

**THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA**

**and**

**UNITED NATIONS DEVELOPMENT PROGRAMME**

## **Improved Capacities for Managing Development**

### **Executive Summary**

This project is designed to support the national development priorities of the Republic of Moldova, through capacity building in the formulation, coordination, monitoring and evaluation of development policies and programmes and through strengthening the national capacity to mobilize donor resources for their implementation. As part of this support, the project will provide policy advice, funding for visits and study tours, training, consultancy missions and short term sub-projects, in order to flexibly respond to emerging needs formulated by the government.

## SIGNATURE PAGE

Country: Republic of Moldova

UNDAF Outcome(s)/Indicator(s):

Pro-poor policies addressing development issues are formulated, implemented and monitored in a more transparent and participatory manner

Expected Outcome(s)/Indicator (s):

Improved national Monitoring and Evaluation system to inform policy making institutionalized and functions in participatory manner and takes into account sub-national elements and gender dimension

Expected Output(s)/Annual Targets:

Targeted Government organizations and officials have improved capacities to manage development policies and programmes, and mobilize resources for their implementation

Implementing partner:

*(designated institution/formerly executing entity)*

Ministry of Economy and Trade

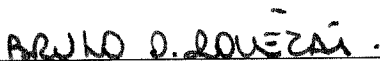
Programme Period:	2006 – 2011
Programme Component:	
Project Title:	Improved Capacities for Managing Development
Project ID:	00049938
Project Duration:	2006 - 2011
Management Arrangement:	NEX

Project Budget:	\$725,977
General Management Support Fee:	\$2,002
Total budget:	\$727,979
Allocated resources:	
• Government	
• Regular	\$697,377
• Other:	
Programe Cost-Sharing Fund	\$30,602
Unfunded budget:	

Agreed by (Government):


\_\_\_\_\_  
UNDP National Coordinator

Agreed by (UNDP):


\_\_\_\_\_  
Resident Representative

## **SECTION I. NARRATIVE**

### **Part I. Situation Analysis**

In the last several years, Moldova enjoys a relatively stable political environment; this, together with a combination of regional and national economic factors, contributes to a GDP growth of appr. 6% every year since 2000. Moldova has approved the first Economic Growth and Poverty Reduction Strategy (EGPRS) in November 2004, and has signed in February 2005 an Action Plan with the EU (the EU-Moldova Action Plan) as part of the European Neighborhood Programme (ENP). Moldova has declared aspirations for European integration and is building up the political dialogue, as well as twinning and exchange initiatives with EU members and with other Central and East-European democracies. These developments will clearly bring along increased levels of development assistance: it is likely that the suspended programme with IMF will be resumed in 2006, and the WB Country Assistance Strategy (CAS) in a high case scenario will provide new lending opportunities and new financing instruments. Starting with 2007, the ENP opens new instruments and sustained levels of financing. These prospective cash flows, supported by specific technical assistance, will help implement the national development priorities, identified in the EGPRS and the EU-Moldova Action Plan, but they also call for significant national capacity to coordinate the implementation of the assistance and to match priority development requirements with different types of external aid and foreign investment.

The PRS implementation makes an important contribution towards improving the policy-making processes: ex-ante analysis and assessments to support policy formulations, evidence-based policy preparation, participation of civil society and academia in discussing policy papers, monitoring using an integrated national system for monitoring and evaluation, which also includes MDG-related indicators, reports and analytical papers on results of policy implementation and policy impact – all these steps and tools are being tested, discussed and applied more and more frequently.

The Government is paying increased attention to aspects of development assistance mobilization and coordination around PRSP. Representatives of the Ministry of Economy and Trade, the Ministry of Finance and other specialists are working on improving the mechanisms for tracking donor assistance and reflect it in the Medium Term Expenditure Framework, and coordination mechanisms that would allow for planning donor resources in the medium term and direct them for the priorities identified, and use a variety of programming options – joint programmes, sector-wide approaches, budget support. Recently the Government has filed an application with the Millennium Challenge Account.

A group of donors, including Sida, the World Bank, UNDP (representing the fact the UN family), DFID and SDC, are committed to taking forward at country level the agenda of the Paris Declaration on Aid Effectiveness. Sida has prepared a draft Partnership Framework Agreement (PFA) to be concluded with the Government, which will promote harmonisation and simplification measures. The donors working group is discussing it with the Government; an work plan supporting this Framework will allow donors - members of the group to contribute to the implementation of the PFA.

