

## *Evaluation of the European Commission's Support to the Republic of Moldova – ref. 1094*

### *Abstract*

*The EC's co-operation engagement during the period 2000-2006 with Moldova has been of reasonable quality although a number of weaknesses were identified. It was to large extent relevant to national needs and coherent with long-term EC objectives. While tangible impacts were identified in a number of areas, major economic problems remain in place. To some extent this is because the development context in Moldova is particularly challenging. A problem which affected the quality of the programme was the fact that, until recently, there was no EC Delegation in Chisinau, and it is only recently that full competences have been transferred.*

### **Subject of the evaluation**

This evaluation assesses the Commission's cooperation strategy for Moldova and its implementation over the period 2000-2006 as well as the relevance, coherence and impacts of its cooperation strategy.

### **Purpose**

The purpose of the evaluation was to identify key findings and lessons of experience from its past and current co-operation with Moldova and thus provide an input into future decision making related to EC cooperation and relations with Moldova.

### **Methodology**

The evaluation was based on 10 evaluation questions, relating to the five DAC evaluation criteria (relevance, effectiveness, efficiency, sustainability and impact), as well as "3 Cs" ( coherence, coordination and complementarity ).

The evaluation was carried out in three phases: a desk phase including the identification of the evaluation questions was based mainly on documentation (i), a field phase including 80 interviews and some small case studies (ii), a report writing phase including the drafting of the final report (iii).

### **Main conclusions**

- 1. The EC's Technical Assistance (TA) has significantly advanced policy formulation in Moldova.** In several sectors - Justice and Home Affairs (JHA), Small and Medium Enterprises (SME) development, trade and Foreign Direct Investments (FDI) promotion, environment – legislation has been reviewed and Moldovan partners have benefited from European expertise. However, the implementation behind the new legislation in terms of tangible results has lagged in most areas ( e.g. corruption, private sector development, exports to Europe, FDI, environment ).
- 2. The EC has contributed to Civil Society development mostly in the social service delivery sector.** Whereas the EC was involved only to a limited extent in the fields of Human Rights and Rule of Law and Democratisation, the EIDHR instrument was not consistently used either.
- 3. Macroeconomic stabilisation : the presence of reasonably sound financial management capacity and adequate ownership provide a good basis for general budget support in Moldova.** However, in the case of successful budget support for FSP it was accompanied by intensive TA and capacity building in the Ministries affected and it is unclear if this will be the practise with the general budget support. The main risk with general budget support is that weaker (usually social) Ministries will not be able to access budget support funds because they will be unable to represent their case effectively at the level of the Ministry of Finance.
- 4. The quality of the EC co-operation in Moldova over the evaluation period was adversely affected by the low presence of the EC in Chisinau.**

## Main recommendations

### Strategy :

1. **A holistic approach to development in Moldova should be developed**, including SME promotion, promotion of food and agricultural exports, while concentrating on environmentally sustainable farm and production practises and containing a substantial community-level development component. As a first step, the EC should convene a meeting of major donor agencies, GoM officials, and international experts to assess the state of the art in country development, describe existing activities and lessons in Moldova, and assess the potential for a coordinated approach.
2. **The EC should be pro-active in managing GoM expectations in the context of budget support** by steadily transmitting the message that (i) in line with EC commitments to the Paris and Rome processes, budget support resources are being placed at the disposal of the GoM, but that at the same time (ii) this is being done only under well-defined conditionality conditions. This awareness-raising process must reach well beyond the central Ministries. As a first step, the EC should consider holding a high-profile seminar entitled something like “ENPI and You” in which GoM officials and a range of other stakeholders, including Civil Society, are given an urgent course in the changes currently taken place and explaining what they mean for the EC assistance to Moldova.
3. **The EC should examine**, perhaps starting with a dialogue with Member States with experience in the area, **the potential for small, low profile, “people-to-people” social and development actions related to Transnistria**. As a first step, the EC should review critically experience with EIDHR and to formulate a plan for more effective use of the instrument.
4. **The EC should explore with the GoM a programme for empowering local law enforcement officials and judges to deal with corruption cases**, the explicit goal being to increase the number of prosecutions and the severity of legal sanctions and to identify main causes of corruption.

### Implementation :

5. **The EC should stand ready to provide resources and TA at the introducing stage of the budget support**. As a first step, EC should stand ready to assist the GoM in streamlining and improving its aid coordination mechanisms and provide TA to the institutions put in place. This recommendation is linked to the strategic recommendation (2) above.
6. **The EC should ensure adequate Delegation capacity in Chisinau, particularly for the strategy formulation**. A first step towards implementing this recommendation would be to elaborate a review and strategic plan for human resource development and capacity-building needs. In view of the low visibility of the EC to date, the new Delegation to give priority to effective outreach and communications.

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