzi”** (the amount spent varied between MDL 7 075 lei and MDL 24 954), with the mention that one of the undertakings responded beyond the deadline.

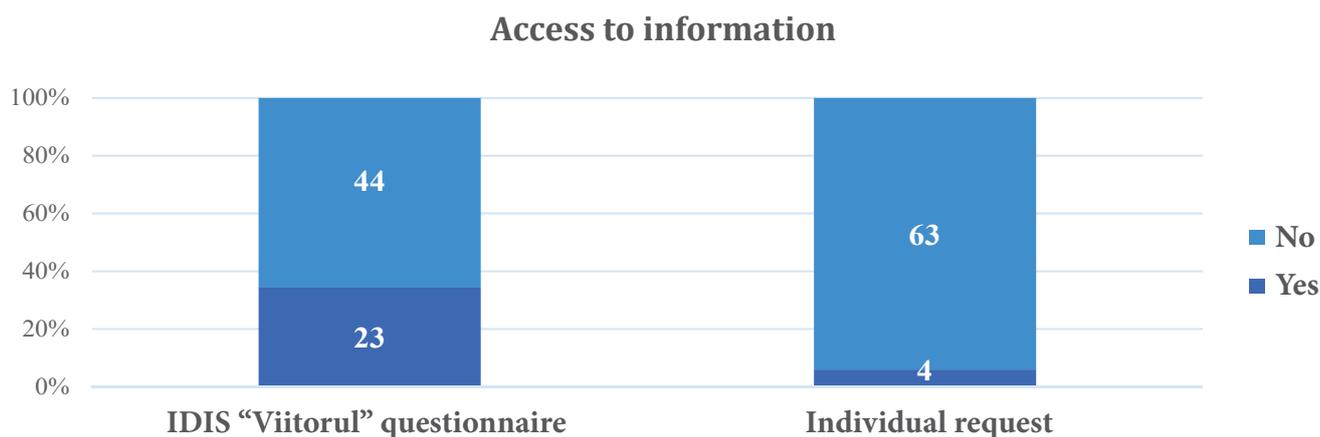


Diagram 4. Responses of publicly enterprises to requests for the provision of public information

According to the Law on access to information, some of the holders of official information are legal persons, which under the law or contract with public authorities, are empowered to provide public services and to collect, select, hold, preserve and dispose of official data. The public undertakings interpret these provisions as they do not apply to state-owned enterprises, municipal-owned enterprises and publicly/municipally owned or controlled commercial companies. To avoid any such interpretations, it is necessary to amend the Law on access to information and include the state/municipal-owned enterprises and publicly/municipally owned or controlled commercial companies as providers of information, having the obligation to provide the applicants with the required data. This is necessary also in the context of Article 18 (4) of the Law on state-owned and municipal-owned enterprises (No. 246/2017), according to which these undertakings have the obligation to satisfy public interests and answer the requests submitted by media and civil society organisations in strict compliance with the legislation on access to information.

Some undertakings argue that the information relating to their activity represents a trade secret protected by law (as of 1.03.2019, all trade secret regulations are covered solely by the Civil Code (No. 1107/2002), upgraded by Law No. 133/2018). However, not all information may qualify as trade secrets, as to do so it must meet a number of cumulative requirements expressly stipulated by the Civil Code. Essentially, the activity of undertakings is of public interest; they have been established by public authorities, which transferred certain publicly/municipally-owned assets into administration or as a contribution to their share capital. Such assets enable the undertakings to carry out certain economic activity, and, in return, they transfer certain amounts of their profits to the state/municipal budget.

Also included here are several judicial cases, which may represent good practices. For instance, the Association of Independent Media requested from SoE “Posta Moldovei” some information about the firms that rendered construction and renovation services to post offices, as well as the invested money. SoE “Posta Moldovei” refused to provide the information because “it was not allowed to disclose the information relating to administration, finances, which could affect its interests”. At the same time, it was argued that the requested information comprised commercial data, “Posta Moldovei” was not a provider of public information and that the Association of Independent Media, as a non-governmental organisation, should not be a requesting party for information services. After one year and nine months, three trials ending with the obligation to provide information, and one forced execution procedure, SoE “Posta Moldovei” has to provide information of public interest.

Upon the request of a mysterious complainant, seven undertakings sent emails to the former asking about the purpose for obtaining the information and demanded other data and additional information with no justification regarding access to information. In particular, the Law on access to information (Article 10 (3)) sets forth that any person requesting access to information in accordance with the law is under no obligation to justify his/her interest for the requested information. The Law covers only three conditions for the submission of a request for information (Article 12), namely: the written request shall include: a) sufficient and conclusive details for the identification of the requested information (or of part(s) thereof); b) the acceptable form in which the requested information may be received; c) identification data of the requesting party.

A matter favouring the malicious refusal of undertakings to provide information to the requesting parties stems the insignificant sanctions imposed for such a refusal. Hence, pursuant to Article 71 of the Contravention Code (No. 218/2008), the breach of the legislation on access to information shall be subject to a fine in the range of 9 – 15 conventional units imposed on a natural person (i.e. MDL 450 to MDL 750), a fine in the range of 18 – 30 conventional units imposed on the person in charge (i.e. MDL 900 to MDL 1 500). There is a similar article in the Criminal Code (No. 985/2002), which imposes a fine in the range of 500 to 650 conventional units (i.e. MDL 25 000 to MDL 32 500), but it is more difficult to prove the intention of the offender and the serious damage caused to the rights and interests protected by law of the party who requested information concerning the population healthcare, public safety/security, environmental protection.

Out of all undertakings subject to monitoring, **44 have web pages (66%), but not all of them are used as instruments for raising public awareness** about the undertakings’ activity. Many web pages remain non-functional or contain very little useful information. The web pages of 31 undertakings have contact data of the administrator and people in charge, enabling the public to solicit information/submit requests, while 18 web pages contain limited information to this end, with the mention that contact data of some undertakings are published on the founder’s web page or on the websites of certain public entities working in the field of operation of the enterprise concerned.

Circa 76% of undertakings subject to monitoring published the information about their founders/owners/ shareholders and the percentage of shares/holdings they possess. Such information is available on both the websites of undertakings and of founders (the Public Property Agency and LPAs).

The charters of 40 undertakings subject to monitoring (60%) were made public. This is a key document developed upon the company establishment defining the types of activity, share capital, assets transferred to them, managing bodies, the manner in which their net profit is apportioned and used, the way in which their losses are covered, the method in which the enterprise is reorganised or dissolved, as well as other important provisions relating to the enterprise operation. The Public Property Agency published on its website the charters of 22 enterprises, while the LPAs published two charters of the enterprises they founded.

Enterprise charter



Diagram 5. Charters of public undertakings published on the website

Out of those three 2019 annual reports published on the website by the undertakings subject to monitoring, only two of them have a format enabling the public to search for and copy text fragments (JSC “Franzeluta” and SoE “Radiocomunicatii”). This indicator is important, as, from the access to information perspective, it is supposed to have the possibility to use public information in an accessible and easy way.

