

ANNEX 3: ACTION FICHE FOR THE REPUBLIC OF MOLDOVA – ENP AAP 2008

1. IDENTIFICATION

	Title	Technical Assistance & Twinning in support of the implementation of the EU-Republic of Moldova Action Plan		
	Total cost	€ 5.7 million		
	Aid method / Management mode	Project approach – direct centralised management CRIS Nr: ENPI/2008/019-657		
	DAC-code	43010	Sector	Multi-sector aid

2. RATIONALE

2.1. Sector context

In a new departure for EU's relationship with the Republic of Moldova within the framework of the European Neighbourhood Policy, the approximation of Moldovan legislation to EU Norms and Standards, its implementation and the capacity of the public institutions to effectively apply it are key activities that the Commission commits to support through a mix of classical technical assistance, TAIEX and SIGMA short term missions and long term exchange of experience through Twinning arrangements between Moldovan institutions and correspondent structures in the Member States.

If classical technical assistance provided to state institutions through private sector consultants has been the default option during the TACIS programme, with the Neighbourhood Policy and the European Neighbourhood and Partnership Instrument it became possible to use long term expertise of public servants of EU Member States through the established Twinning instrument. This possibility is expected to strengthen the public administrations in the Republic of Moldova through provision of expertise coming from similar institutions within a member state as well as enhance the horizontal collaboration between Moldovan and EU Member States public institutions.

However, considering the specific characteristics of the Moldovan context, a Twinning arrangement according to EU rules can only be possible if a number of conditions are fulfilled, such as: (a) the existence of a significant EU legal approximation component; (b) the requirement to develop implementation capacity within BC administration; (c)c size, stability and sustainability of the institution within the BC administration e) it must refer to a priority area of intervention agreed between the EU and the Republic of Moldova.

Therefore the Section for Foreign Assistance within the Governmental Apparatus of the Republic of Moldova (in its role of coordinating technical assistance of all donors and promotion of aid assistance tools) together with the Ministry of Foreign Affairs and European Integration (as the institution providing political guidance and coordination in view of the implementation of the EU – Republic of Moldova Action Plan) and the EC Delegation services have to prioritize interventions leading to fulfilment of provisions lied down in bilateral agreements as well as to choose on a case by case basis, the optimal modality of assistance (such as technical assistance or Twinning, pool funding with other donors, budgetary support, ... etc.) .

2.2. Lessons learnt

The proposed measure draws on past experience and on-going projects, be they funded by the EU or by other donors. It will focus on strengthening the Republic of Moldova's chances of achieving the key objectives without which its political dialogue with the EU will likely lose momentum as a consequence of insufficient implementing capacities.

Positive recent examples in the Republic of Moldova in technical assistance are provided by the various projects supporting the line ministries in implementing PCA and ENPAP commitments (mostly the projects called 'Support to PCA' but also projects supporting specific sectors such as recent initiatives in the field of energy, agriculture and social assistance).

The Twinning modality is new in the Republic of Moldova. The first Twinning project started in July 2008, therefore lessons learnt can only be taken from neighbouring countries. On the other side, the Republic of Moldova has been long awaiting for Twinning, and expectations are high. However, some Member States already provided public service expertise to Moldovan authorities with a certain success. Among others, it is relevant to quote the exchange of expertise provided by Lithuania to the customs service of the Republic of Moldova and the expertise that the UK, Lithuania and Estonia provided the Ministry of Foreign Affairs and European Integration in policy advice.

2.3. Complementary actions

These interventions will go hand in hand with a package of Twinning and Technical Assistance initiatives funded through the National Action Programmes for the Republic of Moldova 2005 and 2007. This package includes Twinning projects supporting the Parliament of the Republic of Moldova, the Penitentiary Institutions, the Ministry of Agriculture and Food Industry, the Agencies for Protection of Competition, Public Procurement and Intellectual Property as well as a 6 million EUR project called 'Support to agreements between the EU and the Republic of Moldova' that is scheduled to start in mid-2008. The sectors and institutions that will receive Technical Assistance and Twinning projects through this initiative are the ones that will be assessed as lagging behind in the implementation of the EU-Republic of Moldova Action Plan, following the assessment that the Commission services will be doing on a regular basis. At the same time, it should be taken into account that some Member States are providing specific expertise to some line ministries for the implementation of some actions foreseen in the EU-Republic of Moldova Action Plan.

The Soros Foundation is also providing grants to NGOs to monitor the implementation of the EU-Republic of Moldova Action Plan. The Project 'Support to Public Administration Reform, Multi Donor Trust Fund', implemented by the World Bank with funds from DFID and SIDA, might partly target the same beneficiary institutions and might have an indirect impact on this project. Coordination with these donors will be ensured by the Delegation of the European Commission in Chisinau.

