



EVALUATION OF MOLDOVAN AUTHORITIES' ATTITUDES, CAPACITIES AND NEEDS IN TERMS OF EU INTEGRATION PROCESS





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EXECUTIVE SUMMARY

In 2010, Moldova launched its negotiations with the EU for an Association Agreement. This involves a complex process of adjusting technical and strategic skills at the level of administrative and political bodies of the national government and its subsidiary agencies, aimed at achieving compatibility of the domestic laws and practices with the EU *acquis communautaire*. Negotiations will allow Moldovan authorities to continue country's institutional adaptation to the EU through approximation of legislation, assimilation of standards and technical requirements, but also, through the absorption of relevant administrative capacities and experience. Throughout the process of negotiations, Moldovan authorities shall acquire strategic skills in the definition, planning and implementation of the policy benchmarks agreed upon with the European Commission. Nevertheless, this affects only a negligible and insignificant segment of the Moldovan society, leaving untouched considerable categories of the population. Considering the above, it is of utmost importance to understand how the public mindset is shaped by the negotiations process, what the main ideas, fears, hopes are, as defined by certain categories: general population, central and local authorities.

The first part of the study *Evaluation of Moldovan authorities' attitudes, capacities and needs in terms of EU integration process* is dedicated to the existing policies in the area of European Union integration and their results in order to identify positive or negative attitudes. Speaking about attitudes of any authorities towards an issue, it is justified to pre-

sume that these attitudes are best reflected in the quality and quantity of policies promoted by those authorities with respect to the issue at stake. Thus, by evaluating existing policies in the area of European Union (EU) integration and their respective characteristics and results, we can assess the authorities' attitudes towards EU integration beyond political rhetoric. This implicit causal relationship involves a strong will and favourable attitude to be reflected in sound policies and their efficient implementation while the deficiency in either the clear definition or implementation of a policy will depict certain derogative form of a favourable attitude. Also, as an alternative to the conclusion of a negative attitude we will consider the case when a potentially positive attitude has a negative score in implementation due to certain constraints in capacity to define, implement and evaluate a public policy. This will highlight possible directions of capacity building that is the major topic of the present paper. Also, while discussing different policies it will be distinguished between the policies relevant to the EU integration and those relevant to the general economic transition. Different types of economic reforms and participation in European initiatives have been characteristic for Moldova since the first years of its independence while EU integration priority appears at a later stage.

Many governmental actions have a lasting impact at local and regional levels, thus the second chapter of the study assesses the institutional framework and the capacities created at the regional and local level in the

context of tackling the priorities stemming from the European integration process. EU best practices show that regional development issues received an institutionalised and multi-annual programming profile when governments acknowledged that past policies have failed to significantly reduce regional disparities. The capacities of local government to undertake tasks related to European integration are analysed from the perspective of encountered problems and difficulties. The authors evaluate the strengths and weaknesses of the newly established regional bodies in the context of EU practices. The implementation of the decentralisation reform and further fiscal decentralization are seen as possibility to foster local economic development and form efficient partnerships for transposing European integration-related policies at the local and regional levels.

The third chapter of the study assesses in a comparative manner the attitudes expressed by the general public, local public authorities and central institutions in charge of European integration sector policies. Having such an important role in the EU integration process, the central authorities, as well as the local administration, serve as a channel of communication with population. In this regard, the expectations of local and central authorities regarding the EU integration process are identified and compared with the ones expressed by the public.

Due to the availability of data for 2008, the authors present the evolution of EU attitudes among population of the Republic of Moldova, comparing such indicators as knowledge about EU, sources of information regarding EU integration, level of interest and opinions regarding EU accession of the Republic

of Moldova. Central and local authorities were consulted to evaluate the level of understanding of their role in the EU integration process and to capacities for the implementation of EU regulations. A separate section of this chapter included the assessment of expectancies from EU integration and main areas of transformation as seen by central and local authorities.

Methodology of evaluation of Moldovan authorities' attitudes, capacities and needs in terms of EU integration process consisted of several methods:

1. Opinion polls among the general public, based on a sample representative of the adult population of the Republic of Moldova, excluding Transnistria (2008¹; 2011²). Both surveys were coordinated by IDIS "Viitorul" and used a similar set of questions in order to assess opinions regarding the EU and EU integration.

2. Evaluation (through self-administered questionnaire) of 16 Central Public Authorities (14 ministries and 2 divisions from the State Chancellery).

3. Evaluation of Local Public Authorities opinions through self-administered questionnaire on a total sample: 39 LPAs from different regions and of heterogeneous profile: villages, small towns and cities.

1 Report on the assessment of public perception regarding the process of European Integration and implementation of European Union – Republic of Moldova Action Plan, IDIS „Viitorul”, 2008

2 European Union – the Great Challenge of the Republic of Moldova Nationwide survey, March IDIS „Viitorul”, 2011

CHAPTER 1.

EUROPEAN INTEGRATION AS A DEFINING FACTOR OF MOLDOVA DOMESTIC POLICIES

Mircea Bordeianu

European Integration vs. economic transition

There is a certain overlap between economic transition policies and EU integration caused by the perception of the EU institutions and EU member-states systems as most plausible models for Moldova's transition. EU integration is often seen as "the only game in town" for the Central and Eastern European countries (CEE), including Moldova, in terms of the end state of the reforms and the relationship with the EU. Initially, the EU (then ECC) - Moldova agreements had the goal to support the country's transition towards market economy and consolidated democracy. Today, the EU still sees general economic and democratic reforms as an essential prerogative for any advancement towards full-fledged EU integration (i. e. Copenhagen Criteria). However, in political rhetoric the goal of sound economic reforms for the sake of country's prosperity is often replaced with the goal of EU integration. Such a substitution allows to mask the internal deficiencies in reforms implementation under the difficulties in obtaining EU candidacy perspectives. Apart from the necessary differentiation of the European Integration goal from that of economic and democratic transition, there is also certain diffusion caused by Moldova's involvement with other European initiatives that go in parallel with

the EU's. Currently, Moldova is a member of over 60 international and regional organisations with estimated costs of 46.7 million lei, 55% of which is the share of historical debts, with only 45 % being the membership fees for the current year³. An attempt to introduce some rules for the country's external participation was made in 2008 through the Government decision 454, but since then no follow up analysis was performed. Moldova would benefit from a more careful selection of forums to participate in, with EU integration as the selection criterion⁴, apart from the avoidance of effort dispersion and a strategic focus of its limited administrative and financial capacity. The costs to the country should include not only financial cost of the membership fees and country's capacity to undertake the resulting commitments, but also the civil servants' salaries and travel costs. All of these should be assessed against possible benefits for an ordinary citizen and internal reforms, rather than general visibility. It is time that Moldova get over its "adolescent" need for 'self affirmation' on external arena, achieving visibility through participation in every single initiative as a sufficient benefit, and start assessing its participation from a more strategic perspective of the concrete benefits a certain initiative will bring

3 Data from ministry of Finance. <http://www.mf.gov.md/ro/cooperinternal/org/>

4 IDIS Viitorul research – Moldova's membership fees. http://www.viitorul.org/public/3334/en/Policy_Statewatch21_en.pdf

for the internal reforms and EU Integration process. Similarly to an *ex-ante* analysis for new policies, the introduction of an evidence-based costs vs. efficiency analysis of country's participation in different international initiatives will greatly help the country. The preference should be given to those initiatives that help advancement towards European integration and economic prosperity.

EU political, legal and financial framework

The legal basis of all the policies in the area of EU integration for Moldova is still the first legal framework of partnership and cooperation between Moldova and the European Communities (EC) in the form of Partnership and Cooperation type of Agreements⁵ (PCA) active since 1998. Similar to ten other PCAs with countries emerged from the implosion of the Soviet Union, Moldova – EU PCA does not include the perspective of EU accession and serves four objectives⁶. Institutional provisions, still active today, are the establishment of a Cooperation Council, responsible for supervising the implementation of the PCAs, that meets at ministerial level once a year with participation of the Prime Minister of Moldova, EU commissioner for external relations, representative of the EU council and the EU Parliament. The Council is assisted by the EU-Moldova Cooperation Committee

5 Full text of MOLDOVA EU PCA can be found here: <http://ec.europa.eu/world/agreements/prepareCreateTreatiesWorkspace/treatiesGeneralData.do?step=0&redirect=true&treatyId=193>

6 Partnership and Cooperation Agreement Full text signed on 28 November 1994 by the European Union and the Republic of Moldova. Goals: a) political dialogue, b) trade, investment and economic relationships and development c) support in transition to market economy and democracy consolidation, and d) provide a basis for legislative, economic, social, financial, and cultural cooperation.

and EU-Moldova Parliamentary Cooperation Committee (PCC)⁷. There are also five sub-committees⁸ responsible for implementing the provisions of the PCA in key areas. Since 1998, changes both in Europe and Moldova significantly transformed the context of the EU - Moldova relationship. The EU enlargement towards 10 CEE countries, appearance of the European Neighbourhood Policy (ENP), on the side of the EU, and Moldova's demand for perspective of EU accession are only a few of changed conditions. The EU Neighbourhood and Partnership Instrument (ENPI) developed in the process of the 2004 EU enlargement is part of the European Neighbourhood Policy (ENP) and replaced TACIS⁹ for Moldova in the same year. The ENP's goal is to share the EU's stability, security and prosperity beyond EU borders, but in a way that is distinct from the EU membership. Thus, the ENPI seems to be broader than PCA initially envisaged, but at the same time it is narrower in scope than Moldova's desired goal of EU accession. Most questionable in these circumstances are the institutional settings since the goals of cooperation were updated through the EU Moldova Action Plan. Currently negotiated agreement of the Association type is in advanced stage. However, the finalisation of negotiation might take up to several years, since the AA also includes Deep and Comprehensive Free Trade Area (DCFTA) that implies the implementation of rather serious structural reforms. Currently, the EU-Moldova relationship can be defined as transitional, when legal and institutional settings lag behind the real objectives

7 More on PCA including objectives here http://europa.eu/legislation_summaries/external_relations/relations_with_third_countries/eastern_europe_and_central_asia/r17002_en.htm

8 a) Commerce and Investment, b) Finance, Economics and Statistics, c) Customs, trans-border cooperation, justice and internal affairs. d) Energy, Environment, Transportation, Telecommunications, Science, Technology and Education.

9 Some TACIS programmes go beyond 2006

and desired outcomes. Since finalisation of the agreement might take several years, Moldova should avoid postponing activities until the end of negotiations and start already now to reform institutions in line with AA goals.