The undertakings subject to monitoring do not publish the results (decisions, minutes) of meetings// general meetings held by the enterprise board on the website. To this effect, **only five of them published incomplete information about the results of meetings held by the managing bodies.**

Several objections were stated in the questionnaires filled in by the enterprises regarding their management board and the publication of the results of meetings held by the managing bodies, thus having brought certain existing issues into discussion.

As for the state-owned enterprises, Law No. 246/2017 does not expressly stipulate the obligation to publish the Management Board decisions/minutes. The same applies to municipal-owned enterprises, supplemented by the fact that part of the undertakings did not establish their managing body yet, and such fact is in breach of Law No. 246/2017.

As a rule, the joint-stock companies have the General Meeting of Shareholders and the Company Council as their managing bodies. The disclosure of information by joint-stock companies are governed by Law No. 171/2012 on capital market, Law No. 1134/1997 on joint-stock companies and by the Regulation on the disclosure of information by the issuers of securities approved by Decision No. 7/1 dated 18.02.2019 of the National Commission for Financial Markets. Hence, in addition to the obligation to publish the Annual/Semestrial Report, the instruments of incorporation, other important documents, the JSC shall publish the information on events affecting its economic and financial activity, including the decisions approved by the General Meeting of Shareholders and the decisions taken by the Company Council regarding certain important matters referred to in the Law on joint-stock companies.

4. Public procurement and property

The Law on public procurement (No. 131/2015) is still interpreted as public undertakings are not contracting entities and shall not be required to conduct procurement procedures in compliance with the legislation on public procurement. This fact leads to non-transparency, vulnerability to corruption and, implicitly, to inefficient spending of public money.

The monitoring outcomes show that procurement procedures are carried out by those undertakings on the basis of in-house regulations on procurement of goods, works and services, approved by the managing bodies. Exempted from this obligation are the holders of licences working in the power, heat and gas supply sectors and the operators rendering water supply and sewerage services, which shall comply with the regulations approved by the Management Board of the National Agency for Energy Regulation (ANRE) through Decision No.24/2017 dated 26.01.2017.

We acknowledge that **45 undertakings (70%) failed to conduct public procurement procedures in 2019 as per the legislation on public procurement**, while 22 undertakings (30%), as part of the power, heat, natural gas and water supply and sewerage services sectors, used the digital platform for public procurement MTender and, implicitly, the provisions of the legislation on public procurement. More specifically, nine undertakings were guided by the Regulation of ANRE, 15 undertakings used the digital platform for public procurement MTender (among them there are two undertakings from the water supply and sewerage services sector mentioned above, which are guided by ANRE Regulation).

Likewise, the monitoring shows that **only eight undertakings out of 67 published their annual public procurement plans** (notices of intent) on the website. Only three undertakings subject to monitoring made public the acts based on which they established procurement working groups and their composition.

Circa 73% (49 enterprises) did not publish tender notices on their website, while three undertakings published incomplete information.

The issue of procurement conducted by public undertakings is a complex one and it has not been regulated so far. On the one hand, we have the Law on public procurement, which is interpretable and comprises a number of exercises referring directly to public undertakings. In this case, the Law provisions do not apply to public procurement contracts assigned by the contracting authorities working in the energy, water, transportation and post services sectors and which fall within these

activities. They have to be guided by the Law on procurement in the energy, water, transport and post services sectors (by transposing Directive 2014/25/EU of the European Parliament and Council of 26 February 2014), which currently is just a draft law/bill registered with the Parliament on 31.12.2019 and approved in the first reading on 06.02.2020.

On the other hand, we have the Law on state and municipal-owned enterprises, which lays down the Government obligation to approve the Regulation on procurement of goods, works and services by state-owned enterprises, as well as the obligation of the founder of municipal-owned enterprises to approve the Regulation on procurement of goods, works and services by municipal-owned enterprises. The Ministry of Economy and Infrastructure developed a draft Regulation on procurement of goods, works and services by state-owned enterprises and by publicly owned or controlled joint-stock companies (subjected to public consultations in March 2019). However, it has not been reviewed and approved by the Government yet. Regarding the municipal-owned enterprises, although there is no recordkeeping whether their founders approved the aforementioned regulations, essentially we understand that they would be guided by their in-house documents rather than by the regulatory framework on public procurement.

At the same time, the Law on joint-stock companies (No. 1134/1997) and the Law on capital market (No. 171/2012), as key regulatory acts governing the JSC activity, including the publicly owned or controlled entities, do not comprise any regulations relating to procurements carried out by these entities. Actually, the Moldovan regulatory framework lacks such regulations.

Moreover, in compliance with the Final and Transitory Provisions of Law No. 246/2017, the Government was supposed to initiate, by 22.12.2019, the reorganisation of state-owned enterprises into other legal types of organisation (in this case, joint-stock companies). Likewise, the LPAs were advised to consider the opportunity to reorganise the municipal-owned enterprises in other legal types of organisation provided by the legislation, to make the administration of assets transferred to them more efficient. Although this reorganisation process has been already launched there is a long way to be covered. However, following the reorganisation of state-owned enterprises into JSCs (or other types), yet again there would be a regulatory vacuum in terms of public procurement procedures to be carried out by these legal entities. Certain regulations could be developed after the adoption of the Law on procurement in the energy, water, transport and postal services sectors and the Regulation on procurement of goods, works and services by state-owned enterprises and publicly owned or controlled joint-stock companies (which would be amended as far as the state-owned enterprises would disappear). Even in this case, the situation of JSCs that emerge following the reorganisation of municipal-owned enterprises would be uncertain, as they would not be guided by the aforementioned Regulation.

Circa 1/5 of undertakings subject to monitoring (15 enterprises) used in 2019 the digital platforms for public procurement procedures. Only four state-owned enterprises and 11 municipal-owned enterprises used the digital platforms, of which 10 are entities located in Chisinau Municipality and subject to monitoring.

Regarding the municipal-owned enterprises located in Chisinau, according to the provisions of Decision No. 5/13 issued by Chisinau Municipal Council on 30.05.2013, they were required to organise and carry out procurement in compliance with the provisions of the legislation on public procurement (at that time the Law on public procurement (No. 96/2007) was in force). Subsequently, once the new Law on public procurement (No. 131/2015) was enacted, the aforementioned decision lost its legal power. Chisinau Municipal Council approved Decision