The UN agencies are implementing the internal and inter-agency Harmonisation agenda, though the join CCA/UNDAF processes in 2005, and an increased volume of work through joint programmes among UN agencies and with other donors.

### **Prior and ongoing assistance in the area**

Prior similar assistance through 'Support for programme development' UNDP projects proved to be a very successful vehicle in responding flexibly to emerging needs within the Government, and providing quick support for programme development, policy advice and short-term consultancy for the central government, especially for the President and the Prime Minister's office, and the Ministry of Economy and Trade. They paved the way for development of UNDP technical assistance programmes in various sectors and generated a considerable amount of third party cost sharing (around 6 million USD).

The national counterparts and beneficiaries explicitly expressed the wish to continue this type of project in order to have the necessary flexibility and funds to be able to respond to emerging needs in an effective manner. In the context of the recent developments exposed above, the government also formulated specific requests for capacity building and learning to use new instruments.

## **PART II STRATEGY**

Despite the extremely limited core funds available, UNDP has been able to effectively respond to a number of development requests arising in areas which were considered to be of the first priority for Moldova: governance and democracy, local development, justice and Human Rights. UNDP has actually made capacity building the cornerstone of its assistance to Moldova and the approach proposed in this project has proved to be very successful during the implementation of the previous similar projects. They demonstrated that a flexible project design enables the government to quickly respond to emerging needs and it allowed the government to receive the required international expertise and policy advice and initiate a number of TA projects in combination with large scale resource mobilization.

### **The output of the project interventions is:**

Targeted Government organisations and officials have improved capacities to manage development policies and programmes, and mobilize resources for their implementation

Capacity building needs will be identified and discussed jointly by the Government and UNDP throughout the period of project implementation. The design of activities within the project will remain flexible, to allow the government to quickly respond to emerging needs; for this purpose part of the activities has not been elaborated in detail. The initial project document can be extended with additional outputs provided funds for project extension will be available.

The project has identified three main directions of activity:

**Activity 1:** Effectively respond to emerging needs within the Government related to development assistance coordination.

**Activity 2:** Provide policy advice to the Government in the areas covered by the national development priorities.

**Activity 3:** Managing Development assistance: Support policy and programmes/projects preparations activities, including assessments, project formulation, and resource mobilization efforts, and monitoring and evaluation exercises. New technical assistance projects will be formulated and appraised in line with the priorities formulated, using available international as well as national consultants. While recruiting consultants, preference will be given to consultants from the diaspora

and the region, using the East-East cooperation facility

**Activity 4: Communication:** This component will cover communications activities aimed at increasing the visibility of UNDP Programme in Moldova.

**Activity 5: Avian Influenza:** Under this component the project will provide support to the Government response to Avian Influenza

**Activity 6:** This activity will support the pilot regional project “Growing Sustainable Business” Initiative, which is co-funded by the Austrian Development Agency (see project description attached).

(The activities and the actions are described in the Results and Resources Framework).

For each activity the following items will be discussed and agreed upon between the government and UNDP:

- objectives of the mission and relevance for the UNDP Mandate
- expected outputs
- timing, i.e. both the duration of the mission as well as the date of commencement

Support provided by the project may include, but is not limited to: international and local consultancy, exchange of experience with counterparts from other countries, participation in study visits, attendance at seminars, conferences, preparation of studies and analytical papers, policy advice. When the activities and events related to policy and programme development and coordination of assistance require the support and involvement of UNDP programme specialists, costs for the participation of the latter may be covered from the project, provided the Government agrees.

The recipients will be Ministries, other institutions within Parliament or Presidential Office whose areas of focus will have been chosen by the government as priority areas, NGOs and Civil Society Organizations active in those areas mentioned above. Direct beneficiaries will be specialists and officials working in the sectors chosen for the programme.

This project will put special emphasis on inviting national, diaspora and regional consultants for the project activities. UNDP and the Government will make every effort to ensure a gender –balanced approach in project activities, and make available training, study tours and attendance at conferences and other events in a equal manner to both men and women. Innovative execution modalities and resource mobilization approaches, as well as flexibility and prompt response to requests of assistance from the Government will be key principles for the project implementation.

