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ASSESSMENT OF ENPI FUNDING MONITORING FOR MOLDOVA

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Over a six-week period, the team of experts from the IDIS Viitorul in Chisinau implemented desk research, held bilateral and multilateral interviews, and organized a roundtable with government, CSOs, international donors and the EC delegation on the main obstacles to the optimal use of ENPI funding.

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Executive Summary

Since the European Union declared its intent to build up a ring of friends along its borders, its targeted European Neighborhood Policy (ENP) is expected to serve to this goal by providing an enabling framework of cooperation and dialog, and, specifically for those countries that see their future inside the EU, to allow convergences and synergies. Some of these countries, like Moldova and Ukraine, look much beyond a simple contractual agreement on cooperation and partnership. Unlike other Mediterranean or Caucasian states, they aim to be the integration frontrunners. Moldova was the first country to conclude and implement an Action Plan with the EU, aimed to promote economic growth, sustainable development, fight poverty, and adapt its governance via legislative approximation, regulatory convergence and institution-building.

The purpose of this evaluation is to provide an independent assessment of the practical use of the European Neighborhood Partnership Instrument (ENPI), which the EU offered to a number of countries – Armenia, Azerbaijan, Georgia, Moldova, and Ukraine – starting in 2007. Assuming that the way that this program has been implemented shows both the advantages and weaknesses of EU policy towards its immediate eastern neighbors, a thorough review of the results so far and the funds disbursed or absorbed, compared across the countries should provide an excellent tool to audit ENPI aims and means. Part of a multinational research initiative, this evaluation assesses the practical impact of the actions and policies undertaken, while highlighting the main problems of European Neighborhood Policy (ENP) neighbors in their efforts to modernize their countries. It explains existing procedures and their application in the planning, use and monitoring of ENPI funding to Moldova, emphasizing the distinct role that CSOs can play in this process.

Monitoring and evaluating current ENPI programs in Moldova is certainly a difficult task, but one which must be undertaken in order to improve the current situation. Although a relatively new instrument, the ENPI is already known for its comparative advantages over TACIS, the EU's previous instrument, and for its greater flexibility and potential to assist national governments through its budget support instrument. However, when the EC supports legislative reform and approximation through the Twinning and TAIEX instruments, obvious obstacles arise, related to national absorption capacities or to unstable environments, which clearly affect the performance of domestic counterparts.

Since monitoring ENPI funds is not yet regular practice in Moldova, it was quite difficult to collect the necessary data from the variety of actors, sources and authorities that are charged with this task. Public opinion is shaped up by a general ignorance of the structure of this funding and lack of cooperation among stakeholders to raise the profile of ENPI funding. Many opportunities were lost in previous years, raising the risk that the importance of European support for a democratic state and functional market economy in Moldova will be diluted.

Moldovan experience shows that priorities for the Country Strategy Paper within the ENPI are generally set by Government officials, assisted by EC Delegation officials, and are often determined by mid-term policy preferences among national agencies. This excludes civil society, business and other non-state actors (municipalities, academia and business) from the priority-setting process, which has a negative impact on the overall quality of monitoring and evaluation, as implementing agencies generally treat the participatory aspect without enthusiasm. Although the European Commission acknowledges the important role of civil society, and attempts to define a number of entry points for active civil groups (CSOs), the latter are not responsive enough and even disinterested, so their valuable expertise remains unexploited.

The largest share of the national component of ENPI support is delivered through budget support. This is not seen as entirely positive sign by civil society actors since they were not consulted

regarding policy priorities or the selected sectors to be supported. CSOs view it as an ad hoc selection of priorities in a process in which they have been left out. Limited efforts were directed at enhancing the quality of available data about ENPI program implementation in Moldova but the results remained unclear.

Lack of appropriate monitoring mechanisms prevents interested actors from having a stronger impact on ENPI programs and does contribute in fact to the ENP main principles. Civil society participation in monitoring and evaluation of ENPI fund use is limited to formal attendance by a single representative of a CSO who has been not appointed to the existing budget support Steering Committee from major civil society associations or annual forum networks. This seems to be a counterproductive policy.

As a general conclusion, civil society is mostly absent at the EC programming level in Moldova, limited at the implementation level, and largely ignored at the evaluation phase. It seems imperative that each of the active players ó the EC, the national government and civil society ó engage in a proactive effort to overcome the existing obstacles to effective instruments for reform and change in Moldova. We have identified a number of policy recommendations for various counterparts in charge with implementing the ENPI.

Recommendations

The Moldovan Government should establish and develop a more open and effective means for consulting with civil society as a participant on a mandatory basis. This would offer ordinary Moldovans reliable information about ongoing budget support and the way how central governance is being reformed. The Government should engage more actively in full-fledged capacity-building within its executive agencies, to ensure that civil servants have the knowledge and skills necessary to effectively monitor ENPI assistance. In particular, Moldova's Government should dedicate extensive efforts and resources to reform the current system of public procurement, which would exclude in principle and in practice conflicts of interest and abuse of office. Many CSOs view this currently as a major challenge to good governance in their country.

The European Commission should further evaluate and significantly improve its communication with Moldovans and to increase the accountability of public administration through specific civil society groups acting as watchdogs of good governance and valuable actors. Since it seems to be in urgent demand, the European Commission needs to build up a credible Monitoring Toolkit, effectively exercised by EC officials, to ensure that budgetary support provided by the EC to Moldova is not misspent.

Moldova's civil society needs to be more aware of the invaluable role it can play in assisting the process of programming, implementing and monitoring ENPI funds to their country. In this regard, the CSOs should be able to mobilize the media and public support to demand more effective use of the EU resources and democratic approaches to determining their application. Civil society should learn how to raise the level of its own missions through professional standards, value-based choices and targeted assistance to the public sector. The top CSOs should be able to engage their counterparts in creating demand for their government to reform the monitoring tools in the ENPI Annual Action Programmes and, in this regard, strive to establish working partnerships with other CSOs in Moldova, as well as CSOs in the European Union.

Acronyms

AAP	Annual Action Programme
ADEPT	Association for Participative Democracy
AP	Action Plan
BUMAD	Programme of Assistance for the Prevention of Drug Abuse and Drug Trafficking in Belarus, Ukraine, Moldova
CAGRE	Conseil Affaires générales et relations extérieures
CB	The Chubb Corporation
CBC	Cross-Border Cooperation
CBO	Congressional Budget Office
CFSP	Common Foreign and Security Policy
CRIS	Communication Rights in the Information Society
CSO	Civil society organization
CSP	Country Strategy Paper
CUEA	Coordinating Unit for External Assistance
DAC	Development Assistance Committee
DCI	Development Cooperation Instrument
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECI	Economic Cooperation Instrument
EEA	European Economic Area
EFTA	European Free Trade Association
EGPRSP	Economic Growth and Poverty Reduction Strategy Paper
EIB	European Investment Bank
EIDHR	European Initiative for Democracy and Human Rights
ENP	European Neighborhood Policy
ENPI	European Neighborhood and Partnership Instrument
ERDF	European Regional Development Fund
ERP	Eastern Regional Programme
EU	European Union
EUBAM	EU Border Assistance Mission to Moldova
EURMAP	EU-RM Action Plan
FA	Funding Agreement
FSP	Food Security Programme
GoM	Government of Moldova
GSP	Generalized System of Preferences
HQ	Headquarters
IDIS	Viitorul Institute for Development and Social Initiatives
IMF	International Monetary Fund
INSC	Instrument of Nuclear Safety Cooperation
IP	Indicative Programme
IPA	Instrument for Pre-Accession Assistance
IPP	Institute of Public Policies
JLS	Justice, Liberty and Security
JMA	Joint Managing Authority
JOP	Joint Operational Programme
MEDA	Mennonite Economic Development Associates
MEUR	Million EUR
MFAEI	Ministry of Foreign Affairs and European Integration
NAP	

NCFA	National Council for Foreign Assistance
NDS	National Development Strategy
NGO	Nongovernmental Organization
NIF	Neighborhood Investment Facility
NIP	National Indicative Programme
PAO	Programme Assistance Office
PCA	Partnership and Cooperation Agreement
PCA	Partnership and Cooperation Agreement
PCD	Participation Council in Development
RM	Republic of Moldova
ROM	Results Oriented Monitoring
SIDA	Swedish International Development Cooperation Agency
SME	Society of Manufacturing Engineers
SMES	Small and Medium Enterprises
SP	Strategy Paper
SPC	Strategic Planning Committee
SPP	Security and Prosperity Partnership
SPS	Sanitary and phytosanitary
SPSEE	Stability Pact for South Eastern Europe
TA	Technical Assistance
TACIS	Technical Assistance to the Commonwealth of Independent States
TAIEX	Technical Assistance and Information Exchange Instrument
UCEA	Unit for the Coordination of External Assistance
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WTO	World Trade Organization

Introduction

The purpose of this evaluation is to provide an independent assessment of the practical use of the European Neighborhood Partnership Instrument (ENPI), which the EU offered to a number of countries— Armenia, Azerbaijan, Georgia, Moldova, and Ukraine— starting in 2007. Assuming that the way that this program has been implemented shows both the advantages and weaknesses of EU policy towards its immediate eastern neighbors, a thorough review of the results so far and the funds disbursed or absorbed, compared across the countries should provide an excellent tool to audit ENPI aims and means. Part of a multinational research initiative, this evaluation assesses the practical impact of the actions and policies undertaken, while highlighting the main problems of European Neighborhood Policy (ENP) neighbors in their efforts to modernize their countries.

Since the prospect of EU association is officially seen as a keystone in Moldova's domestic and foreign policy,¹ there is a clearly established public consensus that Moldova needs to transform itself in order to approach European standards at various levels and aspects. In fact, Moldova's partnership with the EU started in 1994, when the first Partnership and Cooperation Agreement (PCA) was signed, but its ratification was possible only four years later, in 1998. The PCA was seen as a "first step towards accession to the EU," although it never contained any reference to EU membership. The Union has provided more than \$300 million in assistance to Moldova since 1991. This includes assistance under the TACIS program's national, regional and cross-border components, as well as support under thematic budget lines, such as the Food Security Programme (FSP) and the European Initiative for Democracy and Human Rights (EIDHR), macro-financial assistance, and humanitarian assistance provided by ECHO.

In May 2008, the Moldovan Government set up a National Commission for European Integration, chaired by the President of Moldova and charged with the overall coordination of activities performed under various agreements with the European Commission. Following the 2009 election, top-ranked officials challenged this and requested that the Commission be placed under the Ministry of Foreign Affairs and EU integration of the Republic of Moldova.

The EU is currently Moldova's largest trading partner. Since January 2006, the country has benefited from a "GSP plus," replacing the older, standard General System of Preferences, and, since March 2008, from an Autonomous Trade Preference Agreement. In March 2006, Moldova received the first EU Border Monitoring Mission on the border with Ukraine, especially on the border with the separatist enclave of Transdnistria. Screening reports showed that most of the planned activities advanced unevenly from one sector to another, while overall progress was qualified as "minor to moderate."² Against such mixed results and the ambivalence in the Action Plan implementation, Moldovan authorities requested from EU to start negotiations of a new political agreement.

At the end of 2008, EU announced that it would authorize the preparation of a new agreement with Moldova after elections, pointing to the need to have "free and fair, correct and democratic elections." The complicated political situation in Moldova after this election made the task of negotiating a new Association Agreement extremely difficult, despite political documents adopted by the European Parliament, the Conseil Affaires générales et relations extérieures (CAGRE), and PACE. Public surveys show that Moldovan citizens trust EU institutions more than domestic ones and Membership is seen as a long-term political objective in Moldova.

¹ Foreign Policy Guidelines for 1998-2002, MFA, The Republic of Moldova and European Integration, IPP, Cartier, 2002.

² EU-RM Action Plan as a capacity test for the Moldovan Government: Screening the implementation of the Plan's economic provisions, January-March 2008.

Starting in 2003, EU launched the ENP to promote regional and sub-regional cooperation, political stability and economic development, while avoiding new divisions between the EU and its neighbors.³ The EU proclaimed the long-term aim of the ENP as setting up close relations with its neighbors, similar to those enjoyed by European Free Trade Association (EFTA) states in the European Economic Area (EEA), with the exception of their role in several EU institutions and any references to membership prospects. High-ranked EU officials noted that the ENP statute would offer a long list of benefits, such as: free trade asymmetric agreements, free movement of capital, and facilitated access for specific population groups to the Schengen zone. At the same time, they denied vehemently any suggestion that the ENP would secure possible accession to the EU. Or, as the official communiqué states it, “The ENP is distinct from the issue of potential membership.”⁴

The European Neighborhood Policy Strategy Paper states that “the privileged relationship with neighbors will build on mutual commitment to common values principally within the fields of the rule of law, good governance, respect for human rights, including minority rights, the promotion of good neighborly relations, and the principles of market economy and sustainable development.” It adds: “The level of ambition of the EU’s relationships with its neighbors will take into account the extent to which these values are effectively shared.”

The EU launched a new generation of bilateral agreements with the ENP area “interested parties” to encourage economic and political reforms, improve human rights and institutional performances. Since 2004, it negotiated individual Action Plans with the most interested neighbors. Moldova was the first to sign an Action Plan with EU, in February 2005, and it including the most ambitious reforms. However, the country’s quest for accelerated EU integration faced considerable resistance, because of institutional deficiencies, uneven political commitments, and geopolitical circumstances.

In the meantime, the European Commission launched the new financial instrument, the ENPI. Established in 2007 to replace the TACIS and MEDA technical assistance programs, ENPI was seen by several state and non-state actors in Moldova as a unique instrument to deliver aid more flexibly thanks to its policy-driven nature and the continuation of other types of aid, such as budget support. The ENPI funding instrument has the following features:⁵

- policy-driven, specifically designed for EU neighbors;
- designed to have greater flexibility and greater resources;
- a radically improved CBC component.

ENPI Civil Society Involvement: Entry points and the capacity to step in

As the ENPI clearly defines it, “the civil society dimension is vital for the overall success of the entire EU policy in relation to its proximate neighbors.” This is further stated in the statutory documents of the Eastern Partnership launched in May 2009, in Prague, where Member States and the Commission are expected to work together to strengthen the involvement of civil society, and key elements of cooperation between the EU and its neighboring partners is supposed to include the proper participation of civil society in each of the states.

In Moldova, civil society has gained reasonable visibility due to its monitoring role, which allowed it to run successful cooperative work with state authorities charged with implementing the EU-Moldova Action Plans. Some think-tanks have defined their objective to “help the Moldovan government formulate and adopt balanced and sound positions for future negotiations with the European Commission, so that an enhanced trade regime can be established that will contribute to

³ Commission Communication: Wider Europe & Neighborhood: A New Framework for Relations with our Eastern and Southern Neighbors, March 11, 2003, Foreign and Commonwealth Office.

⁴ What is the European Neighborhood Policy (ENP)? http://www.delmda.ec.europa.eu/eu_and_moldova/2_en.shtml

⁵ http://www.delaze.ec.europa.eu/presentations/ENPI_Presentation_Final_en.ppt

modernizing the country's economy and its economic integration with the EU.⁶ Aware of the main difficulties in the process, these groups have presented consistent policy recommendations, while expressing concerns over the shortcomings of implementation. Assessments by independent expert groups have established a fairly active policy-thinking community, making the press and state officials aware of civil society as a critical ingredient in the planning and consultative management of policy priorities.

Some state agencies and ministries set up working formats in which a selected number of NGOs are regularly invited to join various formats of consultations and information events. It is normal practice to involve think-tanks and other NGOs in policy evaluation formats now. CSO input is essential to judicious planning and sound implementation and evaluation. CSO participation in policy-making provides a check against the hijacking of real issues by bureaucrats who want to promote their self-interests in the name of sovereign state interests, regardless of real demands from the public or policy inputs from active social groups.

ENPI is designed to secure a special role for civil society, whose active monitoring and oversight is becoming indispensable to achieve expected results. This report will show how civil society is accomplishing this role in Moldova, which is receiving ENPI funding, how this funding is disbursed and absorbed, and where the shortcomings can be found in setting priorities or implementing. This report is part of an ENP-wide effort to pinpoint key weaknesses in planning, monitoring and evaluating ENPI, as well as strategic entry points for civil society organizations (CSOs).

The IDIS team took on the task of putting together the big picture of ENPI funding in Moldova, while at the same time examining its nuts and bolts. This report is unique, as no other document currently provides a comprehensive overview of the planning, implementation and monitoring of ENPI programs in Moldova, as well as the current and potential roles of government and civil society in these processes.

⁶ Expert Group, Screening the implementation of the economic provisions in the EU-RM Actions Plan, March 19, 2008.