Both improvements in administrative capacity and internal economic and structural reforms should accelerate irrespective of the timing of AA negotiations but stay well focused on the content. While the timing for signing of the document will be chosen based on political reasoning, the technical components will remain unchanged. The strategy of being less obsessed with the EU membership, but rather accelerate the reforms already agreed upon might bring more dividends in the long term. It is reasonable to hope that the current EU's fatigue of enlargement will pass and Moldova will be judged based on merits of real progress. This year's postponement of Romania and Bulgaria accession to the Schengen area demonstrated that even in case of accepted member states the absence of irreversible reforms¹⁰ in most problematic areas will lead to the freeze of the agreements. Even in the absence of clearly stated EU perspectives, Moldova should negotiate maximum involvement in EU programs and initiatives that are available and comparable with those offered to the candidate countries and progress on already agreed reforms. *De facto* EU integration at the level of resources and instruments will avoid the pitfall of controversial political debates related to EU internal politics. Once Moldova will be internally ready to fulfil all Copenhagen criteria, the resistance to being accepted as an EU candidate will seriously diminish. Par-

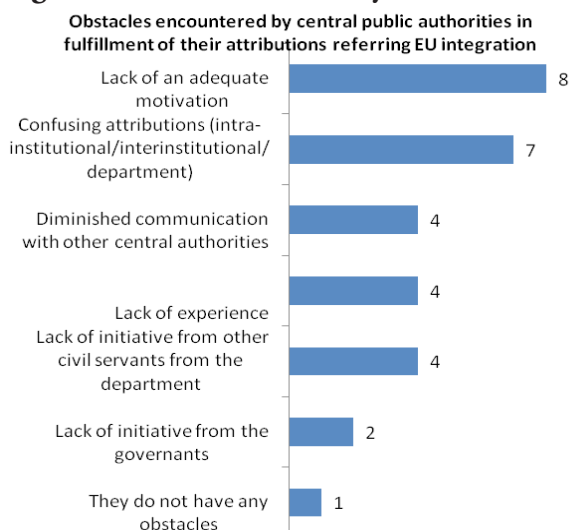
10 Netherlands postponed the 2012 accession of Romania and Bulgaria <http://socyberty.com/government/the-netherlands-postponed-the-2012-accession-of-romania-and-bulgaria-to-the-schengen-area-it-is-imperative-that-judicial-reforms-to-be-effective-and-irreversible/>

ticipation beyond membership is also foreseen in recent EC and EP communication related to the changing Neighbourhood¹¹ and the “more for more” principle (more aid, integration for more democratic reform). Thus, Moldova will make a much wiser choice by starting to concentrate already now on internal reforms that will be needed once the AA is in place. The areas of efforts are well known and were made once again public through both most recent Moldova's Progress Report and the declaration of the EU Commissioner for Enlargement and ENP, Štefan Füle, during his meeting with the Prime Minister of Moldova in the end of June. Among other things, there was mentioned the general absence of a “large scale reform”, the need for more sustainable efforts to fight corruption, reform the judiciary, prosecution and police, and implement certain human rights commitments, as well as a too limited progress in improving the functioning of the market economy, the business and investment climate through reforms aimed at achieving transparency and predictability of business conditions.¹² Current IDIS Viitorul survey among civil servants completes the above mentioned with the areas that might experience a negative development as result of the EU integration: “prices”, “political situation”, “justice reform”, “industry competitiveness”, “agriculture” and “environment”.

11 JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS A new response to a changing Neighbourhood http://eeas.europa.eu/delegations/moldova/documents/press_corner/20110526_02_en.pdf

12 ENPI info center. http://www.enpi-info.eu/maineast.php?id_type=1&id=25360&lang_id=450

Fig.1.1 IDIS Viitorul survey



Another untapped opportunity for Moldova to get further involved in the EU programmes without AA in place is the conclusion of an additional Protocol to the PCA on the general principles for Moldova's participation in EU programmes¹³ and Moldova's access to other EU assistance instruments, which would benefit both state actors and civil society¹⁴. Most of these invitations also imply co-financing programs from the national budget¹⁵. Similarly to the above mentioned cost vs. benefits analysis of the participation of Moldova in the non-EU European initiatives, EU programs should be carefully assessed too, in terms of relevance and potential benefit for Moldova's internal agenda in terms of internal priorities and following Paris Declaration criteria. Here, again, costs should be estimated not only at the level of country's membership fees, but also in terms of working time of civil servants and future costs of participation.

13 The European Parliament adopted a legislative resolution on Council decision on 27 October 2010. http://www.enpi-info.eu/maineast.php?id=23289&id_type=1&lang_id=450

14 e.g. ENPI regional programmes, such as Cross Border Cooperation, INOGATE, TRACECA; Thematic Budget lines, such as Invest in People, Environment and EIDHR; and Inter-regional programmes and instruments, such as Neighbourhood Investment Facility, Tempus, Erasmus Mundus, Sigma.

15 The European Parliament <http://www.europarl.europa.eu/sides/getDoc.do?language=EN&reference=A7-0300/2010#title1>

In relation to that, it is revealing that, while completing a IDIS Viitorul questionnaire distributed among different ministries, civil servants named the absence of proper motivation and unclear requirements as main obstacles to fulfilling their duties related to European Integration. In the same questionnaire, among obstacles at the level of EU related programs development, they indicated the absence of trained professionals, problems with funding and inefficient inter- and intradepartmental coordination. Hence, search for a more active involvement in the EU programs and institutions should be coupled with a careful assessment that will ensure a progressive increase of leverage, as opposed to the possibility of losing pace due to high initial costs of certain reforms. The latter is usually associated with the involvement in too ambitious and costly reforms, without a proper assessment of the consequences for the country. A careful assessment and progress on reforms will not only prompt the EU to get more involved, but will at least offer the benefit of development up to the level of a modern state, comparable to the level of *de facto* EU members. Even in absence of clear benefits of the EU membership, no effort will be lost, since the benefit of a well functioning state outside the EU is a more desirable outcome than a problematic EU membership or passive waiting until EU internal political dialogue will allow for the *de-jure* acceptance of membership perspectives. The example of Switzerland, which, while not an EU member, is a prosperous modern state with a fruitful relationship with the EU, as opposed to Greece, in its current budgetary "agony", might serve as an example to the idea above. The last statement does not imply distracting Moldova from its goal of EU membership or denying

the importance of EU integration, but rather suggests to increase flexibility, while accepting more responsibility for the internal reforms.

EU policies towards Moldova

There are several documents that define EU policies towards Moldova and are used to shape internal policy regarding EU integration. The ENP, made instrumental through ENPI, is currently the most significant policy document. It has a rather broad scope in terms of envisaged geographic areas and types of actions. The overall allocation for the ENPI, managed by DG EuropeAid, is almost €12 billion for the period of 2007-2013, with about 90% projected to be used for bilateral actions, i.e. country-specific initiatives and regional actions involving two or more partner countries. The remaining 10% are reserved for specific new areas of joint activity, namely cross-border co-operation (CBC), and specific initiatives like the Neighbourhood Investment Facility (NIF). The CBC component is an innovative one, under which the ENPI finances joint programmes, bringing together regions of Member States and partner countries sharing a common border. Moldova participates also in EU Regional Development Policy¹⁶ through a leading role in the EU Danube Region Strategy and the recently launched the REGIONAL EAST PROGRAMME STRATEGY PAPER 2010-2013 and the INDICATIVE PROGRAMME 2010-2013, apart from the Black Sea synergy program. Also, the ENPI includes three instruments, known as Twin-

ning¹⁷, TAEX¹⁸ and SIGMA¹⁹, that have the goal of modernising the institutions of neighbouring countries and were elaborated as part of the accession process of candidate countries. This number of instruments demonstrates an increasing openness of the EU and sustains the possibility for Moldova to advance with already existing means, conditional on the internal political determination to implement economic reforms.

Above mentioned instruments aim at the objectives agreed through a number of strategic papers. European Neighbourhood Policy Strategy Paper²⁰, along with the detailed ENP Country Report for Moldova²¹, provided guidance for the preparation of joint action plans (ENP AP) and served as a baseline for the annual Progress Reports on the implementation of the European Neighbourhood Policy. Currently, an EC Country Strategy Paper (CSP) 2007-2013 for the Republic of Moldova and a National Indicative Programme (NIP) for 2011-2013 (that succeeded the 2007-2010), define in greater detail the focus of operations under the national envelope of the new ENPI. Fig.1.2 presents data for the EU financing through micro-financial assistance (MFA) and National Indicative Programmes (NIP), divided also by yearly National Action Plans budgets. All of the above mentioned documents were intended as a guide for the planning and project identification processes through definition of a limited number of priority areas, together with the objectives and results to be achieved²². Assistance provided to Moldova

17 Twinning http://ec.europa.eu/europeaid/where/neighbourhood/overview/twinning_en.htm

18 TAIEX http://ec.europa.eu/europeaid/where/neighbourhood/overview/taie_x_en.htm

19 SIGMA http://www.sigmaweb.org/pages/0,2987,en_33638100_33638151_1_1_1_1_1,00.html

20 Full text available here http://ec.europa.eu/world/enp/pdf/strategy/strategy_paper_en.pdf

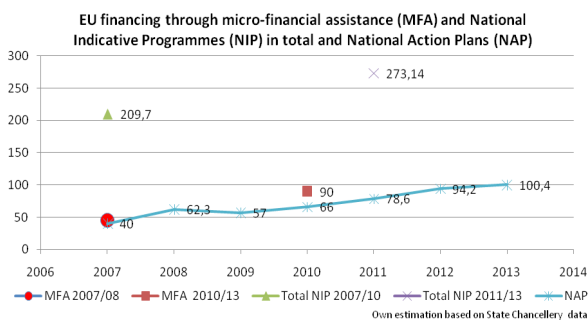
21 Full text available here http://ec.europa.eu/world/enp/pdf/country/moldova_enp_country_report_2004_en.pdf

22 All relevant documents can be seen on : <http://ec.europa.eu>

16 EU Regional Development Policy http://www.enpi-info.eu/maineast.php?id=24018&id_type=1&lang_id=450

under the NIP focuses on three priority areas: a) Democratic Development and Good Governance, b) Regulatory Reform and Administrative Capacities Building, and c) Support for Poverty Reduction and Economic Growth. Thus, poverty, weakness of democratic institutions and low absorption capacity should be carefully considered in parallel to the efforts of further engagement in EU integration. These topics will remain in the focus of the Eastern Partnership Initiative, given that currently Moldova is a desired “front runner” of the EPP. This regional platform is specifically designed as an institutionalised forum for discussing visa agreements, free trade deals and strategic partnership agreements with the EU's eastern neighbours, while avoiding the controversial topic of accession to the European Union. It appears that Poland and Sweden, that are major advocates of the EPP, also see internal reforms as primary to the membership perspectives.

Fig.1.2 State Chancellery data. EU funds, mln. EUR.



This increasing openness of the EU towards Moldova will inevitably increase the number of policies, strategies and, consequently, programs and projects that should become part of the Moldova's internal agenda. In line with the currently negotiated AA that modernises the legal framework, most notable changes are expected in the area of the negotiated

eu/world/en/p/documents_en.htm#1

DCFTA and visa liberalisation agreement. Despite obvious gains, there are also possible hazards that need to be carefully considered and avoided. The absorption capacity of the Government is already limited, with the EU continuously implementing projects through international NGOs, UN agencies or project implementation units, instead of the government structures. Such a capacity substitution is not sustainable, while future costs will further increase pressure on the government's capacities. Independent reports estimate the costs, in case of DCFTA²³ and other parts of the “acquis”, to be punishingly high for poor economies, recommending that the EU Commission carry out a systematic cost-benefits analysis, sketching low-cost applications, whenever the costs are too high for the poor neighbours. Moldova would greatly benefit from conducting such cost benefit evaluation of own costs of adjustments to the “acquis”. An increasing pressure on state institutions will reveal hidden vulnerability of the governance structure in terms of absorption capacity and management capability. Apart from different drawbacks characteristic to each sector ministry, a general weakness in the coordination capacity is prevalent. Moldova should capitalise on existing experience of new EU member states that also report difficulties in horizontal coordination of the EU related reforms (e.g. Poland, Romania, Bulgaria, etc.)

EU Integration on internal agenda

On the level of political rhetoric, EU Integration has become a major goal of all major

23 CEPS Neighbourhood Watch Issue 71, May 2011, Centre for European Policy Studies (CepS) <http://www.ceps.eu/system/files/simplenews/2011/05/NWatch71.pdf>

political parties already in 2003. The then-ruling Communist Party declared a European integration vector as the major political development goal, while the opposition parties declared this as a desired goal even earlier. Some concrete results were achieved throughout 2002-2007. The establishment of the National Commission for European Integration²⁴, the adoption of the European Integration Concept and the initiation of trainings for the sector specialists in the area of EU integration were the first steps in 2002-2003. Also, in 2003 a Parliamentary Commission for European Integration was created along with the dedicated Department for European Integration within the Ministry of Foreign Affairs²⁵ and European Integration and European Integration Units in all ministries and departments. In 2004, Moldova created an inter-ministerial group for harmonisation of law, opened a diplomatic mission of Moldova with the EU institutions and appointed the Minister of External Affairs as Vice Prime Minister, with the goal to coordinate all the processes related to European Integration. A separate ministry for local public administration was created in order to modernise regional policies in Moldova and participate in the EU initiative of cross border cooperation among the Euro-Regions. In 2007 a distinct centre for harmonisation of law was formed within the Ministry of Justice along with adoption of annual harmonisation plans. In the period of 2000-2003, Moldova was in-

24 RM President Decree nr.957-III from 13 November 2002 regarding creation of National Commission for European Integration.