Public procurement via MTender

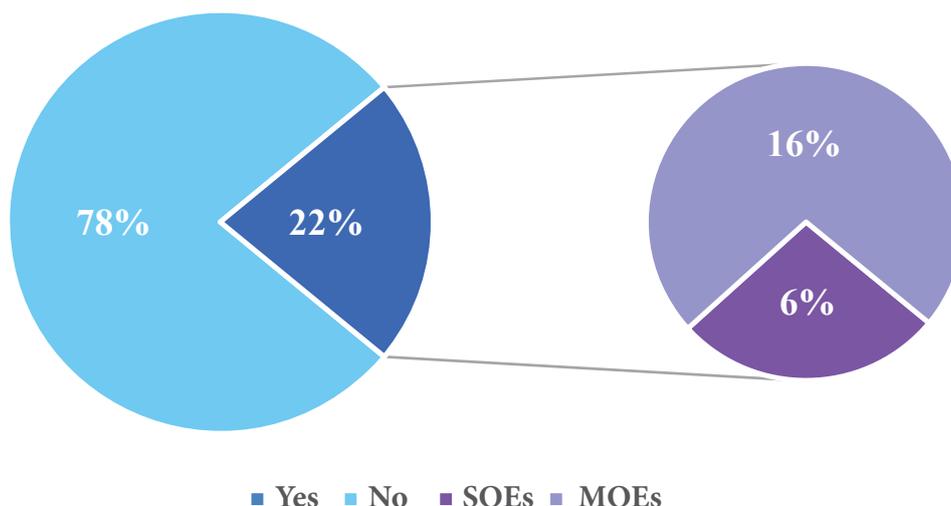


Diagram 6. Using the digital platform MTender for public procurement in 2019

No. 15/8 on 22.12.2017, by which it required the public entities subordinated to Chisinau Mayorality and Municipal Council to carry out public procurement of low value via the new digital system MTender. That decision was repealed by Chisinau Municipal Council Decision No. 2/21 dated 22 February 2019. Ultimately, by Decision No. 2/2 of 06 February 2020, all municipal-owned enterprises and JSCs owned or controlled by Chisinau Municipal Council are required to carry out all public procurement (with the value exceeding MDL 80 000) via the digital system MTender, save some exemptions expressly covered by the Decision.

Concerning the municipal-owned enterprises (in particular, those located in Chisinau Municipality), which use MTender to carry out public procurement we shall mention certain contradictory matters.

From the very beginning, we shall note that the positive and transparent practice of using MTender shall be continued. However, it depends on the individual decision of the municipal enterprise founder rather than on the obligation covered by law with precise regulations to this end. Moreover, even in the MTender system is used to carry out public procurement, the municipal-owned enterprises consider that the acts/results of procurement procedure cannot be the subject of a dispute with the National Agency for Dispute Resolution – an essential element in the whole national public procurement system. Such an interpretation and approach towards municipal-owned enterprises once again stresses the lack of express regulations in the legislation about the obligation of municipal-owned enterprises to follow the general public procurement rules.

However, several legal matters arise in this case, as the municipal-owned enterprises, while applying the MTender system, use also the standard public procurement documentation just like all contracting authorities with reference to the provisions of Law No. 131/2015. The provisions of Article 13 (5) of the Law on public procurement are also relevant. According to them, any other entity [...] may qualify as a contracting authority upon the desire or decision of competent managing bodies, provided that procurement is carried out in strict compliance with Law No. 131/2015.

This is an obscure and non-unitary practice in terms of the lodged complaints, as in some cases the National Agency for Dispute Resolution returns the complaints without considering them. In other cases, it considers the complaints lodged in relation to the procedures conducted by municipal-owned enterprises via MTender. The Agency argument relies on the statement that only public procurement procedures funded out the municipal budget may be disputed. These are pretty vague arguments and it is difficult to identify whether the funds come from the municipal budget or from the municipal entity budget. In this case, regardless of the funding source, **municipal-owned enterprises shall carry out procurement procedures pursuant to the provisions of the legislation on public procurement, in a transparent manner, under the public oversight and control with the possibility to challenge them in accordance with the general principles and rules in place.**

None of the undertakings subject to monitoring published their public procurement contracts, while 1/4 of undertakings (17) made public certain information from the public procurement contracts concluded in 2019 (the procurement object and value, the economic operator, the date of conclusion and duration). Only four undertakings published such information on their web pages, usually, as annual reports or separate accounts, other 13 undertakings used the digital platform MTender, where the information from procurement contracts is accessible to the public due to system transparency.

However, such information is related only to the contracts awarded via “open tender” and “request of price offers” procurement procedures, conducted now via MTender, while no information is available about the contracts concluded as a result of applying other procurement procedures, in particular public procurement of low value, with the mention that, as a rule, each undertaking shall define differentially the ceiling for low value procurements in its internal regulations.

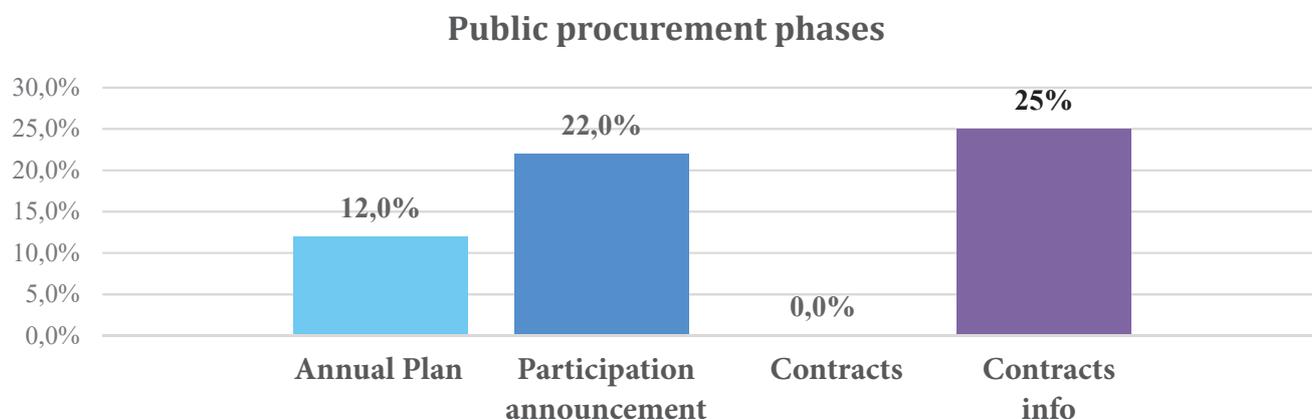


Diagram 7. Transparency of public procurement stages carried out by publicly owned enterprises

One of the most vulnerable areas for public undertakings is the administration of assets (immovable property, land plots). This is due to the lack of accurate records on undertaking assets, failure to register all the assets with the Cadastre Office, the reduction in value of such property, increased interest in such assets and confusing, contradictory, inadequate, and superficial legal framework leading to unfair interpretations.

Following the monitoring it was revealed that **none of the enterprises published the information from their register of assets on the website** to include the assets conveyed as contributions to the share capital by Founders/Owners/Shareholders, assets conveyed in administration by Founders/

Owners/Shareholders and the assets owned by the undertaking, gained by it from its economic and financial activity.

Out of 67 undertakings subject to monitoring, only **eight (three in full and five in part) published the information (offers, outcomes, other information) regarding the conveyance, trading, rental/leasing or bailment of assets on their website**. As a rule, such information reveals the undertakings that are specifically involved in space leasing/rental (JSC “Tracom”, FEZ “Expo Business Chisinau”, SoE “Manejul de Atletica Usoara”).