1. ENPI at a Glance

Launched in 2007, the ENPI is the principal EU financial instrument to provide assistance to countries in Eastern Europe, the Southern Caucasus, and the southern Mediterranean region.⁷ Arising from one of the most expansive EU policies, the ENPI operates as a simplified framework for foreign assistance, replacing more than 30 instruments that previously worked with the EU's neighbors. It operates on a simple scheme. Together with its partner countries, the EU defines a set of priorities whose implementation is supposed to bring these countries closer to the areas and standards in the European Union. These priorities are then written into in a jointly agreed Strategy Paper covering a number of key areas targeted for action: political dialog and reform; trade and steps to prepare partners to gradually enter the EU's Internal Market; justice and home affairs; energy, transport, information society, environment, and R&D; social policy and people-to-people contact.

The total ENPI assistance budget for 2007-2013 is over €12bn, a 35% increase over the previous seven-year period. National programs account for the lion's share of this spending – €4.1bn of the €5.6bn available for 2007-2010. Next come regional cooperation with €828mn and cross-border cooperation with €227mn. The remainder, €400mn, is to support the Governance Facility and the Neighborhood Investment Fund (Fig.1).

EC Regulation (EC) 1638/2006 sets up the legal framework for the operation of ENPI programs and funds allocated by the EU. It also lays out the fundamental principles of ENPI assistance: complementarity, partnership and co-funding. Indeed, ENPI assistance is to complement or contribute to national, regional or local strategies and measures. Regulation 1638 states:

“Community assistance under this Regulation shall normally be established in partnership between the Commission and the beneficiaries. The partnership shall involve, as appropriate, national, regional and local authorities, economic and social partners, civil society and other relevant bodies.”

“The beneficiary countries shall associate the relevant partners as appropriate, in particular at regional and local level, in the preparation, implementation and monitoring of programs and projects.”

Allocation mechanisms for ENPI programs are based on the needs and features of the partner country, the level of ambition of the partnership between the partner country and the EU, progress towards meeting agreed objectives – especially in governance and reform – , and the partner's capacity to manage and absorb assistance.

ENPI assistance is disbursed through three types of programs:

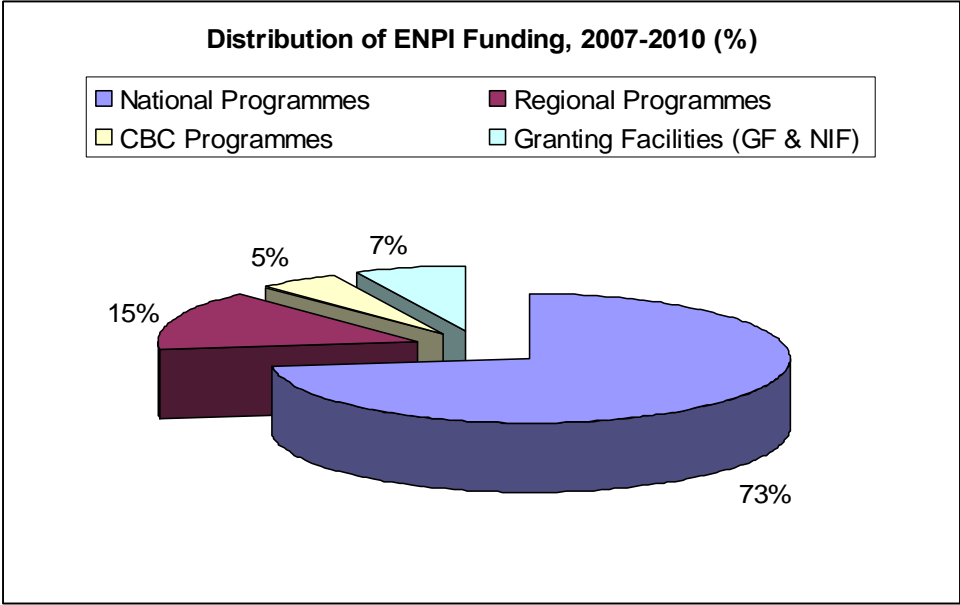
- É National programs for each partner country: one for each of the 16 participating countries;
- É Regional programs: three regional programs – one each for the East and the South, and one trans-regional program covering both;
- É 15 Cross-Border-Cooperation (CBC) programs.⁸

The largest share of ENPI funding consists of country-focused and multi-country programs worth €10.6bn, which is almost 95% of the total funds, and cross-border cooperation programs worth up to

⁷ The Russian Federation also receives financial assistance through ENPI.

⁸ <http://www.enpi-programming.eu/wcm/en/regional-updates/cross-border-cooperation.html>

5.0% or almost €550 million (see Table 1). Following discussions with EU Member States and the European Parliament, the Commission on March 2007 took a decision on the breakdown of these funds and adopted Strategy Papers and Indicative programs covering country, regional and cross-border programs for 2007-2010.



National programs account for €4.1bn or 73% of the €5.6bn available for 2007-2010. They are to support the partners' implementation of their own political, governance, economic and social reform priorities and represent the main share of the Instrument.

The second focus is **regional cooperation**. Priority areas for regional cooperation are defined in the ENPI Eastern Regional and Interregional Strategy Papers for 2007 to 2013, which were adopted by the European Commission in 2007. A total of €827mn is available for this purpose over 2007-2010. The regional ENPI component addresses a limited number of priorities that are relevant to the recipient countries, but also have a genuinely regional dimension, both in terms of joint implementation and regional impact.

Cross-border cooperation on the external borders of the EU is a key priority both in the European Neighborhood Policy and in the EU's Strategic Partnership with Russia. The introduction of ENPI has considerably enhanced the scope for cross-border cooperation, both qualitatively and quantitatively. Building on previous experience under the TACIS and MEDA programs, proposals for strengthening cross-border cooperation were first set out in a number of Commission Communications in 2003 and 2004, included in the Commission's proposal for the ENPI in September 2004, and incorporated in the ENPI as adopted by Council and Parliament. Under the new approach, support for CBC on the EU's external border will draw on funds from both the external and internal headings in the EC budget, for the pursuit of CBC activities serving both sides of the EU's external border.

The total funding available for ENPI CBC programs for 2007-10 amounts to €583.28mn, for 2011-13, a further €535.15mn will be made available, subject to a mid-term review of this strategy and the adoption of the Indicative Programme for 2011-13. In addition to funding for programs, a small facility will be set up to finance actions aimed at facilitating the exchange of experience and best practice among program partners, with a view to helping enhance the preparation, implementation and management of current and future CBC programs. An indicative amount of €4.9mn, of which €2.6mn is for 2007-10 and €2.3mn for 2011-13, is being allocated from the ENPI budget to finance this facility.

Table 1. ENPI Indicative Multi-annual Allocations for 2007-10

Programmes	Million EUR
Multi-Country Programmes	827.6
Inter-regional Programmes	260.8
Regional Programmes ó South	343.3
Regional Programmes ó East	223.5
Country Programmes	4,116,50
Algeria	220
Armenia	98.4
Azerbaijan	92
Belarus	20
Egypt	558
Georgia	120.4
Israel	8
Jordan	265
Libya	8
Moldova	209.7
Morocco	654
Palestinian Authority	632
Syria	130
Tunisia	300
Ukraine	494
Russian Federation	120
Cross-border Cooperation Programmes	277.1
Governance Facility & Neighborhood Investment Fund	400
Total	5,621.20

1.1 Innovating Through New Tools

The ENPI has also led to two new funding tools: the Governance Facility (GF) and the Neighborhood Investment Facility (NIF), which are designed to foster good governance and sound investment. Their combined allocation for 2007-2013 is €1bn.

1.1.1. The Governance Facility: Rewarding Good Governance

The Governance Facility is a fund designed to provide additional support to the one or two ENPI countries that have made most progress in implementing the governance priorities agreed in their Action Plans.⁹ It is:

intended to provide additional support, on top of the normal country allocations, to acknowledge and support the work of those partner countries that have made most progress in implementing the agreed reform agenda set out in their Action Plan. In line with an assessment of progress made in implementing the (broadly-defined) governance aspects of the Action Plans, this funding [will] be made available to top up national allocations, to support key elements of the

⁹ http://ec.europa.eu/world/enp/funding_en.htm

reform agenda; this will help reformist governments to strengthen their domestic constituencies for reform.¹⁰

The GF is endowed with €50mn annually, with total funding for the 2007-2013 Financial Perspective expected to reach €300mn.¹¹ This sum is taken directly from the ENPI budget, as the relevant programming documents are written in a way that makes allowance for additional funding from the Governance Facility.¹² GF funding is directed toward the specific priorities and areas defined in Country Strategy Papers and National Indicative Programmes, with specific allocations determined in Annual Action Programmes.

Funding decisions are based on progress in five key areas, as assessed in Country Progress Reports on the implementation of each ENPI partner country's Action Plan. These areas are:

1. Democracy
2. Respect of human rights and basic freedoms
3. Rule of law
4. Governance in human security and migration issues
5. Economic, regulatory and social governance

1.1.2. The Neighborhood Investment Facility: Synergies in Investment

The Neighborhood Investment Facility (NIF) is an innovative financial mechanism aimed at mobilizing additional funding to cover the investment needs of the neighboring region for infrastructure in sectors such as transport, energy, the environment and social services, that is, the construction of schools and hospitals. The Facility will also support the private sector through risk capital operations targeting Small and Medium Enterprises (SMEs). As the amounts at stake for large infrastructure projects are huge – the total cost of projects supported by the NIF in 2008 was around €2.7bn – the Facility has been designed to create a partnership that brings together grants from the European Commission and EU Member States with loans from European public finance institutions and self-financing by ENP partner countries. By encouraging such large projects, the European Union backs ENP partner country priorities and supports them in carrying out the necessary investments in the future.

This will have a significant positive impact on their population as well as on EU citizens, as there are common interests, such as the reducing pollution in the Mediterranean and Black Seas. Moreover, by fostering joint European operations, the NIF is playing a key role in the concrete implementation of donor coordination, division of labor and harmonization of procedures. This, in turn, will help raise the efficiency and effectiveness of European external cooperation, as well as its visibility. For 2007-2013, the European Commission has earmarked a total of €700mn for the NIF, which is complemented by direct contributions from Member States. A trust fund managed by the European Investment Bank (EIB) was set up in January 2009 to receive these additional contributions.

Table 2. Neighborhood Investment Facility financed projects in Moldova

Modernization of Republican Clinical Hospital	
The project aims to improve the efficiency of healthcare in the Republic of Moldova by modernizing one of the country's leading hospitals, located in Chisinau.	<i>Lead IFI:</i> CEB <i>Total cost:</i> €20.5 M <i>NIF grant:</i> €3 M <i>Status:</i> signed

¹⁰ Strengthening the European Neighbourhood Policy COM (2006) 726, 04/12/06.

¹¹ http://ec.europa.eu/world/enp/faq_en.htm

¹² *Principles for the Implementation of a Governance Facility Under ENPI*, p.8.

Chisinau Airport Modernization Project II	
Chisinau's airport is a key gateway to Moldova's external trade and a major asset in the country's economic development. The operation involves renovating and upgrading the airport and its further commercialization	<i>Lead IFI:</i> EBRD <i>Other FI:</i> EIB <i>Total cost:</i> €46.25 M <i>NIF grant:</i> €1.75 M <i>Status:</i> signed
Republic of Moldova Road Rehabilitation project	
The project's purpose is to halt the deterioration of the highway network in the Republic of Moldova and to ensure that key road links are maintained.	<i>Lead IFI:</i> EBRD <i>Other FI:</i> EIB <i>Total cost:</i> €92.5 M <i>NIF grant:</i> €12 M <i>Status:</i> signed
Republic of Moldova - Feasibility Study for Improving Chisinau's Water and Sanitation System	
The study is the basis for a large investment program aimed at improving water supply and sewage collection and treatment in Chisinau. This, in turn, will improve living conditions for residents of Chisinau and reduce the environmental impact.	

1.2 A New Approach to Aid: from TACIS to ENPI

The European Community has provided more than €300 million in assistance to Moldova since 1991. This includes assistance under the TACIS program, through its national, regional and cross-border cooperation components, and support under thematic budget lines such as the Food Security Programme (FSP) and the European Initiative for Democracy and Human Rights (EIDHR), macro-financial assistance, and humanitarian assistance provided by ECHO.¹³

The Commission has recently completed an evaluation of the TACIS program as a whole.¹⁴ The previous evaluation of the EU country program dates back to 2000. The TACIS evaluation suggests that, overall, TACIS interventions were highly relevant and responded to the identified needs, but the program was mainly run in a top-down manner, especially in the early years. This was partly a consequence of the need for institution-building in transition countries and partly due to an insufficient sense of ownership on the part of national authorities.

The original TACIS objectives were 'to support the process of transition to market economies and democratic societies in the countries of Eastern Europe, the South Caucasus and Central Asia.' During these 15 years, the concept and management of this policy underwent significant changes in order to flexibly respond to a changing environment and needs. The overall total of €7.3bn for 15 years is substantial but could still be considered limited, given the size of the challenge to be tackled.¹⁵

TACIS did contribute to fundamental change and visible development. The Programme proved to be a valuable tool for tackling challenges with a regional dimension and for promoting inter-state cooperation on regional issues. Assistance for regional cooperation focused on transport, energy, border issues and the sustainable management of natural resources. Between 2000 and 2006, more than €950mn was allocated to regional programs and projects.

¹³ The ENPI 2007-2010 Country Strategy Paper for Moldova.

¹⁴ http://ec.europa.eu/comm/europeaid/evaluation/document_index/2006/728_docs.htm

¹⁵ http://ec.europa.eu/europeaid/where/neighborhood/regional-cooperation/enpi-east/documents/annual_programs/tacis_success_story_final_en.pdf

Considering the lessons learned earlier, conclusions from the specific experience of TACIS and other EU assistance programs to Moldova, the EU evaluation emphasized great potential risk due to "limited administrative and absorption capacity." As evaluations have shown, although most of the TACIS projects were "in perfect line with national priorities," they did not always corresponded to the initiatives financed by the national governments and thus lacked sustainability or political response from the partner institutions. This is why the establishment of ENPI envisioned a great change in the nature of funding schemes between the European Commission and Moldova.

The TACIS evaluation noted that the program is characterized by a large number of stand-alone technical assistance projects, particularly in the area of institutional and administrative reform. These efforts often achieve good results at project level but have less impact at the sector and national policy level, partly due to a lack of continuity and coherent long-term sector planning. By contrast, budgetary support is said by most stakeholders to have had a significant impact at the policy and sectoral level, due to stronger national ownership and the ensuing stronger commitment to implement reform proposals and policies.

These call for enhanced donor coordination mechanisms, in particular with a view to furthering action under the EU-Moldova Action Plan and the EG-PRSP. A Monitoring Review of the TACIS Programme in Moldova 2003-2005 provides further country-specific insights into past project performance, which needs to be taken into account for future program design. The Review confirms that a majority of TACIS projects were "perfectly in line with national priorities." However, the projects were not always "affiliated to concrete initiatives funded by the government," which had a negative impact on sustainability. Moreover, there were sometimes problems with the commitment of partner institutions. As far as projects targeting improvements of the national legislative framework were concerned, the Review notes that a narrow focus on reviewing legislation and drafting bills does not bring the necessary results, as long as equal attention is not given to strengthening law enforcement mechanisms.

TACIS was replaced in 2007 by ENPI. Whereas TACIS offered mainly a number of projects involving technical assistance, the ENPI provides both general/sectoral budget support and technical assistance to partner countries, thus increasing local ownership of EC assistance.¹⁶ Thanks to the opening of an EU Commission Delegation Mission in Chisinau in October 2005, EU funding started to be handled through the local representative office, thereby increasing the quality of coordination with other donors and ensuring cohesion of funding and complementarity.

Under the ENPI, future program design shifted from focusing on technical assistance projects. Instead, resources are increasingly channeled through the State Budget, linked to the fulfillment of pre-defined conditionality and accompanied by targeted technical assistance. This should increase ownership and reduce transaction costs for the government. But the European Commission equally follows many other priorities. In February 2009, funds amounting to €3mn were allocated for projects to support free and fair parliamentary elections in 2009.

1.2.1. Budget support: Shifting Responsibility

ENPI assistance is channeled into two main tools:

- budget support
- technical assistance

Budget support can be general or sectoral:

¹⁶ While TACIS has been replaced by ENPI, a number of projects financed by TACIS are still in progress, so Moldova will continue to draw TACIS funding until these projects come to an end in 2011

- General budget support provides cash for the execution of national development programs or strategic reforms.
- Sectoral budget support provides cash for the execution of programs aimed at the development of specific sectors of the economy.

Budget support is divided into installments or tranches. The first or fixed tranche is transferred by the EC once national authorities have met a certain number of conditions, and the receipt of subsequent or variable tranches is conditional to subsequent conditions.

By definition, budget support programs aim to promote coherent policies and strategies either nationally or for a particular sector of a country's society or economy. Moreover, the sector approach coordinates the development activities of both government and donors.