25 Department of European Integration (DIE) is an institution within the Ministry of Foreign Affairs established by the Government Decision No. 960 from 4th of August 2003. DIE is created aiming to consolidate the capacities of the national institutions in order to promote the strategic European integration priorities of the Republic of Moldova, to coordinate the implementation of the European standards on the national level as well as to make more efficient the participation in the Stability Pact South - East Europe initiatives (<http://www.mfa.gov.md/european-integration/>)

vited to participate in a series of important organizations related to the EU, including the Stability Pact for the South Eastern Europe, replaced by the Regional Co-operation Council in February 2008. Noting the achievements stated above, it is still necessary to mention the relatively low speed of the adjustments in the area of EU integration, despite EU openness. While on the external agenda Moldova sets rather ambitious goals, the implementation of the internal reforms was limited both by limited capacity for funds absorption and political will. In the period before 2009, the implementation progressed only in the areas that did not shatter the ruling elite's domains of interest.

Most of the progresses achieved took place in 2008 and early 2009 through a specifically designed Internal Agenda for European integration. These progresses were linked to the period of preparation for elections in April 2009 and the end of the PCA, with a consequent need to negotiate a new agreement. Then-governing Communist party was eager to have a positive overview of the implementation of the EU Moldova Action Plan, pressing for the beginning of the negotiations of future agreement between the EU and Moldova before the elections. The reappointment of the National Commission for European Integration and creation of the National secretariat for European Integration²⁶ within the State Chancellery with a clearly stated purpose to monitor and ensure the implementation of "European" reforms was a belated attempt to score as much as possible on the goals stated in the EU Moldova Action Plan. This is the first attempt of bringing the European integration under a different implementing body than MFAEI and a demonstrated political will

26 National secretariat for European Integration http://gov.gov.md/www.gov.md/file/CNIE/Decret_md.pdf

to press more on European Integration as an internal process. The MFAEI in that case remained with a function of maintaining the political dialogue between Moldova and EU Institutions, as well as the EU member states. Nevertheless, the delay since the PCA signing in 1998 could not be compensated with just one last effort. Most of the observers both internally, NGOs and think-tanks, and externally, noted an absence of real progress in terms of finalised reforms and clear results, qualifying the above mentioned measures as being more declarative in nature and not reaching deep. Slow progress on most of the chapters of the EU Moldova Action Plan and notorious deficiencies in the area of democracy, media, and human rights, as well as lack of reforms of the law enforcement bodies made the EU safeguard its non-intervention in internal political affairs and postpone negotiations regarding the AA until the post-election period. The fact that, closer to the elections, the Secretariat was moved again under the umbrella of the MFAEI supports the impression that the institutional changes in 2008 were mainly motivated not so much by the need to implement European integration goals internally, but rather by the need to obtain political dividends before the elections by securing more engagement on the EU's side.

The current political setting is determined by the results of 2009 elections that resulted in the Alliance for European Integration coming to power, with a consequent acceleration of the EU integration reforms. Accompanied by multiple EU officials' visits to Moldo-

va²⁷, the process of EU integration was credited by significant external support. Despite political deadlock in electing the president and finalising the political transition to new government for most of 2009, 2010 and half of 2011, this period was remarkable in terms of amelioration of bilateral relationships between the EU and Moldova. Special EU high-level advisers have been appointed to most of the ministries with a specific task to share the EU expertise in selected areas. Certain progresses were achieved with regard to the Comprehensive Institution Building Programme and legislative process, as well as Human Rights and freedom of speech. Still, similarly to the relationship with the previous government, the EU expects clear results and thorough reforms inside the country. In his most recent meeting in June with the Prime Minister of Moldova, the Commissioner for Enlargement and ENP reiterated that "for Moldova to consolidate its democratic development the absolute priorities must be: the fight against corruption, the reform of the judicial and law enforcement systems, comprehensive anti-discrimination legislation, improvement of the investment climate, and the more technical reforms (such as competition policy or sanitary and phytosanitary standards) needed to enter negotiations on a deep and comprehensive free trade area". The fact that these areas appear already several years in reports as the most problematic areas leads one to believe that objectives related to European Integration still have difficulties getting from the level of political rhetoric to the core of government

27 Since November 2009, there have been five visits of EU commissioners, compared to a total of four such visits since the creation of the independent Republic of Moldova. In the last two months alone there have been sixteen high-level missions to Moldova, something which Head of EU Delegation to Moldova described as "unprecedented." <http://www.hurriyetdailynews.com/n.php?n=eu-satisfied-with-intensified-relationship-with-moldova-2010-10-29>

objectives. It seems that political actors receive enough political dividends from mere pro-EU rhetoric and there is no much urge in actual reforms implementations. Although difficult to achieve, the advancement on the agenda of European Integration, similarly to the reforms related to the functioning free market economy, would be greatly beneficial, if untied from political competition and advanced through an inter-political agreement. The existing EU – Moldova indicative plan, the already negotiated AA chapters, as well as the areas that did not get enough attention during previous years, should serve as a goal setting framework for further efforts, promoted through an inter-political national agreement.

Communication

Communication strategy related to the process of European integration was adopted in early 2008 . This is just one of the efforts, apart from multiple other projects in the area of information dissemination implemented by local and international NGOs, along with specific measures of the EU delegation in the country. Nonetheless, the recent IDIS Viitorul survey among local public authorities and civil servants revealed a continuous need for information, both at the general level as well as at the more specific level of project implementation. Despite the successes in external communication throughout 2009-2010, there is a serious need to update the strategy to the changes since 2008, at the same time making it more consistent in addressing different aspects of currently changing environment, both in terms of the newly negotiated AA agreement and reforms within the EU. The communication should avoid “propagan-

da” type of information, concentrating instead on the functions of expectations management and targeted information dissemination. Apart from a detailed action plan a more targeted approach to different groups of populations with specific budget commitments is necessary. Currently, the Moldovan government has a rather limited capacity both in assessing the cost of EU integration and in shaping the EU integration process through communication due to budgetary constraints. Nevertheless, an efficient communication is capable to seriously diminish the costs of reforms internally. This is especially true in case of long terms reforms with postponed benefits and immediate costs or impacts on everyday life. The complexity of the EU integration process makes indispensable the need of targeted communication, with specific messages shaped for different groups and specific needs. Also, on the part of the EU, it is essential to communicate the concrete results of the money spent. Finally, apart from communication with general public, the information flow to the civil servants should be maintained at the most accessible level. As the information evolves rather rapidly and is of a considerable amount, it will be advisable to establish regular updates, while vesting the European Integration units within line ministries with the function of information gatekeepers.

Coordinating European Integration

As already mentioned above, there is a certain rivalry of competencies regarding the leading institution for EU Integration. In Moldova, the MFAEI and the State Chancellery are too major institutions with coordi-

nating mandates. This is not a unique situation, if compared to other countries in the region. Since 1998 the relationship with the EU evolved from a completely external competence to a situation when the implementation of the EU Moldova Action Plan required involvement of a growing number of internal actors. Dynamics of relationship and division of competencies between the State Chancellery and the MFAEI is just one of the issues that needs to be addressed. Although the responsibility for EU integration lies with the MFAEI, general policy and external aid coordination responsibilities are part of the State Chancellery's mandate. The above mentioned institutions have a very weak linkage in terms of coordination and harmonisation of their actions. Similar situation was also reported during the reforms in other countries. Experiences of Romania, Hungary and Slovakia show that the European Integration has been the catalyst for institutional adaptation, but the domestic structural changes have been shaped not so much by the Europeanization pressures, as by domestic factors, such as governmental/coalition politics or bureaucratic politics. Thus, a more specific attention should be paid to the transfer of the externally agreed EU agenda into domestic policy that will imply serious institutional changes. Following the above-mentioned examples of other EU candidate countries, different institutional settings worked as long as the political elite addressed the matter of creation of a specialised centre for EU Integration. It can be either a separate ministry of EU integration or a specialised department within State Chancellery or MFAEI, but it has to cover both internal and external aspects. The concrete setting is not essential as long as the newly formed entity will be able to ensure

the required functional characteristics in terms of internal processes coordination and reporting. Indeed, the creation of such an entity implies certain political and institutional costs, as it will certainly agglomerate certain power, and, hence, the process of its creation is seriously jeopardised by the competition among the institutions.

In Moldova's case, there are three possibilities: either to consolidate MFAEI to the level of mega institution capable to coordinate the internal efforts that will collide with the State Chancellery's functions of coordination; to establish such an entity under the State Chancellery that will have a similar effect of the MFAEI giving up certain functions related to EU integration; finally, to set up a separate agency that will receive functions from both of the above mentioned entities. In Poland such an institution was the Ministry of Regional and Local development, which was fully responsible for the management of EU structural funds. In any case, the result should be better coordinated domestic policies reflected in fewer documents with an explicit harmonisation effort in the area of EU integration. Most important is the timing of creating such an institution. The earlier creation of a coordinating institution will ensure that EU integration becomes a truly internal process. This entity can take over not only the coordination part, but also the analytical and planning part.

The quality of the policy documents

Currently the European Integration policy in Moldova is based on two main pillars: (i) implementation of the Moldova – EU Action

Plan, now Indicative Program and (ii) using the possibilities of the Republic of Moldova stemming from the participation in all the regional initiatives of the South Eastern Europe²⁸. However, the experts report that European Integration was and still is feebly incorporated in national policies, being “treated as a totally separate process, with its own system, mechanism and documents, without clear connection with general policy coordination mechanisms”²⁹. State Chancellery is notorious due to its key role in coordinating an essential number of government planning documents that have a weak uniformity with each other. Multiple policy documents that often overlap and do not provide a consistent hierarchy of priorities are negatively enforced by poor formulation of objectives, results and indicators that denote modest planning, monitoring and evaluating capacity³⁰. The latter is a result of modest skills in result-based management and evidence-based policy making among civil servants³¹. As there exists a multitude of documents with no clear prioritisation, all serving as a basis for budget requests, the elaboration of the budget and commitments of funds become problematic. All this indeed becomes even more evident during reporting periods, especially since multiple reporting is made in parallel for different types of policy papers³². Currently, it is estimated that policy units spend 80 to 85% of their time on reporting instead of policy formulation³³. The gap between existing and needed reporting problems can be best presented by showing the reporting

process on the Moldova- EU Action Plan in
28 The Stability Pact for South Eastern Europe, the South Eastern European Cooperation Process (SEEC) and the subsequently amended Central European Free Trade Agreement (CEFTA)

29 Ibid.

30 Ibid.

31 Ibid.

32 Ibid.

33 Ibid.

the end of 2008 - beginning of 2009, which required twice as many external consultants as the civil servants involved. In order to ensure a proper reporting, besides a secretariat unit composed of three people engaged as civil servants, there was a team of 6 external experts recruited for a period of 6 months with an external financing. The required amount of work involved also the reporting efforts of civil servants within each line ministry working on European integration and/or policy M&E Units. Already now there are efforts to improve the quality of public policy documents. The introduction of evidence-based policymaking and ex-ante methodology is just one of the most promising measures. Nonetheless, further intensification of the EU –Moldova relationship will inevitably increase both the amount of work and qualitative reporting requirements. Thus, more specific attention should be paid to the capacity building in the area of consistent and constant planning, monitoring and evaluation, based on the practice of results-based management compatible with EU methodological requirements.

In light of methodology adjustments, it is worth mentioning that reforms in Moldova are often guided by different donors and, correspondingly, different methodologies. The most visible stakeholders are the World Bank, the IMF, the UN agencies, apart from the EU, as the biggest donors, without mentioning multiple bilateral donors. Currently, the process of implementation of different methodologies is fragmented with only incipient attempts on the part of donors to coordinate some of the efforts. The harmonisation is mostly oriented towards reducing the overlaps in addressing similar sectors with much less emphasis on applying a compatible methodology. Often this

results in the progresses in different areas being guided by funds and methodology of a given donor. Most critical area in terms of methodological reforms is the National Statistical Bureau. In the view of the EU integration vector of development, all methodologies should be checked for compatibility with the EU system in first place. Also, the EU should take the lead in coordinating other donors' efforts in the country, especially in terms of institutional building and methodology transfer. Also, both state institutions and other stakeholders, including think-tanks and NGOs, should be trained in public policy cycle and analysis, result based management and evidence based policy making in order to ensure the participatory process and system of checks and balances to the state actors. One of the methods to improve the authorities' performance is by facilitating the institutional learning process through the possibility to observe the functioning of the institutions inside the EU and EU member states. Extrapolating this practice beyond Central Public Authorities (CPA) toward Local Public Authorities and civil society organisations will greatly enhance the experience exchange and learning curve for the whole society. Attention should be paid to pre- and post-event assessment, in order to avoid civil servant absence from the office that does not result in clear benefits of knowledge transfer.

