



Press release

31 May 2021

Top of the most transparent enterprises with public capital in Moldova: Moldelectrica, MoldATSA and Energocom, first in the ranking

The state enterprise "Moldelectrica", the state enterprise "MoldATSA" and the Joint Stock Company "Energocom" are the most transparent enterprises with public capital in Moldova in 2020. At the opposite pole are "Apa-Canal Soroca", "Confercai" and "Gara Nord". The ranking of transparency of publicly owned enterprises in the Republic of Moldova, available on www.companies.viitorul.org, was presented on May 31, during an online conference organized by the Institute for Development and Social Initiatives (IDIS) "Viitorul" and INEKO Slovakia.

"Our institution has always been a promoter of public interest and money, and an important element in this regard is transparency. And because the enterprises with public capital represent a national patrimony, we considered it opportune to analyze their level of transparency and financial sustainability. We want that through this exercise, we want to show the companies in the country, a roadmap through which they can increase their transparency. When a company has all the rigors of transparency, the quality of management increases, and the benefit that the company obtains is much greater, because a good administration is a good transparency", said Veaceslav Ioniță, economist at IDIS "Viitorul" and moderator of the conference.

In turn, INEKO Director, Peter Golias said: *"This conference presents the rankings of transparency and financial health of the largest publicly owned enterprises in Moldova. These rankings reflect a part of their corporate governance, which also determines the quality of democracy in the country. Unattended SOEs can become a source of huge corruption and inefficiency that destroys ethical standards and democratic values. This goes hand-in-hand with delivering low quality products to citizens and impeding quality of their lives. Moreover, the inefficiency often results in low dividends and high subsidies which is a burden for the state budget"*.

For the calculation of the level of transparency the activity of 60 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 the most transparent businesses in 2020 are "Moldelectrica" (58.4 points), "MoldATSA" (58.3 points) and "Energocom" (56.5 points).**

Compared to last year's ranking, there are improvements in the 2021 ranking at "Chisinau Printing Office" (+47 positions and 32.6 percentage points), followed by "Directorate for Real Estate Operation" (+23 positions and + 18%) and INGEOCAD Institute of Geodesy, Technical Surveying and Cadastre (+20 positions and + 24%). Overall, the score increased or remained the same in 51 of the 60 companies included in both editions of the ranking.

According to the third 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 increased from 17.4% in 2018 and 17.9% in 2020 to 26.2% in the 2021 ranking.** While state-owned enterprises average 26.7%, municipal enterprises have an average score of 24%. ,4%. In this

sense, "Exdrupo" is the municipal enterprise with the highest accumulated score (39.3%) and ranked highest in the ranking (11th place). Publicly owned enterprises are best placed in the categories "Transparency and access to information" (45.5%), "Economic indicators" (25%) and "Public procurement and property" (21.8%).

Thus, 47 out of 67 companies monitored have websites, but not all are used as tools for informing the public. Likewise, **only five publicly traded companies out of 60 have published their annual reports for 2020 on the website. "MoldATSA", "Moldelectrica", "Metalferos", "Energocom" and "Radiocommunications".** Also, only. "MoldATSA", "Moldelectrica", "Chisinau Printing Office" and "Ungheni River Port" published in 2020 the results of economic and financial controls and audits. And the most detailed information about loans and credits was published by "Moldelectrica".

The analysis also shows that 62% of enterprises do not publish annual public procurement plans on the web, 57% do not publish public procurement announcements and **no enterprise published public procurement contracts last year.** At the same time, 11 enterprises with public capital out of 60 monitored did not carry out public procurement procedures in 2020 according to the provisions of the legislation on public procurement. However, around 1/3 of the monitored companies used electronic platforms for public procurement procedures in 2020.

In terms of human resources, 24 monitored companies publish job offers on their website and no company has published the results of the selection procedures for filling the vacancies in 2020. Similarly, only eight monitored companies have publicly communicated their CVs. the administrator. This is "MoldATSA", "Metalferos", "Directorate for Real Estate Exploitation", ZAL "Expo Business Chisinau", "Radiocommunications", "Apa-Canal Strasenii", "Apa - Canal Cahul", "Apa-Canal Chisinau". **Only the State Enterprise "Manejul de Atletică Mșoară" and the State Enterprise "MoldATSA" provided information on the administrator's salary and the allowances of the members of the Board of Directors,** it is shown on www.companies.viitorul.org.

Also, 22 enterprises developed and published a Code of Ethics for the enterprise's employees in 2020. **Only "Franzeluța", "Termoelectrica", "Metalferos" and "Energocom" have developed a Corporate Governance Code.** And only ten publicly traded companies monitored and set up on the web about the existence of a mechanism for reporting unethical behavior and corruption.

"The monitoring of publicly owned enterprises in the Republic of Moldova shows that problems and deficiencies in ensuring transparency in the activity of these public entities still persist. This is due to both the imperfect legal framework and the non-compliance by companies with existing rules and the lack of viable tools to hold those who break the law accountable. The findings of the report reiterate the problems and gaps identified in previous years, current and present", considers Viorel Pîrvan, author of the report on the transparency of publicly owned enterprises.

The most problematic area of transparency for all businesses is "Grants and charity", with an average of no more than 2%. Therefore, only "MoldATSA", "Chisinau Polygraphic Plant", "Stiinta Publishing House", "Tracom" and "Radiocommunications" has published some partial information on the amounts and beneficiaries of grants, donations and sponsorships for 2020.

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 amending 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; improving the search filters of the portal www.declaratii.ani.md; the publication by the companies of the annual reports, the statute of the enterprise, the public procurement contracts, the patrimony that manages it, etc.

According to the data from the State Register, on January 1, 2021, 187 state-owned enterprises and 80 companies in which the state holds a share in the share capital were registered 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.

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