Budget support relies heavily on the capacity of the Moldovan Government to absorb these resources. The introduction of the sector budget support is seen as a positive step not only by the Moldovan officials. In fact, the European Commission has also proposed to have a more clearly defined coordinating and directing role on behalf of the EU and its member states. Thus, the EU hopes to gradually increase the percentage of budget support to the third countries to 50% of aid by 2010.¹⁷

Given its nature, budget support is only used at the national level. For technical assistance, funding is channeled through regional and CBC programs. Unlike technical assistance, which is primarily monitored by the EC, budget support management falls squarely within the purview of national authorities.

1.2.2. Technical assistance:

The EC defines technical assistance (TA) as the provision of resources aimed at helping partner countries to develop the structures, strategies, human resources and management skills needed to strengthen their economic, social, regulatory and administrative capacity.¹⁸

Under ENPI, technical assistance is no longer the predominant channel for the Commission's external assistance programs to Moldova. Nevertheless, it remains an essential tool. Major technical assistance instruments include:

- **Individual technical assistance projects** carried out by external contractors hired to contribute to capacity-building in the state apparatus;
- **TAIEX** (Technical Assistance and Information Exchange Instrument) provides centrally-managed short-term technical assistance in the field of approximation, application and enforcement of European Union legislation;¹⁹
- **Twinning** aims to contribute to the development of modern and efficient administrations²⁰ through the long-term secondment of public servants from EU Member States to the public administrations of beneficiary countries.

¹⁷ The European Consensus, (2006/C46/01), a joint statement by the Council and the representatives of the governments of Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy.

¹⁸ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

¹⁹ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/index_en.htm

²⁰ http://ec.europa.eu/enlargement/how-does-it-work/technical-assistance/twinning_en.htm

1.3 Priorities of ENPI: A strategy for Moldova

As a policy- and country-driven instrument, ENPI provides the basis for coherent and cohesive technical and financial cooperation between Moldova and the EC. In addition, the introduction of the conditionality integral to budget support could well provide an impetus for better governance.

A Country Strategy Paper for Moldova was elaborated by the European Commission for 2007-2013. The CSP lists the objectives of EU/EC cooperation with Moldova and outlines the Moldovan policy agenda, as well as the country's political, economic, social and environmental situation. The paper describes past and ongoing EC assistance to Moldova the key lessons learned for the new programming cycle, and the response strategy proposed by EC.

1.3.1. The national component

The financial envelope for the Republic of Moldova under the National Indicative Programme for 2007-2010 is €209.7mn.²¹ The National Indicative Programme²² (NIP) for 2007 to 2010 contained such priorities as "Support for democratic development and good governance," "Support for regulatory reform and administrative capacity building" and "Support for poverty reduction and economic growth."

Table 3. ENPI Priorities and Funding for Moldova (2007-2010 NIP)

Priority area	Sub-priorities	EUR mn
Priority area 1: Support for Democratic Development and Good Governance	<i>Sub-priority 1:</i> Public administration reform and public finance management <i>Sub-priority 2:</i> Rule of law and judicial reform <i>Sub-priority 3:</i> Human rights, civil society development and local government <i>Sub-priority 4:</i> Education, science and people-to-people contacts/exchanges	52.4-73.4 (25-35%)
Priority area 2: Support for Regulatory Reform and Administrative Capacity-Building	<i>Sub-priority 1:</i> Promoting mutual trade, improving the investment climate and strengthening social reform <i>Sub-priority 2:</i> Sector-specific regulatory aspects	31.5-41.9 (15-20%)
Priority area 3: Support for Poverty Reduction and Economic Growth	-	83.9-125.8 (40-60%)

The specific objectives to be pursued in any given year are laid out in an Annual Action Programme (AAP), which determines the corresponding allocations. The objectives pursued by the latest AAP (2008) are laid out in Table 4:

Table 4. Annual Action Programme Funding for Moldova (2008 AAP)

Operational Objective	Budget (mn €)	Type of aid
Sector policy support program health	46.6	Sector budget support
Justice, Liberties and Security – improving border and migration management	10	Project
Technical assistance and twinning in support of the implementing the EU – RM Action Plan	5.7	Twinning
Total	62.3	

²¹http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17103_en.htm

²² C (2007) 672

1.3.1.1 Twinning

Twining instrument is new to Moldova. The first Twinning project started in July 2008, so that lessons could only be taken from neighboring countries. On the other hand, the Republic long awaited the arrival of Twinning, making expectations high. However, some Member States already provided public service expertise to Moldovan authorities, with some success. Among other projects that had a serious impact is 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.

Six Twinning projects were to be implemented in Moldova in 2009. As overarching priorities for these projects, Moldova selected:

- institutional reform of the legislature, which is financed by TACIS 2005 sources;
- penitentiary system reform;
- improving norms and standards in agriculture;
- improving competition regulation and protection of the private sector.
- public procurement reform;
- protection of intellectual property.

1.3.1.2 TAIEX

TAIEX is managed centrally and the allocation of funds is decided on a regional basis for all CIS beneficiary countries. This allocation thus does not require discussions between the beneficiary countries and the Commission and does not greatly depend on actual demand from a single country.

Activities under TAIEX in Moldova follow the Guidelines on Procedures for Implementation, which are intended to establish the tasks to be performed by the main actors involved in managing this instrument in Moldova, that is, the Programme Administration Office (PAO), its assistance project, the Ministry of Foreign Affairs and European Integration (MFAEI), the European Commission (EC) including the Delegation in Moldova (DEL), and Brussels Headquarters (HQ).

In order to manage TAIEX-supported activities in Moldova, as recommended by European experts, a national institutional mechanism was set up. The Programme Management Office (PAO) was established under the Ministry of Economy and Commerce and points of contact were designated for TAIEX within the central government. Following consultations with the European Commission Delegation in Chisinau, a four-step process was agreed:

- 1) The eligible institution presents a project by sending it to the TAIEX National Contact Point.
- 2) Once the proposal is evaluated, together with the European integration Department of Ministry of Foreign Affairs and European Integration, for its correspondence with the EU-Moldova Action Plan and the *acquis communautaire*, the project is sent to the European Commission Delegation in Chisinau.
- 3) After further review, the Delegation submits the draft to TAIEX National Contact Point, who forwards it to PAO.
- 4) The project is formally submitted to Brussels: only if remitted by the PAO to Brussels is the project recognized as an official submission. Afterwards, the proposal is entered into the relevant EC database.

The TAIEX National Contact Point and the PAO are in permanent contact with the national institutions, assisting them in developing projects. As a result, 21 projects were sent to the European

Commission for evaluation, submitted by the Ministry of Internal Affairs, Ministry of Justice, Ministry of Economy and Trade, Ministry of Transport and Road Management, Ministry of Ecology and Natural Resources, Ministry of Industry and Infrastructure, Ministry of Agriculture, Ministry of Finance, Center for Combating Economic Crimes and Corruption, Customs Department, the State Agency for Intellectual Property, the Moldova-Vin Agency, the Academy of Sciences, and the State Tax Administration.

So far, the European Commission has agreed to finance seven projects:

1. Workshop on corruption prevention and counteraction in the justice system and in the institutions responsible for the protection of the legal norms of the Ministry of Justice (March 22-23, 2007)
2. Workshop on restructuring the police service of the Ministry of Internal Affairs (March 26-27)
3. Workshop on financial investigation and aspects of countering money-laundering and the funding of terrorism (March 29-30)
4. Workshop on methods of determining the quality of wine in accordance with Council Regulation 1493/1999 (in the preparation phase)
5. Workshop on the Standard Cost Model (March 29)
6. Expert Mission for organizing an Avian Flu simulation exercise (April 19-20)
7. Workshop on horizontal EU environmental legislation (April 25)

1.3.2. Regional Programmes

1.3.1.3 The Eastern regional programme

One of the programs that includes Moldova is the Eastern Regional Programme (ERP) (2007-2010). The total amount granted by EC for this program is €223.5mn, stipulated in the individual Annual Action Programmes. It contains different allocations in each of the four given years.²³

Table 5. ENPI Eastern Regional Programme funding category shares

Priority/Sub-priority	%
Priority area 1: Networks	25-35
<i>Sub-priority 1: Transport</i>	
<i>Sub-priority 2: Energy</i>	
<i>Sub-priority 3: SME Regional Cooperation</i>	
Priority area 2: Environment protection and forestry	25-35
Priority area 3: Border and Migration Management, the Fight against Transnational Organized Crime, and Customs	20-30
Priority area 4: People-to-people Activities, Information and Support	10-15
Priority area 5: Landmines, Explosive Remnants of War, Small Arms and Light Weapons	5-10

1.3.1.4 The Interregional program

The Interregional program forms part of the ENPI with the purpose of strengthening the European Neighborhood Policy, dialog and cooperation at the regional level. It is aimed at countries covered by the ENP and Russia and focuses on their relations with the European Union.

²³ Eastern Regional Programme Indicative Programme 2007-2010, p. 4.

Funding for the Interregional Programme for 2007-2010 will be €523.9mn. The indicative breakdown by priorities is in Table 6.

Table 6. ENPI Interregional program funding categories (mn €)

N#	Priority	Budget
1.	Promoting reform through EU advice and expertise	40.0
2.	Promoting higher education and student mobility	218.6
3.	Promoting cooperation between local actors in partner countries and in EU	14.3
4.	Promoting implementation of ENP and Partnership with Russia	n/a
5.	Promoting Investment projects in ENP partner countries	250.0

1.3.3. Cross-border cooperation component

Moldova is a beneficiary to two more programs:

- É ENPI CBC Romania-Ukraine-Republic of Moldova Programme, adopted on 29 July 2008;
- É Sea-Basin Programmes: ENPI CBC Black Sea Basin program, adopted on 27 November 2008.²⁴

Table 7. ENPI Cross-Border Cooperation Programmes involving Moldova²⁵ (mn €)

	2007-2010
Romania/Moldova/Ukraine	66.1
Black Sea	9.0
Total	75.1

Regulation (EC) 951/2007 of 9 August 2007 lays down general implementing rules for cross-border cooperation programs financed in the framework of the ENPI. The ENPI cross-border cooperation framework involving Moldova is regulated by a European Commission decision on the Joint (Romania-Ukraine-Republic of Moldova) Operational Programme 2007-2013 C(2008)3806 of 29 July 2008.

Moldova is included only in one out of nine land-border and three sea-crossing programs directed under ENPI Cross-Border Cooperation Support. The European Community overall financial contribution to the Programme will be €126.718 mn. The partner countries are expected to contribute their own resources an amount worth at least 10% of the EU contribution, minus the amount of technical assistance financed by EC funds.

²⁴ A detailed description of the programs is provided in the Annex 2.

²⁵ *Cross-border Cooperation Strategy Paper 2007-2013 & Indicative Programme 2007-2010*, p. 33.

2. Making ENPI Count: Planning, Implementing, Monitoring and Evaluation

2.1. Two levels: Programme and Operational

The use of ENPI funding is a complex sequencing of procedures and phases that work with a large number of national and European actors. ENPI planning and monitoring can be organized into two categories: programming and operational.

At the program level, priorities are defined in three basic documents, which are adopted and prepared by the EC in close cooperation with the national government:

1. Strategy Papers (SPs)
2. Indicative Programs (IPs)
3. Annual Action Programs (AAPs)

As most ENPI funding is directed through the national programs, the main attention is concentrated on national-level programming.

At the operational level, implementation is usually guided by a large range of instruments, phases of implementation and operational handbooks, all tailored to the particular features of specific programs: NIF, Twinning, TAIEX and CBC. Most programs are managed in a centralized manner, which gives the national government extensive management responsibilities, or via project-based approaches, including through international consortia, agencies such as the UN, or consultancies selected by the EC.

Programming is generally conducted in a similar, standardized manner for all ENP countries. Since ENPI is a policy-driven instrument, its assistance priorities are intended to support the priorities and reforms of the beneficiary states, adding financial and technical support to accomplish their objectives.

The substance of the ENPI Strategy for Moldova and its Indicative Programme is based on strategic choices and policy options made by the Moldovan government. ENPI is implemented by the national government, but is independent of domestic policy cycles. The Government Unit for Coordinating External Assistance is the main coordinating body during the planning and application of ENPI assistance.

Table 8. Strategic documents and instruments by ENPI Programmes

	National Programme	Regional Programmes		Cross-Border-Cooperation program (CBC)
		Interregional Programme	Eastern Regional Programme	
Strategic document (7 years)	Country Strategy Paper	Interregional Strategy Paper	Eastern Regional Strategy Paper	CBC Strategy Paper
Medium-term planning document (3-4 years)	National Indicative Programme	Interregional Indicative Programme	Eastern Regional Indicative Programme	CBC Indicative Programme

Operational document	Annual Action Programme	Annual Action Programme	Annual Action Programme	Joint Operational Programme (7 years)
Funding Agreement	AAP attached to FA	AAP attached to FA	AAP attached to FA	JOP attached to FA
Instruments available	Budget Support; technical assistance, incl. TWINNING & TAIEX	Technical assistance projects, granting facilities	Technical assistance projects	Grants

The planning and provision of ENPI assistance can be divided into three general phases.

1. Strategic policy priorities are identified by the Government of Moldova.

Since ENPI is a policy-driven instrument, its assistance priorities are a function of Moldova's own policy priorities. The content of ENPI Strategy Papers and Indicative Programmes ultimately depends on the strategic choices made by the Moldovan government.

2. Programme-level planning, implementation, monitoring, and evaluation

The EC programming cycle is not attached to the Moldovan policy-making schedule. Nevertheless, the measures laid out in CSPs and IPs are designed to support the priorities of the Government of Moldova.

ENPI programming involves regular consultations with the Coordinating Unit for External Assistance (CUEA) of the Moldovan Government, which does not belong to a specific Ministry but operates under the direct supervision of the Prime Minister. The CUEA monitors the implementation and evaluation of the main documents: Strategy Papers (SPs), Indicative Programmes (IPs) and Annual Action Programmes (AAPs). CSPs and IPs are drafted and revised by the EC alone.

The SP and IP are drafted and revised by the EC in consultation with the national government. These are translated into operational terms by the AAP, which is also the result of cooperation between the EC and national authorities.

Despite its annual character, AAP implementation can last more than three years (54 months in 2007, 48 months in 2007), accompanied by three annual disbursements in different fiscal years. In 2007, the only pre-condition for disbursing the first installment was that the Moldovan Government endorse the Funding Agreement (FA).

3. Operational-level implementation, monitoring, and evaluation

Implementation is the translation of assistance priorities into concrete measures through specific instruments: budget support, technical assistance, Twinning, and TAIEX. The operational level leaves more room for Moldovan input into types of aid and specific target areas, and relies on the Government of Moldova for a significant portion of implementation, monitoring, and evaluation activities.

As the identification of strategic priorities by the Government of Moldova is an internal issue that is not part of ENPI-specific planning processes, this paper will focus on Phases 2 and 3.

2.2. Programming: Focusing on Policy

ENPI assistance is based on three programming documents drawn up by the EC. The key EC bodies involved in the preparation of these documents are indicated in Table 9. CSPs and IPs constitute the general framework, whereas AAPs are operational documents.