More Reforms for accelerated European Integration.

Apart from a specific institutional reform for each ministry, a separate effort should inevitably address existing European Integration Units (EIU) in all ministries. Although

their mandate is to coordinate EU related commitments and measures, at this point, these units have different fates depending of the institution. Often these are integrated with the units of Policy Analysis and Monitoring or External Relation. As EU integration becomes increasingly a domestic priority, European integration units should be set up within each ministry structure in order to avoid overlapping and provide necessary support to EU reforms. A streamlining of the mandate and a standardization of practices among the CPA with regards to the European integration units is advisable, as currently there is a variety of institutional settings. The experience of other EU and ENP states might be very useful in this regard. It is clear that the EIUs should be part of the CPA consolidation process in the area of communication, policy making, monitoring and evaluation and strategic planning, both at the level of specific line ministry and central EU integration authority.

The law making process and law harmonisation is also an important area of EU integration. For now, most important in this area is the establishment of the law enforcement mechanisms and rendering them functional. The Country Strategy paper 2007-2013³⁴ mentions that due to a narrow focus on legislation review and law drafting process, the improvements of the national legislative framework did not bring the necessary changes because of the absence of adequate law making and law enforcement mechanisms. Current efforts in reforming the Ministry of Internal Affairs is a first probing stone in institutional modernisation of legislative institutions pushed by the needs of liberalized visa regime with the European Union. However, the issues of corruption

³⁴ The Country Strategy paper 2007-2013 full text here. http://ec.europa.eu/world/enp/pdf/country/enpi_csp_moldova_en.pdf

and institutional inefficiency are characteristic for most law enforcement institutions in the country³⁵. Hence, Moldova should maintain the efforts in law harmonization while improving law enforcement mechanisms and fighting corruption.

The authorities' attitude towards European integration is mainly dictated by the political potential, nevertheless, the expectation of the accessibility of EU accession should not substitute the reforms the country needs in order to finalise the economic and social transition. Currently, the country still has not attained the level of its economic and social potential before the beginning of transition in late 80s. Both socio-economic transition and European Integration are difficult processes of balancing gains against the costs. Involvement of all societal stakeholders can safeguard progress towards EU integration while diminishing high social costs and known pitfalls. Such pitfalls might include further migration of qualified and non-qualified workforce, threats of disappearance of small and medium enterprises and local producers due to low competitiveness as compared to foreign companies, low Foreign Direct Investment, comparing to the neighbour states, due to unattractive investment climate and an increased deficit of commercial balance. The population involvement beyond simple information will help avoiding the perception that EU integration is a panacea to all problems without progresses made at the country level by all actors in the area of socio-economic transition. There should be a common understanding that without certain domestic policies in place, there can be no engaging in EU specific reforms. A non exhaustive list will include reduction of the state bureaucracy, elimination of the corrup-

³⁵ Ibid.

tion and functioning of the free market. The path of reforms should be designed in a clear strategy where easily achieved changes can fuel long term reforms and diminish integration costs for the society. Additionally, as both the amount of funds and internal capacity is limited, it is desirable to have a clearer prioritisation regarding funds distribution, along with a proper monitoring and evaluation system in place, based on national statistical system as a unified supplier of data.

Conclusions

- Currently Moldova's authorities have limited capacities to participate in EU programs and initiatives in terms of available finances, knowledge of application requirements and result implementation. Moreover, current capacity of the CPA, with respect to the evidence-based policy analysis, is limited. Hence, on one side, due to limited resources, Moldova needs a careful impact analysis for all EU related reforms, while on the other one, there is a limited capacity for this type of analysis that needs to be increased.
- Progresses on the AA and other EU-Moldova negotiations are still feebly reflected in the internal agenda. Moldova should accelerate internal reforms in a move pre-emptive to the finalisation of AA negotiation.
- The difficulties in progresses of post-Soviet transition have shown a high dependency of any reform on political actors. Since EU integration is accepted as a priority by all political actors, an internal inter-political agreement that might

guarantee further advancements on EU Integration and economic reforms should ensure a technocratic approach and accelerate EU related reforms. The existing EU – Moldova indicative plan and already negotiated AA chapters should serve as primary priority setting documents.

- The government should adjust existing Communication strategy launched in 2008 to the latest changes, e.g. newly negotiated AA agreement and changes within the EU. The internal communication should avoid “propaganda” type of information, concentrating instead on the functions of expectations management and targeted information dissemination. An efficient communication would greatly increase the path of the reforms, making the process of transformation smoother and diminishing integration costs for the society.
- Current institutional structure of the Government is not fully adapted to the transfer of the externally agreed EU agenda into domestic policies. Early creation of a coordinating institution responsible for the EU reforms internally should ensure that EU integration becomes a truly internal process and the coordination is supplemented with specialised analytical and planning work. In this context, the design of European Integration Units within line ministries

needs to be reformed as they are rather limited and not always directly linked to the EU reforms. The functioning of these units should have a more direct role in facilitation of the EU related reforms for the host ministry in the areas of EU related communication, policy making, M&E and planning, also being instrumental for the functioning of the central EU coordination authority.

- Existing framework of different strategic and planning documents create difficulties in allocation of funds from the budget due to unclear prioritisation with an additional pressure due to multiple reporting requests. Development of EU – Moldova relationship will further increase requirements for planning, M&E and reporting. These areas should be further strengthened, also ensuring the compatibility with the EU systems. Other stakeholders (e.g. NGOs, think-tanks, representatives of civil society and academia) should be also trained in order to ensure the civil society’s participation and control.
- Despite frequently reported modern laws, the law enforcing mechanisms are still lagging behind. Efforts in the areas of harmonization of law with the EU acquis should be coupled with law enforcement mechanisms and a higher involvement of the Parliament in ensuring control of the implementation process.

CHAPTER 2.

TRANSPOSING POLICIES AT REGIONAL AND LOCAL LEVEL

Ion Osoian

Regional Development Agencies

Many governmental actions, even when governments themselves are unaware of it, have a lasting impact at local and regional levels. In many countries local and regional development issues received an institutionalised and multi-annual programming profile when governments acknowledged that past policies had failed to significantly reduce regional disparities. In the second half of the last century the most developed European countries had a regional development element of economic policy. Their example proved that a coherent, credible regional development policy, well adapted to the special features of the region, may be promoted in the best way neither by the central government, nor by individual local governments.

As emphasized in the Communication on the Eastern Partnership of December 2008, 'Some partners have structural problems stemming from sharp economic and social disparities between their regions and population groups, which are often divided by historical, cultural, ethnic and religious differences. All of them also seek economic convergence with the EU.'³⁶ The document also outlines a series of measures to be undertaken in order to overcome the above-mentioned problems,

³⁶ Communication from the Commission to the European Parliament and the Council on Eastern Partnership, COM(2008)823, Brussels, 3.12.2008.

namely:(1) Memoranda of Understanding on regional policy with partner countries;(2) pilot regional development programmes;(3) direct co-operation between the regions of the EU and of the partner countries; and, (4) extending ENPI-funded cross-border co-operation, currently implemented at the external borders of the EU. The most of these measures are currently being implemented and the first EU-funded regional development project will start in 2012. An effective implementation of these measures requires an institutional framework and administrative capacity, whereby clear tasks and responsibilities of all involved bodies and institutions are defined.

Due to strong legalistic traditions and administrative culture in Moldova, development planning at subnational levels was long entrenched within limits of rayons and rural mayoralties, which proved to be too small to provide regional scale economies in public services provision and effectiveness of public funding. Therefore, the need for innovative regional development strategies in Moldovan regions was high. After long debates, the issue was first addressed in December 2006, when a new Law on Regional Development was adopted. Six development regions were created (Centre, North, South, Chisinau, Gagauzia and Transnistria) which would presumably classify under the EU NUTS³⁷ II and III lev-

³⁷ NUTS – The Nomenclature of Territorial Units for Statistics is a hierarchical system of territorial statistics managed by Eurostat for the purpose of collection, development and harmo-

els. The regional development institutions, however, have not been created until after the Government of the Alliance for European Integration took office in September 2009. This was the most appropriate time for addressing these issues in a wider, international context, as Moldova's immediate neighbour – the European Union - is actively considering extending its territorial cohesion policies towards neighbouring regions, in order to achieve inclusive welfare and therefore stability alongside the EU external borders.

The establishment of the institutional framework on regional development which was finalised by the beginning of 2010 is quite similar to the one operating in the EU member states. Thus, a National Coordinating Council for Regional Development (NCCRD) was created, aiming mainly at increasing the coordination of sector policies. Also, for the first time, the managing and implementation authority of the RD policy – the Ministry of Regional Development and Construction (MRDC) – received a higher profile, both in terms of staffing and funding (the National Fund for Regional Development (NFRD) comprising up to 1% of revenues to the state budget).

At the regional level, Regional Development Councils (RDCs) with public and private membership have been created, acting as decision-making bodies and providing a link between regional priorities and the national regional development planning framework. Also, Regional Development Agencies (RDAs) have been established in three development regions (Centre, North and South), as executive structures for the implementation of regional development strategies (RDSs). As a

nisation of EU regional statistics and targeting of EU regional policies.

result, Moldova became the only country from the post-soviet space (Baltic States aside) and from the Eastern Partnership group of countries (EaP6³⁸) which has operational Regional Development Agencies moulded on the EU experience.

RDAs exist all over the world, almost on all continents. There is almost no country with a successful regional development policy without having functional RDAs (or whatever name they have in different countries) acting as quasi-independent institutions at regional level. Across Europe, RDAs have become a central feature of regional policy, both as innovative policy-makers and as the implementers of programmes and initiatives originating from the national or European level. Without well-functioning RDAs it would be difficult to imagine public policies that could make a difference for regional development in European regions.

According to the definition given by the European Association of Regional Development Agencies (EURADA), an RDA is an operational structure that identifies sectoral or overall development problems, chooses a range of opportunities or methodologies for their solution and promotes projects which can maximize the solutions to the problems'.³⁹

From a comparative perspective RDAs can be classified according to their origins and their activities. In accordance with the first classification criterion, RDAs can be:

- established by the central government;
- existing inside local and regional authorities;
- established by the local and regional authorities;

38 Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

39 The European Association of Development Agencies, Creation, Development and Management of RDAs: Does it have to be so difficult?, Brussels, 1999

- independent agencies, established through public/private partnership.

The advantage of RDAs established by central authorities, as is Moldova's case, is the availability of financial resources for the implementation of their objectives, which is very important, especially for the newly created agencies that still have to identify their 'niche' and attract additional resources. The main disadvantage, though, is that central authorities are usually focused on the achievement of short-term results and projects, which bring quick visible outcomes, rather than on sustainable processes. The advantage of agencies established inside of local or/and regional governments (which might be the case of RDAs that have to be created in 2012 in Chisinau and Gagauzia) is that they are closer to local realities and needs, but their dependence on bureaucratic channels tends to limit their functioning. When local or regional authorities establish an agency, independent from their own structures, these can make quicker decisions and can also be closer to the regional executive bodies and less dependent on political attitudes.

There is not any local government layer at the level of the newly created development regions, and the existing local governments are weak. That is why the creation of the RDCs and RDAs to foster the regional development policy implementation in the regions may be seen as a positive development. The RDCs were created on the basis of partnership and comprise: rayon chairpersons; a mayor from every rayon, designated by the rayonal mayors association; and, a business and an NGO representative from every rayon. Thus, every rayon that is part of a development region is represented in the RDC by four persons, al-

though 'represented' is not the best word, as the regulations governing the RDCs' activities provide that RDC members are to represent the region's, not their own rayon's interests.

