



Cover page: **Annual Progress Report**

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| **Contacts:** | **Project Manager: Silvia Apostol** **Portfolio Manager: Alla Skvortova**  |

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# Executive Summary

TCS project had been designed and launched to respond to the request of the Prime Minister of the Republic of Moldova Vlad Filat for an urgent support in implementing reforms aimed at Moldova’s EU integration at a time of severe fiscal constraints.

The project’s **general objective** is to provide support to the Government in enhancing capacities of the Moldovan Central Public Administration (CPA) in order to accelerate the reform process and achieve Moldova’s short- and medium term development goals.

In line with the National Development Strategy and EU integration agenda, (particularly, the negotiation and implementation of the Association Agreement between the EU and Moldova), the project is aimed to accelerate the implementation of a priority package of reforms by the Government of Moldova. Policy and legislative reforms coupled with the improved capacity (including the mobilized local expertise, the trained and motivated civil servants, the newly educated professionals, etc.), would ensure an optimal level of preparedness of the public administration to continue the implementation of the national policies and programs in line with EU integration agenda.

The project seeks to address urgent short-term capacity needs of the public administration. To catalyze the work of the more stable civil service, new capacity will be introduced in several institutions through “change agents”. They will work on a consultancy basis for a finite period to focus on the change and reform process. Complementary, it is foreseen that training, internships and financial incentives will be made available to develop skills and to encourage a better performance by civil servants. Advancing the CPAR, the project can also contribute to building the foundation for the future EU Comprehensive Institution Building Initiative.

The project has three interlinked, yet distinct components:

1. Provision of consultancy support to central public institutions (around 50 consultants per year);
2. Internships and tailored training courses for civil servants (at least 60 people per year);
3. Support to the Bureau of Reintegration.

The report is aimed to summarize the activities and results achieved by the TCS project during 2012, overall, as well as by individual component.

# 1. Background

The year 2012 was marked by substantial progress with regard to the implementation of the Central Public Administration Reform (CPAR) and Moldova’s EU Integration Agenda, which represent two key strategic areas for the TCS Project.

**Central Public Administration Reform**

Though the evaluation of the CPAR Strategy 2005-2012 is still on-going, current developments demonstrate that most of the planned objectives will be met and a new PAR Strategy for the next period is currently under elaboration.

A high level policy roadmap Moldova 2020 was developed and approved by Moldovan Parliament. *TCS Project had a substantial contribution to the elaboration process through support to the elaboration of sectoral Strategies and policy papers, with focus on Justice and Environment.*

The participatory decision-making has been improved, with around 84% policy proposals now being consulted with the civil society through the means of the National Participation Council, the Open Government data portal; the portal for monitoring draft decision of public authority and other on-line tools. *TCS project supported and promoted the participatory approach to policy elaboration throughout all its activities – e.g. the elaboration of the Environmental Strategy; the elaboration of a National Culture Strategy; the elaboration of a National Consumer Strategy.*

The amendments to the Law on the Status of Civil Servants introducing the position of State Secretary beginning with 2013 was another important milestone achieved in 2012 by the Moldovan Government. *TCS contributed to the elaboration process through advisory support to the State Chancellery of Moldova, the promoter of the document.*

An improved capacity of the line ministries to formulate policy priority proposals was another achievement of the public administration reform. *During 2012 TCS Project contributed to the elaboration of around 20 policy analysis and studies for the Moldovan ministries.*

The Law on Remuneration System in Civil Service set the stage for the introduction of a new more transparent salary as of April 2012. *The provisions of the law did not allow however the implementation of the individual performance-based bonuses component, which was envisaged in the TCS project, which was therefore canceled. The resources had been reallocated from this component to Component I – Capacity Building Consultants and Component IV – Training.*

During 2012 it became obvious that the improved quality of public services is closely linked to the opportunities provided by the E-Governance Agenda. *TCS Project contributed to key results in this area, including the adoption of the necessary legal framework for the creation and administration of a unique governmental public services portal.*

**EU Integration Agenda**

During 2012 there was substantial progress achieved on the negotiations of the new Association Agreement between Moldova and the EU.

The official DCFTA negotiations were launched in early 2012, with 3 rounds of negotiations held so far. *While during 2011 TCS Project has supported the Ministry of Economy in the DCFTA preparation process, during 2012 analytical support was provided for preparing the Moldovan side for the negotiation process and for the implementation of the required actions. An improved cross-ministerial coordination on the DCFTA issues was ensured through the support provided at the State Chancellery level.*

The Common Aviation Area Agreement between the EU and Moldova was signed in June 2012. *TCS Project has provided support to the Moldovan Government with preparing the necessary position papers and the negotiation process. Further support is provided with the implementation of some initial actions under the Agreement, as is the elaboration of the Airports Development Strategy.*

Substantial progress in the implementation of the Moldova Justice Strategy represents another important part of the Agreement. *TCS Project contributed both to the elaboration of the Strategy in 2011; the elaboration of the Action Plan 2013; the coordination of the inter-ministerial working groups under the Strategy; monitoring of the law’s implementation; elaboration and approval of some key legislative acts (e.g. the law on the disciplinary responsibility of judges; amendments to the law on the Government Decision on the Center for Legal Approximation; the law on the selection, career and performance evaluation of judges and others). TCS Project has supported at least 5 legal approximation actions in areas such as environment; health; customs and some others.*

While TCS Project did not contribute directly to the reform of the Ministry of Interior Affairs, it provided relevant *support to the Road Police Department of the Ministry, in particular ensuring an improved funding of activities as well an improved communication with the public*.