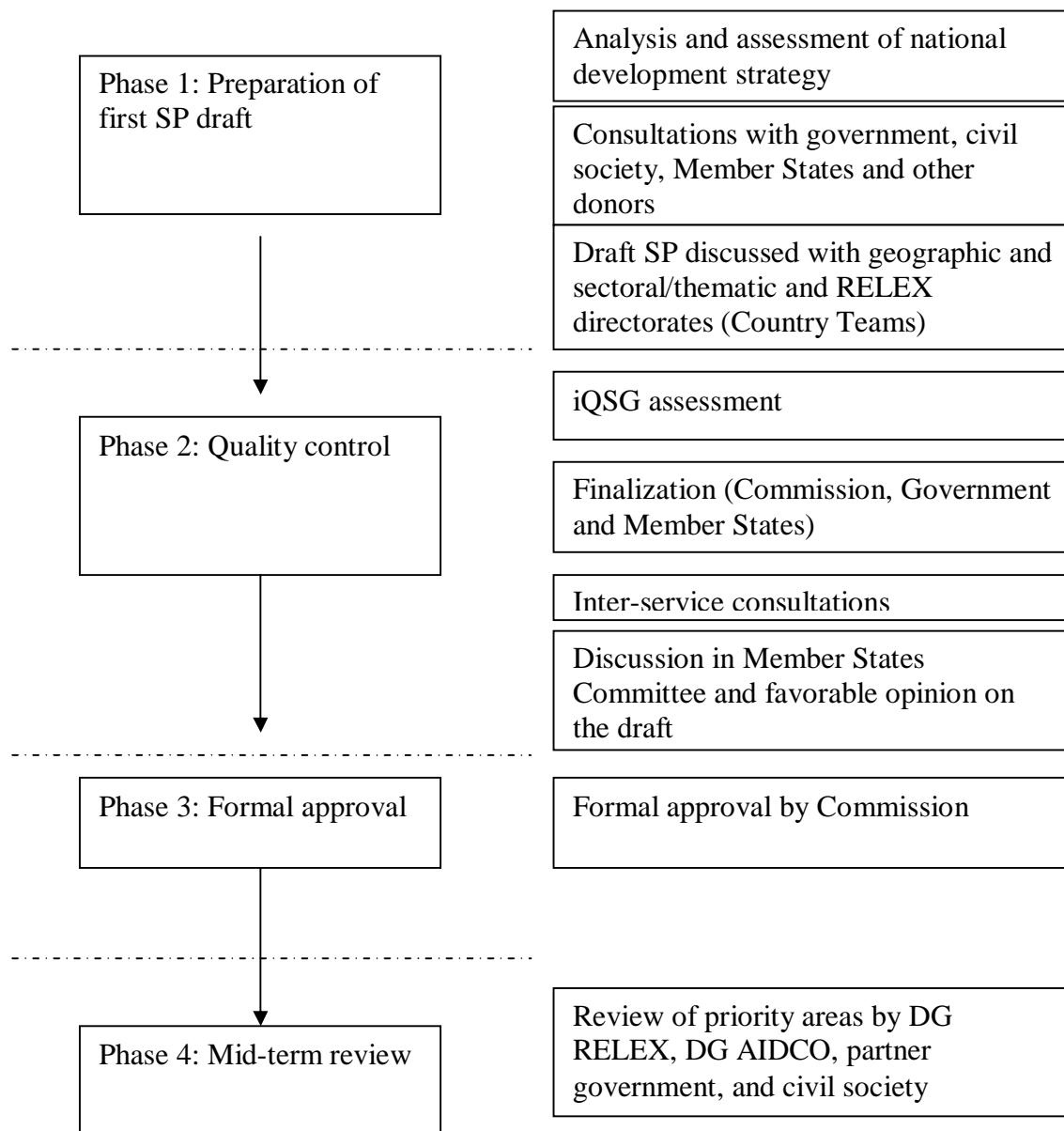
Table 9. Programming Documents and Responsible Bodies

Programming Document	Responsible EC Body
7- year Country Strategy Paper	DG External Relations (DG RELEX), in consultation with local EC delegation
3- or 4- year Multi-annual Indicative Programme	DG External Relations (DG RELEX), in consultation with local EC delegation
Annual Action Programme	DG EuropeAid (DG AIDCO), in consultation with local EC delegation

2.2.1. Strategy Paper Preparation

SP preparation can take between a year and 18 months. This drafting process involves many Commission services, as well as the EC delegation in the partner country and a number of local partners.

Diagram 1. Country Strategy Paper Preparation.



1. First Draft

SP preparation is done by DG RELEX in consultation with the national authorities of the partner country. It begins with an analysis and assessment of the partner country's national development strategy. This makes it possible to understand the partner country's needs, as well as opportunities and obstacles to development.

Once this analysis has been performed, DG RELEX holds consultations with the government, non-state actors, Member States and other donors. These consultations are intended to ensure that policy debates on development strategies include all interested stakeholders.

According to the EC Programming Guide for Strategy Papers,

“The role of EC Delegations is to facilitate the conduct of such dialog between NSAs on one hand and between local authorities and government structures on the other, and not to play the proxy for the government. **It is the responsibility of partner countries’ governments to engage in constant dialog with NSAs** and LAs, and it is only in difficult cases, such as lack of political will on the part of government or lack of local tradition of participation of NSAs and LAs in these processes, that the Delegation

should, as a last resort, take the initiative to conduct the consultation, without involving the government.²⁶

After these consultations, the draft SP is discussed with the relevant geographic and sectoral/thematic directorates. It is then prepared by the relevant geographical service or desk and the EC delegation. The national desk officer then consults and coordinates the support of a country team.²⁷

2. Quality Control

The Interservice Quality Support Group²⁸ (iQSG) is responsible for ensuring the quality of SP documents, as well as their internal and external coherence. Once iQSG has revised and approved the draft SP, it is sent back to the relevant EC delegation, which discusses the changes that were made with the partner government. It then goes through Inter-Service Consultations (ISC).²⁹ Once the necessary changes (if any) have been made, the draft SP is submitted to Member States via the ENPI Management Committee. Only after the SP draft has received a favorable opinion from the committee can it be submitted to the Commission for formal approval. If substantial modifications are needed, the draft is sent back to the responsible geographical service.

3. Formal Approval

The formal approval procedure is over when an SP is signed and when an Order for Service is addressed to the Director-General of AIDCO in order to launch the implementation of the strategy.

Country Strategy Paper for Moldova (2007-2013) is the principal reference framework for the ENPI program and sets out the priority areas for action. It describes EC assistance over a period of seven years and follows the Partnership and Cooperation Agreement (PCA) of July 1998 and the EU-Moldova Action Plan of February 2005. The strategy is also fully aligned with the Economic Growth and Poverty Reduction Strategy Paper that was adopted by the government in May 2004 and National Development Strategy of the Republic of Moldova 2008-2011 approved by Parliament in December 2007 and promulgated by presidential decree in January 2008. It includes the objectives of EU/EC cooperation with Moldova, an outline of the Moldovan policy agenda, a description of the political, economic, social and environmental situation, an overview of past and ongoing EC assistance, and the Strategy's principal objective: EC assistance priorities, instruments and means.

The Country Strategy Paper sets three priority areas:

- Support for Democratic Development and Good Governance;
- Support for Regulatory Reform and Administrative Capacity Building;
- Support for Poverty Reduction and Economic Growth) selected on the basis of joint EU-Moldova policy objectives and the EC's comparative advantage as a donor based on lessons learnt from previous assistance programs and complementarity with other donors.

Table 10. Timeframe of ENPI Programming (2007-2013 CSP)

<i>Action</i>	<i>Timeframe</i>
Policy objectives set in EU-Moldova Action Plan formally agreed by both sides	February 2005

²⁶ http://ec.europa.eu/development/icenter/repository/iqsg_consultation_NSAs_en.pdf. Emphasis added.

²⁷ A 'country team' is a network offering the whole range of Commission services that are involved in cooperating with the country concerned. Source: www.ec.europa.eu/development/how/iqsg

²⁸ iQSGs are to ensure the coherence and quality of EC external cooperation aid. The formal decision to establish such a group, its membership and mandate was taken on 20 September 2000 by the Group of RELEX Commissioners.

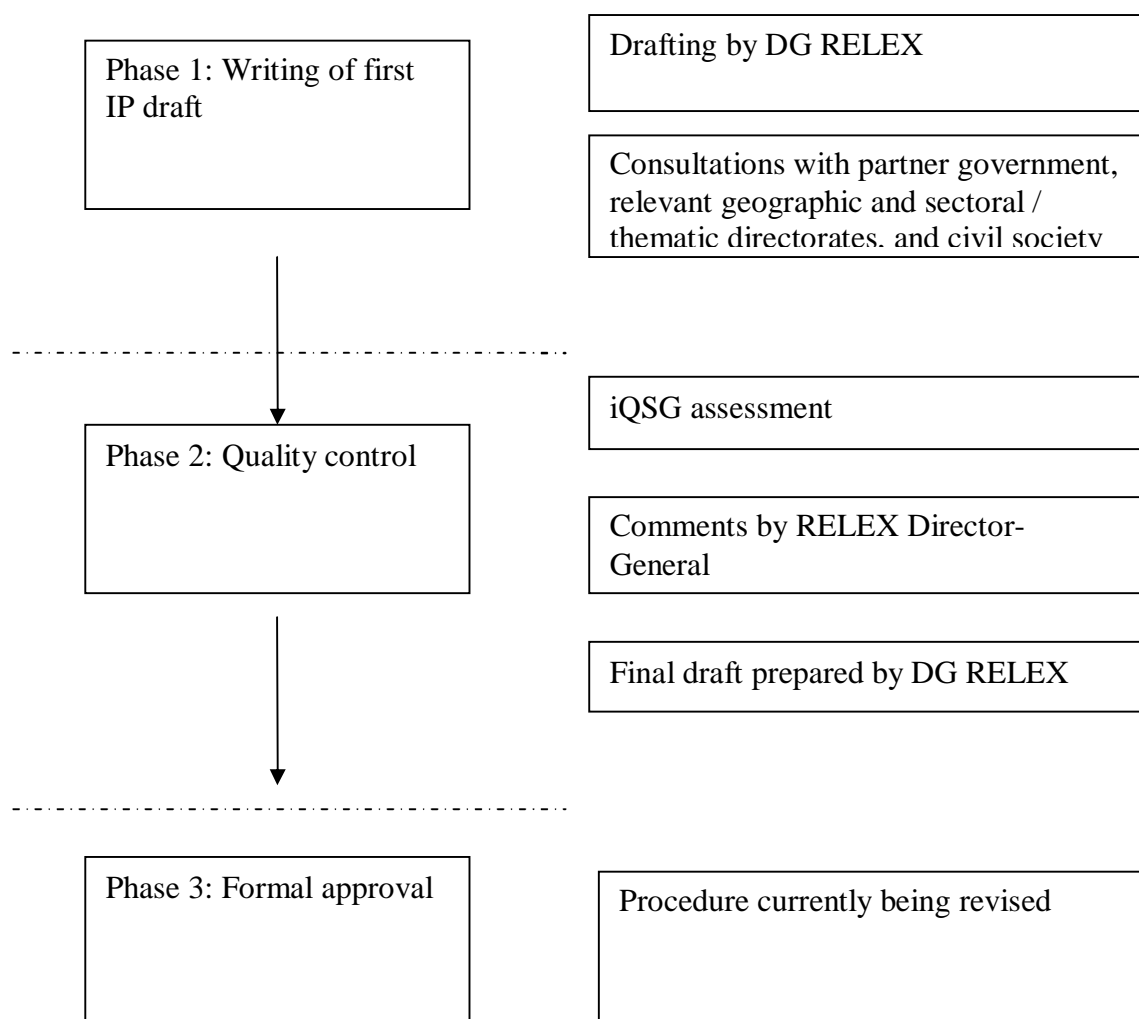
²⁹ The ISC is restricted to AIDCO, ECHO, DEV, RELEX, TRADE, Legal Service, SG, and DG Translation. Other DGs (e.g. AGRI, ENV, FISH, SANCO, JAI) can be consulted when appropriate. As a rule of thumb, the same services that are involved in the country team should be included in the ISC. http://ec.europa.eu/development/how/iqsg/programming_mainsteps_drafting_en.cfm

Consultations with Moldovan authorities on Programme and underlying Country Strategy Paper begin during programming mission	September 2005
During second mission, draft programming documents discussed with National Coordinator and National Coordinating Unit, and Ministry of Foreign Affairs, which is in charge of coordinating political aspects of Action Plan implementation.	December 2005
Further discussions take place with Moldovan authorities with view to finalizing programming documents.	2006
EC Country Strategy Paper (CSP) 2007-2013 for Republic of Moldova formally adopted by Commission.	7 March 2007

2.2.2 Indicative Programme Preparation

The Indicative Programme refines the priorities set out in Strategy Papers and sets out an indicative budget for a three- or four-year period. With its detailed information on areas for cooperation, priorities and project goals, it serves as the framework within which Annual Action Programmes are prepared.

Diagram 2. National Indicative Programme Preparation



1. First Draft

The draft IP is prepared by DG RELEX in consultation with the partner country's government and the relevant geographic and sectoral / thematic directorates.

2. Quality Control

The IP draft is submitted to iQSG for quality assessment. As with the draft SP, iQSG assesses the overall quality of the document, as well as its internal coherence and its coherence with other documents. The draft is then commented upon by the Director-General of DG RELEX. The final draft is prepared by DG RELEX and presented to the ENPI Management Committee.

3. Formal approval

The procedure for formal approval is currently being revised. According to the previous procedure, the IP was signed by the Director-General of DG RELEX and the National Coordinator.

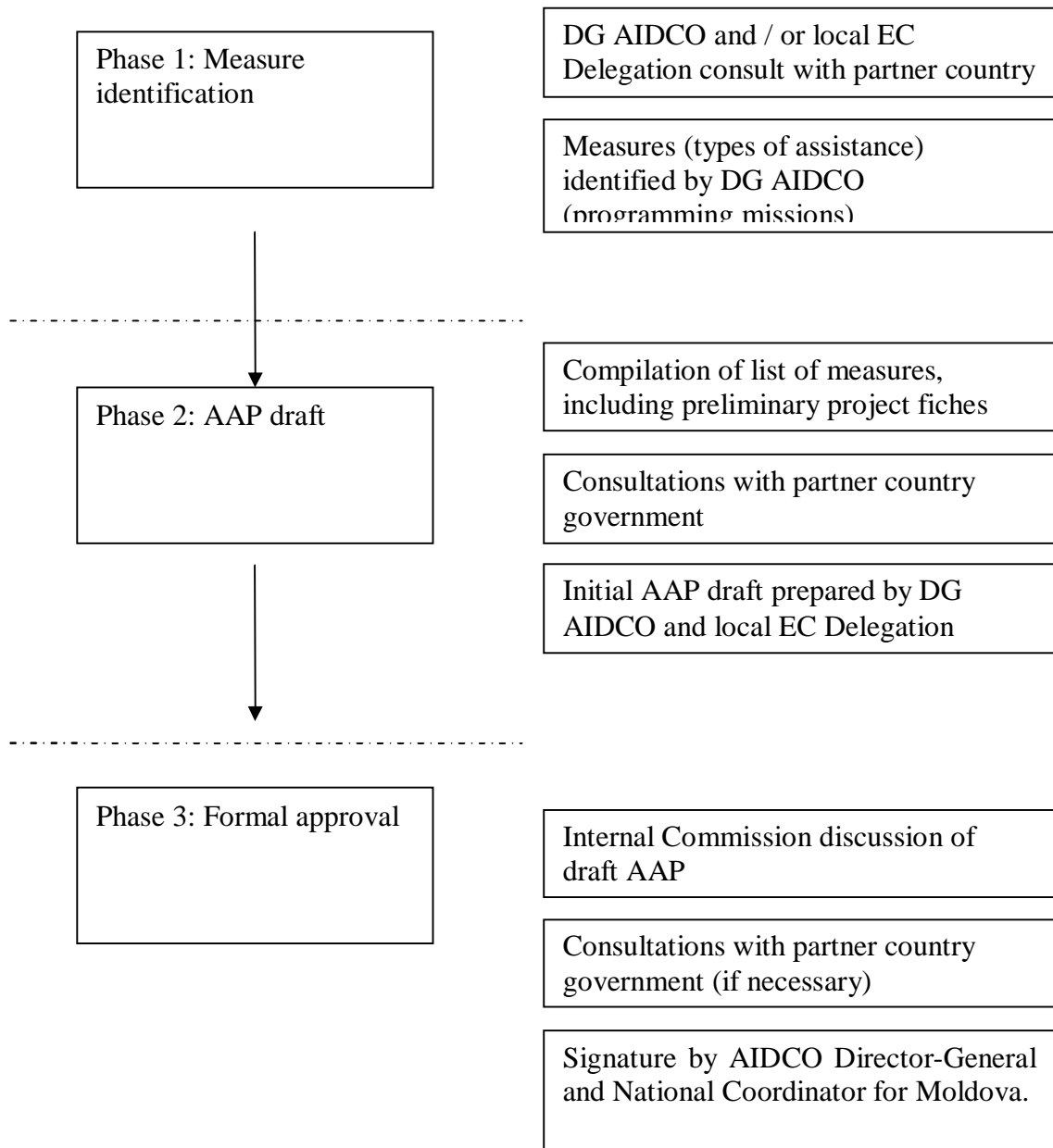
The first National Indicative Programme (2007-2010) for Moldova defines in greater detail the focus of operations within the national envelope. It is intended to guide planning and project identification by defining a limited number of priority areas, together with the objectives and results to be achieved. The NIP stipulates sub-priorities for each of the three main priorities identified in the Strategy Paper.

The upcoming NIP (2011-2013) was recently prepared by DG RELEX, after potential priority areas had been identified as a basis for discussions with the government of Moldova and with some of its non-state actors, civil society, EU Member States, and other donors. A mission of experts was in Moldova in the end of May 2009 and held consultations with 7-8 NGOs.

2.2.3. Annual Action Programme preparation

AAP preparation is sometimes called the 'identification phase.' It connects the overall strategy contained in the CSP and IP to the specific measures and initiatives needed for its implementation. Action Programmes define specific sectors and projects to be supported, as well as the expected results, management procedures, and budget. They also detail operations and set out an implementation timetable.

Diagram 3. Annual Action Programme Preparation



1. Measure (types of assistance) identification

Measure identification is mainly done through programming missions during which EC representatives (DG AIDCO and/or the local EC delegation) consult with stakeholders in the partner country in order to define the specific measures to be taken to implement the Strategy Paper and Indicative Programme. Country stakeholders include the government, other donors, potential beneficiaries, and others.