Among the strengths of these collegial regional bodies are the public-private and consensus seeking principles, which stem from their composition and regulations. Being a decision-making body at the regional level, the RDCs' responsibilities are focussed on the approval of regional development strategies, operational plans, monitoring and evaluation of RD projects implementation, scrutinising RDAs, etc. Among the most obvious weaknesses is their cumbersome structure, which occasionally poses problems to gather a quorum (there are 48 members in the North RDC, 52 in the Centre RDC and 32 in the South RDC). Another weakness of the RDCs is the fact they are for most of time disconnected from the RDAs' activities. As they legally have to convene in ordinary meetings quarterly (in practice these meetings take place less frequently) there is limited opportunity for RDC members to perform their scrutinising functions in relation to the RDAs.

The creation of RDAs from scratch as public institutions with a certain degree of autonomy also has its advantages, among the most obvious being the possibility to adopt a business/less bureaucratic neutral approach, to join public-private cooperation initiatives, to receive external funding. Being new institutions, the RDAs do not bear the 'historical' burden of local governments, which could hinder their regional development initiatives. Being subordinated to a central authority has its own advantages, like better funding for the start-up period and having regional interests represented in the national development

policy networks. However, as the experience of the new EU member states shows, the medium term goal of the Government should be to achieve a greater decentralisation and autonomy of the RDAs, so that they become independent bodies.

RDAs must be governed by both public and private law or similar provisions and they should try to provide services and projects that they are actually able to deliver. One of the ways to destroy a new RDA is for the staff to discuss and stay focused on very large projects that depend too much on national or donor interests, forgetting the smaller scale concrete actions or projects that are easier to implement and provide the knowledge necessary for further institutional capacity development.

If classified by their tasks, RDAs could be:

- strategic agencies;
- global operational agencies;
- sectoral operational agencies;
- agencies for investments attraction.

The newly established RDAs in Moldova would fall into the first category, while in EU practices RDAs represent mostly a combination of the above listed tasks. A new agency comprises a technical team which is going to do something that is presumably not yet done by any pre-existing structures. That could well be the only way to get respect from the political and institutional powers acting within a region. The concept of RDAs in Moldova was not to diminish the role of other institutions and organisations or private initiatives that had been active in the region before the agencies were established. Therefore, an important role and responsibility of the agency is supporting regional actors (local governments, SMEs, NGOs and other institutions) in build-

ing their capacities targeted to regional development and to build the network of expertise necessary for the implementation of regional projects and programmes.

One of the most significant functions of RDAs, in general, is to enable endogenous development of regions through collaborative efforts of local and regional actors. In other words, the three fundamental tasks of a RDA are to: (1) design the strategy; (2) mobilise the regional actors around the strategy; and, (3) promote and facilitate the preparation of projects by assisting the regional actors and by facilitating the discussion between them. Obviously, these tasks cannot be effectively fulfilled if the agency is not involved in the design phase of RD projects and programmes. It has to be noted that an RD project means an initiative that has to mobilise efforts of two and more regional actors (say, several rayons or local communities), which is an activity for which there is no tradition in Moldova. It also implies legal, institutional and communication issues that are not always easy to tackle by weak and fragmented local governments. In this case, the RDA acts as a natural partnership promoter, as this is an activity that is extremely necessary, but which was not previously carried out by any of the existing local or regional institutions.

The 2010 experience shows that, to some extent, the RDAs' activities followed the above mentioned concept. Thus, the Agencies established a good working environment where local governments (both rayons and rural and urban mayoralties) co-operate with each other in a fashion that was not previously a common practice in Moldova. This happened either in defining regional objectives and priorities (within the RDCs) or building partnerships

for developing common project proposals (put forward by several rayons or municipalities). This triggered the first examples of inter-municipal co-operation, seeking scale economies and externalities (spillover effect) in provision of public services. This practice is one of the best medium-term solutions to Moldova's fragmented administrative-territorial system, where weak local governments would naturally have to combine their scarce resources to achieve efficiency in public services delivery.

Assigning regional policy formulation, management and implementation to the MRDC has both strengths and weaknesses. In developed countries the emphasis of RD interventions is often on soft measures (such as skills development, promoting business efficiency, attracting inward investments, enhancing competitiveness etc.). This emphasis is due to the high level of physical infrastructure development. In transition countries, usually a strategic balance has to be ensured between investments in infrastructure and in soft measures, as investors are understandably less willing to come in areas with poorly developed infrastructure. The MRDC is responsible for coordinating a great deal of infrastructure investments, which bring efficiency into the regional development policy implementation process. The main weakness of the MRDC seems to be the fact that being mainly a technical ministry, it does not have a strong tradition of policy development and was not previously involved to any great extent in policy coordination frameworks (such as inter-ministerial policy coordination committees). Developing policy formulation and coordination capacities is quite important as the MRDC has to develop national level regional development strategic planning documents, while coordinating

them with other ministries and governmental agencies, and to present them for approval to the NCCRD, for which it performs secretariat functions. As far the RDAs' role in regional private sector development is concerned, as shown in Table 2.1, the experience of 2010 attested a low profile of regional initiatives that promote the private sector in the regions.

Table 2.1 Number of project proposals submitted to RDAs in 2010, by priority

Priority	Number of projects submitted to RDAs			Total
	Centre	North	South	
Physical infrastructure	26	16	18	60
Private sector development	2	9	2	13
Environment and tourism	17	11	9	37
<i>Total</i>	45	36	29	110

Note: for Centre RDA, only those projects that passed the administrative check were included

Source: RDAs websites: www.adrcentru.md, www.adrnord.md, www.adrsud.md

These outcomes are mostly related to the specifics of the 2010 call for proposals. First, the newly created RDAs became operational only by the beginning of March 2010 and when the first call for proposals was launched (May 2010) there was not enough time to establish proper partnership and coordination with actors that contribute to private sector development (mainly, the SME Development Organisation, which has an institutional status similar to RDAs and was created by the Ministry of Economy). Second, local governments, which are the main RDAs' partners in the development regions, cannot do much about SMEs development in the areas of their jurisdiction because they have limited com-

petencies and certain restrictions in terms of available tools to foster local economic development.

Overall, in Moldova the capacity of the regional level to tackle the priorities stemming from the European integration process is more advanced than in any other Eastern Partnership country or even countries covered by the European Neighbourhood Policy. However, further efforts have to be put towards better accountability and transparency in RDAs' activity.

Local Governments

Moldova has a highly fragmented system of local government which consists of about 900 municipalities, out of which 88% have fewer than 5000 inhabitants. The second tier comprises 32 rayons (districts) which are also small, compared to the EU average. The capacity of local governments to undertake tasks related to European integration are significantly undermined by the very low levels of fiscal and financial decentralisation and by a tremendous concentration of economic activity in the capital city. As the vast majority of local governments have limited financial resources and weak powers to boost the local economic development, one important source for supporting development at local levels is projects supported by donors, the EU being the largest one among them. The problems of local governments' capacities and needs are of great concern as currently most of the donors are trying to achieve a fair balance in their development interventions between the local and central levels of governance.

Table 2.2 Average size of municipalities in the EU member states + Moldova in 2009 (inhabitants)

United Kingdom	151,110
Denmark	56,040
Lithuania	55,965
Ireland	38,975
Netherlands	37,280
Portugal	34,485
Sweden	31,790
Bulgaria	29,015
Latvia	19,205
Belgium	18,180
Poland	15,380
Finland	15,265
Greece	10,870
Slovenia	9,630
Italy	7,395
Romania	6,760
Germany	6,655
Malta	6,060
Estonia	5,910
Spain	5,620
EU27 average	5,530
Luxembourg	4,215
Austria	3,540
Hungary	3,160
Moldova	2,850
Slovakia	1,870
France	1,750
Czech Republic	1,670
Cyprus	1,510

Source: Dexia, *EU sub-national governments: 2009/2010 edition and author's calculation*

The main factors that diminish Moldovan local government's capacity to contribute to the European integration process are well outlined in the Opinion of the EU Committee of the Regions (CoR).⁴⁰ Thus, it notes that: 'that the lack of systematic, robust autonomous management of local finances inevitably reduces local and regional authorities' ability to take full responsibility for managing European funds, which requires adequate administrative and planning capabilities and enough funds to cover

⁴⁰ Opinion of the Committee of the Regions on 'The implementation of the European neighbourhood policy and in particular the Eastern partnership initiative: modernisation, reforms and administrative capacity of the local and regional authorities of the Republic of Moldova' (own- initiative opinion) (2011/C 15/09), Official Journal of the European Union, 18.1.2011

the local financial contribution'. It also points out that, with regard to the growing role of programmes aimed at local and regional communities in the EU's neighbouring countries, consolidating the financial autonomy of local authorities is a key part of the process to identify solutions for common problems through regional and cross-border cooperation between local and regional authorities in the EU and Moldova'. Another concern mentioned in the CoR's opinion is that fact that the Moldova's local and regional authorities are not formally consulted and involved in the negotiations on the new Association Agreement between Moldova and the EU.

Local governments that have a small budget-to-inhabitants ratio do not have the whole range of tools necessary for submitting applications for EU-funded projects. Let us look at the specific example of the EU-funded Joint Operational Programme Romania-Ukraine-Republic of Moldova 2007-2013. In order to be eligible for this Programme, local governments have to submit projects in the range of 100,000 – 3,000,000 Euros. Given the 10% co-financing requirement, many local governments would not be able to submit a proposal for, say, a 1.5 million Euros project as in about half of municipalities the annual budget is lower than the 150,000 Euros needed for co-financing. Moreover, the contribution in kind cannot be treated as co-financing, thus leaving local governments to rely solely on financial resources. Often the absorption capacity of local governments is merely based on a better connectivity to the district centre, national roads or communications (internet) than on effective local development strategies. The results of the survey provided in the Table 2.3 below confirm that co-financing remains one of the most difficult problems. The answer

no. 3 is also related to co-funding as, in most of cases, due to scarce budgetary resources, local governments appeal to population in order to collect the amounts necessary for co-funding projects in their communities.

Table 2.3 What problems did you encounter in relation to co-funding of the awarded projects? (multiple answers)

	% of cases
1. Delays in financial transfers	25.0%
2. We were not able to identify staff for the implementation team	25.0%
3. Passivity of inhabitants of the community	65.6%
4. Resources for co-financing could not be identified	50.0%
5. Nothing of the above	6.3%

Source: survey carried out by authors with local governments' representatives

As shown in the survey carried out for the purpose of this research, the majority of local governments do not have the experience of inter-municipal cooperation. Thus, 71.8 percent of surveyed respondents stated their community is not part of any consortium which would implement a common project. The same survey shows (Table 2.4) the fields that in local governments' opinion need the utmost attention when looking for external sources of funding: water supply, waste management and collection, development and rehabilitation of roads infrastructure. These three fields of intervention are the most sensitive to scale economies – the more beneficiaries, the less are the running costs. Thus a critical area for intervention is increasing the inter-communal cooperation capacity by supporting regional projects put forward by several municipalities and improving the legal framework for a successful cooperation among local governments.

Table 2.4. What kind of projects do you consider necessary to be implemented in your community?

	First choice	Second choice	Third choice
1. Waters supply and sewage	71,1	18,4	10,5
2. Natural gas supply	32,3	38,7	29
3. Roads rehabilitation/building	73,7	26,3	
4. Environmental and territory arrangement problems	41,7	36,1	22,2
5. Waste management	47,2	36,1	16,7
6. Reparation of educational buildings	40	37,1	22,9
7. Cultural activities	12,1	36,4	51,5
8. Citizens participation in solving community's problems	58,8	23,5	17,6
9. Creation of youth centres	32,4	50	17,6
10. Establishment of day care centres for elderly people	21,2	51,5	27,3
11. Modernisation of the agricultural sector	36,4	42,4	21,2

Source: survey carried out by authors with local governments' representatives

Another problem is the limited number of staff available to local governments (ranging from 4 to 11 units, depending on the number of residents in a municipality). As financial resources are scarce, there is no doubt that human resources represent a key element for the capacity of local governments to develop project proposals, as well as for their capacity to implement them. In most cases, the available human resources have limited experience in developing scale-efficient project proposals (i.e. in cooperation with other local governments). Out of 39 mayors interviewed within this study only four stated that their mayoralty hired an employee for the specific purpose of developing project proposals, while in nine cases an existing employee cumulates her/his daily

functions with this task (Table 2.5). Although many local governments can employ extra-budgetary funds in order to hire staff working on project proposals development and European integration issues, most cannot afford that.