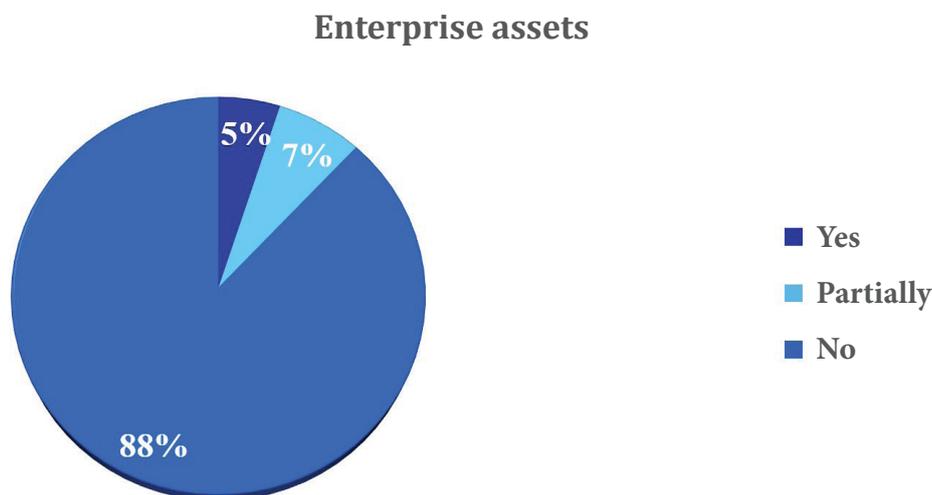


Diagram 8. Transparency of the administration of public enterprise assets

5. Human resources

It is important that public undertakings have in place transparent policy for staff recruiting and employment, making public the information on managing body members, their salaries and bonuses.

Human resources management still remains an obscure area for the public undertakings that are not willing to make public such information. Thus, only three undertakings subject to monitoring published their number of employees on the websites, while one undertaking disclosed incomplete information in this regard. Likewise, only seven undertakings revealed the number of employees in the filled questionnaire.

One out of three undertakings subject to monitoring published its job vacancies on the websites (21 enterprises) and no undertaking posted the results of selection procedures for filling job vacancies in 2019.

None of the undertakings subject to monitoring in Moldova made public the rules on staff recruiting and employment, and **only one enterprise (JSC “Metalferos”) disclosed the rules on organising and conducting the competition for filling the Administrator’s job vacancy**. Against this background, it is worth noting that there is a standard regulation on organising and conducting the competition for filling the job vacancy of Administrators as per Annex 3 to Government Decision No. 484/2019 on the approval of certain regulatory acts aiming to implement Law No. 246/2017 on state and municipal-owned enterprises.

Lack of transparency has been revealed also in terms of the composition of managing bodies. Hence, **only seven undertakings subject to monitoring made public the Administrator’s CV** (SoE “MoldATSA”, SoE “Centrul de Metrologie Aplicata si Certificare”, FEZ „Expo Business Chisinau”, SoE „Radiocomunicatii”, MoE “Apa-Canal Straşeni”, JSC “Apa-Canal Chisinau” and JSC „Metalferos), containing information on his/her higher education and work experience. **No undertaking published the names and CVs of Management Board members**, while circa ¼ of them (16 enterprises) published just the members’ names with no CV attached.

The remuneration of managing body members is still a hidden matter for the general public, despite the fact that Law No. 246/2017 imposes the obligation to separately disclose the salaries of people in charge (founders, management board members, administrators, censor committee members) in the Annual Report to be placed on the enterprise’s and founder’s official website.

Only three undertakings subject to monitoring provided incomplete information on the Administrator’s remuneration and allowances paid to members of the Management Board. At the beginning of 2019, SoE “Manejul de Atletica Usoara” disclosed the administrator’s monthly salary (8 500 lei) and the allowance paid to each member of the Management Board (MDL 2 000). At the end of 2019, the undertaking revealed only the total amount paid as allowances to members of the Management Board. At the same time, SoE “Editura Stiinta” posted the average monthly salary of the director (MDL 21 515), the monthly allowance paid to the Management Board members (MDL 600) and its Chairperson (MDL 1 200). SoE “Radiocomunicatii” mentioned in its Report the monthly allowance paid to the Management Board members (MDL 3 000). These three undertakings disclosed also the average monthly salary of their employees.

In some questionnaires filled by the undertakings it is mentioned that the information on remuneration of members of the managing body (Management Board) is available on the portal of Statements on Wealth and Interests www.declaratii.ani.md. There are 625 175 such statements published on this portal, including 71 504 statements submitted in 2019. The portal search filters do not entail selecting the statements submitted by administrators and members of the managing body of public undertakings. The latter do not appear under the heading “Select the organisation”. The only way to identify a statement is by the name of the person; but, as we mentioned above, 3/4 of undertakings do not disclose the names of their managing body members, while circa 1/3 of undertakings do not have websites at all. To this end, **it is necessary to publish the information on the remuneration of managing body members on the undertaking websites to increase its transparency and enable easy access for the interested citizens.**

Human resources

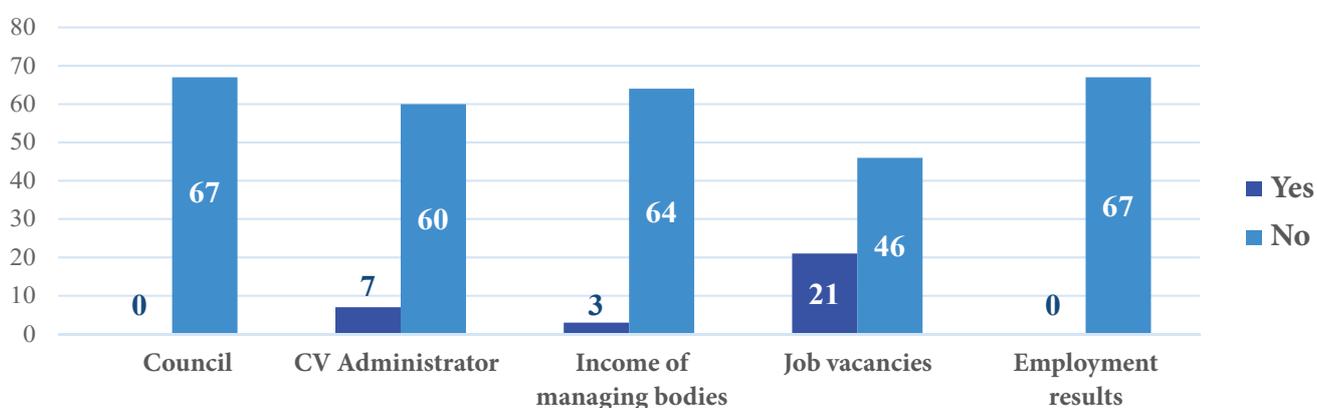


Diagram 9. Transparency of human resources and income of the managing body members

None of the country public undertakings subject to monitoring made public the decision taken by the Management Board regarding the ceiling of administrator’s salary in 2019, which, in compliance with Government Decision No. 743/2002 on the remuneration of employees working for the units enjoying financial autonomy, is to be set on the basis of economic and financial outcomes achieved by the undertaking in the previous year.

6. Ethics and conflict of interests

The undertakings subject to monitoring displayed some shortfalls in terms of developing and implementing corporate governance, anti-corruption compliance, integrity and business ethics rules and standards.