2. AAP drafting

Once the measures have been identified, they are compiled into a list that, where possible, also includes preliminary project fiches. Based on this list, the EC determines priority measures, in consultation with the partner country's government (if necessary). EuropeAid and the local EC Delegation then draft the AAP, consulting with the government as necessary.

3. AAP approval

The draft AAP is discussed internally by the Commission, which also engages with the partner government. When consensus is reached, the AAP is signed by the National Coordinator in Moldova and the Director-General of DG AIDCO.

The operational aspects of national and regional program implementation are defined in Annual Action Programmes that identify the projects to be financed and their allocations. As such, the AAP is the key document for the actual commitment of EU funds. Each project has a specific action fiche, stipulating the title of the project, the total cost, aid method/management mode, project sector. Also, AAPs describe in detail the rationale and country context, description and implementation issues.

Usually, the Government advocates for the priorities for which it has already prepared and approved a sectoral strategy or its national program. EU assistance generally follows a well-defined set of procedures and stages to deliver targeted assistance to its partners. Operational programming, which depends to the largest extent to national authorities, can sometimes challenge even the most generous offers from the Commission. This is especially true with the system of public procurement, which is deficient.

2.2.4. Programme-level Monitoring and Evaluation: An incomplete system

There is no ENPI-specific program-level monitoring and evaluation system. ENPI is only monitored and evaluated through the mid-term review process described here. In-depth monitoring and evaluation of ENPI funding only occurs at the project level, which is described in Section 3.2. This section was prepared on the basis of various official documents and consultations with EC officials.

3.1. Mid-term CSP Review / Preparation of New NIP

Country Strategy Papers are reviewed by the EC at the three- or four-year mark, as part of the drafting process for the new National Indicative Programme. The exercise is designed to identify:

- a. Areas that have not been adequately covered by European Community or other donor assistance but which represent key priority areas in need of financial assistance;
- b. Areas for which follow-up assistance is required for previous programs;
- c. Areas that have been covered in the past, and for which assistance is no longer a priority.³⁰

The mid-term review exercise, which takes approximately one year, is carried out by DG RELEX, with the participation of DG AIDCO, the appropriate EC Delegation, government of the partner country, and interested non-state actors, who are invited to submit comments and recommendations and participate in roundtable discussions.

Mid-Term- Review of the CSP was undertaken from the beginning of 2009 in Moldova. In this context, the workshop "ENP/ENPI influence on sustainable development of Moldova" was held. The NGOs which participated in the workshop have put forward a set of recommendations focusing on three major aspects:

- 1) The need for a participatory process and transparency;
- 2) Making improvements in the CSP 2007-2013;
- 3) Establishing adequate mechanisms and methods for achieving the priorities of the CSP 2007-2013 and NIP 2011-2013

2.3. Operational Level: Translating Policy Into Action

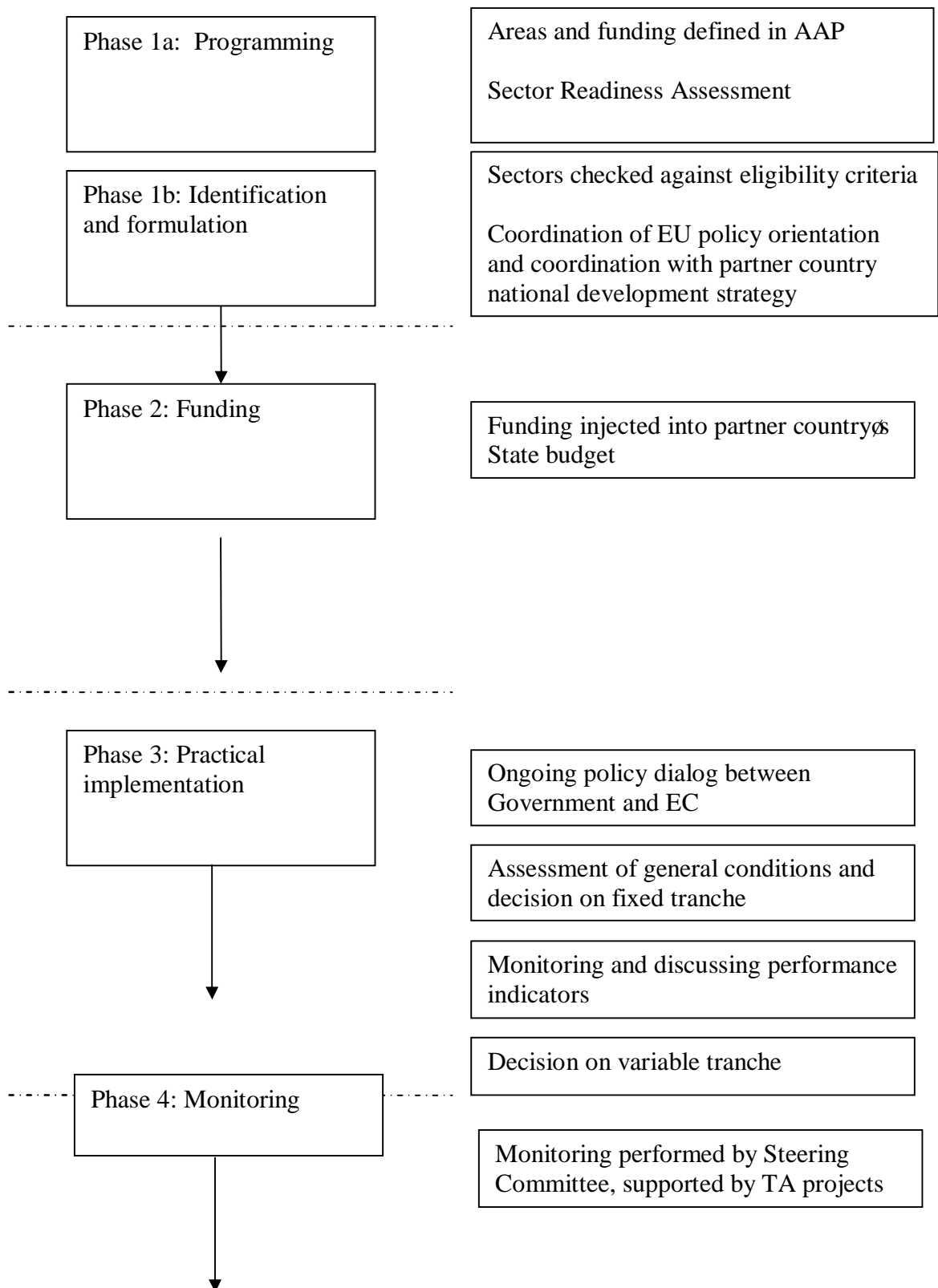
As mentioned earlier, each operational instrument has its own planning, implementation, and monitoring processes. This section describes the processes associated with two main instruments: budget support and individual technical assistance projects.

³⁰ EC Concept Note on "Potential Priority Areas for ENPI National Indicative Programme (NIP) for Ukraine 2011-2013," p. 1.

2.3.1. Budget support

Broadly speaking, budget support (BS) follows a 5-stage process.

Diagram 4. Budget Support Cycle



Phase 5: Evaluation and audit

Steering Committee is responsible for the Semi-Annual Progress Report and for the mid-term review

1. Programming

Sectors are identified as the result of negotiations between the EC and the government of Moldova. Priority areas and specific allocations for BS assistance are laid out in the ENPI programming documents – CSPs, NIPs, and AAPs – and are based on:

- the Commission’s overall country strategy;
- the current agenda of EU-Moldova relations;
- the results of the Commission’s past cooperation with the Government;
- a Sector Readiness Assessment (SRA);³¹
- the political situation.

Budget support procedures are laid out in a set of guidelines published by DG AIDCO and DG RELEX. According to these guidelines, during the identification and formulation process, attention is paid to:

- eligibility criteria (national policy and strategy, macroeconomic framework, public financial management);
- wider analysis of the context (the budget, donor coordination, performance measurement, capacity development);
- the policy orientations of the EU;
- lessons learnt from previous experience;
- other planned interventions.³²

The programming process also includes the formulation of performance indicators used to determine whether the partner country has respected the minimum criteria for the various tranches of budget support funding to be disbursed. These are determined jointly by DG AIDCO, supported by external experts, and government bodies of Moldova.

2. Funding

The money is transferred from the EC to the national budget of Moldova. Funding is broken down into tranches, with the initial tranche transferred after signing the Funding Agreement, and subsequent ones conditional on adherence to predefined performance indicators on the part of the beneficiary government, as assessed by the Steering Committee.

3. Practical Implementation

Once it becomes part of the beneficiary country’s own budget, budget support is used according to the financial management procedures of the relevant authorities, usually a Ministry.

³¹ As noted in Section 1.1.1, the seven areas assessed in the SRA are: (i) National development or reform policy and strategy; (ii) Macroeconomic context; (iii) Budget and Medium-Term Expenditure Framework (MTEF); (iv) Public Financial Management; (v) Donor Coordination; (vi) Performance Measurement; (vii) Institutional assessment and capacity development.

³² While identification and formulation are not *per se* part of the programming phase, the Guidelines on the Programming, Design & Management of General Budget Support state that “the identification and formulation stages should be seen as part of a continuous process of program preparation addressing similar issues. The distinction between identification and formulation is to some extent an administrative one, based on the presentation of an Identification Fiche at the end of identification, and the presentation of a Funding Proposal or Annual Action Programme/Action Fiche, at the end of formulation.” Source: DG AIDCO & DG Relex, “Guidelines on the Programming, Design & Management of General Budget Support,” January 2007, p. 40.

According to the Guidelines on the Programming, Design & Management of General Budget Support, implementation concerns two main areas: (i) "pursuing dialog on key areas, such as national policy and strategy, the macroeconomic framework, and public financial management" and (ii) "reporting to EC headquarters on these issues."³³ This phase usually involves four elements:

- É Ongoing policy dialog between the Government and the EC, with the possible involvement of other development partners;
- É An assessment of general conditions and a decision on the fixed tranche;
- É Monitoring and discussion of performance indicators;
- É A decision on the variable tranche, that is, BS funding whose transfer is conditional on the partner country's adherence to conditions set out in the BS Funding Agreement.

4. Monitoring

The Moldovan Government is responsible for creating an active, transparent monitoring and evaluation framework. Extremely large numbers of performance monitoring indicators are proposed in health and healthcare in the Republic of Moldova – the strategy alone includes more than 500! – and a specific and agreed objective is to bring this first under an annual donor coordination report for Years 1 and 2 and to move toward harmonization across the many GoM departments and donor partners and the various programs and projects involving the two groups under an Annual MoH "Strategy Review" report for subsequent years.

The AAP-2007 stipulates setting up a Steering Committee to monitor the implementation of sector policy support for social assistance reform. Each meeting of this body has to be preceded by a progress report. Civil society is represented in this Steering Committee by one NGO, Verbina, which Moldovan officials claim to have selected in a fairly transparent way:

"Selection was on a competitive basis, the bids were evaluated, then the Government made a decision and announced the results."

Most of the civil society representatives who were interviewed, think-tanks and CBOs, claimed they had never heard about a competition or who is representing them at the government level. As a result, they also support the idea that priorities selected by the National Government are useful, but not the most appropriate for Moldova's policy agenda.

"From the EC, I personally expect resolute actions and support in those areas that have the most visible impact on integration, ensuring the convergence of Moldovan legislation and practices with the EU models, quality of life, as well as business regulation. Sometimes, the Government follows a rather narrow-minded selection of priorities, in line exclusively with their election objectives, especially when social pressures are high and the volatility of economic programs is too evident!"

Interesting enough, even the Verbina representative claimed his NGO had participated in the competition by accident. NGOs say that even the EC Delegation in Moldova will be unable to provide reliable reports about how the money received from the Commission is spent by the government of Moldova.

"I regret to see there is limited attention to the accountability and transparent use of EC resources, which means that, even if the funds would expand by twice or more in the coming years, this would not increase institutional capacities. The reason is very simple. Our national procurement procedures are far from EU standards. The Government insists on its own established procedures, but this allows irregularities to take place."

³³ DG AIDCO & DG Relex, Guidelines on the Programming, Design & Management of General Budget Support, January 2007, p. 70.

After its first meeting in November 2008, the Steering Committee met only once, in May 2009, although by law, meetings should be organized at least twice a year. The agenda for the last meeting on May 7, 2009, included a report on progress in social assistance reform presented by Galina Balmos, Minister of Social Protection, the Family and Child, a report on progress in public finance management presented by Minister Mariana Durlesteanu, and a report on progress in the local public administration presented by Deputy Minister Sergiu Sainciuc.

Some inconsistencies emerge after a first look at the matrix of the accomplished results.³⁴ For instance, although the action 'estimating the impact on poverty in Moldova' is noted as 'done' for 2008, the same document stipulates that the study will be done in 2009 and presented in Q1 of 2010! Most of the actions noted as 'done' appear to be only in the process of coordination or are described in very vague terms. Oversight of the meeting of targets for disbursement remains the task of the EC Delegation. An indicator of 'satisfaction' is included, but will not duplicate similar efforts currently supported under the MCC Threshold Programme. For the technical assistance component of this project, independent reviewers are recruited to ensure that evidence is gathered concerning the level of fulfillment of indicators and subsequently disbursement.

One striking observation is that the budget support Steering Committee includes only high-level technical staff and political appointees (ministers, deputy ministers) with only a **nominal role in civil society and limited experience in monitoring and evaluating**. Some civil society representatives say:

"If not properly tailored to the real needs of the country, some sorts of financial assistance tend to be dangerous, due to the lack of transparency in the use of funds, or a lack of results-based monitoring. As a result, even the people in charge of coordinating EC projects for Moldova know little about how priorities have been selected and the allocation of funds seems an extremely obscure undertaking."

Civil society groups like the idea of monitoring the funding Moldova gets from the EC. They believe that some organizations could act as EU funds monitoring watchdogs and this would immediately increase the effective use of such funding in Moldova.

"The transparent use of EU resources and greater communication with the public are two ingredients of good governance in Moldova. If the citizens of Moldova are confident that EU support is being used properly, is important to their country, they will trust the authorities and this is an investment for the future of this country"

5. Evaluation and audit

The evaluation is an assessment that is as systematic and objective as possible of an ongoing or completed project, program or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability. The evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process for both recipients and donors.

Prior to the completion of the sector budget support program, the Commission is designating its consultants to carry out an independent final evaluation of the program. The program will be subject to independent reviews that will assess the level of compliance/performance with the conditions/indicators set forth in the Funding Agreement. The European Commission might mandate consultants to audit, in close cooperation with the Chamber of Accounts of the Republic of Moldova, a sample of expenditures related to the implementing the GoM healthcare policy.³⁵

³⁴ Agreed Policy Matrix of the Moldovan Government with European Commission for the implementation of the program on budgetary support in social assistance (EUR 20mn).

³⁵ Moldova Country Strategy Paper, 2007-2010.

Some civil groups share the opinion that Moldova has no adequate absorption capacities for EU funds. This concerns the ENPI programs, as most of the problems related to the previous TACIS framework of assistance remain unresolved. They say the national government should increase its institutional capacity and expertise, and request assistance from local NGOs when necessary.

2.3.2. Technical assistance projects

Individual TA projects to be funded are identified in AAPs and implemented by private consulting firms. Individual project Terms of Reference (ToRs) are prepared either by EC staff or by external consultants, with participation from the National Coordinating Unit³⁶ when necessary.

The EU technical assistance programming process follows a Project Cycle Management model. The National Coordinating Unit in the Republic of Moldova, is especially involved in the first two phases of the project cycle:

- (i) strategy definition / annual programming;
- (ii) project identification.

The later phases of the project cycle – funding, implementation, monitoring and evaluation – are essentially managed directly by the EC, with the administrative participation of Moldovan authorities, with the exception of evaluation, which is performed without government participation.

Monitoring³⁷

Technical assistance monitoring is generally carried out by external experts hired by the EC Delegation. In this instance, monitoring can be defined as the systematic, continuous collection, analysis and use of information for the purpose of managing and decision-making in order to:

- ensure that projects remain on course to reach their goals, with any adjustments being made with minimal disruption;
- support regular reporting mechanisms;
- ensure early feedback from project implementation to subsequent project design.³⁸

On the EC side, there are two types of monitoring: internal and external.

Internal monitoring

Internal monitoring is an integral part of day-to-day project management. The contractor monitors and reports on four basic points on a regular basis:

- Which activities are underway and what progress has been made?
- At what rate are the means being used and costs incurred in relation to the progress of implementation?
- To what extent are the results furthering the project purpose?
- What changes have occurred in the project environment? Do the assumptions still hold true?

Internal monitoring can be either traditional (financial monitoring performed by DG AIDCO), or operational (monitoring the operational success of projects).

