The Annual External Assistance Report was developed on the basis of a questionnaire survey and interview of ministries and other public authorities which were recipients of external assistance, as well as on the basis of inputs provided by external development partners and other actors responsible for aid planning, monitoring, and evaluation.

Results of the Report were presented to over 60 representatives of the donors community and line ministries in August; the presentation highlighted the impact of external assistance in each priority sector as per the National Development Strategy and providing statistical data regarding development partners’ contribution by sector and by donor. The whole Report is available at http://ncu.moldova.md/lib.php?l=en&idc=423.

The State Chancellery - the National Authority of External Assistance Coordination – fulfilled the annual exercise of developing the annual External Assistance Report, which this year focused on the impact of external assistance on the social and economic development of the Republic of Moldova, rather than merely providing a descriptive list of projects under implementation and the major results achieved. Thus, according to the authors of the Report, the role of the external assistance in achieving country’s development priorities has been significant.

According to the data contained in the Report, in 2011 Moldova benefited of over 200 on-going projects in different sectors, majority of them being focused on the good governance and civil society sector, followed by social infrastructure and services, education, agriculture, environment. The largest donor of Moldova in 2011 has been the European Union. Other important external development partners included EBRD, World Bank, US Government, Sweden, UN, Austria, Switzerland, Germany, Norway, Turkey and others.

The Annual External Assistance Report was developed on the basis of a questionnaire survey and interview of ministries and other public authorities which were recipients of external assistance, as well as on the basis of inputs provided by external development partners and other actors responsible for aid planning, monitoring, and evaluation.

The participants have gathered together within a roundtable meeting to assess the Programme progress and to exchange opinions regarding the perspectives for the next period, creating synergies and partnerships within the Black Sea Basin.

Marcel Raducan, Minister of the Regional Development and Constructions, stated in his welcoming speech that the Republic of Moldova is an active participant within different partnerships and regional organizations, and the Cross Border Cooperation Programmes are the first European programmes in which the Moldovan local authorities directly benefit from projects financed by the European Commission. Also, the minister mentioned that partnerships created within the Programme provide a favourable framework in stimulating mutual trust between the Member States and contribute to the spirit of a multilateral cooperation.

Regional cooperation is a priority of Moldova’s foreign policy and the involvement of our country in the activities, processes and projects of such collaboration are directed towards the achievement of the major objective – integration in the European Union. From this perspective, regional cooperation represents an important component and an efficient mechanism which aims at contributing at the advancing processes of countries in their path integration in the community space, of alignment to European Union standards, as well as to European freedoms.

H.E. Dirk Schuebel, Head of European Union Delegation in Moldova, mentioned that over the last 10 years, Moldova actively participates in regional cooperation processes in Central and South-Eastern Europe, the Black Sea and the Eastern dimension. Moldova’s increased interest towards this program and future programming period for the years 2014-2020 is proved by the results of two calls for proposals, Moldova being within first 3 countries as funds raised (after Romania and Bulgaria). Mr. Schuebel welcomed the results of the Moldovan partners related to the significant number of applications submitted and funds raised. Thus, the first call ended with 10 project proposals approved for Moldova with a total budget of 0.9 mln Euro. Within the second call, 34 projects submitted by the Moldovan side were approved, totalling a budget of 2.5 mln Euro.
INTERVIEW
**EU and Neighbours: a turning point in relations**

Enlargement and European Neighbourhood Commissioner Stefan Fule: “We will seek to assist reforms in partner countries in order to complete the process of transformation towards sustainable democracies based on a competitive market economy.”

What is your assessment of EU relations with its Neighbours at this point in time?

EU relations with its Neighbours are probably at a turning point. Since the adoption in May 2011 of a new European Neighbourhood Policy based on mutual accountability and a stronger partnership with societies, the EU has been quick and determined in establishing the policy’s new foundations. We can say that we are now better equipped to develop links with each partner as far as their own aspirations, needs and capacity allow. We have new Instruments and after the Lisbon Treaty a much more coherent approach. This approach is already yielding encouraging results. After years of relative stagnation, democracy is increasingly taking root in the neighbourhood. The general trend points towards a more accountable form of governance and increased respect for human rights and fundamental freedoms. Structural reform, where pursued, has helped to reduce poverty and attract foreign investment, while important social challenges remain. Continued approximation to EU norms and standards has helped to contribute to strengthened trade links, notwithstanding the unfavourable economic climate. Increasingly intense sector co-operation with the EU is helping to address transport and energy bottlenecks and to tackle environmental and climate challenges. The EU and its Neighbours must now keep the momentum to strengthen their relations.

