

Development Partnership Principles

Coordination and Harmonisation of Government and Partner Practices for Enhanced Effectiveness of Foreign Assistance to the Republic of Moldova

Chisinau 2010

Government and Development Partner Co-ordination and Harmonisation

Development Partnership Principles, March 2010

We, the Government of the Republic of Moldova ("the Government") and Moldova's Development Partners, whose representatives' signatures are below, subscribe to the Principles embodied in this document. The objective is to enhance aid effectiveness through Aid Harmonisation and Co-ordination, for the betterment of the people of Moldova, both individually and corporately, in achieving poverty reduction and the Millennium Development Goals (MDGs) and achieving the Government's objectives of closer association and economic integration with the European Union. Gender equality, respect for human rights, and environmental sustainability are key concerns to address to achieve an enduring impact on the lives and potential of women, men, and children.

The spirit of this approach follows from the work of the OECD/ DAC, the resolutions of the Monterrey Consensus (2002), the Rome Declaration on Harmonisation (2003), the High-Level Forum on Aid Effectiveness, the Paris Declaration (2005) and the Accra Agenda for Action (2008).

The Government and Development Partners commit themselves to the Principles outlined below. For its part, the Government will lead in the formulation of national development policies in accordance with its international commitments, and will engage with parliament and citizens in the shaping and implementation of those policies. The Government will take the lead in provision of solid structures for promoting and strengthening aid co-ordination and harmonisation, political decision-making, and allocation of funds, personnel and time. The alignment of Development Partners' efforts to national policies is fundamental. Development Partners will support the implementation of these policies through national institutions and, increasingly, through the use of Government systems as they develop to meet international standards of transparency, reliability and effectiveness. The Government welcomes the consent to these Principles of all development partners who wish to support the co-ordination/harmonisation agenda, whether as signatory partners or not.

On account of the foregoing, we the Government of the Republic of Moldova and the Signatory Development Partners commit ourselves to abide by these Principles and to monitor our performance through the use of national mechanisms and processes. These Principles are not legally binding and do not supersede or take the place of existing bilateral /international agreements or similar arrangements or documents which will take precedence over the Principles if there is any discrepancy between the two.

These Principles will be demonstrated through our actions. We will strive to achieve the following:

1. The Government's National Development Strategy 2008-2011 and the Economic Stabilisation and Recovery Plan 2009-2011, the EU-Moldova Action Plan and Partnership and Cooperation Agreement (PCA), the Eastern Partnership and, when in place, the EU-Moldova Association Agreement are overall frameworks for national planning, identification of priorities and interventions for development, poverty reduction, achievement of internationally agreed MDGs and European integration. The Government is committed to maintaining such a strategic approach. Development partners will base their overall development assistance on Moldova's needs and priorities as outlined in the prevailing documents outlining such priorities (currently

the National Development Strategy (NDS) and the Economic Stabilisation and Recovery Plan (ESRP)).

2. The Government will lead in the development and adoption of sound programme based approaches (including Sector Wide Approaches – SWAp) for the provision of development assistance. Development Partners will strive to provide development assistance through such programme based approaches. The Government has specified its preferred mechanisms for the provision of Official Development Assistance (ODA), namely General Budget Support followed by sector budget support, twinning/technical assistance and loans or grants for investment projects.
3. Regular information sharing between Government and Development partners is key to improved coordination and effective partnerships. The Government will appoint the National Aid Coordinator and Sector Coordinators, and will establish Sector Councils. The Government will ensure functioning of the Inter-Ministerial Committee for Strategic Planning for the coordination and harmonisation of aid at both sectoral and national level, and will establish the Joint Partnership Council as the key national level mechanism for exchange of views between the Government and Development Partners. Development Partners will participate in these mechanisms which provide a key opportunity for dialogue between the Government and Development Partners and are the basis for information sharing between the Government and Development Partners. The Government will ensure full coordination and coherence within Government on issues of EU integration and aid coordination.
4. In addition to these mechanisms, more use is made of tools such as the internet for sharing information, including relating to ODA commitments and disbursements, upcoming missions, and analytical studies. Information on development partner assistance is improved and integrated into the Medium Term Expenditure Framework (MTEF) process as part of ensuring that the budget preparation process is transparent, accountable, comprehensive, predictable and consultative, including the reporting of actual and planned financial flows.
5. Transaction costs for the Government are reduced including through review of the multiplicity of different Development Partner missions and reviews, conditionalities and documentation requirements, particularly at sector or thematic level.
6. Transaction costs can also be reduced, and dialogue improved, through the use of lead development partner arrangements and joint interventions at the sector or thematic level. The Government and Development Partners will support such arrangements, which may also include delegated co-operation or silent partnerships between Development Partners where this is possible legally and administratively¹. To support the implementation of these arrangements, Development Partners and the Government will cooperate to build and maintain a common map of development assistance based on the National Development Strategy which will support a division of labour based on the NDS priorities and objectives.

