

## *Evaluation of the TACIS Country Strategy in Moldova – ref. 951574*

### **Abstract**

*Overall resource prioritization and counterpart selection were broadly appropriate, but limited political endorsement, notably of technical assistance actions, was a constraint. Effectiveness and impact were greater for clearly defined actions and weaker in more general policy reform, such as pensions or healthcare.*

### **Subject of the evaluation**

This evaluation focuses on the Commission's assistance to Moldova between 1995 and 1999. The total value of the assistance provided was €56.5 million, including €34.2 million for mainstream projects under the Action programmes (private sector development, public administration and social sectors, agriculture, energy, transport), and the remainder for projects financed under various facilities and interstate programmes (TEMPUS, European Expertise Service, Cross Border Co-operation etc).

### **Evaluation description**

**Purpose:** to provide an independent assessment of the relevance of the Tacis Country Strategy, its programme objectives, its impact on the reform process, and the effectiveness of its programming and implementation mechanisms; and to make recommendations for the future.

**Methodology:** (i) collection and analysis of programme documentation, review of other donor activities; (ii) field interviews with the EU delegation, co-ordination unit and monitoring unit, representatives of other donors including IFIs, national and local authorities, local experts and NGOs.

### **Main findings**

1. The Moldovan authorities are disenchanted with technical assistance activities.
2. Effectiveness and impact were strong in the case of highly specific interventions, especially those with a clear business orientation (agricultural credit, restructuring of selected enterprises). Actions supporting controversial policy moves (e.g. large-scale privatization) or major reforms (pension system, health care) were much less successful.
3. Sustainability was stronger in projects targeted at enterprises and other "end users". The sustainability of institutional strengthening efforts was weaker.
4. The presence in the country of dynamic Tacis representatives was instrumental in encouraging new opportunities and correcting design, especially in the case of the European Expertise Service. However, the continuous changes of staff at Tacis headquarters and the Monitoring Unit reduced these benefits.
5. Removing agriculture from the priority areas in the 2000-2003 Indicative Programme, and the parallel inclusion of rural development, is appropriate.

### **Recommendations**

1. Current allocations levels (€10-12m per year) are broadly appropriate. Higher allocations could be justified if classical TA projects were combined with innovative initiatives using "investment money".
2. To avoid inconsistencies and disagreements, the Commission should stop fielding Tacis projects until parallel World Bank operations are operational and their policy options fully clarified.

3. A reinforced EU in-country presence would reduce problems of political endorsement (allowing greater parliamentary contact, for example) and of co-ordination with other donors and IFIs.
4. Tacis should increase the number of initiatives aimed at SMEs. It should explore the possibility of launching initiatives as catalysts for industrial co-operation between Moldovan and EU enterprises.
5. The land reform process has led to environmental problems (water pollution, soil erosion), which must be considered when planning future initiatives in agriculture.
6. In the light of the prevailing political mood and the need to minimise potential conflicts of interest, Tacis should make no further direct interventions in the area of privatization. Bodies such as IFC and EBRD are better equipped for the task.
7. Large projects sometimes suffered from multiple objectives, multiple counterparts, and loosely related components. A tendency towards increasing size of mainstream initiatives should be resisted.
8. Some organizational aspects of the Cross-Border Co-operation programme appear to hinder the facility's smooth functioning. Streamlining of existing procedures could lead to new initiatives.

### **Feedback**

Distribution within the Commission Directorate-General for External Relations, EuropeAid and the TACIS Co-ordination Unit in Moldova, both in hard copy and via the Internet. Internal meetings to discuss implementation of recommendations. The Commission will establish a "fiche contradictoire" setting out its response to the main findings and recommendations.

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