You have travelled across the Neighbourhood extensively. From the feedback you get on the ground, how would you say the EU is viewed? Is it considered an honest and reliable partner?

Without indulging in self-congratulation, I think the EU is seen as a reliable partner that delivers on its commitments. I am not referring only to the views expressed by governments of partner countries but also to the perception of civil society that I had the opportunity to meet frequently in the last year. This perception is supported by facts. The EU has covered a lot of ground in twelve months. Let me give you some examples. We have adapted our policy instruments. We have continued our work to upgrade contractual relations, obtained mandates for new trade negotiations, initiated mobility dialogues, re-oriented and in-creased our financial assistance (€500 million to support democratic transition, economic development and people-to-people contacts). And through extended EIB and EBRD mandates we have opened the door to substantial additional investments in partner countries. Obviously, this needs to be sustained. But most partner countries have welcomed the new European Neighbourhood Policy proposed by the EU and have indicated their readiness to pursue political and economic reform with increased determination and to engage more deeply with the EU.

What are the priorities in the East, in particular in the context of the Eastern Partnership?

The overall priority in our relations with Eastern partners is the effective implementation of the ambitious agenda set by the Eastern Partnership Warsaw Summit (29-30 September 2011). We will seek to assist reforms in partner countries in order to complete the process of transformation towards sustainable, accountable democracies based on a competitive market economy. Therefore, we have offered our partners close political association and deep economic integration. Importantly, our cooperation with Eastern partners is founded on a joint commitment to fundamental values of democracy, human rights and the rule of law. Therefore further strengthening of democracy in partner countries remains our overarching priority. In May 2012, the High Representative and the Commission published a Road Map of the Eastern Partnership which would streamline the implementation of the EaP and provide a means for more regular monitoring. Our main tools in the implementation of the EaP agenda are Association Agreements which include also the aim of establishing deep and comprehensive free trade areas, where appropriate. With Ukraine we have finalised negotiations on the Association Agreement and now Ukraine’s performance, in particular in relation to respect for democratic values and the rule of law, will be crucial to the speed of its political association and economic integration with the EU. With the Republic of Moldova, Georgia, Armenia and Azerbaijan, the negotiations of the Association Agreements are under way and our priority is to advance them as quickly as possible so that until the time of the next EaP Summit in autumn 2013 we would be close to their finalisation or even able to initial them. We also have an ambitious agenda in the area of mobility where our final goal is a visa free regime. Ukraine and the Republic of Moldova are already implementing Visa Liberalisation Action Plans. Georgia continues implementing visa facilitation and readmission agreements and the Commission is to present the roadmap. Two remaining South Caucasus countries are negotiating similar agreements. The EU has also offered to launch negotiation of such an agreement to Belarus for the benefit of its population. We will also continue close cooperation with partners on the Comprehensive Institutional Building programmes which aim to strengthen capacities of partners’ government administrations. At the same time, we are determined to deepen our partnership with civil society, increase financial assistance for civil society organisations and invest more in young people from EaP countries through increasing their participation in our educational programme “Erasmus for All”.

In this Partnership, what does the EU consider as the most serious challenges that are common for the Neighbours in the East and in the South?

I would mention three major interrelated challenges. First, the resolution of existing conflicts. Finding peaceful settlements to protracted conflicts remains a key challenge throughout the neighbourhood. But let’s be clear: the main responsibility for this lies with the conflicting parties, which must enhance their efforts to find agreements in a genuine spirit of compromise. Otherwise, continued international mediation efforts in established formats cannot be expected to lead to a breakthrough. The full realisation of the potential of the ENP will require more credible and sustained efforts, on the part of concerned neighbouring countries to make progress towards conflict resolution. Conversely, the EU stands ready to provide necessary support for the implementation of settlements once they have been agreed. Building and consolidating sustainable democracies remains another major challenge. Progress is being made but there is still a long road to go in some countries. Freedom of expression, association and assembly needs to be fully guaranteed in law and in practice, and a strong culture of respect for human rights must be established across the board in particular the protection against all forms of discrimination in politics as well as day-to-day life. This will secure a space where civil society can play its crucial role as an agent for democratisation ensuring the sustainability and inclusiveness of the reform process. The third challenge is the promotion of inclusive economic development. Unemployment, social exclusion, inequality and poverty are at the heart of people’s concerns for the future in all countries. They are amongst the root causes of instability and unrest and need to be addressed to make democratisation sustainable. They require partner countries to reform and adopt an integrated approach of economic, fiscal, employment, social and education policies. The EU is ready to support such reforms through targeted measures aimed at promoting social cohesion and employment (in particular for young people).