³⁶ The drawing and use of EU technical assistance are governed by Presidential Decree 1238 of 1 November 2003, according to which the Minister of Economy is the National Coordinator for EU technical assistance and the Department of EU Cooperation within the Ministry of Economy is the National Coordinating Unit.

³⁷ Points 4 (Monitoring) and 5 (Evaluation) were prepared with the help of the ‘Practical Handbook on the Basics of Programme/Project Monitoring & Evaluation’, drafted as part of a TACIS project called ‘Support to the NCU in Ukraine’.

³⁸ EuropeAid Cooperation Office, *Handbook for Results-Oriented Monitoring of EC External Assistance*, April 2008, p. 12.

Internal monitoring provides information through which implementation problems can be identified and solved and progress assessed. It allows the project management contractor and Commission Project Manager to verify whether results and purpose are being met and to analyze changes in the project environment including key stakeholders, local strategies and policies. If progress falls short, corrective action has to be taken.

External monitoring

External monitoring is a monitoring system organized by the services of the European Commission through which external monitors are contracted in order to provide independent follow-up on project progress. While external monitoring used to be conducted mainly through in-person visits, since 2002-2003 the emphasis has been on results-oriented monitoring. Monitors examine project implementation, make field visits to project sites, and interview relevant stakeholders. They also prepare progress reports and possible recommendations for improvement. In principle, similar questions are asked as for internal monitoring, but instead of operations, activity and implementation issues, they focus on results and the achievement of project objectives. This means that questions on relevance, impact and sustainability are also raised.

External monitoring has a project advisory role and is aimed at improving the implementation of projects in order to achieve the project purpose in time, effectively and efficiently. Monitoring is not an inspection, but a careful analysis of the whole project process, resulting in conclusions and recommendations.

On the Moldovan side, the Ministry of Economy regularly receives reports from TA project and program executors and this data is stored in a database. Still, **performance assessments for projects and programs are not undertaken**. Given that TA funding is largely absorbed by foreign organizations, the Ministry of Economy is not interested in evaluating the effectiveness of these projects and programs.

5. Evaluation

In most cases, the evaluation is conducted *post factum* and its main objective is to provide recommendations for future activities. It is handled by external consultants who are contracted with DG EuropeAid. There are both geographic and thematic coordinators.

Significantly, despite the EC's relatively extensive monitoring and evaluation system, TA projects are assessed, not by their impact, but on their fulfillment of predetermined management criteria, such as deadlines, budgets, and so on.

Box 4. Monitoring Criteria for TA Projects

Monitors look at four elements:

a) *Relevance and Quality of Design*

The appropriateness of the project purpose to the problems it was supposed to address and to the physical and policy environment within which it operates.

b) *Efficiency*

The cost, speed and management efficiency with which inputs and activities were converted into results and the quality of the results reached.

c) *Effectiveness*

An assessment of the contribution of the results to the achievement of the project purpose and how assumptions affected the project achievements.

d) *Impact to date*

The effect of the project on its wider environment and its contribution to the wider objective, as summarized in the project's overall objectives.

e) *Sustainability*

The likelihood of a continuation of the stream of benefits produced by the project.

The EC selects an independent evaluating agency, which conducts consultations with GoM representatives, implementing ministries, other donors, and civil society representatives. ENPI is also subject to an evaluation by ROM, the Results Oriented Monitoring of EC External Assistance.³⁹ ROM activities are executed through a Framework contract fully managed by the relevant Directorate of EuropeAid and DG Enlargement.

Nevertheless, there is little available information about the monitoring efforts, while civil society is generally not involved in consultations over the implementation of the ENPI Annual Action Programme. Thus, the most interesting activities are not available for the main actors, civil society experts and activists to scrutinize.

³⁹ http://ec.europa.eu/europeaid/how/ensuring-quality/rom/documents/handbook_rom_system_final_en.pdf

3. ENPI engagement: Non-State Actors Left Out

The Moldovan public is fairly well acquainted with the European Union, its institutions and instruments, although this knowledge tends to be superficial when plumbed at greater depth by opinion polls.⁴⁰ In general, civil society representatives show a fairly good understanding of EU foreign aid priorities. Nevertheless, they claim that the national government and EC delegation in Moldova make no effort to involve non-state actors (NSAs) in ENPI processes.

Moreover, NSAs are concerned over the fact that policy priorities in the Country Strategy for Moldova leave fundamental democratic principles, such as access to information, rule of law, and an independent and effective judiciary, untouched. In their opinion, budget support should not enter the public finance management system of Moldova until it is transparent, accountable and corruption-free.

Why should NSAs be involved? The involvement of Moldovan think-tanks and advocacy groups would bring significant added value to the BS instrument. There could also be much to gain from injecting NSA participation, where appropriate, into TA projects carried out by foreign consulting firms.

The ENPI website suggests that NSA get involved in the monitoring of ENPI implementation, without specifying how or at what level, such as, overall program implementation or project execution. While it is relatively easy to imagine NSA participation in program-level monitoring by establishing benchmarks and assessing progress made in the various priority areas set out in CSPs and NIPs, project monitoring poses a challenge due both to the lack of publicly available project-specific information and to the monitoring structures established by ENPI.

The project approach prevails in ENPI since some of its components, like the ENPI CBC, move faster in connection with the participation of the civil society. This can be explained partly because of the nature of non-state actors, who are the main generators of ideas and demands for funding, but this could be also true for reason of decentralization: a network of regional offices charged with preparing CBC interlocking cooperation operate today in Iashi, Suceava and Chisinau. They have their own web-sites⁴¹ and are well-known for having accomplished a number of regional training events for potential applicants and for those who implement cross-border projects with Moldova, Ukraine and Romania.

3.1. Engagement Opportunities on the EC and Moldovan Sides

3.1.1 The EC General Framework: Good Intentions

The European Consensus on development⁴² strengthens the principle of civil society participation by defining it as one of the common principles of EU assistance. Thus, the EU:

... supports the broad participation of all stakeholders in countries development and encourages all parts of society to take part. Civil society, including economic and social partners such as trade unions, employers organizations and the private sector, NGOs and other non-state actors of

⁴⁰ Parts of this paragraph are reproduced from a report measuring public awareness of the EU and Action Plan implementation in Moldova: "How do Moldovans evaluate the implementation of the EU-RM Action Plan?" a National Survey implemented by IDIS and CBS Axa, March 6 June 2008, www.viitorul.org.

⁴¹ <http://www.brct suceava.ro/>; <http://cbc.mie.ro/>; <http://www.jts.md/ro/rouamd/>

⁴² Joint statement by the Council and representatives of the governments of Member States meeting with the Council, the European Parliament and the Commission on European Union Development Policy: "The European Consensus" (2006/C 46/01).

partner countries in particular play a vital role as promoters of democracy, social justice and human rights.⁴³

The role of the European Commission and Member States in the civil society dimension is primarily as facilitators, because public authorities cannot always set an effective agenda of consultations and involvement with active civil society entities in their countries. The Commission has prepared specific handbooks and sample templates for their national counterparts how to include civil society in the policy consultation framework. The Regulation (EC) 1638/2006, which contains general provisions establishing the European Neighborhood and Partnership Instrument mentions "fostering the development of civil society and of non-governmental organizations."⁴⁴ It also contains a list of non-state actors who are beneficiaries of ENPI programs:

- non-government organizations (NGOs);
- organizations representing national and/or ethnic minorities;
- local citizens' groups and traders' associations;
- cooperatives, trade unions, organizations representing economic and social interests;
- local organizations, including networks, involved in decentralized regional cooperation and integration;
- consumer organizations, women's and youth organizations, teaching, cultural, research and other NGOs;
- universities;
- churches and religious associations and communities;
- the media;
- cross-border associations, non-government associations and independent foundations.

However, good intentions have not translated into practical mechanisms:

*"If we compare the consultation process of UNDP and World Bank when defining policy priorities with NSAs, then, of course, the EU strategy in Moldova has received almost **no real consultations**. It seems that some EU officials believe there is no need for consultations and rely only on the national government of a partner-country. By the time of the mid-term review, we succeeded in persuading the EC to include a stronger participation component involving civil society. Unfortunately, the EC Delegation did not provide resources for consultations or delegation expenditures to consult with the Commission in Brussels so we had to cope with this alone."*

3.1.2. The National Framework: Unreformed Government

Civil society representatives respond that they have not been consulted by the Government of Moldova on any aspects of ENPI use of funds. The leaders of some of the most active think-tanks have stated that it is not easy to monitor public expenditures in Moldova, which is crucial with budget support. The European Delegation in Moldova should play a larger role here, because often data on EU funding in Moldova is either short or absent altogether.

"There is little available information regarding ENPI in the government. This is not because people are not interested, but because the government is closed. There is an urgent need to provide access to such information as public financial management, including investments, but also for international and national expertise and so on."

⁴³ The European Consensus on Development.

⁴⁴ <http://www.enpi.org.ua/index.php?id=30&L=1>

The Government of the Republic of Moldova intends to set up a Participation Council in Development (PCD) to work closely with the Strategic Planning Committee (SPC) and to provide an articulated forum of interaction between those who decide upon the policy priorities and the general public through the Participation Council, which will be invited to oversee the implementation of major national projects, such as the National Development Strategy. Officials claim that talks have been staggered with international donors on the operational format for the PCD, which will be facilitated by project staff. Overall, they see the establishment of the PCD not as a disparate element of communication with civil society, but to complement a joint strategy for all actors of the Strategy of National Development. An international consultant is already involved in mapping out the comparative institutional advantages of all international actors, so as to ensure a better coordination of the relevant fields for foreign assistance.

Since the ENPI process is a relatively new phenomenon and the TACIS legacy is still alive in the minds of potential civil society activists, and meanwhile the reformation of the central administration is still in its inception, the political and administrative environment in Moldova is generally less conducive to effective civil society participation in the policy-making process. As an example of that is the long-delayed process of establishing a Consultative Council with Civil Society by the National Government and the cancellation of its formal inauguration in October 2008, for reasons unknown to international donors, as well as to the civil society organizations selected for this exercise.

Given the electoral battles scheduled for 2009 in Moldova, preceded by contradictory developments of the domestic reforms, the national government has largely postponed installing a credible and effective framework of cooperation with civil society. The frequent misuse of funds by officials and the authorities for political and electoral purpose has demonstrated a serious inability to understand the importance and greater potential of foreign aid for Moldovan society.

At the moment, the Moldovan Unit for the Coordination of External Assistance (UCEA) does not have its own website, but it appears to be in the process of preparing terms of reference for a site that would reflect, as the previous one, all the assistance Moldova receives, including ENPI. The same can be stated about the European Commission website, which include many useful sources of information, but few hints about the ways of communicating with the civil society and its involvement.

3.2. The Need to Raise Awareness

The EC offers a few suggestions on NSA participation in the planning and monitoring of aid on its ENPI website.⁴⁵ For instance, the Commission encourages NSAs to participate more actively in ENPI processes by getting more information on the ENPI programming process and to think of ways to engage regularly with EC representatives. However, the information available on ENPI is relatively scattered, which makes it difficult for an NSA to understand the whole process and see the stages at which it can enter and engage. Thus, it is difficult to see how an organization with limited or no knowledge of ENPI might feel compelled to get involved.

The posting of information on the ENPI website is by no means sufficient to stimulate an authentic and deep interest. Given that the Moldovan environment is generally not conducive to NSA participation in the policy-making process and that both civil society consultations and ENPI are still new to Moldova, more needs to be done to inform and prepare civil society.

The EC Delegation officers talk about a regular information and consultation mechanism, which unfortunately coincides with the working visits of EC DG groups to Moldova.

The European Commission suggests a few concrete entry points for CSOs, such as during the drafting of the Annual Action Programmes⁶ by April-May each year⁶ and the reviewing of the Country Strategy Paper and the National Indicative Programme⁶ every 3-4 years.

⁴⁵ <http://www.enpi-programming.eu/wcm/en/how-to-get-engaged/concrete-actions-to-take/enpi-civil-society.html>

Few Moldovan NGOs, who are mostly located in Chisinau and usually define themselves as think-tanks, are currently using these entry points, which means that, all the more, other key, wide-ranging categories of non-state actors, such as trade unions, associations, advocacy groups, and grass-root organizations, are currently excluded from the process.

3.3. Improving the system: Concrete Suggestions

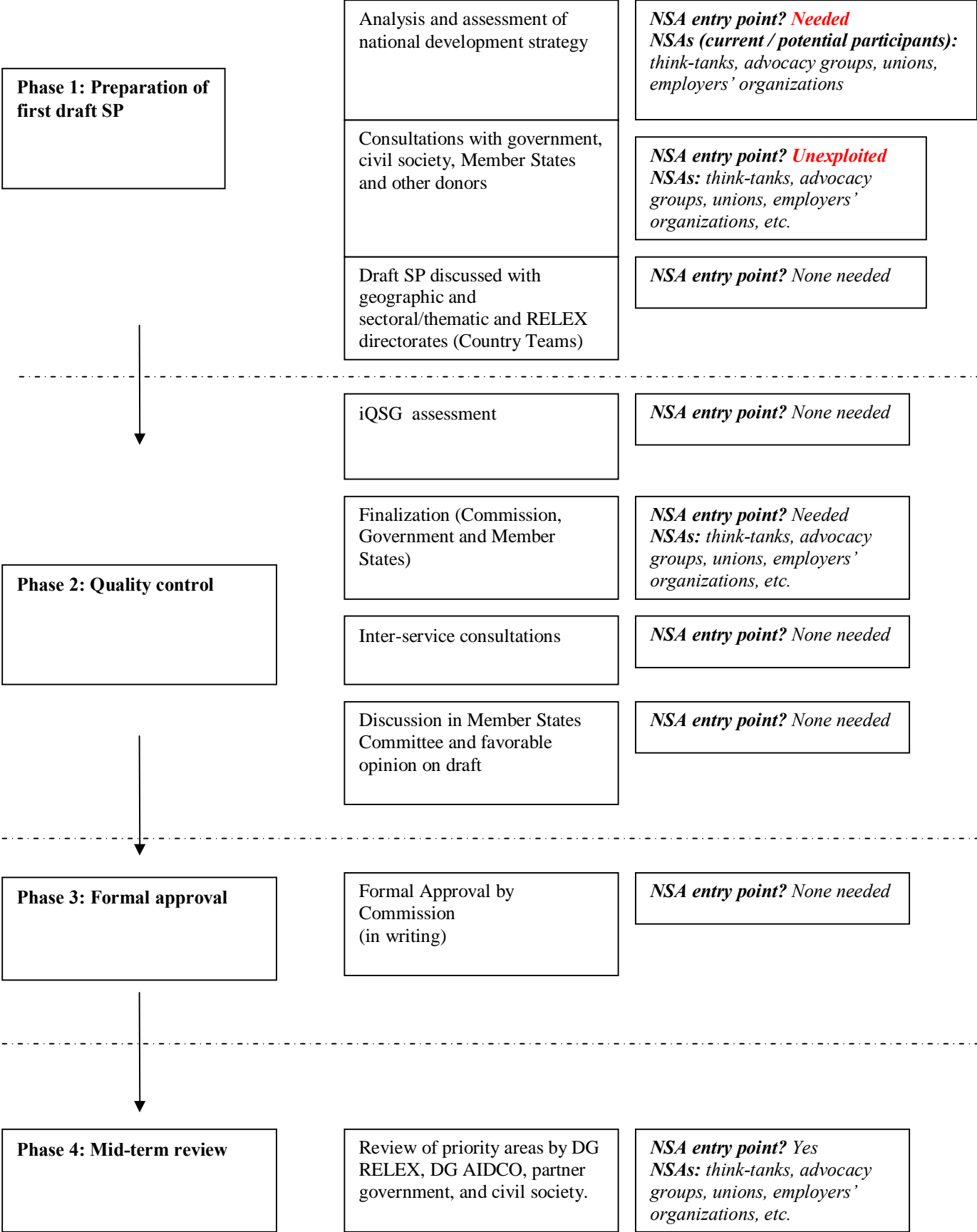
3.3.1. NSA entry points into CSP preparation process: A good start, but more progress needed

The diagram below illustrates current and potential NSA entry points into the CSP preparation process. It shows that NSAs can get involved from the very outset while consultations are ongoing between DG RELEX, national authorities and EU Member States. This represents the key NSA way into the CSP preparation process, as input is necessarily more potent upstream than downstream. The earlier NSAs get involved, the greater their impact on priority-setting will be. The problem is that this entry point is not being exploited by the NSAs.

The absence of NSA input in the finalization phase is another key feature of the CSP preparation process. Indeed, while upstream input is crucial, it is not enough. For NSA involvement in the priority-setting process to have an impact, NSAs must be able to affect the final draft of the document. This makes it possible for them to ensure that their earlier input has been understood and taken into account and to provide feedback on specific components of the CSP.