Table 2.5. Who helps you to develop project proposals?

	No.	%
1. A civil servant employed specifically for this purpose	4	10.3
2. A civil servant who cumulates the function of projects proposals development	9	23.1
3. A contracted consulting company	2	5.1
4. Active members of our community (teachers etc.)	9	23.1
5. An international organisation (donor)	4	10.3
6. We are cooperating with local NGOs	8	20.5
7. We are cooperating with national NGOs	2	5.1
8. We are cooperating with international NGOs	1	2.6
Total	39	100.0

Source: survey carried out by authors with local governments' representatives

As the survey shows, there is little knowledge of English, which in most cases is the mandatory language for the project proposals and additional documents (Table 2.7). This increases the time for development of a proposals and significantly diminishes their quality as local governments are not able to check the translation provided by specialised agencies. As shown in Table 2.6, the lack of qualified staff, followed by low levels of citizens' participation are seen by local governments' representatives as main obstacles in implementation of European projects. A similar survey conducted in Romania in over 3000 settlements shows the direct link between existence of human resources specialised in applying for the EU funds and the success rate in funding of submitted project proposals. 76% out of the total value of funding of projects approved

for mayoralities was obtained by those local governments which have specialised staff.⁴¹

Table 2.6 What are the main obstacles in implementation of European projects (multiple answers)

	% of cases
1. The long period for their development	42.1%
2. Bureaucracy	42.1%
3. Lack of qualified staff	84.2%
4. Lack of initiative from the population	73.7%

Source: survey carried out by authors with local governments' representatives

Table 2.7. How many employees of the mayoralty speak English at a satisfactory level?

	No.	%
None	23	59.0
1-2 employees	10	25.6
3-4 employees	4	10.3
Many	2	5.1
Total	39	100.0

Source: survey carried out by authors with local governments' representatives

The fragmentation problem equally applies to the second tier of local government – rayons. The available statistics show that smaller districts have higher (and thus less efficient) administrative expenditures per inhabitant.⁴² Some rayons have dedicated staff for projects development, however a specially designed section or directorate to be focused on these issues is not provided in the framework regulation for the apparatus of the rayon chairperson. Most directorates in the rayon administration are treated as subdivisions subordinated to the respective ministries. Almost all rayons have their own development strategies, approved by the rayon councils, although no proper moni-

toring and evaluation process over their implementation exists. Generally, rayon administration has more of a representative role as they do not provide any specific public services, as opposed to first-level local governments. Although in some rayons there is significant capacity in the Directorate of Economy, it is not used to the fullest extent. The rayon administration has limited tools and competencies to attract investment. This is mostly due to a high concentration of the economic activity, of the best human resources and of most performing infrastructure in Chisinau.

Intentions of implementing the decentralisation reform were announced in the Activity Program of the Alliance for European Integration's Government. Most of the above-mentioned issues are addressed in the draft of the Decentralisation Strategy recently finalized with donors' support. This is the main policy document in the field of local government reform which determines the national mechanisms on decentralisation and is based on the concept outlined by the Law on administrative decentralization approved in December 2006. The priority actions of the draft Strategy, which could be approved by the end of 2011, reveal a quite ambitious agenda of decentralization, while does not provide an explicit solution to the sensitive problem of territorial consolidation.

Conclusions and recommendations

With respect to regional development authorities, besides continuing the efforts invested in institutional capacity building, strengthening the accountability and transparency component of their activity is another

41 A. Toth, C. Dărășteanu, D. Tarnovschi, *Local Governments Face to Face with European Funds*, Soros Foundation Romania, Bucharest, 2010, p. 37

42 I. Osoian, I. Sîrodoev, E. Veveriță, V. Prohnițchi, *Analytical Study on Optimal Administrative-Territorial Organisation of the Republic of Moldova*, Expert-Grup, Chișinău, 2010, p. 62

major priority. This could be achieved by a clear separation of RDAs management, monitoring and control functions.

According to best practices used in PHARE programmes, such a separation is achieved by a thorough internal structural division and a clear division of responsibilities among institution's personnel. For example, the same employee cannot perform, at the same time, several activities that have a potential for generating conflicts of interest. Such a practice would yet be quite difficult to achieve in Moldovan RDAs, due to their limited staff (although increased from 5 to 12 persons in 2011) that often have to work simultaneously on several tasks. Another practice is application of the so called 'four eyes' principle, according to which at least two persons have to supervise an activity, approve or check a document, before it leaves the institution. In terms of internal division of responsibilities, the following measures could be considered:

- Separation of tendering from contracting activities;
- Separation of payments authorisation from actual payments making;
- Ensuring the *ex-ante* control of operations in tendering, contracting and implementation phases that should be carried out by specialised personnel which is not involved in the controlled activities.

One solution that would strengthen transparency and accountability in RDAs' activity, that may become available once RDAs' importance grows, is establishment of a Board of Directors that would oversee their activity. In practice, the Board of Directors often com-

prises representatives of all, or at least the most important 'shareholders' or regional actors. It is advisable that it includes RDCs members, including those that come from the private or NGOs sector, but also representatives of regional universities and other important regional stakeholders. RDAs would have to report to the board once per month and staff members would be invited to report on progress in different areas. This solution would presumably make RDCs to feel better involved and connected to RDAs activities, as RDCs currently meet once a quarter only.

Regarding local governments, as seen from the analysis, those municipalities which already have enough financial and administrative capacities (i.e. are large enough to have budgetary resources and qualified staff) are most likely to be the main beneficiaries of European integration efforts. They are also more likely to be able to submit successful project proposals for EU funding. Although the recommendations would clearly lie with strengthening operational capacities of local governments (staff training and expansion, simplification of administrative procedures that might cause delays in implementation of projects, provision of a greater access to information with respect to funding opportunities), the greatest achievement would be implementation of a comprehensive decentralization reform. Amalgamation of smaller municipalities in larger ones, followed by providing more competencies to local governments and further fiscal decentralization will naturally strengthen their capacities to foster local economic development and develop efficient partnership for transposing European integration related policies at the local level.

CHAPTER 3.

EVOLUTION OF PRO-EU ATTITUDES AMONG POPULATION, CENTRAL AND LOCAL AUTHORITIES

Olesea Cruc

It is difficult to predict how the majority of current EU member states would have joined the EU without a positive and permanent public support in encouraging the integration process. The encouraging public opinion may be of great importance for governments in their effort to accelerate the institutional connection of their countries to the European Union. Nevertheless, if negative, the public opinion can act as an influential opponent when confronted with discrepancies between the perceived facts and the related promises. After the finalization of the EU-RM Action Plan in 2008 and till this moment, the Republic of Moldova has not managed to finalise the negotiations with the EU regarding an Association Agreement. One of the objectives of this chapter is to assess the evolution of attitudes, perceptions and concerns of Moldovan population regarding the EU integration process and to identify the changes that occurred in the public opinion during this period since 2008.

Information about the progress and expected changes are the key words in the context of communication and cooperation between public authorities and society. One can mention that especially during the last years, government institutions have been open to cooperation with the civil society, especially,

in terms of consulting structures, communication strategies and consultative forums, where interested actors can participate. At the same time, local authorities, being an important link between population and national authorities, were left outside this informative/consultative process and it is of great interest to measure their knowledge and capacity to comply with the EU requirements, when the time comes. Consequently, an important objective of this report is to assess the attitudes of local public authorities and of central institutions in charge with European integration sectoral policies.

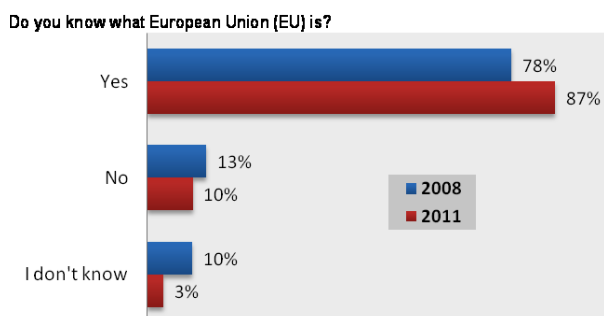
Having such an important role in the EU integration process, the central authorities, as well as the local administration, serve as a channel of communication with population. In this regard, our scientific interest refers to identifying what the expectations of local and central authorities are with respect to the EU integration process, compared with those expressed by the public.

All the above mentioned objectives were assessed through opinion poll of the general public and qualitative evaluation (through structured interviews) of the Central Public Authorities and Local Public Authorities.

Evolution of EU attitudes among the population of the Republic of Moldova

The assessment of the evolution of EU attitudes among population of the Republic of Moldova was done through comparing data collected in 2008⁴³ and in 2011⁴⁴, using the same methodology and a similar set of questions. The key points of the study refer to knowledge about the EU, level of interest in the EU, vote for accession to the EU and the NATO, sources of information about the EU, perceived image of Moldova in the EU and of the EU among the Moldovan population, assessment of a possible accession of the RM to the EU.

Fig.3.1. Knowledge about EU



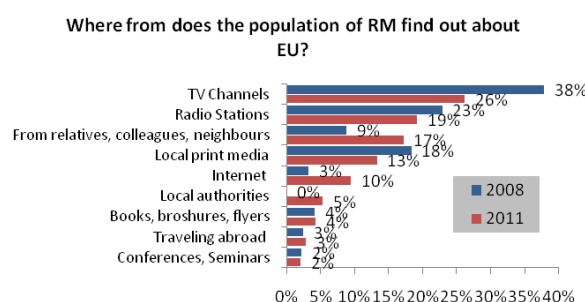
There is an increase in the share of population stating that they know what the EU is. Compared with data for 2008, this percentage increased by 9% (78% in 2008 and 87% in 2011). Also, the percentage of respondents who said they do not know about the EU slightly decreased, as well as the non-response rate for this question (fig.3.1). Based on these results, it is worth mentioning that this improvement must be due to the increased amount of information regarding the EU in mass-media. This assumption is confirmed by responses to

43 Report on the assessment of public perception regarding the process of European Integration and implementation of European Union – Republic of Moldova Action Plan, 2008

44 IDIS „Viitorul Survey”

the question regarding the sources of information about the EU. Thus, citizens confirm that TV and radio stations are the primary sources of information about the EU (with 38% and 23%). In only 3 years from the last survey, important changes might be observed in the share of population that are informed by mass media: TV channels (an increase of 12%), Internet (7%) and radio (4%).

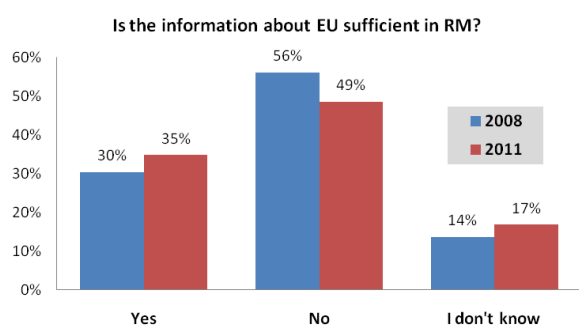
Fig. 3.2. Sources of information about EU



Also, of big importance appears to be communication with relatives, colleagues and neighbours (9% in 2008 and 17% in 2011). It is obvious that the migration flows are contributing significantly to the exchange of information about EU countries, people, traditions, being used even more than newspapers or Internet. Still, newspapers remain to be a significant information resource (13%), but recording a decrease of 5%. The citizens' preferences refer as well to information distributed by means of diverse publications/brochures (4%), through travelling (3%) and conferences and seminars (2%). Local authorities' offices are mentioned by 5% of the respondents⁴⁵. It is worth noting that the local public authorities appreciate the level of trust of Moldovan citizen in EU as high: 9 out of 39 and average (29 resp.) and medium (29 out of 39 resp.).