Could you please elaborate on the “more for more” (more funds for more reforms) principle the EU applies in its policies towards the Neighbours? Does it mean more conditionality?

It is not just about balancing funds against reforms! The “more for more” approach on which the EU is placing increased emphasis means that only those partners determinedly embarking on political reforms and respecting shared universal values of human rights, democracy and rule of law are being offered those elements that relate to the most ambitious aspects of the EU offer, notably economic integration, mobility of people, as well as, indeed, a greater EU financial support. The EU is the biggest donor in the world. Does the impact of its support to modernisation in the Neighbouring countries match the strength of its commitment?

The impact of EU support to modernisation is considerable. The track record of the last twenty years amply demonstrates this. The EU Member States have themselves undertaken important reforms and modernisation efforts, and they have a wealth of experience to share with third countries. I believe that our impact is constrained not so much by the volume of our funding – which as your question points out is rather generous – as by the willingness of our partners’ to travel down the road of reform. While we would like to accompany our neighbours in addressing the challenges with which they are confronted, we cannot, and we have no desire to substitute ourselves for them.

How will the EU’s policies towards its Neighbours evolve in the near future?

The EU and its Neighbours must now keep the momentum to strengthen their relations.

I see a number of areas where, on the EU side we also need to make significant progress in the near future. We need to do more to promote EU investments in partner countries. We need to take forward the mobility agenda both in the eastern and in the southern Neighbourhood inter alia by persuading EU Member States to make more systematic use of the possibilities provided by the European Visa Code. We need to do our best to accelerate the process leading to opening DCFTA negotiations in the South. Ongoing bilateral negotiations on the liberalisation of trade in services and establishment should be accelerated. Sector co-operation should be re-enforced with the view to achieving concrete results in the next few years. And progressively we should open EU programmes and agencies to partner’s participation. The reviewed European Neighbourhood Policy defines the «end game» in this regard, an ambitious one with a concrete idea about what we want to see as results.
TAIEX (Technical Assistance and Information Exchange) was set up in the Neighbouring Countries and Russia (Decision 2006/62/EC) in 2006 to foster EU acquis approximation on the basis of voluntary shared norms. TAIEX also assists Neighbouring Countries with regards to the application and enforcement of EU legislation. It is mainly demand-driven and contributes to the delivery of appropriate tailor-made expertise to address problems at short notice.

TAIEX provides four types of assistance: Experts Missions, Workshops or Seminars, Study Visits, Assessment Missions.

Recently, the European Commission published its report on Twinning, TAIEX and SIGMA within the ENPI, which provides specific data on the development of these instruments. Moldova is regarded as one of the most successful applicants of the TAIEX instrument, which is clearly shown in the graphics.

Despite the popularity of TAIEX within the beneficiary countries’ administrations the volume of demand for TAIEX assistance has decreased for the first time in 2011, in comparison to 2010 (13%). This reduction affects the Neighbourhood-South countries primarily and is linked to the political events that unfolded during the so-called Arab Spring. By contrast, requests arising from the Neighbourhood East countries remain stable from one year to another. An existing imbalance of TAIEX applications between Eastern and Southern Regions has widened in 2011 as 74 percent of TAIEX applications were received from ENPI East countries (393) and 26 percent from ENPI South countries (138), as a direct result of the political situations in Northern Africa.

A significant feature of the TAIEX instrument is the high number of direct beneficiaries. In 2011, 7,500 participants were directly involved in TAIEX events for the whole ENPI region. Despite this figure, a clear decrease can be noted compared to the number of participants in 2010 (12,042). This is explained by the current trend generated by ENPI countries to apply for actions different from the seminar (which usually implies more participants).

As clearly reflected in the chart, the Eastern countries have the highest rate of participants. Up to 76 percent of TAIEX applications were approved for funding, leading to a total of 372 single country events organized in 2011; a total equivalent to the previous year (374). One has to point out, that despite the above mentioned decrease in the number of requests from 2010 to 2011 the number of events (successful, smaller requests) remain stable. This can be partly explained by the lower level of rejections to requests implying an increase in the improved quality of applications made. For the Eastern countries, Ukraine, Moldova and Georgia are among the countries with the highest number of single events. Regarding Southern countries, Jordan and Morocco are among the top users.

The topics of the events organized in 2011 covered most of the areas mentioned by the Action Plan and/or the Cooperation and Partnership and Association Agreements. The highest number of events were organized in the field of justice, freedom and security (132), of internal market legislation (127), followed by agricultural, veterinary and phytosanitary policies (60) and energy, transport and environment areas (53).
OUR EXPERIENCE
first-hand experience of institutions

VIORICA CÂRARE, President of the Competition Council of the Republic of Moldova: ‘Twinning offers one the possibility to learn and take over best practices quickly, efficiently, from the first source.’