The diagram here shows that NSAs can participate in the mid-term review process, which also includes the drafting of the new National Indicative Programme. This represents an excellent opportunity for NSAs to participate in program-level monitoring and evaluation of the ENPI, as the dual nature of the exercise means that it is possible to troubleshoot problems with the previous NIP and adapt to new challenges practically in real time.

Diagram 5. NSA entry points into Country Strategy Paper preparation process



3.3.2. NSA entry points into NIP preparation process: The importance of being early

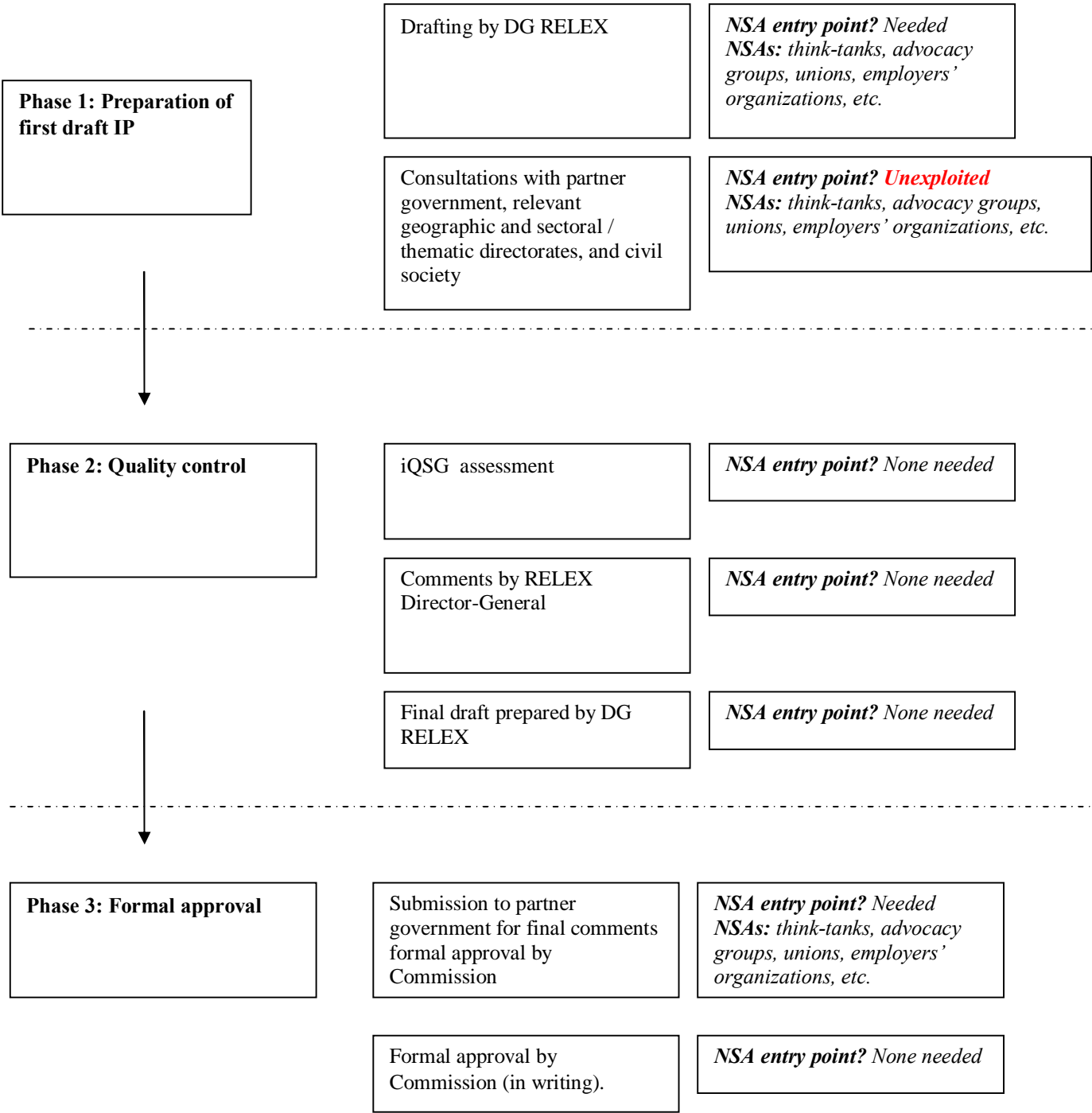
Diagram 6 shows that, as with the CSP, the National Indicative Programme preparation procedure allows non-state actors to participate at the beginning of the process, through consultations during which they can comment on the draft NIP⁶ also known as a 'Concept Note'⁷ put forward by DG RELEX. Again, this is not taken advantage of by both the Moldovan government and NSAs.

While this is an important entry point, the fact remains that NSA engagement begins once the EC has already developed a draft NIP. In other words, NSAs only enter the process once the main priorities have been identified. As a result, it is unlikely that NSA input can do much more than tweak the existing document.

NSA consultations should instead take place as part of the initial drafting process by DG RELEX. This should not be a major challenge, as NSAs participate in CSP preparation and are therefore already involved in the multi-annual ENPI programming processes.

As in the CSP preparation process, NSAs should also be involved in the finalization phase in order to ensure that their input has been adequately digested and, where possible, integrated into the final draft.

Diagram 6. NSA entry points into the National Indicative Programme preparation process.



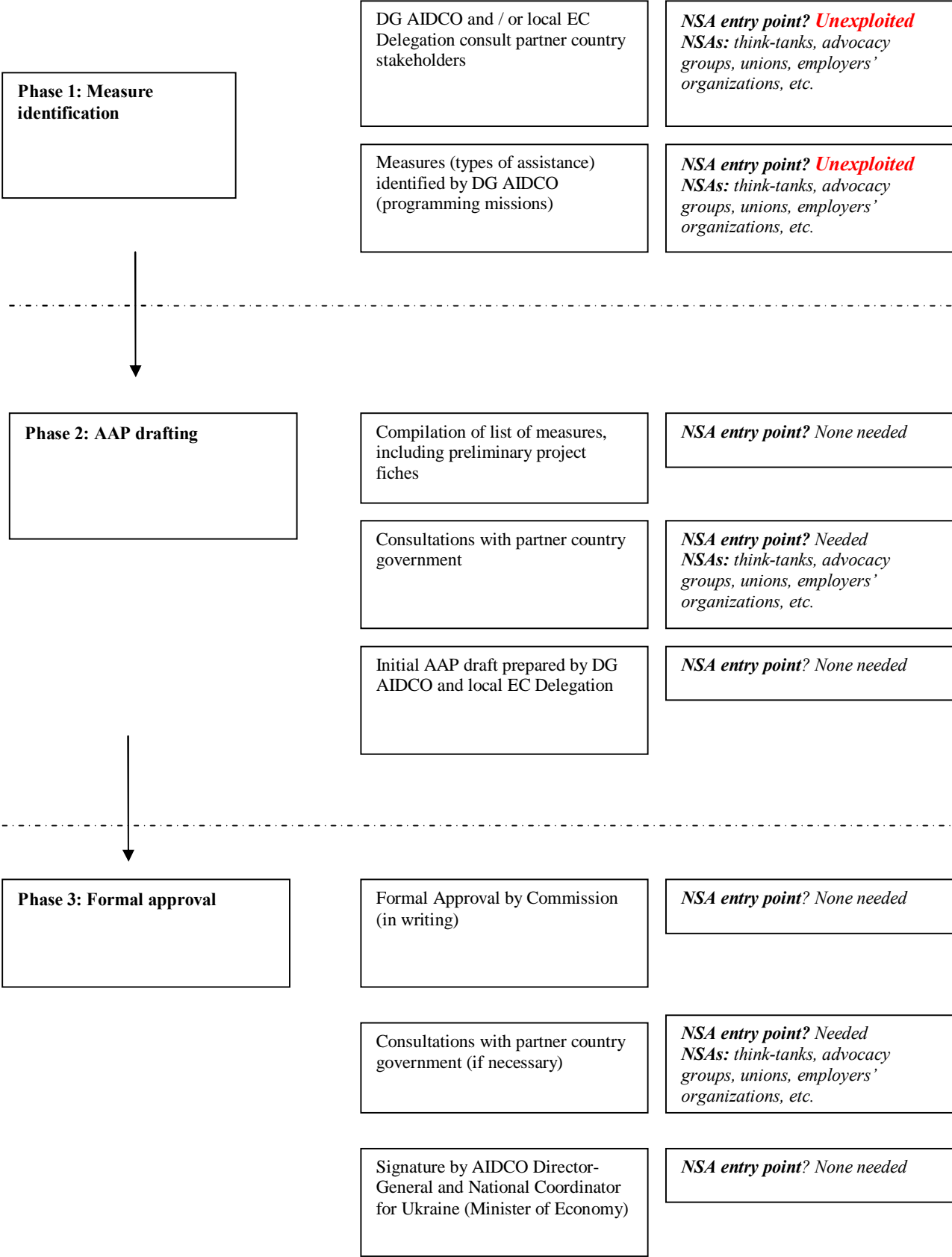
3.3.3. NSA entry points into AAP preparation process: Follow-through needed

The AAP preparation process, in contrast to CSP and NIP, provides an entry point for NSA involvement at its very outset. NSAs are to participate in the initial consultations and the measure identification phase led by DG AIDCO and the local EC delegation. They can thus make their voices heard before any drafts are prepared. As it is in the AAP that projects are selected and funds allocated, this is highly significant: it allows for the possibility of NSA impact going beyond priority-setting and affecting the more concrete and operational aspects of ENPI. This opportunity is not being used by Moldovan NSAs.

It should be noted that NSAs are left out of the consultations held between the EC and Moldovan authorities immediately prior to the actual drafting of the AAP. As noted in discussing CSP and NIP preparation procedures, it is essential that NSAs be included in the actual drafting process in order to ensure that their input has been taken into account and to request explanations where it has not.

Finally, NSAs do not participate in the formal approval procedure, which can include consultations between the EC and the partner government when necessary. While these consultations deal more with troubleshooting than with priority-setting and project selection, NSA input could provide a useful external perspective on the issues raised by either party.

Diagram 7. NSA entry points into AAP preparation process.



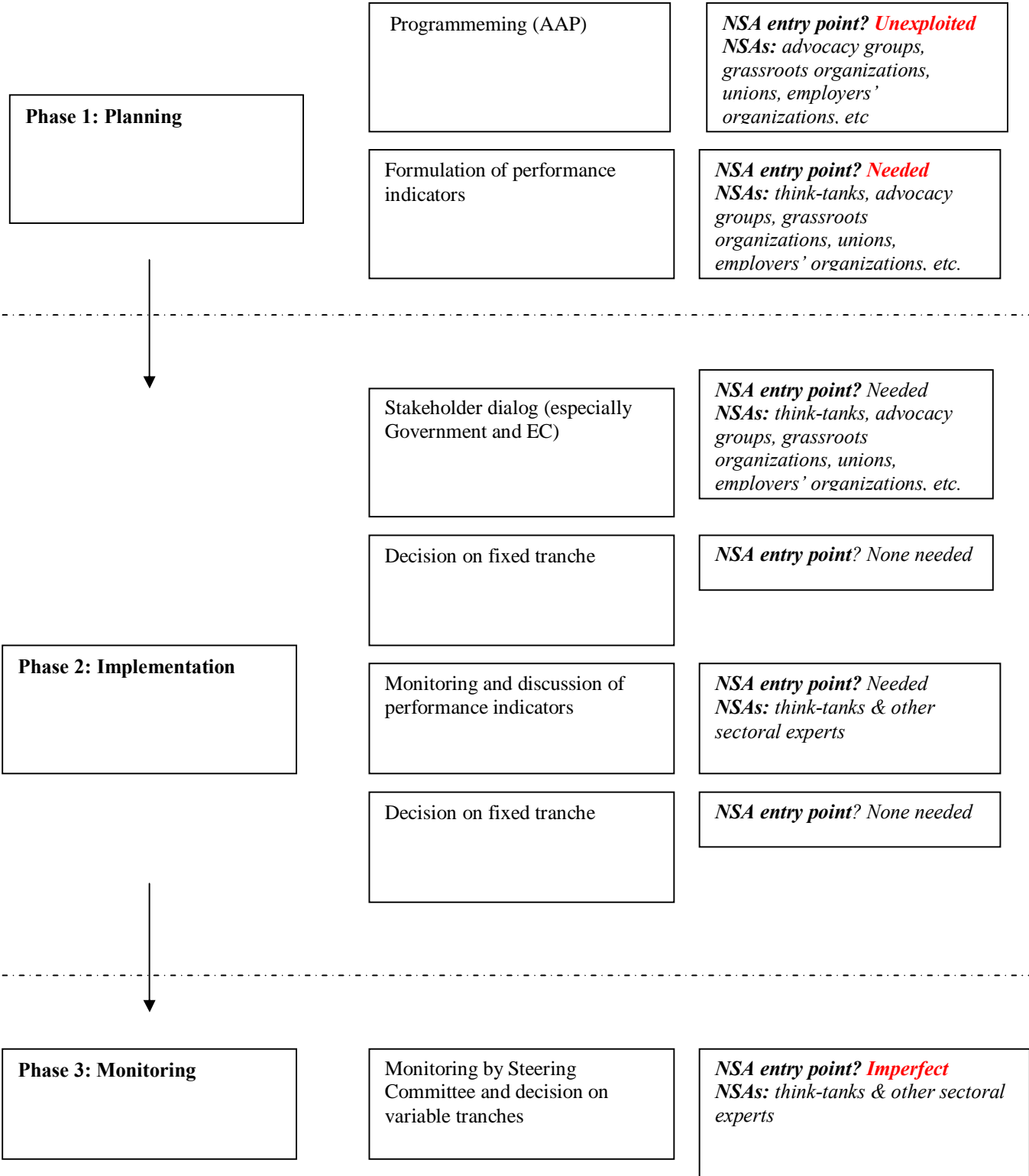
3.3.4. NSA entry points into Budget Support process: Not Enough Access

While Budget Support sectors and allocations are laid out in Annual Action Programmes⁶ in whose preparation NSAs can have an active hand⁷, these decisions are the result of negotiations between the EC and the Moldovan authorities, without NSA participation. As a result, NSA involvement in the AAP elaboration procedures does not influence the choice of budget support sectors or setting of the corresponding allocations.

Nor do NSAs participate in the elaboration of the performance indicators used to assess how Moldova's government performs with respect to the conditions set out for the disbursement the variable tranches. While most NSAs do not have the expertise necessary to engage in such technical work, some⁸ namely think-tanks and some sector-specific NGOs, such as environmental groups⁹ do. As noted earlier, current assessment criteria often focus on inputs and procedures, such as the adoption of certain measures, rather than on impact, such as increased efficiency. The participation of NSAs, who tend to be more result-oriented, could help address this problem.

The presence of one civil society organization in the Budget Support Steering Committee is a very important fact in itself. However, a closed, opaque procedure for selecting the NSA to this Committee undermines the good intention of the presence of civil society representatives in the process of Budget Support program monitoring and evaluation.

Diagram 8. NSA entry points into Budget Support process



4. Conclusions and Recommendations

Since monitoring of the EU/ENPI funds released to Moldova is not yet a regular practice, it was quite difficult to collect the relevant data from the number of actors, sources and authorities in charge of this. Public sentiment is shaped by a general ignorance of the structure of funding and lack of cooperation among the stakeholders to raise the profile of ENPI funding. Many opportunities were lost in previous years, which raise the risk of diluting the importance of European support to build Moldova as a democratic state and functional market-economy.

In line with EU policy, the larger share of national ENPI support is directed towards budget support. This fact is not viewed as entirely positive by civil society actors, as there were no consultations regarding policy priorities and selected fields to be supported each year. Even if the priorities were selected in line with the Moldovan National Strategy for Development, civil society actors continue to express the opinion that priorities were selected randomly. It will require substantial efforts on behalf of the European Commission Delegation to engage civil society and ensure its leadership on country development.

Specific information on ENPI funding is relatively easy to find: it is published in EC press releases and can be found by any individual who is very interested on the EC and ENPI websites. Information on actual results, however, is another question. Data on accomplished objectives is available only for the implementing agencies and ministries, leaving outside any other interested parties. Participation of civil society in the consultation and evaluation processes is sporadic and does not lead to an effective impact on the process.

Even if the Annual Action Programme stipulates a policy matrix of indicators, civil society groups have the feeling that there is no clear system to monitor progress and discuss setbacks, where they exist. Civil society participation in monitoring and evaluating ENPI funds application is limited to the formal attendance by a single representative of a CBO that has not been appointed to the Steering Committee from among major civil society associations or networks of annual forums. This seems a counterproductive policy that fails to encourage trust. Since this nomination remained a formality in itself, the influence of civil society on the main areas of EC-implemented programs remains insignificant. The Steering Committee itself, established by the Moldovan Government to monitor the implementation of external budget support funding, acts as a formal, not inclusive body.