¹ The original definition of delegated cooperation by OECD/DAC covers a broad range of working methods: "...when one donor (a "lead donor") acts with authority on behalf of one or more other donors (the "delegating" donors or "silent partners"). The level and form of delegation vary, ranging from responsibility for one element of the project cycle for a specific project (e.g. a particular review) to a complete sector programme or even a country programme."

7. Development Partners will take steps to align with and use Government systems such as national budget cycles, the national procurement system, public finance management systems and National Development Strategy and Economic Stabilisation and Recovery Plan monitoring processes, where these systems provide reasonable assurance that co-operation resources are used for agreed purposes in accordance with international standards of transparency, reliability and effectiveness. The Government will endeavour to maintain a sound macro-economic framework to ensure the efficiency and effectiveness of assistance received from Development Partners.
8. The Government is committed to implementing reforms for EU integration, including reform of public administration which will *inter alia* improve the quality of national systems. Due attention will be given to those reforms which are essential for effective and prompt implementation of the future EU-Moldova Association Agreement. Development Partners will work with the Government to address institutional capacity limitations and other constraints that prevent reasonable assurance of the use of development assistance. Government implementation of the Central Public Administration Reform includes the following :

- Re organisation of central public administration
- Re-organisation of and decentralisation to local public administration
- Optimisation of the decision making process
- Improvement of human resource management
- Improvement of public finance management and procurement systems

These efforts will together help to tackle corruption. The Government and Development Partners are actively committed to preventing corruption and corrupt practices in all aspects of their cooperation.

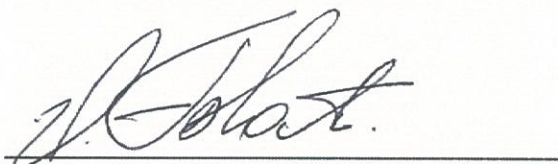
9. Development Partners and the Government will ensure that a coordinated approach is applied to activities related to the Transnistrian region. Development Partner assistance in the Transnistrian region is part of development assistance to Moldova to contribute to improving the quality of life of its inhabitants, meeting basic human needs, reducing poverty, promoting democracy, the rule of law, respect for human rights, establishing a functioning market economy and enabling communities to become self-sufficient. The assistance should aim to promote the principle of reintegration as articulated in existing national legislation as well as in the National Development Strategy, in particular through implementation of confidence building measures between the two banks of the Nistru River.
10. We recognise that Civil Society Organisations are independent development actors in their own right whose efforts can complement those of governments and the private sector. We share an interest in ensuring that CSO contributions to development reach their full potential. The Government will improve the efficiency of assistance provided by Development Partners by extending civil society and private sector participation in the determination of priorities of the development assistance and its monitoring, making information on assistance transparent and involving CSOs and the private sector in Sector Councils on Foreign Assistance, the Inter-Ministerial Committee for Strategic Planning and the Joint Partnership Council

11. Government monitoring and tracking of progress in the NDS, ESRP, EU-Moldova PCA, EU-Moldova Association Agreement and their successor documents, as well as assistance provided to support them, is realised using a single National Monitoring and Evaluation System, through the Sector Councils on Foreign Assistance, and through an Annual Progress Report using an agreed and appropriate mix of intermediate and final indicators. Through these mechanisms the partners will jointly assess whether the Principles outlined in this document are being upheld.

We the undersigned hereby confirm our commitment to work jointly with the principles set forth in this document in order to contribute to enhanced aid effectiveness and efficiency in Moldova.

Signed this day March, 18 2010 in Chisinau

For the Government of the Republic of Moldova



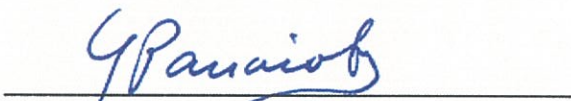
Vlad Filat, Prime Minister

For the Austrian Development Agency



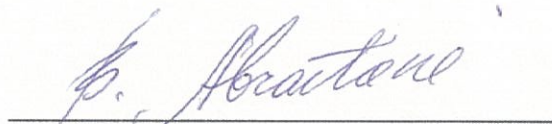
Michael Schieder, Head of the Coordination Office