In this issue, we keep the tradition of interviewing managers of institutions who are going Twinning projects to find out which is their impact, what impediments have been overcome in the process of preparation and implementation of such a project, and which were the lessons learnt. This time, the protagonist of the column ‘Our Experience’ is Ms Viorica Carare, President of the Competition Council of the Republic of Moldova, whom, actually, I managed to interview in a period full of events in the institution she leads – right in between a series of seminars organized in the context of the Twinning project concerning the provisions of the recently adopted Law on state aid.

- Ms Carare, would you regard the Twinning project ‘Support for the implementation and enforcement of policy on competition and state aid’ implemented in the Competition Council of the Republic of Moldova as a successful one or not?

- Yes, but first of all, I would like to mention that starting with 14 September 2012 (the date when the new Law on Competition came into effect) we are no more the National Agency for Protection of Competition, we are called now the Competition Council of the Republic of Moldova.

- Coming back to your question, I would say that our deeds speak for themselves. The general objective of the project was to draft two laws and promulgate them. Thus, when both of them, the one on competition and the one on state aid, were adopted, promulgated and published in the Official Gazette of the Republic of Moldova, we can state that the most important objective of the project was achieved.

- Which, in your opinion, are the factors that influence the success of a Twinning project?

- Willingness. The willingness of all stakeholders. The willingness of experts to help, and the willingness of beneficiaries to receive this help. There is another important factor – clear identification of the objectives. In order to have success, it is necessary to understand clearly what do you want (and this, actually, refers not only to Twinning, but to all aspects of life in general). When you realize what you want, this is what you get. And not of least importance is the selection of appropriate partners. It is very important that the selected partners have relevant experience and can offer exactly what you need. Accordingly, we selected a lot (smiling). As an exception, we have three partners, and not one (Romania, Austria, Latvia), thus, we benefit from the experience of three countries.

- Wasn’t it more difficult to collaborate with three countries in parallel? Sometimes it is difficult to find a ‘common language’ with one...

- No, on the contrary. We established very efficient partnership relations with all involved partners and I am glad to state that our relationship is a very harmonious one.

- Which were the challenges you encountered?

- I think that the period when the project started could be regarded as a challenge: four countries, many experts. It was necessary to establish a collaboration pattern, which we did. It is like a marriage: you need time to realize that you are no more alone and you have to learn to collaborate with your partner. I cannot help mentioning another difficult issue – the availability of more experts than we could actually assimilate. We, naturally, had other activities beyond those set by the Twinning, - our daily activities related to the functioning of the institution. So we had to learn to combine both aspects in order to be able to cope with the task.

- How did you manage to motivate your employees to dedicate additional time required to the implementation of the Twinning project?

- Frankly speaking, I did not do anything special. It is mere desire of everyone to develop. As for me, the wish to learn something new and to take over European best practices here, at home, is natural. The employees of the Competition Council are people who love their profession and they demonstrated high interest for the possibility to be trained. It is important to mention that in our country there are no institutions which would train specialists in the field of competition, so, we have no other option than to train specialists here, in the institution. The Twinning project in this respect was an additional possibility to develop professionally.

- If you were sitting now at a table with a manager of an institution who is just planning to start a Twinning project, what would you advise him/her?

- To think carefully, what does s/he want, and only afterwards to apply for Twinning. It is very important to be seriously involved in the partners’ selection process. I, for instance, had the experience of collaborating previously with Austrian experts and I knew that, given that they are very specific in fulfilling their tasks, it is important to render your expectancies very specifically, so that the result you get in the end is the one you expected. And then, at the stage of experts selection, I was in Vienna and met those fifteen people who were to come here during the 18 months (duration of the project); we discussed with each of them to the tiniest details, what does the institution need. At that moment we were at the stage when discussions on the drafting of the legislation were already exceeded, for us it was necessary the experience of our colleagues, and namely the practice regarding enforcement of these laws – specific cases, how they dealt with them, how they were solved – this is what we got in the end. The employees of the Council were delighted by the contents of the seminars of Romanian, Latvian and Austrian experts. And I would also like to mention the usefulness of the Twinning manual. Sometimes, it happens, we tend to ignore certain instructions, provisions, manuals etc., whereas Europeans, on the contrary, follow them very strictly. So, in order to understand precisely which are the responsibilities of each party and many other crucial aspects, it is hugely important to read the manual from cover to cover.

- The Twinning project resulted, among others, with the Law on state aid. This will enter into effect only in a year’s time since its publication in the Official Gazette. What is all this time necessary for?