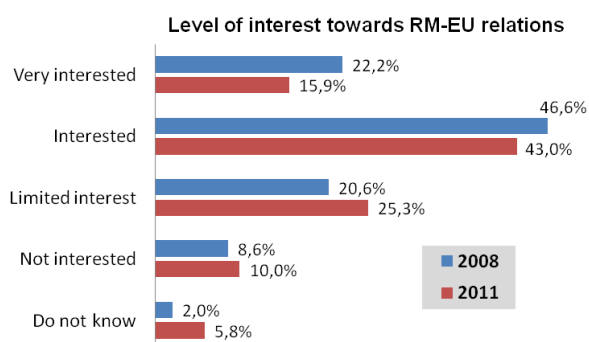
45 In 2008 this response option wasn't included in the questionnaire

Fig. 2.3. Estimation of quantity of information about EU



Even if there is a wide range of information sources citizens use to obtain information about the relation of the RM with the EU and an increased level of general knowledge about EU, most of them consider the existent information insufficient (49%). Compared with data for 2008, this percentage has improved with only 7%, despite the increase of funds and efforts in bringing Europe closer to Moldovan citizens. Thus, only one third of respondents consider that there is sufficient information about the EU, and only 17% could not give an answer to this question, which might indicate the fact that this is the share of population not interested at all in this subject.

Fig.3.4 Level of interest towards RM – EU relations

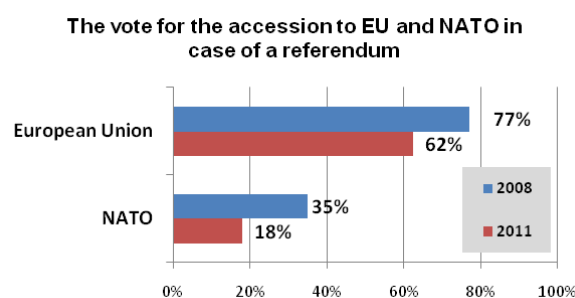


In order to evaluate the attitudes of Moldovan population towards the EU, respondents were asked to say if they were interested in the Republic of Moldova's rela-

tions with the EU. A pleasant fact is that almost 60% of the respondents are interested in the EU and its relations with Republic of Moldova. However, it is alarming that, relative to 2008, this interest has decreased. Thus, the percentage of those who are "very interested" has decreased by 6% and those "interested" by 3%. Also, the percentage of population with limited interest in the EU has increased from 20,6% in 2008 to 25,3% in 2011. Each tenth respondent is not interested in RM-EU relations (each eighth in 2008). Also, the number of non-responses increased in regard to this issue. Thus, it may be concluded that even if there is much attention paid to the EU issue (58,9%), the intensity of the interest for the EU has reduced.

Collected data does not allow us to make any conclusion regarding the cause or the impact of this decrease in interest of Moldovan citizens with respect to the EU - Moldova relations, but it certainly affected population's opinion regarding accession to the EU, which is positive but showing a significant decrease with 15% compared with 2008.

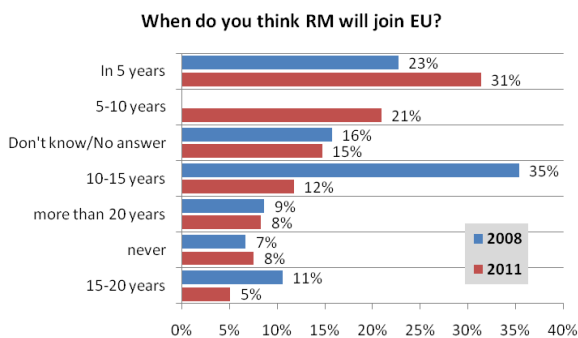
Fig. 3.5. The vote for the accession to EU and NATO in case of a referendum



In line with the decreased level of interest toward the EU, one can observe a certain fatigue, after a permanent increase of pro-EU attitudes during last years. This fatigue is also seen in the decrease of favorable opinions regarding accession to the EU. In case of a refer-

endum (fig.3.5), 62,3% (77% in 2008) would vote for the accession of Moldova to the EU, in comparison with 18% (34,9% in 2008) who would vote for the NATO. In both cases, the willingness to join these organizations has decreased significantly compared with 2008. There is a large number of respondents who did not decide – 14% in case of the EU (29% - NATO) and of non-respondents (6% and 11%, respectively). It is worth mentioning that this attitude is strongly related to the respondents' age, especially for the EU, and less for the NATO. Thus, among those who would vote in favour of joining the EU, this figure is 7% higher for all age groups, except the one representing people of 60 years old and more. The collected data do not offer the possibility to estimate the exact causes of such decrease in attitudes, but it can be certainly associated with existing debates regarding positive, and especially negative effects of accession to the EU. One can estimate that the initial euphoria regarding the EU accession has passed and Moldovan population is expressing its opinions in a more realistic way.

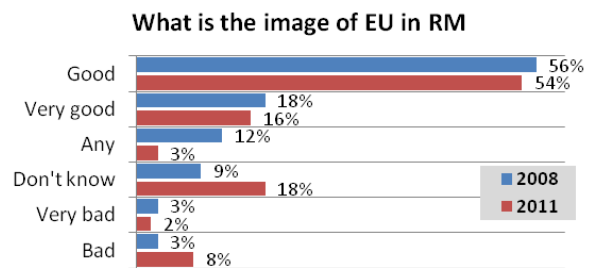
Fig. 3.6. Opinions regarding EU accession of RM



We notice that the decrease in favourable attitudes towards the EU accession is not reflected in the opinions regarding the timeline for the accession of RM to EU. After all the efforts of Moldovan authorities, the EU ac-

cession seems to be closer for the population than it was 3 years ago, during the last survey. The share of the respondents considering that the following 5 years are the most likely period for this event to take place is quite significant (31%) and has increased with 8%. Another 21% consider that EU accession is possible in the next 5-10 years⁴⁶. About 5% consider that the accession of the RM to the EU could be held in the following 15-20 years, and about 8% assert that the RM will never join the EU.

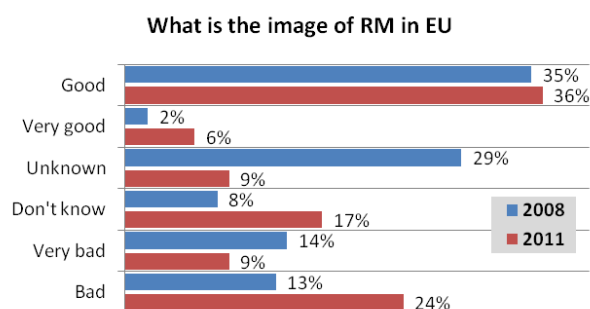
Fig. 3.7. Image of EU in RM



If one compares the percentage of persons avoiding saying anything on the issue of accession, it could be noticed that one fifth of the population does not have an opinion about that and this number did not decrease in the last 3 years. Approximately the same percentage of 18% of respondents avoid giving a response about the image of the EU in the RM or the image of the RM in the EU. At the same time, the image of the European Union in the Republic of Moldova is rather good (54%) or very good (16%), with an insignificant decrease of 2% in both cases compared with 2008. Only one third of the population believes that the image of Moldova is good in Europe

⁴⁶ In 2008 this response option wasn't included in the questionnaire

Fig. 3.8. Image of RM in EU



Public opinion is self-critical enough regarding the image of the RM in the EU. The way respondents consider the RM is appreciated in the EU has a strong influence on their behaviour and opinions towards the European integration as a whole. People tend to display resistance to the integration in a hostile environment or about which everyone believes that it is a real threat to the individual or community identity. Nearly 36% of the respondents consider that the RM has a good image in the EU. Instead, the percentage of respondents who appreciate the image of the RM in the EU as “bad” has increased from 13% to 24%. Only 2% considers that the RM has a very good image in the EU, and 9% think the RM means “nothing” in the EU.

Attitudes regarding EU integration among central and local authorities

Both local and central authorities consider that the integration of Moldova into the European Union is a high priority. More than 90% of the interviewed local authorities have expressed strong beliefs in this regard. Half of them consider that the Moldovan authorities are undertaking active and sufficient efforts in order to support the EU integration process. At the same time, half of the interviewed central

authorities partially disagree with the statement about Moldova’s EU integration being a high priority. It is possible that due to such an impression, their expectations regarding the period of time necessary for Moldova to become a member of the EU were less optimistic than those expressed by the citizens. Thus, more than a half of the respondents consider that a period longer than 10 years will be necessary. The remaining seven representatives of local authorities consider that the RM accession to the EU will happen between 5 and 10 years. As shown in the previous section, a third of population consider that it will happen during the following 5 years, while 21% consider that EU accession it is possible in the next 5-10 years.

Understanding of their role in the integration process

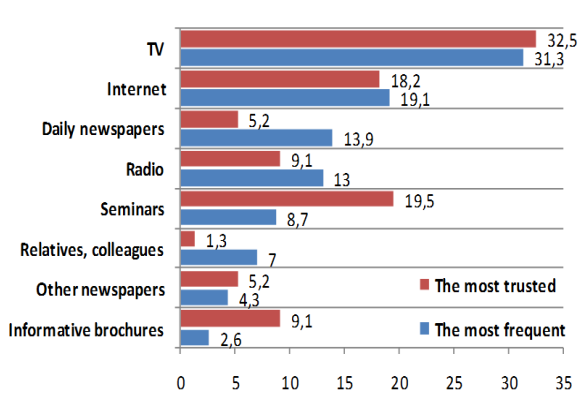
According to the European Charter of Local Self-Government local authorities have important roles to play in the integration process: 1) A large proportion of EU regulations have to be implemented by local governments, or have a direct impact on them; 2) As the governments closest to citizens, they need to bring Europe closer to their citizens, informing them about the advantages and also the costs of the European integration process; 3) Local governments should be beneficiaries of programmes to support EU accession.

Comparing the above listed responsibilities with the answers provided by interviewed local authorities there is one important conclusion to be drawn: local authorities are not aware of and prepared to fulfil their role in the EU integration process. Thus, almost all the local authorities recognize their responsibility to educate and inform the population regarding the EU accession process. None of the local author-

ities mentioned the possibility to apply for EU funds in order to support the accession process. Also, none local authorities from 39 interviewed had referred to their role to implement EU regulations, considering that this is the prerogative of central administration and their role is only limited to informing citizens about legal and regulatory requirements of the EU. Such beliefs are proving once again the highly centralised system of local administration and a need for the acceleration of decentralization reform and enforcement of local autonomy.

Fulfilling their responsibilities in terms of European integration, local authorities should be informed regarding the knowledge, attitudes and needs of population in this regard. Thus, 25 out of 39 interviewed local authorities consider that population is poorly informed about European integration, while the conducted survey shows that 87% of population know about the EU and 55% are very interested in learning about the EU, and around 60% - about relations between the EU and the RM. All interviewed central authorities consider that population is poorly informed regarding the necessary reforms to be implemented in the context of EU integration of the RM.

Fig. 3.9. Sources of information about EU of local authorities, 2011



In order to fulfil their roles in the integration process local authorities have to be in-

formed about EU integration. The number of sources of information about EU used by local authorities formally is diverse, but only on the surface. The biggest number of respondents among LPAs prefer to get informed by TV (31,3%), which indicates that they do not look for information about the EU and only receive it because of the attention of media with regard to the EU topic. Second most important source of information regarding the EU is the Internet. At the same time, as indicated in a greater detail in the second chapter of this study, out of 39 interviewed LPA, half of them do not speak English and more than a half of the public servants do not speak English either, therefore all information they can access online is in Romanian. Internet sources as well as TV media are not only the most frequent, but also the most trusted. Informative seminars and brochures are far more trusted than used, thus indicating important entry points for local authorities, and NGOs as well.

Assessing own capacities for the implementation of EU regulations

In order to assess the capacities of the central authorities (all ministries and State Chancellery), their opinions were asked through semi-structured interviews.

Only two out of 16 interviewed central authorities consider themselves less informed regarding the role of their functions in implementing process of EU integration, while the rest are rather well informed.

The potential for more involvement on the side of the representatives of various ministries is not enough explored, since out of 16 interviewed 11 consider that the

role of their section in implementing the EU integration objectives could be greater.

At the same time, their own assessment of their level of information regarding the necessary reforms to be implemented in order to meet EU requirements is considered to be moderate.