# 2. Key Results

During 2012 TCS Project has supported the implementation of reforms across the Moldovan Government, in line with the CPAR and the EU Integration objectives.

In particular, TCS project provided substantial support to the elaboration of 10 national sector strategies (2 approved); 22 draft laws (5 approved); 8 Government Decisions (6 approved); and around 45 various analytical and policy papers. At least 50 draft laws/policy documents have been quality assured at the final stage of the elaboration process (at the level of the State Chancellery). More details on the outcomes produced by each TCS Consultants are included in Annex I. All consultants hired during 2011 and 2012 have been included, as indeed some of the outcomes (e.g. whether a draft document has been approved or not) can only be assessed at a later stage, after Consultant finalizes work.

Overall, during 2011-2012 103 consultants provided support to 18 beneficiary institutions. During 2012 alone TCS Project has managed a number of 75 consultants, including 38 newly hired ones, within the limit of the available financial resources.

To highlight that the project applied an innovative approach when the consultants had not only provided the technical inputs, but also developed the capacities of the civil servants by on-the-job training and by transferring knowledge and skills as a part of their ToRs.

The project also facilitated a further engagement of a number of consultants as civil servants in the respective institutions – Olga Poalelungi as the Director of the Bureau for Migration and Asylum; Sergiu Diaconu as the Head of the Road Police Department; Sabina Cerbu as the Head of the Minister of Justice’s Apparatus; Ianus Erhan as Deputy Chief of the Border Police Department, Victor Lutenco as the Chief of Bureau for Relations with Diaspora.

Through the diverse training activities TCS Project has built the capacities of 163 Moldovan civil servants (86 women and 76 men) in areas which are critical for the reforms implementation (Justice; Agriculture; Financial management; Human Resources Management; Communications; Leadership; Public Administration).

Key TCS results by sector are as follows:

**Justice**

As a result of the consultancy support the **Ministry of Justice** has strengthened institutional capacities in the area of coordination, implementation and monitoring of the actions and directions provided by the Justice Sector Reform Strategy (2011-2016). Support was provided with the elaboration of the Action Plan (2013) for the Working Groups in line with the Strategy and with the monitoring mechanisms of the laws’ enforcement process in line with the newly approved methodology including mandatory harmonization of amendments with European Union legislation. Overall, support was provided with the elaboration of around 18 policy documents, out of which 10 have been formally approved. 10 staff of the Ministry got strengthened capacities in the area of law making and legal drafting, in line with the EU best practices.

**Legal Approximation**

The main objective of the support was is to build the sectorial capacity of the **Centre for Legal Harmonization** and to help in strengthening the role of the CLA as an adviser, rather than an enforcer of the legal approximation process. National Consultants have assisted the Center for Legal Approximation in drafting the tables of concordance, assessing the compliance of the selected national legal drafts in the sector with the relevant EU acquis and advising on the ways of the improvement of the quality and the compliance of the approximated drafts. At least 6 policy documents were elaborated and are at the various stages of the approval process in the Government.

**Health**

TCS provided support to the **National Center of Public Health** in strengthening its institutional capacities on legal framework development, in the promotion and harmonization to the EU acquis in the field of public diseases prevention. Support was also provided to the development of the Draft of the National Public Health Strategy. The documents elaborated (2) will increase the inter-sectorial cooperation and collaboration within the public health emergencies at the local, rayon and national level as well as assure the generic preparedness planning for public health emergencies.

**Agriculture**

Support was provided to the **Ministry of Agriculture** in the process of elaboration and of promotion of draft amendments to the regulatory framework for wine sector in accordance with EU regulations concerning production and registration of geographical indications for wines and support in establishment of control procedure of technical specification. Other important activity was focused on the better exploration, promotion and implementation of the regulatory framework for the reorganization of the institutional setting for the wine sector in Moldova by drafting amendments to the Government Decision for approval of the Technical Regulation on wine market organization and products trasability. Also, TCS Project has strengthened the capacities of 12 staff of the Ministry with regard to the establishment of a new National Food Safety Agency, in line with a new law adopted in April 2012 and in compliance with the EU requirements. Overall, support was provided with the elaboration and implementation of 8 policy documents, out of which at least 2 have been approved at this stage.