- This period is necessary for society to get ready and informed. With the given Law entering into effect, beneficiaries receiving state aid in conditions contradicting the new legislation, will be forced to return it, and will be sanctioned. Namely in order to inform them in advance, so that the provisions do not just come ‘out of the blue’, we adopted the decision to use this time in order to make an inventory of state aid, to carry out an information campaign focused on all potential state aid providers.

- Which are the benefits of the Twinning project both at institution level and at individual level?

- For the institution this is, of course, capacity building, and at individual level this would be the possibility to learn and take over best practices quickly, efficiently, from the first source, and, also, benefits of Twinning are important for the whole society, since as a result the Laws on Competition and on State Aid were adopted which, for sure, are some of the pillars for the development of the country’s economy.

- Given that the project in your institution comes to its end soon – some 3 months are left only – how do you see its sustainability?

- First of all, within this year’s call for proposals we applied for one more project, and we believe that we will have the possibility to benefit from the experience of European colleagues with regard to the enforcement of the drafted pieces of legislation and secondary legislation as well; but the most important is that we have enhanced the existing relationships with our colleagues both at central and local level.
TWINNING IN MOLDOVA: WHAT IS NEW?

I shall start, probably, with stating that Twinning in Moldova, step by step, is progressing. No doubts that Twinning is perceived by managers of institutions as a very useful tool in the process of institution modernization, which, of course, requires significant inputs from the side of the beneficiaries. I am glad to confirm that lately the perception of Twinning is gradually changing towards the more appropriate one – implying collaboration on equal footing between colleagues of peer institutions from Moldova and EU MS, rather than ‘sitting and waiting’ until experts provide you everything you need. This is due to the complexity of measures undertaken by the Foreign Aid Division with the help of the EU Project ‘Support to the State Chancellery – TTSSIB’, which aimed at raising awareness of all stakeholders – we organized roundtables, seminars, training modules etc. and these slowly but surely bring the expected results.

Currently, there are seven on-going Twinning projects in our country: Support to the Public Procurement System in the Republic of Moldova; Support to Implementation and Enforcement of Competition and State Aid Policy; Support to the Implementation of the Public Internal Financial Control; Capacity Building in Regional Development Policy Implementation including Regional Development Agencies; Support to Moldova in the Field of Norms and Standards in Food Safety for Plant Origin Products; Strengthening the Capacity of the Accreditation Centre in the Field of Products Conformity Assessment of the Republic of Moldova; Support to the Consumer Protection Agency. The last four in the enumerated group of projects started relatively recently – just several months ago, but already registered their first results. Three out of the last four Twinning projects support the Moldovan authorities to comply with the new requirements of the upcoming DCFTA. These are crucial for preparing for the free movement of goods between Moldova and European Union, as well as contributing to increasing the competitiveness of Moldovan products on the EU market. As the negotiations are moving fast-forward, it is expected that by the time when the Agreement comes into force, the implementation of the respective regulatory and institutional framework will be at an advanced stage. We very much rely on the extensive experience and knowledge of our colleagues from EU MS.

It is worth mentioning the recently finalized Twinning project in the State Agency for Intellectual Property. This resulted in successful accomplishments for the institution, bringing the expected results. The project had the objective of improving the implementation and enforcement of intellectual property rights in the Republic of Moldova. During the 18 months, the partners – Moldova, Denmark and Romania, worked hard to achieve all the results of the project’s 3 components - strengthening the administrative capacity of institutions to protect and enforce intellectual property rights; improvement and enforcement of intellectual property rights; development of AGEPi’s marketing and awareness capacity.

Five Twinning projects are in the phase of Twinning Fiche development: Transplant Agency, Agency of Land Relations And Cadastre, Court of Accounts, National Institute for Standardization and Metrology, Public Property Agency. The Twinning Fiche preparation is a critical phase when the design of the project, including the mandatory results the project will have to achieve, is developed. In this respect a lot depends upon the clear vision, understanding and long term perspective of the authorities. We have put concentrated efforts to support institutions in this rather complex task. This has lead to a relatively short, compared to earlier cases, preparation time and some of the Twinning Fiches have been already finalized and underwent the procedure of being commented upon by all stakeholders and soon the Call for Proposals is envisaged to take place; while others will be finalized soon.

The Twinning marathon does not stop here... New project proposals have been submitted and accepted by the Inter-ministerial Committee for Strategic Planning and in the next period will be discussed and agreed with the EU Delegation to Moldova. Right now we can already see the increased level of interest of the Moldovan institutions to Twinning and we are determined to make it a success story in Moldova.