Following the monitoring, we identified only 11 **undertakings that developed and published an Ethics Code** for their employees and only **three undertakings that developed a Corporate Governance Code (standards): JSC “Franzeluta”, JSC “Energocom” and JSC “Metalferos”**. As for anti-corruption programmes comprising provisions on frauds, conflicts of interests, gifts, other risks and procedures to be followed in each specific case, only ten undertakings have some components of such programmes, covered usually by the Code of conduct or by the Corporate Governance Code.

Only seven public undertakings subject to monitoring established a mechanism to report misconducts and corruption deeds and made it public (hot-line, e-mail). Only four undertakings developed and made public certain provisions regarding the protection mechanisms for whistleblowers, included in the Code of conduct/Corporate Governance Code or in a Regulation on recording the cases of inappropriate influence/the Regulation on disclosure of illegal practices.

There is no information available on the undertaking websites about staff or manager training courses organized by the enterprise on anti-corruption matters.

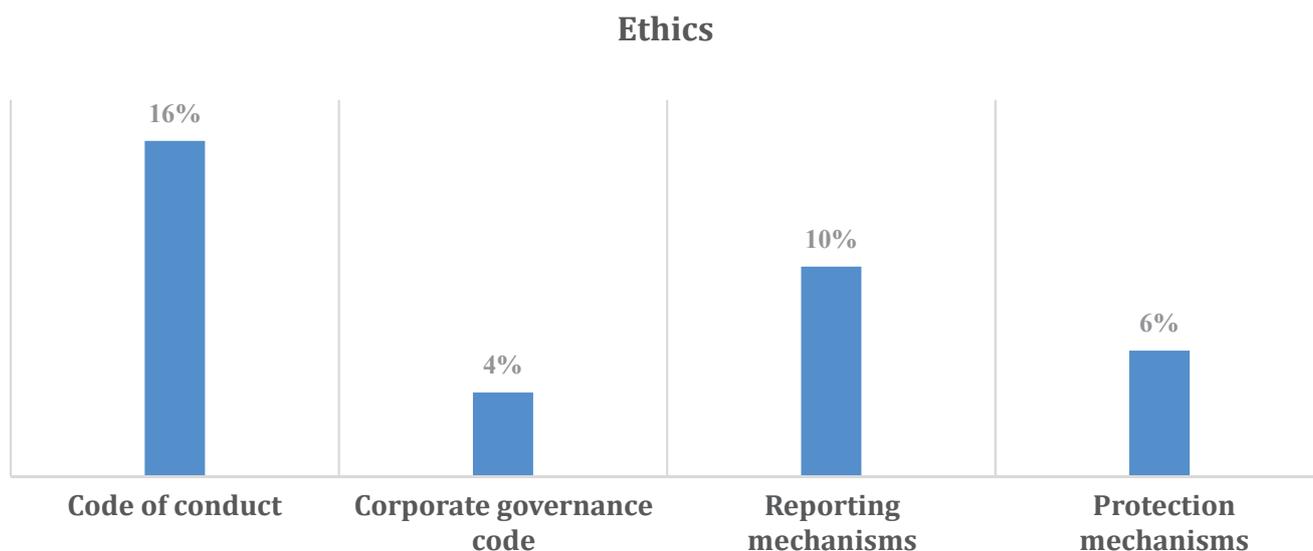


Diagram 10. Documents and instruments to prevent corruption

We shall mention that once the Law on integrity (No. 82/2017) was adopted and enacted, the state- and municipal-owned enterprises, the publicly controlled joint-stock companies shall be required to undertake a series of measures aiming to ensure institutional integrity as per the law (non-admittance, revealing corruption intentions/acts and protection of whistle-blowers, observing the rules of ethics and conduct, observing the rules set for the conflicts of interests, gifts, etc.). Pillar VII (6) of the Action Plan comprised by the National Integrity and Anti-corruption Strategy for 2017–2020, approved by Parliament Decision No. 56/2017, lays down the requirement to approve Registers of Corruption Risks and/or Integrity Plans of state/municipal-owned enterprises. Likewise, it is mentioned the responsibility to publish the reports on the implementation of measures covered by Registers of Corruption Risks and/or Integrity Plans on the websites of state/municipal-owned enterprises or of public entities controlling them. The National Anti-corruption Centre has developed a standard Integrity Plan for enterprises, which comprises recommendations/minimum requirements to remove the risks of corruption.

7. Grants and sponsorships

Transparency of philanthropic actions and sponsorships carried out by public undertakings reduces the risk of using the funds for other purposes or under difficult financial circumstances.

The monitoring revealed that the undertaking websites failed to post the following information:

- rules and procedures for assigning grants, donations, sponsorships;
- list of financial support requests that were rejected throughout 2019 and the reason for their rejection;
- the amounts of grants, donations, sponsorships during 2019 (such as different events and social, cultural, educational, sports or other types of activities supported by the undertaking) and their beneficiaries.

Only SoE “MoldATSA” displayed in the filled questionnaire the events supported financially in 2019 and the amounts spent for such sponsorships.

III. General conclusions

1. The general average transparency attained by 67 largest and most important country undertakings subject to monitoring displays a discouraging picture. These results may be extrapolated to all Moldovan public undertakings. With a general average of 18% out of 100, the undertakings failed to attain an acceptable level for all transparency indicators, both for the mandatory indicators in compliance with the legal requirements and for those representing good standards of transparency and corporate governance.
2. The national legal framework still comprises rules that are imperfect, interpretable or lacks important provisions in terms of public undertakings activity and transparency. There is a delay in approving and adopting some draft public policy aiming to govern certain fields of activity (for instance, public procurement procedures) and to implicitly increase their transparency.

At the same time, the process aimed to develop and improve the public policy not always takes account of the outcomes achieved in reorganising the undertakings into other legal types of organisation covered by the legislation, as it is provided in the Final and Transitory Provisions of the Law on state and municipal-owned enterprises. This moment is important as they are reorganised in joint-stock companies, which are complex entities governed by distinct regulatory acts, such as the Law on joint-stock companies, the Law on capital market or decisions issued by the National Commission for Financial Markets.

3. The Law on access to information does not expressly include the state/municipal-owned enterprises and the companies controlled by the state/municipality as providers of information, leading to their refusal to respond to requests of information. Circa 2/3 of undertakings subject to monitoring failed to respond to the questionnaire circulated by IDIS “Viitorul”, which is also a type of information requesting application, while 95% of enterprises failed to respond to the request submitted by an individual.
4. The regulatory acts in the public procurement area contain neither regulations nor requirements for public undertakings to follow the general principles and procedures set for the procurement of goods, services and works. Such fact leads to non-transparency and contravene the EU Directives (2014/23/EU, 2014/24/EU, 2014/25/EU) to be transposed into the national legislation as per the commitments laid down in the Association Agreement between the Republic of Moldova and the European Union.
5. Nowadays, the procurement procedures carried out by public undertakings are conducted only on the basis of in-house regulations, which vary from one undertaking to another, and do not meet the provisions referred to in the Law on public procurement and on other relevant regulatory acts. There are undertakings (working in the area of utility services), which are guided by an ANRE regulation. The monitoring outcomes show that 88% of undertakings do not publish their annual procurement plans on the website, 73% do not publish the tender notices, 75% do not make public the information about the procurement results, and no undertaking publishes its procurement contracts for the previous year.