Cooperation with other ongoing UNDP projects will be established as required based on the specific areas of focus. Throughout the project activities will be coordinated with the donor community in Moldova by means of the already existing monthly donor meetings.

### **Part III. Management Arrangements**

The project is implemented using the national execution modality (NEX). The project implementing agency is the Ministry of Economy and Trade. The UNDP National Coordinator (Minister of Economy and Trade) will nominate the National Project Coordinator, supporting the project as necessary, so that project activities are implemented successfully. The UNDP National Coordinator will - by signing this project document - entrust the UNDP Office with the overall management of the project.

UNDP Moldova will provide implementation support (according to the Agreement between the

Government of Moldova and UNDP for provision of support services for National Execution Modality from May 27, 2003) and more specifically, recruitment services, including local and international consultancy, and procurement of goods, according to UNDP rules and procedures. UNDP follows in the implementation of project and programmes the international standards set under PRINCE 2.

The Government will provide support to the project implementation by granting prompt clearance of experts and other persons performing services on behalf of the project; prompt issuance without cost of necessary visas, licenses or permits. In addition Government shall facilitate other privileges and immunities as accorded by the Standard Basic Assistance Agreement between UNDP and the Government of Moldova, and to the Agreement on Provision of Project Support Services signed between the Government of Moldova and UNDP on May 27, 2003.

The project will have a Project Steering Committee, including key stakeholders (list). The PSC will meet as a rule every three months or out of its regular schedule at the request of its members and will examine and discuss the project work plans and reports, and will provide recommendations on the project activities.

#### **Part IV. Monitoring and Evaluation**

Monitoring and evaluation will follow the UNDP guidelines on Monitoring and Evaluating for Results. Targets will be set for every year of project operation and progress will be measured against agreed indicators. The Program Officer/Associate will prepare project monitoring documents.

The project will be subject to the Annual Programme Review. The Programme Officer/Associate, in consultation with the Project Coordinator and the Project stakeholders, will be responsible for preparing and submitting to the Annual Programme Review meeting the annual Project Progress Report in UNDP format.

Audits will be performed in the course of the implementation of the Project, according to UNDP requirements.

A project terminal report will be prepared for consideration at the end of the project. It shall be prepared in draft sufficiently in advance to allow review and technical clearance by the implementing agency at least one month prior to the project closing date.

#### **Part V. Legal Context**

This project document shall be the instrument referred to as such in the Standard Basic Assistance Agreement between the Government of the Republic of Moldova and the United Nations Development Programme, signed by the parties on October 2, 1992 and the amendment of the same of July 5, 1997. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The following types of revisions may be made to this project document with the signature of the UNDP resident representative only, provided that he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- Revisions in, or addition of, any of the annexes of the project document.
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by the rearrangement of inputs already agreed to or by cost increases due to inflation.
- Mandatory annual revisions which re-phase the delivery of agreed project inputs, or reflect increased expert or other costs due to inflation, or take into account agency flexibility.

**PROJECT RESULTS AND RESOURCES FRAMEWORK\***

<b>Intended Outcome as stated in the Country Results Framework:</b> Pro-poor policies addressing development issues are formulated, implemented and monitored in a more transparent and participatory manner			
<b>Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target.</b>			
<b>Applicable MYFF Service Line:</b> SL 1.1 MDGs and Poverty Monitoring			
<b>Partnership Strategy:</b> UNDP is the partner of the Ministry of Economy and Trade in the implementation of this project. UNDP takes part in the working groups of the donors and Government related to management of development assistance and will strive to ensure that overlap in allocation of resources for the purposes covered by this project is avoided.			
<b>Project title and ID: Improved capacities for Managing Development (Project ID: 00042977 – Umbrella)</b>			
<b>Intended Outputs</b> Targeted Government organizations and officials have improved capacities to manage development policies and programmes, and mobilize resources for their implementation	<b>Output Targets for 2006</b>	<b>Indicative Activities</b>	<b>Inputs</b>
	Quality and timely local and international advice provided	Activity 1: Aid Coordination	International and Local Consultancy
	At least 2 project documents formulated to respond to national development priorities	Activity 2: Policy Advice	Travel Equipment
	Visibility of UNDP Programme Activities ensured	Activity 3: Managing Development Assistance	Contractual Services
	Support provided to raised public awareness on Avian Influenza risks	Activity 4: Communication	
	At least 1 investment project identified	Activity 5: Emergency Response to Avian Influenza	
		Activity 6: Growing Sustainable Business	