As a Chinese proverb says “The perfecting of one’s self is the fundamental base of all progress and all moral development.” Twinning is a real possibility to upgrade ourselves to the new level of development by taking over the best European practices, so do not lose this unique chance.
1) In my opinion, the success of a Twinning project depends, first of all, on good project planning whilst being flexible about the needs of beneficiaries. It is crucially important to understand local culture and customs and respect them. Having mutual respect is equally important and, of course, working as a team and not trying to implement a ‘one size fits all’ solution - what works in one country may not work in another, but best practice can be shared and adapted.

2) Twinning projects are meant to share experience between countries, in our case the United Kingdom and Lithuania working with Moldova. Twinning is intended to facilitate the transposition, enforcement and implementation of EU legislation. Twinning projects set out to deliver specific, guaranteed results. Twinning gives beneficiaries the opportunity to learn from our mistakes as well as our successes. Having a junior partner who is a newer EU member adds empathy.

3) The relationship between the Member States and the beneficiary is fundamental to the project. The aim is to work together to produce tangible results to benefit Moldovan consumers and businesses. The Member States are meant to help local colleagues, not prescribe what is required. Conversely local colleagues should be prepared to listen to new ideas and adapt as necessary. Change can sometimes be difficult to appreciate and implement.

4) I would advise to build up a good working relationship with your beneficiaries and understand the culture. Whilst we are here to help and assist we are the foreigners and need to adapt to the local conditions. Speaking even a few words of Romanian is really appreciated. Explain what Twinning is meant to be about and how it is different to other projects.

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**ELIZABETH BAKER:** ‘It is crucially important to understand local culture and customs and respect them.’

Elizabeth Baker, the RTA of the project in the Consumer Protection Agency, is already in these ‘shoes’ for the third time – she has previously worked as an RTA in Latvia (2003 – 2005) and Poland (2005 – 2007), also in the field of consumer protection and market surveillance, so she has extensive knowledge and experience to share with her colleagues. The Twinning project Ms Baker is currently working on has the aim of contributing to the implementation of the requirements for market surveillance in line with the requirements of EU regulatory instrument, as well as implementing the national legislation regulating market surveillance in accordance with European standards and best practices. This means, in practical terms, that the project will assist in the development of a market surveillance strategy as part of a wider Consumer Protection strategy, help to develop a law on market surveillance and share experience of EU market surveillance practitioners through various training methods.

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**DANIELA CLEJANU:** ‘It is essential to have good communication with your beneficiary.’

Daniela Clejanu, an RTA in the Accreditation Centre in the Field of Conformity Assessment of Products (CAECP), is now in her first such position, having had over 20 years of experience in the field of conformity assessment infrastructure, in new EU member States and also in transition and developing economies. The purpose of the Twinning project in CAECP is to prepare the Centre for signing multilateral agreements with the European co-operation for Accreditation and to establish the conditions for the future international recognition of Moldovan accredited test results, calibration certificates, inspection reports and conformity certificates.

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**PIERRE SCHREIBER:** ‘Good working relations with the beneficiary are the key success factors.’

Pierre Schreiber, the RTA of the Twinning project on Capacity Building in Regional Development in the Republic of Moldova, has had a previous similar experience in Central Asia, the Republic of Uzbekistan, in the development of decentralization policy and improvement of relations between the central state administration and local government public administrations. Now Mr. Schreiber is working along with the team of the Ministry of Regional Development and Construction in order to achieve the objective of their Twinning project – that of supporting the development and implementation of Regional Development Policy in Moldova. This goes through the improvement of the institutional structure and a new legislative and regulatory framework, the integration of the territorial planning and regional development into one planning framework, and the strengthening of the capacities of the Ministry.

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1) What do you think, are the key success factors of a Twinning project?

2) In what aspects, do you consider, are Twinning projects different from other types of projects (e.g., Technical Assistance ones)?

3) Do you consider that human relationships (and namely, relationships between partners) are important in a Twinning project?

4) What advice would you give to an RTA planning to commence work in a Twinning project in the Republic of Moldova?

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**OUR INTERVIEWEES WERE ASKED TO ANSWER THE FOLLOWING QUESTIONS:**

1) What do you think, are the key success factors of a Twinning project?

2) In what aspects, do you consider, are Twinning projects different from other types of projects (e.g., Technical Assistance ones)?

3) Do you consider that human relationships (and namely, relationships between partners) are important in a Twinning project?