**Environment**

The Consultants have supported the **Ministry of Environment** in the elaboration of the draft National Environmental Strategy 2012-2020 with a particular focus on Moldova's European integration agenda, including the harmonization of the legal and institutional framework in the field of environment to the EU requirements. The Consultants have assisted the Ministry of Environment in development of the Regulation on export and import of dangerous chemicals, and Waste Management. Consultancy support was also provided in the process of implementing country’s commitments within the Energy Community Treaty and EU by drafting a roadmap, elaborating a country approach for the implementation and proposing for examination to the relevant stakeholders a plan of implementation of the European Directives. These should help the Ministry of Environment to set a clear schedule, build capacity and specific steps to follow on the short and medium term on the commitments Moldova took in the field of environment under the Energy Community Treaty and the European Union. Overall, assistance was provided for the elaboration of 6 various documents, all under various stages of the approval process in the Government.

**e-Governance**

 The National Consultants have supported the Moldova e-Government Center (eGC) with assistance in developing policy papers, the legal and regulatory framework and the Monitoring & Evaluation framework for a range of e-Transformation projects implemented by the eGC. The Consultants have contributed to the elaboration of a range of policy documents such as the Strategic Programme for Technological Modernization of the Governance (e-Transformation) for 2011 – 2020, and respectively the Action Plan for the Programme implementation in 2012, the Action Plan for an Open Government for 2013-2014, and have ensured the preparation for and implementation of several contracts in compliance with the relevant procurement guidelines and laws. The Consultants contributed in the efficient operation of the portal Government to Citizen – www.servicii.gov.md, the Governmental shared infrastructure based on Cloud Computing (M-Cloud), the elaboration of the Strategic Program for Interoperability Framework, approved by the Government Decision no. 656 of 05.09.2012 (, and elaboration of the e-Governance Law (final versions to be issued for approval until the end of 2012). Overall, support was provided in the elaboration of 8 policy documents, all being already approved and under implementation.

**Culture**

At the Ministry of Culture the Consultant has contributed to the elaboration of the National Strategy and Action Plan for Culture Development (2013-2020). Culture encloses a range of activities going beyond fine arts, heritage and core cultural industries, it can motivate activities across a range of sectors building bridges and creating synergies. Culture represents an important element in the branding and marketing as well as specific goods and services. The newly developed Strategy uses an integrated culture-based development element as the basic component. The new Strategy will ensure a sustainable cultural environment in Moldova by creating a system of conservation and enhancement of cultural heritage. By promoting contemporary artistic creativity and cultural industries, the Strategy will create a system of cultural diversity and dialogue. One of the Strategy objectives is to create an information system for the management of the cultural environment development by modernizing cultural management and establishing of transparent and participatory cultural process.

**Economy**

Analytical support for the elaboration of a new National Strategy on Consumer Protection for 2013-2020 and a detailed plan of actions has been provided. This included a Report on the current situation in the field, a Regulatory Impact Assessment and a Feasibility and Cost Assessment Report. The Strategy will harmonize Moldovan policy with the strategic views and goals of consumer protection in the European Union and will provide the obligation to implement circa 12 EU Directives and Regulations of paramount importance for the consumer protection domain. Due to the Strategy a working notification system similar to EU RAPEX will be created, all public universities will have working curricula on consumer protection, quality and safety standards for all socially important products and services will be established via corresponding technical regulations.

Support was provided to the Ministry of Economy with the process of formal DCFTA negotiations, including initiation of legal changes (in particular a series of legal acts related to customs operation) and analytical research.

Overall support was provided in the elaboration of 12 policy documents by the Ministry, out of which at least 7 have been already approved and under implementation.

**Public Procurement**

TCS Project has provided support to the elaboration of the new Electronic Public Procurement system through provision of relevant IT work, business re-engineering processes, amendments to the legal framework, elaboration of reporting requirements and training of the staff of the Agency for Public Procurement and of the users of the system. The system is currently being successfully piloted and a public launch is envisaged for late 2012. These activities had significantly contributed to the increased transparency of the public procurement systems and processes.

Support was also provided with the resumption of negotiations with the WTO regarding Moldova’s accession to the WTO General Procurement Agreement, in line with country’s earlier commitments and EU integration requirements. The first consultation round was held in October 2012 in Geneva which generated useful feedback for Moldova’s position paper as well as opportunities for further support to the Government of Moldova in the implementation of the envisaged reforms.

Overall, the Project provided support with the elaboration of 2 key policy papers, both at an advanced stage of finalization and approval.

**Road Safety**

TCS Project provides support with relevant analysis and recommendations for the operation of the National Road Safety Committee, an inter-ministerial body, including the up-dating of the Road Safety Action Plan and the implementation of some activities, including the development of a policy proposal and mapping of the relevant financial resources from both the stage budget and donors.

**Communications**

The project has improved communication capacities across Government institutions. 4 training sessions were organized for 50 Government communicators focusing on key communication messages and techniques to be used for the strategic planning and for short-tern planning and implementation of communication activities. Consultancy support was provided to 5 institutions (Ministry of Education, Ministry of Health, Medicines Agency, Bureau for Reintegration, Road Police Department) for the analysis of existing communication systems in place and the elaboration of the respective 5 Communication Strategies and Action Plans (out of which 4 have been formally approved).

**Education**

Support activities have just started in the Ministry of Education, targeting an improved information and communication system; an improved organization of secondary-level examination system; an improved fundraising activity of the Ministry; and an improved legal framework, in line with national and international requirements in this area. TCS will contribute to the elaboration and implementation of at least 4 important policy documents.