6. The use of the digital platforms for public procurement procedures MTender is optional for public undertakings. Only 22% of undertakings subject to monitoring used it in 2019 depending on the intention and decision of founders rather than being imposed by law. This is the case of municipal-owned enterprises located in Chisinau, which are required to carry out procurement via MTender as per the Municipal Council decision.
7. Although the Law on state and municipal-owned enterprises expressly lays down the obligation to disclose a series of information (charters, in-house regulations, annual reports and audit reports), the undertakings do not comply with the legal requirements, and there are no sanctions and instruments to hold liable those who infringe the law.
8. The Moldovan public undertakings have backtracked in terms of transparency of economic indicators. Only three undertakings subject to monitoring (4.5%) published the 2019 Annual Reports on their web page, and another three undertakings (4.5%) published their economic and financial reviews, containing such indicators as net profits, sales revenues and other activity-related indicators. The latter were higher in the previous assessment and ranking, namely 29.4% published annual reports and 42.6% posted economic and financial reviews. In the context that the undertakings have the obligation to publish these reports and reviews by the end of April, it is most likely that the emergency situation in the country and across the world, which ceased the activity of many entities, would cause negative results.
9. Among other relevant findings identified as a result of assessing the transparency of Moldovan public undertakings, we could mention the following:
 - 23 undertakings do not have websites (34%), while those that have do not publish all the required information or are non-functional;
 - 40 charters of undertakings have been published on the website (60%), 16 charters are posted on the undertakings' web pages and 24 – on the founders' websites;
 - Only eight undertakings (three in full and five in part) published the information (offers, outcomes, other information) regarding the conveyance, trading, rental/leasing or bailment of undertaking assets on their website (12%) on the web page;
 - 46 undertakings do not publish their job vacancies on the websites (69%) and no undertaking published the results of selection procedures for filling job vacancies in 2019;
 - 60 undertakings failed to make public the Administrator's CV (90%) and no undertaking published any CV of Management Board members;
 - 51 undertakings do not bring to the public attention the names of the Management Board members (76%);
 - three undertakings provided incomplete information about the Administrator's salary and allowances paid to Management Board members (4.5%);
 - 11 undertakings published an Ethics Code for their employees (16%) and only three undertakings published a Corporate governance Code (4.5%);
 - 10 undertakings have some components of anti-corruption programmes (15%);
 - seven undertakings (10%) established a mechanism (hot-line, e-mail) for reporting misconducts and corruption events and made it public on the website;
 - no undertaking published any information about previous donations and sponsorships on the website;
 - no undertaking made public the results of inspections and economic and financial audits it was subject to during 2019.

IV. Recommendations

Based on the outcomes of public undertaking transparency monitoring, a number of recommendations have been laid down to help the undertakings become more transparent. The recommendations concern many public entities. Moreover, some of the recommendations intended for public undertakings mentioned in the previous report have been reiterated as they are still topical.

The Parliament:

1. Finalising the draft law/bill registered with the Parliament under No. 325 dated 31.12.2019 on procurement in the energy, water, transport and postal services sectors, after holding preliminary public consultations, having included it on the Parliament agenda and adopted in the second reading. The bill transposes Directive 2014/25/EU of the European Parliament and Council of 26 February 2014.

The Parliament/Government

2. Amending the Law on access to information No. 982/2000 to include the state-/municipal-owned enterprises and publicly/municipally owned or controlled commercial companies as providers of information, imposing the obligation on them to respond to the applicants' requests and provide public information, eventually specifying what public information they hold.
3. Establishing some viable mechanisms to hold accountable those subjects who infringe the Law on state and municipal-owned enterprises and the Law on access to information, after their status as providers of information has been clarified.

The Government/Ministry of Economy and Infrastructure

4. Finalising the draft Regulation on procurement of goods, works and services for SoEs and publicly owned or controlled JSCs after holding preliminary public consultations, having included it on the Government agenda and approved (subjected to public consultations in March 2019).
5. Regulating the public procurement procedures for municipal-owned enterprises and joint-stock companies fully owned or controlled by the Municipality or considering the possibility to include those undertakings in the Regulation mentioned above.
6. Including the obligation for public undertakings to carry out the public procurement procedures via MTender into the legal framework governing public procurement procedures and into those two draft regulatory acts mentioned above.
7. Including the obligation to publish the Management Board decisions/minutes into the Law on state and municipal-owned enterprises.

The Public Property Agency/Local Public Authorities

8. Publishing on the Public Property Agency website and LPAs, which are the founders and shareholders (shareholdings) the mandatory information stated in:

A. Law No. 246/2017 on state and municipal-owned enterprises:

- enterprise' s charter;
- in-house regulations;
- enterprise' s annual report;
- auditor's report of the state-/municipal-owned enterprise.

B. Law No. 171/2012 on capital market, Law No. 1134/1997 on joint-stock companies and the Regulation on the disclosure of information by the issuers of securities approved by Decision No. 7/1 dated 18.02.2019 of the National Commission for Financial Markets:

- the annual report of the issuer;
- the semi-annual report of the issuer;
- intermediary statements of the issuer's managing body;
- the information about events affecting the issuer's economic and financial activity;
- the issuer's instruments of incorporation;
- the information on important holdings of shares.

9. In addition, publishing and updating the information on SoEs and JSCs as per the existing headings and subheadings of the Public Property Agency website (this can be implemented also by the Local Public Authorities):

- entity passport;
- managing bodies;
- annual financial statements of the entity;
- annual reports of the Administrator;
- business plans;
- registers of risks of corruption;
- integrity plan;
- events/other information.

The National Integrity Authority

10. Improving the search filters of www.declaratii.ani.md to enable selecting the wealth and interest statements submitted by public undertakings' administrators and members of Management Boards.

Public undertakings (according to transparency areas)

Economic indicators

11. The undertaking annual activity report is one of the important documents, which needs to be made public, while its layout shall be aligned with the mandatory requirements referred to in Article 18 (2) of Law No. 246/2017, on the one hand, and with the national and international best practices, on the other hand. This action implies presenting analytical information and detailed description of undertaking core activities, having appraised the achieved results.
12. The undertaking performance indicators are of public interest, and the undertakings shall publish that information, as well as the economic and financial outcomes, having described the profits derived, losses incurred and other activity-related indicators.
13. It is appropriate to publish and update, on a yearly basis, the information on enterprise borrowing/lending activity (if any) on their website. This information shall be clear and detailed, avoiding the simple display of figures in the annual economic and financial reviews.
14. The outcomes of inspections and economic and financial audits the Moldovan public undertakings were subject to shall be made public.