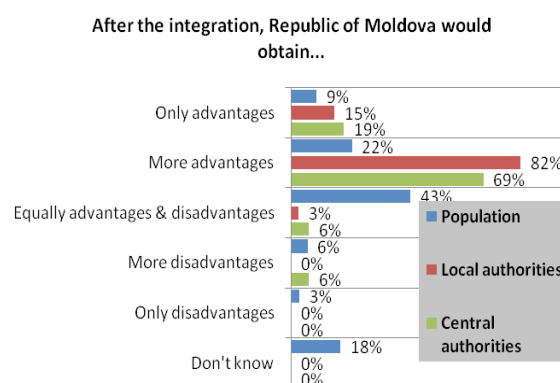
An important aspect is the identification of obstacles in performing their functions related to EU integration. Thus, every second interviewed has mentioned the lack of adequate motivation, but also the unclear division of responsibilities among various departments and even ministries. This somehow is completed with the data that 90% of the interviewed central and local authorities consider that the institution that has to be responsible of coordination of the EU integration process at national level should be Ministry of Foreign Affairs and European Integration (MFAEI). Thus, the MFAEI does not currently solve the problem of unclear division of responsibilities among various departments and ministries. This also confirms the conclusion mentioned in the first chapter related to the need of a single EU coordination body. Among other obstacles in performing their functions, central authorities' representatives have mentioned the lack of initiatives of other co-workers, as well as lack of experience and limited communication with other central authorities.

At the same time, the interviewed local public authorities consider that among the obstacles in the way of Moldova's integration in the EU is the low administrative capacity (including on central, but also local level), but also the lack of financial resources and the lack of political will.

Expectations from the EU integration

As seen from the figure below, local authorities are the most optimistic regarding the changes after the integration of Republic of Moldova in the EU. The big majority of the interviewed local authorities consider that after the integration the Republic of Moldova would obtain more advantages than disadvantages. None of the interviewed local authorities consider that the EU integration could bring more disadvantages or only disadvantages.

Fig. 3.10. Opinions regarding advantages and disadvantages after EU integration



Even if EU integration should reach every community, the opinions of local authorities regarding the changes to happen in their communities are split. Thus, almost half of the respondents consider that their locality will not be affected at all. Still, 14 out of 39 local authorities consider that it will be significantly affected. Every fourth interviewed local authority expects that their locality will be affected to small extent.

The positive expectations of local authorities can be divided into three categories. The most certain change mentioned by all authorities is an opportunity to attract investments and contribute to the local economic development and, therefore, to the employment of local pop-

ulation and improving the local infrastructure. Such changes are directly linked with improved quality of life and increased living standards. Finally, all these changes, as expected by local authorities, will exert an influence over people's mentality and generally perceptions about life.

On the other side, some negative changes foreseen by the local authorities refer to a possible economic imbalance and difficulties for local producers because of the need to compete with external incomers. Also, local authorities admit that local economies have low competitiveness in many areas and expect to encounter difficulties with the application of European standards.

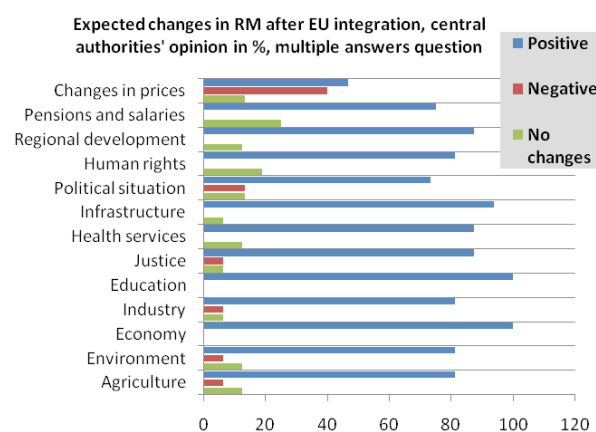
Central authorities do not share the same enthusiasm regarding the changes to be expected with the EU integration. Some of the interviewed central authorities even consider that there are more disadvantages than advantages to be expected from EU integration. Moldova's integration into the EU would influence increasing number of Moldovan migrants to European countries. Overall, the majority of interviewed central authorities still share the opinion that there are more advantages than disadvantages to be expected as a result of EU integration

Citizens do not share the same attitudes. Almost half of the respondents consider that there are advantages, as well as disadvantages that come together with EU integration. Added together, the percentages for such responses as "only advantages" and "more advantages than disadvantages" sum up to 31%. Again, the number of people who do not know what to expect from EU integration is quite significant – 18%.

Main areas of transformation

As seen in the previous section, central authorities expect more advantages from EU integration, but are aware and expect some disadvantages as well. Even if generally positive changes are expected in all the fields related to our country's development, there are some areas where central authorities envisage possible negative changes. Such fields are "prices", "political situation", "justice reform", "industry competitiveness", "agriculture" and "environment". Economy and education are the areas where only positive changes are expected to happen along with the EU integration. Also, these two areas, along with "infrastructure", are the ones where the most significant positive changes are expected. All other fields, as seen in the figure 3.11, are assessed by central authorities as with mostly positive changes, but with possibility of "no changes at all".

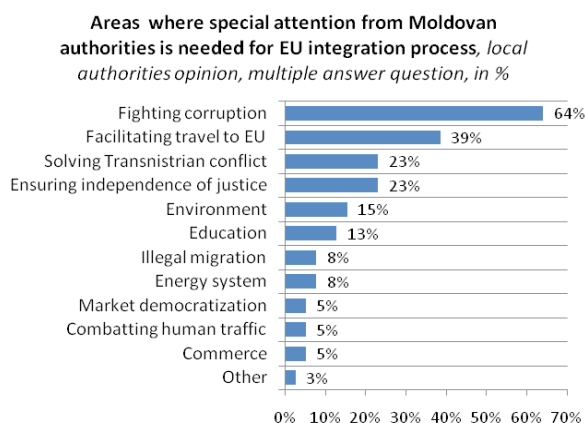
Fig.3.11 Expected changes in RM after EU integration



Even if Moldova is not a member of the EU, it receives substantial assistance in order to improve the quality and implement EU standards in a wide range of areas. Asked to estimate the level of financial support for the Republic of Moldova provided by the European Union, cen-

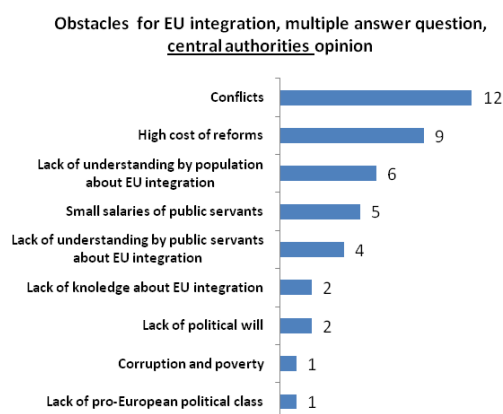
tral authorities consider that it is significant, 12 out of 16 interviewed central authorities have estimated that the financial support offered by the EU is significant. At the same time, representatives of central authorities do not consider that the costs of reforms (including those for European Integration of Moldova) in different areas are sufficiently covered by donors. Thus, central authorities evaluate the need for increasing of financial support in order to implement the reforms, considering that it would be difficult to succeed in this field without additional support.

Fig.3.12 Estimated areas where special attention from Moldovan authorities is needed for EU integration process



In order to assess LPAs' understanding of necessary reforms needed for EU integration, a similar question regarding areas to be improved was asked (fig.3.12). Thus, in the opinion of local authorities, the areas that need to be tackled in order to facilitate the progress of the Moldova's EU integration are firstly the corruption, and, secondly, the facilitation of free movement within the European Union. 2 out of 3 interviewed local authorities mentioned fighting corruption. Of approximately the same importance were considered the need to resolve the Transnistrian conflict and the independence of justice.

Fig.3.13 Estimated obstacles for EU integration



In the same context were assessed the obstacles in the way of EU integration of Republic of Moldova. Thus, local authorities have expressed the importance of problems as in the questions regarding the areas that need special attention of Moldovan authorities: corruption and Transnistrian conflict. Financial resources are another problem, which was confirmed as shown above, by central authorities as well. In the opinion of central authorities, the main problem is the conflicts existing on political level, but also the high cost of reforms. Such issue as lack of understanding about the EU integration among the public is seen as an important obstacle, as well as the small salaries of public servants, the main implementers of the EU integration reform.

After the evaluation of the attitudes of Moldovan population, central and local authorities with regard to the EU integration process, there are some important **conclusions** to be drawn:

Generally, the vast majority of Moldovan population knows about European Union, their knowledge being connected mainly to a general and vague impression about this subject. Their attitudes are formed largely by mass-media resources, the use of such have increased during

last three years. Thus, mass-media and the civil society must increase the professional requirements towards the way of presenting the relations of the Republic of Moldova with the European Union institutions: obtaining and reproducing the information from official sources, in a form of maximal interest and understanding for citizens.

The citizens' attitudes towards the European Union and accession to the EU are quite positive, but while measuring EU-attitudes one can observe a certain fatigue, after a steady increase of pro-EU attitudes during last years. At the same time, the optimism regarding possible accession to the EU in the next 5 or 10 years has increased and certainly has to be linked directly with the openness of the EU towards Moldova and the Moldovan authorities' foreign policy accomplishments.

However, despite the efforts of bringing closer the European Union to Moldovan people, there is a constant share of population which expresses neither interest, nor knowledge with respect to the subjects related to the European Union and European integration. They remain outside the general flow and public institutions from the Republic of Moldova must cover more seriously the problems of adequate and qualitative informing of the citizens on the "European perspective" issue.

Assessing the attitudes and expectations of local and central authorities regarding the process of EU integration, one of the main observation is that, compared with attitudes of the population, both local and central authorities show strong commitment towards the integration of Moldova into the European Union and recognize that at all level of administration it is a high priority. Nevertheless, one of the most important issues is the lack of understanding on

the side of the local authorities in what concerns their role in the process of EU integration, which is viewed at the moment as informative only. As a consequence, they do not recognize the regulations to be implemented or to what extent such a complex transformation would affect the life of the citizens.

A good sign is that such a stereotype regarding EU integration, as the 'very-soon-to-happen' change that will improve the quality of life, is not shared by central authorities. Still, even if more realistic and better informed, their knowledge regarding the necessary reforms to be implemented in order to meet the EU requirements is considered to be insufficient and the situation is worsened by such obstacles as lack of understanding of EU integration among the public, but also among the public servants.

General Conclusion

Moldova should carefully assess and prioritise the growing number of different opportunities that arise from the growing openness of the EU. Assessment of new areas for policies, participation in different forums and programs should be combined with consistent capacity building in the areas of planning, M&E and reporting. EU integration efforts should be more consistently made part of the internal agenda, with a single major EU integration coordinating institution leading the process. Moldova will benefit from the implementation of the reforms even before being offered the prospect of EU integration. Additional areas of efforts are poverty reduction, democratization and authorities' absorption capacity.

EU related reforms should be promoted through an inter-political agreement that will separate technical reforms from the political

fluctuations. The communication should be improved on internal dimension and oriented towards internal stakeholders, including the CPA, the LPA and the general public. Both local and central government show strong commitment towards EU integration and recognize its high priority. Nevertheless, local authorities still lack an understanding regarding their role in the process of EU integration, while central government, despite being better informed, lacks knowledge regarding EU integration requirements. Both the general public and public servants, especially at the local level, lack understanding of the EU integration process.

Regional development authorities need

to improve the accountability and transparency through a clear separation of the RDA's management, monitoring and control functions. Local administrations should further strengthen their operational capacity, with a differentiated approach for large and small towns. Implementation of the decentralisation reform is instrumental in this respect. Amalgamation of smaller municipalities in larger ones, followed by providing more competencies to local governments and further fiscal decentralization, will foster local economic development and develop efficient partnership for transposing the European integration related policies at the local level.



NOTE

The Institute for Development and Social Initiatives (IDIS) “Viitorul” is a research, education and outreach organization which activates in the field of economic analysis, governance, law, political sciences, strategic and organizational science. IDIS is also a common platform that brings together young intellectuals who are concerned with the models of transition towards the free market and the open society in the Republic of Moldova

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