**State Chancellery**

Besides support at the level of the line ministries, TCS Project also aimed at strengthening the capacities at the central level of the Government of Moldova, which play a key role in the policy management cycle process. A team of 5 high-level advisors to the Prime-Minister’s Office have contributed to the improvement of the policy elaboration, approval and implementation in the areas of youth; ICT; public administration; development; social and economic policies. The work of the advisors proved highly effective, with direct contribution to at least 50 policies and normative acts of the Government of Moldova. Advisers have also contributed to the overall strengthening of the institutional capacity of the State Chancellery, through the elaboration and implementation of the Standard Operation Procedures of the Prime-Minister’s Office, and the promotion of an improved communication between key stakeholders, including inter-ministerial cooperation and on-going dialogue with the civil society and the business community. Additionally, a thorough legal quality assurance work was provided for at least 20 legal acts promoted by the State Chancellery. Also, assistance was provided for the strengthening of the aid coordination system and the improved operation of the cross-border cooperation programme.

An Investment Generation Team was established under the authority of the Prime-Minister with the project’s support, which organized over ten trade missions to enable foreign investors to meet the Prime Minister and potential partner companies from Moldova, putting in contact around 300 local and international companies. The Team maintained continuous communication with more than 30 potential investors, in sectors like automotive, ICT, and textile industries. While TCS support to this activity has ended in August 2012, the Team continues working with the support from the GIZ Agency.

# 3. Implementation Approach

The project is managed through the national implementation mechanism (NIM) using the UNDP country office support modality. UNDP is processing directly all transactions, recruitments and procurement of services.

The project is implemented in collaboration with the State Chancellery, which is the main project counterpart, as well as the 18 benefiting institutions.

The main decision making and coordination is realized through the Project’s Steering Committee comprising all benefiting institutions, UNDP, as well as key donors.

The detailed implementation structures for the consultancy and training components are included in the respective sections of the Progress by components part of the report presented below.

# 4. Implementation by Components

The project has three interlinked, yet distinct components:

1. Provision of consultancy support to central public institutions;

2. Internships and tailored training courses for civil servants;

3. Support to the Bureau of Reintegration.

Background and progress description for each of them is provided below.

## *4.1. Provision of consultancy*

On September 9, 2010 the Government Strategic Planning Committee Meeting approved the target institutions for the Pilot Phase of the TCS Project. These institutions were selected according to the priorities of Moldovan Government and the future Moldova-EU Association Agreement. According to the decision, the following areas had to be supported by the project:

1. *Visa facilitation, legal approximation, protection of personal data*

Ministry of Justice

Ministry of Interior

1. *Energy Sector, Negotiation of DCFTA*

Ministry of Economy

Ministry of Agriculture

1. *EU funds absorption capacity*

Ministry of External Affairs and European Integration

State Chancellery

Ministry of Finance

1. *EU integration agenda*

Ministry of Environment

Ministry of Transport and Road Infrastructure

Later on the list was extended to include some additional key strategic priorities of the Government of Moldova; however the main focus remains on priorities of EU integration and Central Public Administration Reform.

According to the Project Implementation Mechanism agreed with the State Chancellery, the procedure for contracting the consultants is the following:

Ministry sends the consultancy request to the State Chancellery

↓

State Chancellery approves/disapproves

↓

 Project acts on the approved requests

↓

TORs coordinated with the beneficiary Ministry

**↓**

Vacancy announcement published on*www.undp.md*, [*www.gov.rapc.md*](http://www.gov.rapc.md)*, TCS Facebook page, web pages of the Moldovan Embassies abroad; web pages of the line ministries*

**↓**

Short-listed candidates interviewed by a qualified panel (SC, beneficiary institution, UNDP)

↓

Contract is signed with the best candidate

↓

CBC submits Monthly reports to the supervisor in the Ministry and to the Project
 ↓
 CBC submits final report to the Ministry and to the Project
 ↓
Ministry evaluates the CBC’s work and shares the evaluation with the Project

Importantly, the Consultancy engagement process of the TCS Project benefits of a close co-ordination within the established Capacity Development Facility with two other major projects of UNDP’s Governance Portfolio, in particular EU High Level Policy Advice Mission and Building the Institutional Capacity of the Ministry of Foreign Affairs, which ensures a strategic fit of the consultancy support provided by the TCS Project to priority areas of EU integration reforms of the Government of Moldova, as well as ensures complementarity of the assistance provided by all three projects, and secures against any duplication.

During the reporting period the Project achieved a steady progress against all indicators (details also provided in Annexes II and III).

**Indicator 1: Capacity Building Request to be signed by the Minister of the beneficiary institution developed.**

Baseline: Weak capacity at the ministries in assessing the capacity gaps and priority needs in the external expertise

Progress: 48 Capacity Building Requests submitted by 17 beneficiary institutions to the Project after the approval by the State Chancellery. Importantly, at the beginning of the year it was agreed with the State Chancellery that overall consultancy requests should cover a period of around 6 months (in comparison with the last year requests which had been mainly based on a 12 months support), to ensure the most efficient support and transfer of experience in key priority areas, and avoid substitution of Government capacities. Still, each request was considered on a case-by-case basis, in line with the existing needs.