Transparency and access to information

15. It is worth mentioning the importance and the need to have websites in place to be filled and updated on a regular basis, as they are an efficient tool for public undertakings to disseminate public information.
16. The undertaking websites shall comprise such mandatory information as Administrator's and responsible people's contact data, enabling the public to solicit information/submit requests to undertakings.
17. It is necessary to publish the undertaking's Charter on the website. This is a core document developed upon the undertaking establishment, defining the types of activity, the share capital, the transferred assets, the managing bodies, the way of sharing and using the net profit, the way of covering the losses, the way of reorganising and winding-up the undertaking, and other relevant activity-relating provisions.
18. The undertaking website shall contain information on its Founders/Owners/Shareholders and the percentage of shares/holdings they have.
19. It is important the websites to cover the topics tackled during the meetings held by the Management Board/General Assembly and entered into decisions and minutes.
20. The enterprises are advised to publish documents on their website, especially their annual reports, in a format enabling the public to search for and copy texts from those documents, having facilitated in this way the use of public information.
21. Public undertakings should be open, comply with the legislation on access to information, respond to the submitted requests and provide the information requested by individuals, legal entities, Media and other stakeholders.

Public procurement and property

22. It is recommended to make public the annual public procurement plans (notices of intent) and to publish all tender notices on websites.
23. It is advisable to make public the acts by which working groups were established in the area of procurement (Procurement Committees) and their composition.
24. The trend of using the digital platform for public procurement procedures by all public entities should be fostered. Even though it was not used largely throughout 2019, it might be the case in the years to come.
25. It is recommended that the enterprises disclose the concluded public procurement contracts, having published such binding information as: the procurement object and value, the economic operator, the date of conclusion and duration, the information about contract revision/prolongation. It is important that citizens are able to easily find a certain contract on the enterprise website based on certain criteria, such as: the date of contract conclusion, the name of the economic operator, the contract amount/value, the type of goods, works, services, etc.
26. In order to enhance assets management transparency, the undertakings are advised to publish the information on the assets they manage or own (land plots and immovable property) on their website, as well as the information related to asset alienation and transfer to third parties.

Human resources

27. It is advisable to post the number of employees and the monthly average salary per undertaking on the website.
28. The undertakings shall ensure public access to all information related to staff recruiting and employment, having published the job offers, the organised recruiting competitions to fill the job vacancies, as well as the recruiting procedure outcomes on their website.
29. It would be advisable to publish the rules for staff recruiting and employment, as well as the rules for organising and conducting the competition for filling the Administrator's job vacancy on the website.
30. It would be appropriate to publish under a distinct website heading the names and CVs of Management Board members and of the Administrator, containing data on their education background, work experience and other relevant data.
31. The undertakings shall provide the information on the earned income, allowances, premiums, bonuses, other material aids and benefits enjoyed by the Administrator and Management Board members.
32. The undertakings shall develop and make public the decisions regarding specific ceilings set for Administrator's salary, conditioned by the undertaking performance indicators.

Ethics and conflict of interests

- 33.** The undertakings shall have and make public tools aiming to report misconducts and corruption deeds (hot-line, online forms, etc.). In order to make the reporting tools more efficient, it is recommended to have protection procedures and guarantees in place for whistle-blowers.
- 34.** In order to prevent any conflicts of interests and corruption deeds, to strengthen integrity and set up certain professional standards, the undertakings shall develop and publish an Ethics Code for their employees and anti-corruption programmes, containing provisions regarding bribery, conflicts of interests, gifts, other risks and procedures to be followed in each specific case by the employees and managing body. Likewise, it is appropriate for the undertakings to develop and implement Integrity Plans and Registers of Corruption Risks.
- 35.** The undertakings shall conduct and make public information about anti-corruption training courses organised for their employees or managers.

Grants and sponsorships

- 36.** The enterprise should publish all the information related to philanthropic actions and sponsorships it has been involved in under a separate heading on its website, namely: a) the rules and procedures for assigning grants, donations, sponsorships; b) the list of financial support requests that were rejected throughout the year and the reason for their rejection; c) the amounts and beneficiaries of grants, donations, sponsorships throughout the year: such as different events and social, cultural, educational, sports or other types of activities supported by the undertaking.

V. Transparency ranking

| RANKING | ENTERPRISE | I. Economic indicators | II. Transparency and access to information | III. Public procurement and property | IV. Human resources | V. Ethics and conflict of interests | VI. Grants and sponsorships | TOTAL | CLASS |
|---------|---|------------------------|--|--------------------------------------|---------------------|-------------------------------------|-----------------------------|-------|-------|
| 1 | SoE Editorial and Polygraphic Enterprise "Stiinta" | 63 % | 63 % | 21 % | 39 % | 46 % | 0 % | 44% | C- |
| 2 | SoE "Radiocomunicatii" | 79 % | 83 % | 9 % | 39 % | 0 % | 0 % | 43% | C- |
| 3 | SoE "Manejul de Atletica Usoara" | 53 % | 42 % | 26 % | 39 % | 62 % | 0 % | 40% | D+ |
| 4 | JSC "Energocom" | 42 % | 50 % | – | 9 % | 46 % | 0 % | 36% | D+ |
| 5 | JSC "Franzeluta" | 84 % | 38 % | 0 % | 14 % | 62 % | 0 % | 35% | D+ |
| 6 | SoE "Centrul de Metrologie Aplicata si Certificare" | 18 % | 63 % | 13 % | 29 % | 62 % | 0 % | 34% | D |
| 7 | SoE "Administratia de stat a drumurilor" | 18 % | 63 % | 48 % | 0 % | 15 % | 0 % | 33% | D |
| 8 | SoE "MoldATSA" | 18 % | 79 % | 9 % | 29 % | 15 % | 29 % | 33% | D |
| 9 | SoE "Posta Moldovei" | 11 % | 58 % | 43 % | 14 % | 31 % | 0 % | 32% | D |
| 10 | MoE "Exdrupo" | 18 % | 33 % | 43 % | 7 % | 46 % | 0 % | 30% | D |
| 11 | JSC "Tracom" | 18 % | 71 % | 44 % | 7 % | 0 % | 0 % | 30% | D- |
| 12 | JSC "Moldtelecom" | 42 % | 54 % | 17 % | 14 % | 15 % | 0 % | 29% | D- |
| 12 | JSC "Termoelectrica" | 47 % | 54 % | 30 % | 0 % | 0 % | 0 % | 29% | D- |
| 14 | SoE "Moldelectrica" | 18 % | 63 % | 30 % | 14 % | 0 % | 0 % | 29% | D- |
| 15 | JSC "Apa-Canal Cahul" | 5 % | 63 % | 35 % | 21 % | 0 % | 0 % | 28% | D- |
| 15 | MoE "Regia Transport Electric Chisinau" | 21 % | 50 % | 35 % | 7 % | 15 % | 0 % | 28% | D- |
| 17 | MoE "Parcul urban de autobuze" | 26 % | 50 % | 43 % | 7 % | 0 % | 0 % | 28% | D- |
| 17 | SoE "Calea Ferata din Moldova" | 11 % | 63 % | 17 % | 7 % | 46 % | 0 % | 28% | D- |
| 19 | MoE "Liftservice" | 8 % | 63 % | 35 % | 11 % | 0 % | 0 % | 27% | D- |
| 20 | JSC "Metalferos" | 32 % | 67 % | 0 % | 29 % | 8 % | 0 % | 27% | D- |
| 21 | JSC "Apa-Canal Chisinau" | 18 % | 38 % | 43 % | 14 % | 15 % | 0 % | 27% | D- |
| 22 | SoE "Centrul republican pentru ameliorarea si reproductia animalelor" | 11 % | 42 % | 42 % | 0 % | 31 % | 0 % | 26% | D- |
| 23 | MoE "Regia Autosalubritate" | 16 % | 50 % | 39 % | 7 % | 0 % | 0 % | 25% | D- |
| 24 | MoE "Apa-Canal Balti" | 18 % | 46 % | 9 % | 14 % | 38 % | 0 % | 24% | E+ |
| 25 | MoE "Directia constructii capitale" | 8 % | 50 % | 35 % | 0 % | 0 % | 0 % | 23% | E+ |
| 26 | SoE "Palatul Republicii" | 0 % | 46 % | 35 % | 0 % | 0 % | 0 % | 20% | E+ |
| 27 | SoE "Servicii Paza" | 11 % | 58 % | 9 % | 11 % | 0 % | 0 % | 20% | E |
| 28 | SoE "Portul Fluvial Ungheni" | 11 % | 42 % | 0 % | 0 % | 46 % | 0 % | 19% | E |
| 29 | SoE "Milestii Mici" | 11 % | 58 % | 0 % | 0 % | 0 % | 0 % | 19% | E |