ENPI CBC projects have been more successful in consultations with civil society and its participation, but appear much slower in applying and absorbing available funds. One serious obstacle encountered by civil society was the lack of procedural guidelines, which were missing entirely until late April 2009. This, in fact, made it almost impossible to prepare the inauguration of the CBC Call for Proposals and raised concerns that the funds allocated for Romania-Ukraine-Moldova cross-border projects would not be fully assimilated. Compared with CBC, the Twinning instrument seems to be more flexible in this regard, since there are separate Steering Committees for each individual project and the projects are not interdependent.

As a general conclusion, civil society is mostly uninvolved at the level of EC programming for Moldova, limited at the level of implementation, and largely ignored in the evaluation phase. This leads to a number of recommendations. It seems imperative for each of the active parties – the EC, the government and civil society – to engage proactively to overcome the current weaknesses in creating effective instruments for reform and change in Moldova. In particular, our analysis shows a need to set up a more open, inclusive and properly-managed consultation platform with civil society. This will raise the level of public awareness, accountability among agencies receiving ENPI funds, and interactive cooperation to the benefit of good governance in Moldova.

4.1. Policy recommendations to the Government of Moldova

- Continue and increase the pace of institutional reform of national state agencies, making civil service reform and the bringing of civil service standards in line with EU norms and practices a key pillar of the structural reform package, financed by the European Commission;
- Establish a clear, effective, and mandatory procedure for civil society consultation in the ENPI programming process;
- Formalize civil society participation in the attraction and application of foreign aid in general and ENPI funding in particular through a normative act;
- Make civil society consultation in the development of the national development strategy mandatory, drawing on foreign examples, such as the EU's minimum rules for consultation;
- Better coordinate the National Development Strategy to improve the policy-driven nature of ENPI assistance and facilitate results-based monitoring;
- Develop procedures for the analysis and implementation of civil society input within the foreign aid coordination framework;
- Increase transparency by making key ENPI documents readily available to non-state actors and other relevant stakeholders;
- Engage in capacity-building to ensure that civil servants have the knowledge and skills necessary to effectively monitor ENPI assistance;
- Release the Chamber of Audits from political control and further strengthen its functional autonomy under the supervision of the legislature;
- Improve the legal and normative framework for budget support to ensure its transparency, accountability and effectiveness;
- Inform the public about the sources of budget support and the scope of received assistance, making key documents readily available to civil society organizations and other relevant stakeholders;
- Reform the current system of public procurement to prevent corruption.

4.2. Policy recommendations to the European Commission

- Make consultation with non-state actors a mandatory component of the Country Strategy Paper, National Indicative Programme and Annual Action Programme preparation processes, including in the initial phases. Civil society should be consulted by both the EC and national authorities before any drafts are put forward;
- Given the lack of a strong tradition of civil society participation in Moldova, maintain a separate track for civil society consultation by the EC;
- Consider making new civil society entry points into relevant processes: the CSP mid-term review, the drafting of new NIPs and AAPs, and the formulation and functioning of budget support SCs;
- Assist the Government of Moldova in identifying potential NSA participants in ENPI processes;
- Make key monitoring and evaluation documents, including criteria, indicators, benchmarks, and so on, easily accessible to CSOs;
- Improve public information to raise awareness about the ENPI;
- Improve regular communication with the public about funding programs in Moldova and increase accountability among beneficiaries of such funds for results and the overall impact on national development;
- Put together a friendly interface on the official website for individuals and civil society, and set up a feedback mechanism for the public to use;
- Develop a trustworthy monitoring instrument for budget support that would enable civil society to play its role, namely during the CSP mid-term review and the drafting of new NIPs;
- Start monthly or quarterly public reports on the financial resources provided to the national government.

4.3. Policy recommendations to civil society

- At the individual CSO level: examine the existing entry points described in this report, identify those in which your organization is most likely to make a significant contribution, and use them;
- Focus on capacity-building to ensure that civil society organizations fully understand the ins and outs of ENPI funding and are able to assume their watchdog function on both the financial and policy fronts;
- Establish close relations with the EC delegation in Moldova in order to remain up-to-date on opportunities for NSA involvement in ENPI planning, monitoring and evaluation;
- Adopt a proactive role and produce at your own initiative specific proposals and suggestions to improve the implementation of ENPI funding to the EC Delegation;
- When necessary, form civil society coalitions to develop new entry points into ENPI processes;
- When necessary, put pressure on government officials to obtain access to relevant unclassified information;
- Raise awareness about ENPI and the opportunities it presents, including by holding formal information sessions and informal roundtables with other NSAs, both in Chisinau and in the regions;
- Demand reform of the monitoring tools currently employed by the National government with European Commission funding;
- Establish effective partnerships for monitoring external assistance with Auditing Chamber and other state agencies in Moldova;
- Increase domestic capacities for monitoring and policy evaluation of priorities financed by the EU in Moldova, and increase proactive efforts to make the national government accountable, transparent and effective.

Annex 1. List of interviewees and roundtable participants

The authors are grateful to the following individuals for their participation in interviews and discussions held by IDIS experts over June-July 2009.

Nº	Name	Organization
1	Martin Kaspar	Programme Coordinator, EC Delegation to the Republic of Moldova
2	Dumitru Udrea	Office of the Prime Minister, Advisor, Government of the Republic of Moldova
3	Vasile Arion	Country Office Manager, TEMPUS Programme in Moldova
4	Valeriu Prohnitchi	Director, Expert Group
5	Petru Macovei	Director, Association of Free Press
6	Aurelia Bondari	Director, Agroinform
7	Ana Levinte	Director, VERBINA CBO
8	Sergiu Neicovcen	Director, Contact Centre
9	Carolina Ungureanu	Grant Manager, IDIS Viitorul, CBC Member

Annex 2: CBC programs involving Moldova

ENPI CBC Programme: Romania-Ukraine-Republic of Moldova

Art. 8 of EC Regulation 1638/2006 of the European Parliament and of the Council of 24 October 2006 lays down general provisions establishing a European Neighborhood and Partnership Instrument and sets the criteria determining the territorial units of Member States and partner countries that will be covered by Cross-Border Cooperation programs (CBCs). Art. 8 also states that adjoining regions may be associated in this cooperation when that will ensure the continuation of existing cooperation and in other justified cases. The eligible area of the Programme covers a territory of 176.6 sq km, which includes the core area and adjoining regions, as listed in the ENPI CBC Strategy Paper. In 2004-2005, this territory was home to about 15 million inhabitants. The ENPI CBC Strategy Paper introduces the list of regions participating in the Programme as the core area, as well as regions that may be included as adjoining.

Table 11. Areas participating in the Romania-Ukraine-Republic of Moldova Programme

Country	Romania	Republic of Moldova	Ukraine
Areas	Suceava, Botosani, Iasi, Vaslui, Galati, and Tulcea Counties	The entire country of the Republic of Moldova	Odesa and Chernivtsi Oblasts

Adjoining regions will have access to all Programme priorities, but only soft projects may be implemented in these areas. The detailed conditions for participating in the Programme and receiving funding from the Programme budget are set out in the implementation section of the current Joint Operational Programme (JOP). Fifteen Programmes have been established under the European Neighborhood and Partnership Instrument Cross Border Cooperation (ENPI CBC) for 2007-2013.⁴⁶ In addition, on the basis of the provisions of ENPI regulation and the CBC-ENPI Strategy Paper, the Programme partners decided to include certain adjacent regions that could positively influence cooperation in the border zones.

Consequently, regions outside the Romanian and Ukrainian core area are eligible for funding. Unlike its neighbors, Ukraine and Romania, Moldova's entire territory is a beneficiary of ENPI CBC Programmes. According to the Romania-Ukraine-Moldova JOP for 2007-2013, the aim of the Programme is to improve the economic, social and environmental situation in the program region, through safe and secure borders via increased contact among partners on both sides of Moldova's borders. A total of €30mn has been allocated for Priorities 1 and 2. As outlined in the ENPI CBC Strategy 2007-2013, the core objectives will be pursued according to three priorities and related measures:

Table 12. Priorities and related measures of the ENPI CBC Programme

Priority	Measures	Deadline
Priority 1: Towards a more competitive border economy	1.1 Improving the productivity and competitiveness of the region's urban and rural areas by working across borders 1.2 Cross-border initiatives in transport, border infrastructure and energy	October 2009
Priority 2: Environmental challenges and emergency	2.1 Addressing strategic cross-border environmental challenges including emergency preparedness	

⁴⁶ http://ec.europa.eu/europeaid/where/neighborhood/regional-cooperation/enpi-cross-border/programs/index_en.htm

preparedness	2.2 Water supply, sewerage and waste management	
Priority 3: People-to-People Cooperation	3.1 Local and regional governance, support to civil society and local communities 3.2 Educational, social and cultural exchanges	

The funding for ENPI-CBC programs comes from two sources: the financial allocations for the ENPI itself to the extent determined in Art. 29 of the ENPI regulation, and the European Regional Development Fund (ERDF) to the extent determined in Art. 18 of the Regulation laying down general provisions on the ERDF, the European Social Fund and the Cohesion Funds (Structural Funds regulation). The allocation of funds to individual CBC programs must take into account objective criteria, such as the population of the eligible areas and other factors affecting the intensity of cooperation, including the specific characteristics of the border areas and the capacity for managing and absorbing assistance.

Fig. 2 ENPI-CBC Programme area⁴⁷



Projects can be submitted on behalf of various actors: public bodies, local, regional and central governments, universities, NGOs, associations and organizations representing economic and social interests, on one condition: that at least one partner from Romania and one partner from Ukraine/Republic of Moldova participate in the project. The specific objectives and issues to be addressed in each program will be set from a local perspective by the NPP partners themselves, reflecting their local priorities. The management of the programs will likewise be a shared responsibility among local program partners. The programs will be able to support the full range of projects, from small-scale local initiatives with local administrations and NGOs/CSOs to large-scale projects involving a large number of partners at the regional and sub-national level. ENPI CBC programs will also allow for investments in a cross-border context. Moldova will be involved in two ENPI CBC programs: a trilateral land-border program with Ukraine and Romania and the multilateral Black Sea Programme.

ENPI CBC Black Sea Programme

A broad funding program by the European Commission is directed to support cooperation within the Black Sea Region, in conjunction with the EU Synergy Policy for the Black Sea Area launched

⁴⁷ The map includes the entire area of the oblasts adjoining the Programme area. Please note that the Khmelnytsk and Ternopil Oblasts will participate with only part of their areas, as detailed above

during the German Presidency of the EU. The overall objective of this program is to build stronger regional partnerships and cooperation. The program is intended to contribute to its key wider objective: "stronger, more sustainable economic and social development in the regions of the Black Sea Basin."

Table 13. Regions included in the ENPI CBS Black Sea area

<p>Romania: Southeast Bulgaria: Severoiztochen, Yugoiztochen Greece: Kentriki Makedonia, Anatoliki Makedonia, Thraki Turkey: Istanbul, Tekirda , Kocaeli, Zonguldak, Kastamonu, Samsun, Trabzon Russia: Rostov Oblast, Krasnodar Krai, Adygea Republic Ukraine: Odesa, Mykolaiv, Kherson, Sevastopol, Zaporizhzhia, and Donetsk Oblasts, Crimean Autonomy, Sevastopol Moldova, Georgia, Armenia, Azerbaijan: the entire country Managing Authority: Ministry of Development, Public Works and Housing, Romania</p>

The global indicative ENPI funds made available under this Call for Proposals amount to €3,311,369. In addition, the IPA contribution for Turkish partners amounts to €1,339,401. This EC funding is supposed to contribute to the Black Sea Synergy cooperation sectors with a clear focus on civil society and local cross-border cooperation. In addition, it aims to foster coherence with other national and trans-national programs and strategies. The total allocation (2007-2013): €17,306,000. The eligible regions are listed in Table 9.

Table 14. Total/indicative allocation of ENPI funds by priority distribution for the BS area (€)

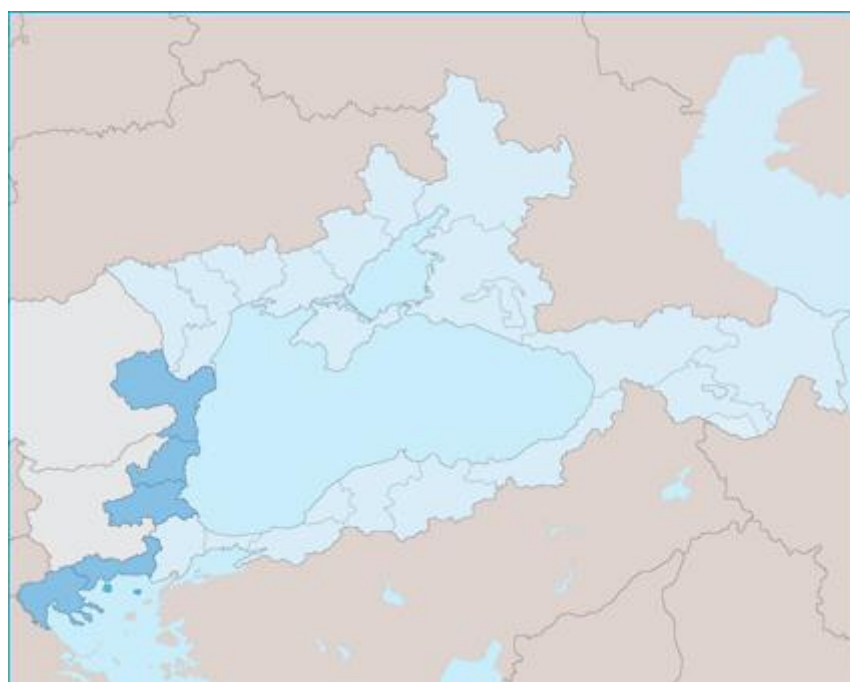
Priorities	Activities to be financed in the respective areas	EC funding	National co-funding ⁴⁸	Total funding
Priority 1: Supporting cross border partnerships for economic and social development based on combined resources	1.1 Strengthening accessibility and connectivity for new intra regional information, communication, transport and trade links 1.2 Setting up tourism networks to promote joint tourism development initiatives and traditional products 1.3 Building administrative capacity to design and implement local and regional development policies	1,169,318	116,932	1,286,249
Priority 2: Sharing resources and competencies for environmental protection and conservation	2.1 Strengthening the joint knowledge and information base needed to address common challenges in protecting river and maritime systems 2.2 Promoting research and innovation in conservation and environmental protection for protected natural areas 2.3 Promoting cooperative initiatives aimed at innovation in technologies and management of Waste and Wastewater Management systems	1,328,770	132,877	1,461,647
Priority 3: Supporting cultural	3.1 Promoting cultural networking and educational exchanges in Black Sea	813,281	81.328	894,610

⁴⁸ Calculated as 10% of EC funding, according to ENPI regulations.

and educational initiatives to establish a common cultural environment in the Basin	Basin communities			
Total		3,311,369	331,137	3,642,506

The Black Sea 2007-2013 Joint Operational Programme or Black Sea JOP is one of three maritime basin programs established under the European Neighborhood and Partnership Instrument Cross-Border Cooperation: Strategy Paper 2007-2013 (ENPI CBC Strategy Paper) and is one of the most complex of these, although with limited financial allocations. The eligible area occupies a territory of 834,719 sq km and covers 74.2 million people. It involves 10 countries, some of them in their entirety, such as Armenia, Azerbaijan, Georgia and Moldova, while others involve only the regions closest to the Basin: Bulgaria, Greece, Romania, Russia, Turkey, and Ukraine.

Fig. 3 Area covered by Black Sea Basin JOP 2007-2013⁴⁹



These countries include four states—Greece, Armenia, Azerbaijan and Moldova—that are not physically located on the coast of the Black Sea but are clearly integrated with or connected to the Black Sea Basin in terms of historical, economic, cultural, social, and environmental factors. The other six countries—Bulgaria, Romania, Russia, Turkey, Georgia, and Ukraine—all have direct access to the Black Sea. The Joint Managing Authority (JMA) was established in Romania under the Ministry for European Integration, later the Ministry of Development, Public Works and Housing, and now the Ministry of Regional Development and Housing. The global objective is to build stronger regional partnerships and cooperation, fostering “stronger and more sustainable economic and social development of the regions of the Black Sea Basin.” The program’s three specific objectives:

1. Promoting economic and social development in the Black Sea Basin.
2. Working together to address common challenges.
3. Promoting local, people-to-people actions.

⁴⁹ <http://www.blacksea-cbc.net/index.php?page=MAP>

These three specific objectives will be pursued through three priority activities, which together constitute the Programme's approach to achieve its objectives:

1. Supporting cross-border partnerships for economic development based on *combined* resources;
2. Sharing resources and competencies for environmental protection and conservation;
3. Supporting cultural and educational initiatives to establish a common cultural environment in the Basin.