**Annex 6.**

**Description of UNDP Country Office Support Services**

In accordance with the provision of the letter of Agreement signed on May 27, 2003, and the project document, the UNDP Moldova country office shall provide support services for the project "Improved Capacities for Managing Development" as described below:

Support Services	Schedule for the Provision of Services	Cost to UNDP to providing services	Amount and method of reimbursement to UNDP
1. Provide support services for assistance through direct payment	Continuous	In accordance with UPL (Universal Price List)	Cost of the support services provided by UNDP will be charged to relevant budget lines through billing in the ERP (Atlas)
2. Identification and/or recruitment of project personnel	--	--	--
3. Identification and facilitation of capacity-building activities, including twinning, training, and study tours, etc.	--	--	--
4. Procurement of goods and services (including local and international expertise)	--	--	--
5. Access to UNDP-managed global information system, the network of UNDP country offices and specialized systems containing operations information, including roster of consultants and providers of development services	--	--	--





Moldova

Annual Work Plan 2006

Approved by

National Coordinator

Signature

Portfolio Manager

Signature

Outcome	Pro-poor policies addressing development issues are formulated, implemented and monitored in a more transparent and participatory manner					
Outcome Target	Improved national Monitoring and Evaluation system to inform policy making institutionalized and functions in participatory manner and takes into account sub-national elements and gender dimension					
Output	Targeted Government organizations and officials have improved capacities to manage development policies and programmes, and mobilize resources for their implementation					
Annual Output Target	Quality and timely local and international advice provided At least 2 project documents formulated to respond to national development priorities Visibility of UNDP Programme Activities ensured Support provided to raised public awareness on Avian Influenza risks At least 1 investment project identified					
Award/ID/Project Name	Activity Design Name	UNDP Partner Name	UNDP Partner Code	Budget Line Description	Account Code	Amount
00042977 - Umbrella - Improved Capacities for Managing Development	1. Activity 1: Aid Coordination	Government	11898	International Consultants Local Consultants Travel Audio Visual Printing Production Costs (AVP) Hospitality Miscellaneous F&A subtotal	71200 71300 71600 74200 72700 74500	\$ \$16,000.00 \$4,300.00 \$5,000.00 \$2,000.00 \$1,000.00 \$300.00 \$2,002.00 \$30,602.00
	2. Activity 2: Policy Advice	Government	TRAC	Local Consultants Equipment Travel Rental and Maintenance of Premises Hospitality International Consultants Miscellaneous subtotal	71300 72400 71600 73100 72700 71200 74500	\$5,000.00 \$10,000.00 \$5,000.00 \$1,000.00 \$1,000.00 \$8,000.00 \$200.00 \$30,200.00
	3. Activity 3:	Government	TRAC			

<b>Managing Development Assistance</b>				Travel	71600	\$23,000.00
				Contractual Services Companies	72100	\$50,000.00
				Local Consultants	71300	\$3,000.00
				Rental and Maintenance of Premises	73100	\$3,000.00
				Hospitality	72700	\$1,000.00
			International consultants	71200	\$15,000.00	
			Miscellaneous	74500	\$500.00	
			<b>Subtotal</b>			<b>\$95,500.00</b>
<b>4 Activity 4</b>	<b>Government</b>	<b>TRAC</b>				
<b>Information and Communication</b>			Supplies	72500	\$1,677.00	
			<b>Subtotal</b>			<b>\$1,677.00</b>
<b>5 Activity 5</b>	<b>Government</b>	<b>TRAC 13</b>				
<b>Emergency Response to Avian Influenza</b>		04120	Contractual Services Companies	72100	\$20,000.00	
			<b>Subtotal</b>			<b>\$20,000.00</b>
<b>6 Activity 6</b>	<b>Government</b>	<b>TRAC</b>				
<b>Growing Sustainable Business</b>			Contractual Services Individuals	71400	\$9,000.00	
			Travel	71600	\$7,000.00	
			Contractual Services Companies	72100	\$15,000.00	
			Local Consultants	71300	\$5,500.00	
			Hospitality	72700	\$2,500.00	
			Rental and Maintenance of Premises	73100	\$2,000.00	
			Miscellaneous	74500	\$1,000.00	
			<b>Subtotal</b>			<b>\$42,000.00</b>