| | | | | | | | | | |
|----|---|------|------|------|------|------|-----|-----|----|
| 30 | SoE Institute of Geodesy, Technical Surveys and Cadastre "INGEOCAD" | 18 % | 46 % | 0 % | 7 % | 0 % | 0 % | 16% | E |
| 31 | MoE "Apa-Canal Strasenii" | 21 % | 33 % | 9 % | 7 % | 0 % | 0 % | 15% | E |
| 31 | SoE "Detasamentul de Paza Paramilitara" | 11 % | 46 % | 4 % | 7 % | 0 % | 0 % | 15% | E |
| 33 | MoE "Rețelele Electrice de Iluminat LUMTEH" | 8 % | 21 % | 35 % | 0 % | 0 % | 0 % | 15% | E- |
| 34 | MoE "Asociatia de gospodarire a spatiilor verzi" | 0 % | 25 % | 35 % | 0 % | 0 % | 0 % | 14% | E- |
| 34 | SoE "Centrul de elaborari economice si productie" | 11 % | 42 % | 0 % | 0 % | 15 % | 0 % | 14% | E- |
| 34 | SoE Institute of Agricultural Machines "Mecagro" | 11 % | 42 % | 9 % | 0 % | 0 % | 0 % | 14% | E- |
| 34 | SoE "Moldaeroservice" | 11 % | 46 % | 0 % | 7 % | 0 % | 0 % | 14% | E- |
| 38 | JSC "Moldovagaz" | 18 % | 17 % | 13 % | 7 % | 15 % | 0 % | 14% | E- |
| 39 | MoE "Piata Centrala" | 0 % | 21 % | 35 % | 0 % | 0 % | 0 % | 13% | E- |
| 39 | SoE "Garile si statiile auto" | 11 % | 42 % | 0 % | 7 % | 0 % | 0 % | 13% | E- |
| 41 | SoE "Moldsuinhibrid" | 11 % | 42 % | 0 % | 0 % | 0 % | 0 % | 12% | E- |
| 41 | SoE "Urbanproiect" | 11 % | 42 % | 0 % | 0 % | 0 % | 0 % | 12% | E- |
| 41 | JSC "Furnizarea Energiei Electrice Nord" | 11 % | 21 % | 22 % | 0 % | 0 % | 0 % | 12% | E- |
| 41 | Free Economic Zone "Expo-Business-Chisinau" | 0 % | 21 % | 26 % | 7 % | 0 % | 0 % | 12% | E- |
| 45 | JSC "Cartus" | 11 % | 33 % | 0 % | 0 % | 0 % | 0 % | 10% | E- |
| 45 | JSC International Expositions Centre "Moldexpo" | 0 % | 21 % | 17 % | 7 % | 0 % | 0 % | 10% | E- |
| 47 | SoE "Combinatul Republican de Instruire Auto" | 11 % | 29 % | 0 % | 0 % | 0 % | 0 % | 9% | F |
| 47 | SoE Water Management System "Nistru-Centru" | 11 % | 29 % | 0 % | 0 % | 0 % | 0 % | 9% | F |
| 47 | SoE "Mold-Didactica" | 11 % | 29 % | 0 % | 0 % | 0 % | 0 % | 9% | F |
| 50 | SoE "Tipografia Academiei de Stiinte" | 13 % | 25 % | 0 % | 0 % | 0 % | 0 % | 9% | F |
| 51 | SoE "Indal Proiect" | 11 % | 25 % | 0 % | 0 % | 0 % | 0 % | 8% | F |
| 51 | SoE "Statiunea didactica experimentală Criuleni" | 11 % | 25 % | 0 % | 0 % | 0 % | 0 % | 8% | F |
| 51 | SoE "Vivaflora" | 11 % | 25 % | 0 % | 0 % | 0 % | 0 % | 8% | F |
| 51 | SoE "Directia pentru exploatarea imobilului" | 11 % | 25 % | 0 % | 0 % | 0 % | 0 % | 8% | F |
| 51 | SoE "Directia Servicii pentru Corpul Diplomatic" | 11 % | 25 % | 0 % | 0 % | 0 % | 0 % | 8% | F |
| 51 | SoE State Design Institute "Ruralproiect" | 11 % | 25 % | 0 % | 0 % | 0 % | 0 % | 8% | F |
| 57 | JSC "Drumuri Ialoveni" | 3 % | 25 % | 0 % | 7 % | 0 % | 0 % | 8% | F |
| 58 | JSC "Sanfarm-Prim" | 0 % | 21 % | 0 % | 14 % | 0 % | 0 % | 7% | F |
| 59 | SoE "Dumbrava-Vest" | 3 % | 25 % | 0 % | 0 % | 0 % | 0 % | 7% | F |
| 60 | SoE "Combinatul Poligrafic" | 11 % | 13 % | 0 % | 0 % | 0 % | 0 % | 5% | F |
| 60 | JSC "Tutun-CTC" | 0 % | 17 % | 0 % | 7 % | 0 % | 0 % | 5% | F |
| 62 | JSC "Apa-Canal Soroca" | 0 % | 8 % | 9 % | 0 % | 0 % | 0 % | 4% | F |
| 62 | JSC "Drumuri Cahul" | 11 % | 8 % | 0 % | 0 % | 0 % | 0 % | 4% | F |
| 62 | JSC "Gara Nord" | 0 % | 17 % | 0 % | 0 % | 0 % | 0 % | 4% | F |
| 65 | SoE "Tipografia Centrala" | 13 % | 0 % | 0 % | 0 % | 0 % | 0 % | 3% | F |
| 66 | SoE "Statia de Stat pentru Incercarea Masinilor" | 11 % | 0 % | 0 % | 0 % | 0 % | 0 % | 2% | F |
| 67 | Railroad Company SoE in the area of Construction "Confercai" | 0 % | 0 % | 0 % | 0 % | 0 % | 0 % | 0% | F |

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