**Indicator 2: Model TOR for the national consultants’ recruitment and monitoring elaborated**

Baseline: Low level of knowledge and skills in drafting TORs within the ministries

2012 Target: 50 consultants’ TORs elaborated

Progress: 38 TORs elaborated; the project provides support to the beneficiary institutions in formulating the strategic objectives, as well as in defining concrete outputs to be produced by each consultant, in a way which would support and further develop the institutional capacities of the beneficiary institutions. While usually the needs of the beneficiary institutions are vast, TCS Project team assists them in identifying activities and objectives which represent a strategic priority for the respective institution and for broader Government’s objectives.

**Indicator 3: Consultants’ Recruitment**

Baseline: lack of capacity and expertise within the ministries for the implementation of the reform agenda

2012 Target: 50 consultants recruited

Progress: 38 consultants recruited. The component was implemented within the limit of the financial allocations of the project.

**Indicator 4: Monitoring of performance against ToR is done by the beneficiary Ministry and the Project**

Baseline: A performance monitoring system is at an initial stage in the GoM and is not extended over external consultants

Progress: Consultants’ monthly reporting system in place (75 consultants monitored on a monthly basis during the reporting period, in close cooperation with the Government counterparts from the beneficiary institutions); the project provides assistance to the consultants in communication with the senior management of beneficiary institutions in order to create an enabling working environment and help in achieving results; the project establishes platforms for cooperation between the consultants contracted by other Donors working in the same sector and between TCS national consultants and EU High Level Policy Advisors; a network of 5 consultants on Communication recruited by different UNDP projects is continued to be maintained by TCS.

**Indicator 5: Performance evaluation is completed at the end of assignment**

Baseline: A performance evaluation system is at an initial stage in the GoM and is not applied uniformly

Progress: Final evaluation exercise at the end of the assignment is in place and is being performed by the beneficiary Ministries and the Project – 53 final evaluations completed in the reporting period, all demonstrating a positive assessment of the performance of TCS Consultants.

***4.2. Training and Internship for civil servants***

TCS Project is implementing its training plan for 2012, based on a joint training needs assessment exercise carried out by the State Chancellery’s Department for Personnel Policy in second half of 2011. The procedure for the implementation of training/internship activities according to the Project Implementation Mechanism agreed with the State Chancellery is the following:

 Ministry sends the request for a training/internship/study visit to the State Chancellery

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State Chancellery approves/disapproves

↓

 Project acts on the approved requests

↓

TORs coordinated with the beneficiary Ministry

↓

In case of a complex training task a tender is organized, Request for Proposals published on*www.undp.md*

**↓**

Bids evaluated by a committee (SC, beneficiary institution and UNDP)

↓

Contract is signed with the best candidate and the training is delivered

As with the above Consultancy component, majority of training events are co-ordinated with the EU High Level Policy Advisers of the respective institutions, thus ensuring that the produced results have a direct impact on critical EU integration reform areas, such as the DCFTA and the EU-Moldova Association Agreement.

During the reporting period the Project has achieved progress as planned, as per the below indicators (details provided in Annex IV):

**Indicator 1: Analysis of training and internship needs**

Baseline: Limited possibilities in training/internship provision do not allow receiving specialized training necessary for implementing the reform agenda

Progress: Systematic analysis of training and internship needs on-going in collaboration with the State Chancellery’s Personnel Policy Division, which serves as basis for the elaboration of the Annual Activity Plan.

**Indicator 2: Training Plan elaborated**

Baseline: Government-owned training plan limited by available scarce resources

Progress: A training plan for civil servants developed, approved by the State Chancellery, and under implementation. To date the following training activities have been implemented:

* 16 training activities: 147 beneficiaries (66 men and 83 women)
* 14 ad-hoc activities: 16 beneficiaries (10 men and 4 women).

Some examples of training results are presented below:

* A 5-day Workshop on the “EC Tax Compliance Risk Management” for 18 civil servants of the Main State Tax Inspectorate (from both central and local levels) was carried out by experts of the Dutch Tax Authority. This training provided a detailed overview of the principles and practice under which revenue authorities can deliver tax compliance risk management through the framework set out in the European Commission’s Compliance Risk Management Guide for Tax Administrations (2010). The training concluded with the identification of the concrete short-term and long-term actions required in order to start the implementation of the compliance reforms in Moldova. This will contribute to the overall improvement of the fiscal policies aimed at promoting sustainable and inclusive economic growth throughout the country.
* A 10-day training on “Courts’ Management” was organized for 10 civil servants from the Courts Administration Department of the Ministry of Justice (from both central and local levels) being facilitated by the National Courts Administration of the Ministry of Justice of the Republic of Lithuania. The training provided an opportunity to learn about EU best practice in the area of courts’ administration and to strengthen participants’ administrative and managerial skills in this area. The training had a direct contribution to the on-going reform of the Justice sector in the area of courts’ management.
* A study visit for 12 civil servants from the Ministry of Agriculture and Food Industry from both central and local levels was organized in cooperation with the Food Safety Agency from Bulgaria. The study visit provided the opportunity to learn from the European practice and become acquainted with the Bulgarian experience in the creation of the Bulgarian Food Safety Agency, with its functions, structures, official control, etc. This study visit contributed to the implementation of the on-going reforms of the Ministry of Agriculture in the area of food safety, which is a key priority for the DCFTA negotiations, and for the negotiations of the EU-Moldova Association Agreement, where trade has remained one of the chapters which are still open.
* A 5 days training on “Re-engineering of business processes” for 7 civil servants of the Main State Tax Inspectorate (MSTI) (Deputy Heads and Tax Officers of the MSTI Departments from central level) was carried out by experts of the Ensight Consulting Management Company. This training was an indispensable part of the comprehensive Tax Administration Modernization project (TAM) currently being implemented by the MSTI. It provided the ground to ensure that the selected group of MSTI officers obtained the basic skills for evaluating the rationality, efficiency and effectiveness of current business processes, and insofar those required changes, the skills to redefine the existing processes and define new processes, appropriately documented in line with a given re-engineering methodology and using adequate tools. The training contributed to the fact that the MSTI team made a big leap towards becoming an autonomous business process optimization taskforce that will be a further promoter of implementing the TAM project which is part of the series of reforms and reorganizations aiming to align with the best international tax management practices in the context of the European Integration agenda of the Government of Republic of Moldova.

A series of 4 workshops on communication had been organized for 50 communication specialists from across the Government of Moldova, in close cooperation with the Department of Communication and Press Relations of the State Chancellery of Moldova. The workshops aimed at strengthening the capacities of the Government communicators in order to implement Government’s Communication Strategy, approved in 2010, and namely to ensure an efficient communication of the current reform agenda, in line with the EU integration objectives, to key stakeholders and to public at large. The first workshop was organized in February, with focus on EU integration and DCFTA; the second session in May, focusing on the communication during crisis situations; the third session in August centered on communication in Implementing the National Strategy of Development ‚Moldova 2020’, mastering the application of modern technologies and imaging tools; the last workshop in December contributed to the development of professional skills of the state institutions’ communicators. As described in the above section, the trainings were complementary to the consultancy support in the area of communication provided by the TCS Project.

* Two study visits for 20 representatives of the Human Resources Divisions from the public administration and representatives of the State Chancellery were organized in cooperation with the Ministry of Finance of Austria and respectively, the Ministry of Finance of Estonia. The study visits provided the opportunity to exchange experience and consolidate professional capacities in the area of modern human resources procedures in the public administration in the context of implementing the reform of public service in Republic of Moldova. These visits are important to the Division of Human Resources of the State Chancellery as it gives the opportunity to consolidate the capacities of HR in public administration and align to the best European practice in the context of the European Integration agenda of the Government of Republic of Moldova.

## *4.3. Support to the Bureau of Reintegration*

This component was supported by a grant offered by the UNDP Thematic Trust Fund for Conflict Prevention and Resolution. Its objective was to provide support in building national capacities for conflict analysis and conflict prevention, in particular working with the Bureau of Reintegration and stimulating the formulation of conflict-sensitive reintegration strategy and initial awareness-raising and training on conflict-sensitive development analysis. Assistance also was provided in setting up a national dialogue engaging representatives of civil society and the Government with the purpose to increase the understanding of the Transnistrian conflict causes, development, costs of the disintegrated status, and to enable a more sustainable discussion with regard to the ways of the conflict resolution and of the future status of Transnistria.

Key performed activities during the reporting period:

* A consultant on communication has supported the Bureau of Reintegration in the evaluation of its current communication practices, and in the elaboration of a Communication Strategy and Action Plan, which would introduce new communication mechanisms and practices. These were aimed at a wider dissemination of information about the reintegration efforts and processes, through techniques aimed at increasing the interest of the media and of the general public, and the potential use of the social networks, as practiced in other countries of the region. The Consultant contributed to the elaboration of communication materials of the Bureau; elaboration of contact lists; establishment of relationships with key media institutions, including main web portals; installment of an automated media monitoring tool, which saves substantial human resource time, and other activities.
* The draft Strategy for the Development of Communities from the Security Zone has been finalized. It has been discussed by the Government Inter-ministerial Committee on Country Reintegration held on 29 March, chaired by the Prime-Minister of the country, and has received positive feedback from the members of the Committee. The draft Strategy has been presented for public consultations (4 round tables organized in the regions with the TCS support, engaging representatives of 51 communities, including local administration, civil society and business community). There are current discussions within the Government about the potential integration of the Strategy into the review process of the National Strategy for Regional Development which has similar development objectives.
* The project had a substantial contribution to the strengthening of the analytical capacities and practical skills of the Bureau of Reintegration through a series of capacity building activities:
* On-going capacity-building by the communication consultant for 2 staff involved in the communication activities of the Bureau;
* Two staff of the Bureau of Reintegration, with direct responsibilities for reintegration analysis and policies, have participated at the training “The role of Economic Actors in Conflict Prevention and Peace Building”, organized by a leading educational institution in the area of conflict resolution, the Folke Bernadotte Academy, Sweden. The training has been focused on the role of economic actors as positive drivers of change in an inclusive and broad approach to prevention and peace building. The objective of this course was to give participants a deeper understanding of who the economic actors are, who they could be, and to provide guidance and practical tools on how to interact with and to support them as a way to prevent the emergence, escalation and recurrence of violent conflict. The topic is of particular importance in the context of Moldova’s current DCFTA negotiations and the potential opportunities linked to the engagement of economic actors from the Transnistrian region;
* 3 officials of the BoR (including 2 officials from the Committee for the Security Zone) participated to the training ‘Civil-Military Coordination in CSDP Operations’ organized by the Folke Bernadotte Academy. The course presented coordinated approaches between the multiple actors engaged in a conflict situation, in a way to ensure efficiency and contribute to peace and stability. This topic is of direct relevance to the conflict situation of Transnistria, which involves a close inter-connection between the civil and military sides.
* 1 official participated to the Cross River Cooperation programme organized by the Association for Foreign Policy, in Budapest, Hungary, during May 20-26. Participants learned about new ways to promote social-economic development of the regions, in a cross-river setting.
* 1 official has attended the Counter Illicit Trafficking Alumni Community of Interest Workshop entitled ‘Initiating a Dialogue on Common Issues and Cooperation’ organized by George C. Marshall European Center for Security Studies, Garmisch-Partenkirchen, Germany, during 18-21 June. The workshop established an international forum to address security concerns created by illicit networks and trafficking activities.
* One staff has participated in the International Civilian Peace-keeping and Peace-building Training Programme by the Austrian Study Center for Peace and Conflict Resolution.

All activities were aimed at strengthening the strategic and practical skills of the Bureau staff, and were of direct relevance for Bureau’s current work on finalizing two strategic documents linked to reintegration of the country – the Concept of Country Reintegration and the Strategy for the Development of Communities from the Security Zone, as well as on the implementation of the existing activities of the Bureau. The training activities also provided a great opportunity to establish contacts with leading conflict professionals from around the world and to become part of existing networks of expertise, as is the one of the Folke Bernadotte Academy’s network, so that their engagement and cooperation continues beyond the timeframe of the project.

While activities under this Component have ended in July 2012, the Bureau will benefit of further support from other on-going donor activities, as is the EU, who will support the elaboration of the Reintegration Strategy, and other UNDP projects, in particular the Support to Confidence Building Measures. Thus, it is assessed that the Bureau of Reintegration will have a continuous assistance in the areas which require further support.

# 5. Summary of risks, challenges and actions taken

A number of risks for project implementation and sustainability of achieved results were managed during the reporting period, as following:

1. Political:
	* Political instability due to the continuous risk of early parliamentary elections and inability of the Parliament to elect the President of the country was in a way hindering the project progress (risk has been removed in March 2012 when President of the country was elected);
* The Project Team focused on work with mid-level managers in the Government (Heads of Departments and Divisions) that are less vulnerable to potential Government reshuffling, and on the other hand, are the direct beneficiaries and the supervisors of the consultants.
1. Organizational:
	* Impossibility to implement Component 2 (Performance based bonuses) due to the lack of legislative provisions allowing to implement the scheme;
* Funds were transferred to other project activities.
	+ Lack of qualified national consultants on the local market, which leads to delays in recruitment plans and the advancement of reforms.
* Vacancy announcements posted on the UNDP vacancies site [www.undp.md](http://www.undp.md) had been also published in mass media; the official site of the Government of Moldova [www.rapc.gov.md](http://www.rapc.gov.md); on TCS Facebook account; on the Moldovan Embassy’s web sites; on the web sites of the line ministries;
	+ Delays in the implementation of activities due to the lack of capacity in the Ministries to properly identify capacity gaps and to formulate TORs:
* Strong collaboration established with the EU High Level Policy Advisers in relevant Ministries in order to secure their advice on the above issues;
* Project Officers provided necessary support and coaching to the Ministries’ staff in TORs elaboration.
	+ Funds allocated for Components 1 are not sufficient in order to meet proposed targets;
* Efficient planning and negotiation of consultancy contracts;
* Transfer of funds from Activity 2 to Activity 1.
	+ Ministries use the consultants as a capacity substitution, rather than for capacity development;
* Consultants’ ToRs elaborated with the focus on knowledge and skills transfer, coaching and on-the-job training;
* Inception discussions with each consultant and government supervisor; continuous communication maintained with regard to the monthly progress reports;
* Duration of the consultants’ contracts shortened to focus on the strategic inputs to the policy development and setting of new mechanisms, structures and processes rather than to implement the routine work;
	+ Sustainability of the change process after termination of consultancy assignment
* Focus on knowledge transfer and capacity building; phasing-out arrangements in place; appropriate actions could be included in the job descriptions of relevant government personnel; follow-up with the beneficiary institutions.
1. Financial:
	* The project budget for 2013 is not secured; Resource mobilization efforts by both the Government and UNDP (so far had not bring positive results).

