

**« FICHE CONTRADICTOIRE »**

**Evaluation of the European Commission's support to the Republic of Moldova**

Recommendations	Response of Commission services	Follow-up (one year later)
<p><b><u>Strategy :</u></b></p> <p>1. <b>A holistic approach to development in Moldova should be developed</b>, 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. In recognition of the important role played by secondary cities and towns, this should be a regional approach in Moldova, not simply a traditional rural development exercise.</p> <p><u>As a first step</u>, 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</p>	<p>This "holistic" strategic <b>recommendation overlooks</b> a major component of the situation of Moldova. This is related to the <b>massive migration, the importance of remittances (both accounting for more than 30% of labour force and GDP respectively) and the "dutch disease" type of syndrome that this situation engenders on the economy</b> (over-evaluation of domestic currency inducing a loss of competitiveness of domestic factors, over-reliance of indirect taxation as a source of State revenues).</p> <p><b>The Commission agrees that the approach to be developed with regard to economic development should be aligned with relevant Government policies and strategies</b> in place and harmonised among donors.</p> <p><b>The Commission confirms its commitment to continue dialogue with the government and co-ordination with other donors</b>, including DFID and the World Bank, in the broad area of rural and regional development.</p>	

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<p>approach.</p>		
<p>2. <b>The EC should be pro-active in managing GoM expectations in the context of budget support</b> 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.</p> <p><u>As a first step</u>, 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.</p>	<p>In line with its high level commitments, including the Paris Declaration and the EU consensus on development, <b><u>the Commission has intensified the use of budget support as a preferred aid delivery modality, and aims at achieving the target of 50% of resources channelled through government systems.</u></b></p> <p><b><u>The Commission intends to continue its effort of information dissemination among key players of government institutions and CSO</u></b> through adequate channels of communication on its assistance and related delivery modalities, <b><u>including in particular budget support.</u></b></p> <p><b><u>The modality suggested by the consultant, of a "high profile" seminar in which GoM officials and a range of other stakeholders including Civil Society is questionable,</u></b> considering the particular roles each actor has in the framework of a budget support operation, and the relative weakness of civil society organisations in Moldova.</p> <p><b><u>The Commission intends to disseminate information regarding Budget support operations within ENPI through ad-hoc vehicles</u></b> tailored to the requirements of rather (sector) specific audiences, regular information published on the Delegation Web page and through local media (press releases).</p>	

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	<p>Besides, each programme implemented via budget support will systematically include both consultations with civil society, and a component on visibility aimed at informing the general public on the financial assistance provided to the Government by the Commission to support the implementation of State Reforms in key sectors, in line with the EU- Moldova action plan.</p>	
<p>3. <b>The EC should examine</b>, perhaps starting with a dialogue with Member States with experience in the area, <b>the potential for small, low profile, “people-to-people” social and development actions related to Transnistria.</b></p> <p><u>As a first step</u>, the EC should review critically experience with EIDHR and to formulate a plan for more effective use of the instrument.</p>	<p><b>The Commission</b> is already involved in, and continues to <b><u>further pursue its effort to contribute to the settlement of the Transnistria issue through a number of channels</u></b>, including strengthening border management and border control, fostering activities that involve the communities living on both sides of the Dniestr, and other confidence building measures. <b>The Commission has been involved in dialogue with Member States and key donors for some time on this issue, and will continue this dialogue.</b></p> <p><b>Concrete measures for civil society in Transnistria, and improving links between people on both sides of the Nistru River are currently being elaborated</b>, and €2m was allocated under the ENPI National Action Programme 2007 for this. Lessons have been systematically drawn from the experience of a now completed DFID/SIDA project on Transnistria,.</p> <p><b><u>The EIDHR instrument is one of the many instruments that could be used in the context of Transnistria</u></b>, and indeed, under the EIDHR Country-Based Support Scheme 2007, the EC Delegation already encourages applicants (national NGOs) to create synergies and partnerships with NGOs from Transnistria active in the area of freedom of expression and media.</p>	

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	<p>A regional workshop gathering civil society correspondents from the ENPI East region (and Central Asia) will take place in Georgia in June 2008. This seminar will proceed to a review of our practices in terms of dialogue with and support to civil society organisations. The strategic support to civil society in the so-called "frozen conflicts" will be raised, as well as ways and means to use the thematic instruments (including EIDHR) in these regions in the most efficient manner.</p>	
<p>4. <b>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.</b></p>	<p><b>The Commission believes that <u>in the framework of the CSP and NIP, the issue of corruption is to be tackled</u> in a systemic manner, under the concept of good governance.</b></p> <p>As part of this approach, the EC finances a 3 MEUR Project against corruption and money laundering (MOLICO) implemented by the Council of Europe. The project aims at increasing capacities of law enforcement and other relevant institutions to deal with corruption cases and to increase the number of prosecutions. The Project will end in August 2009. Additionally, the issue of the fight against corruption and the role of law enforcement officials and judges in this regard is a key issue in the political dialogue between the EU and Moldova as well as in the work of the relevant joint institutions under the the PCA, and in the context of implementation of the EU-Moldova ENP Action Plan.</p>	

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<p><b><u>Implementation :</u></b></p> <p>5. <b>The EC should stand ready to provide resources and Technical Assistance for capacity building at the introducing stage of the general budget support.</b> In this regard the EC should study the generally positive experiences in FSP and Health sectors.</p> <p><u>As a first step</u>, the 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.</p> <p>This recommendation is linked to the strategic recommendation (2) above.</p>	<p><b>The Commission <u>agrees</u> that the concomitant provision of TA aimed at building capacity along with Budget Support has been one of the key factor of success of the Food Security Programme.</b></p> <p><b>The Commission <u>intends to continue along this line</u>,</b> and to examine, whenever (sector) budget support is provided, the issue related to the Government's own capacity to implement and to monitor the implementation of (sector) policies and reforms. The Commission believes that, in assessing the need for technical assistance, all resources available, be it from within the Government or through other donors should be taken into account.</p> <p>Technical assistance will continue to be provided, in the form of a component aimed at increasing the capacity of key players in the framework of sector programmes or of projects.</p> <p>More generally the Commission will harness technical assistance to assist in the formation of sector policy reform strategies.</p>	
<p>6. <b>The EC should ensure adequate Delegation capacity in Chisinau, particularly for the strategy formulation.</b></p> <p>A <u>first step</u> towards implementing this recommendation would be to elaborate a review and strategic plan for human</p>	<p>A review and strategic plan of the human resources development and capacity building needs within the Delegations is part of the routine exercise undertaken jointly by headquarters and EC delegations.</p> <p><b>The Commission <u>will continue its efforts in order to ensure that its Delegation to the Republic of Moldova be endowed with the adequate human resources,</u></b> within the framework of the budget available</p>	

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<p>resource development and capacity-building needs.</p> <p>In view of the low visibility of the EC to date, the new Delegation should give priority to effective outreach and communications.</p>	<p>for this purpose. This will be achieved to a large extent through the devolution of HR to the Head of Delegation, who will continue to be responsible for ensuring that the right profiles are employed in the right posts, and by developing an internal management that enables a relatively small sized Delegation to cope with the workload derived from the management of the portfolio of our external cooperation.</p>	