2.4. Donor coordination

At a general level donors and IFIs are co-ordinated by a small team in the office of the First Vice Prime Minister in line with the Paris Declaration on Aid Effectiveness. At the working level, technical assistance of donors, including Twinning and Technical Assistance of the EU is coordinated by the Section for Foreign Assistance within the Governmental Apparatus of the Republic of Moldova. The latter is also referred to by the EC services as 'National Coordinating Unit' and 'Programme Administration Office'. The Ministry of Foreign Affairs coordinates the implementation of the EU-Republic of Moldova Action Plan and bilateral donor assistance. The Ministry of Finance coordinates donors' assistance implemented through budgetary support. Regular coordination meetings are expected to take place between these institutions, as well as the relevant line ministries involved with participation of the EC Delegation. Sectoral donor coordination meetings are taking place in several areas, such as health, social protection, civil society, regional development and more are planned to be established in the near future. Several other donors have generally agreed to use the Republic of

Moldova's commitments set forth in the EU-Republic of Moldova Action Plan as a basis for designing their own aid conditionalities in the relevant sectors, thus ensuring consistency of their activities with those contemplated in this action. The Delegation of the European Commission in Chisinau, regularly gathers information on activities performed by other donors, in particular other EU Member States in connection with the implementation of the EU-Republic of Moldova Action Plan in order to ensure proper coordination and avoid possible overlaps.

3. DESCRIPTION

3.1. Objectives

Overall objective:

To strengthen public administration institutions in the Republic of Moldova and to support them in meeting European standards and implementing measures foreseen by bilateral agreements between the Republic of Moldova and the EU

Specific objectives:

To support the relevant institutions within the Moldovan administration in the areas needing further capacity building in order to enforce effectively the commitments set forth in the ENP Action Plan

To significantly advance the approximation of Moldovan legislation, norms and standards to those of the European Union

To provide Moldovan officials with deeper knowledge of the best practices in the EU in key sectors of cooperation between the Republic of Moldova and the EU

3.2. Expected results and main activities

Timely and cost-effective implementation of the Republic of Moldova's commitments in light of the above-mentioned documents, along with regulatory reform and administrative capacity building;

Eased political dialogue for further enhancement of neighbourhood relations, based on successful realisation of joint objectives defined in bilateral agreements.

3.3. Stakeholders

The key stakeholders will be the concerned industries and society groups, policy-setting and implementing ministries and agencies and the judiciary system. The proposed measure will impact first and foremost on the policy-setting and implementing agencies. However enforcement of EU-compliant procedures should rapidly lead to involvement of the public administration, civil society and businesses in the project. The Republic of Moldova is characterised by limited administrative capacity in public administration, civil society and business infrastructure.

3.4. Risks and assumptions

Assumptions:

The European Union pursues its ENP policy;

The Republic of Moldova pursues its objective of improved relations and economic integration with the European Union, and pursues its efforts to modernise its administration;

The government continues its donor coordination effort and supports improvement of decision-making processes in line with European practice;

The beneficiary institutions are properly staffed and have the necessary absorption capacity to receive and benefit of the proposed projects;

Risks:

The limited number of trained staff in certain sectors of the Moldovan public administration is a risk for the implementation of the Twinning component of the measure. This risk can be mitigated through agreeing on existing administrative capacity as a key criterion to establish the list of priority twinning projects.

3.5. Crosscutting Issues

Coherence with the cross-cutting issues can be characterised as follows:

Improved administrative capacity and rendering it aware of EU policies and systems will raise the democratic standards of governance implying improved wider and systematic consultation of the civil society and businesses, will provide the Republic of Moldova with a major step forward to democracy; the monitoring by civil society organisations will be a guarantee of setting up an efficient and stable surveillance of the law enforcement system, which is a vital one for democracy;

4. IMPLEMENTATION ISSUES

4.1. Implementation method

The project will be implemented through centralised management by the EC Delegation to the Republic of Moldova (service contracts for technical assistance and grants for twinings).

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question. The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EC external actions. The maximum possible rate of co-financing is 80%. Full financing may only be applied in the cases provided for in Article 253 of the Implementing Rules of the Financial Regulation where financing in full is essential to carry out the action in question (direct award of grants duly justified by the relevant Authorising Officer in its award decision in accordance with articles 110.2 et 3 of the Financial Regulation). All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

4.3. Budget and calendar

The total budget for this initiative has been set to EUR 5.7 million while the implementation period for this action is 48 months. The split between Twinning and Technical Assistance will be done at a later stage, when an assessment will be made on the needs and absorption capacity of each institution. Part of this budget (at least EUR 1 million) will be used as 'General Technical Assistance Facility' to support project preparation and intervention responses to urgent needs of the country.

In the case of twinning projects, the beneficiary administrations are requested to make their co-financing of the measures explicit in the twinning project's budget attached to the twinning contract, providing human resources, logistical arrangements and optionally taking in charge RTA assistant. In the case of technical assistance projects, Moldovan beneficiaries are commonly requested to contribute

the logistical arrangements (internalised cost) as well as political support in case the reform and development strategies in one or more of the concerned sectors need revision or update.

4.4. Performance monitoring

The monitoring of the measure will follow standard procedures, based on benchmarks to be agreed with each of its beneficiaries shortly after its start-up. Project monitoring will be based on periodic assessment of progress and delivery of specified project results and towards achievement of project objectives.

4.5. Evaluation and audit

In addition to regular expenditure verification and monitoring exercises, a mid-term and final evaluation of the implementation of this package may be organised, possibly concomitant with the mid-term or final evaluation of other technical assistance and twinning facilities funded under other Action Programmes in the Republic of Moldova.

4.6. Communication and visibility

Proper communication and visibility of the measure will be achieved via widespread dissemination of project achievements and results: to this end, a proportionate and reasonable budget will be allocated within each contract to cover communication and visibility activities.