Also, the project faced the following challenges:

* The novel character of the project that required new institutional mechanisms to be developed, discussed, coordinated and approved, as well as a need to achieve a shift in the organizational culture and mentality (capacity building, and not substitution);
* During the reporting period there have been some delays in the implementation of some activities (in particular in the recruitment of consultants) due to the limited staff capacity of the project team (3 project staff in 2012, compared to 5 in 2012), as well as the limited local expertise in some areas, as is legal harmonization, health and some others (3 positions were not filled in because of lack of qualified candidates). In cooperation with beneficiaries, the TCS team has focused on the dissemination of information about existing vacancies and the identification of potential candidates;
* Not all national consultants have strong mentoring and coaching skills for capacity development;
* Difficult outreach of the Moldovan Diaspora due to the low level of its self-organisation and high fragmentation; high salary expectations from the Diaspora remain.

# 6. Lessons Learned

The following lessons learned were identified and applied:

* ToRs are essential for the success of the consultancy assignment. These should be developed in close collaboration with the beneficiary institutions, have a clear strategic vision, be in line with the EU integration objectives of the institution and its IDP, and focus on priority tasks to be achieved by the Consultant. ToRs should be closely followed and monitored by the Supervisor and the TCS Project, though some flexibility is important too.
* Consultants should work as an integral part of the team/unit within the beneficiary institution. They should have direct work counterparts, and a supervisor, who provides strategic direction of work. It is important to ensure appropriate administrative arrangements for each consultant, including having a work place within the institution, participating in staff meetings etc.
* Introductory discussions with the Consultants are very important and prepare them to adjust to the realities of the public service and expected performance from the Project.
* Quality monitoring and reporting is important. The role of the supervisor is crucial, and the best results are achieved when there is a close interaction between the supervisor and the TCS Project. Supervisors should challenge more the consultant’s reports and play a stronger quality assurance role.
* It is important to ensure a close communication and co-ordination between the various stakeholders having a link to the requested consultancy position (e.g. State Chancellery, line ministries, donor projects, EUHLPAMs etc).
* Provided the long-term nature of the policy process, some results can only be seen in a certain period after the finalization of the consultants’ contracts. Follow-up on the consultancy engagement is important, in order to track the continuity and sustainability of the initiated changes.

# 7. Communication

The Project has closely coordinated with its beneficiaries and partners to ensure that Project’s support is reflected in the on-going communication activities of the Government institutions (e.g. web sites; information bulletins; press releases about trainings; study visits; opening remarks during round tables and conferences etc). The Project has also operated a Facebook account where all project vacancies were published and information provided about some key progress achieved with the support of the TCS Project.

# 8. Project Budget Management-

The Financial Summary of project expenditures for the reporting period with breakdown by activities and the Donors is included in the table below. The table is based on current financial figures (as of December, 2012) provided by the UNDP information system.

**Financial Summary 2012 (USD)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | **UNDP** | **OSI**\* | **ROM** | **Total budget** |
| Fund | **4000** | **26921** | **30000/10245** | **30000/00205** |
|   | budget | spent | budget | spent | budget | spent | budget | spent | spent | balance |
| **Activity 1**  | 38,500.00 | 17,731.89 | - | - | 501,604.00 | $436,671.39 | 74,500.00 | 73,854.61 | **528,257.89** | **86,346.11** |
| **Activity 2**  | - | - | - | - | - | - |  | - | **-** | **-** |
| **Activity 3**  | - | - | - | - | - | - | - | - | **-** | **-** |
| **Activity 4**  | - | 38.40 | - | - | 250,000.00 | 228,855.31 | - | - | **228,893.71** | **21,106.29** |
| **Activity 5** | 61,500.00 | 43,536.77 | - | - | - | - | - | - | **43,536.77** | **17,963.23** |
| **Activity 6**  | **-** | **-** | **40,713.00** | **52,327.88** | **-** | **-** | **-** | **-** | **52,327.88** | **(11,614.88)** |
| **TOTAL** | **100,000.00** | **61,307.06** | **40,713.00** | **52,327.88** | **751,604.00** | **665,526.70** | **74,500.00** | **73,854.61** | **853,016.25** | **113,800.75** |

The proposed budget for 2012/2013 is enclosed as Annex V.

# 9. Planning for the next year

Provided the limited funds under the Project, it is proposed that during 2013 the Project continues with the implementation of 20 consultancy contracts initiated in late 2012. In terms of budget, it is proposed to transfer the remaining approximate 9,000 USD from Activity 1 (consultancy) to Activity 4 (training).

No other additional activities are foreseen.

In this context, a restructuring of the Project team will be also required – the project expenses will be administered by a part-time Project Assistant under the supervision of the Programme Associate (UNDP CO) while the current Project Associate/Training Coordinator will be on maternity leave for 16 weeks. Afterwards, the current Project Associate/Training Coordinator will continue with administering the project activities up to the finalization of the project in June 2013.

Also, it is proposed that the Project initiates a two stage process of the transfer of ownership of the IT equipment owned by the Project, according to the schedule described in Annex VI.