For the Embassy of Bulgaria



Georgy Panayotov, Ambassador

For the Council of Europe



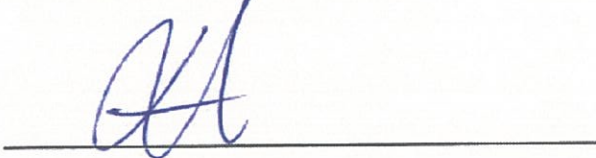
Birute Abraitiene, Special Representative of the Secretary General

For the Embassy of the Czech Republic



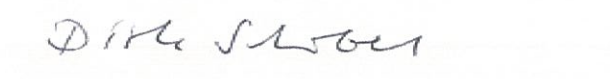
Jaromír Kvapil, Ambassador

For the Government of Denmark



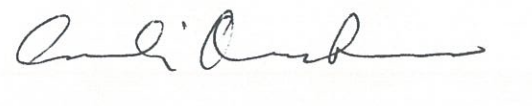
Ruben Madsen, Head of Department for European Neighbourhood and Russia, Ministry of Foreign Affairs

For the European Union Delegation



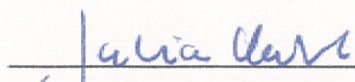
Dirk Schuebel, Head of Delegation

For the Embassy of Finland



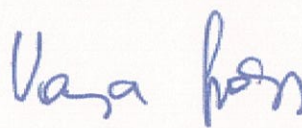
Irmeli Mustonen, Ambassador

For the Embassy of Germany



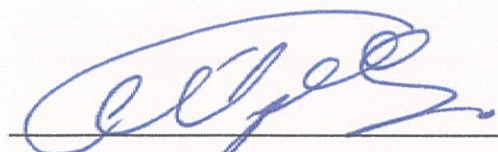
Julia Kahrl, Chargée d'Affaires a.i.

For the Embassy of Hungary



György Varga, Ambassador

For the International Monetary Fund



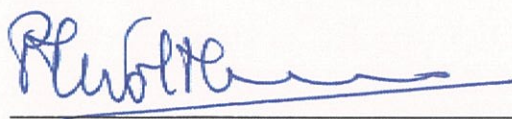
Tokhir Mirzoev, Resident Representative

For the Embassy of Lithuania



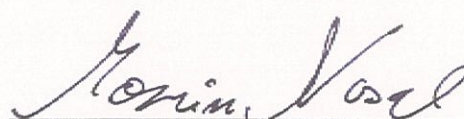
Violeta Motulaite, Ambassador

For the Embassy of the Netherlands



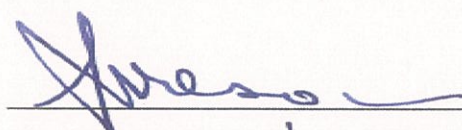
Pieter Jan Wolthers, Ambassador

For the Embassy of Poland



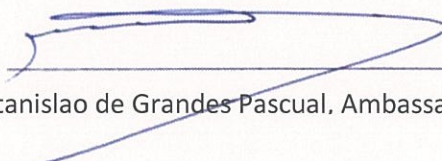
Marcin Nosal, Chargé d'Affaires

For the Embassy of Romania



Alexandru Mureșan, Chargé d'Affaires

For the Embassy of Spain



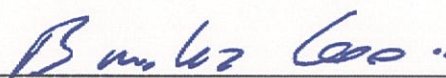
Estanislao de Grandes Pascual, Ambassador

For the Embassy of Sweden



Mats Åberg, Ambassador

For the Swiss Agency for Development and Cooperation



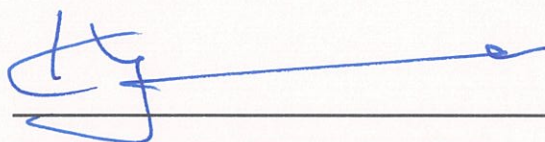
Georgette Bruchez, Country Director

For the Embassy of the United Kingdom



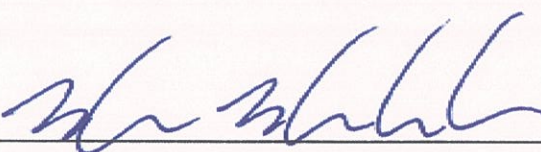
Keith Shannon, Ambassador

For the United Nations



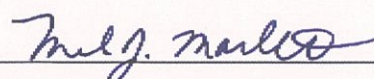
Kaarina Immonen, Resident Co-ordinator

For the Embassy of the United States



Marcus Micheli, Chargé d'Affaires

For the World Bank



Melanie Marlett, Country Manager