4) What advice would you give to an RTA planning to commence work in a Twinning project in the Republic of Moldova?
SUPPORTING BUDGET- SUPPORTING CHANGE

EU Budget Support is not a gift. It is a mutually agreed contract aimed at supporting reforms in a jointly agreed sector, explains Luca Oriani-Vieyra, responsible for Budget Support, Macro-Fiscal Policy and General Coordination with International Financial Institutions at the Neighbourhood Directorate of the European Commission.

What is Budget Support in practical terms?
It is a contract that involves the European Commission, on the one hand, and the government of the partner country, on the other. So it is a type of cooperation based on a clear set of mutually binding commitments. The EC authorizes the full transfer of the Budget Support funds when agreed commitments have been implemented fully by the partner country’s authorities: if this is not the case, the size of the financial transfer authorized by the EC is reduced accordingly or there is no transfer at all. So, in simple terms, budget support is “reforms done = money paid”. In the ENPI region, there are 9 countries benefiting from EU Budget Support, namely Armenia, Azerbaijan, Georgia, Moldova, and Ukraine in the East, and Egypt, Jordan, Morocco, and Tunisia in the South. The key objective is to support the policies of legislative and regulatory approximation in the European Neighbourhood, and the types of reforms include promoting good governance, improving conditions for trade and investment, etc. – in other words, the EU Budget Support programmes help create a more favourable environment for the benefit of the citizens and businesses. Obviously, EU Budget Support is no silver bullet. The ultimate responsibility and merit for the success and the speed of reforms lie with the elected executive.

How does Budget Support work?
A Budget Support programme lasts 3-4 years and the money is disbursed based on conditions attached to the annual tranches. It is then clearly specified what the government should achieve, for example with regard to justice reform in Georgia, healthcare system reforms in Moldova or higher education reforms in Tunisia. Finally, and depending on the degree of success in the results achieved, the actual disbursement related to each tranche is paid by the EC.

What is the impact of Budget Support on the citizens?
Citizens do not benefit from a Budget Support programme in an immediate way, as such programmes are not emergency transfers to fill, say, salary-related gaps in the budget, but rather focus on medium-term structural changes. However, when Budget Support programmes favour the acceleration of structural changes in the area of, say, education or transport, this benefits citizens and businesses, ensuring a more sustainable development of society as a whole.

There is another important issue related to the citizen. Should you, as a donor, provide Budget Support to a country with questionable governance? One could say ‘no’ and wait until the situation reaches, say, Swiss levels. However, one should also bear in mind that positive changes for the citizens can take place through the support of reforms leading, for example, to a more educated and informed society. There are of course several aspects to consider but ultimately a decision is taken. In Belarus, for example, we are not engaged in Budget Support programmes.

How will Budget Support evolve in the future?
Soon there will be one additional condition for countries to be eligible for EU Budget Support, and this will focus on budget transparency. Interested citizens will have better access to relevant information and see what exactly has been agreed in the area of, for example, justice system reforms, and this will further contribute to increasing transparency and accountability.

To sum up, while being a rather sophisticated policy instrument, as reforms in the ENP region are increasingly complex, EU Budget Support is becoming a powerful means to support the strengthening of national ownership and accountability in critical areas such as public governance reforms.

1 The whole interview is available at http://www.enpi-info.eu/medportal/features/522/supporting-budget-supporting-change-interview-with-luca-oriani-vieyra

FUTURE APPROACH TO EU BUDGET SUPPORT TO THIRD COUNTRIES, presented to line ministries

The State Chancellery (Foreign Aid Division) and the European Union Delegation to Moldova held a seminar entitled ‘The Future Approach to EU Budget Support to Third Countries’, with the aim of providing more detailed information regarding new provisions of Budget Support.

In his presentation, Mr Luca Oriani Vieyra, responsible for Budget Support, Macro-Fiscal Policy and General Coordination with International Financial Institutions at the Neighborhood Directorate of the European Commission, dwelt upon budget support as a means of EU support of mutually agreed reforms, addressing the main challenges: promoting human rights and democratic values, improving macroeconomic stability, public finance government and inclusive growth, and improving sector reforms.

The four eligibility criteria of access to EU budget support were underlined by the EC official: stability-oriented macroeconomic framework; sector/national policy and reform; public finance management; transparency and oversight of the budget. The audience’s attention was directed to the fact that, within budget support, payment of tranches occurs only after the assessment of progress against a certain set of mutually-agreed indicators.

One of the essential features requiring significant attention is the necessity to strengthen domestic and mutual accountability, implying, among others, a participatory approach involving the civil society and increased transparency by publishing relevant information on EU Budget Support Agreements and annual performance reviews.

Not of less importance is the fulfilment of beneficiary’s obligations: in her concluding speech, Ms Lucretia Ciurea, Head of Foreign Aid Division, stressed that it depends on the beneficiary whether all committed resources will be contracted, since budget support is directly linked with the level of fulfilment of our commitments.

SIGMA IN QUESTIONS AND ANSWERS

Question: What is SIGMA? Answer: Dr. Janos Zakonyi, TTSIB Team Leader

SIGMA (SUPPORT FOR IMPROVEMENT IN GOVERNANCE AND MANAGEMENT) is a joint initiative of the Organization for Economic Co-operation and Development (OECD) and the European Union (EU), financed principally by the EU. It was launched in 1992 to assist Central and Eastern European Countries in their public administration reform efforts. In 2008 SIGMA assistance was extended to the following European Neighbourhood Policy countries: Armenia, Azerbaijan, Egypt, Georgia, Jordan, Moldova, Morocco, Tunisia and Ukraine. It is important to mention that SIGMA is a demand-driven instrument. The demand for activities comes from the ENP Action Plans and the ENPI National Indicative Programmes.

Question: What are the target institutions for SIGMA? Answer: Boris Smolin, TTSIB Deputy Team Leader

The public governance institutions targeted by SIGMA are the central ministries and agencies responsible for horizontal management systems of government – civil service, administrative law, expenditure management, financial control, external audit, public procurement, policy and regulatory capacities, and property rights’ management. SIGMA beneficiaries are public sector high-level decision-makers and civil servants.

Question: What are the objectives of this instrument? Answer: Diana Zaharia, TTSIB Expert

SIGMA has several major objectives, amongst which to provide short to medium-term (from 1 day to 1 year) support for improvement of public administration governance and management in response to requests from the Beneficiary Country (BC); to assist national reform teams with expertise from peer practitioners, including SIGMA staff or civil servants borrowed on a short-term basis from Member States administrations; to assess the reform progress and identify priorities on the basis of the EU Acquis Communautaire, and assist decision-makers and administrations in institutional strengthening; to facilitate assistance from the EU and other donors by helping to design projects and implement action plans; to assist the implementation of public administration reform in line with the national/EU agreements and national development goals.

Question: In what fields does SIGMA provide assistance? Answer: Aurelia Ieseanu, TTSIB Expert

SIGMA provides assistance in four major areas: i) Legal Framework, Civil Service and Justice (including Administrative Law; Civil Service; Public Integrity), ii) Financial Control and External Audit (including Public Expenditure Management; Public Internal Financial Control; External Audit); iii) Policy-Making (including Policy-Making and Co-ordination; Regulatory Management; Administrative Environment of Business); and iv) Public Procurement (including including concessions and public-private partnerships (PPPs)).

Question: What can you tell about Moldova’s use of SIGMA instrument? Answer: Iana Pustovaia, TTSIB Expert

At present SIGMA is providing support to Moldova through projects in the following areas: Legal Assistance and Institutional Building; Public Internal Financial Control, including Internal Audit and Public Service and Human Resources Management.

RECENTLY...

The Twinning English/Professional Skills Training Programme is to contribute to increasing efficiency and effectiveness of preparation and implementation of international assistance projects, including the Twinning projects in Moldova and provide additional motivation to their promoters and implementers. Courses take place twice a week, lasting 2 hours. By the end of the academic year participants will get corresponding certificates.

VOEY SOON...

The regular Open Seminar organized by the EU Project ‘Support to the State Chancellery – TTSIB’ took place on 27 September. The subject for this time was ‘EU Budget Support – principles, new developments and practical application in Moldova’. Open Seminars take place every last Thursday of the month, every time featuring various topics. The concept of Open Seminars is an innovative approach implying that anyone interested in the announced subject may join. Open Seminars usually bring together Government officials at both central and local level, NGOs representatives, academia, media. We encourage you to follow www.ncu.moldova.md for announcements of future topics.

The Opening Conference of the Twinning project ‘Support to the Consumer Protection Agency’ took place on 27 September, thus marking the official launching of the project. The Twinning project in the Consumer Protection Agency has the objective of contributing to the implementation of the requirements for market surveillance in line with the requirements of EU regulatory instrument; as well as implementing the national legislation regulating market surveillance in accordance with European standards and best practices. It has a duration of 21 month and a budget of 1 mln. Euro.

A seminar on Monitoring and Evaluation for civil servants from line ministries which will cover the subjects of: Ex-ante evaluation (establishing the platform for policy design and policy monitoring and evaluation); Policy monitoring (design, relevancy, efficiency, effectiveness, impact and sustainability) and Impact assessment and ex-post evaluation will take place on 23-24 October. Please follow the www.ncu.moldova.md web page for more details.

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